



BPI INVEST EUROPEAN EQUITY FEEDER FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of June 30, 2021

FUND FACTS

| | | | |
|--------------------------------|-----------------------------|---------------------------------|---------------------|
| Classification: | Global Equity Feeder Fund | NAVPU: | USD 140.09 |
| Launch Date: | August 5, 2014 ¹ | Total Fund NAV (Mn): | USD 7.24 |
| Minimum Investment: | USD 1,000.00 | Dealing Day: | Daily up to 2:30 PM |
| Additional Investment: | USD 500.00 | Redemption Settlement: | T+5 End-of-Day |
| Minimum Holding Period: | None | Early Redemption Charge: | None |

FEES

| | | | |
|---|---------------------------------|---|---------------------------|
| Trustee Fees: 0.75% | Custodianship Fee: 0.00% | External Audit Fee: 0.0046% | Other Fees: 0.06% |
| BPI Asset Management | None | Isla Lipana | Broker's Fee ⁷ |
| As a percentage of average daily NAV for the quarter valued at USD 5.89 Million | | Billings in 2018 divided by the average daily NAV | |

INVESTMENT OBJECTIVE AND STRATEGY

The Fund, operating as a Feeder Fund, intends to achieve for its Participants long-term capital growth by investing in a Target Fund that aims to provide returns in excess of the MSCI Europe Index. Pursuant to existing BSP rules and regulations, as a Feeder Fund, this Fund is mandated to invest at least 90% of its assets in a single collective investment scheme.

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 Invest European Equity Feeder Fund is for investors who:

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

Participation in the Fund shall be open to Participants with legal capacity to contract and who are not considered US persons under the US securities and tax laws, subject to the other conditions, rules or provisions stated in the Plan Rules and those established by the Trustee. No beneficial owner shall hold more than 10% of the Fund. Any investor who owns more than 10% shall be asked to redeem the amount (or its equivalent number of units) in excess of 10% within thirty (30) calendar days.

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.

| | |
|---------------------------|--|
| Market/Price Risk: | Investors are exposed to adverse changes in the prices of large cap stocks in the Eurozone, which may be brought about by adverse market conditions, unfavorable company earnings and valuations, and negative developments in the political and economic conditions of countries where investee companies are domiciled. |
| Liquidity Risk: | Investors are exposed to the risk of loss due to the target 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 participants in the market, low trading volumes, market disruptions, among others. |
| Country Risk: | Investors are exposed to the risk of loss arising from negative developments in the political, economic and social conditions of countries, primarily in Europe, which may adversely affect the value of the feeder fund. |
| FX Risk: | Investors are exposed to the risk of loss from a decline in the market value of the target fund when the market value of foreign currency denominated equity securities held by the target fund are translated to USD. |

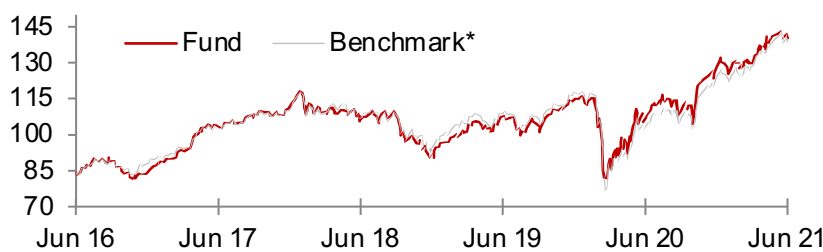
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 JUNE 30, 2021

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

NAVPU GRAPH



CUMULATIVE PERFORMANCE (%) ²

| | 1 mo | 3 mos | 6 mos | 1YR | 3YRS | S.I. ³ |
|-----------|-------|-------|-------|-------|-------|-------------------|
| Fund | -1.18 | 7.73 | 9.29 | 32.06 | 30.34 | 40.09 |
| Benchmark | -1.36 | 7.42 | 11.04 | 35.09 | 28.30 | 41.21 |

ANNUALIZED PERFORMANCE (%) ²

| | 1YR | 2YRS | 3YRS | 4YRS | 5YR | S.I. ³ |
|-----------|-------|-------|------|------|-------|-------------------|
| Fund | 32.06 | 13.88 | 9.22 | 7.92 | 10.68 | 5.00 |
| Benchmark | 35.09 | 12.17 | 8.65 | 7.80 | 10.34 | 5.12 |

CALENDAR YEAR PERFORMANCE (%) ²

| | YTD | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------|-------|-------|-------|--------|-------|-------|
| Fund | 9.29 | 11.52 | 24.89 | -17.65 | 32.40 | -5.95 |
| Benchmark | 11.04 | 5.69 | 24.75 | -15.20 | 26.62 | -0.89 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|---|-----------|
| Target fund | 99.11 |
| Cash | 3.31 |
| Time deposits and money market | - |
| Other receivables - net of liabilities ⁸ | -2.42 |

| Portfolio Allocation | % of Target Fund |
|----------------------|------------------|
| United Kingdom | 32.77 |
| Germany | 17.70 |
| France | 12.73 |
| Sweden | 10.10 |
| Switzerland | 9.38 |
| Other countries | 17.32 |

NAVPU over the past 12 months

| | |
|----------------|--------|
| Highest | 144.60 |
| Lowest | 104.64 |

STATISTICS

| | |
|--|-------|
| Volatility, Past 1 Year (%) ⁴ | 20.69 |
| Sharpe Ratio ⁵ | 1.55 |
| Information Ratio ⁶ | -1.18 |

¹Originally launched as BPI European Equity Index Feeder Fund. The Target Fund was switched from SPDR Euro Stoxx 50 ETF to Wellington Strategic European Equity Fund on April 1, 2016.

²Returns are net of fees.

³Since Inception.

⁴Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁵Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

⁶Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁷Cost of buying/selling of shares/units of the Target Fund through dealers/brokers.

⁸Includes accrued income, investment securities purchased, accrued expenses, etc.

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

TOP TEN HOLDINGS

| Name | % of Target Fund |
|----------------------|------------------|
| Novartis AG | 4.42 |
| GlaxoSmithKline Plc. | 4.38 |
| UCB | 4.11 |
| AstraZeneca Plc. | 3.91 |
| UBS Group AG | 3.63 |
| Fresenius SE & Co. | 3.18 |
| United Internet AG | 2.98 |
| Alfa Laval AB | 2.97 |
| Qiagen NV | 2.57 |
| Assa Abloy AB | 2.54 |

RELATED PARTY TRANSACTIONS*

The Fund has no transactions and outstanding investments with entities related to BPI Asset Management and Trust Corporation (BPI AMTC).

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

OTHER FUND FACTS

| | | | |
|-----------------------------|--|-------------------------------|---|
| Fund Currency: | US Dollar | Fund structure: | UCITS (Dublin, Ireland) |
| Benchmark*: | MSCI Europe Index | Inception Date: | March 7, 2014 |
| Name of Target Fund: | Wellington Strategic European Equity Fund | Trustee and Custodian: | State Street Custodial Services (Ireland) Limited |
| Regulator: | Central Bank of Ireland | Total Expense Ratio: | 0.82% |
| Fund Manager: | Wellington Management International Ltd. | | |

The Fund Performance Report and relevant information about the Wellington Strategic European Equity Fund can be viewed and downloaded through www.wellington.com

OUTLOOK AND STRATEGY

Market Review. Global equities posted modest gains in June. US equities reached new highs as economic optimism and vaccine efficiency against the Delta variant boosted markets. Eurozone equities also performed well for the month as the accelerating pace of vaccinations helped the reopening of economies and supported the lifting of lockdown restrictions. Emerging markets declined for the month as the continuing slow pace of vaccinations and resurgence of community infections due to the Delta variant weighed on investor sentiment. The Federal Reserve kept rates unchanged and maintained its accommodative stance but committee members projected two rate hikes by the end of 2023. Inflation concerns were tempered as the central bank remarked that the recent pickup in inflation is transitory and inflation is on track to moderately exceed 2 percent for some time as longer-term expectations remain well-anchored at 2 percent. Economic data continued to reflect positive signs of recovery. US manufacturing activity grew at a record pace as its PMI increased to 62.6 from 62.1 in June driven by the strong domestic demand. Eurozone's business activity grew at its fastest pace in 15 years as the composite PMI increased from 57.1 to 59.2 as lockdown restrictions were lifted across the region. China's PMI reflected a steady recovery albeit at a slower pace as supply chain disruptions weighed on factory activity. In commodity markets, oil prices rallied and rose to their highest level since 2018 as supply is forecasted to tighten in the upcoming months due to strong demand growth and expectations of a cautious OPEC+ in increasing production levels.

Fund Performance. The fund returned -1.18% in June, outperforming the benchmark by 18 basis points.

Fund Strategy. The fund will continue to invest in companies with compelling structural growth, solid competitive positioning and attractive valuations, which can potentially lead to higher returns and help mitigate downside risk given the current market environment.

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 a single collective investment scheme whose investment objective is to provide investment results in excess of the return of the MSCI Europe Index; provided further that such CIS is approved or registered and supervised by a regulatory authority that is a member of the International Organization of Securities Commissions (IOSCO) and managed by reputable fund manager/s; provided further that the investment in the said collective investment scheme should at least be ninety percent (90%) of the total assets of the Fund. The Target Fund must be recognized as a collective investment scheme in its home jurisdiction by a regulatory authority or any regulatory authority acceptable to the BSP to supervise this CIS. Such collective investment scheme must not have any investment exposure in other collective investment schemes.
- (b) Primarily 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) Primarily 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) The principal investments of the Fund will be denominated in, but not limited to the U.S. Dollar.
- (e) Bank deposits, BSP special deposit account or tradable debt instruments issued by the BSP.
- (f) Such other investments allowed under regulations issued by the BSP.

INVESTMENT OBJECTIVE OF TARGET FUND

The Wellington Strategic European Equity Fund seeks long-term total return (that is capital gain and yield). The Portfolio seeks to achieve this objective by investing predominantly in a diversified portfolio of European-domiciled companies that enjoy earnings and cash flow growth that are greater than the average earnings and cash flow growth of constituents of the MSCI Europe Index.

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).

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