

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.

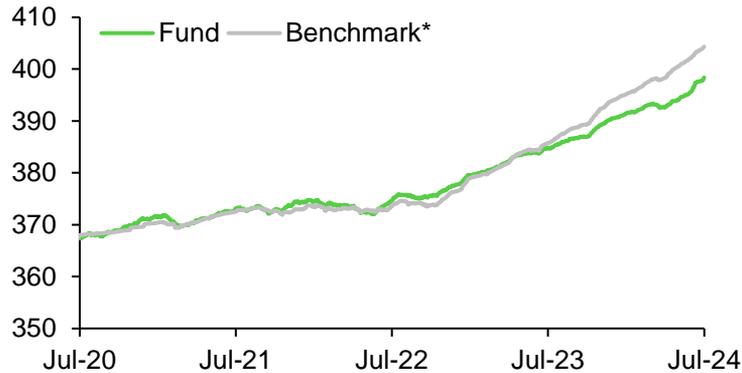
The fund is suitable for investors who:

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

FUND 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 35,222.54

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



NAVPS 398.38

STATISTICS

Weighted Ave Duration (Yrs)	3.89
Volatility, Past 1 Year (%) ⁵	0.35
Sharpe Ratio ⁶	-3.03
Information Ratio ⁷	-5.60
Port. Weighted Yield to Maturity (%)	4.57
Number of Holdings	89

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	44.92
Corporates	53.15
Cash & Cash Equivalents ⁸	1.19
Preferreds	0.74
Asset Valuation	
Marked-to-Market	26.30
Amortized Cost	73.70
Maturity Profile	
Less than 1 year	19.43
1 – 3 years	19.84
3 – 5 years	29.44
More than 5 years	31.29

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.70	1.76	3.50	6.78	13.22	298.38
Benchmark	0.56	2.31	4.83	8.54	14.13	225.91

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	3.50	3.13	2.21	2.05	2.52	5.24
Benchmark	4.83	4.04	2.77	2.38	2.68	4.46

CALENDAR YEAR PERFORMANCE (%) ³

	YTD	2023	2022	2021	2020	2019
Fund	2.02	3.38	0.91	0.88	3.71	4.20
Benchmark	2.64	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	7.69
Fixed Rate Treasury Note	2044	4.49
Fixed Rate Treasury Note	2032	4.26
Ayala Corporation	2025	3.78
Aboitiz Equity Ventures, Inc.	2027	3.41

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 Inc. (BII), 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 1.96% in July as Philippine government bond yields fell by 30 basis points (bps) on average. Average daily trading volume for the month amounted to Php34.5 billion, higher than June's Php20.8 billion with trades mostly seen in 5- to 10-year securities. The Bureau of the Treasury (BTr) held five FXTN auctions in July which were all fully awarded.

In the local space, June headline inflation decelerated from 3.9% in May to 3.7% in June. The latest figure was also below economists' median estimate of 3.9%. The better-than-expected inflation was mainly driven by steep declines in power rates and slower increases in oil prices. In line with this, Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona issued statements supporting policy rate cuts soon, potentially as early as in August.

In the global space, US inflation decelerated from 3.3% in May to 3.0% in June, also below the 3.1% expectations. US Federal Reserve officials highlighted the progress in moderating inflation and slowing economic data which support eventual policy rate cuts.

Fund Performance. The Fund returned 0.70% for the month, outperforming its benchmark by 14 basis points. Year-to-date, return amounted to 2.02%, underperforming its benchmark by 62 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.