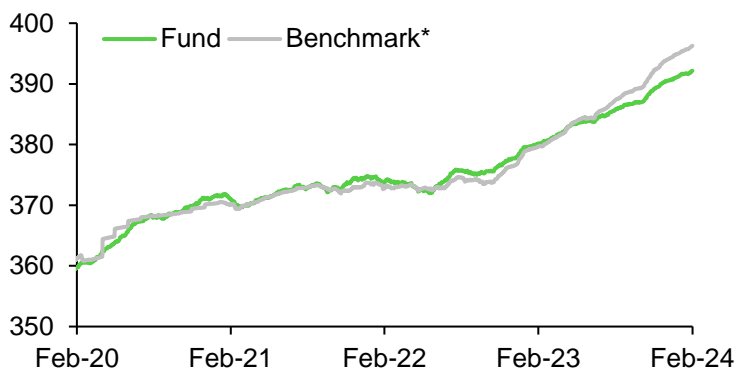


**FUND OVERVIEW**

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 392.17

**STATISTICS**

|  |       |
|--|-------|
| Weighted Ave Duration (Yrs)              | 3.30  |
| Volatility, Past 1 Year (%) <sup>5</sup> | 0.33  |
| Sharpe Ratio <sup>6</sup>                | -4.14 |
| Information Ratio <sup>7</sup>           | -4.58 |
| Port. Weighted Yield to Maturity (%)     | 4.51  |
| Number of Holdings                       | 87    |

**PORTFOLIO COMPOSITION**
**Allocation % of Fund**

|                                      |       |
|--------------------------------------|-------|
| Government                           | 41.59 |
| Corporates                           | 53.98 |
| Fixed Income Funds                   | 0.00  |
| Cash & Cash Equivalents <sup>8</sup> | 4.43  |

**Asset Valuation**

|                  |       |
|------------------|-------|
| Marked-to-Market | 25.92 |
| Amortized Cost   | 74.08 |

**Maturity Profile**

|                   |       |
|-------------------|-------|
| Less than 1 year  | 20.82 |
| 1 – 3 years       | 17.35 |
| 3 – 5 years       | 37.37 |
| More than 5 years | 24.46 |

**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 36,210.71                 |

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

|                  | 1 mo        | 6 mos       | 1 YR        | 3 YRS       | 5 YRS        | S.I. <sup>4</sup> |
|------------------|-------------|-------------|-------------|-------------|--------------|-------------------|
| <b>Fund</b>      | <b>0.17</b> | <b>1.64</b> | <b>3.15</b> | <b>5.71</b> | <b>13.45</b> | <b>292.17</b>     |
| <b>Benchmark</b> | 0.28        | 2.30        | 4.37        | 7.11        | 14.78        | 219.47            |

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

|                  | 1 YR        | 2 YRS       | 3 YRS       | 4 YRS       | 5 YRS       | S.I. <sup>4</sup> |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Fund</b>      | <b>3.15</b> | <b>2.44</b> | <b>1.87</b> | <b>2.18</b> | <b>2.56</b> | <b>5.26</b>       |
| <b>Benchmark</b> | 4.37        | 3.11        | 2.32        | 2.35        | 2.80        | 4.46              |

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

|                  | YTD         | 2023        | 2022        | 2021        | 2020        | 2019        |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Fund</b>      | <b>0.43</b> | <b>3.38</b> | <b>0.91</b> | <b>0.88</b> | <b>3.71</b> | <b>4.20</b> |
| <b>Benchmark</b> | 0.60        | 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     | 6.81 |
| Fixed Rate Treasury Note     | 2032     | 4.14 |
| Retail Treasury Bond         | 2027     | 4.10 |
| Ayala Corporation Bond       | 2025     | 3.68 |
| Aboitiz Equity Ventures Bond | 2027     | 3.31 |

<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 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 returned -0.03% in February as the local yield curve rose 10 basis points (bps) on average. Average daily trading volume for the month amounted to Php16.78 billion, lower than January's Php20.98 billion with trades mostly seen on the short-end and belly of the curve.

The Bureau of the Treasury (BTr) originally announced four FXTN auctions in February. The first FXTN issuance, the 5-year FXTN 05-78, was rejected by the BTr. Had the paper been fully awarded, the average yield of the 5-year paper would have risen to 6.219%. The next two FXTN auctions were also cancelled to give way to the 5-year RTB issuance. The BTr set the 5-year RTB at 6.25% coupon and raised a record Php458 billion, exceeding the initial Php400 billion target. Following the jumbo RTB issuance, the government issued a new 20-year paper, the FXTN 20-26, and set the coupon at 6.25%. Towards the end of the month, the BTr revised the March schedule of Treasury Bonds offering to 7-, 10-, 20- and 6-year.

In the local space, January headline inflation fell further to 2.8% year-on-year from the previous month's 3.9%. Despite the slowing of inflation, rice prices rose further to 23% year-on-year as international rice price benchmarks rose amid supply risks due to El Niño. The Bangko Sentral ng Pilipinas (BSP) held its first monetary policy meeting of the year and kept its key rate unchanged at 6.50%. The policymakers deem it appropriate to keep the policy rate on hold amid the improvement in inflation condition, but they are ready to adjust the policy settings to maintain price stability.

**Fund Performance.** The Fund returned 0.17% for the month, underperforming its benchmark by 11 basis points. Year-to-date, return amounted to 0.43%, underperforming its benchmark by 17 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.