

BPI PERA CORPORATE INCOME FUND

Key Information and Investment Disclosure Statement
As of June 28, 2024



FUND FACTS

Classification:	PERA Multi-Asset Fund	Net Asset Value per Unit (NAVPU):	PHP 1.18
Launch Date:	December 19, 2016	Total Fund NAV (Mn):	PHP 15.73
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: 0.1025%* <i>1.25% per annum</i>	Custodianship Fees: 0.00%**	External Auditor Fees: 0.00%	Other Fees: 0%
BPI Wealth	HSBC	Isla Lipana	None

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

**Monthly rate: billings received for May 2024 divided by the average daily NAV for the same month valued at PHP15.47 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.

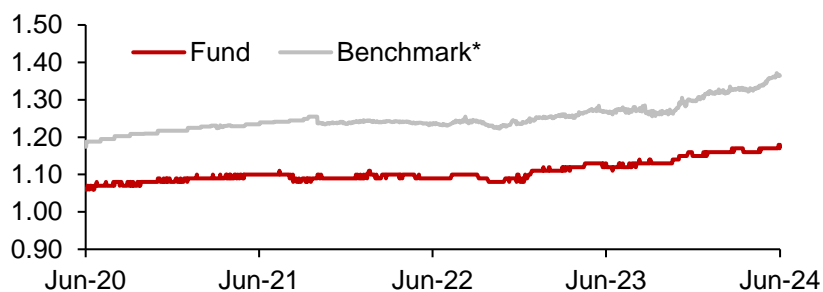
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- 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 JUNE 28, 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	0.85	2.61	5.36	7.27	18.00
Benchmark	1.29	2.89	5.16	7.63	10.13	36.50

ANNUALIZED PERFORMANCE (%)¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	5.36	4.05	2.37	2.72	3.78	2.22
Benchmark	7.63	5.04	3.27	3.53	4.68	4.22

CALENDAR YEAR PERFORMANCE (%)¹

	YTD	2023	2022	2021	2020	2019
Fund	2.61	6.48	-0.92	0.93	5.88	8.51
Benchmark	5.16	5.11	-0.02	1.43	6.90	11.15

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	-
Corporates	98.68
Cash	0.06
Time Deposits and Money Market	0.25
Other Receivables – Net of Liabilities	0.94
Preferred Shares	0.06

Maturity Profile

Cash and less than 1 year	11.42
Between 1 and 3 years	44.12
Between 3 and 5 years	31.44
Between 5 and 7 years	5.83
Between 7 and 10 years	7.19
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 1.81 Mn

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

NAVPU over the past 12 months

Highest	1.18
Lowest	1.11

STATISTICS

Weighted Ave Duration (Yrs.)	2.81
Volatility, Past 1 Year (%) ³	5.59
Sharpe Ratio ⁴	0.14
Information Ratio ⁵	-0.29
Portfolio Weighted Yield to Maturity (%)	6.61
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	13.62
NLEX Corporation	07/04/2028	12.72
Filinvest Land, Inc.	06/01/2027	10.08
Robinsons Land Corp.	08/26/2027	6.28
SM Prime Holdings, Inc.	07/26/2026	4.73
Aboitiz Power Corp.	10/25/2028	4.27
D & L Industries, Inc.	09/14/2024	3.66
Ayala Land, Inc.	10/10/2033	3.20
SM Investments Corporation	02/18/2027	3.04
Robinsons Land Corp.	07/17/2025	2.79

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index rose 0.68% in June as the local yield curve fell by 6 basis points (bps) on average. Average daily trading volume for the month amounted to Php20.86 billion, lower than May's Php23.86 billion with trades mostly seen on the belly of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in June. The 7-year FXTN 20-17 and 20-year FXTN 20-27 re-issuances were fully awarded at average yields of 6.624% and 6.860%, respectively. Meanwhile, the 10-year FXTN 10-72 and 15-year FXTN 20-23 re-issuances, were partially awarded at average yields of 6.754% and 6.781%, respectively. The Bureau of Treasury (BTr) announced its borrowing program for the third quarter of 2024, with weekly Treasury bill offers increased to PHP 20 billion. The BTr plans to issue more tenors for the quarter, offering PHP 30 billion each for the 3-, 5-, 7-, and 10- year papers while the 14- and 20-year Treasury bond offers were reduced to PHP 25 billion.

In the local space, May headline inflation accelerated for the fourth straight month by 3.9% year-on-year from the previous month's 3.8%. The main drivers of inflation included housing, water, electricity, and gas while rice prices saw a deceleration from the previous figure of 23.9% to 23%. In an effort to curb elevated rice prices, the National Economic Development Authority (NEDA) Board approved the new Comprehensive tariff program which reduces tariff rates for rice imports alongside other essential commodities effective until 2028. The Bangko Sentral ng Pilipinas (BSP) held its policy rate steady at 6.5% during their Monetary Board meeting in June. Despite the weakening Peso, BSP Governor Eli Remolona had dovish remarks on the possibility of an August rate cut, which is ahead of the market expectations of the Federal Reserve to begin easing in September. The BSP revised both its 2024 and 2025 inflation forecast to 3.1% from 3.8% and 3.7%, respectively.

Fund Performance. The Fund returned 0.85% for the month, underperforming the benchmark by 44 bps in June.

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>