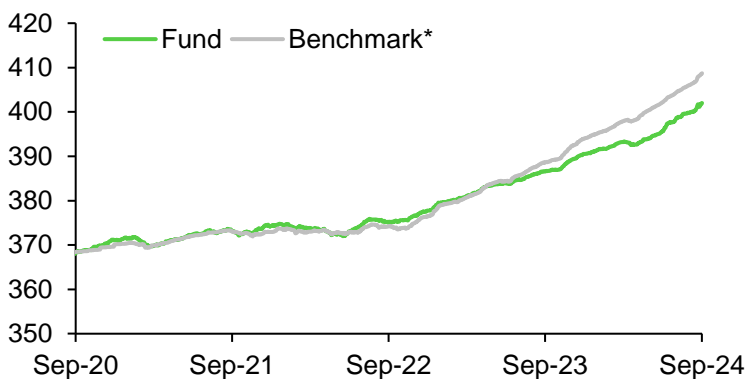


FUND OVERVIEW

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 402.00

STATISTICS

Weighted Ave Duration (Yrs)	3.98
Volatility, Past 1 Year (%) ⁵	0.41
Sharpe Ratio ⁶	-1.45
Information Ratio ⁷	-4.01
Port. Weighted Yield to Maturity (%)	4.49
Number of Holdings	90

PORTFOLIO COMPOSITION
Allocation % of Fund

Government	47.05
Corporates	51.86
Cash & Cash Equivalents ⁸	0.35
Preferreds	0.74

Asset Valuation

Marked-to-Market	27.69
Amortized Cost	72.31

Maturity Profile

Less than 1 year	16.34
1 – 3 years	26.84
3 – 5 years	23.77
More than 5 years	33.05

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 35,123.34

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.55	2.24	3.99	7.74	13.40	302.00
Benchmark	0.67	2.73	5.18	9.57	14.59	229.41

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	3.99	3.51	2.52	2.22	2.55	5.24
Benchmark	5.18	4.50	3.09	2.63	2.76	4.48

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2023	2022	2021	2020	2019
Fund	2.94	3.38	0.91	0.88	3.71	4.20
Benchmark	3.74	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	7.86
Fixed Rate Treasury Note	2044	5.21
Fixed Rate Treasury Note	2032	4.27
Ayala Corporation	2025	3.79
Aboitiz Equity Ventures, Inc.	2027	3.42

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 month-on-month, gaining by a hefty 2.01% in September as Philippine government bond yields decreased by an average of 52 basis points (bps). Average daily trading volume for the month reached Php 50.2 billion, up from Php41.3 billion in August, with most trades concentrated in 5 and 10-year securities. The Bureau of the Treasury (BTr) held four FXTN auctions in September, fully awarding the 3-, 5-, 10-, and 20-year tenors. Auction highs were generally aligned with, or came in slightly below, secondary market bids at the time, with the BTr awarding at 6.050%, 6.075%, 5.974%, and 5.899%, respectively.

On the domestic front, we saw headline inflation return to its downward trend as it decelerated to 3.3% in August from 4.4% in July, exceeding economists' median estimate of 3.6%. The lower-than-expected inflation was driven mainly by decreases in food inflation after lower rice tariffs brought rice prices down to 14% from 21% a month earlier. Another driver for the decline in yields was the BSP's announcement to reduce the reserve requirement ratios (RRRs) by 250 basis points for universal banks down to 7%. Every 1% cut in RRR is estimated to release 130 to 150 billion pesos worth of liquidity into the system. This new RRR will take effect on October 25, 2024.

Internationally, US inflation decelerated from 2.9% in July to 2.5% in August, in line with median estimates. US Federal Reserve officials highlighted the ongoing moderation in inflation and slowing economic data, supporting the case for a possible rate cut in September.

Fund Performance. The Fund returned 0.55% for the month, underperforming its benchmark by 12 basis points. Year-to-date, return amounted to 2.94%, underperforming its benchmark by 80 basis points.

Fund Strategy. The fund manager will add duration since the BSP has started lowering their policy rates beginning 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.