

FUND FACT SHEET

All data as of September 29, 2023 unless otherwise stated

Fund Objective and Strategy

The Fund aims to achieve a balance of income and capital growth through a diversified portfolio of US dollar-denominated fixed-income instruments.

Fund Details

Fund Manager	BPI WEALTH – A Trust Corporation
Inception Date	April 18, 2016
Fund Classification	Bond Fund
Fund Size	USD 55.91 Million
Fund Currency	US Dollars
No. of Holdings	40
Fund Management Fee	1.25 % per annum

Highest and Lowest Unit Price Achieved

Initial (18 April 2016)	1.0000
Highest (6 September 2021)	1.1084
Lowest (16 December 2016)	0.9680
NAVPU – 29 September 2023	1.0390

Risk Classification

The Fund is suitable for investors who take medium- to long-term views. The Fund's yield, net asset value and total return may fluctuate as a result of interest rate and currency movements and the changes in the credit quality of the investments. On redemption of shares, an investor may receive an amount less than the original amount of the investment. Liquidity risk also needs to be taken into account.

BPI – Philam US Dollar Bond Fund 2 Market Commentary

The JP Morgan Asia Credit Index (JACI) Philippines lost 2.46% in September as Philippine dollar denominated bonds tracked US Treasuries.

Global bonds continued to experience volatility in September as rising oil prices (Brent crude oil prices rising +9.7% MoM) caused speculation that the “higher for longer” rate rhetoric was likely to happen. During their Federal Open Market Committee meeting held mid-month, the US Federal Reserve kept interest rates steady but indicated that another hike was to be expected before end-2023. Furthermore, the Committee saw fewer cuts in for both 2024 and 2025. Some analysts took these changes to mean a more “hawkish” stance, causing a sell-off in US Treasuries. Consequently, the 10-year US Treasury benchmark yield spiked to as high as 4.61% before ending 46 basis points higher month-on-month at 4.57%.

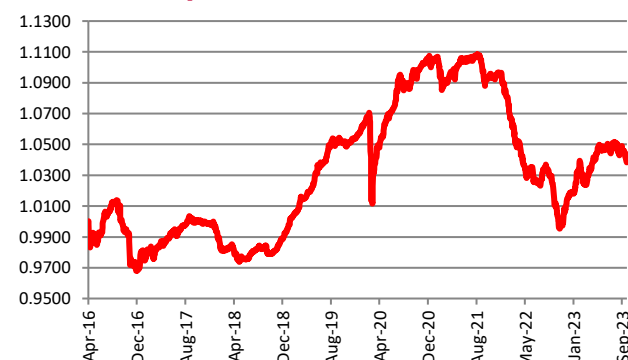
Towards end September, the Bureau of the Treasury announced a 5.5year Retail Dollar Bond (RDB) issuance. The Bond was priced on September 27 at a coupon rate of 5.75%, with an initial issue size of US\$611.2 million. At issuance, the RDBs were priced around 113 basis points higher than US Treasuries and 50 basis points higher than the closest liquid ROPs and Indonesian Dollar Sovereigns. The bonds will continue to be offered until October 6, 2023, unless the BTr chooses to close earlier. Issue date will be on October 11.

In the local space, inflation for the month of August bounced back to 5.3% year-on-year from the 4.7% print in July. The figure was higher than market expectations (consensus estimate: +4.8% YoY), and was brought about by rising food and fuel prices. It also marked the first inflation uptick in seven months, causing some speculation that the Bangko Sentral ng Pilipinas (BSP) could be more hawkish moving forward. During its Monetary Policy meeting held mid-month, the BSP kept its overnight benchmark rate steady but hiked its inflation forecasts for both 2023 and 2024. Furthermore, BSP Governor Eli Remolona stated during an interview that rate cuts for 2023 were off the table while rate hikes were not. The BSP noted that it would remain vigilant of its inflation target and stood ready to adjust policy rates as necessary moving forward.

Cumulative Performance (%)

YTD	6 Months	1YR	2YR	Since Inception
1.96	0.51	2.78	-5.31	3.90

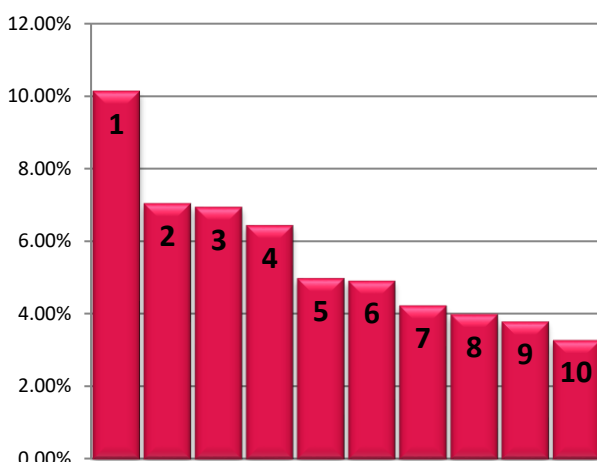
NAVPU Graph



PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	43.94
Corporates	43.86
Cash and other receivables	12.20

TOP 10 HOLDINGS Asset Allocation



① AC Energy Bond 2024	10.13%
② Republic of the Philippines Bonds 2025	7.04%
③ Manila Water Company Inc. Bond 2030	6.94%
④ Republic of the Philippines Bonds 2030	6.44%
⑤ Int'l. Container Terminal Services, Inc. Bond 2030	4.98%
⑥ USD Time Deposit	4.91%
⑦ Republic of the Philippines Bonds 2034	4.23%
⑧ First Pacific Company Ltd. Bond 2027	3.99%
⑨ SM Investments Corporation Dollar Bond 2024	3.79%
⑩ Int'l. Container Terminal Services, Inc. Bond 2025	3.28%

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