

FUND FACTS

Classification:	Fixed Income Fund	NAVPU:	Php 211.45
Launch Date:	April 4, 2005	Total Fund NAV (Mn):	Php 4,202.52
Minimum Investment:	Php 1,000.00	Dealing Day:	Daily up to 2:00 PM
Additional Investment:	No minimum	Redemption Settlement:	T+0 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEEES

Trustee Fees: 0.1229%* **Custodianship Fees:** 0.0001%** **External Auditor Fees:** 0.0000%*** **Other Fees:** 0.0000%
1.50% per annum

BPI Wealth HSBC, DB AG Manila Branch**** Isla Lipana None

*Monthly rate: billings received for September 2024 divided by the average daily NAV for the same month valued
Php 4,134.37 Mn

**Monthly rate: received for August 2024 divided by the average daily NAV for the same month valued at Php 4,131.66 Mn

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

****Change in custodian to DBas of August 2024

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its Participants capital appreciation and income derived from a diversified portfolio of primarily medium-term fixed income instruments. The Fund aims to provide absolute returns in excess of the return of the BPI Philippine Government Bond 1-3 Year 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 Premium Bond 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 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.

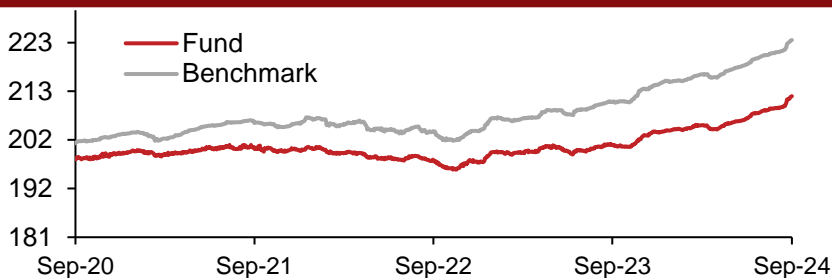
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- THE 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 SEPTEMBER 30, 2024

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

NAVPU GRAPH



*Benchmark is BPI Philippine Government Bond 1-3 Year Index.

CUMULATIVE PERFORMANCE (%)¹

	1 mo.	3 mos.	6 mos.	1 YR	3 YRS	S.I. ²
Fund	1.24	2.37	3.09	5.19	5.66	111.45
Benchmark	1.18	2.43	3.43	6.35	8.63	31.67

ANNUALIZED PERFORMANCE (%)¹

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ²
Fund	5.19	3.47	1.85	1.65	2.18	3.91
Benchmark	6.35	4.73	2.80	2.64	3.32	1.42

CALENDAR YEAR PERFORMANCE (%)¹

	YTD	2023	2022	2021	2020	2019
Fund	3.81	3.34	-1.29	0.37	3.93	7.42
Benchmark	4.52	4.89	-0.75	1.13	5.81	8.79

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	71.94
Corporates	24.05
Cash and Cash Equivalents	3.87
Other Receivables – Net of Liabilities ⁶	0.14
Maturity Profile	
Cash and less than 1 year	23.85
Between 1 and 3 years	31.30
Between 3 and 5 years	32.16
Between 5 and 7 years	12.69
Between 7 and 10 years	-
More than 10 years	-
Portfolio Weightings	
Philippine Corporate Bonds	24.05
Philippine Sovereign Bonds	71.94

NAVPU over the past 12 months

Highest	211.45
Lowest	200.48

STATISTICS

Weighted Ave Duration (Yrs.)	2.69
Volatility, Past 1 Year (%) ³	0.84
Sharpe Ratio ⁴	0.73
Information Ratio ⁵	-1.62
Portfolio Weighted Yield to Maturity (%)	4.58
Current Number of Holdings	26

¹Returns are net of fees.

²Since inception.

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

⁴Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

⁵Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁶Includes accrued income, investment securities purchased, accrued expenses, etc.

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

TOP TEN HOLDINGS

Name	Maturity	% of Fund
Retail Treasury Bond	02/28/2029	14.60
Fixed Rate Treasury Note	07/19/2031	12.69
Retail Treasury Bond	06/02/2027	11.18
Retail Treasury Bond	03/04/2027	10.34
SM Prime Holdings, Inc.	03/25/2025	8.30
Retail Treasury Bond	03/07/2028	7.62
Fixed Rate Treasury Note	01/10/2029	5.25
Aboitiz Equity Ventures, Inc.	08/09/2025	3.99
Fixed Rate Treasury Note	08/12/2028	2.75
Fixed Rate Treasury Note	09/06/2027	2.46

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 52.13 Million, Ayala Land Inc.– Php 111.09 Million, Bank of the Philippine Islands – Php 95.90 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. The BPI Government Bond Index rose month-on-month, gaining by a hefty 2.01% in September as Philippine government bond yields decreased by an average of 52 basis points (bps). Average daily trading volume for the month reached Php 50.2 billion, up from Php41.3 billion in August, with most trades concentrated in 5 and 10-year securities. The Bureau of the Treasury (BTr) held four FXTN auctions in September, fully awarding the 3-, 5-, 10-, and 20-year tenors. Auction highs were generally aligned with, or came in slightly below, secondary market bids at the time, with the BTr awarding at 6.050%, 6.075%, 5.974%, and 5.899%, respectively.

On the domestic front, we saw headline inflation return to its downward trend as it decelerated to 3.3% in August from 4.4% in July, exceeding economists' median estimate of 3.6%. The lower-than-expected inflation was driven mainly by decreases in food inflation after lower rice tariffs brought rice prices down to 14% from 21% a month earlier. Another driver for the decline in yields was the BSP's announcement to reduce the reserve requirement ratios (RRRs) by 250 basis points for universal banks down to 7%. Every 1% cut in RRR is estimated to release 130 to 150 billion pesos worth of liquidity into the system. This new RRR will take effect on October 25, 2024.

Internationally, US inflation decelerated from 2.9% in July to 2.5% in August, in line with median estimates. US Federal Reserve officials highlighted the ongoing moderation in inflation and slowing economic data, supporting the case for a possible rate cut in September.

Fund Performance. The Fund rose by 1.24% for the month, 6 basis points above its benchmark.

Fund Strategy. The Fund looks to gradually increase its duration position as interest rates are expected to fall towards year-end. While inflation has settled within the BSP's target in the past months, upside risks are still present. The BSP has already decreased its policy rates by 25 basis points to 6.25%. The central bank remains vigilant in monitoring inflation figures before easing rates further. Volatility may persist in the global space, and the portfolio will be actively managed to take advantage of this. 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 Subsection X 410.12 (a) of the Manual of Regulations for Banks.
- c) Bank deposits, BSP special deposit account or tradable debt instruments issued by the BSP.
- d) 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>