

FUND FACT SHEET

All data as of May 31, 2017 unless otherwise stated

Fund Objective and Strategy

The Fund aims to achieve a steady stream of income by investing in a diversified portfolio of Philippine Peso denominated high-grade fixed income instruments, such as, but not limited to, government securities, corporate notes and bonds, and fixed income funds. The Fund aims to outperform its composite benchmark, 75% of the 91-day Philippine Treasury Bill— net of tax and 25% of the BPI 1-5 Year Index.

Fund Details

Fund Manager	BPI Investment Management Inc.
Inception Date	October 25, 2011
Fund Classification	Bond Fund
Fund Size	PHP 9,805.23 Million
Fund Currency	Philippine Peso
No. of Holdings	141
Fund Management Fee	1.50% per annum

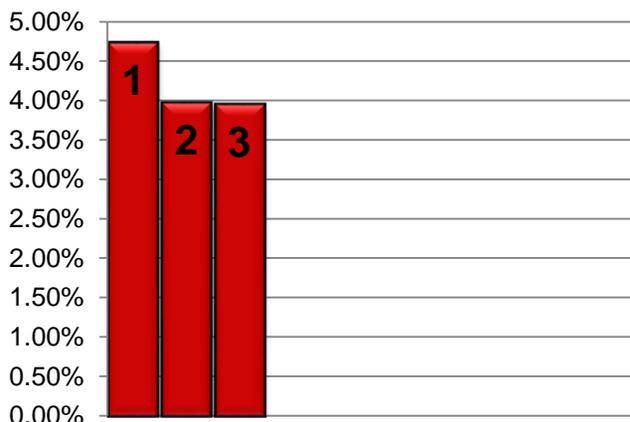
Highest and Lowest Unit Price Achieved

Initial (25 October 11)	1.0000
Highest (24 May 17)	1.2138
Lowest (25 October 11)	1.0000
NAVPU – May 31, 2017	1.2138

Risk Classification

The Fund is suitable for investors who take medium- to long-term views. Prior to investment in the Fund, the investor shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience. The Fund's yield, net asset value, and total return may fluctuate as a result of interest rate movements and the changes in 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.

TOP HOLDINGS Asset Allocation



Risk Warning: Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested. The investment risks vary between different types of instruments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio the loss on realization or cancellation may be very high (including total loss of investment), as the value of such an investment may fall suddenly and substantially. In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved. **Disclaimer:** Unless otherwise noted, all information contained herein is sourced from BPI-Philam* internal data. The content included herein has been shared with various in-house departments within BPI-Philam*, in the ordinary course of completion. BPI-Philam* complies with the confidentiality requirements of their respective jurisdictions. Parts of this presentation may be based on information received from sources we consider reliable. We do not represent that all of this information is accurate or complete, however, and it may not be relied upon as such.

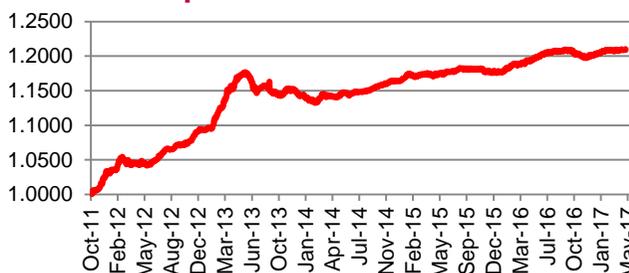
BPI-Philam Peso Bond Fund Market Commentary

The BPI Philippine Government Bond 1-5 Year Index rose by 0.80% in May. Continued strong interest in the secondary market for the recently issued three-year RTB caused investors to prefer securities in the belly of the curve, with yields falling an average of 34 bps in this area. April inflation came out at 3.4% year-on-year, slightly lower than consensus estimates of 3.5%. Main drivers of the inflation figure continued to be food, alcoholic beverages, and housing. The Bangko Sentral ng Pilipinas (BSP) also kept its inflation forecasts constant in its latest meeting, with the 2017 and 2018 projections at 3.4% and 3.0%, respectively. The Philippines continues to be one of the fastest growing economies in Asia as it posted a year-on-year GDP growth of 6.4% for the first quarter of 2017 despite missing consensus estimates of 6.7%. While consumer spending remained strong with a 5.7% growth, government spending barely moved, only posting a 0.2% growth over the prior year. The BSP kept monetary policy unchanged in its Monetary Board meeting last May 11. Earlier in the month, President Rodrigo Duterte announced that Deputy Governor Nestor Espenilla will succeed as the next central bank governor after Amado Tetangco's term ends in July. Espenilla's appointment has been viewed by the market as positive given the continuity with regard to monetary policy. The Bureau of the Treasury (BTr) issued new ten- and twenty-year government bonds this month, with the new seven-year re-issuance also garnering a higher average yield compared to the prior auction. Both the seven- and ten-year bonds were partially awarded compared to the Php15 billion target issue size: Php4.03 billion of the FXTN 07-59 (average yield: 4.519%) and Php9.72 billion of the FXTN 10-61 (average yield: 4.759%, coupon rate: 4.75%). On the other hand, the twenty-year FXTN 20-21 security was fully awarded at a coupon rate of 5.25%, higher than the average yield of 5.104%.

Cumulative Performance

6 Months	YTD	1YR	2YR	Since Inception
1.30	0.97	1.32	3.27	21.38

NAVPU Graph



PORTFOLIO COMPOSITION	
Allocation	% of Fund
Corporates	50.71
Government	36.83
Cash	4.05
Cash, Time Deposits, and Other Receivables-	
Net of Liabilities	2.12
Preferreds	6.29

① Fixed Rate Treasury Note	4.73%
② Fixed Rate Treasury Note	3.97%
③ Fixed Rate Treasury Note	3.95%