

**PHILAM DOLLAR BOND FUND**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
As of October 30, 2020



**FUND FACTS**

<b>Classification:</b>	Long-term Bond Fund	<b>Net Asset Value per Share (NAVPS):</b>	PHP 2.5022
<b>Launch Date:</b>	June 18, 1997	<b>Total Fund NAV (Mn) :</b>	USD 52.61
<b>Minimum Investment:</b>	USD 2,000.00 <sup>1</sup>	<b>Dealing Day:</b>	Daily up to 10:30 AM
<b>Additional Investment:</b>	USD 100.00 <sup>1</sup>	<b>Redemption Settlement:</b>	Not more than 7 days
<b>Minimum Holding</b>	180 calendar days	<b>Early Redemption Charge:</b>	1.00%

**FEES\***

<b>Management &amp; Distribution Fee:</b> 1.50%	<b>Transfer Agency Fee:</b> 0.05%	<b>Custodian:</b> Citibank N.A.
BPI Investment Management, Inc <sup>2</sup>	BPI Investment Management, Inc <sup>2</sup>	<b>External Auditor:</b> Isla Lipana

**INVESTMENT OBJECTIVE AND STRATEGY**

The investment objective is to achieve capital preservation with returns and inflows derived out of investments in fixed income and money market 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 Prospectus of the Fund, which may be obtained from the Fund Manager, before deciding to invest.

The **Philam Dollar Bond Fund** is suitable only for investors who:

- Are at least classified as **conservative** based on their risk profile.
- Have an **investment horizon of up at least 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 some of the accompanying risks.

<b>Market Risk:</b>	The risk that movement in the financial markets will adversely affect the investments of the Fund. To properly manage market risk, various risk measurement methodologies are utilized to quantify the potential changes in portfolio value resulting from changes in security prices.
<b>Interest Rate Risk:</b>	The risk that the value of the portfolio will decline as interest rates rise (since bond prices and interest rates are inversely related). Interest rate risk is measured using duration and controlled through duration limits.
<b>Liquidity Risk:</b>	The risk that the investments of the Fund cannot be sold or converted into cash within a reasonable time or sale is possible but not at a fair price. A liquidity contingency plan is in place.
<b>Credit Risk:</b>	The risk that the bond issuer may not be able to pay its debt when interest payments and maturity falls due. Credit risk is minimized through diversification, establishment of investment and counterparty limits and through accreditation process of investment outlets.
<b>Inflation Risk:</b>	The risk the return of your investments will not keep pace with the increase in consumer prices. To mitigate inflation risk, the Fund Manager closely monitors inflation.
<b>Reinvestment Risk:</b>	The risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are re-invested. Reinvestment risk is mitigated by closely monitoring interest rate trends.
<b>Foreign Exchange Risk</b>	This is the possibility for an investor to experience losses from a decline in fund value when the market value of fixed income securities, settled in any other currency, held by the fund are converted/translated to PHP. To mitigate foreign exchange risk, the fund manager closely monitors the movements in the spot market.

- **THE MUTUAL FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPS IS FOR ILLUSTRATION OF NAVPS 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 FUND MANAGER IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

For more information, you can contact us at **(02) 8580-0900**,  
email us at **bpi\_investment@bpi.com.ph** or visit our website, **www.philamfunds.com**

## FUND PERFORMANCE AND STATISTICS AS OF OCTOBER 30, 2020

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

### NAVPS GRAPH



**Benchmark:** 90% JP Morgan Asia Credit Index-Philippines Total Return + 10% Average 60-Day Dollar Deposit Rate of 4 Major Commercial Banks (Net of 15% WHT)

### CUMULATIVE PERFORMANCE (%) <sup>3</sup>

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.47</b>	<b>-0.30</b>	<b>4.94</b>	<b>4.38</b>	<b>11.74</b>	<b>147.82</b>
<b>Benchmark</b>	0.32	-0.44	5.34	5.47	18.12	200.22

### ANNUALIZED PERFORMANCE (%) <sup>3</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>4.38</b>	<b>8.51</b>	<b>3.77</b>	<b>2.79</b>	<b>3.29</b>	<b>4.86</b>
<b>Benchmark</b>	5.47	10.07	5.71	4.72	5.04	5.91

### CALENDAR YEAR PERFORMANCE (%) <sup>3</sup>

	YTD	2019	2018	2017	2016	2015
<b>Fund</b>	<b>4.11</b>	<b>10.71</b>	<b>-3.55</b>	<b>4.35</b>	<b>2.22</b>	<b>1.69</b>
<b>Benchmark</b>	4.97	12.54	-0.42	5.63	3.34	3.59

### OUTLOOK AND STRATEGY

**Market Review.** The US continues to grapple with COVID-19 as daily cases reach the 81,000 mark in October. However, the market continues to show signs of recovery as 3Q GDP accelerated 33.1% as stronger consumer activity is seen in the US. Inflation rose to 1.4% in September from 1.3% in August, the highest since March. Unemployment rate has fallen further to 7.9% from 8.4% the previous month. Flash services PMI printed at 56 in October from 54.6 in September and the manufacturing PMI increased to 53.3 from 53.2. Retail sales rose 1.9% in September.

All eyes are on the US 2020 Elections with Democrat Joe Biden taking on incumbent Pres. Donald Trump. Polls point to a "Blue Wave" but whatever the result, the size of the next stimulus package out of the US depends on which party takes control of the senate with the Democrats offering a more substantial one. Rates in the US are expected to remain low with the Federal Reserve's shift to average inflation targeting.

**Fund Performance.** The Fund returned 0.47% for the month, beating its benchmark by 15 basis points. Year-to-date, return amounted to 4.11%, underperforming its benchmark by 86 basis points.

**Fund Strategy.** The fund will gradually move its duration closer to the benchmark duration. Investors in the bond fund must be prepared to withstand short-term volatility as higher investment value is normally achieved over the medium- to long-term.

### NAVPS over the past 12 months

Highest	2.5247
Lowest	2.2632

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	51.24
Corporates	47.53
Fixed Income Funds	1.16
Cash, Time Deposits and Other	0.07
Receivables -Net of Liabilities <sup>5</sup>	0.07

<sup>1</sup>Mutual Funds do not issue fractional shares.

<sup>2</sup>A wholly-owned subsidiary of BPI

<sup>3</sup>Returns are net of fees.

<sup>4</sup>Since Inception.

<sup>5</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

\*The Prospectus is available upon request through branch of account.

### TOP THREE FIXED INCOME HOLDINGS

Name	Maturity	%
Republic of the Philippines	1/20/2040	7.89
ICTSI Treasury	1/16/2023	7.05
AEV International	1/16/2030	6.80