

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**FUND FACTS**

Classification:	Money Market Fund	Net Asset Value per Unit (NAVPU):	USD 324.10
Launch Date:	August 30, 1994 ^a	Total Fund NAV (Mn):	USD 600.52
Minimum Investment:	USD 100.00	Dealing Day:	Daily up to 2:00 PM
Additional Investment:	USD No minimum	Redemption Settlement:	T+0 End-of Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.0411%*	Custodianship Fees: 0.0006%**	External Auditor Fees: 0.00419%***	Other Fees: 0.00%
BPI Wealth	HSBC	Isla Lipana	None

*Monthly rate: billings received for September 2023 divided by the average daily NAV for the same month valued at USD594.77 Million

**Monthly rate: billings received for August 2023 divided by the average daily NAV for the same month valued at USD590.66 Million

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

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its Participants liquidity and stable income derived from a diversified portfolio of foreign currency-denominated short-term fixed income instruments. The Fund aims to provide absolute returns in excess of the return of the 3-month U.S. Treasury Bill. The Fund was approved to be converted to a U.S. Dollar-denominated money market fund last March 6, 2015^a. It has likewise been renamed to the BPI U.S. Dollar Short Term Fund last June 1, 2015.

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 U.S. Dollar Short Term Fund is suitable only for investors who:

- Are at least classified as moderately conservative based on their risk profile.
- Have an investment horizon of up to one (1) year.

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 short term foreign currency denominated fixed income securities, 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 political and economic conditions of countries where the securities are issued/ traded.

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, time deposit placements with the Trustee's own bank and/ or its subsidiary, purchase of debt securities issued by related parties, as well as 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 its home country's political and economic conditions.

Forex Risk: Investors are exposed to the risk of loss from a decline in fund value when the market value of foreign currency denominated fixed income securities held by the fund are converted/ translated to US Dollar.

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.**

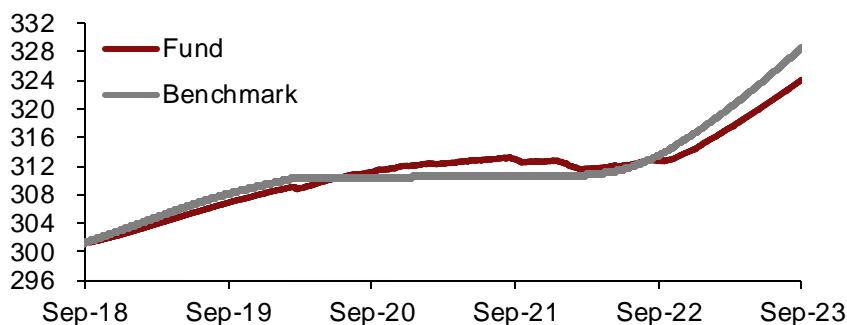
• **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

• **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 SEPTEMBER 29, 2023

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

NAVPU GRAPH



* Benchmark is 3-month U.S. Treasury Bill

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mo	6 mo	1YR	2YRS	S.I.
Fund	0.36	1.08	2.11	3.64	3.58	12.09
Benchmark	0.42	1.32	2.60	4.80	5.81	11.95

ANNUALIZED PERFORMANCE (%) ¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I.
Fund	3.64	1.78	1.37	1.38	1.48	1.38
Benchmark	4.80	2.86	1.92	1.62	1.75	1.36

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2022	2021	2020	2019	2018
Fund	3.10	0.51	0.24	1.25	1.91	1.32
Benchmark	3.78	1.94	0.03	0.37	2.07	1.96

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	2.46
Corporates	0.68
Cash	0.03
Time Deposits and Money Market	96.35
Other Receivables – Net of Liabilities ⁵	0.48

Maturity Profile

Cash and less than 1 year	100.00
Between 1 and 3 years	-
Between 3 and 5 years	-
Between 5 and 7 years	-
Between 7 and 10 years	-
More than 10 years	-

NAVPU over the past 12 months

Highest	324.10
Lowest	312.66

STATISTICS

Weighted Ave Duration (Yrs)	0.35
Annualized Volatility (%) ²	0.21
Sharpe Ratio ³	-5.57
Information Ratio ⁴	-7.84
Port. Weighted Yield to Maturity (%)	4.98
Current Number of Holdings	80

¹Returns are net of fees. The Fund was converted to the U.S. Dollar Short Term Fund last June 1, 2015.

²Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

³Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

⁴Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁵Includes accrued income, investment securities purchased, accrued expenses, etc.

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

TOP TEN HOLDINGS

Name	% of Fund
Time Deposit	3.14
Time Deposit	2.71
Time Deposit	2.49
Time Deposit	2.48
Time Deposit	2.46
Time Deposit	2.46
Time Deposit	2.45
Time Deposit	2.43
Time Deposit	2.42
Time Deposit	2.42

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 BPI Wealth - A Trust Corporation ("BPI Wealth"):

Bank of the Philippine Islands – USD 26.27 Mn
ACEN Corporation – USD 3.92 Mn

Investments in the said outlets were approved by 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.

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. The bonds will continue to be offered until October 6, 2023, unless the BTr chooses to close earlier. Issue date will be on October 11.

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 0.36% for the month, 6 basis points below its benchmark.

Fund Strategy. The Fund will maintain its duration of less than 1. Expectations of rising rates moving forward may provide an opportunity for better yielding investment outlets.

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 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.
- (b) 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.
- (c) The principal investments of the Fund will be in money market 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, BSP special deposit account or tradable debt instruments issued by the BSP.
- (e) 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 <https://www.bpi.com.ph/contactus> or call our 24-hour BPI Contact Center at (+632) 889 10000.

BPI Wealth as Trustee/Investment Manager is regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>