

DESCRIPTION AND INVESTMENT OBJECTIVE

The Single-Pay and Regular-Pay, Peso-Denominated Variable Life Insurance Products will consist of any or all of the following peso-denominated funds: the BPI-Philam Peso Bond Fund, the BPI-Philam Peso Equity Fund and BPI-Philam Peso Balanced Fund. The client who will buy these products will have a choice to allocate his premiums among the funds.

These funds will be managed by BPI Asset Management and Trust Group (BPI-AMTG).

A. BPI-Philam Peso Bond Fund

The **BPI-Philam Peso Bond Fund** shall be invested primarily in the ALFM Peso Bond Fund, Inc. (ALFM Peso), an investment company duly registered with the SEC.

To the extent practicable, BPI-Philam Peso Bond Fund shall be fully invested in ALFM Peso. From time to time, BPI-AMTG may invest residual cash in short-term fixed income instruments that include:

- (a) Securities issued or guaranteed by the Philippine Government or the BSP
- (b) Repurchase agreements;
- (c) Marketable instruments that are traded in an organized exchange.
- (d) Bank Deposits;
- (e) Tradable fixed-income securities issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Investment Manager may deem to be in the best interest of the Fund, subject to existing Bangko Sentral ng Pilipinas (BSP) regulations
- (f) Such other investments allowed under regulations issued by the BSP and duly approved by BPI-Philam.

The investment objective of the fund is to generate a steady stream of fixed income through investments in a diversified portfolio composed of high-grade investment instruments and securities.

B. BPI-Philam Peso Equity Fund

The **BPI-Philam Peso Equity Fund** shall be invested primarily in the Philippine Stock Index Fund Corporation (PSIF), an investment company duly registered with the SEC.

To the extent practicable, BPI-Philam Peso Equity Fund shall be fully invested in PSIF. From time to time, BPI-AMTG may invest residual cash in short-term fixed income instruments that include:

- (a) Securities issued or guaranteed by the Philippine Government or the BSP
- (b) Repurchase agreements;
- (c) Marketable instruments that are traded in an organized exchange.
- (d) Bank Deposits;
- (e) Tradable fixed-income securities issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors,

Annex A : Description and Investment Objective



- officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Investment Manager may deem to be in the best interest of the Fund, subject to existing Bangko Sentral ng Pilipinas (BSP) regulations
- (f) Such other investments allowed under regulations issued by the BSP and duly approved by BPI-Philam.

The investment objective of the Fund is to provide investment returns that track the performance of the Philippine Stock Exchange Composite Index (PSEi).

C. BPI-Philam Peso Balanced Fund

The **BPI-Philam Peso Balanced Fund** shall be invested primarily in the ALFM Growth Fund, Inc. (ALFM Growth), an investment company duly registered with the SEC.

To the extent practicable, BPI-Philam Peso Balanced Fund shall be fully invested in ALFM Growth. From time to time, BPI-AMTG may invest residual cash in short-term fixed income instruments that include:

- (a) Securities issued or guaranteed by the Philippine Government or the BSP
- (b) Repurchase agreements;
- (c) Marketable instruments that are traded in an organized exchange.
- (d) Bank Deposits;
- (e) Tradable fixed-income securities issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Investment Manager may deem to be in the best interest of the Fund, subject to existing Bangko Sentral ng Pilipinas (BSP) regulations
- (f) Such other investments allowed under regulations issued by the BSP and duly approved by BPI-Philam.

The investment objective of the Fund is to provide long-term capital appreciation from an appropriate mix of equity and fixed income securities.

Annex A : Description and Investment Objective