



**BPI ASSET MANAGEMENT AND TRUST GROUP  
PHILIPPINE DOLLAR BOND INDEX FUND  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
As of June 30, 2015**

**FUND FACTS**

<b>Classification:</b>	Index Tracker Bond Fund	<b>Net Asset Value per Unit (NAVPU):</b>	USD 192.92
<b>Launch Date:</b>	December 31, 2006	<b>Total Fund NAV (Mn):</b>	USD 30.54
<b>Minimum Investment:</b>	USD 500.00	<b>Dealing Day:</b>	Daily up to 12:00PM
<b>Additional Investment:</b>	USD 200.00	<b>Redemption Settlement:</b>	Day 1 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES\***

<b>Trust Fees:</b> 0.25%	<b>Custodianship Fees:</b> 0.0055%	<b>External Auditor Fees:</b> 0.0021%
BPI Asset Management	HSBC	Isla Lipana

As a percentage of average daily NAV for the quarter valued at USD 29.84 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 seven (7) 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.

**Market/Price Risk:** Possibility to experience losses due to adverse changes in market prices of securities.

**Liquidity Risk:** 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.

**Related Party Risk:** Risk of any actual or potential conflicts of interest in handling of related party transactions.

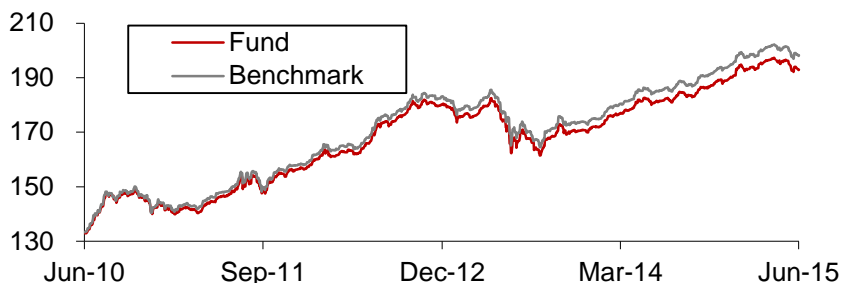
**Foreign Exchange Risk:** Possibility to experience losses due to fluctuations in foreign exchange rates

- **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, 2015

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

### NAVPU GRAPH



### NAVPU over the past 12 months

Highest	197.21
Lowest	180.99

### STATISTICS

Weighted Ave Duration (Yrs)	7.03
Volatility, Past 5 Years (%) <sup>2</sup>	4.86
Port. Weighted Yield to Maturity (%)	3.43
Current Number of Holdings	51
Tracking Error (3-Yr) <sup>4</sup>	1.05
Average Credit Rating (Moody's/S&P)	Baa2/BBB

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

	1 mo	3 mo	6 mo	1YR	3YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>-1.72</b>	<b>-1.25</b>	<b>2.06</b>	<b>6.46</b>	<b>15.78</b>	<b>92.92</b>
<b>Benchmark</b>	-1.60	-0.96	2.31	7.09	17.30	99.24

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

	1YR	2YRS	3YRS	4YRS	5YRS	S.I.
<b>Fund</b>	<b>6.46</b>	<b>7.48</b>	<b>5.01</b>	<b>7.11</b>	<b>7.74</b>	<b>8.04</b>
<b>Benchmark</b>	7.09	7.68	5.46	7.51	8.26	8.45

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

	YTD	2014	2013	2012	2011	2010
<b>Fund</b>	<b>2.06</b>	<b>10.75</b>	<b>-5.23</b>	<b>15.09</b>	<b>9.91</b>	<b>13.40</b>
<b>Benchmark</b>	2.31	11.47	-5.10	15.79	10.44	13.78

<sup>1</sup>Returns are net of fees.

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

<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>Measure 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	65.75
Corporates	29.19
Cash and Other Receivables	5.06

### Maturity Profile

Cash and Less than 1 Year	5.06
Between 1 and 3 Years	9.17
Between 3 and 5 Years	19.68
Between 5 and 7 Years	7.01
Between 7 and 10 Years	20.68
More than 10 Years	38.40

### TOP TEN HOLDINGS

Name		% of Fund
RoP Bonds	10/23/2034	8.01
RoP Bonds	2/2/2030	7.75
RoP Bonds	1/14/2031	6.80
RoP Bonds	3/16/2025	5.65
RoP Bonds	1/20/2040	4.96
RoP Bonds	1/15/2021	4.69
RoP Bonds	1/21/2024	4.45
RoP Bonds	6/17/2019	4.41
RoP Bonds	1/13/2037	3.92
RoP Bonds	1/15/2032	3.88

### 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 – USD850,000  
 First Gen Corporation – USD211,036  
 International Container Services, Inc. – USD711,896  
 Petron Corporation – USD527,500  
 Philippine Long Distance Telephone Company – USD131,624

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.

## OUTLOOK AND STRATEGY

**Market Review.** The JP Morgan Chase Asia Total Return Philippines Bond Index declined by 1.60% in June. Average yields of Philippine dollar denominated bonds increased by 22 basis points. Long tenor bonds were the hardest hit increasing by 37 basis points.

The US Federal Reserve has signified that the US economy remains on track and that a tightening in monetary policy may be appropriate in the coming months. The committee further noted that the pace of increase in the FED Funds rate will likely need to be gradual, lowering expected rates for 2016 and 2017.

Greece continued to be in the limelight as the country struggles with €1.7billion worth of debt due to the IMF. Political brinksmanship remained centerstage as Greek delegates refused to agree to terms demanded by creditors. A referendum has been called for July 5th, to poll Greek nationals on the additional austerity terms. The political tensions heightened risk aversion throughout the month.

**Fund Performance.** The Fund lost 1.72% for the month compared to its benchmark's -1.60%.

**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.