

**FUND OVERVIEW**

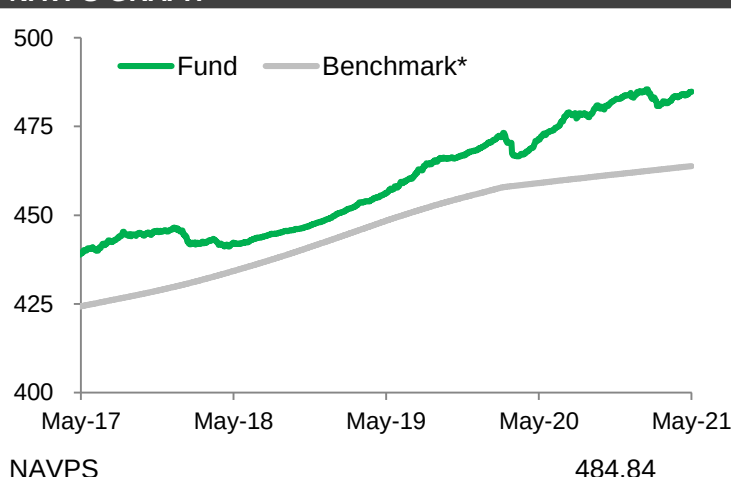
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 12:00 PM    |
| <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 286.64              |

**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>0.29</b> | <b>0.44</b> | <b>2.83</b> | <b>9.63</b> | <b>12.26</b> | <b>113.12</b>     |
| <b>Benchmark</b> | 0.08        | 0.43        | 1.07        | 6.74        | 10.63        | 46.96             |

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

|                  | 1 YR        | 2 YRS       | 3 YRS       | 4 YRS       | 5 YRS       | S.I. <sup>4</sup> |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Fund</b>      | <b>2.83</b> | <b>3.08</b> | <b>3.11</b> | <b>2.50</b> | <b>2.34</b> | <b>3.99</b>       |
| <b>Benchmark</b> | 1.07        | 1.71        | 2.20        | 2.21        | 2.04        | 2.01              |

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

|                  | YTD         | 2020        | 2019        | 2018        | 2017        | 2016        |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Fund</b>      | <b>0.20</b> | <b>3.34</b> | <b>4.45</b> | <b>0.55</b> | <b>3.15</b> | <b>3.29</b> |
| <b>Benchmark</b> | 0.43        | 1.37        | 3.09        | 2.94        | 1.93        | 1.30        |

**BENCHMARK**

3-month US Treasury bill plus 1.00%

**STATISTICS**

|                                          |      |
|------------------------------------------|------|
| Weighted Ave Duration (Yrs)              | 5.13 |
| Volatility, Past 1 Year (%) <sup>5</sup> | 0.85 |
| Sharpe Ratio <sup>6</sup>                | 3.25 |
| Information Ratio <sup>7</sup>           | 2.05 |
| Port. Weighted Yield to Maturity (%)     | 3.03 |
| Number of Holdings                       | 70   |

**PORTFOLIO COMPOSITION**

| Allocation                           | % of Fund |
|--------------------------------------|-----------|
| Government                           | 29.32     |
| Corporates                           | 58.57     |
| Fixed Income Funds                   | 8.40      |
| Cash & Cash Equivalents <sup>8</sup> | 3.71      |
| Asset Valuation                      |           |
| Marked-to-Market                     | 33.37     |
| Amortized Cost                       | 66.63     |
| Maturity Profile                     |           |
| Less than 1 year                     | 14.53     |
| 1 – 3 years                          | 17.43     |
| 3 – 5 years                          | 22.18     |
| More than 5 years                    | 45.86     |

**TOP HOLDINGS**

| Name                         | Maturity | %    |
|------------------------------|----------|------|
| Aboitiz Equity Ventures Bond | 2030     | 6.96 |
| Fixed Income Fund            |          | 6.00 |
| AC Energy Bond               | 2024     | 4.52 |
| First Pacific Bond           | 2027     | 4.33 |
| Globe Telecom Bond           | 2030     | 3.74 |

<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 3 bps in May to 1.59%.

The ongoing vaccine rollout in the US is supporting the resurgence of economic activity. US Manufacturing PMI rose to 61.5 (vs 60.5 prior) and US Services PMI rose to 70.1 (vs 64.7 prior) in May, both beating expectations and rising to the highest levels recorded. Consumer demand remains elevated but businesses are also facing rising input costs. US inflation surged higher in April, jumping 4.2% year-on-year and is likely to remain high in the coming months as supply constraints keep price levels elevated. Jobs data in April showed only 266k increase in number of employed people (vs 1 mn expected) leading market players to weigh on the prospects of the Fed keeping rates at low levels for quite some time.

The April Federal Open Market Committee (FOMC) meeting minutes released this month showed that some Fed officials are now open to beginning the discussion of tapering in upcoming Fed meetings if the US economy continues to show strong progress. Although the Federal Reserve continues to reiterate that price pressures are transitory due to supply chain bottlenecks and low base effects, investors remain cautious as risks may be seen to skew towards tapering and earlier interest rate hike by the Fed.

**Fund Performance.** The Fund returned 0.29% for the month, outperforming its benchmark by 21 basis points. Year-to-date, return amounted to 0.20%, underperforming its benchmark by 23 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.