

**Key Information Investment Disclosure Statement**

December 29, 2025

A flexible bond fund for capital growth and income potential



**INVESTMENT OBJECTIVE AND SUMMARY**

The Fund aims to achieve capital appreciation and income growth in Philippine Peso terms by investing in a diversified portfolio of Peso-denominated fixed income instruments. The Fund aims to provide excess return over the return of the BPI Philippine Government Bond 1-5 Year Index.

**FUND FACTS**

Classification	Fixed Income Fund
Total Fund NAV	PHP 8,510.31
Dealing Day	Daily up to 2:00PM
Redemption Settlement	Day 1 End-of-Day
Min. Holding Period / Early Redemption Charge	None
NAVPU	PHP 219.82
Launch Date	April 4, 2005
Minimum Investment	PHP 1,000
Additional Investment	No minimum

**FEES**

Trustee Fees	Monthly rate: 0.1274% <sup>1</sup> Annual fee: 1.50% p.a.	BPI Wealth
Custodianship and Accounting Fee	0.0014% <sup>2</sup>	DB AG Manila
External Audit Fee	0.0020% <sup>3</sup>	Isla Lipana
Other Fees	0.0000%	None

<sup>1</sup> Monthly Rate: Billings received for December 2025 divided by the average daily NAV for the same month valued at PHP 8,541.53 Mn

<sup>2</sup> Monthly Rate: Billings received for November 2025 divided by the average daily NAV for the same month valued at PHP 8,527.97 Mn

<sup>3</sup> Billing is received at the last quarter of the year

**CLIENT SUITABILITY**

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if it is suited to his/her investment objective and risk tolerance before deciding to invest. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from our website.

This Fund is for investors who:

- Are at least classified as moderately aggressive based on their risk profile
- Have an investment horizon of at least three (3) years

**KEY RISKS AND RISK MANAGEMENT**

**Interest Rate Risk:** The Fund invests in an intermediate term portfolio of domestic government and corporate 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 domestic 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

**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.

**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.

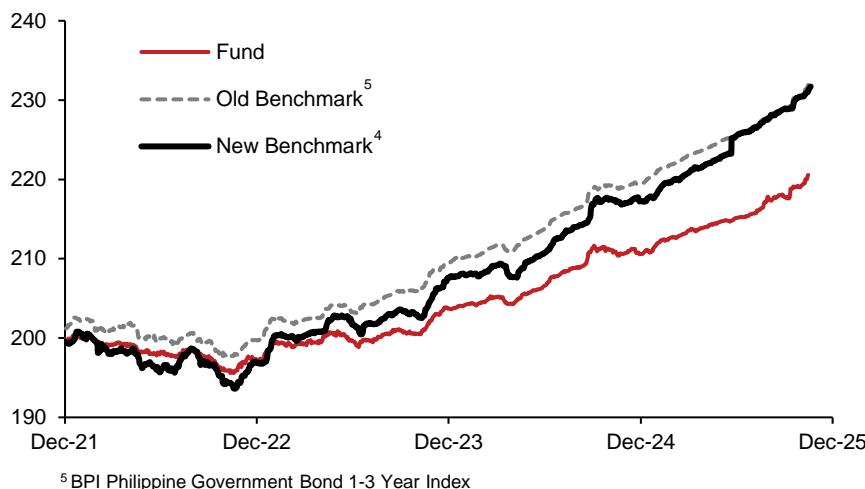
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- THE UNIT INVESTMENT TRUST FUND (UITF) 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

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

### NAVPU GRAPH



### NAVPU OVER THE PAST 12 MONTHS

Highest	220.83
Lowest	210.60

### STATISTICS

Weighted Ave Duration (Yrs.)	3.52
Volatility, Past 1 Year (%) <sup>6</sup>	0.90
Sharpe Ratio <sup>7</sup>	0.17
Information Ratio <sup>8</sup>	-2.07
Portfolio Weighted Yield to Maturity (%)	4.53
Current Number of Holdings	41

<sup>5</sup> Since Inception.

<sup>6</sup> Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>7</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>8</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.

### CUMULATIVE

### ANNUALIZED

### CALENDAR YEAR

	1M	3M	6M	1Y	3Y	S.I. <sup>5</sup>	1Y	3Y	5Y	S.I. <sup>5</sup>	YTD	2024	2023	2022	2021	2020
Fund (Net%)	-0.30	0.97	2.17	4.38	11.52	119.82	4.38	3.70	2.01	3.87	4.38	3.39	3.34	-1.29	0.37	3.93
Benchmark	-0.01	1.46	2.89	5.80	16.28	39.65	5.80	5.16	3.14	1.62	5.80	4.79	4.89	-0.75	1.13	5.81

### <sup>4</sup>BENCHMARK INFORMATION

**Name:** BPI Philippine Government Bond 1-5 Year Index

**Description and Key Characteristics:** The BPI Philippine Government Bond Index (the BPI Index) is sponsored by the Bank of the Philippine Islands (the Sponsor).

The BPI Index is intended to reflect the performance of Philippine Government, fixed-rate straight bonds denominated in Philippine Peso. It is intended to be a template for passive, diversified fixed income investment portfolios where securities are held in proportion to the market value (Market Capitalization) of the issued securities. It aims to provide accurate and objective benchmarks by which to assess the performance of the Philippine Government bond market.

The BPI Index comprises of the BPI Philippine Government Bond Index as the primary index and five other indices, each with constituents covering more specific asset segments.

**Relation to the Fund's Objective or Investment Strategy:** The Fund is actively managed, which allows the Trustee full discretion on security selection. The Trustee will use the BPI Philippine Government Bond 1-5 Year Index as reference during portfolio construction to ensure that the active risk taken is commensurate to the Fund's objective and investor profile. Moreover, given the active nature of the Fund, the Trustee may select securities which are not within the benchmark index to take advantage of any opportunities available. Investors may use the Index to gauge the Fund's performance.

For more information on BPI Indices, participants may contact, the calculating agent, BPI Investment Management Inc. at [bpi\\_investment@bpi.com.ph](mailto:bpi_investment@bpi.com.ph). Alternatively, participants may request information from BPI Wealth at [bpiwealth@bpi.com.ph](mailto:bpiwealth@bpi.com.ph).

## PORTFOLIO COMPOSITION

### ALLOCATION (%)

Government	92.07
Corporates	1.68
Cash and Equivalents	5.68
Other Receivables - Net of Liabilities	0.57

### TOP TEN HOLDINGS

Name	Maturity	% of Fund
Retail Treasury Bond	08/20/2030	32.96
Retail Treasury Bond	02/28/2029	13.97
Fixed Rate Treasury Note	04/28/2035	7.80
Retail Treasury Bond	03/07/2028	6.43
Retail Treasury Bond	06/02/2027	5.58
Retail Treasury Bond	03/04/2027	5.32
Fixed Rate Treasury Note	09/15/2032	5.12
Retail Treasury Bond	08/22/2028	3.57
Time Deposit		3.53
Fixed Rate Treasury Note	01/10/2029	3.18

### MATURITY PROFILE

Cash and less than 1 year	6.84
Between 1 and 3 years	25.44
Between 3 and 5 years	51.08
Between 5 and 7 years	6.4
Between 7 and 10 years	7.8
More than 10 years	2.45

### PORTFOLIO WEIGHTINGS

Philippine Corporate Bonds	1.68
Philippine Sovereign Bonds	92.07

## RELATED PARTY TRANSACTIONS\*

The Fund has investments and trade transactions with BPI Wealth – A Trust Corporation (BPI Wealth), its subsidiaries and related parties:

Ayala Corp. – PHP 6.22 Million, Ayala Land Inc. – PHP 19.70 Million, Bank of the Philippine Islands – PHP 346.11 Million

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

## OUTLOOK AND STRATEGY

**Market Review.** In December, local bond yields posted a month-on-month increase of 10.26 basis points across the curve. Short-term yields of one year and below bucked the trend, declining by an average of 3.22 basis points. The rise in yields was most pronounced in the intermediate segment as investors took profits toward year-end. Five- and seven-year tenors saw the largest increases at 22.91 basis points and 20.51 basis points, respectively, followed by the three-year tenor, which rose by 19.09 basis points. Meanwhile, long-end yields rose by around 8.24 basis points amid growing concerns over economic growth prospects.

The BPI Money Market Index gained 0.32%, while the BPI 1–5 Year Index edged down by 0.01% and the BPI GS Overall Index declined by 0.16%.

On the macro front, November inflation settled at 1.5%, remaining below the government's 2% to 4% target range and easing from October's 1.7% print. The BSP maintained a dovish stance, reinforcing market expectations for further policy easing after cutting the monetary policy rate in December, with the possibility of additional cuts in 2026. Following the latest rate cut, the policy rate stands at 4.5%, with markets pricing in a potential move toward 4.0% in 2026.

**Fund Performance.** The Fund returned -0.30% for the month, 29 basis points below its benchmark.

**Fund Strategy.** The Fund aims to maintain its duration position as interest rates are expected to decline in the medium term. Inflation has significantly eased, mainly driven by a gradual reduction in rice prices. In response, the BSP has continued to reduce its policy rate, which now stands at 4.50%. The central bank has also indicated the possibility of further rate cuts, amid economic growth concerns. Market volatility may persist due to ongoing uncertainties in the global economic landscape. 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 medium-term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income 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 medium-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 MORNBF;
- (c) Money market instruments;
- (d) Deposit products;
- (e) Such other investments suitable to the nature, classification, and strategy of the Fund, as allowed by prevailing regulations.

## IMPORTANT NOTICES

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.

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