

FUND OVERVIEW

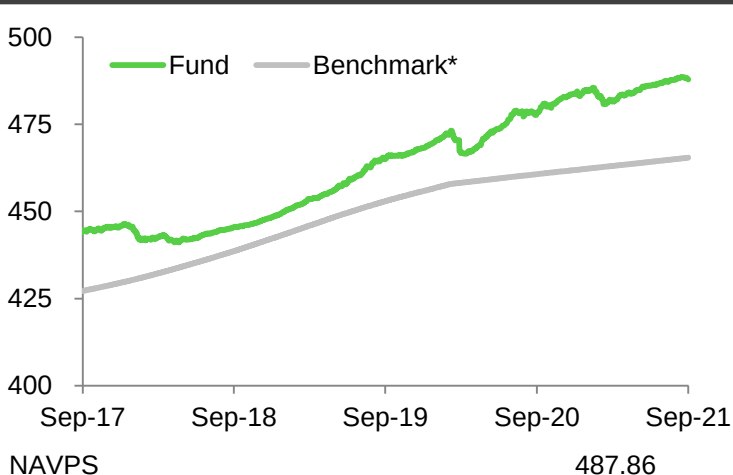
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 1,000.00 ¹
Min. Subsequent Order:	USD 1,000.00 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 294.25

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	-0.06	1.30	1.98	9.52	10.79	114.44
Benchmark	0.09	0.51	1.04	6.08	10.55	47.31

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	1.98	2.41	3.08	2.36	2.07	3.96
Benchmark	1.04	1.38	1.99	2.13	2.03	1.99

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2020	2019	2018	2017	2016
Fund	0.82	3.34	4.45	0.55	3.15	3.29
Benchmark	0.77	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	0.73
Sharpe Ratio ⁶	3.01
Information Ratio ⁷	1.51
Port. Weighted Yield to Maturity (%)	3.07
Number of Holdings	63

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	23.22
Corporates	65.67
Fixed Income Funds	7.66
Cash & Cash Equivalents ⁸	3.45

Asset Valuation

Marked-to-Market	31.06
Amortized Cost	68.94

Maturity Profile

Less than 1 year	20.93
1 – 3 years	21.69
3 – 5 years	13.93
More than 5 years	43.45

TOP HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures Bond	2030	6.78
Fixed Income Fund		6.08
Ayala Corporation Bond	2022	5.36
AC Energy Bond	2022	4.85
First Pacific Bond	2027	4.35

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 21 bps in September to 1.52%.

US consumer prices rose by 5.3% in August, slower than 5.4% increase in the previous month, however inflation pressures continue to build amid ongoing supply chain disruptions and higher energy costs.

The Federal Reserve kept the policy rate unchanged and maintained the current amount of its asset purchases in the Federal Open Market Committee (FOMC) meeting last Sept 22. However, Fed Chair Powell suggested the likelihood of a possible taper announcement of its asset purchases by November following the continued progress of the US economic recovery. 9 out of 18 Fed officials now also expect a rate hike by end of 2022. A potential tapering announcement coupled with the negative sentiment brought about by the China Evergrande Group debt crisis and the US government debt ceiling issue caused yields to rise this month. The COVID-19 pandemic continues to remain a risk to the economic outlook.

The Philippine government was able to raise a total of USD 1.593 Bn in its first-ever retail dollar bond (RDB) sale. A total of USD 1.11 Bn of 5 year retail dollar bonds (RDBs) with a 1.375% coupon and USD 480 Mn 10yr RDBs with 2.25% coupon were issued and will settle on October 8.

Fund Performance. The Fund returned -0.06% for the month, underperforming its benchmark by 15 basis points. Year-to-date, return amounted to 0.82%, beating its benchmark by 5 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.