

**FUND OVERVIEW**

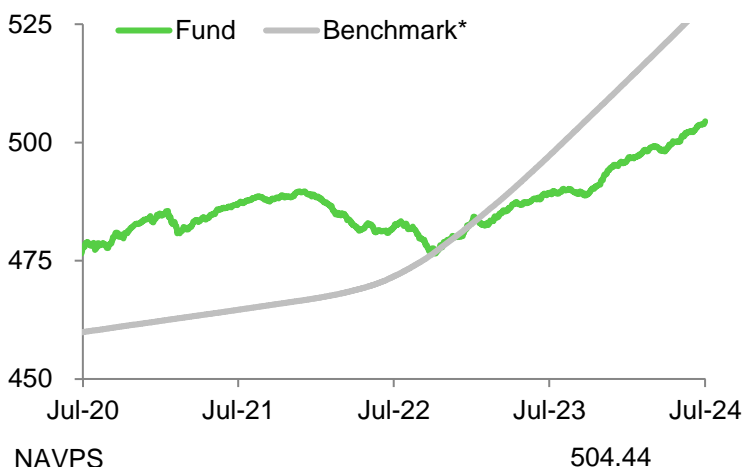
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 220.17

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

**STATISTICS**

Weighted Ave Duration (Yrs)	3.73
Volatility, Past 1 Year (%) <sup>5</sup>	0.56
Sharpe Ratio <sup>6</sup>	-4.18
Information Ratio <sup>7</sup>	-5.64
Port. Weighted Yield to Maturity (%)	5.71
Number of Holdings	74

**PORTFOLIO COMPOSITION**
**Allocation % of Fund**

Government	33.66
Corporates	61.78
Fixed Income Funds	2.91
Cash & Cash Equivalents <sup>8</sup>	1.65

**Asset Valuation**

Marked-to-Market	29.41
Amortized Cost	70.59

**Maturity Profile**

Less than 1 year	24.87
1 – 3 years	7.89
3 – 5 years	17.10
More than 5 years	50.14

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

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.42</b>	<b>1.59</b>	<b>3.08</b>	<b>3.57</b>	<b>9.57</b>	<b>121.73</b>
<b>Benchmark</b>	0.55	3.14	6.41	13.58	16.79	65.03

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>3.08</b>	<b>2.30</b>	<b>1.18</b>	<b>1.37</b>	<b>1.84</b>	<b>3.60</b>
<b>Benchmark</b>	6.41	5.84	4.34	3.47	3.15	2.25

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

	YTD	2023	2022	2021	2020	2019
<b>Fund</b>	<b>1.86</b>	<b>3.17</b>	<b>-1.96</b>	<b>1.19</b>	<b>3.34</b>	<b>4.45</b>
<b>Benchmark</b>	3.71	6.15	2.96	1.03	1.37	3.09

**BENCHMARK**

3-month US Treasury bill plus 1.00%

**TOP HOLDINGS**

Name	Maturity	%
Ayala Corporation	2071	7.49
Aboitiz Equity Ventures, Inc.	2030	7.21
First Pacific	2027	5.45
JG Summit Holdings	2030	5.05
Manila Water Company, Inc.	2030	5.02

<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 Inc. (BII), 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 1.15% in July as Philippine dollar-denominated yields declined, tracking the movements in US Treasuries. The 10-year US Treasury bond yield dropped by 37 bps from 4.40% to 4.03% in the same period.

Global bond yields fell as economic data releases further reinforced the view that the US Federal Reserve could accelerate its monetary policy rate cuts. US inflation slowed down further from 3.3% in May to 3.0% in June, lower than market expectations. Meanwhile, 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 2.6% in May to 2.5% in June.

On the domestic front, June inflation came in at 3.7% year-on-year, lower than the 3.9% recorded last May and slower than market expectations. The slowdown was evident in a number of segments, particularly in housing in transport. Moving forward, rice tariff reductions could tame inflation further. The Bangko Sentral ng Pilipinas has reiterated that it remains vigilant of forthcoming data releases and will act accordingly in terms of adjusting its monetary policy.

**Fund Performance.** The Fund returned 0.42% for the month, underperforming its benchmark by 13 basis points. Year-to-date, return amounted to 1.86%, underperforming its benchmark by 185 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.