

# BPI PERA MONEY MARKET FUND

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

BPI WEALTH

## FUND FACTS

<b>Classification:</b>	PERA Money Market Fund	<b>Net Asset Value per Unit (NAVPU):</b>	PHP 1.24
<b>Launch Date:</b>	December 19, 2016	<b>Total Fund NAV (Mn):</b>	PHP 10.88
<b>Minimum Investment:</b>	PHP 1,000	<b>Dealing Day:</b>	Daily up to 2:00PM
<b>Additional Investment:</b>	No minimum	<b>Redemption Settlement:</b>	T+1 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

## FEES\*

<b>Trustee Fees:</b> 0.0424%*	<b>Custodianship Fees:</b> 0.00%	<b>External Auditor Fees:</b> 0.00%**	<b>Other Fees:</b> 0%
BPI Wealth	HSBC	Isla Lipana	None

\*Monthly rate: billings received for October 2023 divided by the average daily NAV for the same month valued at PHP10.82 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.

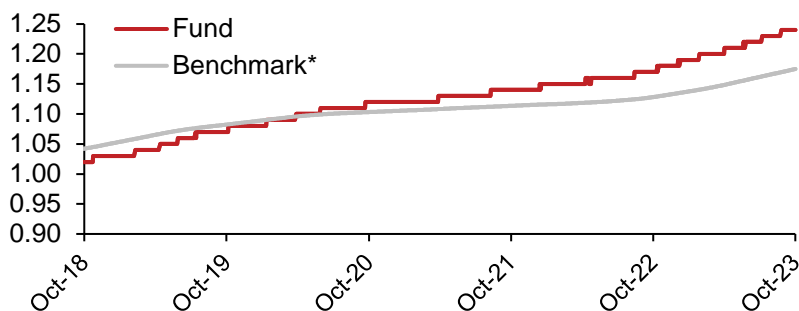
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- **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 OCTOBER 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 (%) <sup>1</sup>

	1 mo	3 mo	6 mo	1 YR	3 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>0.00</b>	<b>1.64</b>	<b>3.33</b>	<b>5.98</b>	<b>10.71</b>	<b>24.00</b>
<b>Benchmark</b>	0.40	1.14	2.35	4.17	6.51	17.49

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>5.98</b>	<b>4.29</b>	<b>3.45</b>	<b>3.76</b>	<b>3.98</b>	<b>3.18</b>
<b>Benchmark</b>	4.17	2.72	2.12	2.07	2.43	2.37

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>5.08</b>	<b>3.51</b>	<b>1.79</b>	<b>3.70</b>	<b>4.85</b>	<b>1.98</b>
<b>Benchmark</b>	3.59	1.69	0.95	1.68	3.55	2.95

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	96.49
Corporates	-
Cash	0.10
Time deposits and money market	0.76
Other receivables – net of liabilities <sup>6</sup>	2.65

### 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	96.49

### NAVPU over the past 12 months

Highest	1.24
Lowest	1.17

### STATISTICS

Weighted Ave Duration (Yrs)	0.54
Volatility, Past 1 Year (%) <sup>3</sup>	3.32
Sharpe Ratio <sup>4</sup>	0.55
Information Ratio <sup>5</sup>	0.55
Portfolio Weighted Yield to Maturity (%)	7.29
Current Number of Holdings	4

<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>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>5</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.

<sup>6</sup>Includes 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	06/03/2024	39.20
Fixed Rate Treasury Note	08/05/2024	30.50
Retail Treasury Bond	03/12/2024	26.78
Time Deposit		0.76

### 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 0.31% in October even as benchmark short-term government yields rose by 37 basis points (bps) on average. Average daily trading volume for the month amounted to PHP10.15 billion, lower than September's PHP18.22 billion with trades mostly seen on the short-end of the curve.

The Bureau of the Treasury (BTr) held four Treasury Bill auctions in October. During the last T-Bill auction for the month, the 182-day paper was partially awarded with an average yield of 6.330%, while the 91- and 364-day papers were fully awarded with average yields of 6.149% and 6.479%, 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 October, a total of Php692 billion worth of 28- and 56-day BSP Bills were issued at weighted average yields of 6.750% and 6.769%, respectively. Towards the end of the month, the BTr released the November auction schedule with five Treasury Bill auctions and five FXTN issuances (5-, 7-, 10-, 15-, and 6-year tenors) with an offer size of PHP30 billion each.

In the local space, September headline inflation rose by 6.1% year-on-year, exceeding market expectations of 5.7%. Coming from last month's 5.3%, inflation continued to accelerate as food and energy prices jumped with rice prices surging 17.9% year-on-year. Consequently, the Bangko Sentral ng Pilipinas (BSP) delivered an off-cycle rate hike, raising its key policy rate by 25 basis points in an effort to subdue the persistent price pressures. The BSP's FY2024 inflation forecast was raised to 4.7% from the previous 4.3%. With regard to the upcoming November Monetary Board meeting, the central bank noted that it would remain data dependent in considering the future path of policy rates.

**Fund Performance.** The Fund returned 0.00% during the month of October, underperforming its benchmark by 40 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 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>*