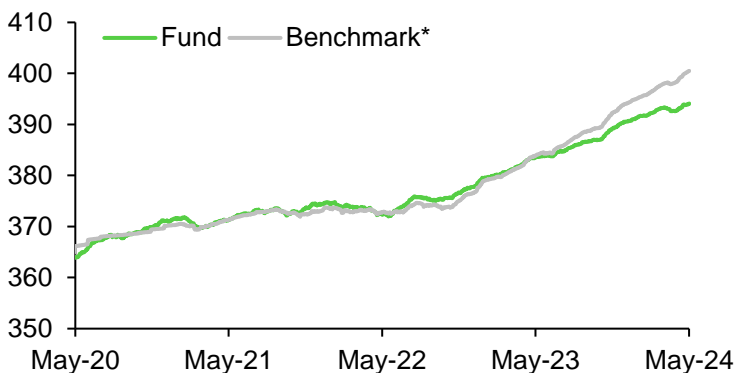


FUND OVERVIEW

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 394.09

STATISTICS

Weighted Ave Duration (Yrs)	3.60
Volatility, Past 1 Year (%) ⁵	0.32
Sharpe Ratio ⁶	-5.70
Information Ratio ⁷	-6.61
Port. Weighted Yield to Maturity (%)	4.61
Number of Holdings	88

PORTFOLIO COMPOSITION
Allocation % of Fund

Government	44.96
Corporates	50.69
Fixed Income Funds	0.00
Cash & Cash Equivalents ⁸	3.63
Preferreds	0.72

Asset Valuation

Marked-to-Market	28.78
Amortized Cost	71.22

Maturity Profile

Less than 1 year	20.09
1 – 3 years	20.72
3 – 5 years	32.65
More than 5 years	26.54

FUND FACTS

Classification:	Medium Term Bond Fund
Launch Date:	July 18, 1997
Dealing Day:	Daily up to 2:00 PM
Minimum Investment: ¹	PHP 1,000.00
Min. Subsequent Order: ¹	Equivalent amount of 1 share*
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 35,502.77

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.37	1.26	2.76	6.14	12.89	294.09
Benchmark	0.55	2.09	4.32	7.85	14.36	222.82

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	2.76	2.88	2.01	2.02	2.46	5.23
Benchmark	4.32	3.64	2.55	2.27	2.72	4.45

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2023	2022	2021	2020	2019
Fund	0.92	3.38	0.91	0.88	3.71	4.20
Benchmark	1.66	4.65	0.94	0.75	2.90	5.43

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	2029	7.54
Fixed Rate Treasury Note	2032	4.23
Retail Treasury Bond	2027	4.18
Ayala Corporation	2025	3.75
Time Deposit		3.54

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 BPI Government Bond Index rose 1.49% in May as the local yield curve fell by 22.28 basis points (bps) on average. Average daily trading volume for the month amounted to Php23.86 billion, higher than April's Php14.73 billion with trades mostly seen on the short-end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in May. The 10-year FXTN 10-72 and 25-year FXTN 20-23 were fully awarded at average yields of 6.825% and 6.950%, respectively. Meanwhile, the new 20-year issuance, FXTN 20-27, was only partially awarded and priced at a coupon of 6.875%. The final bond auction for the month was FXTN 3-30, fully awarded at an average rate of 6.347%. Demand was generally healthy for the bonds issued throughout the month.

In the local space, April headline inflation rose by 3.8% year-on-year from the previous month's 3.7%. Food, transport, and restaurants were the main driver of inflation, though the increase in rice prices slowed for the first time in six months. Nonetheless, the inflation print remained within the central bank's 2 to 4% target range. The country's economy grew by 5.7% year-on-year for the first quarter of 2024, lower than consensus estimate of 5.9%. While net exports contributed positively for the period, other sectors such as private consumption and government spending appeared to be slowing. The first quarter GDP growth figure falls short of the government's official target of 6-7% for the year.

Fund Performance. The Fund returned 0.37% for the month, underperforming its benchmark by 18 basis points. Year-to-date, return amounted to 0.92%, underperforming its benchmark by 74 basis points.

Fund Strategy. The fund manager will add duration since the BSP has decided to pause hiking rates in their last policy rate meeting 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.