



**BPI ASSET MANAGEMENT AND TRUST GROUP
PHILIPPINE DOLLAR BOND INDEX FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
As of June 30, 2016**

FUND FACTS

Classification:	Index Tracker Bond Fund	Net Asset Value per Unit (NAVPU):	USD 210.86
Launch Date:	December 31, 2006	Total Fund NAV (Mn):	USD 66.08
Minimum Investment:	USD 500.00	Dealing Day:	Daily up to 12:00PM
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%	Custodianship Fees: 0.0094%	External Auditor Fees: 0.0090%	Other Fees: 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

*As a percentage of average daily*Billings received in 2015 divided by the average daily NAV
NAV for the quarter valued at USD 57.60 Million

*Billings received in 2014 divided by the average daily NAV

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 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 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.

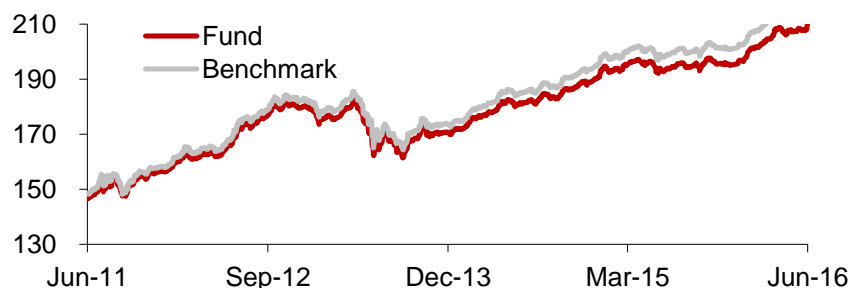
Index Tracking Risk: Investors are exposed to the risk of not being able to achieve a level of return that matches the index being tracked by the fund due primarily to operating and fund management expenses.

• 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 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 June 30, 2016

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

NAVPU GRAPH



NAVPU over the past 12 months

Highest	210.86
Lowest	192.92

STATISTICS

Weighted Ave Duration (Yrs)	7.473
Volatility, Past 1 Year (%) ²	2.63
Port. Weighted Yield to Maturity (%)	2.833
Current Number of Holdings	49
Tracking Error (3-Yr) ⁴	0.97
Average Credit Rating (Moody's/S&P)	Baa2/BBB

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mo	6 mo	1YR	3YRS	S.I. ⁴
Fund	1.60	2.62	7.87	9.30	26.27	110.86
Benchmark	1.65	2.87	8.36	10.12	27.69	119.40

ANNUALIZED PERFORMANCE (%) ¹

	1YR	2YRS	3YRS	4YRS	5YRS	S.I.
Fund	9.30	7.87	8.09	6.06	7.54	8.17
Benchmark	10.12	8.59	8.49	6.61	8.03	8.62

CALENDAR YEAR PERFORMANCE (%) ¹

	YTD	2015	2014	2013	2012	2011
Fund	7.87	3.41	10.75	-5.23	15.09	9.91
Benchmark	8.36	3.97	11.47	-5.10	15.79	10.44

¹Returns are net of fees.

²Since Inception as an Investment Management Arrangement (IMA) on April 26, 2005

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.

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

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	68.12
Corporates	29.05
Cash and Other Receivables	2.83

Maturity Profile

Cash and Less than 1 Year	2.83
Between 1 and 3 Years	15.20
Between 3 and 5 Years	16.36
Between 5 and 7 Years	5.75
Between 7 and 10 Years	20.04
More than 10 Years	39.81

TOP TEN HOLDINGS

Name		% of Fund
RoP Bonds	10/23/2034	11.13
RoP Bonds	1/21/2024	7.37
RoP Bonds	3/1/2041	7.10
RoP Bonds	2/2/2030	6.92
RoP Bonds	1/15/2021	6.34
RoP Bonds	1/13/2037	4.57
RoP Bonds	1/14/2031	4.09
RoP Bonds	3/16/2025	3.94
RoP Bonds	1/15/2019	3.67
PSALM Bond	12/2/2024	3.28

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 – USD1,800,000.0
International Container Terminal Services, Inc. – USD4,586,884.80

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 1.65% in June. Philippine dollar-denominated bond yields moved lower across the yield curve by an average of 12 basis points. The U.S. nonfarm payrolls for the month of May came in at only 38,000 (market estimate: 160,000), partly due to a labor strike from telecom giant Verizon. This weakness in labor data caused speculation that the Federal Reserve would delay increasing rates further, and effectively removed all bets for a June hike. True enough, the Federal Open Market Committee (FOMC) decided to keep rates steady during its meeting concluded on June 15th. However, the so-called “dot plot” of future rate projections indicated that there was still a likelihood of two rate increases before the end of the year.

Meanwhile, markets were shocked by the U.K.’s decision to push through with a “Brexit” vote on June 23rd. This drove investors to safe-haven assets as they considered the negative consequences that such a decision might have on the global economy. Consequently, the 10-year U.S. Treasury yield fell to a historical low of 1.385%.

Fund Performance. The fund gained 1.60% for the month, missing its benchmark by 5 basis points. The fund underperforms its benchmark by 49 basis points on a year-to-date basis.

Fund Strategy. The Fund will continue to closely track changes to 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 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.