

**FUND OVERVIEW**

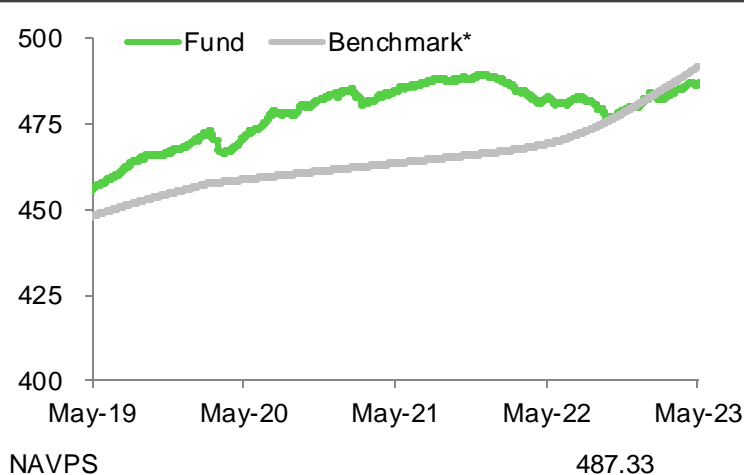
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 243.59                |

**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>0.24</b> | <b>1.80</b> | <b>0.91</b> | <b>3.36</b> | <b>10.20</b> | <b>114.21</b>     |
| <b>Benchmark</b> | 0.54        | 2.84        | 4.78        | 7.08        | 12.90        | 54.60             |

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

|                  | 1 YR        | 2 YRS       | 3 YRS       | 4 YRS       | 5 YRS       | S.I. <sup>4</sup> |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Fund</b>      | <b>0.91</b> | <b>0.26</b> | <b>1.11</b> | <b>1.66</b> | <b>1.96</b> | <b>3.64</b>       |
| <b>Benchmark</b> | 4.78        | 2.96        | 2.31        | 2.30        | 2.46        | 2.06              |

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

|                  | YTD         | 2022         | 2021        | 2020        | 2019        | 2018        |
|------------------|-------------|--------------|-------------|-------------|-------------|-------------|
| <b>Fund</b>      | <b>1.52</b> | <b>-1.96</b> | <b>1.19</b> | <b>3.34</b> | <b>4.45</b> | <b>0.55</b> |
| <b>Benchmark</b> | 2.41        | 2.96         | 1.03        | 1.37        | 3.09        | 2.94        |

**BENCHMARK**

3-month US Treasury bill plus 1.00%

**STATISTICS**

|  |       |
|--|-------|
| Weighted Ave Duration (Yrs)              | 4.05  |
| Volatility, Past 1 Year (%) <sup>5</sup> | 0.73  |
| Sharpe Ratio <sup>6</sup>                | -3.94 |
| Information Ratio <sup>7</sup>           | -5.14 |
| Port. Weighted Yield to Maturity (%)     | 4.37  |
| Number of Holdings                       | 61    |

**TOP HOLDINGS**

| Name                               | Maturity | %    |
|------------------------------------|----------|------|
| Aboitiz Equity Ventures, Inc. Bond | 2030     | 7.97 |
| Ayala Corporation Bond - Perpetual |          | 6.85 |
| First Pacific Bond                 | 2027     | 5.25 |
| JG Summit Holdings Bond            | 2030     | 4.55 |
| Manila Water Corp. Bond            | 2030     | 4.54 |

<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.

**PORTFOLIO COMPOSITION**

| Allocation                           | % of Fund |
|--------------------------------------|-----------|
| Government                           | 27.88     |
| Corporates                           | 63.59     |
| Fixed Income Funds                   | 2.65      |
| Cash & Cash Equivalents <sup>8</sup> | 5.88      |
| Asset Valuation                      |           |
| Marked-to-Market                     | 27.66     |
| Amortized Cost                       | 72.34     |
| Maturity Profile                     |           |
| Less than 1 year                     | 12.79     |
| 1 – 3 years                          | 25.89     |
| 3 – 5 years                          | 10.12     |
| More than 5 years                    | 51.20     |

- 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 inflation trended lower to 4.9% year-on-year in April, lower than the market estimate and the previous month's 5.0% figure. However, volatility in the fixed bond market lingered as former Federal Reserve Chair Janet Yellen warned that the government will run out of money to fulfil its commitments as early as June 1. US officials met throughout the month in the hopes of reaching a deal on the coming debt ceiling problem. The 10-year US Treasury yield fell 22 basis points throughout the time to conclude the month at 3.64%.

**Fund Performance.** The Fund returned 0.24% for the month, underperforming its benchmark by 30 basis points. Year-to-date, return amounted to 1.52%, underperforming its benchmark by 89 basis points.

**Fund Strategy.** The fund manager is looking to gradually add duration to the portfolio. This is in light of signs that the Federal Reserve may be nearing the end of its rate hike cycle. 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.