

PHILAM MANAGED INCOME FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
As of October 30, 2020



FUND FACTS

Classification:	Intermediate-Term Bond Fund	Net Asset Value per Share (NAVPS):	PHP 1.3119
Launch Date:	October 9, 2006	Total Fund NAV (Mn) :	PHP 986.20
Minimum Investment:	PHP 1,000.00 ¹	Dealing Day:	Daily up to 10:30 AM
Additional Investment:	PHP 500.00 ¹	Redemption Settlement:	Not more than 7 days
Minimum Holding	7 calendar days	Early Redemption Charge:	1.00%

FEES*

Management & Distribution Fee: 0.25%	Transfer Agency Fee: 0.05%	Custodian: Citibank N.A.
BPI Investment Management, Inc ²	BPI Investment Management, Inc ²	External Auditor: Isla Lipana

INVESTMENT OBJECTIVE AND STRATEGY

The investment objective is to achieve capital preservation with returns and inflows derived out of investments in short-term 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 Managed Income 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 one (1) year.**

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.

Market Risk: 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.

Interest Rate Risk: 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.

Liquidity Risk: 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.

Credit Risk: 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.

Inflation Risk: 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.

Reinvestment Risk: 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.

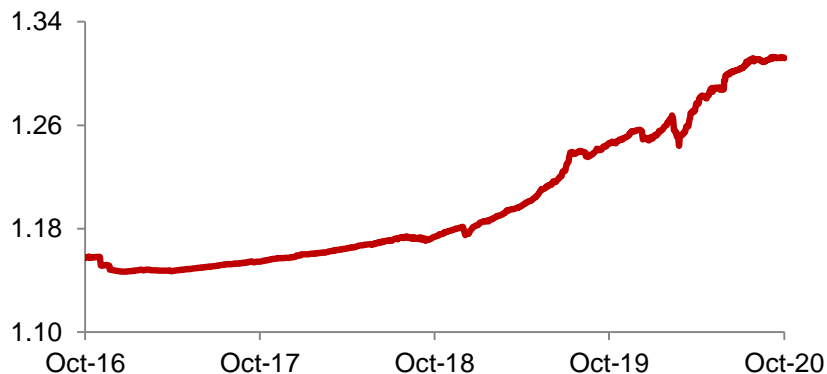
- THE MUTUAL FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPS IS FOR ILLUSTRATION OF NAVPS MOVEMENTS/ FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY 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: 30% Bloomberg Philippine Sovereign Bond Index Money Market + 60% Bloomberg Phil Sovereign Bond Index 1-3 Yr + 10% Average 30-Day Peso Deposit Rate of 4 Major Commercial Banks (Net of 20% WHT)

CUMULATIVE PERFORMANCE (%)³

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. ⁴
Fund	0.05	0.61	2.78	5.27	13.62	29.25
Benchmark	0.19	0.41	2.57	5.12	15.05	60.40

ANNUALIZED PERFORMANCE (%)³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	5.27	5.71	4.35	3.18	2.46	1.84
Benchmark	5.12	6.35	4.78	4.13	3.74	3.42

CALENDAR YEAR PERFORMANCE(%)³

	YTD	2019	2018	2017	2016	2015
Fund	4.43	6.33	2.11	0.85	-0.68	0.10
Benchmark	4.47	7.43	2.33	2.28	1.94	1.59

OUTLOOK AND STRATEGY

Market Review. Inflation in September rose 2.3% as expected. In its October meeting, the BSP kept the key policy rate unchanged at 2.25%. It cut its inflation forecast to 2.3%, 2.8%, and 3% from 2.6%, 3% and 3.1% respectively for 2020, 2021, and 2022, well within its target band of 2%-4%. BSP Gov. Diokno has stated that there will be a pause in monetary policy easing as economic activity has stabilized but uncertainty remains as COVID 19 is seen to have made a resurgence in some areas but the BSP remains ready to deploy its tools as needed. Early this month the BSP approved a new Php 540 Bn interest-free advance to the government. Market participants remain on the sidelines awaiting the US 2020 elections in early November and are on the lookout for 3Q GDP data with expectations at 8.9%, a lower print possibly signaling more monetary policy action from the BSP. The November BSP meeting is scheduled for Nov 11.

This month, the BTr reissued Php 30 Bn of the 3-yr paper 3-25 with coupon 2.375% with bids fully awarded at an average rate of 2.182% and another Php15 Bn awarded via the tap facility. It also reissued Php 30 Bn of the 5-yr paper 10-60 with coupon 3.625% with bids also fully awarded at an average rate of 2.782%. The BTr has scheduled another round of 3-yr and 5-yr bonds for auction in November, and the Php 3 Bn of 1yr prize bonds are set for Nov.11 as well.

Fund Performance. The Fund returned 0.05% for the month, underperforming its benchmark by 14 basis points. Year-to-date, return amounted to 4.43%, underperforming its benchmark by 4 basis points.

Fund Strategy. The fund will maintain its liquidity and current 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	1.3129
Lowest	1.2442

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	39.92
Corporates	35.24
Fixed Income Funds	12.63
Cash, Time Deposits, Other	12.21
Receivables - Net of Liabilities ⁵	

¹Mutual Funds do not issue fractional shares.

²A wholly-owned subsidiary of BPI

³Returns are net of fees.

⁴Since Inception.

⁵Includes 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	%
Retail Treasury Bond	08/12/2025	20.30
Security Bank Bond	07/24/2022	10.17
Republic of the Philippines	01/15/2021	7.74