

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.

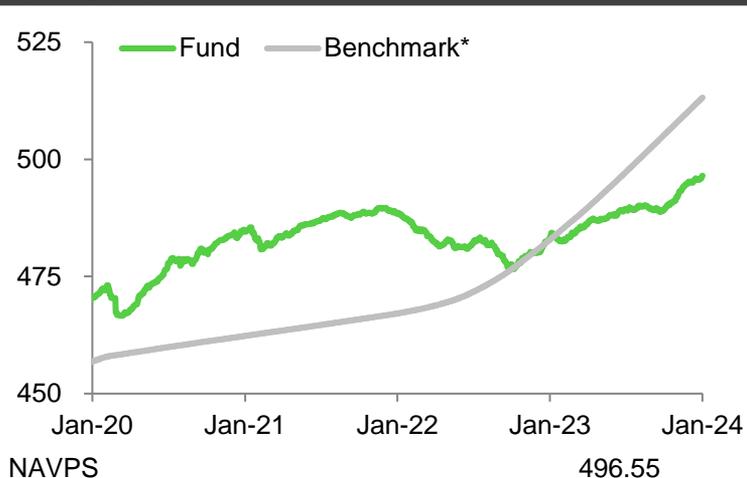
The fund is suitable for investors who:

- 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 227.56

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	0.26	1.46	2.71	2.43	10.31	118.26
Benchmark	0.56	3.19	6.22	10.75	15.16	60.52

ANNUALIZED PERFORMANCE (%)³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	2.71	0.83	0.80	1.36	1.98	3.61
Benchmark	6.22	4.74	3.46	2.87	2.86	2.17

CALENDAR YEAR PERFORMANCE(%)³

	YTD	2023	2022	2021	2020	2019
Fund	0.26	3.17	-1.96	1.19	3.34	4.45
Benchmark	0.56	6.15	2.96	1.03	1.37	3.09

BENCHMARK
3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	3.87
Volatility, Past 1 Year (%) ⁵	0.61
Sharpe Ratio ⁶	-4.14
Information Ratio ⁷	-5.44
Port. Weighted Yield to Maturity (%)	4.43
Number of Holdings	58

TOP HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures, Inc.	2030	8.54
Ayala Corporation	2071	7.25
First Pacific	2027	5.31
JG Summit Holdings	2030	4.90
Manila Water Corporation	2030	4.85

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	27.65
Corporates	65.68
Fixed Income Funds	3.03
Cash & Cash Equivalents ⁸	3.64

Asset Valuation

Marked-to-Market	25.48
Amortized Cost	74.52

Maturity Profile

Less than 1 year	21.51
1 – 3 years	13.02
3 – 5 years	9.80
More than 5 years	55.66

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 0.85% in January as Philippine dollar-denominated bonds tracked movements in US Treasuries.

Global bonds experienced heightened volatility in January as market participants tempered their policy rate cut expectations due to robust US economic data and hawkish comments from US Federal Reserve (Fed) officials. US economic growth beat expectations, expanding by 3.3% in the fourth quarter of 2023, while latest employment and wage growth data continued to suggest a tight labor market.

In December, US consumer price index (CPI) inflation rose by 3.4%, faster than the 3.2% median estimate and the 3.1% recorded in November. Meanwhile, core personal consumption expenditure (PCE) index inflation, the Fed's preferred gauge, fell to 2.9%, the slowest since April 2021. Despite recent progress in inflation, Fed Chairman Jerome Powell emphasized the need to see more data to gain greater confidence that inflation is sustainably moving towards the 2% target before considering policy rate cuts. Consequently, the 10-year US Treasury benchmark yield spiked from 3.88% to as high as 4.18% before closing the month three basis points higher at 3.91%.

On the domestic front, inflation for December inched down to 3.9%, settling within the Bangko Sentral ng Pilipinas (BSP)'s target range for the first time in nearly two years. This figure, in line with market expectations, was brought about by declining fuel and vegetable prices. Similar to the Fed's stance, BSP Governor Eli Remolona mentioned that while inflation trend is on the right track, the start of policy rate cuts is possible but unlikely to commence in the first half of 2024. He also highlighted that supply shocks still pose risks, especially with the El Nino phenomenon.

Fund Performance. The Fund returned 0.26% for the month, underperforming its benchmark by 30 basis points. Year-to-date, return amounted to 0.26%, underperforming its benchmark by 30 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.