

**BPI INVEST PHILIPPINE DOLLAR BOND INDEX FUND**

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of August 31, 2022

FUND FACTS

Classification:	Index Tracker Bond Fund	Net Asset Value per Unit (NAVPU):	USD 231.13
Launch Date:	December 31, 2006	Total Fund NAV (Mn):	USD 37.55
Minimum Investment:	USD 500.00	Dealing Day:	Daily up to 2:30 PM
Additional Investment:	USD 200.00	Redemption Settlement:	T+3 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.25%	Custodianship Fees: 0.0024%	External Auditor Fees: 0.0051%	Other Fees: 0.00%
BPI Asset Management	HSBC	Isla Lipana	None
•As a percentage of ave. daily NAV for the quarter valued at USD 38.31 million		*Monthly rate: Billings received for April 2021 divided by average daily NAV	*Billings for 2018 divided by average daily NAV

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve investment returns that closely track the total return of a U.S. dollar-denominated index, the JP Morgan Asia Credit Philippines Total Return Index, before fees and taxes, by investing in a diversified portfolio of Philippine sovereign and corporate fixed income instruments.

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 Philippine Dollar Bond Index Fund is suitable only for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of more than 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: The fund invests in a portfolio of Philippine Sovereign and corporate securities comprising the JP Morgan Asia Credit Philippines Total Return Index, exposing investors to the risk of loss arising from a rise in interest rates, which generally causes fixed income security prices to decline. Factors/ events that may lead to a rise interest rates include adverse market conditions, issuer-specific factors/ events and/ or negative developments in domestic and global political and economic conditions.

Liquidity Risk: Investors are exposed to the risk of loss due to the 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 buyers/ sellers in the market, low trading volumes or market disruptions, among other reasons/ factors.

Related Party Risk: Investors are exposed to actual or potential conflicts of interest in the handling of related party transactions by the Trustee, specifically, the execution of trade transactions with related counterparties.

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 and global political and economic conditions.

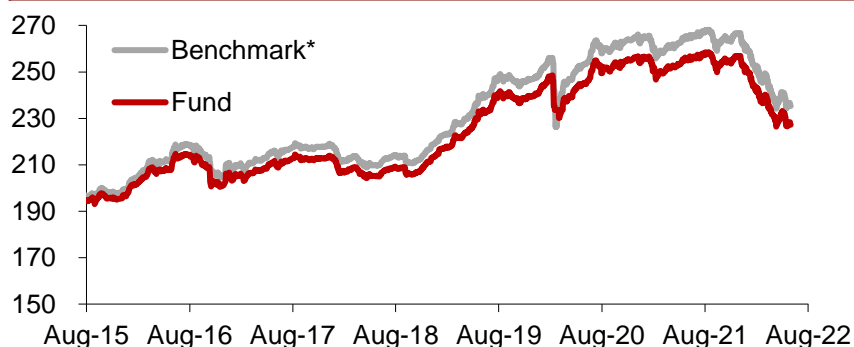
Index Tracking Risk: Investors are exposed to the risk of not being able to achieve a level of return that matches the index being tracked by the fund due primarily to operating and fund management expenses.

- 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 August 31, 2022

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

NAVPU GRAPH



*Benchmark is the JP Morgan Asia Credit Philippines Total Return Index

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mo	6 mo	1YR	3YRS	S.I. ²
Fund	-0.58	-0.87	-4.22	-10.54	-4.01	131.13
Benchmark	-0.99	-0.94	-4.43	-10.81	-3.64	144.34

ANNUALIZED PERFORMANCE (%) ¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I.
Fund	-10.54	-3.75	-1.36	2.55	1.67	5.49
Benchmark	-10.81	-3.75	-1.23	2.81	1.90	5.86

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2021	2020	2019	2018	2017
Fund	-9.94	0.26	6.87	13.27	-0.73	5.85
Benchmark	-10.33	0.58	7.30	13.95	-0.61	6.36

NAVPU over the past 12 months

Highest	258.40
Lowest	225.79

STATISTICS

Weighted Ave Duration (Yrs)	6.59
Volatility, Past 1 Year (%) ³	5.15
Port. Weighted Yield to Maturity (%)	5.10
Current Number of Holdings	71
Tracking Error (3-Yr) ⁴ (%)	0.54

¹Returns are net of fees.

²Since Inception

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

⁴Measure of deviation between the Fund's return and benchmark returns. A lower number means the Fund's return is closely aligned with the benchmark.

⁵Includes accrued income, investment securities purchased, accrued expenses, etc.

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

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	58.23
Corporates	38.51
Cash	0.28
Time Deposits and Money Market	1.85
Other Receivables – Net of Liabilities ⁶	1.13

Maturity Profile

Cash and less than 1 year	6.78
Between 1 and 3 years	22.53
Between 3 and 5 years	15.17
Between 5 and 7 years	6.25
Between 7 and 10 years	21.62
More than 10 years	27.65

TOP TEN HOLDINGS

Name	Maturity	% of Fund
RoP Bonds	2/2/2030	5.58
RoP Bonds	10/23/2034	4.26
RoP Bonds	1/14/2031	4.18
RoP Bonds	3/16/2025	3.70
RoP Bonds	1/20/2040	3.67
RoP Bonds	2/1/2028	3.60
RoP Bonds	2/2/2042	3.23
RoP Bonds	3/1/2041	3.15
RoP Bonds	7/6/2046	2.94
RoP Bonds	1/13/2037	2.73

RELATED PARTY TRANSACTIONS*

The Fund has investments and trade transactions with BPI Asset Management and Trust Corporation (BPI AMTC):

Ayala Corporation – USD 0.58 million, Bank of the Philippine Islands – USD 0.69 million, Globe Telecom – USD 0.81 million, ACEN Corporation – USD0.71 Mn

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 JP Morgan Asia Credit Index (JACI) Philippines declined by 0.99% in August as Philippine dollar-denominated bonds tracked movements in US Treasuries. ROP yields rose by an average of 19.6 basis points month-on-month.

It was another volatile month for global bonds markets as uncertainty in the overall economic outlook prevailed. In Europe, the Russia-Ukraine conflict trudged on with no signs of ceasefire 6 months into the war. Concerns on potential hawkish central bank actions globally likewise weighed on market sentiment. During the much-awaited annual Jackson Hole Symposium held towards the latter part of August, US Fed Chair Jerome Powell reiterated that they remained committed to curbing inflation. This was despite US inflation having increased by 8.5% year-on-year in July, lower than the 9.1% figure recorded in June as core inflation persisted above the Fed's target. All this caused heightened volatility in rates, with the 10-year US Treasury benchmark yield trading as low as 2.57% before rising to close the month at the 3.19% level.

In the local economic space, inflation for the month of June rose by 6.4% year-on-year, higher than the 6.1% in June. This was on the back of rising food and fuel costs, as supply side pressures pushed prices higher. Consequently, the BSP hiked rates by another 50 basis points to 3.75%. The central bank will continue to monitor economic data and adjust policy settings as needed.

Fund Performance. The fund returned -0.58% in August, outperforming its benchmark by 41 bps. Year-to-date, it outperformed the benchmark by 39 basis points with a return of -9.94%.

Fund Strategy. The Fund will continue to closely track the JPMorgan Asia Credit Total Return Index. 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 long term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by 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 investment outlets/ categories as the BSP may allow.
- (b) 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
- (c) The principal investments of the Fund will be in fixed-income instruments denominated in, but are not limited to, the following major currencies: U.S. Dollar, Euro, British Pound, Canadian Dollar, Australian Dollar, Swiss Franc, Danish Kroner, and Japanese Yen.
- (d) Bank deposits and 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>

SMS: 021582277 & BSP CAMS Facebook <https://www.facebook.com/BangkoSentralngPilipinas>