

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.

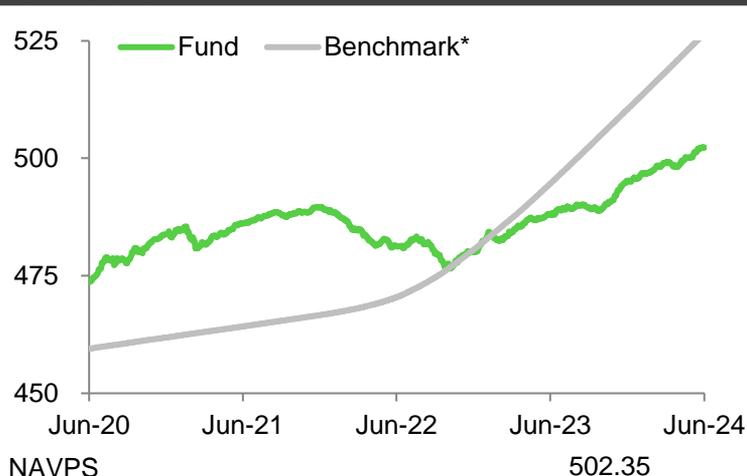
The fund is suitable for investors who:

- 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 220.77

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	0.43	1.44	2.96	3.34	9.67	120.81
Benchmark	0.49	3.15	6.38	13.07	16.48	64.21

ANNUALIZED PERFORMANCE (%)³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	2.96	2.17	1.10	1.47	1.86	3.60
Benchmark	6.38	5.69	4.18	3.36	3.10	2.24

CALENDAR YEAR PERFORMANCE(%)³

	YTD	2023	2022	2021	2020	2019
Fund	1.44	3.17	-1.96	1.19	3.34	4.45
Benchmark	3.15	6.15	2.96	1.03	1.37	3.09

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	3.78
Volatility, Past 1 Year (%) ⁵	0.57
Sharpe Ratio ⁶	-4.22
Information Ratio ⁷	-5.62
Port. Weighted Yield to Maturity (%)	5.33
Number of Holdings	70

TOP HOLDINGS

Name	Maturity	%
Aboitiz Equity Ventures, Inc.	2030	7.60
Ayala Corporation	2071	7.47
First Pacific	2027	5.44
JG Summit Holdings	2030	5.03
Manila Water Company, Inc.	2030	5.00

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	32.82
Corporates	61.64
Fixed Income Funds	2.86
Cash & Cash Equivalents ⁸	2.68

Asset Valuation

Marked-to-Market	29.29
Amortized Cost	70.71

Maturity Profile

Less than 1 year	24.43
1 – 3 years	8.20
3 – 5 years	17.21
More than 5 years	50.15

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 1.73% in June as Philippine dollar-denominated yields declined, tracking the movements in US Treasuries. The 10-year US Treasury bond yield dropped by 10 bps from 4.50% to 4.40% in the same period.

Global bond yields fell as economic data releases strengthened the view that policy rate cuts are on the horizon. US CPI inflation slowed down further from 3.4% in April to 3.3% in May. Moreover, the PCE or the Personal Consumption Expenditure Core Price Index or PCE, which is the Federal Reserve's preferred gauge for inflation, also dropped from 2.78% in April to 2.57% in May. The Federal Reserve met in June and as expected they kept their policy rates steady at 5.50%.

On the domestic front, the BSP's Monetary Board met in June and also maintained their overnight policy rates as expected. However, BSP Governor Remolona has hinted at a potential policy rate cut in August. One reason that the BSP kept rates steady is that inflation continues on its recent uptrend, rising from 3.8% in April to 3.9% in May. Another possible concern is the exchange rate with the peso weakening getting close to the 59 level. Given these 2 concerns, the market is at odds on whether the rate cut will push through or not.

Fund Performance. The Fund returned 0.43% for the month, underperforming its benchmark by 6 basis points. Year-to-date, return amounted to 1.44%, underperforming its benchmark by 171 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 consider cutting interest rates in the second half of the year. 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.