



BPI FIXED INCOME PORTFOLIO FUND-OF-FUNDS

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of June 30, 2021

FUND FACTS

Classification:	Long Term Bond Fund-of-Funds	NAVPU:	Php 121.62
Launch Date:	September 1, 2016	Total Fund NAV (Mn):	Php 2.48
Minimum Investment:	Php 1,000,000.00	Dealing Day:	Daily up to 12:00 PM
Additional Investment:	Php 10,000.00	Redemption Settlement:	T+3 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees**: Waived	Custodianship Fees: 0%	External Auditor Fees: 0.0049%	Other Fees: 0%
BPI Asset Management	none	Isla Lipana	none

*As a percentage of average daily NAV for the quarter valued at Php2.46 Million

**Trustee Fees are collected at the target fund level

*Billings for 2018 divided by the average daily NAV

INVESTMENT OBJECTIVE AND STRATEGY

The Fund, operating as a Fund-of-Funds, intends to achieve for its Participants principal protection by investing in a diversified portfolio of primarily domestic money market and bond collective investment schemes. The Fund aims to provide excess return over the BPI Philippine Government Bond Index.

CLIENT SUITABILITY

A client profiling process shall be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The BPI Fixed Income Portfolio Fund-of-Funds is suitable only for investors who:

- Are classified as aggressive based on their risk profile
- Have an investment horizon of more than five (5) years.

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

Interest Rate Risk: The Fund invests in an long term portfolio of domestic government and corporate securities, exposing investors to the risk of loss arising from a rise in interest rates, which generally causes fixed income security prices to decline. Factors/ events that may lead to a rise interest rates include adverse market conditions, issuer-specific factors/ events and/ or negative developments in domestic political and economic conditions.

Liquidity Risk: Investors are exposed to the risk of loss due to the Fund's inability to convert security holdings to cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price due to limited buyers/ sellers in the market, low trading volumes or market disruptions, among other reasons/ factors.

Credit/Default Risk: Investors are exposed to the risk of loss due to the failure of the borrower/ debt issuer to make timely interest and/ or principal payments on its deposit liabilities, loans, bonds or other debt instruments due to a deterioration in the borrower's/ issuer's financial condition or external factors and events that may affect its ability to repay financial obligations such as negative developments in domestic political and economic conditions.

Related Party Risk: Investors are exposed to actual or potential conflicts of interest in the handling of related party transactions by the Trustee, specifically, time deposit placements with the Trustee's own bank and/ or its subsidiary, purchase of debt securities issued by related parties, as well as the execution of trade transactions with related counterparties.

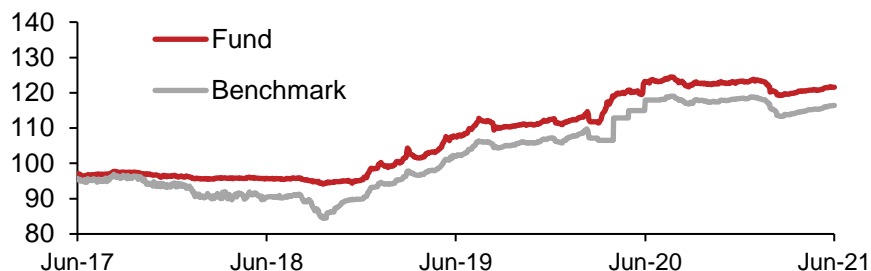
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES SHALL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**
- **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

FUND PERFORMANCE AND STATISTICS AS OF JUNE 30, 2021

(Purely for reference purposes and is not a guarantee of future results)

NAVPU GRAPH



* Benchmark is BPI Philippine Government Bond Index

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mos	6 mos	1 YR	3 YR	S.I. ²
Fund	0.71	1.69	-1.33	-1.16	27.06	21.62
Benchmark	0.93	2.26	-1.70	-1.30	28.74	16.39

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	4 YRS	S.I. ²
Fund	-1.16	6.33	8.31	5.79	4.14
Benchmark	-1.30	6.82	8.79	5.00	3.19

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2020	2019	2018	2017	2016
Fund	-1.33	9.63	17.99	-1.13	0.88	-4.46
Benchmark	-1.70	10.52	19.23	-4.40	0.58	-6.55

PORTFOLIO COMPOSITION

Allocation	% of Fund
Bond Funds	100.00
Money Market Funds	-
Cash, Receivables, Liabilities	0.00
Allocation by Sector	% of Fund
Corporate Bonds	21.75
Government Debt	66.22
Money Market	10.96
Cash, Receivables, Liabilities	1.07

NAVPU over the past 12 months

Highest	124.51
Lowest	119.26

STATISTICS

Weighted Ave Duration (Yrs)	4.01
Volatility, Past 1 Year (%) ³	3.29
Sharpe Ratio ⁴	-0.65
Information Ratio ⁵	0.11
Portfolio Weighted Yield to Maturity (%)	2.29
Current Number of Holdings	2

¹Returns are net of fees.

²Since inception.

³Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁴Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

⁵Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

*Declaration of Trust is available upon request through branch of account.

TOP TEN HOLDINGS

Name	% of Fund
Odyssey Peso Bond Fund	74.31
Odyssey Peso Medium Term Bond Fund	25.69

RELATED PARTY TRANSACTIONS

The Fund has transactions and outstanding investments including deposits, investment in the share/s of stocks, and/or debt issuances of the following companies related to BPI Asset Management and Trust Corporation (BPI AMTC):

Odyssey Peso Bond Fund, a fund managed by BPI AMTC – PHP 1.841 million
Odyssey Peso Medium Term Bond Fund, a fund managed by BPI AMTC – PHP 0.636 million

Investments in the said outlets were approved by BPI AMTC's Board of Directors. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

*Related party in accordance with BPI AMTC's internal policy.

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index returned 0.93% in June, with benchmark government yields dropping 15.48 basis points (bps) on average. The yield curve steepened somewhat, with rates on the short-end and belly of the curve declining while yields on the long-end of the curve rose. Average daily trading volume rose to PHP27.99bn from May's PHP21.01bn, as investors sought to deploy proceeds from the maturity of jumbo issuance RTB3-9. Trades were mostly seen on the short-end (Treasury Bills) and belly (3 to 7-year papers) of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions (20-, 7, 10- and 11.7-year tenors) and four Treasury Bill auctions in June. Demand was quite healthy across all four FXTNs, with bid volumes considerably higher than offered amounts. However, reception to the BTr's tap offerings were luke-warm to mixed. Average yields for the reissued FXTN25-11, FXTN7-64, FXTN10-65 and FXTN20-20 were awarded at 5.084%, 3.685%, 3.719% and 4.187%, respectively. Meanwhile, the Treasury Bills saw yields falling gradually across all three tenors, with average rates for the 91-, 182- and 364-day papers awarded at 1.031%, 1.332% and 1.563%, respectively, during the last auction of June. Towards month-end, the BTr released its July schedule, announcing 5 weekly FXTN issuances (11-, 7-, 20-, 10-, & 7-year tenors) & 4 weekly T-bill auctions.

In the local economic space, May inflation came in at 4.5% year-on-year, unchanged from April and in-line with the median forecast. This marked the 5th straight month that inflation has been higher than the Bangko Central ng Pilipinas' (BSP) target band of 2-4% for the year. Bloated pork prices due to the African Swine Fever outbreak kept the food prices overall elevated. Transport costs likewise remained high due to global fuel prices. However, the BSP noted that this was still in line with its projection of elevated prices given supply side pressures on food, and that by 2022 prices should stabilize. Consequently, the central bank maintained its policy rates at the current record lows during its Monetary Policy meeting concluded last June 24. BSP Governor Diokno has reiterated that the central bank would utilize its full arsenal of tools to support growth and stability.

Fund Performance. The Fund returned 0.71% for the month, below the benchmark by 22 bps.

Fund Strategy. For BPI FIPFOF, fund strategy to maintain its underweight duration position relative to the BPI Government Bond Index on the back of higher inflation expectations and additional bond supply which may push rates higher.

LIST OF PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets, wherein the Trustee intends to invest depending on strategy, availability, or other market-driven circumstances:

- a) Primarily in more than one collective investment schemes, that are approved/registered and supervised by the Bangko Sentral ng Pilipinas (the "BSP") or the Securities and Exchange Commission (the "SEC") and managed by the Trustee or by its related parties; provided further that such combined investment in collective investment schemes should not fall below ninety percent (90%) of the net asset value of the Fund.
- b) Short-term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable securities issued by the government of a foreign country, any political subdivision/agency of a foreign country or any supranational entity; tradable fixed-income instruments issued by foreign or local financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investments outlets/ categories as the BSP may allow. Provided, that, a financial instrument is regarded as tradable if two-way prices are quoted, readily available or regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- c) Short-term tradable fixed-income instruments issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Fund; and, any such other instruments as may be allowed under BSP regulations. Investment with related interests shall be in accordance with Subsection X410.12 (a) of the Manual of Regulations for Banks.
- d) Bank deposits, BSP special deposit account or tradable debt instruments issued by the BSP.
- e) Such other investments allowed under regulations issued by the BSP.

BPI Asset Management and Trust Corporation (BPI AMTC) is a subsidiary of the Bank of the Philippine Islands. For inquiries and comments, please send an email to bpi_asset_management@bpi.com.ph or call us at (02) 8580-AMTC (2682).

Regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>, BSP Webchat <https://www.bsp.gov.ph>

SMS: 021582277 & BSP CAMS Facebook: <https://www.facebook.com/BangkoSentralngPilipinas>

INVESTMENT OBJECTIVES OF TARGET FUNDS

NAME	REGULATOR	OBJECTIVE
BPI Invest Short Term Fund	Bangko Sentral ng Pilipinas	The Fund aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments. The Fund aims to provide excess return over the return of the 91-day Philippine Treasury Bill, net of tax.
BPI Invest Money Market Fund	Bangko Sentral ng Pilipinas	The Fund aims to achieve liquidity and stable income derived from a diversified portfolio of primarily short-term fixed income instruments. The Fund aims to provide excess return over the return of the 91-day Philippine Treasury Bill, net of tax.
BPI Invest Premium Bond Fund	Bangko Sentral ng Pilipinas	<p>The Fund intends to achieve for its Participants capital appreciation and income derived from a diversified portfolio of primarily medium-term fixed income instruments. The Fund aims to provide absolute returns in excess of the return of the BPI Philippine Government Bond 1-3 Year Index.</p> <p>The Fund aims to achieve investment returns that closely track the total return of the iBoxx ABF Philippines index, before fees and expenses, by investing in a diversified portfolio of peso-denominated sovereign, quasi-sovereign, and supranational bonds.</p>
ABF Philippines Bond Index Fund	Bangko Sentral ng Pilipinas	<p>The Fund aims to generate income by investing in a diversified portfolio of Peso denominated sovereign and corporate debt securities. The Fund aims to outperform its benchmark which is the BPI Philippine Government Bond 1-5 Year Index.</p> <p>The Fund aims to achieve capital appreciation and income growth in Philippine Peso terms over a period of time by investing in a diversified portfolio of Philippine Peso denominated fixed income instruments. The Fund aims to outperform its benchmark which is the BPI Philippine Government Bond Index.</p>
Odyssey Peso Medium Term Bond Fund	Bangko Sentral ng Pilipinas	
Odyssey Peso Bond Fund	Bangko Sentral ng Pilipinas	

SPECIFIC RISKS IN INVESTING IN A FUND-OF-FUNDS

The performance of the underlying Target Fund/s on an individual or collective basis impacts the performance of the BPI Fixed Income Portfolio Fund-of-Funds.

Trustee Fees are collected at the target fund level. Such fees are already included in the computation of the Net Asset Value per Unit (NAVPU), which is the price at which investors subscribe and redeem units of the Fund.

Other Fund Facts

Fund Currency: Philippine Peso

Benchmark: BPI Philippine Government Bond Index