## Asset Management and Trust Corporation

# **BPI INVEST PHILIPPINE EQUITY INDEX FUND**

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT As of June 30, 2022								
FUND FACTS								
Classification:	Index Tracker Fund	Net Asset Value per Unit (NAVPU):	Php 84.89					
Launch Date:	May 20, 2013	Total Fund NAV (Mn):	Php 52,398.38					
Minimum Investment:	Php 10,000.00	Dealing Day:	Daily up to 2:30 PM					
Additional Investment:	Php 1,000.00	Redemption Settlement:	T+3 End-of-Day					
Minimum Holding Period:	None	Early Redemption Charge:	None					
FEES*								

Trustee Fees: 1.000%Custodianship Fees: 0.0013%External Auditor Fees: 0.0053%Other Fees: 0.00%BPI Asset ManagementHSBCIsla LipanaNone\*As a percentage of average<br/>daily NAV for the quarter<br/>valued at Php56,206.68\*Monthly rate: billings received<br/>for April 2021 divided by the<br/>average daily NAV\*Billings received for 2018 divided by the<br/>average daily NAV

## INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to track the performance of the Philippine Stock Exchange Composite Index (PSEi). The Fund shall substantially invest in stocks comprising the PSEi using the same weights as in the index.

### **CLIENT SUITABILITY**

Million

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 Equity Index Fund is suitable only for investors who:

Are at least classified as <u>aggressive</u> 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.

Equity Price	Investors are exposed to adverse changes in the prices of stocks listed in the Philippine Stock Exchange, which
Risk:	may be brought about by adverse stock market conditions, unfavorable company earnings and valuations and/ or
13K.	negative developments in domestic and global political and economic conditions.

Investors are exposed to the risk of loss due to the Fund's inability to convert security holdings to cash immediately Liquidity Risk: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 Trustee, specifically, time deposit placements with the Trustee's own bank and/ or its subsidiary, purchase of debt and equity securities issued by related parties, as well as the execution of trade transactions with related counterparties.

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

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.

Cash0.10Int'l Container Terminal Services, Inc.5.80Time Deposits and Money Market0.24Int'l Container Terminal Services, Inc.5.80Other Receivables - Net of Liabilities-0.21Bank of the Philippine Islands5.58Sector Holdings (Equity Portion)Holding Firms32.44Ayala Corporation5.08Property19.63JG Summit Holdings, Inc.4.45Financials16.36PLDT Inc.4.19Services15.1715.1715.17	FUND PERFORMANCE AND STATISTICS AS OF JUNE 30, 2022												
140 120 100 60       Fund       Benchmark       Benchmark       83.67         100 60       100 6	(Purely for reference purposes and is not a guarantee of future results)												
120       0	NAVPU GRAPH							NAVPU over the past 12 months					
100       00 <t< td=""><td>140 ၂</td><td></td><td>Fund</td><td>_</td><td>Bench</td><td>nmark</td><td></td><td>Lowest</td><td>83.67</td></t<>	140 ၂		Fund	_	Bench	nmark		Lowest	83.67				
100       1       1       1       1       0.99         1       1       1       1       0.99       1       0.99         1       1       1       0.90       1       0.91       1       0.91         1       1       1       0.00       21.38       1.51       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       1       0.32       1       3       1       1       1       0.32       1		A.,	And		Highest	102.43							
60       STATISTICS         90													
M       M				<u>۲</u>	STATISTICS								
Benchmark is the Philippine Stock Exchange Composite Index (PSE)         CumuLATIVE PERFORMANCE (%) '         CumuLATIVE PERFORMANCE (%) '         Current Number of Holdings       32         Tracking Error, Since Inception (%) 4       0.32         Annu -11.20       -11.28 <t< td=""><td colspan="7">ベ ベ ベ や や や や か か か か か</td><td>Portfolio Beta</td><td>0.99</td></t<>	ベ ベ ベ や や や や か か か か か							Portfolio Beta	0.99				
Benchmark is the Philippine Stock Exchange Composite Index (PSEI)         CumuLATIVE PERFORMANCE (%) 1         CumuLATIVE PERFORMANCE (%) 1         Current Number of Holdings       32         Tracking Error, Since Inception (%)4       0.32         Tracking Error, Since Inception (%)4       0.32         Inc 3 mos 6 mos 1YR 3YRS 5LI         Fund       -9.12       -14.20       -12.86       -9.10       -18.77       0.03         ANNUALIZED PERFORMANCE (%) 1         Tracking Error, Since Inception         Annu - 10.00       0.33       -7.70       -3.16       -4.22       -1.78         Benchmark - 10.82       -0.42       -3.82       -4.73       -1.82         Benchmark - 10.82       -0.42       -3.82       -4.73       -1.82         Stock Developed aligned with the benchmark.         Top 2021       2020       2019       2018       2017         Fund       -12.86       -0.24       -8.64       4.68       -12.76       25.11         Benchmark (TR) -12.46       1.58       -6.90       6.46       -11.41       27.15         FUN	rely my bee my you by ogg May brag ter, my beer my							Volatility, Past 1 Year (%) <sup>3</sup>	20.44				
I mo         3 mos         6 mos         1YR         3YRS         S.I.           Fund         -9.18         -14.26         -12.81         -10.00         -21.38         -15.11           Benchmark         -9.14         -14.55         -13.58         -10.82         -23.05         -15.39           Benchmark         -9.12         -14.20         -12.46         -9.10         -18.77         0.03           ANNUALIZED PERFORMANCE (%)         V         V         3YR         SYRS         SI.F           1YR         2YRS         3YRS         5YRS         S.I.         -14.72         -17.80         -36asures of deviation between the Fund's return and benchmark.           Fund         -10.00         0.33         -7.70         -3.16         -4.22         -1.78           Benchmark         -10.82         -0.42         -8.36         -3.82         -4.73         -1.82           Benchmark (TR)         -10.139         -6.69         -20.9         -3.04         -0.00         -22.04         -17.64         -0.00           CALENDAR YEAR PERFORMANCE (%) <sup>1</sup> VE	Benchmark is the	Philippin	e Stock E	xchange	Composit	e Index (	PSEI)	Current Number of Holdings	32				
Fund       -9.18       -14.26       -12.81       -10.00       -21.38       -15.11         Benchmark       -9.14       -14.25       -13.58       -10.82       -23.05       -15.39         Benchmark (TR)       -9.12       -14.20       -12.46       -9.10       -18.77       0.03         ANNUALIZED PERFORMANCE (%)       -       -14.20       -12.46       -9.10       -18.77       0.03         ANNUALIZED PERFORMANCE (%)       -						2706	61	Tracking Error, Since Inception (%) <sup>4</sup>	0.32				
Benchmark       -9.14       -14.55       -13.58       -10.82       -23.05       -15.39         Benchmark       -9.12       -14.20       -12.46       -9.10       -18.77       0.03         ANNUALIZED PERFORMANCE (%)	Fund							<sup>1</sup> Returns are net of fees					
Benchmark (TR)       -9.12       -14.20       -12.46       -9.10       -18.77       0.03         ANNUALIZED PERFORMANCE (%)       -								<sup>2</sup> Since Inception					
ANNUALIZED PERFORMANCE (%) 1         1YR 2YRS 3YRS 4YRS 5YRS 5.I.         Fund       -10.00       0.33       -7.70       -3.16       -4.22       -1.78         Benchmark       -10.82       -0.42       -8.36       -3.82       -4.73       -1.82         Benchmark       -13.9       -6.69       -2.09       -3.04       0.00         CALENDAR YEAR PERFORMANCE(%)1         YTD       2021       2020       2019       2018       2017         Fund       -12.81       0.44       -7.97       5.27       -12.47       24.56         Benchmark       -13.58       -0.24       -8.64       4.68       -12.76       25.11         Benchmark       -13.58       -0.24       -8.64       -11.41       27.15         PORTFOLIO COMPOSITION													
1YR       2YRS       3YRS       4YRS       5YRS       S.I         Fund       -10.00       0.33       -7.70       -3.16       -4.22       -1.78         Benchmark       -10.82       -0.42       -8.36       -3.82       -4.73       -1.82         Benchmark       -10.82       -0.42       -8.36       -3.82       -4.73       -1.82         Benchmark       -10.82       -0.42       -8.36       -3.82       -4.73       -1.82         Benchmark       -9.10       1.39       -6.69       -2.09       -3.04       0.00         CALENDAR YEAR PERFORMANCE(%) 1         TOP TEN HOLDINGS         Fund       -12.81       0.44       -7.97       5.27       -12.47       24.56         Benchmark       -13.58       -0.24       -8.64       4.68       -12.76       25.11         Benchmark (TR)       -12.46       1.58       -6.90       6.46       -11.41       27.15         PORTFOLIO COMPOSITION       Voor Fund       Sector Holdings       Money Market       0.24       Sector Holdings       Sector				-									
Fund         -10.00         0.33         -7.70         -3.16         -4.22         -1.78           Benchmark         -10.82         -0.42         -8.36         -3.82         -4.73         -1.82           Benchmark         -9.10         1.39         -6.69         -2.09         -3.04         0.00           CALENDAR YEAR PERFORMANCE(%)         TOP         Tend         -12.81         0.44         -7.97         5.27         -12.47         24.56           Benchmark         -13.58         -0.24         -8.64         4.68         -12.76         25.11         SM Investments Corporation         13.73           Benchmark (TR)         -12.46         1.58         -6.90         6.46         -11.41         27.15           PORTFOLIO COMPOSITION	ANNOALIZED		· · · · ·		4YRS	5YRS	SI						
Benchmark       -10.82       -0.42       -8.36       -3.82       -4.73       -1.82         Benchmark (TR)       -9.10       1.39       -6.69       -2.09       -3.04       0.00         CALENDAR YEAR PERFORMANCE(%)       U       U       2018       2017       Through branch of account.       "Declaration of Trust is available upon request through branch of account.         Fund       -12.81       0.44       -7.97       5.27       -12.47       24.56       25.11       Name       %         Benchmark       -13.58       -0.24       -8.64       4.68       -12.76       25.11       SM Investments Corporation       13.73         Benchmark (TR)       -12.46       1.58       -6.90       6.46       -11.41       27.15         PORTFOLIO COMPOSITION       Vortice       99.87       SM Prime Holdings, Inc.       11.86         Equities       99.87       0.10       0.10       6.07       nt'l Container Terminal Services, Inc.       5.80         Cash       0.104       -0.21       19.63       16.63       5.08       36.01         Holding Firms       -14.141       24.45       16.627       4.94       4.45       5.08         Bank of the Philippine Islands       5.58       5.58 <td>Fund</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td colspan="3" rowspan="3">Fund's return is closely aligned with the benchmark. *Declaration of Trust is available upon request</td>	Fund						-	Fund's return is closely aligned with the benchmark. *Declaration of Trust is available upon request					
Information of account.         Information of account.         CALENDAR YEAR PERFORMANCE(%) 1         YTD       2021       2020       2019       2018       2017         Fund       -12.81       0.44       -7.97       5.27       -12.47       24.56         Benchmark       -13.58       -0.24       -8.64       4.68       -12.76       25.11         Benchmark (TR)       -12.46       1.58       -6.90       6.46       -11.41       27.15         PORTFOLIO COMPOSITION         % of Fund         Allocation       % of Fund         Cash       -0.21         Bank of the Philippine Islands       5.58         Sector Holdings (Equity Portion)         Holding Firms       -0.21         Property       -0.21         Sector Holdings (Equity Portion)         Holdings, Inc.       4.45         If .6.37 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>													
CALENDAR YEAR PERFORMANCE(%) 1           YTD         2021         2020         2019         2018         2017           Fund         -12.81         0.44         -7.97         5.27         -12.47         24.56           Benchmark         -13.58         -0.24         -8.64         4.68         -12.76         25.11           Benchmark         -13.58         -0.24         -8.64         4.68         -12.76         25.11           Benchmark (TR)         -12.46         1.58         -6.90         6.46         -11.41         27.15           PORTFOLIO COMPOSITION         Mallocation         % of Fund         BDO Unibank, Inc.         6.48           Allocation         % of Fund         99.87         0.10         Int'l Container Terminal Services, inc.         5.80           Cash         0.10         Int'l Container Terminal Services, inc.         5.80         Sector Holdings (Equity Portion)         Ayala Corporation         5.08           Holding Firms         Sector Holdings (Equity Portion)         32.44         Ayala Corporation         5.08           G Summit Holdings, Inc.         4.45         16.36         PLDT Inc.         4.19													
YTD         2021         2020         2019         2018         2017         TOP TEN HOLDINGS           Fund         -12.81         0.44         -7.97         5.27         -12.47         24.56         Name         %           Benchmark         -13.58         -0.24         -8.64         4.68         -12.76         25.11         SM Investments Corporation         13.73           Benchmark (TR)         -12.46         1.58         -6.90         6.46         -11.41         27.15         SM Prime Holdings, Inc.         11.86           PORTFOLIO COMPOSITION         Voltash         99.87         OLUI         Mare         SM Prime Holdings, Inc.         6.48           Equities         Voltash         99.87         OLU         Main of the Philippine Islands         5.58           Cash         0.10         Name         OLU         Main of the Philippine Islands         5.58           Sector Holdings (Equity Portion)         32.44         Main of the Philippine Islands         5.08           Holding Firms         Sector Holdings (Equity Portion)         32.44         Gasin         Gasin         Gasin           Financials         Infoncials         Infoncials         Infoncials         Infoncials         Infoncials													
Benchmark       -13.58       -0.24       -8.64       4.68       -12.76       25.11         Benchmark (TR)       -12.46       1.58       -6.90       6.46       -11.41       27.15         SM Investments Corporation       13.73         SM Investments Corporation       13.64         BOU Unibank, Inc.       6.48         Ayala Land, Inc.       6.07         Int'l Container Terminal Services, Inc.       5.80         Int'l Container Terminal Services, Inc.       5.80         Sector Holdings (Equity Portion)         Holding Firms       32.44       Ayala Corporation       5.08         Inf'l Container Terminal Services, Inc. <td></td> <td></td> <td></td> <td></td> <td>2019</td> <td>2018</td> <td>2017</td> <td>TOP TEN HOLDINGS</td> <td></td>					2019	2018	2017	TOP TEN HOLDINGS					
Benchmark (TR)-12.461.58-6.906.46-11.4127.15Montreatments Corporation13.73PORTFOLIO COMPOSITIONAllocation% of FundEquities99.87Cash0.10Time Deposits and Money Market0.24Other Receivables - Net of Liabilities-0.21Sector Holdings (Equity Portion)32.44Holding Firms32.44Property19.63Financials16.27Services15.17	Fund	-12.81	0.44	-7.97	5.27	-12.47	24.56	Name	%				
PORTFOLIO COMPOSITIONSM Prime Holdings, Inc.11.86Allocation% of FundEquities99.87Cash0.10Time Deposits and Money Market0.24Other Receivables - Net of Liabilities-0.21Sector Holdings (Equity Portion)Holding Firms32.44Property19.63Financials16.27Industrials16.27Services15.17	Benchmark	-13.58	-0.24		4.68			SM Investments Corporation	13.73				
Allocation% of FundBDO Unibank, Inc.6.48Equities99.874yala Land, Inc.6.07Cash0.10Int'l Container Terminal Services, Inc.5.80Other Receivables - Net of Liabilities-0.21Bank of the Philippine Islands5.58Sector Holdings (Equity Portion)32.44Ayala Corporation5.08Holding Firms32.4419.63JG Summit Holdings, Inc.4.45Property19.6316.27JLDT Inc.4.19				-6.90	6.46	-11.41	27.15	SM Prime Holdings, Inc.	11.86				
Equities99.87 0.10Ayala Land, Inc.6.07Cash0.10Int'l Container Terminal Services, Inc.5.80Other Receivables - Net of Liabilities-0.21Bank of the Philippine Islands5.58Sector Holdings (Equity Portion)Holding Firms32.44Ayala Corporation5.08Property19.6316.27JG Summit Holdings, Inc.4.45Industrials16.27PLDT Inc.4.19			ION			0/	of Eund	BDO Unibank, Inc.	6.48				
Cash0.10Time Deposits and Money Market0.24Other Receivables - Net of Liabilities-0.21Bank of the Philippine Islands5.80Bank of the Philippine Islands5.80Ayala CorporationProperty19.63Financials16.36Industrials16.27Services15.17	Equities	Cation				/0		Avala Land. Inc.	6.07				
Time Deposits and Money Market0.24Other Receivables - Net of Liabilities-0.21Sector Holdings (Equity Portion)Inc.Holding Firms32.44Property19.63Financials16.36Industrials16.27Services15.17	Cash												
Sector Holdings (Equity Portion)Bank of the Philippine Islands5.58Holding Firms32.44Ayala Corporation5.08Property19.63JG Summit Holdings, Inc.4.45Industrials16.27PLDT Inc.4.19		•							5.80				
Holding Firms32.44Ayala Corporation5.08Property19.63Financials16.36Industrials16.27Services15.17	Other Receivables						-0.21	Bank of the Philippine Islands	5.58				
Property19.63Financials16.36Industrials16.27Services15.17	Sector Holdings (Equity Portion) Holding Firms 32.44							Ayala Corporation	5.08				
Industrials 16.27 PLDT Inc. 4.19	Property						19.63		4.45				
	Industrials						16.27	PLDT Inc.	4.19				
	Services Mining and Oil							Aboitiz Equity Ventures, Inc.	3.82				

#### **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 the BPI Asset Management and Trust Corporation (BPI AMTC):

Ayala Corporation – Php 2,662.54Mn Bank of the Philippine Islands – Php 3,003.69Mn AC Energy Corporation – Php811.54Mn Ayala Land, Inc. – Php 3,179.75Mn Globe Telecom, Inc. – Php 1,063.48Mn

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 Philippines dropped sharply in June amidst global market weakness. Investors maintained their riskaverse stance on growing recession fears following the result of the US inflation print in May at 8.6%, a 40-year high. The US Federal Reserve consequently raised policy rates by 75 basis points. On the local economic front, the Bangko Sentral ng Pilipinas (BSP) likewise hiked its benchmark interest rates by 25 basis points to 2.50%. The local currency continued to depreciate during the period as it breached the Php55 mark versus the greenback. The Philippine Stock Exchange Index (PSEi) closed at 6,155.43 or -9.14% Month-on-month. For the first half of 2022, the bell-weather index lost 13.6%.

Activity was mostly lackluster in June with the exception on the FTSE rebalancing occurred in month-end. Average Daily Turnover recorded at US\$108 million or 42.2% lower month-on-month. Meanwhile, foreign flows continued to be net selling in June at US\$207 million. This has stretched the year-to-date Net Foreign Outflows to US\$774 million.

In terms of individual stock performances, top contributors for the month include: ACEN (+12.45%), EMP (+6.61%) and SMC (+6.31%) while the laggards were MEG (-21.74%), CNVRG (-20.19%) and AGI (-17.76%).

Fund Performance. The Fund registered a loss of 9.18% for the month, four basis points below its benchmark.

Fund Strategy. The fund will continue to track the PSEi.

#### 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) Shares of stock of selected corporations, including convertible preferred stocks, which are already listed or being offered publicly and soon to be listed in the Philippine stock market.
- (b) Primarily short-term tradable fixed-income instruments, issued or guaranteed by the Philippine government or the BSP; marketable instruments that are traded in an organized exchange; 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.
- (c) Primarily short-term 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 or any such instrument as may be allowed under BSP regulations. Investment with related interests shall be in accordance with Subsection UX 410.12 (a) of the Manual of Regulations for Banks and Other Financial Institutions.
- (d) Bank deposits, BSP special deposit account or tradable debt instruments issued by the BSP.
- (e) 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 <u>bpi\_asset\_management@bpi.com.ph</u> or call us at (02) 8580-AMTC (2682).

Regulated by the Bangko Sentral ng Pilipinas. <u>https://www.bsp.gov.ph</u>, BSP Webchat <u>https://www.bsp.gov.ph</u>

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