

**FUND OVERVIEW**

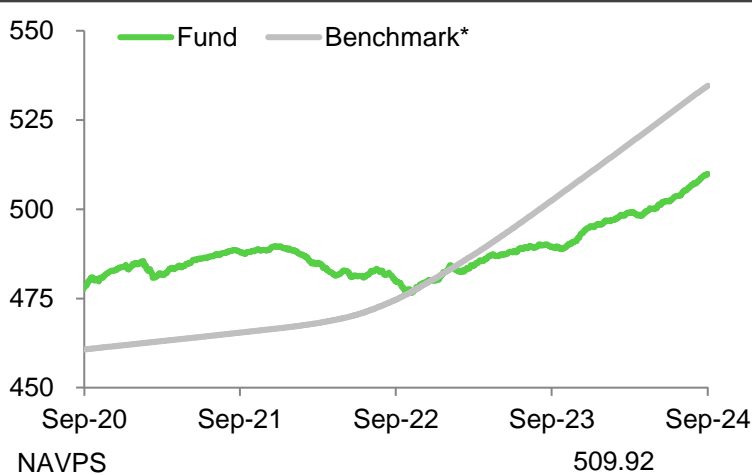
The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

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 216.43

**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>0.51</b>	<b>2.18</b>	<b>4.17</b>	<b>4.52</b>	<b>9.62</b>	<b>124.14</b>
<b>Benchmark</b>	0.49	3.16	6.35	14.48	17.35	66.47

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>4.17</b>	<b>3.08</b>	<b>1.49</b>	<b>1.61</b>	<b>1.85</b>	<b>3.63</b>
<b>Benchmark</b>	6.35	6.02	4.61	3.68	3.25	2.27

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

	YTD	2023	2022	2021	2020	2019
<b>Fund</b>	<b>2.96</b>	<b>3.17</b>	<b>-1.96</b>	<b>1.19</b>	<b>3.34</b>	<b>4.45</b>
<b>Benchmark</b>	4.73	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 (%) <sup>5</sup>	0.55
Sharpe Ratio <sup>6</sup>	-2.15
Information Ratio <sup>7</sup>	-3.82
Port. Weighted Yield to Maturity (%)	4.04
Number of Holdings	79

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

Government	35.60
Corporates	61.87
Fixed Income Funds	0.51
Cash & Cash Equivalents <sup>8</sup>	2.02

**Asset Valuation**

Marked-to-Market	31.68
Amortized Cost	68.32

**Maturity Profile**

Less than 1 year	19.82
1 – 3 years	14.18
3 – 5 years	13.04
More than 5 years	52.95

**TOP HOLDINGS**

Name	Maturity	%
Ayala Corporation	2071	7.69
Aboitiz Equity Ventures, Inc.	2030	7.36
First Pacific	2027	5.54
JG Summit Holdings	2030	5.17
Manila Water Company, Inc.	2030	5.15

<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 returned 1.61% in September as Philippine dollar-denominated yields declined, tracking the movements in US Treasuries. The 10-year US Treasury bond yield dropped by 12 bps from 3.90% to 3.78% in the same period.

Global bond yields fell further as the US Federal Reserve finally started its easing cycle by reducing the policy rates by 50 basis points. Moreover, the Fed released its projection materials which showed Fed officials expecting more rate cuts until 2026. US inflation slowed from 2.9% in July to 2.5% in August, in line with expectations. Meanwhile, the Core PCE Index or the Personal Consumption Expenditure Core Price Index, which is the Fed's preferred gauge for inflation, rose at a mild pace from 2.6% in June to 2.7% in July, also in line with expectations.

On the domestic front, August inflation came in at 3.3%, lower than the previous print of 4.4% and the 3.6% median forecast. The sharp decline was brought by slower year-on-year increase in rice prices, decline in oil prices, and cheaper imports through stronger Philippine peso against the US dollar. In a surprise move, the Bangko Sentral ng Pilipinas slashed banks' reserve requirement ratio from 9% to 7.5%. This policy change will free up more cash in banks, making it available for investing or lending.

**Fund Performance.** The Fund returned 0.51% for the month, outperforming its benchmark by 2 basis points. Year-to-date, return amounted to 2.96%, underperforming its benchmark by 177 basis points.

**Fund Strategy.** The fund manager has increased portfolio duration and is opportunistically looking to increase further during bond sell-offs. Following the Federal Reserve's 50 basis point cut in September, investors must now look to upcoming economic data points to assess potential policy actions moving forward. 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.