

Investment Objective

To achieve preservation of capital and income growth over a period of time by placing a premium on performance with low risks over the long term. The portfolio will be invested in US Dollar-denominated fixed income securities.

31 MAY 2018

DOLLAR FIXED INCOME FUND

FUND DETAILS:

Inception Date	25 May 2005	Latest NAVPU	1.977864
Fund Manager	BPI Asset Management & Trust Corp.	Initial NAVPU	1.000000
Fund Currency	US Dollars	Highest NAVPU(07.13.2016)	2.150299
Fund Size	USD17.43 Million	Lowest NAVPU (05.25.2005)	1.000000
Management Fee	1.60% p.a.	Pricing / Valuation	Daily

RISK CLASSIFICATION

The Fund is suitable for investors who take medium to long - term views. As a marked -to-market Fund, its net asset value and total return may fall or rise as a result of interest rates movements. On redemption of units, a policyholder may receive an amount less than the original amount invested. Prior to investment in the Fund, the policyholder 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.

On the local front, inflation for the month of April came in at 4.5% (using 2012 as the base year), higher than the figure posted in March. The increase in consumer prices continued to be driven by strong domestic demand, which brought about rising costs in food, drinks and tobacco. Meanwhile, the country’s GDP growth for 1Q18 came in at 6.8% YoY, boosted by government spending (+12.5% YoY) and investments (+8.3% YoY). Despite the strong growth figure, public concerns on rising inflationary pressures persisted. Consequently, during its Monetary Board meeting for the month, the Bangko Sentral ng Pilipinas raised its policy rates by 25 basis points to 3.25%. The central bank continued to assure investors that they would vigilantly monitor economic data so as to determine the appropriate monetary policy response moving forward.

MARKET COMMENTARY

The JP Morgan Asia Credit Index (JACI) Philippines fell by 0.34% in May as Philippine dollar-denominated bond yields moved higher by an average of 10 basis points across the curve.

Global bond prices initially declined as a number of strong US economic data releases coupled with worries over rising inflation expectations caused investors to speculate on a faster pace of rate hikes from the Federal Reserve. However, mid-month, US Treasury yields diverged from those of Emerging Markets as investors sought safe haven assets amid political turmoil in Europe, and US-North Korean geopolitical tensions following President Trump’s cancellation of the June summit. Thus, after rising to as high as 3.11% during the month, the US 10-year benchmark yield closed May at the 2.86% level.

MARKET OUTLOOK

The portfolio will maintain its underweight duration relative to benchmark. Strong local fundamentals may continue to support dollar-denominated bond prices, and the lookout on global events remains, likely adding volatility.

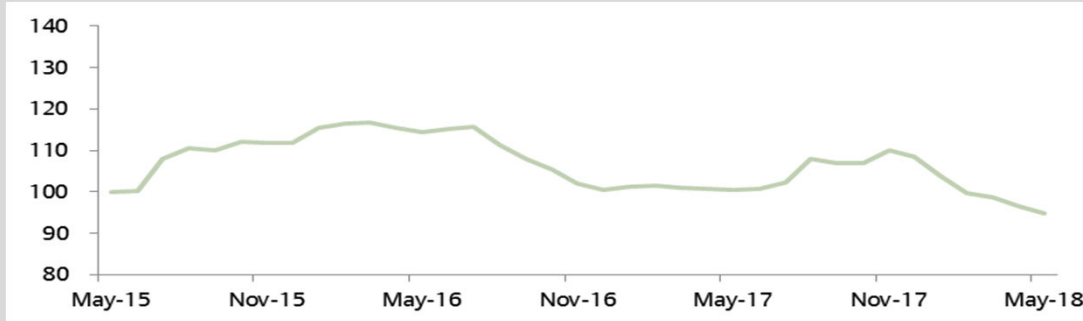


RISK PROFILE ●●●○○○

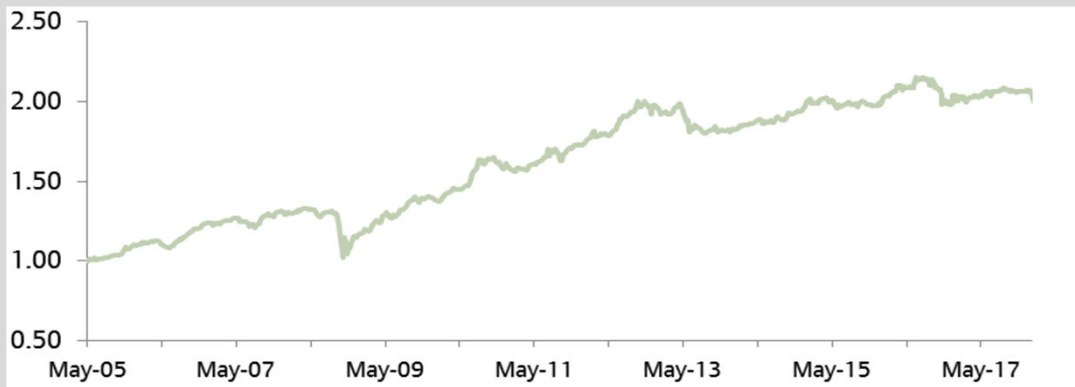
Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	-4.13%	-2.88%	-1.52%	2.92%	97.79%
Annualized	N/A	-2.88%	-0.51%	0.58%	5.38%

Indexed Performance Over 3 Years (NAV - NAV)



NAVPU Since Inception

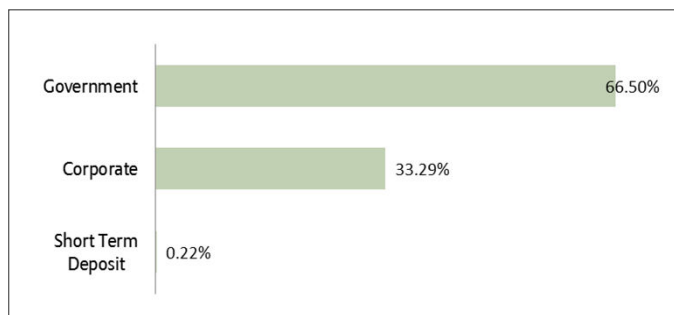


PORTFOLIO ANALYSIS

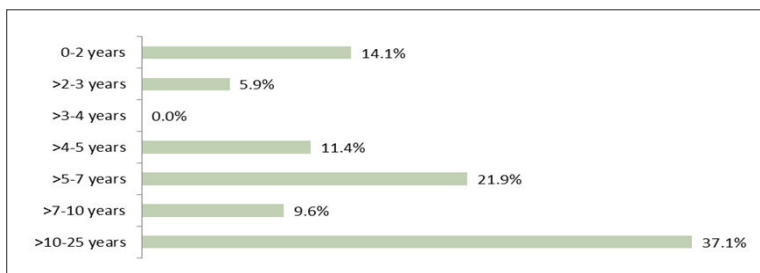
Top 5 Holdings

Securities	%
ROP24 7.50% 01/21/2024	14.3
JGS 4.375% 01/23/2023	11.2
ROP31 7.75% 01/14/2031	10.4
ROP30 9.50% 02/02/2030	10.1
ROP32 6.375% 01/15/2032	9.1
Total	55.1

Asset Allocation



Maturity Profile (Bond Holdings)



Strong local fundamentals may continue to support dollar-denominated bond prices.

IMPORTANT NOTICE:

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