



**BPI Asset Management and Trust Corporation**  
**BPI PERA CORPORATE INCOME FUND**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
 As of April 27, 2017

<b>Classification:</b>	PERA Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	PHP 0.96
<b>Launch Date:</b>	December 19, 2016	<b>Total Fund NAV (Mn):</b>	PHP 1.38
<b>Minimum Investment:</b>	PHP 1,000	<b>Dealing Day:</b>	Daily up to 2:30PM
<b>Additional Investment:</b>	PHP 1,000	<b>Redemption Settlement:</b>	T+3 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

<b>FEES*</b>		<b>Billings received in 2014 divided by the average daily NAV</b>	
<b>Trustee Fees:</b> 1.250%	<b>Custodianship Fees:</b> na**	<b>External Auditor Fees:</b> na**	<b>Other Fees:</b> 0%
BPI Asset Management	HSBC	Isla Lipana	None

\*As a percentage of average daily NAV for the quarter valued at PHP 1.01 Million \*\*Subject to receipt of 2016 billings

**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 should 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.

<b>Interest Rate Risk:</b>	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.
<b>Liquidity Risk:</b>	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.
<b>Related Party Risk:</b>	Risk of any actual or potential conflicts of interest in handling of related party transactions.
<b>Credit/Default Risk:</b>	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.

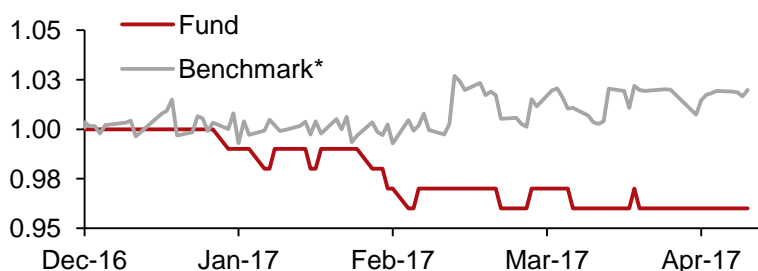
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

**• 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 WILL 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 APRIL 27, 2017

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

### NAVPU GRAPH



\*Benchmark is the BPI Philippine Corporate Bond Index

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

	1mo S.I. <sup>2</sup>	
<b>Fund</b>	<b>0.00</b>	<b>-3.03</b>
<b>Benchmark</b>	-0.09	-1.27

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

	1YR S.I. <sup>2</sup>	
<b>Fund</b>	<b>na</b>	<b>-10.91</b>
<b>Benchmark</b>	na	9.56

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

	YTD	2016
<b>Fund</b>	<b>-4.00</b>	<b>0.09</b>
<b>Benchmark</b>	2.37	2.51

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	-
Corporates	89.76
Cash	10.86
Time deposits and money market	-
Other receivables - net of liabilities	-

#### Maturity Profile

Cash and less than 1 year	10.24
Between 1 and 3 years	-
Between 3 and 5 years	43.99
Between 5 and 7 years	30.03
Between 7 and 10 years	11.79
More than 10 years	3.94

#### Portfolio Weightings

Philippine Corporate Bonds	89.76
Philippine Sovereign Bonds	-

### NAVPU over the past 12 months

Highest	1.00
Lowest	0.96

### STATISTICS

Weighted Ave Duration (Yrs)	4.79
Volatility, Past 1 Year (%) <sup>3</sup>	4.20
Sharpe Ratio <sup>4</sup>	-
Information Ratio <sup>5</sup>	-
Portfolio Weighted Yield to Maturity (%)	3.92
Current Number of Holdings	26

<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.

### TOP TEN HOLDINGS

Name	Maturity	% of Fund
JG Summit Holdings, Inc.	2/27/2021	7.37
SM Prime Holdings, Inc.	9/1/2024	4.40
Aboitiz Equity Ventures, Inc.	11/21/2023	4.24
SMC Global Power	7/11/2023	4.18
Ayala Corporation	5/11/2027	3.94
Ayala Corporation	5/12/2021	3.92
Anadarko Petroleum Corporation	9/10/2026	3.72
GT Capital Holdings Inc	8/7/2021	3.69
Filinvest Land, Inc.	12/4/2021	3.68
GT Capital Holdings Inc	8/7/2024	3.68

### RELATED PARTY TRANSACTIONS

The Fund has transactions and outstanding investments including deposits, investment in the share/s of stocks, and/or debt issuances of the following companies related to the BPI Asset Management and Trust Corporation (BPI AMTC):

Ayala Corp. – PHP 108,870, Globe Telecommunications, Inc. - PHP 50,024

Investments in the said outlets were approved by the BPI AMTC'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 AMTC's internal policy

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Government Bond Index fell by 0.06% in April as yields rose by an average of 12 basis points, with most of the increase seen on the short-end of the curve. Compared to last month, peso-denominated government bonds were less actively traded with an average daily volume of Php10.55 Bn. Trades were mostly seen on the liquid securities such as the 3-year RTB 3-8, 9-year FXTN 10-60, and 1-year FXTN 5-72.

The Bureau of the Treasury (BTR) held only one FXTN Auction in April, a new series of 7-year paper (FXTN 7-59) which was only partially awarded at 4.5%. Had the auction been fully awarded, the coupon would have risen to 4.625%. National Treasurer Rosalia De Leon stated that the partial award was sufficient given the recent Php181 Bn issuance of the 3-year Retail Treasury Bond (RTB).

March's local inflation figure came out at 3.4%, well within BSP's expected range of 3% to 3.8%. Although faster than last month's figure of 3.3%, Bangko Sentral ng Pilipinas (BSP) Governor Amando Tetangco reiterated that there is no immediate need to tweak the policy rate settings as inflation is expected to decelerate towards the end of the year. Globally, France held its first round of the much-awaited Presidential election last April 23, 2017. With Emmanuel Macron and Marine Le Pen taking the top two positions, the two candidates will face each other for a second round of elections on May 7.

**Fund Performance.** The Fund returned 0.00% in April, underperforming the benchmark by 9 basis points.

**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 Asset Management and Trust Corporation is regulated by the Bangko Sentral ng Pilipinas (BSP). For any inquiries and complaints relating to our services and products you may call our hotline: 89-100, or send an email at [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or write a letter addressed to BPI Asset Management – Consumer Protection, 17F, BPI Building, Ayala Ave. cor. Paseo De Roxas, Makati City, 1226. You may also file your complaints at BSP Financial Consumer Department at (632) 708-7087 or [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph). To know your rights under BSP Circular No. 857 (Regulations on Financial Consumer Protection), please access a copy at our website: [www.bpiassetmanagement.com](http://www.bpiassetmanagement.com).