

## FUND FACTS

<b>Classification:</b>	Index Tracker Bond Fund	<b>Net Asset Value per Unit (NAVPU):</b>	USD 228.16
<b>Launch Date:</b>	December 31, 2006	<b>Total Fund NAV (Mn):</b>	USD 36.27
<b>Minimum Investment:</b>	USD 100.00	<b>Dealing Day:</b>	Daily up to 2:00 PM
<b>Additional Investment:</b>	No minimum	<b>Redemption Settlement:</b>	T+3 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

## FEES\*

<b>Trustee Fees*:</b> 0.0213%	<b>Custodianship Fees**:</b> 0.0009%	<b>External Auditor Fees***:</b> 0.00%	<b>Other Fees:</b> 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

\*Monthly rate: billings received for July 2023 divided by the average daily NAV for the same month valued at USD 37.33 Mn

\*\*Monthly rate: billings received for June 2023 divided by the average daily NAV for the same month valued at USD 38.97 Mn

\*\*\*Billing is received at the last quarter of the year

## 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.

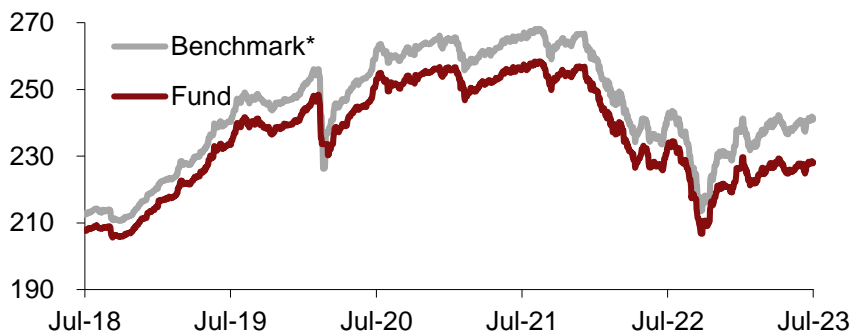
**Index Tracking Risk:** Investors are exposed to the risk of not being able to achieve a level of return that matches the index being tracked by the fund due primarily to operating and fund management expenses.

- 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.
- 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 JULY 31, 2023

(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 (%)<sup>1</sup>

	1 mo	3 mo	6 mo	1YR	3YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>0.55</b>	<b>0.07</b>	<b>0.81</b>	<b>-1.85</b>	<b>-9.86</b>	<b>128.16</b>
<b>Benchmark</b>	0.65	0.20	1.72	-0.01	-7.80	146.74

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

	1YR	2YRS	3YRS	4YRS	5YRS	S.I.
<b>Fund</b>	<b>-1.85</b>	<b>-5.59</b>	<b>-3.40</b>	<b>-0.59</b>	<b>1.87</b>	<b>5.10</b>
<b>Benchmark</b>	-0.01	-4.63	-2.67	0.10	2.55	5.59

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>3.35</b>	<b>-13.98</b>	<b>0.26</b>	<b>6.87</b>	<b>13.27</b>	<b>-0.73</b>
<b>Benchmark</b>	4.63	-13.46	0.52	7.37	13.95	-0.61

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	65.84
Corporates	31.32
Cash	0.80
Time Deposits and Money Market	0.81
Other Receivables – Net of Liabilities <sup>6</sup>	1.24
<b>Maturity Profile</b>	
Cash and less than 1 year	4.14
Between 1 and 3 years	25.06
Between 3 and 5 years	10.41
Between 5 and 7 years	14.25
Between 7 and 10 years	15.20
More than 10 years	30.93

### RELATED PARTY TRANSACTIONS\*

The Fund has investments and trade transactions with BPI Wealth – A Trust Corporation (“BPI Wealth”)

ACEN Corporation – USD0.40 Mn, Ayala Corporation – USD0.70 Mn, Globe Telecom, Inc. – USD0.82 Mn

Investments in the said outlets were approved by the BPI Wealth’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 Wealth’s internal policy.

### NAVPU over the past 12 months

Highest	234.50
Lowest	206.73

### STATISTICS

Weighted Ave Duration (Yrs)	6.79
Volatility, Past 1 Year (%) <sup>3</sup>	5.80
Port. Weighted Yield to Maturity (%)	6.47
Current Number of Holdings	68
Tracking Error (3-Yr) <sup>4</sup> (%)	0.78

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

<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.

<sup>4</sup>Measure of deviation between the Fund’s return and benchmark returns. A lower number means the Fund’s return is closely aligned with the benchmark.

<sup>5</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

<sup>6</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

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

### TOP TEN HOLDINGS

Name	Maturity	% of Fund
RoP Bonds	02/02/2030	5.82
RoP Bonds	10/23/2034	5.25
RoP Bonds	03/01/2041	4.09
RoP Bonds	03/16/2025	3.91
RoP Bonds	02/01/2028	3.84
RoP Bonds	03/30/2026	3.53
RoP Bonds	01/15/2032	3.52
RoP Bonds	01/14/2031	3.32
RoP Bonds	07/06/2046	3.20
RoP Bonds	01/13/2037	2.89

## OUTLOOK AND STRATEGY

**Market Review.** The JP Morgan Asia Credit Index (JACI) Philippines rose by 0.64% in July as Philippine dollar-denominated bonds outperformed US Treasuries.

Global bonds had another volatile month as softening US inflation figures were offset by hawkish Fed speak. US core PCE was at 4.1% year-on-year in June, down from 4.6% in the prior month, while US June headline CPI was at 3.0% year-on-year, the lowest level since March 2021.

During its Federal Open Market Committee meeting held towards month-end, the Fed hiked policy rates by another 25 basis points, a move widely anticipated by markets. Fed Chair Jerome Powell noted that they would continue to make data-driven decisions on a “meeting-by-meeting basis”. Over the month, the US 10-year benchmark Treasury yield rose by 12 basis points to close at 3.96%.

In the local space, inflation for the month of June dropped to 5.4% year-on-year from the 6.1% print in May. The figure was once again below market expectations and was brought about by receding supply-side pressures. This brought about speculation that the central bank could keep rates steady come its Monetary Policy meeting slated for August. Nevertheless, newly appointed BSP Governor Eli Remolona has underscored that core inflation remains elevated, with potential upside risks stemming from El Niño and upcoming wage hikes.

**Fund Performance.** The fund returned 0.55% in July, underperforming its benchmark by 10 bps. Year to date, the fund returned -1.85%, below the benchmark by 184 bps.

**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 Wealth is a subsidiary of the Bank of the Philippine Islands. For inquiries and comments, please send an email to [bpiwealth@bpi.com.ph](mailto:bpiwealth@bpi.com.ph) or call us at (632) 8580-2682.

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

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