

FUND OVERVIEW

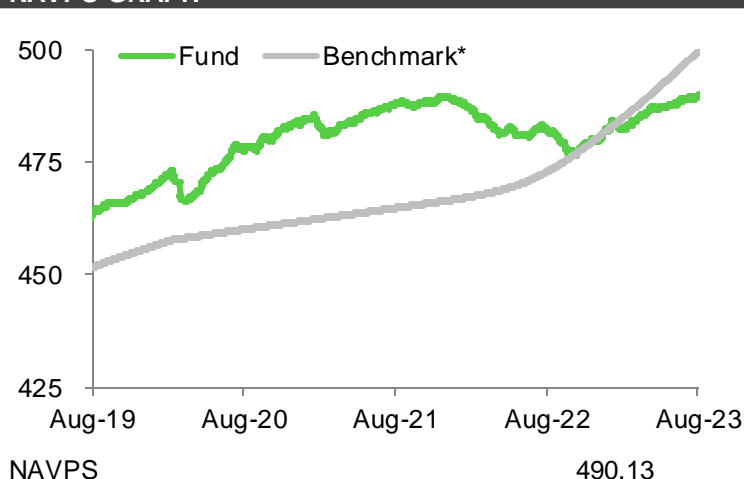
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 239.12

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	0.15	1.55	1.62	2.70	10.21	115.44
Benchmark	0.53	3.06	5.61	8.43	13.79	56.79

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	1.62	0.20	0.89	1.39	1.96	3.62
Benchmark	5.61	3.62	2.73	2.50	2.62	2.11

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2022	2021	2020	2019	2018
Fund	2.10	-1.96	1.19	3.34	4.45	0.55
Benchmark	4.01	2.96	1.03	1.37	3.09	2.94

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	3.90
Volatility, Past 1 Year (%) ⁵	0.71
Sharpe Ratio ⁶	-4.22
Information Ratio ⁷	-5.39
Port. Weighted Yield to Maturity (%)	4.33
Number of Holdings	60

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	27.72
Corporates	66.15
Fixed Income Funds	2.75
Cash & Cash Equivalents ⁸	3.38
Asset Valuation	
Marked-to-Market	23.81
Amortized Cost	76.19
Maturity Profile	
Less than 1 year	17.53
1 – 3 years	20.80
3 – 5 years	10.23
More than 5 years	51.44

TOP HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures, Inc. Bond	2030	8.09
Ayala Corporation Bond - Perpetual		6.97
First Pacific Bond	2027	5.34
JG Summit Holdings Bond	2030	4.63
Manila Water Corp. Bond	2030	4.61

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 lost 1.18% in August as Philippine dollar-denominated bonds tracked US Treasuries.

Global bonds had another volatile month amid a raft of mostly strong US economic data which fuelled speculation of hawkish actions from the Federal Reserve. Payroll figures for the month of July came in at 187,000, slightly lower than consensus expectation of 200,000 but still high. Meanwhile, headline inflation (CPI) rose by 3.2% year-on-year in July driven by higher food and energy prices. Minutes of the last Federal Open Market Committee (FOMC) meeting held July were also released, and revealed that committee members remained wary of price pressures, leaving the door open for further hikes as needed. Consequently, the 10-year US Treasury benchmark yield spiked to as high as 4.34% mid-month before ending 15 basis points higher month-on-month at 4.11%.

In the local space, inflation for the month of July dropped to 4.7% year-on-year from the 5.4% print in June. The figure was once again below market expectations (consensus estimate: 4.9% YoY), and was brought about by receding supply-side pressures. Meanwhile, Philippine GDP data largely disappointed, growing just 4.3% year-on-year for the second quarter of the year versus consensus expectation of 6.0%. This marked the lowest expansion since 2011 with all major sectors of the economy exhibiting a slowdown. Following these economic data releases, the Bangko Sentral ng Pilipinas (BSP) kept its overnight benchmark rate steady during its Monetary Policy meeting held mid-month. The BSP likewise noted that it would remain vigilant of its inflation target and stood ready to adjust policy rates as necessary moving forward.

Fund Performance. The Fund returned 0.15% for the month, underperforming its benchmark by 38 basis points. Year-to-date, return amounted to 2.10%, underperforming its benchmark by 191 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.