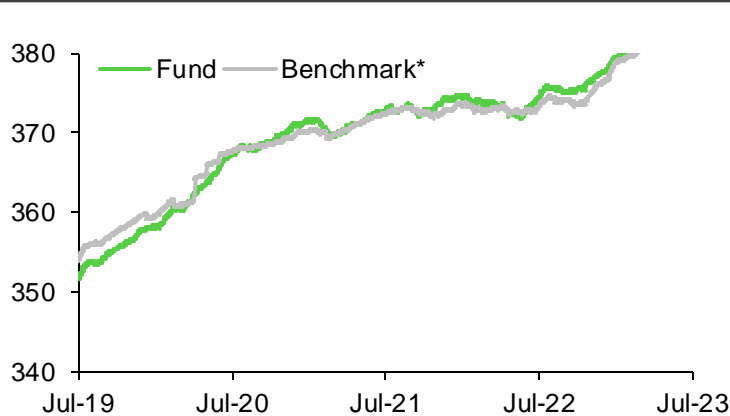


**FUND OVERVIEW**

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 384.89

**STATISTICS**

Weighted Ave Duration (Yrs)	2.95
Volatility, Past 1 Year (%) <sup>5</sup>	0.40
Sharpe Ratio <sup>6</sup>	-1.96
Information Ratio <sup>7</sup>	-1.26
Port. Weighted Yield to Maturity (%)	4.11
Number of Holdings	89

**PORTFOLIO COMPOSITION**

Allocation	% of Fund
Government	32.92
Corporates	56.58
Fixed Income Funds	0.00
Cash & Cash Equivalents <sup>8</sup>	8.09
Preferreds	2.41

**Asset Valuation**

Marked-to-Market	21.06
Amortized Cost	78.94

**Maturity Profile**

Less than 1 year	29.80
1 – 3 years	20.60
3 – 5 years	25.33
More than 5 years	24.27

**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 1,000.00
<b>Min. Subsequent Order:</b> <sup>1</sup>	Equivalent amount of 1 share*
<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 38,218.20

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

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.26</b>	<b>1.39</b>	<b>2.75</b>	<b>4.77</b>	<b>13.32</b>	<b>284.89</b>
<b>Benchmark</b>	0.36	1.77	3.25	4.82	14.02	210.96

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>2.75</b>	<b>1.57</b>	<b>1.57</b>	<b>2.27</b>	<b>2.53</b>	<b>5.31</b>
<b>Benchmark</b>	3.25	1.76	1.58	2.15	2.66	4.45

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>1.90</b>	<b>0.91</b>	<b>0.88</b>	<b>3.71</b>	<b>4.20</b>	<b>1.87</b>
<b>Benchmark</b>	2.47	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	3.57
Ayala Corporation Bond	2025	3.42
Aboitiz Equity Ventures Bond	2027	3.14

<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 WORTHLESS 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 -0.13% in July as the local yield curve bear steepened, rising 12 basis points (bps) on average. Average daily trading volume rose significantly to PHP16.94 billion from June's PHP8.55 billion with trades mostly seen on the long-end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in July. The 9-year FXTN 10-69 re-issuance was partially awarded at an average yield of 6.562% while the 6-year FXTN 07-68 re-issuance was fully awarded at an average yield of 6.299%. The BTr also held two new issuances – its first 15-year paper, FXTN 15-1, was fully awarded at a coupon rate of 7% while the 7-year paper, FXTN 7-70, was partially awarded at a coupon rate of 6.375%. Towards the end of the month, the BTr released the August auction schedule with five Treasury Bill auctions and five FXTN issuances (5-, 6-, 10-, 15-, and 5-year tenors) with an offer size of PHP30 billion each.

In the local space, June headline inflation eased to 5.4 % year-on-year from last month's 6.1%. The fifth straight month of decelerating inflation was primarily driven by easing of food and petroleum prices. However, the Bangko Sentral ng Pilipinas (BSP) highlighted potential upside risks emanating from the impact of El Niño and wage increases. While year-to-date inflation is at 7.2%, the BSP sees 2023 inflation averaging at 5.4%, well within the BSP's forecasted range of 5.3% to 6.1%.

**Fund Performance.** The Fund returned 0.26% for the month, underperforming its benchmark by 10 basis points. Year-to-date, return amounted to 1.90%, underperforming its benchmark by 57 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.