

**FUND FACTS**

<b>Classification:</b>	Fixed Income Fund	<b>Net Asset Value per Unit (NAVPU):</b>	USD 220.26
<b>Launch Date:</b>	December 31, 2006	<b>Total Fund NAV (Mn):</b>	USD 34.86
<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> 0.0206%	<b>Custodianship Fees**:</b> 0.0011%	<b>External Auditor Fees***:</b> 0.00419%	<b>Other Fees:</b> 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

\*Monthly rate: billings received for Sept 2023 divided by the average daily NAV for the same month valued at USD 35.36 Mn

\*\*Monthly rate: billings received for Aug 2023 divided by the average daily NAV for the same month valued at USD 35.74 Mn

\*\*\*2023 Audit Fees over average daily NAV for the month of September

**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.

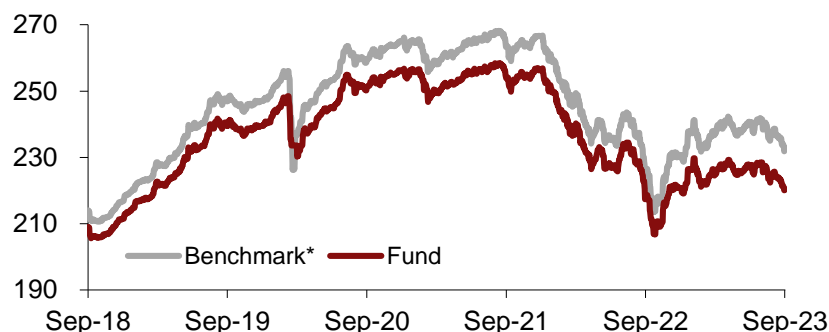
**Index Tracking Risk:** Investors are exposed to the risk of not being able to achieve a level of return that matches the index being tracked by the fund due primarily to operating and fund management expenses.

- 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 SEPTEMBER 29, 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>-2.35</b>	<b>-2.93</b>	<b>-2.13</b>	<b>0.93</b>	<b>-12.35</b>	<b>120.26</b>
<b>Benchmark</b>	-2.46	-2.99	-1.97	2.85	-10.38	137.83

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

	1YR	2YRS	3YRS	4YRS	5YRS	S.I.
<b>Fund</b>	<b>0.93</b>	<b>-6.85</b>	<b>-4.30</b>	<b>-2.09</b>	<b>1.06</b>	<b>4.83</b>
<b>Benchmark</b>	2.85	-6.01	-3.59	-1.48	1.69	5.31

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>-0.23</b>	<b>-13.98</b>	<b>0.26</b>	<b>6.87</b>	<b>13.27</b>	<b>-0.73</b>
<b>Benchmark</b>	0.86	-13.46	0.52	7.37	13.95	-0.61

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	64.52
Corporates	32.17
Cash	0.29
Time Deposits and Money Market	1.76
Other Receivables – Net of Liabilities <sup>6</sup>	1.26

### Maturity Profile

Cash and less than 1 year	5.79
Between 1 and 3 years	26.44
Between 3 and 5 years	8.86
Between 5 and 7 years	14.07
Between 7 and 10 years	16.09
More than 10 years	28.77

### RELATED PARTY TRANSACTIONS\*

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

ACEN Corporation – USD0.39 Mn, Ayala Corporation – USD0.69 Mn, Globe Telecom, Inc. – USD0.81 Mn; Manila Water Company, Inc. – USD 0.45 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	229.70
Lowest	206.73

### STATISTICS

Weighted Ave Duration (Yrs)	6.40
Volatility, Past 1 Year (%) <sup>3</sup>	5.45
Port. Weighted Yield to Maturity (%)	7.29
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	5.48
RoP Bonds	10/23/2034	4.55
RoP Bonds	03/16/2025	4.03
RoP Bonds	02/01/2028	3.91
RoP Bonds	03/01/2041	3.84
RoP Bonds	01/15/2032	3.48
RoP Bonds	01/14/2031	3.32
RoP Bonds	03/30/2026	3.06
RoP Bonds	07/06/2046	2.96
RoP Bonds	01/13/2037	2.80

## OUTLOOK AND STRATEGY

**Market Review.** The JP Morgan Asia Credit Index (JACI) Philippines lost 2.46% in September as Philippine dollar-denominated bonds tracked US Treasuries.

Global bonds continued to experience volatility in September as rising oil prices (Brent crude oil prices rising +9.7% MoM) caused speculation that the “higher for longer” rate rhetoric was likely to happen. During their Federal Open Market Committee meeting held mid-month, the US Federal Reserve kept interest rates steady but indicated that another hike was to be expected before end-2023. Furthermore, the Committee saw fewer cuts in for both 2024 and 2025. Some analysts took these changes to mean a more “hawkish” stance, causing a sell-off in US Treasuries. Consequently, the 10-year US Treasury benchmark yield spiked to as high as 4.61% before ending 46 basis points higher month-on-month at 4.57%.

Towards end September, the Bureau of the Treasury announced a 5.5year Retail Dollar Bond (RDB) issuance. The Bond was priced on September 27 at a coupon rate of 5.75%, with an initial issue size of US\$611.2 million. At issuance, the RDBs were priced around 113 basis points higher than US Treasuries and 50 basis points higher than the closest liquid ROPs and Indonesian Dollar Sovereigns.

In the local space, inflation for the month of August bounced back to 5.3% year-on-year from the 4.7% print in July. The figure was higher than market expectations (consensus estimate: +4.8% YoY), and was brought about by rising food and fuel prices. It also marked the first inflation uptick in seven months, causing some speculation that the Bangko Sentral ng Pilipinas (BSP) could be more hawkish moving forward. During its Monetary Policy meeting held mid-month, the BSP kept its overnight benchmark rate steady but hiked its inflation forecasts for both 2023 and 2024. Furthermore, BSP Governor Eli Remolona stated during an interview that rate cuts for 2023 were off the table while rate hikes were not. The BSP noted that it would remain vigilant of its inflation target and stood ready to adjust policy rates as necessary moving forward.

**Fund Performance.** The fund returned -2.35% in September, outperforming its benchmark by 11 bps. Year to date, the fund returned -0.23%, below the benchmark by 108 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 us a message through [bpiwealth@bpi.com.ph](mailto:bpiwealth@bpi.com.ph) or by visiting [www.bpi.com.ph/contactus](http://www.bpi.com.ph/contactus). You may also call our 24-hour BPI Contact Center at (+632) 889 10000.

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