

FUND OVERVIEW

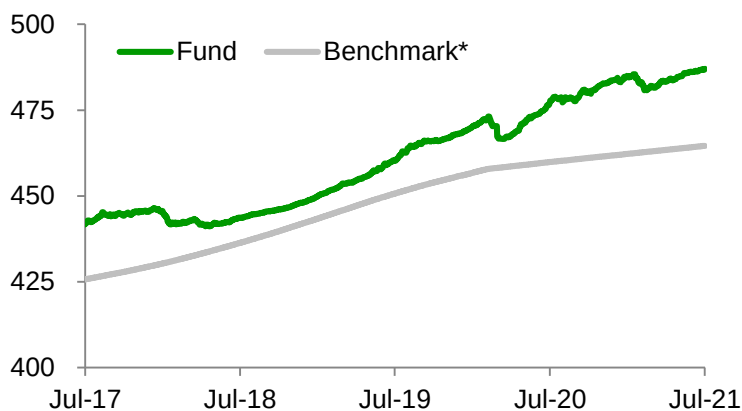
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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

Classification:	Medium-Term Bond Fund
Launch Date:	February 5, 2002
Dealing Day:	Daily up to 12:00 PM
Minimum Investment:	USD 500.00 ¹
Min. Subsequent Order:	USD 100.00 ¹
Minimum Holding Period:	180 calendar days
Redemption Settlement:	T+0 End-of-Day
Early Redemption Charge:	1.00%
Total Management Fee²:	1.25% per annum
Total Fund NAV (Mn) :	USD 296.98

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

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.19	0.47	1.94	9.77	11.22	114.09
Benchmark	0.09	0.51	1.05	6.42	10.59	47.13

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	1.94	2.85	3.16	2.45	2.15	3.98
Benchmark	1.05	1.53	2.09	2.17	2.03	2.00

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2020	2019	2018	2017	2016
Fund	0.66	3.34	4.45	0.55	3.15	3.29
Benchmark	0.60	1.37	3.09	2.94	1.93	1.30

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	4.60
Volatility, Past 1 Year (%) ⁵	0.81
Sharpe Ratio ⁶	2.33
Information Ratio ⁷	1.09
Port. Weighted Yield to Maturity (%)	2.93
Number of Holdings	71

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	24.17
Corporates	61.16
Fixed Income Funds	11.32
Cash & Cash Equivalents ⁸	3.35

Asset Valuation

Marked-to-Market	35.67
Amortized Cost	64.33

Maturity Profile

Less than 1 year	19.06
1 – 3 years	21.14
3 – 5 years	17.80
More than 5 years	42.00

TOP HOLDINGS

Name	Maturity	%
Fixed Income Fund		7.35
Aboitiz Equity Ventures Bond	2030	6.73
AC Energy Bond	2022	4.85
First Pacific Bond	2027	4.31
Fixed Income Fund		3.80

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

²Management, Distribution & Transfer Agency Fees

³Returns are net of fees.

⁴Since Inception.

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

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

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

⁸Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities⁸

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 25 bps in July to 1.22%.

US headline inflation climbed higher than expected at 5.4% year-on-year in June amid the rise in prices of used vehicles as well as food and energy prices, largely caused by the economic reopening but there are signs that inflationary pressures are already broadening across the economy. US 2Q GDP rose 6.5% year-on-year but failed to meet the 8.4% expected. The US economy has finally recovered all lost output caused by the pandemic, but the spread of the Delta COVID-19 variant is causing renewed global growth concerns thus this could be the peak of the US' post-pandemic recovery.

In its July 27-28 meeting, the FOMC kept the policy rate unchanged and maintained its current pace of asset purchases. It was noted that the US economy has made progress toward the committee's goals, however the "substantial further progress" language remained and inflation continues to be viewed as transitory. Markets still await the minutes of the July FOMC meeting to see the extent to which tapering was discussed in this month's meeting, with the Fed's more hawkish rhetoric indicating a limit to how hot they would let the economy run.

The Republic of the Philippines eyes its first-ever retail dollar bond (RDB) issuance that would be offered in minimum denominations of USD 300. However, the nation's capital's return to ECQ has delayed the RDB issuance and details are still to be determined.

Fund Performance. The Fund returned 0.19% for the month, outperforming its benchmark by 10 basis points. Year-to-date, return amounted to 0.66%, beating its benchmark by 6 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.