

**BPI INVEST PHILIPPINE DOLLAR BOND INDEX FUND****KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of June 30, 2020

FUND FACTS

Classification:	Index Tracker Bond Fund	Net Asset Value per Unit (NAVPU):	USD 245.21
Launch Date:	December 31, 2006	Total Fund NAV (Mn):	USD 53.73
Minimum Investment:	USD 500.00	Dealing Day:	Daily up to 2:30 PM
Additional Investment:	USD 200.00	Redemption Settlement:	T+3 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.25% BPI Asset Management •As a percentage of ave. daily NAV for the quarter valued at USD 49.35 million	Custodianship Fees: 0.0179% HSBC *Billings for 2018 divided by average daily NAV	External Auditor Fees: 0.0042% Isla Lipana *Billings for 2017 divided by average daily NAV	Other Fees: 0.00% None
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INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve investment returns that closely track the total return of a U.S. dollar-denominated index, the JP Morgan Asia Credit Philippines Total Return Index, before fees and taxes, by investing in a diversified portfolio of Philippine sovereign and corporate fixed income instruments.

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 Invest Philippine Dollar Bond Index Fund is suitable only for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon of more than 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: The fund invests in a portfolio of Philippine Sovereign and corporate securities comprising the JP Morgan Asia Credit Philippines Total Return Index, 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 and global 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.

Related Party Risk: Investors are exposed to actual or potential conflicts of interest in the handling of related party transactions by the Trustee, specifically, the execution of trade transactions with related counterparties.

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 and global political and economic conditions.

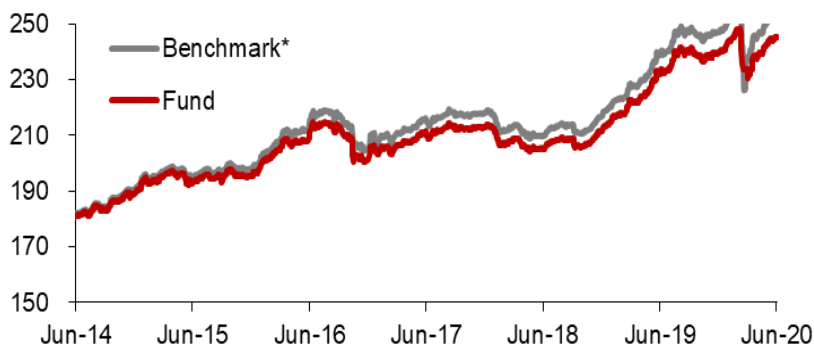
Index Tracking Risk: Investors are exposed to the risk of not being able to achieve a level of return that matches the index being tracked by the fund due primarily to operating and fund management expenses.

- **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 JUNE 30, 2020

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

NAVPU GRAPH



*Benchmark is the JP Morgan Asia Credit Philippines Total Return Index

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mo	6 mo	1YR	3YRS	S.I. ²
Fund	0.92	6.51	2.37	5.68	16.63	145.21
Benchmark	1.14	6.83	2.54	6.09	17.81	158.89

ANNUALIZED PERFORMANCE (%) ¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I.
Fund	5.68	9.32	5.26	3.85	4.91	6.87
Benchmark	6.09	9.86	5.62	4.22	5.38	7.30

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2019	2018	2017	2016	2015
Fund	2.37	13.27	-0.73	5.85	2.96	3.41
Benchmark	2.54	13.95	-0.61	6.36	3.53	3.97

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	64.59
Corporates	33.35
Cash	0.24
Time deposits and money market	1.30
Other receivables – net of liabilities ⁵	0.51

Maturity Profile

Cash and Less than 1 Year	3.44
Between 1 and 3 Years	12.49
Between 3 and 5 Years	26.25
Between 5 and 7 Years	4.95
Between 7 and 10 Years	18.07
More than 10 Years	34.80

NAVPU over the past 12 months

Highest	248.44
Lowest	230.22

STATISTICS

Weighted Ave Duration (Yrs)	7.605
Volatility, Past 1 Year (%) ³	8.87
Port. Weighted Yield to Maturity (%)	2.963
Current Number of Holdings	51
Tracking Error (3-Yr) ⁴ (%)	0.47

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.

⁴Measure of deviation between the Fund's return and benchmark returns. A lower number means the Fund's return is closely aligned with the benchmark.

⁵Includes 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
RoP Bonds	2/2/2030	7.23
RoP Bonds	10/23/2034	5.78
RoP Bonds	3/1/2041	5.23
RoP Bonds	1/14/2031	5.05
RoP Bonds	1/20/2040	4.98
RoP Bonds	3/16/2025	4.66
RoP Bonds	2/2/2042	4.59
RoP Bonds	2/1/2028	4.12
RoP Bonds	1/13/2037	3.84
RoP Bonds	1/14/2029	3.83

RELATED PARTY TRANSACTIONS*

The Fund has investments and trade transactions with BPI Asset Management and Trust Corporation (BPI AMTC):

Ayala Corporation – USD 1.14 million
AC Energy – USD 1.76 million
Bank of the Philippine Islands – USD 0.70 million

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 JP Morgan Asia Credit Index (JACI) Philippines returned 1.14% in June as Philippine dollar- denominated bond yields fell by an average of 12 basis points (bps) across the curve.

In early June, amidst signs of a bottoming in economic data and indications of a slowing COVID-19 infection rate, risk assets continued to rally, with emerging market assets in particular benefiting from a weaker US dollar. Despite a rebound in infections that drove positive safe-haven asset returns later in the month, improving retail sales and business surveys data and central bank assurances to provide markets with liquidity drove a continued improvement in market sentiment. Month-on-month, riskier assets such as high-yield debt and international equities outperformed safer assets such as US Treasuries. With the US Federal Reserve Open Market Committee keeping its key rate unchanged in its June meeting and guiding for no changes in at least the next two years, the 10-year US Treasury benchmark yield closed the month flat at 0.66%.

In the local economic space, inflation for the month of May averaged 2.1% year-on-year, slightly above market expectations of 2.0% but continuing to slow from April's 2.2% figure. Higher local rice prices and rising fuel costs were offset by lower food and beverage prices. Risk sentiment rallied at the start of the month as quarantine measures were relaxed, but optimism faded somewhat mid-month as the focus shifted toward concerns about the local spread of the pandemic after a perceived rise in viral transmission. In its Monetary Board meeting toward the end of the month, the Bangko Sentral ng Pilipinas (BSP) cut its policy rate by 50 bps, emphasizing more downside to inflation risk driven by the potential effects of the pandemic on domestic and global demand, and the need to support market confidence and economic growth.

Fund Performance. The fund returned 0.92% for the month, behind its benchmark index by 22 basis points.

Fund Strategy. The Fund will continue to closely track the JPMorgan Asia Credit Total Return Index. 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 long term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by 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 investment outlets/ categories as the BSP may allow.
- (b) 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
- (c) The principal investments of the Fund will be in fixed-income instruments 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.
- (d) Bank deposits and such other investments allowed under regulations issued by the BSP.

BPI Asset Management and Trust Corporation (BPI AMTC) is a subsidiary of the Bank of the Philippine Islands. For any inquiries and complaints relating to our services and products you may call our hotline: 889-10000, or send an email at bpi_asset_management@bpi.com.ph or write a letter addressed to BPI Asset Management and Trust Corporation - Consumer Assistance Office, 7/F, BPI Buendia Center, Sen. Gil J. Puyat Avenue, Makati City 1209.

BPI AMTC as Trustee / Investment Manager is supervised by the Bangko Sentral ng Pilipinas (BSP) with telephone number (632) 8708-7087 and e-mail address: consumeraffairs@bsp.gov.ph.