

## SHORT TERM FUND

Key Information and Investment Disclosure Statement  
As of June 30, 2023

### FUND FACTS

<b>Classification:</b>	Money Market Fund <sup>1</sup>	<b>NAVPU:</b>	Php 161.51
<b>Launch Date:</b>	April 4, 2005	<b>Total Fund NAV (Mn):</b>	Php 55,811.08
<b>Minimum Investment:</b>	Php 1,000.00	<b>Dealing Day:</b>	Daily up to 2:00PM
<b>Additional Investment:</b>	No minimum	<b>Redemption Settlement:</b>	T+0 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

### FEES\*

<b>Trustee Fees:</b> 0.0411%	<b>Custodianship Fees:</b> 0.0003%	<b>External Auditor Fees:</b> 0.00%	<b>Other Fees:</b> 0.00%
BPI Wealth	HSBC	Isla Lipana	None

\*Monthly rate: billings received for June 2023 divided by the average daily NAV for the same month valued at PHP 57,091.12 million

\*\*Monthly rate: billings received for May 2023 divided by the average daily NAV for the same month valued at PHP 58,906.94 million

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

### INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments. The Fund aims to provide excess return over the return of the 91-day Philippine Treasury Bill, net of tax.

### 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 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 at least 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 domestic 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 in 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 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.

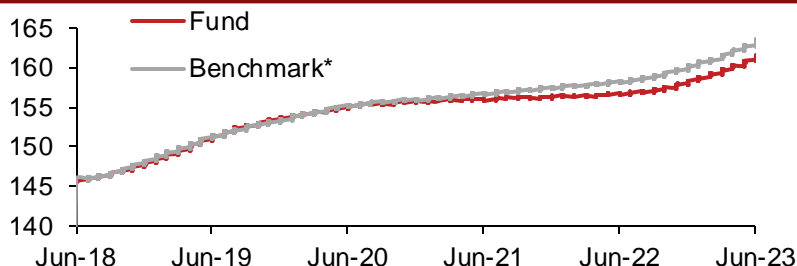
• THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

• 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 JUNE 30, 2023

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

### NAVPU GRAPH



\* Benchmark is the 91-day Philippine Treasury Bill, net of tax

### NAVPU over the past 12 months

Lowest	156.82
Highest	161.51

### STATISTICS

Weighted Ave Duration (Yrs)	0.12
Volatility, Past 1 Year (%) <sup>3</sup>	0.14
Sharpe Ratio <sup>4</sup>	-1.87
Information Ratio <sup>5</sup>	-3.21
Portfolio Weighted Yield to Maturity (%)	3.86
Current Number of Holdings	63

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

	1 mo	3 mos	6 mos	1YR	3YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>0.35</b>	<b>1.01</b>	<b>1.96</b>	<b>3.00</b>	<b>4.05</b>	<b>61.51</b>
<b>Benchmark</b>	0.38	1.12	2.03	3.26	5.26	54.77

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>3.00</b>	<b>1.71</b>	<b>1.33</b>	<b>1.63</b>	<b>2.07</b>	<b>2.66</b>
<b>Benchmark</b>	3.26	2.09	1.72	1.93	2.32	2.42

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>1.96</b>	<b>1.27</b>	<b>0.37</b>	<b>1.41</b>	<b>3.80</b>	<b>2.63</b>
<b>Benchmark</b>	2.03	1.68	0.95	1.68	3.55	2.95

<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.

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

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	29.83
Corporates	0.00
Cash	0.05
Time deposits and money market	71.53
Other receivables - net of liabilities	-1.41

#### 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	29.83

### TOP TEN HOLDINGS

Name	Maturity	% of Fund
BSP Bills	07/04/23	10.57
BSP Bills	07/25/23	7.82
BSP Bills	07/18/23	6.08
BSP Bills	07/11/23	5.36
Time Deposit		3.05
Time Deposit		2.69
Time Deposit		2.69
Time Deposit		1.79
Time Deposit		1.79
Time Deposit		1.79

### RELATED PARTY TRANSACTIONS\*

The Fund has investments and trade transactions with BPI Wealth - A Trust Corporation ("BPI Wealth"):

Bank of the Philippine Islands - PHP 4,271 billion  
BPI Direct Banko, Inc. – PHP1.5 billion

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.** The BPI Money Market Index returned 0.10% in June, as benchmark short-term government yields rose by 28 basis points (bps) on average. Average daily trading volume fell significantly to PHP8.55 billion from May's PHP21.77 billion with trades mostly seen on the long-end of the curve.

The Bureau of the Treasury (BTr) held four Treasury Bill auctions in June. The last auction for the month saw the 91-day paper fully awarded at an average rate of 6.086% while the 182-, and 364-day papers were partially awarded at average rates of 6.144%, and 6.219%, respectively. The BTr started offering 56-day BSP Bills this month. Over the course of June, a total of Php581 billion worth of 28- and 56-day BSP Bills were issued at weighted average yields of 6.655% and 6.644%, respectively. Towards the end of the month, the BTr released the July auction schedule with four Treasury Bill auctions and four FXTN issuances (9-, 15-, 6-, and 7-year tenors) while increasing the offer size to PHP30 billion each.

In the local space, May headline inflation slowed down further to 6.1 % year-on-year, from last month's 6.6% year-on-year. The dwindling inflation figure was primarily driven by decrease in transport prices and slower food inflation. During its scheduled policy meeting, the Bangko Sentral ng Pilipinas (BSP) paused its tightening cycle and kept its policy rate unchanged at 6.25% as headline inflation continued in a downward trend. Moreover, the central bank adjusted its inflation forecast lower for 2023 to 5.4% but higher for 2024 to 2.9%.

**Fund Performance.** The Fund returned 0.35% during the month, 3 basis points below the benchmark.

**Fund Strategy.** The Fund favors the safety of Time Deposits. 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) Tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by 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 investment outlets/ categories as the BSP may allow.
- (b) 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.
- (c) Collective investment vehicles managed by reputable fund managers the investment objectives and policies of which are generally consistent with those of the Fund, subject to then existing BSP regulations.
- (d) Bank deposits and such other investments allowed under regulations issued by the BSP.

The Fund may invest in allowed Bangko Sentral Securities Facilities (BSP-SF) as one of its approved investment outlets. Pursuant to Section 601-Q of the Manual of Regulations for Non-Bank Financial Institutions, as amended, participations to UITFs with exposure to BSP-SF shall be limited to **Philippine individual and corporate residents only**.

**Where it is deemed that the identified non-Philippine resident participants' investments violate applicable regulations, BPI Wealth shall immediately redeem the investment.**

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](mailto: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>