

**BPI INVEST GLOBAL HEALTH CARE FEEDER FUND**

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of September 30, 2022

**FUND FACTS**

<b>Classification:</b>	Global Equity Feeder Fund	<b>NAVPU:</b>	USD 79.39
<b>Launch Date:</b>	February 1, 2021	<b>Total Fund NAV (Mn):</b>	USD 6.33
<b>Minimum Investment:</b>	USD 1,000.00	<b>Dealing Day:</b>	Daily up to 2:30 PM
<b>Additional Investment:</b>	USD 500.00	<b>Redemption Settlement:</b>	T+5 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES**

<b>Trustee Fees:</b> 1.00%	<b>Custodianship Fee:</b> 0.00%	<b>External Audit Fee:</b> 0.00%	<b>Other Fees:</b> 0.00%
BPI Asset Management	None	Isla Lipana	None
As a percentage of average daily NAV for the quarter valued at USD 6.81 Million		To be determined upon receipt of billing	

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund, operating as a Feeder Fund, intends to achieve for its Participants long term capital growth by investing in a Target Fund that invests in stocks in the health care sector. The Fund aims to provide excess return over the MSCI World Health Care Index. 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.

**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 Invest Global Health Care Feeder Fund is for investors who:

- Are at least classified as aggressive based on their risk profile.
- Have an investment horizon of at least 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.

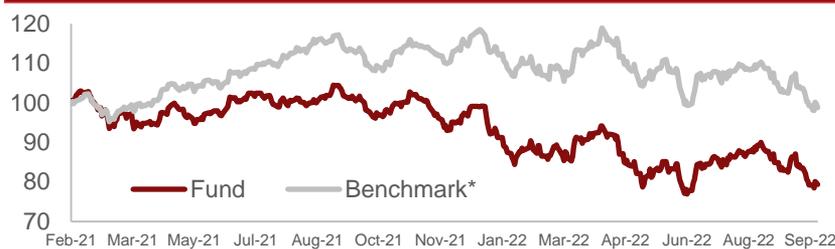
<b>Market/Price Risk:</b>	Investors are exposed to adverse changes in the prices of global equities in the health care sector due to adverse market conditions, unfavorable company earnings and valuations, and negative developments in the political and economic conditions of the focus countries of the securities of the target fund.
<b>Liquidity Risk:</b>	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.
<b>Country Risk:</b>	Investors are exposed to the risk of loss arising from negative developments in the political, economic and social conditions of the focus countries of the underlying securities of the target fund, which may adversely affect the value of the feeder fund.
<b>FX Risk:</b>	Investors are exposed to the risk of loss from a decline in the market value of the target fund when the market value of foreign currency denominated securities held by the target fund are translated to USD.

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 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 September 30, 2022**

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

**NAVPU GRAPH**


\*MSCI World Health Care Index

**NAVPU over the past 12 months**

<b>Highest</b>	102.70
<b>Lowest</b>	76.96
<b>STATISTICS</b>	
Volatility, since inception (%) <sup>4</sup>	19.17
Sharpe Ratio <sup>5</sup>	-1.04
Information Ratio <sup>6</sup>	-0.47

**CUMULATIVE PERFORMANCE (%) <sup>1</sup>**

	1 mo	3 mos	6 mos	1YR	3YRS	S.I. <sup>2</sup>
Fund	-4.40	-5.14	-13.04	-18.89	-	-20.61
Benchmark	-3.94	-6.78	-13.49	-9.79	-	-1.24

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

	1YR	2YRS	3YRS	4YRS	5YR	S.I. <sup>2</sup>
Fund	-18.89	-	-	-	-	-12.98
Benchmark	-9.79	-	-	-	-	-0.75

**CALENDAR YEAR PERFORMANCE (%) <sup>1</sup>**

	YTD	2021 <sup>3</sup>
Fund	-19.92	-0.86
Benchmark	-16.40	18.13

**PORTFOLIO COMPOSITION**

Allocation	% of Fund
Target Fund	99.06
Cash and Equivalents	1.51
Others – net of liabilities	-0.57
Regional Breakdown	% of Target Fund
United States	73.59
United Kingdom	7.65
Switzerland	5.34
Others	13.42
Sector Breakdown	% of Target Fund
Major Pharmaceuticals	24.98
Biotechnology	17.98
Health Services	17.63
Medical Technology	14.94
Others	24.47

<sup>1</sup> Returns are net of fees.

<sup>2</sup> Since Inception

<sup>3</sup> Fund performance from Feb to year-end 2021

<sup>4</sup> Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time

<sup>5</sup> 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.

<sup>6</sup> Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

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

**TOP TEN HOLDINGS**

Name	% of Target Fund
UnitedHealth Grp Inc	8.41
Eli Lilly & Co	6.71
Pfizer Inc	4.99
AstraZeneca PLC	4.82
Danaher Corp	4.10
Novartis AG	3.78
Humana Inc	3.18
Bristol-Myers Squibb	2.87
Vertex Pharm Inc	2.54
Boston Scientific Corp.	2.45

**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.

**OTHER FUND FACTS**

<b>Fund Currency:</b>	US Dollar	<b>Fund structure:</b>	UCITS (IRL)
<b>Benchmark*:</b>	MSCI World Health Care Index	<b>Inception Date:</b>	October 31, 2003
<b>Name of Target Fund:</b>	Wellington Global Health Care Equity Fund	<b>Custodian:</b>	State Street Custodial Services (Ireland) Limited
<b>Regulator:</b>	Central Bank of Ireland	<b>Total Expense Ratio:</b>	1.32%
<b>Fund Manager:</b>	Wellington Management Company LLP		

 The Fund Performance Report and relevant information about the Wellington Global Health Care Equity Fund can be viewed and downloaded through <https://www.wellingtonfunds.com/en-at/institutional/>.

## OUTLOOK AND STRATEGY

**Market Review.** Global equity markets sold off in September, driven by elevated inflation, a rising interest rate environment, and mounting risks of a global slowdown. Inflation prints remained high, with US and EU CPI posting at 8.3% and 9.1% year-on-year in August, respectively. Global central banks maintained their aggressive monetary policy tightening to curb the persistently high inflation. The US Federal Reserve and European Central Bank raised their policy rates by 75 basis points in September. Markets are also pricing in more rate hikes in the future as core inflation continues to post above targets. Growth stocks led the laggards due to expectations of a sustained tightening monetary policy, keeping the pressure on global equity markets.

Economic data indicators were mixed over the month. US business activity improved but stayed in the contraction territory supported by new orders in the manufacturing sector and improvement in the services sector. The US labor market remained tight as nonfarm payrolls increased by 263,000, and the unemployment rate declined to 3.5% for the month. Eurozone's factory activity declined in September as elevated input and energy prices weighed on production. China's manufacturing sector showed improvement and returned to expansion. However, the economy continued to be under pressure due to renewed lockdowns and escalating concerns in the property sector.

**Fund Performance.** The fund decreased by -4.40% in September, lagging its benchmark by 46 basis points. Sector allocation detracted from performance.

**Fund Strategy.** Current market valuations, strong fundamentals and robust innovation pipeline leaves us with a more positive outlook for the health care sector. Attractive valuations and breakthrough innovations in the biopharma industry, particularly in oncology and certain rare diseases, are compelling and are creating a rich opportunity set for investors. Outside of biopharma, medical technology companies have numerous opportunities as more attractive medical device categories are poised to accelerate compared to a decade ago, such as new diabetes devices, genetic sequencing and diagnostics. In the medium-term, many firms are expected to grow their addressable market through geographic expansion, new technologies, and new patient populations. The fund will continue to favor companies that develop innovative products designed to address important unmet medical needs. Over the long term, the tailwinds of innovation, an aging population and the globalization of demand cutting-edge Western-style medicines should continue to drive growth for the sector.

## 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 in excess of the return of the MSCI World Health Care Index; 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 Section 414-Q 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

The Wellington Global Health Care Equity Fund seeks long-term total returns. The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing in the equity securities of health care companies worldwide. The Fund takes a long term value approach and seeks to invest in fundamentally sound companies. Although the Fund is not constructed relative to a benchmark, the MSCI World Health Care index will serve as a reference benchmark.

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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