BPI PERA GOVERNMENT BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT — **As of November 29, 2021**

FUND FACTS

Classification:	PERA Long Term Bond Fund	**Net Asset Value per Unit (NAVPU):**	PHP 1.22
Launch Date:	December 19, 2016	**Total Fund NAV (Mn):**	PHP 14.70
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 14.34 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

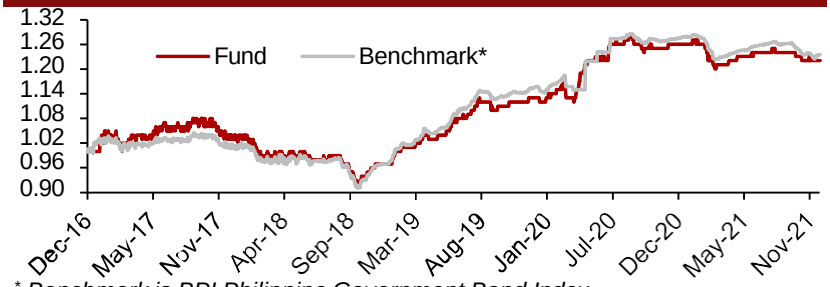
• THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).
• RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.
• WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES 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 NOVEMBER 29, 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	1.27
Lowest	1.20

STATISTICS

Weighted Ave Duration (Yrs)	4.01
Volatility, Past 1 Year (%) [3]	4.59
Sharpe Ratio [4]	-0.90
Information Ratio [5]	-0.09
Portfolio Weighted Yield to Maturity (%)	4.66
Current Number of Holdings	33

CUMULATIVE PERFORMANCE (%) [1]

	1 mo	3 mos	6 mos	1 YR	3 YR	S.I. [2]
Fund	**0.00**	**-1.61**	**-0.81**	**-3.17**	**25.77**	**22.00**
Benchmark	-0.35	-2.17	-0.85	-2.99	27.90	23.40

ANNUALIZED PERFORMANCE (%) [1]

	1 YR	2 YRS	3 YRS	4 YRS	S.I. [2]
Fund	**-3.17**	**4.37**	**7.94**	**4.07**	**4.10**
Benchmark	-2.99	3.95	8.55	4.94	4.34

CALENDAR YEAR PERFORMANCE (%) [1]

	YTD	2020	2019	2018	2017
Fund	**-3.17**	**11.50**	**16.49**	**-6.73**	**4.00**
Benchmark	-3.43	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	95.85
Corporates	0.00
Cash	0.07
Time deposits and money market	2.18
Other receivables, net of liabilities	1.90
Maturity Profile	
Cash and less than 1 year	15.72
Between 1 and 3 years	36.79
Between 3 and 5 years	8.34
Between 5 and 7 years	2.87
Between 7 and 10 years	19.54
More than 10 years	16.74

TOP HOLDINGS

Name	Maturity	% of Fund
Fixed Rate Treasury Note	6/3/2024	11.36
Fixed Rate Treasury Note	3/14/2022	10.20
Fixed Rate Treasury Note	5/29/2023	9.52
Fixed Rate Treasury Note	7/19/2031	8.82
Fixed Rate Treasury Note	1/24/2039	7.89
Retail Treasury Bond	3/12/2024	5.04
Fixed Rate Treasury Note	1/10/2029	4.92
Fixed Rate Treasury Note	11/11/2024	4.63
Fixed Rate Treasury Note	11/29/2032	3.96
Fixed Rate Treasury Note	2/20/2023	3.38

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 -0.35% in November, with benchmark government yields rising 10.44 basis points (bps) on average. The yield curve flattened, with rates on the short-end and belly of the curve rising while the long-end marginally fell. Average daily trading volume rose to PHP15.762bn from October's PHP13.997bn with trades mostly seen on the short-end (3 months to 1-year papers) and belly (5-year papers) of the curve.

The Bureau of the Treasury (BTr) originally announced four FXTN auctions (two 5-, 7-, and 10-year tenors) for the month. However, following strong demand for its 5.5-year Retail Treasury Bond issuance, the last two auctions (5- and 7-year) were cancelled. The new 5.5-year RTB 5-14 was initially awarded at a coupon rate of 4.625% with bid yields averaging at 4.564%. Total volume at the end of the offer period (concluded November 26) was at Php360billion, Php330.5 billion of which was raised in new money, while the rest was via bond exchange. Investors saw the successful issuance as a positive development for the local bond market, which pushed yields slightly lower towards month end. Average rates on the 5- and 10-year auctions were at 3.762% and 5.130% respectively. The BTr also released its December auction schedule, announcing just two FXTN issuances (10- and 7-year tenors) and three Tbill auctions.

In the local economic space, October inflation further eased to 4.6% year-on-year, as the rise in food and transport prices slowed. The lower figure was a welcome development as there were speculations that inflation was not transitory, though some analysts continued to warn that this was just a blip and higher prices ought to be expected moving forward, given elevated global oil prices. Meanwhile, the country's GDP growth came in at +7.1% year-on-year, beating the consensus estimate of 4.8%. Growth was driven by the industrial service sectors, while the agricultural sector lagged due to bad weather and the African Swine Fever outbreaks. Though growth has proven robust in recent quarters, analysts believe there is room for the central bank to keep rates accommodative. Sure enough, during its Monetary Board meeting last November 18, the Bangko Sentral ng Pilipinas (BSP) kept its policy rate at a record low, citing the need for continued monetary support for the economy. It likewise cut its projected 2022 inflation forecast to 4.3% from 4.4% originally.

Fund Performance: The Fund returned 0.00% during the month, above its benchmark by 35 basis points.

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.