

BPI PERA Equity Fund

KEY INFORMATION AND INVESTMENT DISCLOSURE



BPI Asset Management
and Trust Corporation

As of July 30, 2021

FUND FACTS

Classification:	PERA Equity Fund	Net Asset Value per Unit (NAVPU):	PHP 0.87
Launch Date:	December 19, 2016	Total Fund NAV (Mn):	PHP 62.58
Minimum Investment:	PHP 1,000	Dealing Day:	Daily up to 2:30PM
Additional Investment:	PHP 1,000	Redemption Settlement:	T+3 End-of-Day
Minimum Holding	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 1.500%	Custodianship Fees: .0013%**	External Auditor Fees: 1.59%***	Other Fees: 0%
BPI Asset Management	HSBC	Isla Lipana	None

*As a percentage of average daily NAV for the quarter valued at PHP64.90 million

**Monthly rate: billings received for April 2021 divided by the average daily NAV for the month

***Billings received for 2018 are divided by the average daily NAV

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants long term capital growth derived from a diversified portfolio of equity securities issued by Philippine domiciled companies. The Fund aims to provide returns in excess of the return of the Philippine Stock Exchange Index.

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 PERA Equity Fund is suitable only for investors who:

- Are 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.

Equity Price Risk: Investors are exposed to adverse changes in the prices of 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.

Liquidity Risk: Possibility to experience losses due to the fund's inability to convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price.

Related Party Risk: Risk of any actual or potential conflicts of interest in handling of related party transactions.

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.**

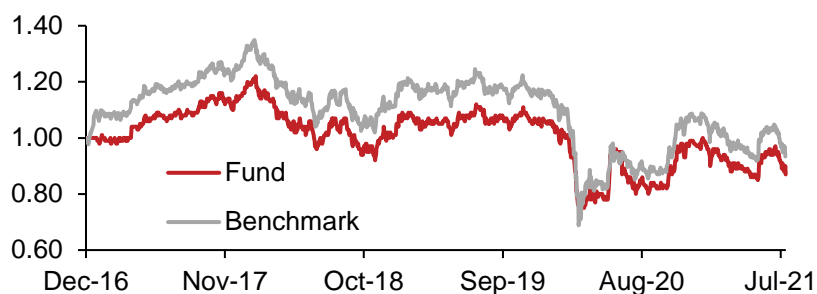
• **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES SHALL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**

• **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 Philippine Stock Exchange Index.

CUMULATIVE PERFORMANCE (%)¹

	1 mo	3 mos	6 mos	1YR	3YRS	S.I
Fund	-8.42	-1.14	-3.33	4.82	-16.35	-13.00
Benchmark	-9.15	-1.58	-5.18	5.77	-18.27	-6.61

ANNUALIZED PERFORMANCE (%)¹

	1YR	2YRS	3YRS	4YRS	S.I. ²
Fund	4.82	-10.25	-5.78	-5.48	-2.97
Benchmark	5.77	-11.72	-6.50	-5.96	-1.47

CALENDAR YEAR PERFORMANCE (%)¹

	YTD	2020	2019	2018	2017
Fund	-10.31	-8.49	4.95	-12.93	16.00
Benchmark	-12.18	-8.64	4.68	-12.76	25.11

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	93.25
Time deposits and money market	6.60
Cash	0.31
Other receivables - net liabilities	-0.15
Sector Holdings (Equity Portion)	
Holding Firms	32.42
Property	19.09
Financials	14.13
Services	18.40
Industrials	9.20
Mining and Oil	0.00

NAVPU over the past 12 months

Highest	1.00
Lowest	0.80

STATISTICS

Portfolio Beta	0.98
Volatility, Past 1 Year (%) ³	17.27
Sharpe Ratio ⁴	0.22
Information Ratio ⁵	(0.30)
Current Number of Holdings	25

¹ Returns are net of fees.

² Since Inception

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

⁴ 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.

⁵ Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁶ Includes accrued income, investment securities purchased, accrued expenses, etc.

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

TOP TEN HOLDINGS

Name	% of Fund
SM Investments Corporation	13.57
SM Prime Holdings, Inc.	9.14
Ayala Land, Inc.	8.21
Ayala Corporation	7.34
Time Deposit	6.60
BDO Unibank, Inc.	5.14
Bank of the Philippine Islands	5.13
JG Summit Holdings, Inc.	4.98
PLDT Inc.	4.89
Universal Robina Corp.	4.50

RELATED PARTY TRANSACTIONS*

The Fund has transactions and outstanding investments including deposits, investment in the share/s of stocks, and/or debt

issuances of the following companies related to the BPI Asset Management and Trust Corporation (BPI AMTC):

Ayala Corporation – PHP 4.60Mn

Ayala Land – PHP 5.14Mn

Bank of the Philippine Islands – PHP 7.34Mn

Globe Telecom, Inc. – PHP 2.25Mn

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 (PSEi) took a huge hit in July, dropping by 9.20% to 6,270.23 on fears of another wave of COVID-19 sparked by the rising delta variant cases. Credit rating agency, Fitch, maintained the country's BBB rating but revised the outlook from stable to "negative" also weighed-in on investor concerns. Volume was thinner for July with Average Daily Turnover at US\$117 million or 19.3% lower month-on-month. Foreigners were net sellers yet again, registering at US\$184.5 million for the month.

In terms of individual stock performances, main advancers were: EMP (+9.22%), and GLO (+1.09%); while the main laggards include: LTG (-24.26%), MEG (-14.24%) and SMPH (-13.04%).

Fund Performance. The fund outperformed its benchmark by 73 basis points in July with a return of -8.42%.

Fund Strategy. We anticipate further volatility due to threat of the rising delta variant. Despite this, we are still strategic long-term buyers of Philippine equities. 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 preferred stocks, which are already listed or being offered publicly and soon to be listed in the Philippine stock market.
- b) Primarily 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 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. Investment with related interests shall be in accordance with Subsection X 410.12 (a) of the Manual of Regulations for Banks.
- d) Bank deposits or tradable debt instruments issued by the BSP.
- e) 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 or call us at (02) 8580-AMTC (2682).

Regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>, BSP Webchat <https://www.bsp.gov.ph>

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