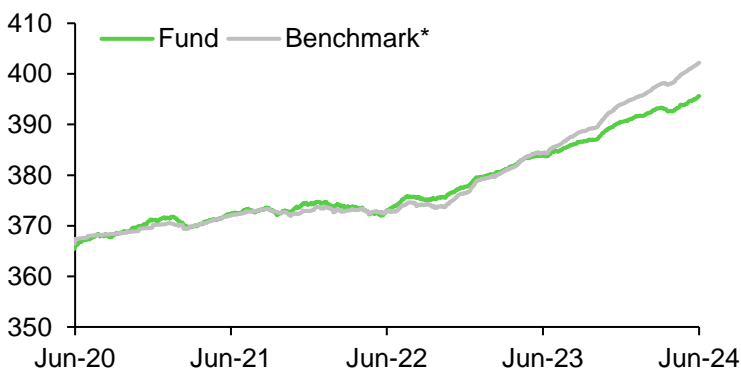


FUND OVERVIEW

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 395.60

STATISTICS

Weighted Ave Duration (Yrs)	3.74
Volatility, Past 1 Year (%) ⁵	0.32
Sharpe Ratio ⁶	-4.68
Information Ratio ⁷	-6.93
Port. Weighted Yield to Maturity (%)	4.61
Number of Holdings	89

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	46.64
Corporates	50.75
Cash & Cash Equivalents ⁸	1.87
Preferreds	0.73

Asset Valuation

Marked-to-Market	28.68
Amortized Cost	71.32

Maturity Profile

Less than 1 year	18.70
1 – 3 years	21.07
3 – 5 years	32.07
More than 5 years	28.16

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 35,458.44

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.38	1.31	3.05	6.24	12.95	295.60
Benchmark	0.40	2.07	4.62	8.07	14.10	224.11

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	3.05	2.98	2.04	1.97	2.47	5.23
Benchmark	4.62	3.83	2.62	2.28	2.67	4.46

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2023	2022	2021	2020	2019
Fund	1.31	3.38	0.91	0.88	3.71	4.20
Benchmark	2.07	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	7.58
Fixed Rate Treasury Note	2044	4.26
Fixed Rate Treasury Note	2032	4.23
Retail Treasury Bond	2027	4.19
Ayala Corporation	2025	3.76

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 0.68% in June as the local yield curve fell by 6 basis points (bps) on average. Average daily trading volume for the month amounted to Php20.86 billion, lower than May's Php23.86 billion with trades mostly seen on the belly of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in June. The 7-year FXTN 20-17 and 20-year FXTN 20-27 re-issuances were fully awarded at average yields of 6.624% and 6.860%, respectively. Meanwhile, the 10-year FXTN 10-72 and 15-year FXTN 20-23 re-issuances, were partially awarded at average yields of 6.754% and 6.781%, respectively. The Bureau of Treasury (BTr) announced its borrowing program for the third quarter of 2024, with weekly Treasury bill offers increased to PHP 20 billion. The BTr plans to issue more tenors for the quarter, offering PHP 30 billion each for the 3-, 5-, 7-, and 10- year papers while the 14- and 20-year Treasury bond offers were reduced to PHP 25 billion.

In the local space, May headline inflation accelerated for the fourth straight month by 3.9% year-on-year from the previous month's 3.8%. The main drivers of inflation included housing, water, electricity, and gas while rice prices saw a deceleration from the previous figure of 23.9% to 23%. In an effort to curb elevated rice prices, the National Economic Development Authority (NEDA) Board approved the new Comprehensive tariff program which reduces tariff rates for rice imports alongside other essential commodities effective until 2028. The Bangko Sentral ng Pilipinas (BSP) held its policy rate steady at 6.5% during their Monetary Board meeting in June. Despite the weakening Peso, BSP Governor Eli Remolona had dovish remarks on the possibility of an August rate cut, which is ahead of the market expectations of the Federal Reserve to begin easing in September. The BSP revised both its 2024 and 2025 inflation forecast to 3.1% from 3.8% and 3.7%, respectively.

Fund Performance. The Fund returned 0.38% for the month, underperforming its benchmark by 2 basis points. Year-to-date, return amounted to 1.31%, underperforming its benchmark by 76 basis points.

Fund Strategy. The fund manager will add duration since the BSP has signaled the possibility of lowering interest rates in the second half of the year. 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.