

PAMI ASIA BALANCED FUND, INC.

FUND FACT SHEET

As of December 27, 2024

FUND OVERVIEW

The Fund aims to achieve capital growth and generate steady income by tapping into the growth potential of Asia.

The fund is suitable for investors who:

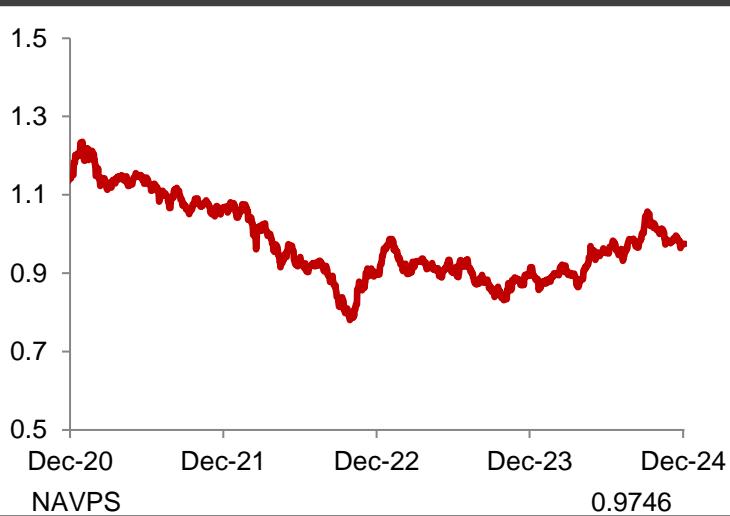
- Are at least classified as **moderate** based on their risk profile.
- have an investment horizon of up **at least five (5) years**.

FUND FACTS

Classification:	Balanced Fund
Launch Date:	October 1, 2011
Dealing Day:	Daily up to 2:00 PM
Minimum Investment:¹	USD 200.00
Min. Subsequent Order:¹	USD 50.00
Minimum Holding Period:	180 calendar days
Redemption Settlement:	T+5 End-of-Day
Early Redemption Charge:	1.00%
Total Management Fee:²	2.05% per annum
Total Fund NAV (Mn) :	USD 5.27

FUND PERFORMANCE AND STATISTICS (Purely for reference purposes and is not a guarantee of future results)

NAVPS GRAPH



BENCHMARK

50% Markit IBOXX Asian Local Bond Index (ALBI)
+ 50% MSCI AC Pacific ex Japan

STATISTICS

Portfolio Beta	1.04
Volatility, Past 1 Year (%) ⁵	11.28
Sharpe Ratio ⁶	0.13
Information Ratio ⁷	0.20
Number of Holdings	208

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	50.81
Fixed Income	45.64
Cash, Cash Equivalents ⁸	3.55

CUMULATIVE PERFORMANCE (%)³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	-0.63	2.06	6.46	-8.90	-5.70	8.65
Benchmark	-0.89	3.91	6.32	-2.19	8.89	59.04

ANNUALIZED PERFORMANCE(%)³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	6.46	4.27	-3.06	-4.07	-1.17	0.63
Benchmark	6.27	5.97	-0.73	-1.66	1.71	3.37

CALENDAR YEAR PERFORMANCE(%)³

	YTD	2023	2022	2021	2020	2019
Fund	6.46	2.13	-16.21	-7.02	11.33	12.25
Benchmark	6.32	5.65	-12.92	-4.37	16.41	15.22

TOP HOLDINGS

Name	Maturity	%
Taiwan Semiconductor		6.39
Fixed Rate Treasury Bond	2029	3.45
Korea Treasury Bond	2032	3.09
Tencent Holdings Ltd		2.95
Indonesia Bond	2036	2.66

¹Contribution rounded down/redemption rounded off to the nearest whole share. Mutual Fund shares do not issue fractional shares.

²Management, Distribution & Transfer Agency Fees

³Returns are net of fees.

⁴Since Inception.

⁵Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁶Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

⁷Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁸Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities

Fund prospectus is available upon request through BPI Investment Management Inc. (BIMI), authorized distributors and sales agents.

- 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.

OUTLOOK AND STRATEGY

Market Review. December concluded the year on a disappointing note, marked by a cross-asset sell-off that overshadowed an otherwise strong year for returns. A hawkish pivot during the December meeting led markets to anticipate only another 50bps of rate cuts in 2025, compounded by persistent inflation above the Fed's target. Additionally, potential tariffs from the new Trump administration could introduce inflationary pressures if enacted, while geo-political concerns are expected to linger throughout 2025.

On the equity front, the MSCI World Equity Index declined by -2.6% in US terms, with the S&P 500 closely following at -2.4%. Notably, European markets outperformed the US for the first time in a while, as the Euro Stoxx 50 rose by +1.9%, while the UK's FTSE 100 fell by -1.4%. In Japan, the Nikkei 225 exhibited strong performance, increasing by 4.5%. The MSCI EM Index returned positively at 1.2% in local terms, driven by solid gains in the Chinese and Hong Kong markets, with the Shanghai Composite and Hang Seng Index rising by 0.8% and 3.3%, respectively.

As previously mentioned, persistent upward surprises in inflation data, decent US growth, and a more hawkish Fed meeting kept US fixed income markets under pressure. Following a rise of over 50bps in October, 10-year yields increased another 40bps, finishing the year at 4.57%. Similar trends were observed in the US 30-year yield, while the US 2-year yield rose only 9bps. Despite a 25bps rate cut from the ECB, European yields faced upward pressure, with German 10-year Bund yields rising 28bps to 2.36%. UK yields struggled against rising inflation, with 30-year yields increasing by 38bps to 5.13%. Overall, the US Treasury Bond index fell by -1.7%, the Euro Government Bond index decreased by -1.5%, and the UK Gilt index was the most affected, depreciating by -2.5%. Japanese 10-year yields continued their ascent, moving from 1.05% to 1.10%, while the JPM EM Bond index aligned with other major global bond markets, losing -1.5%.

In the credit market, investment grade credit spreads widened slightly, with the Itraxx Main credit index finishing the month 2bps wider at +58bps. The Bloomberg Euro Agg Corporate Index lost -0.4%, while the Bloomberg US Agg Corporate index underperformed with a loss of -1.9%.

Regarding currencies, the US Dollar appreciated due to expectations of sustained higher rates. The US Dollar Index rose by +2.6%, achieving a gain of just over 7% for 2024, while the Euro weakened against the Dollar, dropping -2.1%. The Euro also depreciated -0.4% against the British Pound but gained +2.8% against the Japanese Yen. Emerging market currencies faced challenges due to a stronger US Dollar, with the JPM Emerging Markets Currency index declining by -2.6% in December.

Fund Performance. The Fund returned -0.63% for the month, outperforming its benchmark by 26 basis points, driven by fixed income positioning and equity contributions. Year-to-Date return amounted to 6.46% for the month, outperforming its benchmark by 14 basis points.

Fund Strategy. As we enter 2025, the global economic outlook is anticipated to remain benign, bolstered by an accommodative monetary policy stance from the major central banks in the US and Europe. The US economy is expected to moderate due to cooling domestic demand and labor market conditions. We foresee this disinflationary trend continuing as domestic demand slows, assuming no shocks to energy prices or disruptions in the supply chain. While we expect a downward trajectory for policy rates, shifts in policy direction following the elections could render the rate path less predictable next year, particularly if markets need to absorb additional debt. In Europe, a modest recovery is on the horizon, with a focus on strategic investments. Lower ECB rates and rising real incomes will facilitate a gradual recovery toward potential growth, with inflation expected to decrease and reach the ECB target by mid-2025. From an asset allocation perspective, this environment remains supportive of risky assets, as the ongoing late cycle is accompanied by accommodating central bank policies and abundant liquidity that bolster risk sentiment. Consequently, we favor a mildly positive risk stance as we move into 2025.