



# BPI INVEST US DOLLAR INCOME FEEDER FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of July 30, 2021

### FUND FACTS

<b>Classification:</b>	Global Balanced Feeder Fund	<b>NAVPU:</b>	USD 92.54
<b>Launch Date:</b>	August 1, 2018	<b>Total Fund NAV (Mn):</b>	USD 37.95
<b>Minimum Investment:</b>	USD 1,000	<b>Dealing Day:</b>	Daily up to 1:30 PM
<b>Additional Investment:</b>	USD 500	<b>Redemption Settlement:</b>	T+7 5:00 PM
<b>Minimum Holding Period:</b>	180 days	<b>Early Redemption Charge:</b>	1.00% of NAV of units redeemed

### FEES

<b>Trustee Fees:</b> 1.000%	<b>Custodianship Fee:</b> 0.0000%	<b>External Audit Fee:</b> 0.0091%	<b>Other Fees:</b> 0.0000%
BPI Asset Management	None	Isla Lipana	None
As a percentage of average daily NAV for the quarter valued at USD 37.21 Million		Billings for 2018 divided by the average daily NAV	

### INVESTMENT OBJECTIVE AND STRATEGY

The Fund, operating as a Feeder Fund, intends to achieve for its Participants stable income with a secondary focus on long term capital growth by investing in a Target Fund that invests in diversified portfolio of global equity and fixed income instruments. **The Fund shall use 35% MSCI World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global High Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged) only as a reference benchmark. Given its focus on income, the Fund does not intend to outperform this benchmark.**

### CLIENT SUITABILITY

A client profiling process should 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 US Dollar Income Feeder Fund is suitable only for investors who:

- Are classified as aggressive based on their risk profile.
- Seek regular income with a secondary focus on capital appreciation over the medium to long term.
- Are comfortable with the risks of a global multi-asset fund.

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.

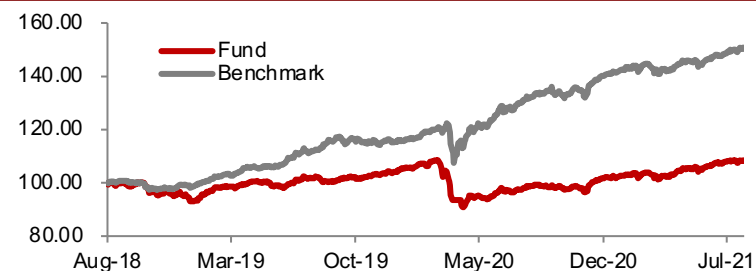
<b>Market/ Price Risk:</b>	Investors are exposed to adverse changes in the prices of global equities and foreign currency denominated fixed income securities due to adverse market conditions, rising interest rates, unfavorable developments in the political and economic conditions of the countries where the underlying securities of the target fund are issued or traded, unfavorable company earnings and valuations for equities, and other issuer-specific factors for fixed income.
<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>Country Risk:</b>	Investors are exposed to the risk of loss arising from negative developments in the political, economic and social conditions of countries, which may adversely affect the value of the feeder fund.
<b>FX Risk:</b>	Investors are exposed to the risk of loss from a decline in the fund value when the exchange rates between the target fund or class currency and the portfolio currency fluctuates. The foreign currency exposure of the target fund may be hedged and may adopt an active or passive currency management approach, however, may not be fully hedged depending on the circumstances of each case. Such circumstances include but are not limited to the outlook, hedging costs, and market liquidity of the relevant currency.

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: 35% MSCI World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global High Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged)

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

	1 mo	3 mo	6 mo	1YR	S.I.
<b>Fund</b>	<b>0.34</b>	<b>3.01</b>	<b>6.39</b>	<b>9.62</b>	<b>8.33</b>
Benchmark	1.20	3.51	6.22	13.87	50.46

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

	1 YR	2 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>9.62</b>	<b>3.16</b>	<b>2.71</b>
Benchmark	13.87	15.59	14.60

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

	YTD	2020	2019	2018
<b>Fund</b>	<b>5.53</b>	<b>-2.92</b>	<b>13.34</b>	<b>-6.71</b>
Benchmark	5.78	22.25	17.59	-1.05

**PORTFOLIO COMPOSITION**

Allocation (%)		Target Fund Allocation (%)	
Target Fund	99.84	Equities	49.77
Cash and equivalents	1.05	Bonds	46.18
Others-net of liabilities	-0.89	Cash and equiv.	4.05

Holdings by Country	% of target fund
United States	58.64
UK	4.48
Switzerland	3.71
Other Countries	29.12
Cash	4.05

**FUND DISTRIBUTION SCHEDULE**

Record Date	Ex- Date	Payment Date	Unit Income**	Cash Equivalent
31-May-2019	03-Jun-2019	13-Jun-2019	0.0271	USD 2.61
29-Nov-2019	02-Dec-2019	13-Dec-2019	0.0261	USD 2.60
29-May-2020	01-Jun-2020	15-Jun-2020	0.0289	USD 2.59
27-Nov-2020	01-Dec-2020	15-Dec-2020	0.0279	USD 2.56
31-May-2021	01-Jun-2021	14-Jun-2021	0.0275	USD 2.57

- THE FUND SHALL ONLY DISTRIBUTE INCOME TO ELIGIBLE PARTICIPANTS FROM DISTRIBUTIONS RECEIVED FROM THE TARGET FUND IN THE FORM OF UNIT INCOME ON A SEMI-ANNUAL BASIS, I.E. EVERY JUNE AND DECEMBER.
- PAYMENT OF INCOME WILL DEPEND ON THE FUND'S INCOME FOR THE RELEVANT PERIOD AND WILL BE DISTRIBUTED PROPORTIONATELY TO ELIGIBLE PARTICIPANTS.
- PAYMENT OF INCOME MAY REDUCE THE NAVPU OF THE FUND. THE NAVPU ALSO REFLECTS THE DAILY MARKING-TO-MARKET OF THE UNDERLYING INVESTMENTS OF THE FUND.
- THIS PAYMENT OF INCOME DOES NOT IN ANY WAY GUARANTEE OR PURPORT THAT FURTHER DISTRIBUTIONS WILL BE MADE.

For more information, you may contact us at (632) 8580-AMTC (2682),  
email us at [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or visit our website, [www.bpiassetmanagement.com](http://www.bpiassetmanagement.com).

**NAVPU over the past 12 months**

<b>Highest</b>	93.29
<b>Lowest</b>	87.08

**STATISTICS**

Volatility, Past 1 Year (%) <sup>3</sup>	6.97%
Sharpe Ratio	0.51
Information Ratio	-2.33
Annualized Distribution Yield	5.50%
Distribution Frequency	Semi-annual

<sup>1</sup> Returns are net of fees and inclusive of reinvested unit distributions.

<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.

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

\*\*Unit income received per unit invested as of record date.

**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.

**TOP TEN HOLDINGS**

Name	% of Target Fund
iShares iBoxx High Yield Corpo	5.13
Wellington Emerging Market Dev	2.26
Procter & Gamble Co.	0.93
Kraft Heinz Foods Co Company 06/46 4.375	0.81
Verizon Communications Inc	0.81
Apple Inc	0.79
Samsung Electronics Co Ltd	0.77
Nestle SA	0.71
Texas Instruments Inc	0.70
Microsoft Corp	0.67

## OTHER FUND FACTS

<b>Fund Currency:</b>	USD	<b>Fund Structure</b>	Unit Trust
<b>Benchmark:</b>	35% MSCI World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global high Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged)	<b>Trustee and Custodian</b>	State Street Trust (SG) Limited State Street Bank and Trust Co.
<b>Name of Target Fund:</b>	United Income Focus Trust	<b>Inception Date:</b>	November 2015
<b>Regulator:</b>	Monetary Authority of Singapore (MAS)	<b>Total Expense Ratio:</b>	0.80%
<b>Fund Manager:</b>	UOB Asset Management, Ltd.	<b>Early Redemption Charge</b>	None

The Fund Performance Report and relevant information about the United Income Focus Trust can be viewed and downloaded through [www.uobam.com.sg](http://www.uobam.com.sg).

## OUTLOOK AND STRATEGY

**Market Review.** Global equities advanced for the sixth consecutive month. The global proliferation of the Delta variant of COVID-19 fueled anxiety about the pace of the global economic recovery and forced governments to reinstate targeted lockdowns in many countries, particularly in Asia. Developed markets significantly outperformed emerging markets, which were dragged down by a sharp drop in Chinese equities. China's regulatory crackdown on private education businesses and companies that handle large quantities of data pummeled the shares of Chinese technology stocks, sparking fears of more regulations on private companies. On the monetary front, the European Central Bank (ECB) unveiled a new policy framework that aims to keep inflation at 2% over the medium term but allows some room for a temporary overshoot. OPEC+ reached a deal to phase out production cuts by September 2022, as stronger economic growth drove oil prices to a multi-year high. Within fixed income, most global sovereign yields declined amid growing concerns about the delta variant and continued reassurance of accommodative policies from central bank officials. US investment-grade corporate bonds and high yield generated positive total returns but underperformed duration equivalent Treasuries as concerns about COVID-19 variants overshadowed continued economic improvement and dovish comments from central banks. EM local markets debt also underperformed EM external debt, in US-dollar terms.

**Fund Performance.** The fund gained by 0.34% in July. Positive performance was led by global fixed income and global equities. Within global equities, from a regional perspective, performance was mixed across the regions where the United States was the top contributor to performance while the EM was the largest detractor. Within fixed income, on a sector level, performance was led by investment grade and high yield credit as the rally in yields due to concerns over the COVID-19 delta variant offset the widening in spreads.

**Fund Strategy.** Vaccination progress and policy support make us confident in taking a pro-risk stance, but inflation concerns curb our enthusiasm. We are moderately bullish on global equities but will look to slightly temper the overall pro-cyclical bias of our active positions. On a regional basis, we prefer Europe, where we expect improvement in the domestic economy, and emerging markets, which should benefit the most from a reflating global economy. On the flip side, we are neutral on US equities. While we are quite optimistic about the US economy, equity indices tend to be dominated by growth-heavy, interest-rate sensitive, and expensive stocks. We are also mindful of a potential increase in corporate taxes, which could hamper earnings. On fixed income, low yield levels, accommodative monetary policy and bigger fiscal stimulus continue to point towards a challenging year. We are moderately bearish on government bonds, investment grade and high yield credit. Lastly, we are moderately bullish on EM debt as spreads have lagged the tightening in other sectors and we think the outlook for EM will begin to brighten as these countries receive vaccines and benefit from global growth and stimulus. Finally, we believe this market environment to be supportive of security selection and active management. Against this backdrop, income investors will be best served through a highly diversified portfolio of multi-asset income producing assets that can be dynamically adjusted as market conditions evolve.

## 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:

- Primarily in a single collective investment scheme whose investment objective is to provide investment results that maximize income; 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 the CIS.
- 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.
- 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.
- The principal investments of the Fund will be denominated in, but not limited to the US Dollar. The target fund invests in securities denominated in other currencies.
- Bank deposits or tradable debt instruments issued by the BSP.
- Such other investments allowed under regulations issued by the BSP.

## INVESTMENT OBJECTIVE OF TARGET FUND

The United Income Focus Trust, as the Target Fund, aims to provide regular income to investors with a secondary focus on capital appreciation over the medium to long term by investing globally in a diverse set of traditional and alternative asset classes.

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).