

**BPI INVEST SUSTAINABLE GLOBAL EQUITY FUND-OF-FUNDS****KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of December 29, 2022

**FUND FACTS**

<b>Classification:</b>	Global Equity Fund-of-Funds	<b>NAVPU:</b>	USD 86.85
<b>Launch Date:</b>	March 28, 2022	<b>Total Fund NAV (Mn):</b>	USD 0.38
<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> 1.25%	<b>Custodianship Fees:</b> 0.00%	<b>External Auditor Fees:</b> 0.00%	<b>Other Fees:</b> 0.00%
BPI Asset Management	Various	Isla Lipana	None
As a percentage of average daily NAV for the quarter valued at USD 0.36 Million	To be determined upon receipt of billing	To be determined upon receipt of billing	

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund, operating as a fund-of-funds, seeks to achieve for its Participants long-term capital growth by investing in a diversified portfolio of global equity collective investment schemes which integrate environmental, social, and governance criteria in its investment process, including the incorporation of sustainability goals and facilitation of flow of funds towards green economic activities, climate change mitigation and adaptation projects, and other positive environmental and social impact initiatives. The Fund aims to outperform its benchmark which is the MSCI AC World 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 Invest Sustainable Global Equity Fund-of-Funds 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 equity investments of the target funds 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 target funds.
<b>Liquidity Risk:</b>	Investors are exposed to the risk of loss due to the inability of the target funds 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 funds, which may adversely affect the value of the 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 underlying securities of the target funds are translated to USD.

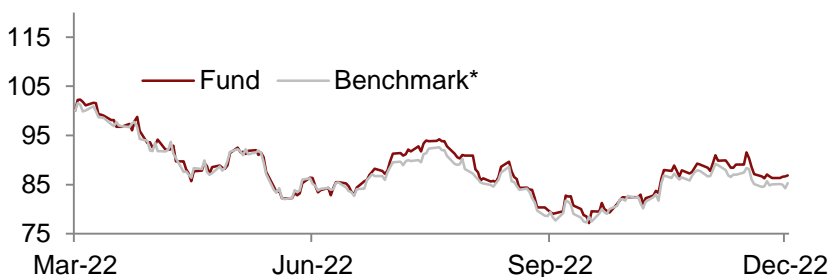
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 DECEMBER 29, 2022

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

## NAVPU GRAPH <sup>1</sup>



\*MSCI AC World Index

## CUMULATIVE PERFORMANCE (%) <sup>1,2</sup>

	1 mo	3 mos	6 mos	1YR	3YRS	S.I. <sup>3</sup>
Fund	-1.08	9.67	4.09	-	-	-13.15
Benchmark	-1.66	9.76	1.78	-	-	-14.71

## ANNUALIZED PERFORMANCE (%) <sup>1,2</sup>

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

## CALENDAR YEAR PERFORMANCE (%) <sup>1,2</sup>

	YTD
Fund	-13.15
Benchmark	-14.71

## PORTFOLIO COMPOSITION

Allocation	% of Fund
Equity funds	96.59
Cash	3.51
Time deposits and money market	-
Other receivables - net of liabilities <sup>8</sup>	-0.10

Allocation by Geography	% of Fund
North America	61.49
Japan	5.37
Asia Pacific/Other EM	10.20
Europe	17.29
Cash and Equivalents <sup>7</sup>	5.65

## OTHER FUND FACTS

**Fund Currency:** US Dollar

**Benchmark:** [MSCI AC World Index](#)

## SELECT SUSTAINABILITY CHARACTERISTICS

	Carbon Footprint <sup>2</sup>	Relative to Benchmark (%)	Carbon Intensity <sup>3</sup>	Relative to Benchmark (%)
Fund	18	-68	35	-81
Benchmark	56		180	

<sup>1</sup>The values presented consider direct emissions controlled by the companies (where the target funds are invested in) through their operations, products and services, and indirect emissions generated by production of energy that the said companies consume. The Fund-of-Funds' portfolio values for each metric is derived from the weighted average of the Fund-of-Funds' exposure to the respective target funds. Data contained herein is based solely on information provided by the target fund managers (as of the specified reporting date) which BPI AMTC considers reliable. BPI AMTC does not make any representation or warranty, express or implied, as to the information's accuracy, timeliness or completeness for any purpose. Any information herein is subject to change without notice, and BPI AMTC is not under any obligation to update or keep current the information contained herein. This sustainability disclosure does not guarantee or purport that the Fund-of-Funds will have the same target funds, underlying securities, or characteristics moving forward.

<sup>2</sup>In tons CO<sub>2</sub>e/USD1Mn invested, measures the portfolio's exposure to climate risk using various metrics such as, but not limited to, carbon emissions and carbon intensity.

<sup>3</sup>In tons CO<sub>2</sub>e/USD1Mn revenue, measures how efficient the portfolio is in terms of carbon emissions per unit of output.

## NAVPU over the past 12 months

<b>Highest</b>	102.27
<b>Lowest</b>	77.19
<b>STATISTICS</b>	
Volatility, Past 1 Year (%) <sup>4</sup>	22.01
Sharpe Ratio <sup>5</sup>	-0.68
Information Ratio <sup>6</sup>	0.08
Current Number of Holdings	4

<sup>1</sup>Differences in the returns of the fund and its benchmark may be affected by factors such as composition/allocation, fees, and dividend disposition, among other factors.

<sup>2</sup>Returns are net of fees.

<sup>3</sup>Since Inception.

<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.

<sup>7</sup>Includes the cash held by the underlying funds

<sup>8</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

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

## TOP HOLDINGS

Name	% of Holdings
Schroder ISF Global Sustainable Growth	45.68
Janus Henderson Horizon Global Sustainable Equity	34.67
Wellington Climate Strategy Fund	10.87
Neuberger Berman Global Sustainable Equity Fund	5.37

## 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.

## OUTLOOK AND STRATEGY

**Market Review.** Global equity markets tumbled in December as hawkish rhetoric from central banks and mounting risks of a global slowdown continued to dominate headlines. November US annual headline inflation was softer-than-expected at 7.1%, supporting a slower pace of monetary policy tightening. The Federal Reserve raised its interest rates by 50 basis points in their December meeting, after four consecutive 75 basis point hikes. Despite the slower pace of rate hikes, the central bank remained committed and has indicated that it will keep interest rates higher for longer than expected to bring down inflation. Markets sold off amid concerns about weaker economic data, downside earnings risk and continued hawkish Fed rhetoric. Meanwhile, emerging market equities outperformed broader equity markets as China relaxed its stringent COVID policies. China's health commission released new measures to move the country towards reopening, driving a rebound in Chinese equities as investors banked on its economic reopening.

**Fund Performance.** The fund returned -1.08%, outperforming the benchmark by 58 basis points. Security selection helped performance.

**Fund Strategy.** In 2023, we expect major structural trends such as the increasing market share of electric vehicles sold, increased recycled content in clothing and packaging, and record installations of wind turbines and solar panels to continue. The ongoing Russia-Ukraine war has resulted in the world, particularly Europe, determined to reduce their reliance on traditional sources of energy such as oil and gas, requiring large investments in renewable energy in the coming years. In addition, we continue to see support for climate solutions and green technologies through government policies such as the Inflation Reduction Act signed by US President Joe Biden. We believe that strong ESG companies are likely to generate positive financial performance over time as investing in sustainability can deliver higher growth and returns through innovation, higher operational efficiency and better risk management.

## 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 more than one collective investment scheme managed using a sustainable investment strategy aligned with sustainability metrics or frameworks such as the European Union Sustainable Finance Disclosure Regulation (SFDR), United Nations Sustainable Development Goals (SDG), and other globally recognized fund rating agencies or companies, that are approved or registered and supervised by regulatory authorities that is a member of the International Organization of Securities Commissions (IOSCO) and managed by reputable fund manager/s the investment objectives and policies of which are generally consistent with those of the Fund; provided further that such combined investment in collective investment schemes should not fall below ninety percent (90%) of the net asset value 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) Deposit products;
- (c) Money market instruments;
- (d) 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;
- (e) Such other investments suitable to the nature, classification, and strategy of the Fund, as allowed by prevailing regulations.
- (f) The principal investments of the Fund will be denominated in, but not limited to, the following major currencies: U.S. Dollar, Euro, British Pound, Canadian Dollar, Australian Dollar, Swiss Franc, Danish Kroner, and Japanese Yen.

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) 889-10000.

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## FOREIGN FUND MANAGERS OF TARGET FUNDS

[Janus Henderson Investors](#)

[Wellington Management](#)

[Neuberger Berman](#)

[Schroder Investment Management](#)

## INVESTMENT OBJECTIVES OF TARGET FUNDS

Name	Domicile	Regulator	EU Sustainable Finance Disclosure Regulation	Theme	Objective
Schroder ISF Global Sustainable Growth	Luxembourg	CSSF	Article 8	Global Sustainable	Aims to provide capital growth by investing in equities worldwide which meet the manager's sustainability criteria. The manager believes that companies demonstrating positive sustainability characteristics are better-placed to maintain growth & returns.
Janus Henderson Horizon Global Sustainable Equity Fund	Luxembourg	CSSF	Article 9	Global Sustainable	Aims to provide capital growth over the long term by investing in companies whose products and services are considered by the investment manager as contributing to positive environmental or social change and thereby have an impact on the development of a sustainable global economy.
Wellington Climate Strategy Fund	Luxembourg	CSSF	Article 9	Climate	Seeks to deliver long-term total returns in excess of the MSCI All Country World Index while contributing to the environmental objective of climate risk mitigation and adaptation by investing in the equities of companies worldwide.
Neuberger Berman Global Sustainable Equity Fund	Ireland	Central Bank of Ireland	Article 8	Global Sustainable	Aims to achieve a minimum excess annualised return of 2% over the Benchmark. The Fund primarily invests in equity securities that are traded on Recognised Markets globally, issued by companies under ESG criteria.

## SPECIFIC RISKS IN INVESTING IN A FUND-OF-FUNDS

- The performance of the underlying Target Fund/s on an individual or collective basis impacts the performance of the BPI Invest Sustainable Global Equity Fund-of-Funds.
- The BPI Invest Sustainable Global Equity Fund-of-Funds incurs trust fee payable to the Trustee on top of the management fee/s charged by the Target Fund/s. Said fees and other expenses are already included in the computation of the Net Asset Value per Unit, which is the price at which investors subscribe and redeem units of the Fund.
- **DUE TO THE FUND-OF-FUNDS STRUCTURE OR LAYERED INVESTMENT STRUCTURE OF THE FUND, PARTICIPANTS MAY BE SUBJECTED TO HIGHER FEES WITH THE ADDITION OF FEES AND EXPENSES IMPOSED BY THE TARGET FUNDS. PARTICIPANTS ARE ADVISED TO CONSIDER THESE FEES AND EXPENSES BEFORE INVESTING.**

For more information, you may contact us at (632) 8580-AMTC (2682), email us at [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or visit our website, [www.bpiassetmanagement.com](http://www.bpiassetmanagement.com).