

FUND OVERVIEW

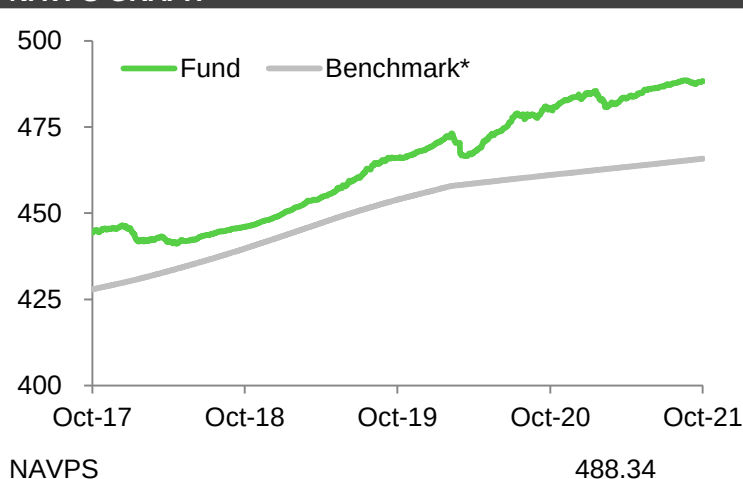
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 295.40

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

STATISTICS

Weighted Ave Duration (Yrs)	4.19
Volatility, Past 1 Year (%) ⁵	0.71
Sharpe Ratio ⁶	3.17
Information Ratio ⁷	1.52
Port. Weighted Yield to Maturity (%)	3.11
Number of Holdings	62

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	23.08
Corporates	67.48
Fixed Income Funds	6.94
Cash & Cash Equivalents ⁸	2.50

Asset Valuation

Marked-to-Market	30.08
Amortized Cost	69.92

Maturity Profile

Less than 1 year	20.45
1 – 3 years	21.57
3 – 5 years	14.78
More than 5 years	43.20

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.10	1.02	1.72	9.47	11.55	114.65
Benchmark	0.09	0.52	1.04	5.87	10.53	47.40

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	1.72	2.36	3.06	2.37	2.21	3.94
Benchmark	1.04	1.31	1.92	2.11	2.02	1.98

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2020	2019	2018	2017	2016
Fund	0.92	3.34	4.45	0.55	3.15	3.29
Benchmark	0.86	1.37	3.09	2.94	1.93	1.30

BENCHMARK

3-month US Treasury bill plus 1.00%

TOP HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures, Inc. Bond	2030	6.74
Ayala Corporation Bond	2022	5.72
AC Energy Bond	2022	5.43
First Pacific Bond	2027	4.33
Fixed Income Fund		3.71

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 by about 4 basis points in October to 1.56%.

US consumer prices rose by 5.4% in September, faster than 5.3% increase in the previous month, with renewed inflation concerns sparked by continued supply chain disruptions and surging oil prices which are at the highest levels in in seven years as OPEC+ maintains its limits on oil supply. The US economy grew only 2% in the third quarter of 2021 (prev 6.7%) which also reflected these supply-chain bottlenecks and the impact of the highly contagious COVID-19 Delta variant. The US government has managed to avoid a debt ceiling crisis with the Senate reaching a deal on a short-term debt limit extension which will cover the US government operational expenses until early December. US President Biden makes slow progress on his USD 1.2 Tn infrastructure plan which now awaits approval by the US Congress.

Market participants await the unveiling of the US Fed's tapering announcement of its monthly purchases. The move is in anticipation of rising investors expectation to curb the inflationary pressures, which has been more than persistent rather than transitory. While it is an event, further comments coming from the US Fed Chairman Jerome Powell could largely be more of a market driver especially after he noted last October 22 that "the risks are clearly now to longer and more persistent bottlenecks and, thus, to higher inflation."

Fund Performance. The Fund returned 0.10% for the month, beating its benchmark by 1 basis point. Year-to-date, return amounted to 0.92%, 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.