

BPI PERA CORPORATE INCOME FUND

Key Information and Investment Disclosure Statement
As of July 31, 2024



FUND FACTS

| | | | |
|--------------------------------|-----------------------|--|--------------------|
| Classification: | PERA Multi-Asset Fund | Net Asset Value per Unit (NAVPU): | PHP 1.19 |
| Launch Date: | December 19, 2016 | Total Fund NAV (Mn): | PHP 16.19 |
| Minimum Investment: | PHP 1,000 | Dealing Day: | Daily up to 2:00PM |
| Additional Investment: | No minimum | Redemption Settlement: | T+2 End-of-Day |
| Minimum Holding Period: | None | Early Redemption Charge: | None |

FEES*

| | | | |
|--|------------------------------------|-------------------------------------|-----------------------|
| Trustee Fees: 0.1058%* 1.25% per annum | Custodianship Fees: 0.00%** | External Auditor Fees: 0.00% | Other Fees: 0% |
| BPI Wealth | HSBC | Isla Lipana | None |

*Monthly rate: billings received for July 2024 divided by the average daily NAV for the same month valued at PHP16.01 Million

**Monthly rate: billings received for June 2024 divided by the average daily NAV for the same month valued at PHP15.67 Million

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants capital appreciation and income derived from a diversified mix of preferred stocks and fixed income securities primarily issued by Philippine corporations. The Fund aims to provide returns in excess of the return of the BPI Philippine Corporate Bond 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 PERA Corporate Income Fund is suitable only for investors who:

- Are classified as aggressive based on their risk profile
- Have an investment horizon of at least five (5) 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.

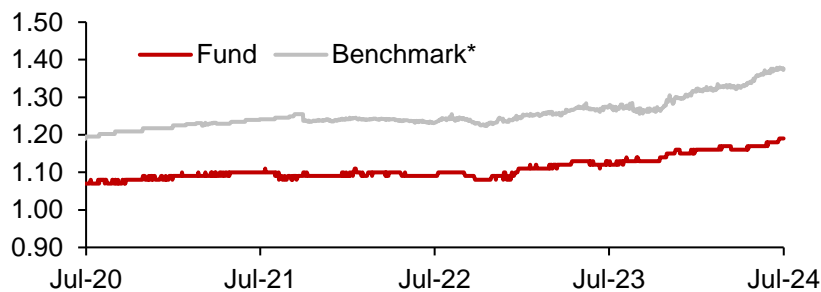
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- 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 JULY 31, 2024

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

NAVPU GRAPH



*Benchmark is the BPI Philippine Corporate Bond Index

CUMULATIVE PERFORMANCE (%) ¹

| | 1 mo | 3 mos | 6 mos | 1 YR | 3 YRS | S.I. ² |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| Fund | 0.85 | 2.59 | 2.59 | 6.25 | 8.18 | 19.00 |
| Benchmark | 0.83 | 3.52 | 4.50 | 7.80 | 10.88 | 37.63 |

ANNUALIZED PERFORMANCE (%) ¹

| | 1 YR | 2 YRS | 3 YRS | 4 YRS | 5 YRS | S.I. ² |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| Fund | 6.25 | 4.49 | 2.66 | 2.69 | 3.54 | 2.31 |
| Benchmark | 7.80 | 5.73 | 3.50 | 3.59 | 4.46 | 4.28 |

CALENDAR YEAR PERFORMANCE (%) ¹

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
| Fund | 3.48 | 6.48 | -0.92 | 0.93 | 5.88 | 8.51 |
| Benchmark | 6.03 | 5.11 | -0.02 | 1.43 | 6.90 | 11.15 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|--|-----------|
| Government | - |
| Corporates | 98.10 |
| Cash | 0.06 |
| Time Deposits and Money Market | 1.05 |
| Other Receivables – Net of Liabilities | 0.73 |
| Preferred Shares | 0.06 |

Maturity Profile

| | |
|---------------------------|-------|
| Cash and less than 1 year | 15.71 |
| Between 1 and 3 years | 39.15 |
| Between 3 and 5 years | 32.94 |
| Between 5 and 7 years | 5.07 |
| Between 7 and 10 years | 7.13 |
| More than 10 years | - |

RELATED PARTY TRANSACTIONS*

The Fund has transactions and outstanding investments including deposits, investment in the share/s of stock, and/or debt issuances of the following companies related to the BPI Wealth - A Trust Corporation ("BPI Wealth"):

Ayala Corp.– PHP 0.25 Mn
Ayala Land, Inc. – PHP 1.83 Mn

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

NAVPU over the past 12 months

| | |
|---------|------|
| Highest | 1.19 |
| Lowest | 1.12 |

STATISTICS

| | |
|--|-------|
| Weighted Ave Duration (Yrs.) | 2.78 |
| Volatility, Past 1 Year (%) ³ | 5.31 |
| Sharpe Ratio ⁴ | 0.32 |
| Information Ratio ⁵ | -0.20 |
| Portfolio Weighted Yield to Maturity (%) | 6.37 |
| Current Number of Holdings | 34 |

¹ Returns are net of fees.

² Since Inception

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

⁴ 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.

⁵ 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.

TOP TEN HOLDINGS

| Name | Maturity | % |
|--------------------------------|------------|-------|
| Converge ICT Solutions, Inc. | 04/08/2027 | 13.25 |
| NLEX Corporation | 07/04/2028 | 12.45 |
| Filinvest Land, Inc. | 06/01/2027 | 9.94 |
| Robinsons Land Corporation | 08/26/2027 | 6.15 |
| SM Prime Holdings, Inc. | 07/26/2026 | 4.65 |
| Aboitiz Power Corporation | 10/25/2028 | 4.17 |
| Energy Development Corporation | 05/27/2031 | 4.10 |
| D&L Industries, Inc. | 09/14/2024 | 3.57 |
| Ayala Land, Inc. | 10/10/2033 | 3.18 |
| SM Investments Corporation | 02/18/2027 | 2.97 |

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index rose 1.96% in July as Philippine government bond yields fell by 30 basis points (bps) on average. Average daily trading volume for the month amounted to Php34.5 billion, higher than June's Php20.8 billion with trades mostly seen in 5- to 10-year securities. The Bureau of the Treasury (BTr) held five FXTN auctions in July which were all fully awarded.

In the local space, June headline inflation decelerated from 3.9% in May to 3.7% in June. The latest figure was also below economists' median estimate of 3.9%. The better-than-expected inflation was mainly driven by steep declines in power rates and slower increases in oil prices. In line with this, Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona issued statements supporting policy rate cuts soon, potentially as early as in August.

In the global space, US inflation decelerated from 3.3% in May to 3.0% in June, also below the 3.1% expectations. US Federal Reserve officials highlighted the progress in moderating inflation and slowing economic data which support eventual policy rate cuts.

Fund Performance. The Fund returned 0.85% for the month, outperforming the benchmark by 2 bps in July.

Fund Strategy. The Fund will continue to invest in a diversified mix of securities primarily issued by Philippine corporations.

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 tradable fixed-income instruments issued or guaranteed by Philippine corporations; marketable instruments that are traded in an organized exchange; fixed-income instruments issued or guaranteed by the Philippine government or the BSP; 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 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) Shares of preferred stock of selected corporations which are already listed or being offered publicly and soon to be listed in the Philippine stock market.
- d) Bank deposits or tradable debt instruments issued by the BSP.
- e) 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>