

PAMI ASIA BALANCED FUND, INC.

FUND FACT SHEET

As of November 29, 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:

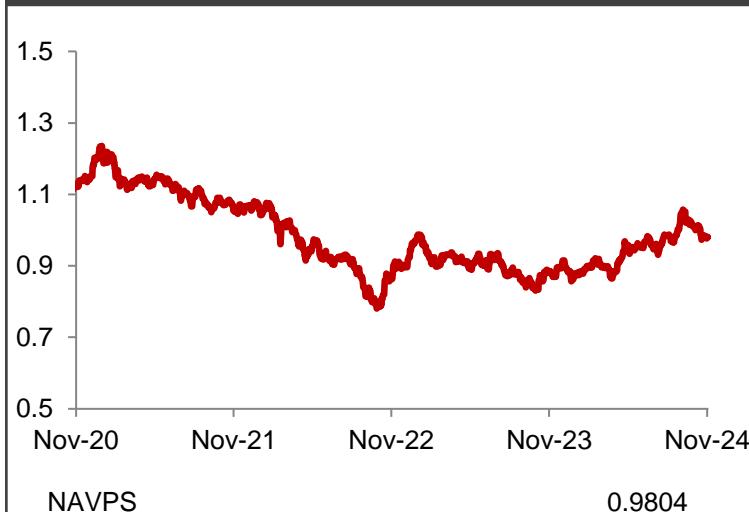
- Are at least classified as **moderate** based on their risk profile.
- have an investment horizon of up **at least five (5) years**.

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 5.31

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	1.02
Volatility, Past 1 Year (%) ⁵	11.49
Sharpe Ratio ⁶	0.49
Information Ratio ⁷	0.12
Number of Holdings	208

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	50.24
Fixed Income	45.41
Cash, Cash Equivalents ⁸	4.35

CUMULATIVE PERFORMANCE (%)³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	-1.98	5.00	10.79	-6.70	-2.49	9.35
Benchmark	-1.44	6.92	10.84	-0.22	14.33	60.48

ANNUALIZED PERFORMANCE(%)³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	10.79	5.63	-2.29	-3.48	-0.50	0.68
Benchmark	10.84	7.32	-0.07	-0.46	2.71	3.46

CALENDAR YEAR PERFORMANCE(%)³

	YTD	2023	2022	2021	2020	2019
Fund	7.14	2.13	-16.21	-7.02	11.33	12.25
Benchmark	7.28	5.65	-12.92	-4.37	16.41	15.22

TOP HOLDINGS

Name	Maturity	%
Taiwan Semiconductor		5.90
Fixed Rate Treasury Bond	2029	3.36
Korea Treasury Bond	2032	3.31
Tencent Holdings Ltd		2.77
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. November market performance was driven mainly by geopolitical issues. Donald Trump's election as President of the United States triggered a strong rally in US equities, while political uncertainty in Germany and France led to European equities lagging behind. Interestingly, the result was a bit of a reversal in fixed income; US fixed income struggled compared to European bonds, as the ECB continued to cut rates. Market sentiment is shifting, with growing scepticism about whether the Fed can meet the market's rate cut expectations over the next year. Fed Chair Powell mentioned that the economy isn't showing signs that would require the Fed to rush into lowering rates. This worry is compounded by persistent inflation that's sticking around above the Fed's target. Plus, potential tariffs and restrictive immigration policies from the new Trump administration could add inflationary pressure if they come into play.

Looking at equity performance in more detail, the MSCI World Equity Index was up +4.6% in US terms, with the S&P 500 leading the way at +5.9%. European markets didn't fare as well, with the Euro Stoxx 50 down -0.4%. The UK's FTSE100 performed relatively well, gaining +2.2%. In Asia, the market performance was mixed with few exceptions. The Japanese market delivered a negative performance with the Nikkei posting respectively -2.2%. The Shanghai Composite gained +1.4% whilst the Hong Kong Hang Seng fell -4.4%. Overall, Emerging Markets faced challenges, with the MSCI EM index down -3.6% in USD terms.

On the fixed income side, the recent surprise in inflation data, combined with decent US growth, has made investors a bit jittery. After rising over 50bps in October, US yields saw some modest declines, with the 10-year yield falling from 4.29% to 4.17% by the end of November. The 30-year yield followed a similar trend, while the 2-year yield only dropped slightly to 4.15%. In Europe, German yields fell more significantly, with the 10-year Bund yield dropping 30bps to 2.09% due to lower inflation and sluggish economic activity. The standout issue was the underperformance of French bonds, with the yield gap between 10-year German and French bonds widening to over 80bps, reflecting ongoing budget challenges in France.

Overall, the US Treasury Bond index rose +0.8%, the Euro Government Bond index gained +2.3%, and the UK Gilt index appreciated +1.8%. Japanese 10-year yields continued to rise, moving from 0.95% to 1.05%, while the JPM EM Bond index performed reasonably well, gaining +1.9%.

In the credit markets, investment-grade credit spreads tightened slightly, with the Itraxx Main credit index finishing the month 3bps tighter at +56bps. The Bloomberg US Agg Corporate index lagged a bit at +1.3% while the Bloomberg Euro Agg Corporate Index rose +1.6%.

On the currency front, the US Dollar continued to strengthen as expectations grew for rates to stay higher for longer. The US Dollar Index increased by +1.7% following October's +3.2% gain, while the Euro weakened against the Dollar, dropping -2.8%. The Euro also fell -1.6% against the British Pound and -4.3% against the Japanese Yen. Emerging market currencies struggled against the stronger US Dollar, with the JPM Emerging Markets Currency index declining -1.9% in November.

Fund Performance. The Fund returned -1.98% for the month, underperforming its benchmark by 54 basis points. The fund's performance was driven by fixed income positions and equity contributions. Year-to-Date return amounted to 7.14% for the month, underperforming its benchmark by 14 basis points.

Fund Strategy. A benign economic outlook ahead is expected, with some softening for global growth in 2025. In the US, growth projections have improved a bit owing to strong consumer spending. However, we anticipate some slowdown in 2025 due to tighter fiscal policies and a cooling labor market. Looking at the medium term, protectionist policies could push inflation up and bring growth down, but a lot will depend on how and when the new Trump administration rolls out its measures. The recovery in Europe seems more fragile and could be affected by new tariffs. The growth premium between DM and EM still leans toward EM, with Asia in particular experiencing strong growth. Some recent policy moves in China might boost near-term growth accompanied with uncertainty and low visibility.

A late-cycle scenario is still viewed as the base case for the next few quarters, with S&P 500 earnings expected to end 2024 around 10% and hover around high single digits in 2025. Recent policy measures could support near-term growth. Overall, the economic environment is moderately pro-risk. While valuations are still on the expensive side, these are not expected to be a major driver as we approach year-end. We see some value in rates, but an increase in long-term inflation expectations is a risk to keep an eye on.