

## FUND FACTS

|                                |                           |                                 |                    |
|--------------------------------|---------------------------|---------------------------------|--------------------|
| <b>Classification:</b>         | Global Equity Feeder Fund | <b>NAVPU:</b>                   | USD 79.38          |
| <b>Launch Date:</b>            | February 1, 2021          | <b>Total Fund NAV (Mn):</b>     | USD 17.48          |
| <b>Minimum Investment:</b>     | USD 100.00                | <b>Dealing Day:</b>             | Daily up to 2:00PM |
| <b>Additional Investment:</b>  | No minimum                | <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> 0.0819%  | <b>Custodianship Fee:</b> 0.00% | <b>External Audit Fee:</b> 0.00%                      | <b>Other Fees:</b> 0.01%          |
| BPI Wealth  | None                            | Isla Lipana   | Index Licensing Fee               |
| **Monthly rate: billings received for June 2023 divided by the average daily NAV for the same month valued at USD 16.38 Million |                                 | **Billing is received at the last quarter of the year | ***Billings received in June 2023 |

## INVESTMENT OBJECTIVE AND STRATEGY

The Fund, operating as a Feeder Fund, intends to achieve for its Participants long term capital growth by investing in a Target Fund that invests in stocks in the technology sector. It aims to provide excess return over the MSCI AC World Information Technology Index. Pursuant to existing BSP rules and regulations, as a Feeder Fund, this Fund is mandated to invest at least 90% of its assets in a single collective investment scheme.

## 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 World Technology Feeder Fund 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.

**Market/Price Risk:** Investors are exposed to adverse changes in the prices of global equities in the technology sector 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 securities of the target fund.

**Liquidity Risk:** Investors are exposed to the risk of loss due to the target 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 participants in the market, low trading volumes, market disruptions, among others.

**Country Risk:** 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 fund, which may adversely affect the value of the feeder fund.

**FX Risk:** Investors are exposed to the risk of loss from a decline in the market value of the target fund when the market value of foreign currency denominated securities held by the target fund are translated to USD.

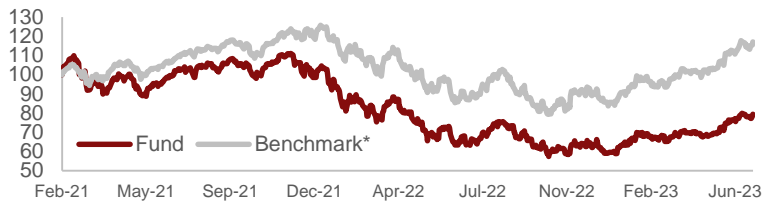
The Fund's investment outlets undergo proper screening and evaluation in accordance with the Trustee's accreditation process. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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.**
- **THIS PRODUCT CANNOT BE SOLD TO YOU UNLESS ITS BENEFITS AND RISKS HAVE BEEN THOROUGHLY**

# FUND PERFORMANCE AND STATISTICS AS OF JUNE 30, 2023

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

## NAVPU GRAPH



\*MSCI AC World Information Technology Index

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

|           | 1 mo | 3mos  | 6mos  | 1YR   | 3YRS | S.I. <sup>2</sup> |
|-----------|------|-------|-------|-------|------|-------------------|
| Fund      | 4.92 | 12.53 | 33.30 | 25.22 | -    | -20.62            |
| Benchmark | 5.81 | 13.68 | 36.71 | 34.28 | -    | 17.15             |

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

|           | 1YR   | 2YRS   | 3YRS | 4YRS | 5YR | S.I. <sup>2</sup> |
|-----------|-------|--------|------|------|-----|-------------------|
| Fund      | 25.22 | -12.24 | -    | -    | -   | -9.14             |
| Benchmark | 34.28 | 3.35   | -    | -    | -   | 6.80              |

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

|           | YTD   | 2022   | 2021 <sup>3</sup> |
|-----------|-------|--------|-------------------|
| Fund      | 33.30 | -42.51 | 3.59              |
| Benchmark | 36.71 | -30.98 | 24.15             |

## PORTFOLIO COMPOSITION

| Allocation                  | % of Fund        |
|-----------------------------|------------------|
| Target Fund                 | 99.11            |
| Cash and Equivalents        | 1.15             |
| Others – net of liabilities | -0.26            |
| Regional Breakdown          | % of Target Fund |
| United States               | 78.51            |
| Netherlands                 | 5.40             |
| France                      | 3.21             |
| Others                      | 12.88            |
| Sector Breakdown            | % of Target Fund |
| Software & Services         | 29.95            |
| Semiconductor               | 28.06            |
| Tech Hardware               | 12.43            |
| Financial Services          | 8.02             |
| Others                      | 21.54            |

## RELATED PARTY TRANSACTIONS\*

The Fund has no transactions and outstanding investments with entities related to BPI Wealth – A Trust Corporation (“BPI Wealth”).

\* Related party in accordance with BPI Wealth’s internal policy.

## OTHER FUND FACTS

|                             |  |                             |                                |
|-----------------------------|--|-----------------------------|--------------------------------|
| <b>Fund Currency:</b>       | US Dollar  | <b>Fund structure:</b>      | UCITS (LUX)                    |
| <b>Benchmark*:</b>          | MSCI AC World Information Technology Index             | <b>Inception Date:</b>      | December 30, 2011              |
| <b>Name of Target Fund:</b> | BlackRock World Technology Fund                        | <b>Custodian:</b>           | The Bank of New York Mellon SA |
| <b>Regulator:</b>           | Commission de Surveillance du Secteur Financier (CSSF) | <b>Total Expense Ratio:</b> | 1.07%                          |
| <b>Fund Manager:</b>        | BlackRock Inc.   |                             |                                |

The Fund Performance Report and relevant information about the BlackRock World Technology Fund can be viewed and downloaded through <https://www.blackrock.com/sg/en>.

## NAVPU over the past 12 months

|                |       |
|----------------|-------|
| <b>Highest</b> | 80.02 |
| <b>Lowest</b>  | 57.42 |

## STATISTICS

|   |       |
|---|-------|
| <b>Volatility, since inception (%) <sup>3</sup></b> | 27.72 |
| <b>Sharpe Ratio <sup>4</sup></b>                    | 0.76  |
| <b>Information Ratio <sup>5</sup></b>               | -0.33 |

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

<sup>2</sup> Since Inception

<sup>3</sup> Fund performance from Feb to year-end 2021

<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.

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

## TOP TEN HOLDINGS

| Name                        | % of Target Fund |
|-----------------------------|------------------|
| Microsoft Corp.             | 9.52             |
| Apple Inc.                  | 9.22             |
| NVIDIA Corp.                | 7.31             |
| ASML Holding NV             | 3.26             |
| Cadence Design Systems Inc. | 3.13             |
| Tesla Inc.                  | 2.97             |
| Mastercard Inc. A.          | 2.63             |
| Broadcom Inc.               | 2.59             |
| Meta Platforms Inc. A       | 2.44             |
| Advanced Micro Devices Inc. | 2.40             |

## OUTLOOK AND STRATEGY

**Market Review.** Global equity markets rebounded in June. Market sentiment improved on the back of resilient US economic data, easing inflation and a hawkish pause in US monetary policy. The US Federal Reserve kept policy rates unchanged for the month but reiterated their commitment on bringing inflation back to target. Despite the rate hike pause, comments from Federal Reserve Chair Jerome Powell signaled a hawkish tone and the updated Fed dot plot reflected two quarter-point increases in interest rates by end-2023. Softening inflation data has supported the case for the Fed pause as US inflation eased in May, decelerating to 4% year-on-year from 4.9% in April due to lower energy prices. Across regional markets, European and Chinese equities underperformed broader equity indices amid weaker growth and manufacturing activity. On the positive side, Japanese equities continued its rally driven by stronger imports.

The MSCI ACWI Information Technology Index rose by 5.8%, in-line with broad equity markets. The hardware sub-sector led technology equity performance, supported by continued signs of strength in electric vehicle (EV) adoption.

**Fund Performance.** The fund returned 4.92% in June, lagging the benchmark by 89 basis points. Stock selection detracted from performance.

**Fund Strategy.** Macroeconomic headwinds continue in 2023, leading enterprises to remain conservative with IT spending. We believe that concerns about interest rates and inflation have largely been priced into tech equities. However, there remains uncertainty regarding the severity and duration of a potential economic slowdown. Recent advancements in artificial intelligence have brought new momentum into the sector, negating the impact from macro weakness. While the initial beneficiaries were the mega-cap technology names building the infrastructure to train AI models, we see wide opportunities in the space aligned with the theme moving forward. While growth assets have been penalized due to rising rate concerns, the companies within the portfolio continue to be underpinned by compelling fundamentals and powerful long-term secular growth drivers. The secular growth trends driving technology are multi-year transformations that are expected to persist, regardless of the macroeconomic environment or geopolitical risk. The fund will continue to focus on these long-term secular themes such as artificial intelligence, cloud computing, electric vehicles, metaverse and quantum computing.

## 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 a single collective investment scheme whose investment objective is to provide investment results in excess of the return of the MSCI AC World Information Technology Index; 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 this CIS.
- (b) 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.
- (c) 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.
- (d) The principal investments of the Fund will be denominated in, but not limited to the U.S. Dollar. The target fund invests in securities denominated in other currencies.
- (e) Bank deposits or tradable debt instruments issued by the BSP.
- (f) Such other investments allowed under regulations issued by the BSP.

## INVESTMENT OBJECTIVE OF TARGET FUND

The BlackRock World Technology Fund seeks to maximize total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies whose predominant economic activity is in the technology sector.

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.

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