

FUND OVERVIEW

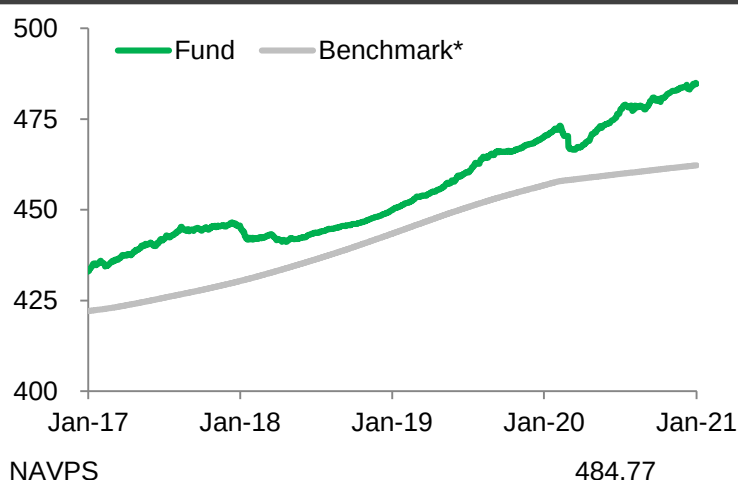
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 280.90

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	0.19	0.97	1.46	3.05	9.03	113.09
Benchmark	0.09	0.27	0.54	1.23	7.32	46.62

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	3.05	3.78	2.92	2.84	2.81	4.06
Benchmark	1.23	2.10	2.38	2.27	2.06	2.04

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2020	2019	2018	2017	2016
Fund	0.19	3.34	4.45	0.55	3.15	3.29
Benchmark	0.09	1.37	3.09	2.94	1.93	1.30

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	4.75
Volatility, Past 1 Year (%) ⁵	1.81
Sharpe Ratio ⁶	1.56
Information Ratio ⁷	1.00
Port. Weighted Yield to Maturity (%)	2.80

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	32.87
Corporates	54.80
Fixed Income Funds	10.05
Cash & Cash Equivalents ⁸	2.28

Asset Valuation

Marked-to-Market	47.11
Amortized Cost	52.89

TOP THREE FIXED INCOME HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures, Inc. Bond	1/16/2030	7.10
AC Energy Bond	1/29/2024	5.77
Fixed Income Fund		5.33

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 15 bps in January to 1.07%.

10 yr USTs have breached the psychological 1% handle for the first time since March 2020 as we finally saw the Blue Wave materialize in the US with Joe Biden declared President and the Democratic party taking majority control of the Senate and Congress. Investors await the next fiscal stimulus package out of the US, Pres. Biden proposing a USD 1.9 Tn “American Rescue Plan” on top of the USD 900 Bn in December, and continue to trade in their safe haven USTs for more risky assets this month. Inflation in the US rose higher than expected at 1.4% in December. Unemployment rate was steady at 6.7% in December. Services PMI rose to 57.5 in January from 55.3 in December and Manufacturing PMI climbed to 59.1 in January from 57.1 in December, showing signs of expanding economic activity.

At its January meeting, the Federal Reserve kept rates unchanged as expected. Fed Chair Powell remains dovish as the COVID pandemic continues to weigh on the economy. The Fed remains committed to its purchase of treasuries by \$80 Bn a month and to buying up to \$40Bn of agency mortgage-backed securities. The Fed is unlikely to raise rates until 2023.

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