



# BPI INVEST MONEY MARKET FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of January 29, 2021

### FUND FACTS

<b>Classification:</b>	Money Market Fund <sup>1</sup>	<b>NAVPU:</b>	Php260.84
<b>Launch Date:</b>	August 1, 2013	<b>Total Fund NAV (Mn):</b>	62,950.91
<b>Minimum Investment:</b>	Php 10,000.00	<b>Dealing Day:</b>	Daily up to 1:30 PM
<b>Additional Investment:</b>	Php 1,000.00	<b>Redemption Settlement:</b>	T+0 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

### FEES\*

<b>Trustee Fees:</b> 0.25%	<b>Custodianship Fees:</b> 0.0041%	<b>External Auditor Fees:</b> 0.0044%	<b>Other Fees:</b> 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

\*As a percentage of average daily NAV for the quarter valued at Php57,869.31 Million

\*Billings in 2020 divided by the average daily NAV

\*Billings in 2018 divided by the average daily NAV

### INVESTMENT OBJECTIVE AND STRATEGY

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.

### 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 Money Market Fund is suitable only for investors who:

- Are at least classified as moderately conservative based on their risk profile
- Have an investment horizon of at least one (1) year

### 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 short term domestic fixed income 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 in 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.

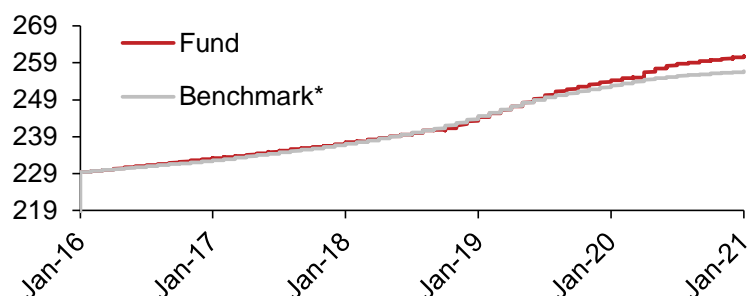
• WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES SHALL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.

• THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

## FUND PERFORMANCE AND STATISTICS AS OF JANUARY 29, 2021

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

### NAVPU GRAPH



\*Benchmark is the 91-day Philippine Treasury Bill, net of tax

### CUMULATIVE PERFORMANCE (%) <sup>1</sup>

	1 mo	3 mos	6 mos	1YR	3YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>0.14</b>	<b>0.43</b>	<b>0.80</b>	<b>2.59</b>	<b>9.85</b>	<b>18.77</b>
<b>Benchmark</b>	0.08	0.22	0.47	1.51	8.27	15.25

### ANNUALIZED PERFORMANCE (%) <sup>1</sup>

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>2.59</b>	<b>3.32</b>	<b>3.18</b>	<b>2.84</b>	<b>2.60</b>	<b>2.32</b>
<b>Benchmark</b>	1.51	2.44	2.69	2.50	2.27	1.91

### CALENDAR YEAR PERFORMANCE (%) <sup>1</sup>

	YTD	2020	2019	2018	2017	2016
<b>Fund</b>	<b>0.14</b>	<b>2.68</b>	<b>4.36</b>	<b>2.63</b>	<b>1.72</b>	<b>1.66</b>
<b>Benchmark</b>	0.08	1.68	3.55	2.95	1.88	1.40

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	41.53
Corporates	14.48
Cash	0.03
Time deposits and money market	43.75
Other receivables - net of liabilities <sup>6</sup>	0.20
<b>Maturity Profile</b>	
Cash and less than 1 year	72.49
Between 1 and 3 years	27.51
Between 3 and 5 years	-
Between 5 and 7 years	-
Between 7 and 10 years	-
More than 10 years	-
<b>Portfolio Weightings</b>	
Philippine Corporate Bonds	14.48
Philippine Sovereign Bonds	41.53

### RELATED PARTY TRANSACTIONS

The Fund has investments and trade transactions with BPI Asset Management and Trust Corporation (BPI AMTC):

BPI Family Savings Bank – PHP 1,810.00 Million ; Bank of the Philippine Islands - PHP 2,241.49 Million ;  
BPI Direct BanKo, Inc. – PHP 250 Million ; Ayala Corporation – PHP 290.61 Million ; Ayala Land, Inc. – PHP 138.31 Million

Investments in the said outlets were approved by the 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.

### NAVPU over the past 12 months

Highest	260.84
Lowest	254.31

### STATISTICS

Weighted Ave Duration (Yrs)	0.74
Volatility, Past 1 Year (%) <sup>3</sup>	0.47
Sharpe Ratio <sup>4</sup>	2.31
Information Ratio <sup>5</sup>	2.75
Portfolio Weighted Yield to Maturity (%)	1.32
Current Number of Holdings	107

<sup>1</sup>Returns are net of fees.

<sup>2</sup>Since inception.

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

<sup>4</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>5</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>6</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

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

### TOP TEN HOLDINGS

Name	Maturity	% of Fund
Fixed Rate Treasury Note	20/03/2021	6.14
Retail Treasury Bond	13/06/2021	5.84
Retail Treasury Bond	11/02/2023	5.27
Fixed Rate Treasury Note	10/09/2023	4.76
Fixed Rate Treasury Note	04/07/2022	4.58
Time Deposit		3.97
China Bank	22/10/2022	2.35
Retail Treasury Bond	04/12/2022	2.22
Fixed Rate Treasury Note	19/01/2022	2.01
Fixed Rate Treasury Note	28/04/2021	1.99

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Money Market Index returned 0.16% in January as money market benchmark yields fell 7 basis points (bps) on average, with the greatest yield declines seen in the 12- and 6-month benchmark tenors.

The Bureau of the Treasury (BTr) sold four tranches of Treasury Bills (T-bills) over the month's course, with each tranche comprising PHP5-7bn of 91-day, PHP7bn of 182-day, and PHP10bn of 364-day securities. Demand for all tenors increased as the month progressed, and all auctions were fully awarded. Between the last auctions in this month and the previous month, yields for the 3- and 6-month securities fell 5-8 bps, while the yield of the 1-year security fell 14 bps. In the last auction of the month, the 91-, 182-, and 364-day securities were awarded at average yields of 0.969%, 1.323%, and 1.542%, respectively.

In the local economic space, December inflation came in at 3.5% year-on-year, above expectations of 3.2% and bringing full-year 2020 average inflation to 2.6%. Food inflation continued to spike, driven by supply constraints due to the effects of inclement weather and the African Swine Flu. The Philippine full-year GDP figure also disappointed, with fourth-quarter year-on-year growth at -8.3%, bringing the full-year 2020 growth figure to an all-time low of -9.5%. Weak demand and capital formation were the main causes of the decline, as pandemic-related mobility constraints impeded spending and lowered demand expectations, causing companies to cut capital expenditures. The negative growth and high inflation figures, together with doubts about local vaccine acquisition and distribution capability, impaired local risk sentiment, driving investors into safer assets and pushing risk asset prices lower. With its policy rate at record lows and with the possibility of transitorily higher inflation, the Bangko Sentral ng Pilipinas (BSP) is expected to remain accommodative but maintain current policy. In statements made throughout the month, BSP Governor Benjamin Diokno continued to emphasize the bank's focus on supporting growth using the full range of policy tools at its disposal.

**Fund Performance.** The Fund returned 0.14% during the month, above its benchmark by 0.06%.

**Fund Strategy.** The Fund favors the safety of Time Deposits. Expectations of monetary easing moving forward may depress short-term 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) Tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by financial institutions or private Corps; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investment outlets/categories as the BSP may allow.
- b) Tradable fixed-income securities 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.
- c) Collective investment vehicles managed by reputable fund managers the investment objectives and policies of which are generally consistent with those of the Fund, subject to then existing BSP regulations.
- d) Bank deposits and 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 supervised by the Bangko Sentral ng Pilipinas (BSP) with telephone number (632) 8708-7087 and e-mail address: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph).