

FUND OVERVIEW

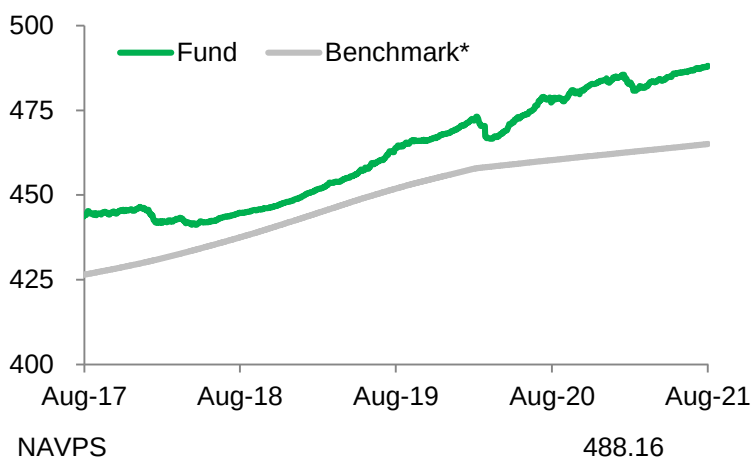
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 11:00 AM
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 297.67

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	0.23	1.13	2.29	9.77	11.02	114.58
Benchmark	0.09	0.51	1.05	6.24	10.57	47.22

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	2.29	2.59	3.16	2.40	2.11	3.98
Benchmark	1.05	1.46	2.04	2.15	2.03	1.99

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2020	2019	2018	2017	2016
Fund	0.89	3.34	4.45	0.55	3.15	3.29
Benchmark	0.69	1.37	3.09	2.94	1.93	1.30

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	4.48
Volatility, Past 1 Year (%) ⁵	0.76
Sharpe Ratio ⁶	2.89
Information Ratio ⁷	1.68
Port. Weighted Yield to Maturity (%)	2.95
Number of Holdings	67

PORTFOLIO COMPOSITION
Allocation % of Fund

Government	23.48
Corporates	62.62
Fixed Income Funds	10.48
Cash & Cash Equivalents ⁸	3.42

Asset Valuation

Marked-to-Market	35.79
Amortized Cost	64.21

Maturity Profile

Less than 1 year	18.32
1 – 3 years	22.15
3 – 5 years	18.24
More than 5 years	41.29

TOP HOLDINGS

Name	Maturity	%
Fixed Income Fund		7.36
Aboitiz Equity Ventures Bond	2030	6.72
AC Energy Bond	2022	4.83
Ayala Corporation Bond	2022	4.59
First Pacific Bond	2027	4.30

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 rose 9 bps in August to 1.31%.

July consumer prices jumped 5.4%, the largest jump since 2008. CPI increased 0.5% month-on-month as expected, but core CPI (ex food and energy component) rose slower than expected at 0.3% with ongoing price pressures still seen in groceries, restaurants, hotels, and new vehicles. July ISM Services data in the US beat estimates at 64.1 and non-farm payrolls showed the US economy created 943K jobs vs 870K expected. Investors continue to remain cautious amid the spread of the Delta COVID-19 variant.

At the annual Jackson Hole Symposium, the US Federal Reserve was more dovish than expected as they continue to be cautious in their approach to tapering accommodative policy. Chair Jerome Powell stated that “substantial further progress” has been made towards inflation goals but not yet towards employment. Chair Powell did not give out the precise timing and composition of tapering (although likely to start this year) and the COVID-19 pandemic remains a risk to the economic outlook. A bipartisan infrastructure deal with USD 550 Bn in new spending was passed in the Senate and moved to the House for approval.

The Republic of the Philippines eyes its first-ever retail dollar bond (RDB) issuance that would be offered in minimum denominations of USD 300. Markets await details on the new RDB with indicative tenors of 5 years and/or 10 years.

Fund Performance. The Fund returned 0.23% for the month, outperforming its benchmark by 14 basis points. Year-to-date, return amounted to 0.89%, beating its benchmark by 20 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.