

**BPI INVEST GLOBAL BOND FUND-OF-FUNDS****KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of May 31, 2021

**FUND FACTS**

<b>Classification:</b>	Global Bond Fund-of-Funds	<b>NAVPU:</b>	USD 187.84
<b>Launch Date:</b>	March 3, 2014 <sup>1</sup>	<b>Total Fund NAV (Mn):</b>	USD 16.82
<b>Minimum Investment:</b>	USD 500.00	<b>Dealing Day:</b>	Daily up to 2:30 PM
<b>Additional Investment:</b>	USD 200.00	<b>Redemption Settlement:</b>	T+5 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES**

<b>Trustee Fees:</b> 0.75%	<b>Custodianship Fees:</b> 0.0000%	<b>External Auditor Fees:</b> 0.0043%	<b>Other Fees:</b> 0.00%
BPI Asset Management As a percentage of average daily NAV for the quarter valued at USD 16.12 Million	None	Isla Lipana Billings for 2018 divided by the average daily NAV	None

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund, operating as a Fund-of-Funds, intends to achieve for its participants capital appreciation and income derived from a diversified portfolio of foreign currency-denominated fixed income collective investment schemes. Pursuant to existing BSP rules and regulations, as a Fund-of-Funds, this Fund is mandated to invest at least 90% of its assets in more than one collective investment scheme. The Fund aims to provide returns over the Bloomberg Barclays Global Aggregate Bond Total Return Unhedged 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 Invest Global Bond Fund-of-Funds is for investors who:

- Are at least classified as moderately aggressive based on their risk profile.
- Have an investment horizon of at least three (3) 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.

<b>Market/Price Risk:</b>	Investors are exposed to adverse changes in the prices of foreign currency denominated fixed income collective schemes (target funds), due to a rise in interest rates as a result of adverse market conditions, unfavorable developments in the political and economic conditions of countries where the underlying securities of the target funds are issued or traded, or other issuer-specific factors.
<b>Liquidity Risk:</b>	Investors are exposed to the risk of loss due to the inability of the target funds 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 or market disruptions, among others.
<b>Country Risk:</b>	Investors are exposed to the risk of loss arising from negative developments in the political, economic and social conditions of the focus countries of the target fund which may adversely affect its value.
<b>FX Risk:</b>	Investors are exposed to the risk of loss from a decline in the fund value when the market value of foreign currency denominated target funds are translated to USD.

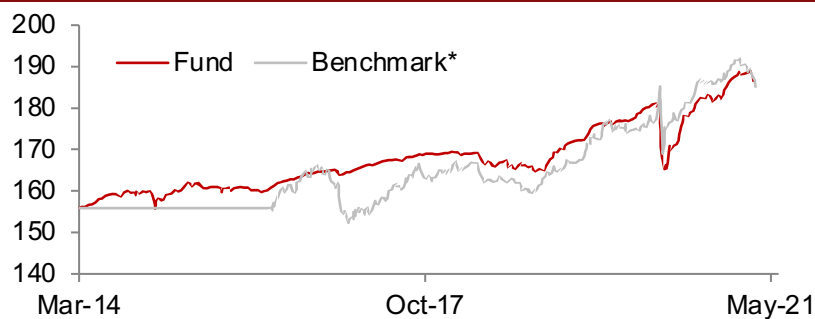
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 OF MAY 31, 2021

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

### NAVPU GRAPH



### CUMULATIVE PERFORMANCE (%)<sup>2</sup>

	1 mo	3 mos	6 mos	1YR	3YRS	S.I. <sup>3</sup>
Fund	0.42	0.79	0.79	6.95	12.54	20.56
Benchmark	0.94	0.25	-1.03	4.47	14.84	20.31

### ANNUALIZED PERFORMANCE (%)<sup>2</sup>

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. <sup>3</sup>
Fund	6.95	4.26	4.01	2.90	2.88	2.61
Benchmark	4.47	5.16	4.72	3.88	3.26	2.58

### CALENDAR YEAR PERFORMANCE (%)<sup>2</sup>

	YTD	2020	2019	2018	2017	2016
Fund	-0.27	5.08	8.62	-2.46	2.68	2.90
Benchmark	-2.12	9.16	7.45	-1.23	7.30	-1.17

### PORTFOLIO COMPOSITION

Allocation	% of Fund		
Bond funds	95.43		
Cash	2.67		
Time deposits and money market	2.97		
Other receivables - net of liabilities <sup>8</sup>	-1.08		
Allocation by Sector	Allocation by Region		
Corporate Bonds	25.70	North America	48.45
Government Debt	20.06	Europe	15.54
Securitized Debt	20.36	Asia Pacific/Other EM	28.69
Emerging Market Debt	23.60	Other countries	1.53
Loans	4.49		
Cash <sup>7</sup>	5.79	Cash and Equivalents	5.79

### NAVPU over the past 12 months

<b>Highest</b>	189.10
<b>Lowest</b>	175.64

### STATISTICS

Volatility, Past 1 Year (%) <sup>4</sup>	3.54
Sharpe Ratio <sup>5</sup>	1.94
Information Ratio <sup>6</sup>	1.01
Portfolio Weighted Yield to Maturity (%)	2.99
Current Number of Holdings	11

<sup>1</sup>Inception date is March 3, 2014, its conversion date to a fund-of-funds. It was originally launched as BPI International Fund Plus on Nov 2, 1998.

<sup>2</sup>Returns are net of fees.

<sup>3</sup>Since Inception.

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

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

<sup>6</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>7</sup>Includes the cash held by the underlying funds.

<sup>8</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

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

### TOP HOLDINGS

Name	% of Holdings
PIMCO Global Bond Fund	29.39
NB US Strategic Income Fund	18.64
PIMCO Income Fund	17.55
Wellington Global Impact Bond Fund	10.46
NB EM Debt Hard Currency Fund	7.63

### 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's internal policy.

### OTHER FUND FACTS

**Fund Currency:** US Dollar

**Benchmark\*:** Bloomberg Barclays Global Aggregate Bond Total Return Unhedged Index

### FOREIGN FUND MANAGERS OF TARGET FUNDS

[Neuberger Berman](#)

[PIMCO](#)

[Wellington Management](#)

[NN Investment Partners](#)

## OUTLOOK AND STRATEGY

**Market Review.** Global fixed income markets gained modestly in May. Optimism in the global economic recovery driven by rising vaccination rates and continued policy support were dampened by inflation fears and resurging coronavirus cases in several regions. The Federal Reserve kept rates unchanged and maintained the pace of its asset purchases, but some officials hinted that it may begin to discuss a plan for adjusting the pace of asset purchases should the economy continue to progress towards the committee's goals.

US Treasury yields were flat for the month with the US 10-year and 30-year bond yields ending at 1.60% and 2.28%, respectively. Riskier fixed income assets outperformed government bonds led by emerging markets driven by the weaker dollar. Corporate credit spreads were mixed across sectors with spreads for investment grade and emerging market fixed income narrowing by 4.69 and 9.73 basis points, respectively, while high yield credit spreads widened by 3.77 basis points.

**Fund Performance.** The fund returned 0.42%, lagging the benchmark by 52 basis points. Allocation in government bonds and cash detracted from performance.

**Fund Strategy.** The COVID-19 pandemic will likely continue to cause volatility and market uncertainty as investors weigh the potential negative consequences to global growth and trade. While there are signs of a recovery in some economic indicators and vaccine deployment under way, we think that a balanced allocation to government and high quality corporate bonds is ideal. Overall, we favor high yield corporate bonds and loans given the vaccine-led economic bounce and improved fundamentals. Although we are cautious of corporate credit spreads at near all-time lows, we believe an active approach to credit selection can help navigate through this environment. EM assets, on a relative value basis, continue to look attractive and should be boosted by increasing vaccination rates.

## 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 or registered and supervised by regulatory authorities that is a member of the International Organization of Securities Commissions (IOSCO) and managed by reputable fund manager/s the investment objectives and policies of which are generally consistent with those of the Fund; 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. The Target Fund/s 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 schemes 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 are not limited to, the following major currencies: U.S. Dollar, Euro, British Pound, Canadian Dollar, Australian Dollar, Swiss Franc, Danish Kroner, and Japanese Yen
- (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.

BPI Asset Management and Trust Corporation (BPI AMTC) is a subsidiary of the Bank of the Philippine Islands. For any inquiries and complaints relating to our services and products you may call our hotline: 889-10000, or send an email at [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or write a letter addressed to BPI Asset Management and Trust Corporation - Consumer Assistance Office, 7/F, BPI Buendia Center, Sen. Gil J. Puyat Avenue, Makati City 1209.

BPI AMTC as Trustee / Investment Manager is regulated by the Bangko Sentral ng Pilipinas (BSP) with e-mail address: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph).

## INVESTMENT OBJECTIVES OF TARGET FUNDS

Name	Domicile	Regulator	Objective
PIMCO Global Bond Fund	Ireland	Central Bank of Ireland	Aims to maximize total return while ensuring preservation of capital and adhering to prudent investment management. Invests primarily in US and non-US intermediate-maturity fixed-income securities rated from B to AAA
Neuberger Berman US Strategic Income Fund	Ireland	Central Bank of Ireland	Aims to maximize total return from high current income and long-term capital appreciation through investing in debt securities issued by US and non-US governments and their agencies and corporations located globally.
PIMCO Income Fund	Ireland	Central Bank of Ireland	Aims to seek high current income while adhering to prudent investment management by utilizing a multi-sector strategy diversified across a broad range of global fixed-income securities
Wellington Global Impact Bond Fund	Ireland	Central Bank of Ireland	Seeks long-term returns by investing primarily in investment grade rated global fixed income securities issued by organisations whose core business, in the opinion of the investment manager, aims to address some of the world's major social and environmental challenges.
Neuberger Berman Emerging Market Debt Hard Currency Fund	Ireland	Central Bank of Ireland	Aims to achieve attractive level of risk adjusted total return by investing primarily in debt securities and money market instruments issued by public or private issuers in Emerging Market Countries which are denominated in Hard Currency.
PIMCO Investment Grade Credit ESG Fund	Ireland	Central Bank of Ireland	Seeks to maximize total return by investing primarily in investment grade global corporate instruments, while focusing on environmental-, social-, and governance oriented (ESG) principles.
Neuberger Berman Short Duration Emerging Market Debt Fund	Ireland	Central Bank of Ireland	Aims to provide a stable and attractive income by investing in a diversified selection of Emerging Market Hard Currency Sovereign and Corporate instruments
NN Group Flex Senior Loans Fund	Luxembourg	CSSF	Aims to provide a high level of risk-adjusted monthly income by investing in higher yielding, floating-rate senior loans and other senior floating-rated debts instruments that are issued by U.S. and non-U.S. corporations.
Neuberger Berman Emerging Market Debt Local Currency Fund	Ireland	Central Bank of Ireland	Aims to achieve an attractive level of risk adjusted total return by investing in debt securities and money market instruments which are issued by governments of, government agencies in or corporate issuers in Emerging Market Countries.

## 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 Invest Global Bond Fund-of-Funds.
- The BPI Invest Global Bond Fund-of-Funds incurs trust fee payable to the Trustee. Additionally, the Target Fund/s charge their own management fee/s. Such fees are already included in the computation of the Net Asset Value per Unit, which is the price at which investors subscribe and redeem units of the Fund