

**FUND OVERVIEW**

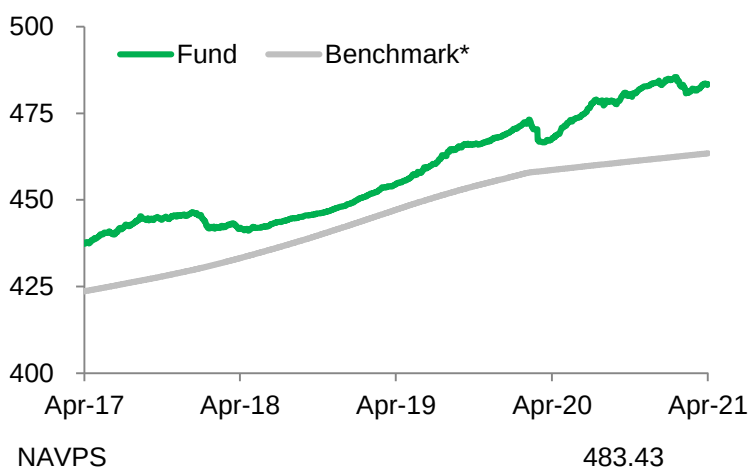
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

The fund is suitable for investors who:

- Are at least classified as **moderately aggressive** based on their risk profile.
- Have an investment horizon of up **at least three (3) years**.

**FUND FACTS**

|                                          |                         |
|------------------------------------------|-------------------------|
| <b>Classification:</b>                   | Medium-Term Bond Fund   |
| <b>Launch Date:</b>                      | February 5, 2002        |
| <b>Dealing Day:</b>                      | Daily up to 11:30 AM    |
| <b>Minimum Investment:</b>               | USD 500.00 <sup>1</sup> |
| <b>Min. Subsequent Order:</b>            | USD 100.00 <sup>1</sup> |
| <b>Minimum Holding Period:</b>           | 180 calendar days       |
| <b>Redemption Settlement:</b>            | T+0 End-of-Day          |
| <b>Early Redemption Charge:</b>          | 1.00%                   |
| <b>Total Management Fee<sup>2</sup>:</b> | 1.25% per annum         |
| <b>Total Fund NAV (Mn) :</b>             | USD 284.39              |

**FUND PERFORMANCE AND STATISTICS** *(Purely for reference purposes and is not a guarantee of future results)*
**NAVPS GRAPH**

**CUMULATIVE PERFORMANCE (%)** <sup>3</sup>

|                  | 1 mo        | 6 mos       | 1 YR        | 3 YRS       | 5 YRS        | S.I. <sup>4</sup> |
|------------------|-------------|-------------|-------------|-------------|--------------|-------------------|
| <b>Fund</b>      | <b>0.38</b> | <b>0.70</b> | <b>3.31</b> | <b>9.38</b> | <b>12.27</b> | <b>112.50</b>     |
| <b>Benchmark</b> | 0.08        | 0.52        | 1.08        | 6.91        | 10.66        | 46.88             |

**ANNUALIZED PERFORMANCE (%)** <sup>3</sup>

|                  | 1 YR        | 2 YRS       | 3 YRS       | 4 YRS       | 5 YRS       | S.I. <sup>4</sup> |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Fund</b>      | <b>3.31</b> | <b>3.11</b> | <b>3.03</b> | <b>2.53</b> | <b>2.34</b> | <b>3.99</b>       |
| <b>Benchmark</b> | 1.08        | 1.81        | 2.25        | 2.23        | 2.05        | 2.02              |

**CALENDAR YEAR PERFORMANCE(%)** <sup>3</sup>

|                  | YTD          | 2020        | 2019        | 2018        | 2017        | 2016        |
|------------------|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>Fund</b>      | <b>-0.09</b> | <b>3.34</b> | <b>4.45</b> | <b>0.55</b> | <b>3.15</b> | <b>3.29</b> |
| <b>Benchmark</b> | 0.34         | 1.37        | 3.09        | 2.94        | 1.93        | 1.30        |

**BENCHMARK**

3-month US Treasury bill plus 1.00%

**STATISTICS**

|                                          |      |
|------------------------------------------|------|
| Weighted Ave Duration (Yrs)              | 5.28 |
| Volatility, Past 1 Year (%) <sup>5</sup> | 0.87 |
| Sharpe Ratio <sup>6</sup>                | 3.72 |
| Information Ratio <sup>7</sup>           | 2.56 |
| Port. Weighted Yield to Maturity (%)     | 3.10 |
| Number of Holdings                       | 67   |

**PORTFOLIO COMPOSITION**
**Allocation % of Fund**

|                                      |       |
|--------------------------------------|-------|
| Government                           | 31.18 |
| Corporates                           | 58.53 |
| Fixed Income Funds                   | 8.97  |
| Cash & Cash Equivalents <sup>8</sup> | 1.32  |

**Asset Valuation**

|                  |       |
|------------------|-------|
| Marked-to-Market | 35.66 |
| Amortized Cost   | 64.34 |

**Maturity Profile**

|                   |       |
|-------------------|-------|
| Less than 1 year  | 12.78 |
| 1 – 3 years       | 18.59 |
| 3 – 5 years       | 22.67 |
| More than 5 years | 45.96 |

**TOP HOLDINGS**

| Name                         | Maturity | %    |
|------------------------------|----------|------|
| Aboitiz Equity Ventures Bond | 2030     | 7.01 |
| Fixed Income Fund            |          | 6.01 |
| AC Energy Bond               | 2024     | 5.32 |
| First Pacific Bond           | 2027     | 4.36 |
| Globe Telecom Bond           | 2030     | 3.77 |

<sup>1</sup>Contribution rounded down/redemption rounded off to the nearest whole share. Mutual Fund shares do not issue fractional shares.

<sup>2</sup>Management, Distribution & Transfer Agency Fees

<sup>3</sup>Returns are net of fees.

<sup>4</sup>Since Inception.

<sup>5</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>6</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

<sup>7</sup>Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>8</sup>Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities<sup>8</sup>

Fund prospectus is available upon request through BPI Investment Management Inc. (BIMI), authorized distributors and sales agents.

- **THE MUTUAL FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPS IS FOR ILLUSTRATION OF NAVPS MOVEMENTS/ FLUCTUATIONS ONLY.**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**
- **THE FUND MANAGER IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

## OUTLOOK AND STRATEGY

**Market Review.** The 10-year benchmark US Treasuries fell 11 bps in April to 1.63%.

About 44% of the American population has now received at least one dose of a COVID-19 vaccine, allowing further reopening of the US economy. Economic data out of the US continues to point towards strong economic recovery for the country this year. The US economy grew 6.4% in the first quarter of 2021. Consumer prices rose slightly higher than expected at 0.6% and US retail sales jumped 9.8% month-on-month in March as personal income surged 1.1% due to a boost from stimulus checks. Unemployment rate fell to 6.0% as the country added 916k jobs in March. However, the constantly mutating COVID-19 virus and vaccine concerns remain a threat to this recovery.

In the April FOMC meeting, the Fed left the federal funds target rate unchanged at 0%-0.25% as expected and maintained the current pace of its asset purchases at USD 120 Bn per month. The Fed's rhetoric remains dovish despite indications of strengthening economic activity and employment in the US. Fed Chair Powell has noted that inflation has risen but deems it transitory on the back of base effects and upward price pressures from economic reopening. Chair Powell has also stated it is too early to talk about tapering as we would need to see "substantial further progress" in the economy, again citing that employment is still about 8.5 mn below pre-pandemic levels.

**Fund Performance.** The Fund returned 0.38% for the month, outperforming its benchmark by 30 basis points. Year-to-date, return amounted to -0.09%, underperforming its benchmark by 43 basis points.

**Fund Strategy.** The fund will maintain its current duration. Investors in the bond fund must be prepared to withstand short-term volatility as higher investment value is normally achieved over the medium- to long-term.