



BPI ASSET MANAGEMENT AND TRUST GROUP
BPI U.S. DOLLAR SHORT TERM FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
As of July 29, 2016

FUND FACTS

Classification:	Money Market Fund	Net Asset Value per Unit (NAVPU):	USD 293.80
Launch Date:	August 30, 1994 *	Total Fund NAV (Mn):	USD 166.41
Minimum Investment:	USD 500.00	Dealing Day:	Daily up to 12:00NN
Additional Investment:	USD 200.00	Redemption Settlement:	T+0 End-of Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.50%	Custodianship Fees: 0.0072%	External Auditor Fees: 0.0088%	Other Fees: 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

* As a percentage of average daily*Billings received in 2015 divided*Billings received in 2014 divided by NAV for the quarter valued at USDby the average daily NAV the average daily NAV
164.12 Million

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its Participants liquidity and stable income derived from a diversified portfolio of foreign currency-denominated short-term fixed income instruments. The Fund aims to provide absolute returns in excess of the return of the 3-month U.S. Treasury Bill. The Fund was approved to be converted to a U.S. Dollar-denominated money market fund last March 6, 2015. * It has likewise been renamed to the BPI U.S. Dollar Short Term Fund last June 1, 2015.

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 U.S. Dollar Short Term Fund is suitable only for investors who:

- Are at least classified as moderately conservative based on their risk profile.
- Have an investment horizon of up to 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 short term foreign currency denominated fixed income 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 political and economic conditions of countries where the securities are issued/ traded.
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, 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.
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 its home country's political and economic conditions.
Forex Risk:	Investors are exposed to the risk of loss from a decline in fund value when the market value of foreign currency denominated fixed income securities held by the fund are converted/ translated to US Dollar.

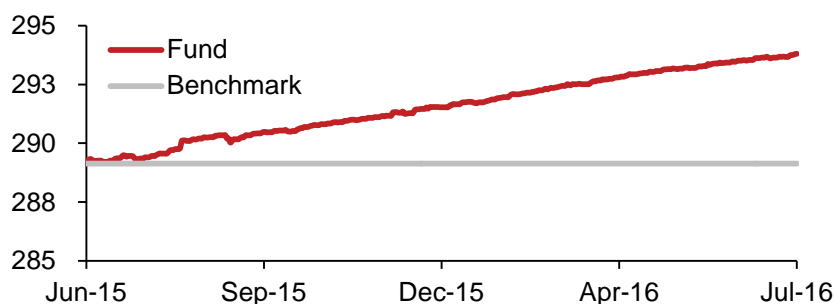
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- **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 July 29, 2016

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

NAVPU GRAPH



NAVPU over the past 12 months

Highest	293.79
Lowest	290.03

STATISTICS

Weighted Ave Duration (Yrs)	0.58
Annualized Volatility (%) ²	0.18
Sharpe Ratio ³	6.09
Information Ratio ⁴	6.20
Port. Weighted Yield to Maturity (%)	1.64
Current Number of Holdings	110
Average Credit Rating (Moody's/S&P)	Ba2/BB

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mo	6 mo	1YR	3YRS	S.I.
Fund	0.09	0.28	0.66	1.28	n.a.	1.62
Benchmark	0.02	0.07	0.13	0.19	n.a.	0.19

ANNUALIZED PERFORMANCE (%) ¹

	1YR	S.I.
Fund	1.28	1.39
Benchmark	0.19	0.16

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD
Fund	0.78
Benchmark	0.15

¹Returns are net of fees. The Fund was converted to the U.S. Dollar Short Term Fund last June 1, 2015.

²Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

³Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

⁴Measures 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.

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	4.07
Corporates	23.07
Cash	72.86

Top Fixed Income Sectors

Cash and less than 1 year	79.47
Between 1 and 3 years	20.53
Between 3 and 5 years	0.00
Between 5 and 7 years	0.00
Between 7 and 10 years	0.00
More than 10 years	0.00

TOP TEN HOLDINGS

Name	Maturity	%
SM Investments Corp. Bond	10/13/2017	3.94
State Bank of India Bond	8/1/2017	2.83
PLDT Bond	3/6/2017	2.81
ICICI Bank Bond	11/25/2016	2.73
Indonesian Bond	1/17/2018	2.58
First Pacific Bond	7/24/2017	2.21
Dollar Time Deposit		2.10
Dollar Time Deposit		1.80
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Dollar Time Deposit		1.80

RELATED PARTY TRANSACTIONS*

The Fund has investments and trade transactions with Bank of the Philippine Islands, its subsidiaries and related parties:

Bank of the Philippine Islands – USD22.39 million

Investments in the said outlets were approved by the Trust Committee. 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's internal policy.

OUTLOOK AND STRATEGY

Market Review. The JP Morgan Chase Asia Total Return Philippines Bond Index (JACI Philippines) increased by 1.51% in July as Philippine dollar-denominated bond yields moved lower across the yield curve by an average of 17 basis points.

Volatility persisted throughout the month as risk-off sentiment continued to dominate markets following the “Brexit” vote during the last week of June. The June Federal Open Market Committee (FOMC) meeting minutes released mid-month indicated that 2 rate hikes for 2016 were still on the table. However, six members now anticipate only one hike in 2016 compared to just one member in the prior survey. The July FOMC meeting concluded with the expected decision to keep rates steady, though the Fed stated that risks to the US economy had subsided and the labor market was getting tighter. Over-all, the key message from the Fed was still consistent with their commitment of a “gradual path towards hiking”, which indicated that interest rates would likely be kept lower for longer. The 10-year US Treasury yield, which had risen to as high as 1.58% during the month, ended July at the 1.45% level.

On the local front, Philippine dollar-denominated bond prices were supported by strong liquidity owing to a number of coupon payments settling during the month.

Fund Performance. The fund gained 0.09% in July, beating the benchmark by 7 basis points. It outperformed the benchmark by 62 basis points, with a return of 0.78%.

Fund Strategy. The fund will maintain its duration of less than 1 and will continue to look for opportunities to diversify into corporate bonds for yield enhancement.

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 short-term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable 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 short-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 X410.12 (a) of the Manual of Regulations for Banks.
- (c) The principal investments of the Fund will be in money market 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, BSP special deposit account or tradable debt instruments issued by the BSP.
- (e) Such other investments allowed under regulations issued by the BSP.

BPI Asset Management 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 or write a letter addressed to BPI Asset Management, 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. To know your rights under BSP Circular No. 857 (Regulations on Financial Consumer Protection), please access a copy at our website: www.bpiassetmanagement.com.