

FUND OVERVIEW

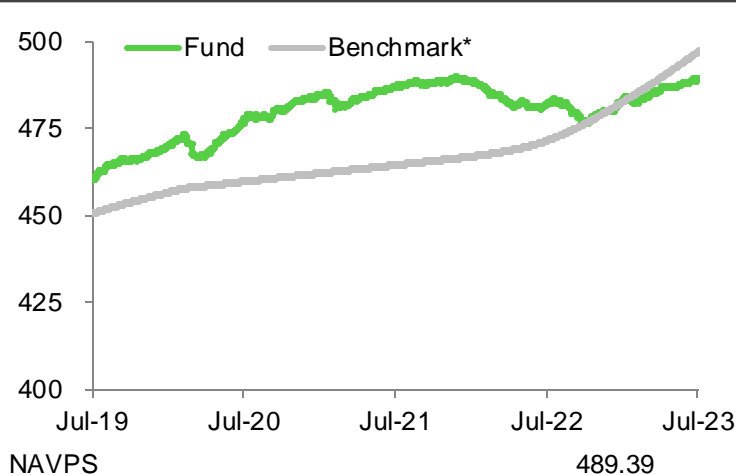
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 100.00 ¹
Min. Subsequent Order:	Equivalent amount of 1 share*
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 240.86

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


	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.30	1.23	1.52	2.43	10.29	115.12
Benchmark	0.53	2.97	5.39	7.97	13.49	56.04

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	1.52	0.24	0.80	1.54	1.98	3.63
Benchmark	5.39	3.40	2.59	2.42	2.56	2.09

	YTD	2022	2021	2020	2019	2018
Fund	1.95	-1.96	1.19	3.34	4.45	0.55
Benchmark	3.46	2.96	1.03	1.37	3.09	2.94

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	3.95
Volatility, Past 1 Year (%) ⁵	0.72
Sharpe Ratio ⁶	-3.95
Information Ratio ⁷	-5.10
Port. Weighted Yield to Maturity (%)	4.41
Number of Holdings	58

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	27.66
Corporates	65.28
Fixed Income Funds	2.74
Cash & Cash Equivalents ⁸	4.32

Asset Valuation

Marked-to-Market	24.76
Amortized Cost	75.24

Maturity Profile

Less than 1 year	17.98
1 – 3 years	20.66
3 – 5 years	10.19
More than 5 years	51.17

TOP HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures, Inc. Bond	2030	8.04
Ayala Corporation Bond - Perpetual		6.92
First Pacific Bond	2027	5.30
JG Summit Holdings Bond	2030	4.60
Manila Water Corp. Bond	2030	4.58

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 0.64% in July as Philippine dollar-denominated bonds outperformed US Treasuries.

Global bonds had another volatile month as softening US inflation figures were offset by hawkish Fed speak. US core PCE was at 4.1% year-on-year in June, down from 4.6% in the prior month, while US June headline CPI was at 3.0% year-on-year, the lowest level since March 2021.

During its Federal Open Market Committee meeting held towards month-end, the Fed hiked policy rates by another 25 basis points, a move widely anticipated by markets. Fed Chair Jerome Powell noted that they would continue to make data-driven decisions on a “meeting-by-meeting basis”. Over the month, the US 10-year benchmark Treasury yield rose by 12 basis points to close at 3.96%.

In the local space, inflation for the month of June dropped to 5.4% year-on-year from the 6.1% print in May. The figure was once again below market expectations, and was brought about by receding supply-side pressures. This brought about speculation that the central bank could keep rates steady come its Monetary Policy meeting slated for August. Nevertheless, newly appointed BSP Governor Eli Remolona has underscored that core inflation remains elevated, with potential upside risks stemming from El Niño and upcoming wage hikes.

Fund Performance. The Fund returned 0.30% for the month, underperforming its benchmark by 23 basis points. Year-to-date, return amounted to 1.95%, underperforming its benchmark by 151 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.