

BPI PERA MONEY MARKET FUND

Key Information and Investment Disclosure Statement
As of August 31, 2023

BPI Wealth

FUND FACTS

Classification:	PERA Money Market Fund	Net Asset Value per Unit (NAVPU):	PHP 1.23
Launch Date:	December 19, 2016	Total Fund NAV (Mn):	PHP 10.50
Minimum Investment:	PHP 1,000	Dealing Day:	Daily up to 2:00PM
Additional Investment:	No minimum	Redemption Settlement:	T+1 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.0425%* BPI Wealth	Custodianship Fees: 0.00% HSBC	External Auditor Fees: 0.00%** Isla Lipana	Other Fees: 0% None
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*Monthly rate: billings received for August 2023 divided by the average daily NAV for the same month valued at PHP10.46 Mn.

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

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants liquidity and stable income derived from a diversified portfolio of primarily short-term fixed income instruments. The Fund aims to provide returns in excess of the return of the 91-day Philippine Treasury Bill.

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 PERA Money Market Fund is suitable only for investors who:

- Are classified as moderate based on their risk profile
- Have an investment horizon of at least three (3) 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: Investors are exposed to adverse changes in the prices of domestic fixed income securities due to a rise in interest rates, which generally causes fixed income security prices to decline. Factors/ events that may lead to a rise in interest rates include adverse market conditions, issuer-specific factors / events and/or negative developments in domestic political and economic conditions.

Liquidity Risk: Possibility to experience losses due to the fund's inability to convert assets into cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price.

Related Party Risk: Risk of any actual or potential conflicts of interest in handling of related party transactions.

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 political and economic conditions.

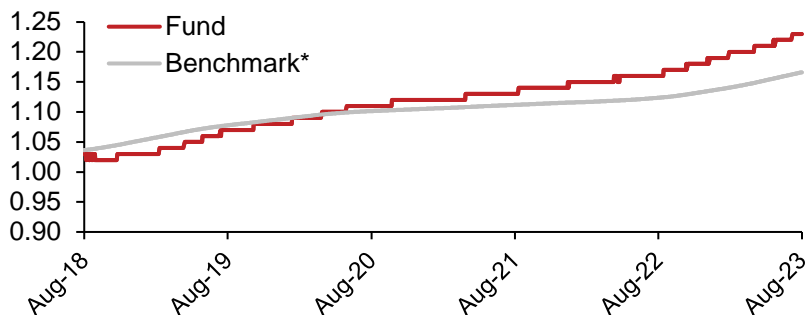
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 AUGUST 31, 2023

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

NAVPU GRAPH



*Benchmark is 91-day Philippine Treasury Bill

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mo	6 mo	1 YR	3 YRS	S.I. ²
Fund	0.82	1.65	2.50	6.03	10.81	23.00
Benchmark	0.38	1.16	2.24	3.78	5.88	16.61

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	6.03	4.33	3.48	3.55	3.61	3.14
Benchmark	3.78	2.41	1.92	1.99	2.38	2.32

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2022	2021	2020	2019	2018
Fund	4.24	3.51	1.79	3.70	4.85	1.98
Benchmark	2.82	1.69	0.95	1.68	3.55	2.95

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	96.46
Corporates	-
Cash	0.10
Time deposits and money market	0.27
Other receivables – net of liabilities ⁶	3.17
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	-
Portfolio Weightings	
Philippine Corporate Bonds	-
Philippine Sovereign Bonds	96.46

NAVPU over the past 12 months

Highest	1.22
Lowest	1.16

STATISTICS

Weighted Ave Duration (Yrs)	0.36
Volatility, Past 1 Year (%) ³	3.34
Sharpe Ratio ⁴	0.68
Information Ratio ⁵	0.68
Portfolio Weighted Yield to Maturity (%)	6.74
Current Number of Holdings	4

¹Returns are net of fees.

²Since inception.

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

⁴Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

⁵Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁶Includes investment securities purchased, accrued expenses, etc.

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

TOP HOLDINGS

Name	Maturity	% of Fund
Fixed Rate Treasury Note	10/23/2023	49.41
Retail Treasury Bond	03/12/2024	27.77
Fixed Rate Treasury Note	06/03/2024	19.29
Time Deposit	-	0.27

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"):

No related party holdings

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

OUTLOOK AND STRATEGY

Market Review. The BPI Money Market Index returned 0.41% in August, while benchmark short-term government yields rose by 8 basis points (bps) on average. The average daily trading volume for the month amounted to PHP16.82 billion similar to July's PHP16.94 billion with trades mostly seen on the short end of the curve.

The Bureau of the Treasury (BTr) held five Treasury Bill auctions in August. During its last T-Bill auction for the month, the three tenors were fully awarded with the average yield of the 91-day paper falling to 5.573% while the 182-, and 364-day papers rose to 5.993%, and 6.297%, respectively. The BSP decreased its weekly offering of BSP Bills to PHP20 billion for the 56-day paper and PHP100 billion for the 28-day paper by the end of the month. Over the course of August, a total of Php498 billion worth of 28- and 56-day BSP Bills were issued at weighted average yields of 6.717% and 6.728%, respectively. Towards the end of the month, the BTr released the September auction schedule with four Treasury Bill auctions and four PHP30 billion FXTN issuances (3-, 7-, 10-, and 3-year tenors).

In the local space, July headline inflation eased further to 4.7% year-on-year, from last month's 5.4%. The food, utilities and transport prices drove the inflation lower marking six straight months of deceleration. The Philippine economy grew weaker than expected at 4.3% in the second quarter of the year, compared to the market expectation of 6%. Growth momentum was at its slowest pace since 2011 due to above target inflation, elevated borrowing costs, and government underspending. The Bangko Sentral ng Pilipinas (BSP) kept its policy rate at 6.25% for the third time. BSP Governor Eli Remolona reiterated that they remain data-dependent but ready to hike policy rates if necessary. The BSP revised its inflation forecast upward, settling at 5.6% (from 5.4%) for 2023 and 3.3% (from 2.9%) for 2024 due to developments in global energy and food prices.

Fund Performance. The Fund returned 0.82% during the month of August, outperforming its benchmark by 44 basis points.

Fund Strategy. The Fund continues to maintain its holdings in short duration government securities. 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; marketable instruments that are traded in an organized exchange; investment outlets/ categories the BSP allow. Provided, that, a financial instrument is regarded as tradable if quoted two-way prices are readily available and 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 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 or any such instrument as may be allowed under BSP regulations. Investment with related interests shall be in accordance with Subsection X 410.12 (a) of the Manual of Regulations for Banks.
- c) Bank deposits or tradable debt instruments issued by the BSP.
- d) Such other investments allowed under regulations issued by the BSP.

BPI Wealth - A Trust Corporation ("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 or call us at (02) 8580-2682.

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