

FUND OVERVIEW

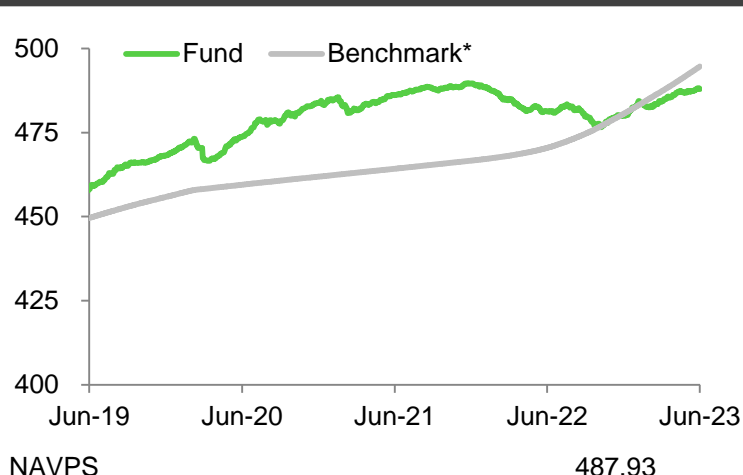
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 2:00 PM
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 242.06

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

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.12	1.65	1.38	2.97	10.30	114.47
Benchmark	0.51	2.92	5.10	7.51	13.20	55.31

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	1.38	0.18	0.98	1.59	1.98	3.63
Benchmark	5.10	3.17	2.44	2.36	2.51	2.08

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2022	2021	2020	2019	2018
Fund	1.65	-1.96	1.19	3.34	4.45	0.55
Benchmark	2.92	2.96	1.03	1.37	3.09	2.94

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	3.96
Volatility, Past 1 Year (%) ⁵	0.71
Sharpe Ratio ⁶	-3.81
Information Ratio ⁷	-4.97
Port. Weighted Yield to Maturity (%)	4.42
Number of Holdings	60

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	27.54
Corporates	63.51
Fixed Income Funds	2.70
Cash & Cash Equivalents ⁸	6.25

Asset Valuation

Marked-to-Market	26.02
Amortized Cost	73.98

Maturity Profile

Less than 1 year	18.24
1 – 3 years	20.70
3 – 5 years	10.14
More than 5 years	50.92

TOP HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures, Inc. Bond	2030	8.01
Ayala Corporation Bond - Perpetual		6.88
First Pacific Bond	2027	5.28
JG Summit Holdings Bond	2030	4.57
Manila Water Corp. Bond	2030	4.55

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 JP Morgan Asia Credit Index (JACI) Philippines rose by 0.74% in June as Philippine dollar-denominated bonds outperformed US Treasuries.

Global bonds had a volatile month as investors continued to witness persistent inflationary pressures across the world. US core CPE was at 4.7% year-on-year in April, while US core CPI was at 5.3% year-on-year in May. Both remained well above the Fed's target of 2%. Meanwhile, the Bank of England announced a hawkish 50-bps hike following the release of elevated UK CPI at 8.7% year-on-year.

During its Federal Open Market Committee meeting held mid-month, the Fed held policy rates steady but noted that it could potentially raise rates twice more before the end of the year. The Fed's updated economic forecasts showed inflation to still be above target, which could justify further hawkish actions moving forward. For the month, the 10-year US Treasury yield rose by 20 basis points lower to close the month at 3.84%.

In the local economic space, inflation for the month of May settled at 6.1% year-on-year from the 6.6% print in April. The figure was once again lower than market expectations, and was brought about by receding supply-side pressures. Consequently, the BSP kept rates steady during its Monetary Board meeting mid-month, citing the improvement in local prices. Nevertheless, policy officials reiterated that they remained prepared to adjust policy settings as needed, and added that easing inflation would give them more flexibility moving forward. The newly-appointed BSP Governor, Eli Remolona, will officially begin his term on July 3.

Fund Performance. The Fund returned 0.12% for the month, underperforming its benchmark by 39 basis points. Year-to-date, return amounted to 1.65%, underperforming its benchmark by 127 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.