



# BPI INVEST US DOLLAR INCOME FEEDER FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of November 29, 2022

### FUND FACTS

|                                |                             |                                 |                                |
|--------------------------------|-----------------------------|---------------------------------|--------------------------------|
| <b>Classification:</b>         | Global Balanced Feeder Fund | <b>NAVPU:</b>                   | USD 77.64                      |
| <b>Launch Date:</b>            | August 1, 2018              | <b>Total Fund NAV (Mn):</b>     | USD 32.72                      |
| <b>Minimum Investment:</b>     | USD 1,000                   | <b>Dealing Day:</b>             | Daily up to 1:30 PM            |
| <b>Additional Investment:</b>  | USD 500                     | <b>Redemption Settlement:</b>   | T+7 5:00 PM                    |
| <b>Minimum Holding Period:</b> | 180 days                    | <b>Early Redemption Charge:</b> | 1.00% of NAV of units redeemed |

### FEES

|  |                                   |  |                            |
|--|-----------------------------------|--|----------------------------|
| <b>Trustee Fees:</b> 1.000%  | <b>Custodianship Fee:</b> 0.0000% | <b>External Audit Fee:</b> 0.0091%                 | <b>Other Fees:</b> 0.0000% |
| BPI Asset Management   | None                              | Isla Lipana  | None                       |
| As a percentage of average daily NAV for the quarter valued at USD 31.90 Million |                                   | Billings for 2018 divided by the average daily NAV |                            |

### INVESTMENT OBJECTIVE AND STRATEGY

The Fund, operating as a Feeder Fund, intends to achieve for its Participants stable income with a secondary focus on long term capital growth by investing in a Target Fund that invests in diversified portfolio of global equity and fixed income instruments. **The Fund shall use 35% MSCI World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global High Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged) only as a reference benchmark. Given its focus on income, the Fund does not intend to outperform this benchmark.**

### CLIENT SUITABILITY

A client profiling process should 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 US Dollar Income Feeder Fund is suitable only for investors who:

- Are classified as aggressive based on their risk profile.
- Seek regular income with a secondary focus on capital appreciation over the medium to long term.
- Are comfortable with the risks of a global multi-asset fund.

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 and foreign currency denominated fixed income securities due to adverse market conditions, rising interest rates, unfavorable developments in the political and economic conditions of the countries where the underlying securities of the target fund are issued or traded, unfavorable company earnings and valuations for equities, and other issuer-specific factors for fixed income.  |
| <b>Liquidity Risk:</b>     | 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.   |
| <b>Country Risk:</b>       | Investors are exposed to the risk of loss arising from negative developments in the political, economic and social conditions of countries, 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 fund value when the exchange rates between the target fund or class currency and the portfolio currency fluctuates. The foreign currency exposure of the target fund may be hedged and may adopt an active or passive currency management approach, however, may not be fully hedged depending on the circumstances of each case. Such circumstances include but are not limited to the outlook, hedging costs, and market liquidity of the relevant currency. |

In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration.

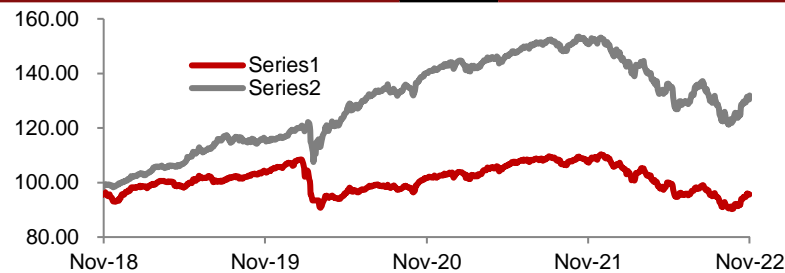
The fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- 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.
- THIS PRODUCT CANNOT BE SOLD TO YOU UNLESS ITS BENEFITS AND RISKS HAVE BEEN THOROUGHLY EXPLAINED. IF YOU DO NOT FULLY UNDERSTAND THIS PRODUCT, DO NOT PURCHASE OR INVEST IN IT.

## FUND PERFORMANCE AND STATISTICS AS OF NOVEMBER 29, 2022

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

### NAVPU GRAPH



Benchmark: 35% MSCI World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global High Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged)

### NAVPU over the past 12 months

|                |       |
|----------------|-------|
| <b>Highest</b> | 91.95 |
| <b>Lowest</b>  | 73.21 |

### STATISTICS

|  |             |
|--|-------------|
| Volatility, Past 1 Year (%) <sup>3</sup> | 8.62%       |
| Sharpe Ratio                             | -1.99       |
| Information Ratio                        | -0.31       |
| Annualized Distribution Yield            | 4.66%       |
| Distribution Frequency                   | Semi-annual |

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

|             | 1 mo        | 3 mo         | 6 mo         | 1YR           | 3YRS         | S.I.         |
|-------------|-------------|--------------|--------------|---------------|--------------|--------------|
| <b>Fund</b> | <b>3.89</b> | <b>-0.23</b> | <b>-4.04</b> | <b>-11.07</b> | <b>-8.12</b> | <b>-4.28</b> |
| Benchmark   | 3.89        | -0.28        | -3.77        | -13.81        | 12.34        | 30.48        |

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

|             | 1 YR          | 2 YRS        | 3 YRS        | 4 YRS       | S.I. <sup>2</sup> |
|-------------|---------------|--------------|--------------|-------------|-------------------|
| <b>Fund</b> | <b>-11.07</b> | <b>-2.99</b> | <b>-2.78</b> | <b>0.00</b> | <b>-1.00</b>      |
| Benchmark   | -13.81        | -3.52        | 3.95         | 7.23        | 6.33              |

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

|             | YTD           | 2021        | 2020         | 2019         | 2018         |
|-------------|---------------|-------------|--------------|--------------|--------------|
| <b>Fund</b> | <b>-13.19</b> | <b>7.41</b> | <b>-2.92</b> | <b>13.34</b> | <b>-6.71</b> |
| Benchmark   | -14.64        | 7.47        | 22.25        | 17.59        | -1.05        |

<sup>1</sup> Returns are net of fees and inclusive of reinvested unit distributions.

<sup>2</sup> Since Inception

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

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

\*\*Unit income received per unit invested as of record date.

### 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.

### PORTFOLIO COMPOSITION

| Allocation (%)            |       | Target Fund Allocation (%) |       |
|---------------------------|-------|----------------------------|-------|
| Target Fund               | 99.77 | Equities                   | 45.82 |
| Cash and equivalents      | 0.32  | Bonds                      | 48.15 |
| Others-net of liabilities | -0.09 | Cash and equiv.            | 6.03  |

### Holdings by Country

|                 | % of Target Fund |
|-----------------|------------------|
| United States   | 52.19            |
| UK              | 7.20             |
| Switzerland     | 3.58             |
| Other Countries | 31.00            |
| Cash            | 6.03             |

### TOP TEN HOLDINGS

| Name                           | % of Target Fund |
|--------------------------------|------------------|
| iShares JP Morgan USD Emerging | 2.99             |
| Wellington Emerging Market Dev | 2.12             |
| Procter & Gamble Co.           | 1.09             |
| Merck & Co. Inc                | 0.84             |
| Coca-cola Co.                  | 0.77             |
| Apple Inc                      | 0.76             |
| Texas Instruments Inc          | 0.73             |
| Pfizer Inc.                    | 0.68             |
| Exxon Mobile Corp.             | 0.67             |
| Abbvie Inc.                    | 0.66             |

### FUND DISTRIBUTION SCHEDULE

| Record Date | Ex- Date    | Payment Date | Unit Income** | Cash Equivalent |
|-------------|-------------|--------------|---------------|-----------------|
| 29-May-2020 | 01-Jun-2020 | 15-Jun-2020  | 0.0289        | USD 2.59        |
| 27-Nov-2020 | 01-Dec-2020 | 15-Dec-2020  | 0.0279        | USD 2.56        |
| 31-May-2021 | 01-Jun-2021 | 14-Jun-2021  | 0.0275        | USD 2.57        |
| 29-Nov-2021 | 01-Dec-2021 | 15-Dec-2021  | 0.0278        | USD 2.55        |
| 31-May-2022 | 01-Jun-2022 | 14-Jun-2022  | 0.0233        | USD 1.93        |

• THE FUND SHALL ONLY DISTRIBUTE INCOME TO ELIGIBLE PARTICIPANTS FROM DISTRIBUTIONS RECEIVED FROM THE TARGET FUND IN THE FORM OF UNIT INCOME ON A SEMI-ANNUAL BASIS, I.E. EVERY JUNE AND DECEMBER.

• PAYMENT OF INCOME WILL DEPEND ON THE FUND'S INCOME FOR THE RELEVANT PERIOD AND WILL BE DISTRIBUTED PROPORTIONATELY TO ELIGIBLE PARTICIPANTS.

• PAYMENT OF INCOME MAY REDUCE THE NAVPU OF THE FUND. THE NAVPU ALSO REFLECTS THE DAILY MARKING-TO-MARKET OF THE UNDERLYING INVESTMENTS OF THE FUND.

• THIS PAYMENT OF INCOME DOES NOT IN ANY WAY GUARANTEE OR PURPORT THAT FURTHER DISTRIBUTIONS WILL BE MADE.

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).

## OTHER FUND FACTS

|                             |  |                                |  |
|-----------------------------|--|--------------------------------|--|
| <b>Fund Currency:</b>       | USD  | <b>Fund Structure</b>          | Unit Trust   |
| <b>Benchmark:</b>           | 35% MSCI World Index (USD Hedged) + 5% MSCI Emerging Markets Index (Unhedged) + 25% Bloomberg Barclays Global Aggregate Corporate Index (USD Hedged) + 15% Bloomberg Barclays Global high Yield Index (USD Hedged) + 20% FTSE World Government Bond 10+ Years Index (USD Hedged) | <b>Trustee and Custodian</b>   | State Street Trust (SG) Limited<br>State Street Bank and Trust Co. |
| <b>Name of Target Fund:</b> | United Income Focus Trust  | <b>Inception Date:</b>         | November 2015  |
| <b>Regulator:</b>           | Monetary Authority of Singapore (MAS)  | <b>Total Expense Ratio:</b>    | 0.80%  |
| <b>Fund Manager:</b>        | UOB Asset Management, Ltd.   | <b>Early Redemption Charge</b> | None   |

The Fund Performance Report and relevant information about the United Income Focus Trust can be viewed and downloaded through [www.uobam.com.sg](http://www.uobam.com.sg).

## OUTLOOK AND STRATEGY

**Market Review.** Global equities surged in November. Markets remained acutely focused on slowing global economic growth and rising inflation. Stocks rallied sharply and investor sentiment improved after softer-than-expected inflation in the US and Europe fuelled hopes that the US Federal Reserve (Fed) and the European Central Bank (ECB) would begin to taper their pace of rate hikes, triggering significant declines in US Treasury yields and the US dollar. Fixed income sectors rallied amid a spate of easing inflation headlines and US Fed rhetoric aimed at softening the expected pace of interest-rate increases. Major central banks continued to raise rates. Most global sovereign yields declined on signs of easing inflation across major economies. Global credit bonds outperformed duration-equivalent government bonds as spreads tightened. Within EMs, local markets debt underperformed external debt, in US-dollar terms.

**Fund Performance.** The fund rose by 3.89% in November. Global equities gains were mainly driven by US and Europe equities as risk sentiment improved amid signs that the Fed and the ECB could slow their pace of interest-rate hikes. Within global fixed income, performance was mainly driven by investment grade credit, followed by high yield credit as yields fell and credit spreads tightened.

**Fund Strategy.** Going into the second half of 2022, our outlook on global equities have dampened as the probability of a recession has been steadily increasing which is exacerbated by central banks and policy makers tightening financial conditions in a slowing economy. Given higher interest rates, tighter liquidity and weaker financial conditions that may increase downside risks to earnings and multiples, we prefer a moderate underweight to global equities. On a regional basis, we remain constructive on Japan as its fiscal stimulus provides tailwinds for its economy. We have shifted Emerging Markets to neutral given our more constructive view on China driven by cheap valuations and marginal improvements on COVID and property policies. On the other hand, we are underweight European on the back of growth and inflation concerns. Within fixed income, we are neutral on duration as we balance inflation risks against recession risks. We are underweight credit as a demand driven slowdown could widen spreads further. That said, defaults are likely to stay very low and technicals are strong as foreign demand for yield persists. Finally, we believe this market environment to be supportive of security selection and active management. Against this backdrop, income investors will be best served through a highly diversified portfolio of multi-asset income producing assets that can be dynamically adjusted as market conditions evolve.

## 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:

- Primarily in a single collective investment scheme whose investment objective is to provide investment results that maximize income; 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 the CIS.
- Primarily 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.
- Primarily 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 Subsection X410.12 (a) of the Manual of Regulations for Banks.
- The principal investments of the Fund will be denominated in, but not limited to the US Dollar. The target fund invests in securities denominated in other currencies.
- Bank deposits or tradable debt instruments issued by the BSP.
- Such other investments allowed under regulations issued by the BSP.

## INVESTMENT OBJECTIVE OF TARGET FUND

The United Income Focus Trust, as the Target Fund, aims to provide regular income to investors with a secondary focus on capital appreciation over the medium to long term by investing globally in a diverse set of traditional and alternative asset classes.

BPI Asset Management and Trust Corporation (BPI AMTC) is a subsidiary of the Bank of the Philippine Islands. For any inquiries and complaints relating to our services and products you may call our hotline: 889-10000, or send an email at [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or write a letter addressed to BPI Asset Management and Trust Corporation - Consumer Assistance Office, 7/F, BPI Buendia Center, Sen. Gil J. Puyat Avenue, Makati City 1209.

BPI AMTC as Trustee / Investment Manager is regulated by the Bangko Sentral ng Pilipinas (BSP) with e-mail address: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph).