BPI PERA GOVERNMENT BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT — **As of May 31, 2021**

FUND FACTS

Classification:	PERA Long Term Bond Fund	**Net Asset Value per Unit (NAVPU):**	PHP 1.23
Launch Date:	December 19, 2016	**Total Fund NAV (Mn):**	PHP 13.22
Minimum Investment:	PHP 1,000	**Dealing Day:**	Daily up to 2:30 PM
Additional Investment:	PHP 1,000	**Redemption Settlement:**	T+1 End-of-Day
Minimum Holding Period:	None	**Early Redemption Charge:**	None

FEES*

Trustee Fees: 1.000%*	**Custodianship Fees:** 0%	**External Auditor Fees:** 0.0054%**	**Other Fees:** 0%
BPI Asset Management	None	Isla Lipana	None

*As a percentage of average daily NAV for the quarter valued at PHP 12.55 Million
**Billings for 2018 divided by average daily NAV

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants capital appreciation and income derived from a diversified portfolio of primarily long term fixed income securities issued by the Republic of the Philippines. The Fund aims to provide returns in excess of the return of the BPI Philippine Government Bond 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 Government Bond Fund is suitable only for investors who:

- Are classified as moderate 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.

Interest Rate Risk:	Investors are exposed to adverse changes in the prices of domestic fixed income securities due to 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.
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.
Credit/Default Risk:	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.

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

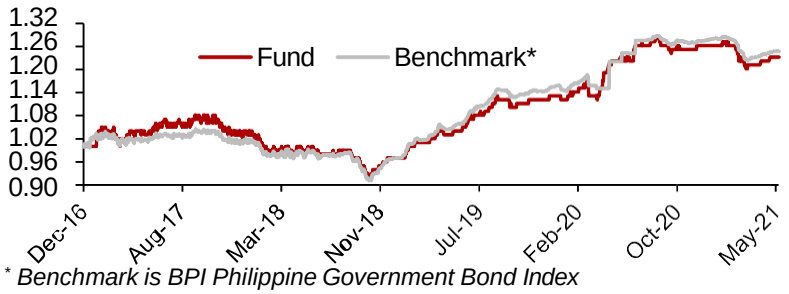
• THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).
• RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.
• WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES 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.

For more information, you may contact us at (632) 8580-**AMTC** (2682),
email us at bpi_asset_management@bpi.com.ph or visit our website, www.bpiassetmanagement.com.

FUND PERFORMANCE AND STATISTICS AS OF MAY 31, 2021

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

NAVPU GRAPH



* *Benchmark is BPI Philippine Government Bond Index*

NAVPU over the past 12 months

Highest	1.28
Lowest	1.20

STATISTICS

Weighted Ave Duration (Yrs)	4.82
Volatility, Past 1 Year (%) [3]	5.26
Sharpe Ratio [4]	-0.20
Information Ratio [5]	-0.14
Portfolio Weighted Yield to Maturity (%)	4.31
Current Number of Holdings	34

CUMULATIVE PERFORMANCE (%) [1]

	1 mo	3 mos	6 mos	1 YR	3 YR	S.I. [2]
Fund	**0.82**	**0.82**	**-2.38**	**0.00**	**24.24**	**23.00**
Benchmark	0.48	-0.33	-2.16	0.28	26.21	24.46

ANNUALIZED PERFORMANCE (%) [1]

	1 YR	2 YRS	3 YRS	4 YRS	S.I. [2]
Fund	**0.00**	**8.23**	**7.50**	**4.28**	**4.76**
Benchmark	0.28	7.93	8.07	5.09	5.04

CALENDAR YEAR PERFORMANCE (%) [1]

	YTD	2020	2019	2018	2017
Fund	**-2.38**	**11.50**	**16.49**	**-6.73**	**4.00**
Benchmark	-2.61	10.52	19.23	-4.40	0.58

[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 investment securities purchased, accrued expenses, etc.
*Declaration of Trust is available upon request through branch of account.

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	97.48
Corporates	0.00
Cash	0.08
Time deposits and money market	0.55
Other receivables, net of liabilities	1.89
Maturity Profile	
Cash and less than 1 year	12.91
Between 1 and 3 years	13.28
Between 3 and 5 years	28.43
Between 5 and 7 years	3.32
Between 7 and 10 years	11.47
More than 10 years	30.60

TOP HOLDINGS

Name	Maturity	% of Fund
Fixed Rate Treasury Note	6/3/2024	11.95
Fixed Rate Treasury Note	7/19/2031	10.38
Fixed Rate Treasury Note	1/24/2039	8.96
Fixed Rate Treasury Note	3/14/2022	7.33
Retail Treasury Bond	3/12/2024	5.74
Fixed Rate Treasury Note	1/10/2029	5.73
Fixed Rate Treasury Note	11/11/2024	5.38
Fixed Rate Treasury Note	11/29/2032	4.67
Fixed Rate Treasury Note	2/20/2023	3.91
Fixed Rate Treasury Note	5/27/2030	3.18

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 BPI Asset Management and Trust Corporation (BPI AMTC):

No related party holdings.

Investment in the said outlets were approved by 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 BPI Government Bond Index returned 0.48% in May, with benchmark government yields dropping 2.6 basis points (bps) on average. The yield curve steepened somewhat, with rates on the short-end of the curve declining while yields on the belly and long-end of the curve rose. Average daily trading volume rose to PHP21.01bn from April's PHP19.84bn, with the 4.5-year RTB5-13 and the newly issued FXTN5-77 and FXTN7-64 seeing strong trading volumes over the month.

The Bureau of the Treasury (BTr) held two FXTN auctions and four Treasury Bill auctions in April. The first FXTN auction was a PHP35-bn reissuance of the 5-year security FXTN5-77 (coupon of 3.375%); the second was another PHP35-bn reissuance of the 7-year security FXTN7-64 (coupon of 3.625%). Average bid yields were at 3.295%% and 3.678%, respectively. Market demand was quite strong with bids exceeding PHP70-bn for each. The BTr opened a PHP10-bn tap issuance for each of the papers, fully awarded after bids for both auctions amounted to more than double the offered sizes. Meanwhile, the Treasury Bills saw yields falling gradually across all three tenors, with average rates for the 91-, 182- and 364-day papers awarded at 1.269%, 1.541% and 1.796%, respectively, during the last auction of the month.

In the local economic space, April inflation came in at 4.5% year-on-year, unchanged from March and slightly lower than the median forecast of 4.7%. For the first four months of the year, inflation averaged at 4.5%, higher than the Bangko Centeral ng Pilipinas' (BSP) target band of 2-4% for the year. However, 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. Meanwhile, the country's 1st quarter GDP growth posted at 4.2% decline YoY, worse than analysts' expectations. The decline was led by falling consumer and government spending, as well as slower industrial and agricultural production. With the economy still in need of support and inflation deemed manageable, the BSP kept policy rates unchanged during its meeting held mid-May. BSP Governor Benjamin Diokno reiterated that the central bank would continue to utilize its full arsenal of tools to support the economy.

Fund Performance: The Fund returned 0.82% during the month, above its benchmark by 34 basis point.

Fund Strategy: The Fund looks to move to a neutral duration position given expectations of accelerating local inflation amid higher food prices and dwindling base effects compared to prior months. Volatility may persist in the global space, and the portfolio will be actively managed to take advantage of this. Investors in a bond fund must be prepared to withstand volatility as higher investment value is typically achieved over the medium to long term.

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 tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; 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.

b) Bank deposits or tradable debt instruments issued by the BSP.

c) Such other investments allowed under regulations issued by the BSP.