

FUND OVERVIEW

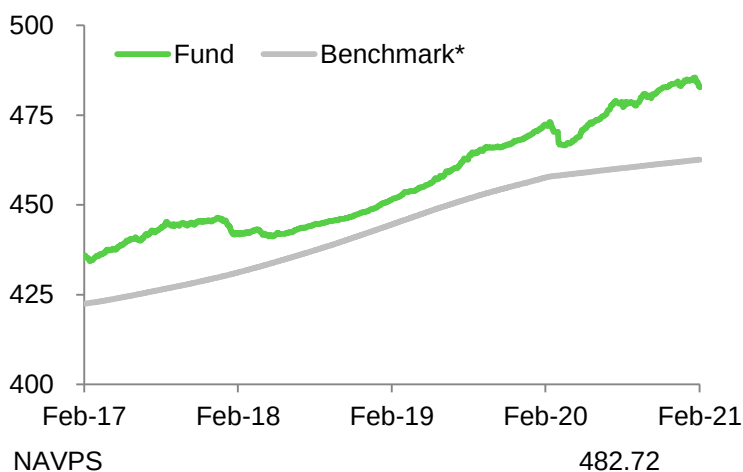
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 01:00 PM
Minimum Investment:	USD 500.00 ¹
Min. Subsequent Order:	USD 100.00 ¹
Minimum Holding Period:	180 calendar days
Redemption Settlement:	T+1 End-of-Day
Early Redemption Charge:	1.00%
Total Management Fee²:	1.25% per annum
Total Fund NAV (Mn) :	USD 283.99

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

CUMULATIVE PERFORMANCE (%) ³

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. ⁴
Fund	-0.42	0.07	1.15	2.26	9.25	112.18
Benchmark	0.09	0.27	0.54	1.11	7.20	46.71

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	2.26	3.37	2.99	2.58	2.61	4.02
Benchmark	1.11	2.01	2.35	2.26	2.05	2.03

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2020	2019	2018	2017	2016
Fund	-0.24	3.34	4.45	0.55	3.15	3.29
Benchmark	0.18	1.37	3.09	2.94	1.93	1.30

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	5.36
Volatility, Past 1 Year (%) ⁵	1.32
Sharpe Ratio ⁶	1.64
Information Ratio ⁷	0.87
Port. Weighted Yield to Maturity (%)	2.98

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	36.95
Corporates	49.74
Fixed Income Funds	10.45
Cash & Cash Equivalents ⁸	2.86

Asset Valuation

Marked-to-Market	45.13
Amortized Cost	54.87

TOP THREE FIXED INCOME HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures, Inc. Bond	1/16/2030	7.04
Fixed Income Fund		5.95
AC Energy Bond	1/29/2024	5.71

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 34 bps in February to 1.41%.

US Treasury yields continue to rise as optimism on the COVID-19 vaccines roll-out and the upcoming US fiscal package continue to dictate market sentiment, causing investors to sell-off their safe haven US Treasuries. Investors are now more optimistic on their expectations of stronger economic growth as the US economy is starting to show signs of a rebound. Inflation in the US rose by 1.4% in January and is expected to rise further in 2021 on base effects. Unemployment rate edged lower in January at 6.3% from 6.7% in December. Services PMI rose to 58.9 in February from 57.5 in January showing strong expansion in the service sector and although Manufacturing PMI edged down to 58.5 in February from 59.1 in January, manufacturers noted stronger client demand.

The Federal Reserve has kept guidance on asset purchases unchanged in January to mitigate concerns over rising yields with Fed Chair Powell stressing that it would take some time before they consider tapering asset purchases as the US is still a long way from its economic goals.

Fund Performance. The Fund returned -0.42% for the month, underperforming its benchmark by 51 basis points. Year-to-date, return amounted to -0.24%, underperforming its benchmark by 42 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.