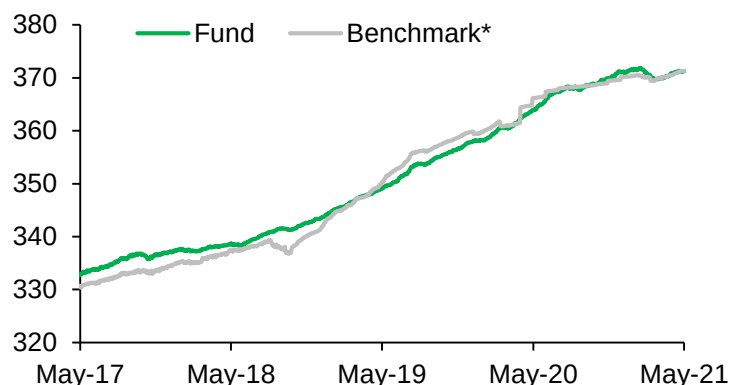


FUND OVERVIEW

The Fund aims to achieve a steady stream of income by investing in a diversified portfolio of Philippine Peso denominated high-grade fixed income instruments, such as, but not limited to, government securities, corporate notes and bonds, and fixed income funds.

The fund is suitable for investors who:

- Are at least classified as **moderately conservative** based on their risk profile.
- have an investment horizon of up **at least three (3) years**.

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


NAVPS 371.29

STATISTICS

Weighted Ave Duration (Yrs)	2.39
Volatility, Past 1 Year (%) ⁵	0.54
Sharpe Ratio ⁶	1.86
Information Ratio ⁷	0.98
Port. Weighted Yield to Maturity (%)	3.58
Number of Holdings	106

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	15.38
Corporates	69.59
Fixed Income Funds	1.80
Cash & Cash Equivalents ⁸	6.23
Preferreds	7.00

Asset Valuation

Marked-to-Market	18.55
Amortized Cost	81.45

Maturity Profile

Less than 1 year	41.44
1 – 3 years	27.67
3 – 5 years	9.20
More than 5 years	21.69

FUND FACTS

Classification:	Medium Term Bond Fund
Launch Date:	July 18, 1997
Dealing Day:	Daily up to 12:00 PM
Minimum Investment: ¹	PHP 5,000.00
Min. Subsequent Order: ¹	PHP 1,000.00
Minimum Holding Period:	90 calendar days
Redemption Settlement:	T+0 End-of-Day
Early Redemption Charge:	1.00%
Total Management Fee: ²	1.00% per annum
Total Fund NAV (Mn) :	PHP 44,321.28

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.15	0.40	2.06	9.61	12.95	271.29
Benchmark	0.22	0.51	1.42	10.05	13.85	199.41

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	2.06	3.13	3.11	2.77	2.47	5.65
Benchmark	1.42	2.98	3.24	2.94	2.63	4.70

CALENDAR YEAR PERFORMANCE (%) ³

	YTD	2020	2019	2018	2017	2016
Fund	0.06	3.71	4.20	1.87	2.20	2.17
Benchmark	0.33	2.90	5.43	2.04	2.04	1.66

BENCHMARK

75% of the 91-day Philippine Treasury Bill (net of tax) + 25% of the BPI Philippine Government 1-5 Year Index

TOP HOLDINGS

Name	Maturity	%
SM Investments Corporation Bond	2023	3.05
Ayala Corporation Bond	2025	2.94
Metro Pacific Investments Corp. Notes	2021	2.76
Globe Telecom, Inc. (Preferred)		2.75
Aboitiz Equity Ventures, Inc. Bond	2027	2.71

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 Philippine economy shrank worse than expected in the first quarter of 2021 with GDP printing at -4.2% (vs -3.2% expected) as the country continues to grapple with the COVID-19 pandemic. President Duterte's economic managers have turned less bullish on the country's growth prospect as they trimmed their 2021 economic growth target to 6%-7% (from 6.5%-7.5%.) Inflation in April was steady at 4.5% (vs 4.7% expected) as a sharp decline in food prices offset the expected spike in transport prices.

On May 12, the Bangko Sentral ng Pilipinas left the key policy rate unchanged at 2.00% as expected, reiterating its accommodative policy stance as it continues to support the country's recovery. The central bank also lowered its inflation forecast for 2021 to 3.9% (prev 4.2%) in line with their 2%-4% range for the year on the view that food price pressures would ease following the government's reduction of pork import tariffs, and raised its 2022 inflation forecast to 3% (prev 2.8%).

Demand for short tenor securities remains strong. Market players continue to park excess cash in Philippine Treasury Bills, with yields at auctions falling about 10 -25 bps across all tenors as market liquidity remains ample and inflation printed stable. The Bureau of the Treasury once again saw strong demand in the intermediate tenor securities on auction this month. It reissued PHP 35 Bn of the 5yr paper FXTN 5-77 with 3.375% coupon at an average yield of 3.295% and PHP 35 Bn the 7yr paper FXTN 7-64 with 3.625% at an average yield of 3.678%, taking the opportunity to offer PHP 10 Bn more of both the 5 yr and 7 yr bonds via tap facility.

Month-on-month, we saw a steeper local yield curve with the pivot point seen in the intermediate sector of the curve as 3 yr government bonds fell 25 bps and 5 yr bonds fell 5bps, while losses came from the 7yr bonds rising 11 bps as the Bureau of the Treasury announced its borrowing schedule for June at Php 35 Bn each of 20yr, 7y, 10 yr, and 5 yr bonds.

Fund Performance. The Fund returned 0.15% for the month, underperforming its benchmark by 7 basis points. Year-to-date, return amounted to 0.06%, underperforming its benchmark by 27 basis points.

Fund Strategy. The fund will maintain its liquidity and current duration. 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.