



# BPI INVEST PHILIPPINE HIGH DIVIDEND EQUITY FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of June 30, 2021

### FUND FACTS

|                                |                 |  |                     |
|--------------------------------|-----------------|--|---------------------|
| <b>Classification:</b>         | Equity Fund     | <b>Net Asset Value per Unit (NAVPU):</b> | Php 119.96          |
| <b>Launch Date:</b>            | August 16, 2013 | <b>Total Fund NAV (Mn):</b>              | Php 8,326.19        |
| <b>Minimum Investment:</b>     | Php10,000.00    | <b>Dealing Day:</b>                      | Daily up to 2:30 PM |
| <b>Additional Investment:</b>  | Php1,000.00     | <b>Redemption Settlement:</b>            | T+3 End-of-Day      |
| <b>Minimum Holding Period:</b> | None            | <b>Early Redemption Charge:</b>          | None                |

### FEES\*

|                             |                                    |                                       |                          |
|-----------------------------|------------------------------------|---------------------------------------|--------------------------|
| <b>Trustee Fees:</b> 1.500% | <b>Custodianship Fees:</b> 0.0012% | <b>External Auditor Fees:</b> 0.0010% | <b>Other Fees:</b> 0.00% |
| BPI Asset Management        | HSBC                               | Isla Lipana                           | None                     |

\* As a percentage of 2015 average daily NAV for the quarter valued at Php 7,929.51 Mn  
 \*Monthly rate: billings received for April 2021 divided by the average daily NAV for the month  
 \*Billings received in 2017 divided by the average daily NAV for the month

### INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants total return through a combination of current income and long-term capital appreciation by investing in listed companies that have high dividend yields or have established a history of dividend payouts. The Fund aims to provide returns in excess of the return of the Philippine Stock Exchange index (PSEi).

### 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 Philippine High Dividend Equity Fund is suitable for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of at least 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.

|                            |   |
|----------------------------|---|
| <b>Equity Price Risk:</b>  | Investors are exposed to adverse changes in the prices of high dividend yield stocks listed in the Philippine Stock Exchange, which may be brought about by adverse stock market conditions, unfavorable company earnings and valuations and/ or negative developments in domestic and global political and economic conditions.                                |
| <b>Liquidity Risk:</b>     | Investors are exposed to the risk of loss due to the fund's inability to convert equity 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>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 equity securities issued by related parties, as well as the execution of trade transactions with related counterparties. |

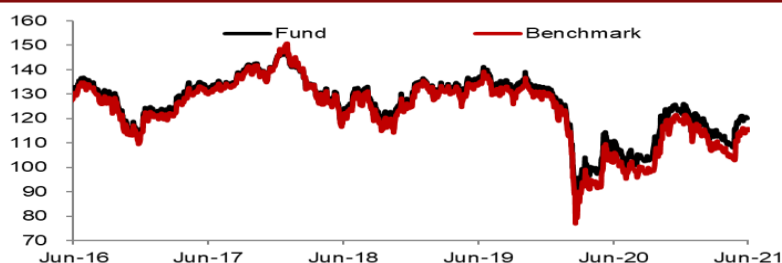
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- **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 the Philippine Stock Exchange Index

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

|                       | 1 mo        | 3 mos       | 6 mos        | 1YR          | 3YRS         | S.I          |
|-----------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| <b>Fund</b>           | <b>3.93</b> | <b>6.84</b> | <b>-2.68</b> | <b>10.67</b> | <b>-1.42</b> | <b>19.96</b> |
| <b>Benchmark</b>      | 4.12        | 7.12        | -3.33        | 11.18        | -4.06        | 5.76         |
| <b>Benchmark (TR)</b> | 4.21        | 7.60        | -2.17        | 13.10        | 1.12         | 22.24        |

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

|                       | 1YR          | 2YRS         | 3YRS         | 4YRS         | 5YRS         | S.I         |
|-----------------------|--------------|--------------|--------------|--------------|--------------|-------------|
| <b>Fund</b>           | <b>10.67</b> | <b>-5.94</b> | <b>-0.48</b> | <b>-2.41</b> | <b>-1.95</b> | <b>2.34</b> |
| <b>Benchmark</b>      | 11.18        | -7.11        | -1.37        | -3.15        | -2.41        | 0.71        |
| <b>Benchmark (TR)</b> | 13.10        | -5.47        | 0.37         | -1.47        | -0.73        | 2.58        |

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

|                       | YTD          | 2020         | 2019        | 2018          | 2017         | 2016         |
|-----------------------|--------------|--------------|-------------|---------------|--------------|--------------|
| <b>Fund</b>           | <b>-2.68</b> | <b>-6.85</b> | <b>4.71</b> | <b>-11.76</b> | <b>23.69</b> | <b>-2.93</b> |
| <b>Benchmark</b>      | -3.33        | -8.64        | 4.68        | -12.76        | 25.11        | -1.60        |
| <b>Benchmark (TR)</b> | -2.17        | -6.90        | 6.46        | -11.41        | 27.15        | 0.19         |

### PORTFOLIO COMPOSITION

| Allocation                       | % of Fund |
|----------------------------------|-----------|
| Equities                         | 96.22     |
| Cash                             | 0.10      |
| Time Deposits and Money Market   | 3.89      |
| Receivables – Net of Liabilities | -0.20     |
| <b>Sector Holdings</b>           |           |
| Holding Firms                    | 32.29     |
| Property                         | 20.83     |
| Financials                       | 18.06     |
| Industrials                      | 13.84     |
| Services                         | 11.19     |
| Mining and Oil                   | 0.00      |

### NAVPU over the past 12 months

|         |        |
|---------|--------|
| Highest | 126.13 |
| Lowest  | 100.08 |

### STATISTICS

|  |       |
|--|-------|
| Portfolio Beta                           | 0.97  |
| Volatility, Past 1 Year (%) <sup>3</sup> | 16.34 |
| Sharpe Ratio <sup>4</sup>                | 0.59  |
| Information Ratio <sup>5</sup>           | -0.43 |
| Current Number of Holdings               | 32    |

<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.

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

### TOP TEN HOLDINGS

| Name                           | %     |
|--------------------------------|-------|
| SM Investments Corporation     | 13.55 |
| SM Prime Holdings, Inc.        | 10.19 |
| Ayala Land, Inc.               | 8.14  |
| Ayala Corporation              | 6.57  |
| BDO Unibank, Inc.              | 6.55  |
| Bank of the Philippine Islands | 6.02  |
| JG Summit Holdings, Inc.       | 4.41  |
| PLDT Inc.                      | 4.14  |
| Metropolitan Bank & Trust Co.  | 4.14  |
| Manila Electric Company        | 3.47  |

### RELATED PARTY TRANSACTIONS\*

The Fund has transactions and outstanding investments including deposit, investments in the share/s of stock, and/or debt issuances of the following companies related to the Bank of the Philippine Islands:

Ayala Corp. - Php 547.40 Mn , Ayala Land Inc. – Php 677.50 Mn, Bank of the Philippine Islands – Php 706.23 Mn, Globe Telecom, Inc. - Php 239.35 Mn

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

## OUTLOOK AND STRATEGY

**Market Review.** The Philippine Stock Exchange Index (PSEi) rose by 4.1% in June as market players cheered on the prospects of the country's reopening on the back of improving vaccination rates. This is expected to accelerate further as more doses come in the following months. In July, we are expecting another 13.3 million doses while 13.6 million doses are coming in August. Volume spiked by 13.8% to US\$165m average daily turnover. In terms of foreign activity, foreigners remained as net sellers at US\$80 million, stretching the year-to-date figure to US\$1.545 billion.

Macro-economic news for the month include: (1) Inflation registered at 4.5% in May, higher than the government's target of 2-4%. The rise was brought about by increases in prices of meat, particularly pork. (2) The Bangko Sentral ng Pilipinas (BSP) maintained its key policy rates. The Monetary board revealed that the overall economic recovery remained tentative but saw some improvements in the past weeks.

In terms of individual stock performances, main advancers were: ICT (+14.40%), DMC (+13.13%) and SCC (+12.18%); while the main laggards include: LTG (-6.52%), SECB (-3.28%) and BLOOM (-2.54%).

**Fund Performance.** The Fund registered a gain of 3.93% in June, underperforming its benchmark by 19 bps. Meanwhile, the YTD performance of the Fund reported a loss of 2.68%, outperforming the benchmark by 65 bps.

**Fund Strategy.** We look to remain strategic long-term buyers of Philippine equities, hinging on a more concrete reopening narrative post-vaccination. We favor quality names or position on cyclicals. We will continue to be nimble and buy on market dips.

## 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) Shares of stock of selected corporations, including convertible preferred stocks, which are already listed or being offered publicly and soon to be listed in the Philippine stock market.
- (b) Primarily short-term tradable fixed-income instruments, issued or guaranteed by the Philippine government or the BSP; marketable instruments that are traded in an organized exchange; investment outlets/ categories the BSP allow. Provided, that, a financial instrument is regarded as tradable if quoted two-way prices are readily available and 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 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 or any such instrument as may be allowed under BSP regulations.
- (d) Investment with related interests shall be in accordance with Subsection UX 410.12 (a) of the Manual of Regulations for Banks and Other Financial Institutions.
- (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 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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