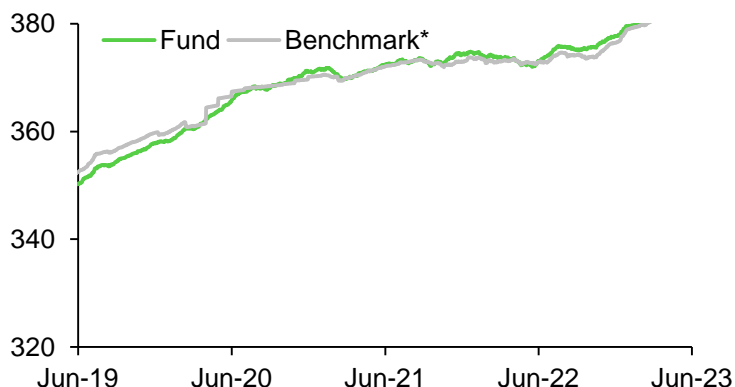


**FUND OVERVIEW**

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 383.88

**STATISTICS**

Weighted Ave Duration (Yrs)	3.00
Volatility, Past 1 Year (%) <sup>5</sup>	0.41
Sharpe Ratio <sup>6</sup>	-0.86
Information Ratio <sup>7</sup>	-0.33
Port. Weighted Yield to Maturity (%)	4.03
Number of Holdings	89

**PORTFOLIO COMPOSITION**

Allocation	% of Fund
Government	32.89
Corporates	56.26
Fixed Income Funds	0.00
Cash & Cash Equivalents <sup>8</sup>	8.42
Preferreds	2.43

**Asset Valuation**

Marked-to-Market	21.30
Amortized Cost	78.70

**Maturity Profile**

Less than 1 year	28.70
1 – 3 years	19.57
3 – 5 years	27.51
More than 5 years	24.22

**FUND FACTS**

<b>Classification:</b>	Medium Term Bond Fund
<b>Launch Date:</b>	July 18, 1997
<b>Dealing Day:</b>	Daily up to 2:00 PM
<b>Minimum Investment:</b> <sup>1</sup>	PHP 5,000.00
<b>Min. Subsequent Order:</b> <sup>1</sup>	PHP 1,000.00
<b>Minimum Holding Period:</b>	90 calendar days
<b>Redemption Settlement:</b>	T+0 End-of-Day
<b>Early Redemption Charge:</b>	1.00%
<b>Total Management Fee:</b> <sup>2</sup>	1.00% per annum
<b>Total Fund NAV (Mn) :</b>	PHP 38,280.72

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

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.10</b>	<b>1.63</b>	<b>2.91</b>	<b>4.92</b>	<b>13.40</b>	<b>283.88</b>
<b>Benchmark</b>	0.12	2.11	3.05	4.61	13.84	209.86

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>2.91</b>	<b>1.53</b>	<b>1.61</b>	<b>2.32</b>	<b>2.55</b>	<b>5.32</b>
<b>Benchmark</b>	3.05	1.64	1.51	2.19	2.63	4.45

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>1.63</b>	<b>0.91</b>	<b>0.88</b>	<b>3.71</b>	<b>4.20</b>	<b>1.87</b>
<b>Benchmark</b>	2.11	0.94	0.75	2.90	5.43	2.04

**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	%
Retail Treasury Bond	2027	5.13
Fixed Rate Treasury Bond	2032	3.92
Fixed Rate Treasury Bond	2028	3.58
Ayala Corporation Bond	2025	3.41
Aboitiz Equity Ventures Bond	2027	3.13

<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 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 BPI Government Bond Index returned -1.35% in June as the local yield curve inverted, rising 39 basis points (bps) on average. Average daily trading volume fell significantly to PHP8.55 billion from May's PHP21.77 billion with trades mostly seen on the long-end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in June. The 5-year FXTN 10-63, 15-year FXTN 20-22, 6-year FXTN 7-67, and 9-year FXTN 10-69 re-issuances were all fully awarded at average yields of 5.805%, 6.085%, 6.097%, and 6.243%, respectively. Towards the end of the month, the BTr released the July auction schedule with four Treasury Bill auctions and four FXTN issuances (9-, 15-, 6-, and 7-year tenors) while increasing the offer size to PHP30 billion each.

In the local space, May headline inflation slowed down further to 6.1 % year-on-year, from last month's 6.6% year-on-year. The dwindling inflation figure was primarily driven by decrease in transport prices and slower food inflation. During its scheduled policy meeting, the Bangko Sentral ng Pilipinas (BSP) paused its tightening cycle and kept its policy rate unchanged at 6.25% as headline inflation continued in a downward trend. Moreover, the central bank adjusted its inflation forecast lower for 2023 to 5.4% but higher for 2024 to 2.9%.

**Fund Performance.** The Fund returned 0.10% for the month, underperforming its benchmark by 2 basis points. Year-to-date, return amounted to 1.63%, underperforming its benchmark by 48 basis points.

**Fund Strategy.** The fund manager is looking to gradually add duration since the BSP has decided to pause hiking rates in their last 2 policy rate meetings given the easing inflationary environment. 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.