

FUND FACTS

| | | | |
|--------------------------------|----------------------------|---------------------------------|---------------------|
| Classification: | Global Bond Fund-of-Funds | NAVPU: | USD 176.68 |
| Launch Date: | March 3, 2014 ¹ | Total Fund NAV (Mn): | USD 17.66 |
| Minimum Investment: | USD 500.00 | Dealing Day: | Daily up to 2:30 PM |
| Additional Investment: | USD 200.00 | Redemption Settlement: | T+5 End-of-Day |
| Minimum Holding Period: | None | Early Redemption Charge: | None |

FEES

Trustee Fees: 0.0847%* **Custodianship Fees:** 0.0002%** **External Auditor Fees:** 0.0000% *** **Other Fees:** 0.0313%****
1.00% per annum

BPI Wealth BONY Isla Lipana Index Licensing Fees

*Monthly rate: Billings received for May 2024 divided by the average daily NAV for the same month valued at USD17.88 Mn

**Monthly rate: Billings received for April 2024 divided by the average daily NAV for the same month valued at USD17.64 Mn

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

****Billings received in May 2024

INVESTMENT OBJECTIVE AND STRATEGY

The Fund, operating as a Fund-of-Funds, intends to achieve capital appreciation and income derived from a diversified portfolio of foreign currency-denominated fixed income collective investment schemes. The Fund aims to provide returns over the return of the Bloomberg Barclays Global Aggregate Bond Total Return Unhedged Index.

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 Global Bond Fund-of-Funds 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

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 foreign currency denominated fixed income collective schemes (target funds), due to a rise in interest rates as a result of adverse market conditions, unfavorable developments in the political and economic conditions of countries where the underlying securities of the target funds are issued or traded, or other issuer-specific factors.

Liquidity Risk: Investors are exposed to the risk of loss due to the inability of the target funds 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 or 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 target fund which may adversely affect its value.

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

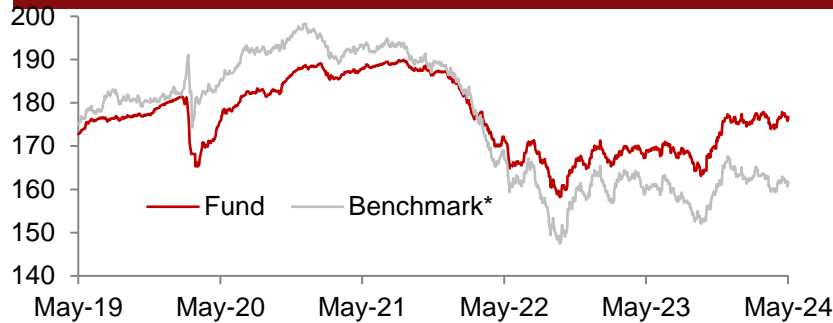
• **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES SHALL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**

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

FUND PERFORMANCE AND STATISTICS AS OF MAY 31, 2024

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

NAVPU GRAPH



NAVPU over the past 12 months

| | |
|----------------|--------|
| Highest | 177.85 |
| Lowest | 163.12 |

STATISTICS

| | |
|--|-------|
| Volatility, Past 1 Year (%) ⁴ | 5.19 |
| Sharpe Ratio ⁵ | -0.12 |
| Information Ratio ⁶ | 1.58 |
| Portfolio Weighted Yield to Maturity (%) | 5.69 |
| Current Number of Holdings | 12 |

¹Inception date is March 3, 2014, its conversion date to a fund-of-funds. It was originally launched as BPI International Fund Plus on Nov 2, 1998.

²Returns are net of fees.

³Since Inception.

⁴Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁵Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

⁶Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁷Includes the cash held by the underlying funds.

⁸Includes accrued income, investment securities purchased, accrued expenses, etc.

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

CUMULATIVE PERFORMANCE (%) ²

| | 1 mo | 3 mos | 6 mos | 1YR | 3YRS | S.I. ³ |
|-----------|------|-------|-------|------|--------|-------------------|
| Fund | 1.35 | 0.53 | 3.28 | 4.76 | -5.94 | 13.39 |
| Benchmark | 1.31 | -0.70 | 0.72 | 0.77 | -16.46 | 0.51 |

ANNUALIZED PERFORMANCE (%) ²

| | 1YR | 2YRS | 3YRS | 4YRS | 5YRS | S.I. ³ |
|-----------|------|-------|-------|-------|-------|-------------------|
| Fund | 4.76 | 1.47 | -2.02 | 0.15 | 0.45 | 1.23 |
| Benchmark | 0.77 | -1.89 | -5.82 | -3.35 | -1.57 | 0.05 |

CALENDAR YEAR PERFORMANCE (%) ²

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------|-------|------|--------|-------|------|------|
| Fund | -0.15 | 7.23 | -11.88 | -0.58 | 5.08 | 8.62 |
| Benchmark | -3.30 | 5.66 | -16.21 | -4.49 | 9.16 | 7.45 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|---|-----------|
| Bond funds | 91.39 |
| Cash | 0.07 |
| Time deposits and money market | 1.70 |
| Other receivables - net of liabilities ⁸ | 6.84 |

| Allocation by Sector | | Allocation by Region | |
|----------------------|-------|-----------------------|-------|
| Corporate Bonds | 23.61 | North America | 55.34 |
| Government Debt | 26.80 | Europe | 20.51 |
| Securitized Debt | 27.25 | Asia Pacific/Other EM | 12.22 |
| Emerging Market Debt | 10.07 | Other countries | 2.45 |
| Loans | 2.79 | Cash and Equivalents | 9.48 |
| Cash ⁷ | 9.48 | | |

TOP HOLDINGS

| Name | % of Holdings |
|------------------------------------|---------------|
| PIMCO Global Bond Fund | 22.79 |
| Wellington Global Impact Bond Fund | 17.48 |
| PIMCO Income Fund | 15.63 |
| NB Strategic Income Fund | 7.70 |
| Vanguard Long -Term Bond ETF | 6.41 |

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

Fund Currency: US Dollar

Benchmark*: Bloomberg Barclays Global Aggregate Bond Total Return Unhedged Index

FOREIGN FUND MANAGERS OF TARGET FUNDS

[Neuberger Berman](#)

[PIMCO](#)

[Wellington Management](#)

[Vanguard Group](#)

OUTLOOK AND STRATEGY

Market Review. Global fixed income markets saw positive returns in May with the Bloomberg Barclays Global Aggregate Bond index returning 1.3%. In the US, Federal Reserve chairman Jerome Powell left their benchmark policy rate unchanged in the FOMC meeting in May, noting that confidence in the inflation path to 2% will likely take longer than expected. However, recent inflation data showed a slight decrease in both headline and core categories, with year-over-year (YoY) rates in May down to 3.3% and 3.4%, respectively. This helped US Treasuries over the month, with 2-year and 10-year yields falling by 16 and 18 basis points, respectively. In the eurozone, the European Central Bank is still expected to lower policy rates in June. However, headline and core inflation rose to 2.6% and 2.9% YoY in May, respectively, indicating that additional cuts thereafter are still uncertain. In other regions, Emerging Market debt posted strong returns of 1.7%, as several EM central banks have already started their easing cycles. Within credit fixed income, strong corporate fundamentals provided support as spreads narrowed, with investment grade credit performing well over the month.

Fund Performance. The fund returned 1.35% in May, outperforming the benchmark by 4 basis points. Allocation in corporate bonds helped performance.

Fund Strategy. We expect fixed-income markets to remain volatile in the near term but are of the view that while markets have already priced in peak interest rates, interest rates will continue to be elevated as inflation remains above the central banks targets and timing of the expected rate cuts remains uncertain. Against this backdrop, the fund will continue to have a balanced allocation of safe fixed income assets (e.g. government bonds and high rated bonds) and riskier fixed income assets such as corporate and EM bonds for yield enhancement. In terms of corporate bonds, we continue to be selective on issuers with a preference for higher quality names in both investment grade and non-investment grade sectors.

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 more than one collective investment schemes, that are approved or registered and supervised by regulatory authorities that is a member of the International Organization of Securities Commissions (IOSCO) and managed by reputable fund manager/s the investment objectives and policies of which are generally consistent with those of the Fund; provided further that such combined investment in collective investment schemes should not fall below ninety percent (90%) of the net asset value of the Fund. The Target Fund/s 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. Such collective investment schemes must not have any investment exposure in other collective investment schemes.
- (b) Primarily 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) Primarily 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 Subsection X410.12 (a) of the Manual of Regulations for Banks.
- (d) The principal investments of the Fund will be denominated in, but are not limited to, the following major currencies: U.S. Dollar, Euro, British Pound, Canadian Dollar, Australian Dollar, Swiss Franc, Danish Kroner, and Japanese Yen
- (e) Bank deposits, BSP special deposit account or tradable debt instruments issued by the BSP.
- (f) 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 any 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>

INVESTMENT OBJECTIVES OF TARGET FUNDS

| Name | Domicile | Regulator | Objective |
|---|---------------|-------------------------|---|
| PIMCO Global Bond Fund | Ireland | Central Bank of Ireland | Aims to maximize total return while ensuring preservation of capital and adhering to prudent investment management. Invests primarily in US and non-US intermediate-maturity fixed-income securities rated from B to AAA |
| Wellington Global Impact Bond Fund | Ireland | Central Bank of Ireland | Seeks long-term returns by investing primarily in investment grade rated global fixed income securities issued by organisations whose core business, in the opinion of the investment manager, aims to address some of the world's major social and environmental challenges. |
| PIMCO Income Fund | Ireland | Central Bank of Ireland | Aims to seek high current income while adhering to prudent investment management by utilizing a multi-sector strategy diversified across a broad range of global fixed-income securities |
| Neuberger Berman Strategic Income Fund | Ireland | Central Bank of Ireland | Aims to maximize total return from high current income and long-term capital appreciation through investing in debt securities issued by US and non-US governments and their agencies and corporations located globally. |
| PIMCO Investment Grade Credit ESG Fund | Ireland | Central Bank of Ireland | Seeks to maximize total return by investing primarily in investment grade global corporate instruments, while focusing on environmental-, social-, and governance oriented (ESG) principles. |
| Vanguard Long -Term Bond ETF | United States | SEC | Seeks to track the performance of the Bloomberg Long Government/Credit Index, which includes all medium and larger issues of U.S. government, investment-grade corporate and international bonds that have maturities of greater than 10 years. |
| Vanguard Intermediate-Term Bond ETF | United States | SEC | Seeks to track the investment return of the Bloomberg U.S. 5–10 Year Government/Credit Float Adjusted Index, a market-weighted bond index that covers investment-grade bonds with a dollar-weighted average maturity of 5 to 10 years. |
| Neuberger Berman Emerging Market Debt Hard Currency Fund | Ireland | Central Bank of Ireland | Aims to achieve attractive level of risk adjusted total return by investing primarily in debt securities and money market instruments issued by public or private issuers in Emerging Market Countries which are denominated in Hard Currency. |
| Neuberger Berman Global Senior Floating Rate Income Fund | Ireland | Central Bank of Ireland | Aims to generate income while preserving capital by investing in a portfolio of North American and European Union senior secured corporate loans and select senior secured bonds. |
| NB Short Duration High Yield SDG Engagement Fund | Ireland | Central Bank of Ireland | Aims to generate high current income by investing in short-duration, high-yield fixed income securities issued by corporations and governments either based in or predominantly conducting business in the US. |
| Neuberger Berman Short Duration Emerging Market Debt Fund | Ireland | Central Bank of Ireland | Aims to provide a stable and attractive income by investing in a diversified selection of Emerging Market Hard Currency Sovereign and Corporate instruments |

SPECIFIC RISKS IN INVESTING IN A FUND-OF-FUNDS

- The performance of the underlying Target Fund/s on an individual or collective basis impacts the performance of the BPI Global Bond Fund-of-Funds.
- The BPI Global Bond Fund-of-Funds incurs trust fee payable to the Trustee. Additionally, the Target Fund/s charge their own management fee/s. Such fees are already included in the computation of the Net Asset Value per Unit, which is the price at which investors subscribe and redeem units of the Fund