

**FUND OVERVIEW**

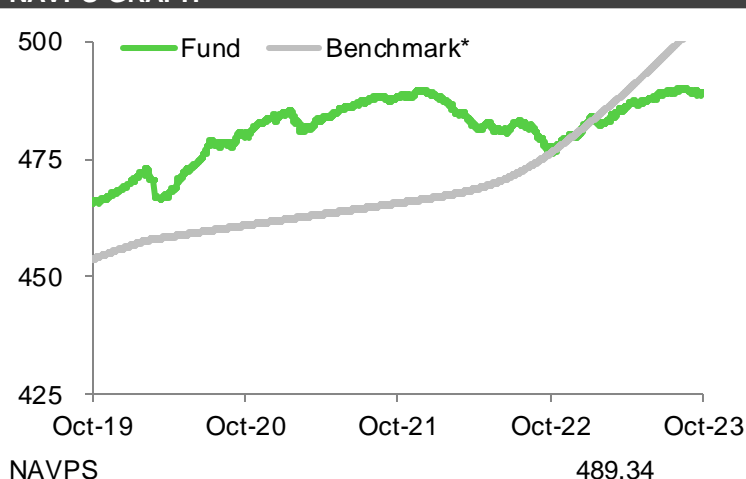
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 2:00 PM
<b>Minimum Investment:</b>	USD 100.00 <sup>1</sup>
<b>Min. Subsequent Order:</b>	Equivalent amount of 1 share*
<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 229.85

**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>-0.03</b>	<b>0.65</b>	<b>2.46</b>	<b>1.93</b>	<b>9.69</b>	<b>115.09</b>
<b>Benchmark</b>	0.55	3.19	6.00	9.35	14.37	58.28

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>2.46</b>	<b>0.10</b>	<b>0.64</b>	<b>1.22</b>	<b>1.87</b>	<b>3.58</b>
<b>Benchmark</b>	6.00	4.07	3.03	2.64	2.72	2.13

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>1.94</b>	<b>-1.96</b>	<b>1.19</b>	<b>3.34</b>	<b>4.45</b>	<b>0.55</b>
<b>Benchmark</b>	5.10	2.96	1.03	1.37	3.09	2.94

**BENCHMARK**

3-month US Treasury bill plus 1.00%

**STATISTICS**

Weighted Ave Duration (Yrs)	3.94
Volatility, Past 1 Year (%) <sup>5</sup>	0.64
Sharpe Ratio <sup>6</sup>	-3.94
Information Ratio <sup>7</sup>	-5.08
Port. Weighted Yield to Maturity (%)	4.53
Number of Holdings	58

**PORTFOLIO COMPOSITION**

Allocation	% of Fund
Government	27.62
Corporates	68.04
Fixed Income Funds	2.79
Cash & Cash Equivalents <sup>8</sup>	1.55
Asset Valuation	
Marked-to-Market	21.34
Amortized Cost	78.66
Maturity Profile	
Less than 1 year	24.24
1 – 3 years	11.65
3 – 5 years	10.31
More than 5 years	53.80

**TOP HOLDINGS**

Name	Maturity	%
Aboitiz Equity Ventures, Inc. Bond	2030	8.36
Ayala Corporation Bond - Perpetual		7.15
First Pacific Bond	2027	5.27
JG Summit Holdings Bond	2030	4.79
Manila Water Corp. Bond	2030	4.72

<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.** The JP Morgan Asia Credit Index (JACI) Philippines lost 1.30% in October as Philippine dollar-denominated bonds tracked movements in US Treasuries.

Global bonds experienced heightened volatility in October as rising tensions between the Hamas and Israel sparked inflationary concerns amid rising oil prices. Stronger-than-expected US retail sales, healthy 3Q2023 GDP growth data and a persistently elevated CPI print further underscored the Fed's "higher for longer" rhetoric, causing a sell-off in bonds. With the next policy meeting slated for early November, investors closely monitored any statements from the Fed on what their next rate decision might be. Consequently, the 10-year US Treasury benchmark yield spiked to as high as 4.95% before ending 35 basis points higher month-on-month at 4.93%.

In the local space, inflation for the month of September surged to 6.1% year-on-year from the 5.3% print in August. The figure was higher than market expectations (consensus estimate: +5.7% YoY), and was brought about by rising food and fuel prices. It also marked the second straight month of inflation rising once more, causing some speculation that the Bangko Sentral ng Pilipinas (BSP) could be more hawkish moving forward. The BSP announced a 25-basis point off-cycle hike on the last Thursday of the month, citing supply-side pressures that could cause additional second-round effects. BSP Governor Eli Remolona noted that the central bank would remain vigilant of its inflation target and would be ready to adjust policy rates as necessary.

**Fund Performance.** The Fund returned -0.03% for the month, underperforming its benchmark by 58 basis points. Year-to-date, return amounted to 1.94%, underperforming its benchmark by 316 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.