

# BPI INVEST US EQUITY INDEX FEEDER FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT



**BPI** Asset Management and Trust Corporation

As of August 31, 2021

### FUND FACTS

### UNIT CLASSES

<b>Classification:</b>	Global Equity Feeder Fund		<b>CLASS A</b>	<b>CLASS P</b>
<b>Total Fund NAV (Mn):</b>	USD 127.76	<b>NAVPU:</b>	USD 240.47	PHP 143.11
<b>Dealing Day:</b>	Daily up to 2:30 PM	<b>Launch Date:</b>	August 5, 2014	November 11, 2019
<b>Redemption Settlement:</b>	T+5 End-of-Day	<b>Minimum Investment:</b>	USD 1,000.00	PHP 50,000.00
<b>Minimum Holding Period/ Early Redemption Charge:</b>	None	<b>Additional Investment:</b>	USD 500.00	PHP 10,000.00

### FEES

<b>Trustee Fees:</b>	0.75%	<b>Custodianship Fee:</b>	0.0010%	<b>External Audit Fee:</b>	0.0053%	<b>Other Fees:</b>	0.03%
BPI Asset Management	Bank of New York Mellon	Isla Lipana	Broker's Fee <sup>5</sup>				
As a percentage of average daily NAV for the quarter valued at USD 110.76 Million	Monthly rate: billings received for April 2021 divided by the average daily NAV for the month	Billings for 2018 divided by the average daily NAV					

### INVESTMENT OBJECTIVE AND STRATEGY

The Fund, operating as a multi-class Feeder Fund, aims to achieve for its Participants investment returns that closely track the total return of the S&P 500 Index, before fees and expenses. Pursuant to existing BSP rules and regulations, as a Feeder Fund, this Fund is mandated to invest at least 90% of its assets in a single collective investment scheme. As a multi-class fund, this Fund has more than one class of units in the Fund and is invested in the same Target Fund and pool of securities, investment objectives and policies. The unit classes of the fund settle in different currencies.

### 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 Equity Index Feeder Fund is for investors who:

- Are at least classified as aggressive based on their risk profile.
- Have an investment horizon of more than five (5) 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.

**Market/Price Risk:** Investors are exposed to adverse changes in the prices of large cap US stocks which may be brought about by adverse market conditions, unfavorable company earnings and valuations, and negative developments in the political and economic conditions of countries where investee companies are domiciled.

**Liquidity Risk:** Investors are exposed to the risk of loss due to the target 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 participants in the market, low trading volumes, market disruptions, among others.

**Country Risk:** Investors are exposed to the risk of loss arising from negative developments in the political, economic and social conditions of countries, primarily the US, which may adversely affect the value of the feeder fund.

**Foreign Exchange Risk:** Investors are exposed to foreign exchange risk when the underlying investments of the target fund are in different currencies from the base currency of the fund. For Class P unit investors, additional foreign exchange risk is brought about by the Fund being denominated in Philippine Pesos. The Fund will not hedge foreign exchange exposure.

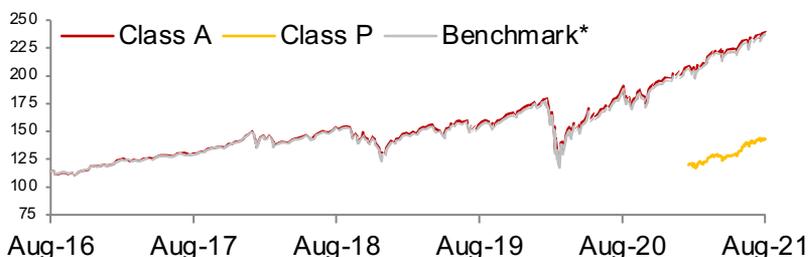
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 WILL 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 AUGUST 31, 2021

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

### NAVPU GRAPH



\*S&P 500 Index

### CUMULATIVE PERFORMANCE (%)<sup>1 7</sup>

	1 mo	3 mos	6 mos	1YR	3YRS	S.I. <sup>2</sup>
Class A	2.88	7.45	18.48	28.33	56.62	140.47
Class P	2.45	12.10	21.33	31.70	-	43.11
Benchmark	2.90	7.58	18.67	28.92	55.87	135.53

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

	1YR	2YRS	3YRS	4YRS	5YRS	S.I. <sup>2</sup>
Class A	28.33	24.18	16.11	16.51	16.09	13.20
Class P	31.70	-	-	-	-	21.96
Benchmark	28.92	24.24	15.93	16.29	15.80	12.87

### CALENDAR YEAR PERFORMANCE (%)<sup>1 7</sup>

	YTD	2020	2019	2018	2017	2016
Class A	21.07	15.20	30.36	-6.27	19.32	8.93
Class P	25.45	9.26	4.41	-	-	-
Benchmark	21.35	15.03	30.34	-7.03	18.87	8.22

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Target fund	97.45
Cash	3.25
Time deposits and money market	-
Other receivables - net of liabilities <sup>6</sup>	-0.70
Portfolio Allocation	% of Target Fund
Information Technology	27.98
Health Care	13.37
Consumer Discretionary	11.92
Communication Services	11.45
Other Sectors	35.28

### NAVPU over the past 12 months

	Class A	Class P
Highest	240.47	144.23
Lowest	173.14	100.37

### STATISTICS

	Class A	Class P
Volatility, Past 1 Year(%) <sup>3</sup>	13.32	13.29
Tracking Error, Since Inception(%) <sup>4</sup>	0.65	

<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>Measure of deviation between the Fund's return and benchmark returns. A lower number means the Fund's return is closely aligned with the benchmark.

<sup>5</sup>Cost of buying/selling of shares/units of the Target Fund through dealers/brokers.

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

<sup>7</sup>Performance of Class P since inception, November 11, 2019.

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

### 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
Apple Inc.	6.21
Microsoft Corp.	5.93
Amazon.com Inc.	3.88
Facebook Inc. A	2.37
Alphabet Inc. A	2.27
Alphabet Inc. C	2.16
Tesla Inc.	1.48
NVIDIA Corp.	1.46
Berkshire Hathaway Inc. B	1.41
JPMorgan Chase & Co.	1.26

### OTHER FUND FACTS

<b>Fund Currency:</b>	US Dollar	<b>Trustee and Custodian:</b>	State Street Bank & Trust Co.
<b>Benchmark*:</b>	S&P 500 Index	<b>Fund structure:</b>	ETF (NYSE)
<b>Name of Target Fund:</b>	SPDR S&P 500 ETF Trust	<b>Inception Date:</b>	January 22, 1993
<b>Regulator:</b>	SEC (US)	<b>Total Expense Ratio:</b>	0.0945%
<b>Fund Manager:</b>	<a href="https://www.ssga.com">State Street Global Advisors</a>		

The Fund Performance Report and relevant information about the SPDR S&P500 ETF Trust can be viewed and downloaded through [www.spdrs.com](https://www.spdrs.com).

For more information, you may contact us at 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](https://www.bpiassetmanagement.com)

## OUTLOOK AND STRATEGY

**Market Review.** Global equity markets rose to new highs in August driven by improving vaccination rates and dovish comments from Federal Reserve Chair Jerome Powell during the Jackson Hole symposium. However, the rising case numbers from the Delta coronavirus variant and the expansion of the Chinese regulatory crackdown continued to weigh on markets.

The Federal Reserve kept rates unchanged and announced that the pace of asset purchases could taper starting this year, although clearly stating that it is not intended to carry a direct signal regarding the timing of the interest rate hikes. Powell further emphasized that the federal funds rate will be held at the current level until the economy reaches conditions consistent with the central bank's maximum-employment and price-stability goals. In terms of fiscal policy, the US Senate approved the USD 1 trillion bipartisan infrastructure bill, including the USD 550 billion in new federal spending on infrastructures such as roads, bridges, rail, transit, and the electric grid.

Economic data was mixed but reflected a slowdown in growth and activity across regions. The US economy expanded at a slower pace as its composite PMI fell to 55.4 from last month's 59.9 due to supply shortages in raw materials and labor. Expansion in the Eurozone's business activity also decreased its pace, albeit less significant, but continued to look strong as its composite PMI declined from 60.2 to 59.0 month-on-month. Meanwhile, China's PMI, both composite and non-manufacturing, reflected a contraction in its economy as the spike in coronavirus cases from the Delta variant and the expanded regulatory crackdown affected business activity and consumer confidence.

**Fund Performance.** Class A returned 2.88%, while Class P returned 2.45%.

**Fund Strategy.** The fund will continue to invest at least 90% of its assets in the target fund.

## 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 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 this CIS.
- b) 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) 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 4410Q.12 (a) of the Manual of Regulations for Non-Bank Financial Institutions.
- d) The principal investments of the Fund will be denominated in, but not limited to the U.S. Dollar. The target fund invests in securities denominated in other currencies.
- e) Bank deposits or tradable debt instruments issued by the BSP.
- f) Such other investments allowed under regulations issued by the BSP.

## INVESTMENT OBJECTIVE OF TARGET FUND

Track the performance of the S&P 500 Index composed of 500 predominantly large-capitalization US stocks.

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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