

**FUND OVERVIEW**

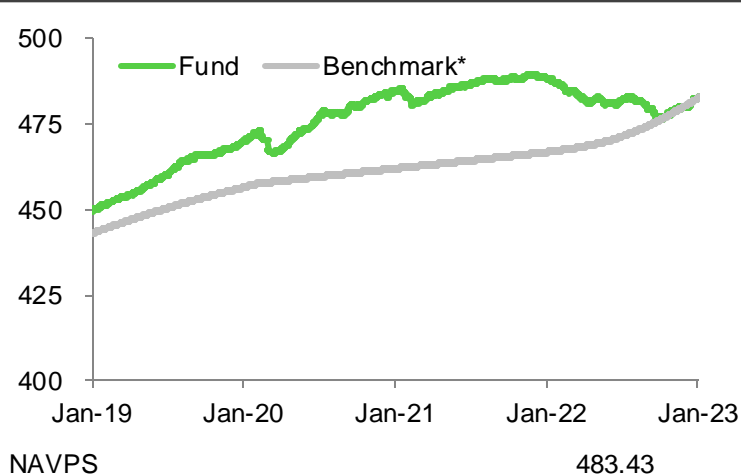
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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**

<b>Classification:</b>	Medium-Term Bond Fund
<b>Launch Date:</b>	February 5, 2002
<b>Dealing Day:</b>	Daily up to 1:30 PM
<b>Minimum Investment:</b>	USD 1,000.00 <sup>1</sup>
<b>Min. Subsequent Order:</b>	USD 1,000.00 <sup>1</sup>
<b>Minimum Holding Period:</b>	180 calendar days
<b>Redemption Settlement:</b>	T+0 End-of-Day
<b>Early Redemption Charge:</b>	1.00%
<b>Total Management Fee<sup>2</sup>:</b>	1.25% per annum
<b>Total Fund NAV (Mn) :</b>	USD 248.50

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

**CUMULATIVE PERFORMANCE (%)** <sup>3</sup>

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.71</b>	<b>0.29</b>	<b>-1.01</b>	<b>2.77</b>	<b>8.73</b>	<b>112.50</b>
<b>Benchmark</b>	0.49	2.37	3.36	5.63	11.82	51.99

**ANNUALIZED PERFORMANCE (%)** <sup>3</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>-1.01</b>	<b>-0.14</b>	<b>0.91</b>	<b>1.80</b>	<b>1.69</b>	<b>3.65</b>
<b>Benchmark</b>	3.36	2.17	1.84	2.11	2.26	2.01

**CALENDAR YEAR PERFORMANCE(%)** <sup>3</sup>

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>0.71</b>	<b>-1.96</b>	<b>1.19</b>	<b>3.34</b>	<b>4.45</b>	<b>0.55</b>
<b>Benchmark</b>	0.49	2.96	1.03	1.37	3.09	2.94

**BENCHMARK**

3-month US Treasury bill plus 1.00%

**STATISTICS**

Weighted Ave Duration (Yrs)	5.35
Volatility, Past 1 Year (%) <sup>5</sup>	0.75
Sharpe Ratio <sup>6</sup>	-4.53
Information Ratio <sup>7</sup>	-5.82
Port. Weighted Yield to Maturity (%)	4.18
Number of Holdings	53

**PORTFOLIO COMPOSITION**

Allocation	% of Fund
Government	25.68
Corporates	66.82
Fixed Income Funds	2.63
Cash & Cash Equivalents <sup>8</sup>	4.87
Asset Valuation	
Marked-to-Market	23.42
Amortized Cost	76.58
Maturity Profile	
Less than 1 year	13.15
1 – 3 years	24.20
3 – 5 years	8.29
More than 5 years	54.36

**TOP HOLDINGS**

Name	Maturity	%
Aboitiz Equity Ventures, Inc. Bond	2030	7.82
Ayala Corporation Bond - Perpetual		6.73
First Pacific Bond	2027	5.16
JG Summit Holdings Bond	2030	4.48
Manila Water Corp. Bond	2030	4.38

<sup>1</sup>Contribution rounded down/redemption rounded off to the nearest whole share. Mutual Fund shares do not issue fractional shares.

<sup>2</sup>Management, Distribution & Transfer Agency Fees

<sup>3</sup>Returns are net of fees.

<sup>4</sup>Since Inception.

<sup>5</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>6</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

<sup>7</sup>Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>8</sup>Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities<sup>8</sup>

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.** US GDP grew by 2.9% quarter-on-quarter in 4Q22, ahead of the consensus estimate of 2.6%. Government spending and private investment helped buoy GDP despite a slowdown in consumption and housing. Meanwhile, December 2022 inflation eased further to 6.5% from 7.1% in November and a 9.1% peak in June 2022, stemming mostly from the decline in crude oil prices which fell as much as 12% during the month. Month-on-month, the 10-year US Treasury yield fell by about 36 basis points to 3.51% on January 31.

**Fund Performance.** The Fund returned 0.71% for the month, beating its benchmark by 22 basis points. Year-to-date, return amounted to 0.71%, outperforming its benchmark by 22 basis points.

**Fund Strategy.** The fund will start to gradually lengthen its portfolio duration. We aim to achieve this by participating in the expected ROP issuances that the government usually auctions off at the beginning of the year. 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.