BPI PERA GOVERNMENT BOND FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT — **As of September 30, 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 14.21
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 14.05 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

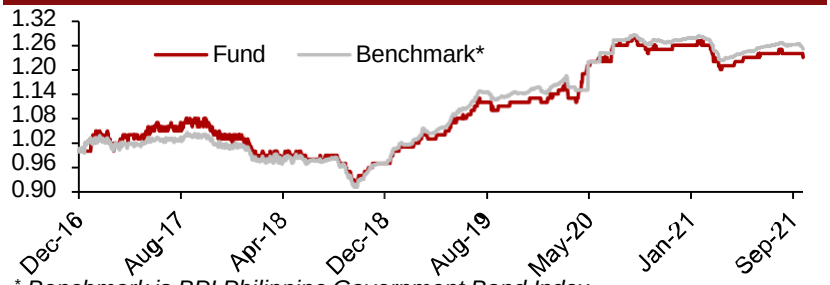
• THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).
• RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.
• WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES 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 SEPTEMBER 30, 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)	4.32
Volatility, Past 1 Year (%) [3]	4.66
Sharpe Ratio [4]	-0.54
Information Ratio [5]	-0.29
Portfolio Weighted Yield to Maturity (%)	4.32
Current Number of Holdings	33

CUMULATIVE PERFORMANCE (%) [1]

	1 mo	3 mos	6 mos	1 YR	3 YR	S.I. [2]
Fund	**-0.81**	**-0.81**	**1.65**	**-1.60**	**29.47**	**23.00**
Benchmark	-0.82	-0.41	1.84	-1.01	32.30	25.10

ANNUALIZED PERFORMANCE (%) [1]

	1 YR	2 YRS	3 YRS	4 YRS	S.I. [2]
Fund	**-1.60**	**5.27**	**8.99**	**3.30**	**4.42**
Benchmark	-1.01	5.20	9.78	4.70	4.79

CALENDAR YEAR PERFORMANCE (%) [1]

	YTD	2020	2019	2018	2017
Fund	**-2.38**	**11.50**	**16.49**	**-6.73**	**4.00**
Benchmark	-2.10	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	97.63
Corporates	0.00
Cash	0.07
Time deposits and money market	0.49
Other receivables, net of liabilities	1.81
Maturity Profile	
Cash and less than 1 year	14.54
Between 1 and 3 years	30.17
Between 3 and 5 years	13.82
Between 5 and 7 years	3.06
Between 7 and 10 years	19.94
More than 10 years	18.47

TOP HOLDINGS

Name	Maturity	% of Fund
Fixed Rate Treasury Note	6/3/2024	12.02
Fixed Rate Treasury Note	3/14/2022	10.75
Fixed Rate Treasury Note	7/19/2031	9.38
Fixed Rate Treasury Note	1/24/2039	8.19
Fixed Rate Treasury Note	5/29/2023	6.28
Fixed Rate Treasury Note	1/10/2029	5.30
Retail Treasury Bond	3/12/2024	5.28
Fixed Rate Treasury Note	11/11/2024	4.91
Fixed Rate Treasury Note	11/29/2032	4.24
Fixed Rate Treasury Note	2/20/2023	3.56

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 -0.82% in September, with benchmark government yields rising 25.99 basis points (bps) on average. The yield curve steepened once more, with rates on the long-end of the curve rising more than those of the belly or the short-end. Average daily trading volume dropped to PHP18.615bn from August's PHP22.20bn with trades mostly seen on the short-end and belly (1- to 7-year papers) of the curve.

The Bureau of the Treasury (BTr) held five FXTN auctions (5-, two 7-, and two 10-year tenors) and four Treasury Bill auctions in September. Demand was quite healthy across all the auctions with bids amounting to nearly double the original offered volumes, but market players were clearly seeking higher yields. Average rates on the first and second 7-year auctions were at 3.789% and 3.826% respectively, while average rates on the first and second 10-year auctions were at 4.246% and 4.689%, respectively. High volumes tendered led the BTr to open tap issuances across all the auctions, though only some were successful. Towards month-end, the BTr released its October auction schedule, announcing four weekly FXTN issuances (5-, 6- and two 7-year tenors) and four weekly Tbill auctions.

In the local economic space, August inflation increased to 4.9% year-on-year, the fastest rise in over two years. The uptick was driven by higher food and utility prices following the government's move into stricter lockdowns once more. The figure marks yet another month that inflation has been higher than the Bangko Sentral ng Pilipinas' (BSP) target band of 2-4% for the year. During its Monetary Board meeting for the month, the BSP left policy rates unchanged, but hiked its inflation forecasts. For 2021, it now expects inflation to average at 4.4% from 4.1%, while for 2022 it now projects inflation to average at 3.3% from 3.1% earlier. Nevertheless, the BSP continued to reiterate that prevailing monetary policy settings were still appropriate, given the manageable inflation environment and tempered growth outlook.

Fund Performance: The Fund returned -0.81% during the month, below its benchmark by 2 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.