



# BPI INVEST MONEY MARKET FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of July 30, 2021

### FUND FACTS

<b>Classification:</b>	Money Market Fund <sup>1</sup>	<b>NAVPU:</b>	Php 262.43
<b>Launch Date:</b>	August 1, 2013	<b>Total Fund NAV (Mn):</b>	59,543.49
<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> 0.0005%	<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 Php 56,347.33 Million	*Monthly rate: billings received for April 2021 divided by the average daily NAV for the month	*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.

<b>Interest Rate Risk:</b>	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.
<b>Liquidity Risk:</b>	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.
<b>Credit/Default Risk:</b>	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.
<b>Related Party Risk:</b>	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.

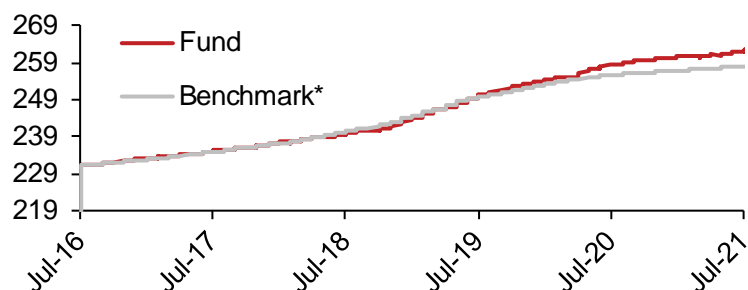
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- 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 JULY 30, 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>0.05</b>	<b>0.48</b>	<b>0.61</b>	<b>1.41</b>	<b>9.34</b>	<b>19.49</b>
<b>Benchmark</b>	0.08	0.25	0.48	0.95	7.42	15.80

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

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>1.41</b>	<b>2.39</b>	<b>3.02</b>	<b>2.78</b>	<b>2.56</b>	<b>2.25</b>
<b>Benchmark</b>	0.95	1.65	2.42	2.38	2.23	1.85

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

	YTD	2020	2019	2018	2017	2016
<b>Fund</b>	<b>0.75</b>	<b>2.68</b>	<b>4.36</b>	<b>2.63</b>	<b>1.72</b>	<b>1.66</b>
<b>Benchmark</b>	0.56	1.68	3.55	2.95	1.88	1.40

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	46.06
Corporates	17.90
Cash	0.04
Time deposits and money market	35.74
Other receivables - net of liabilities <sup>6</sup>	0.27
<b>Maturity Profile</b>	
Cash and less than 1 year	73.30
Between 1 and 3 years	26.70
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	17.90
Philippine Sovereign Bonds	46.06

### RELATED PARTY TRANSACTIONS

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

BPI Family Savings Bank – PHP 1,826.39 Million ; Bank of the Philippine Islands - PHP 2,586.51 Million ;  
BPI Direct BanKo, Inc. – PHP 125 Million ; Ayala Land, Inc. – PHP 295.80 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	262.43
Lowest	258.78

### STATISTICS

Weighted Ave Duration (Yrs)	0.66
Volatility, Past 1 Year (%) <sup>3</sup>	0.26
Sharpe Ratio <sup>4</sup>	1.76
Information Ratio <sup>5</sup>	1.86
Portfolio Weighted Yield to Maturity (%)	1.23
Current Number of Holdings	111

<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
Retail Treasury Bond	2/11/2023	5.77
Fixed Rate Treasury Note	7/4/2022	5.14
Retail Treasury Bond	12/4/2022	4.42
Fixed Rate Treasury Note	9/10/2023	3.22
Philippine Treasury Bill	11/10/2021	2.96
Fixed Rate Treasury Note	1/26/2022	2.68
Fixed Rate Treasury Note	1/19/2022	2.67
China Bank	2/18/2024	2.51
China Bank	10/22/2022	2.46
Philippine Treasury Bill	10/6/2021	2.35

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Money Market Index returned 0.09% in July, as short-end benchmark government yields barely inched up by 1.34 basis points (bps) on average. The yield curve flattened, with rates on the short-end of the curve rising while yields on the belly and long-end of the curve declined. Average daily trading volume fell to PHP20.60bn from June's PHP27.99bn with 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 Treasury Bill auctions in July. Treasury Bills saw yields rise slightly at the beginning until the middle of the month, then falling once more towards month-end as demand for shorter papers increased once more. Average rates for the last auction of the 91-, 182- and 364-day papers were awarded at 1.050%, 1.407% and 1.638%, respectively, during the last auction of the month. Demand for short-term papers remained healthy as total tenders for each tenor more than doubled the offer size during the weekly auctions. . Towards month-end, the BTr released its August auction schedule, announcing four weekly FXTN issuances (10-, 7-, 20-, and 11-year tenors) and four weekly Tbill auctions.

In the local economic space, June inflation fell to 4.1% year-on-year, compared to May's 4.5% and lower than the median forecast. Though it declined, the figure marks another month that inflation has been higher than the Bangko Sentral ng Pilipinas' (BSP) target band of 2-4% for the year. Bloated pork prices persisted due to the ongoing supply pressures brought about by the African Swine Fever outbreak. Meanwhile, transport costs eased due to base effects from last year. 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. BSP Governor Benjamin Diokno has continuously reiterated that the central bank would utilize its full arsenal of tools to support growth and stability.

**Fund Performance.** The Fund returned 0.05% during the month, behind its benchmark by 3 bps. Meanwhile, the YTD the Fund returned 0.75%, outperforming the benchmark by 19 bps.

**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 inquiries and comments, please send an email to [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or call us at (02) 8580-AMTC (2682).

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