

FUND OVERVIEW

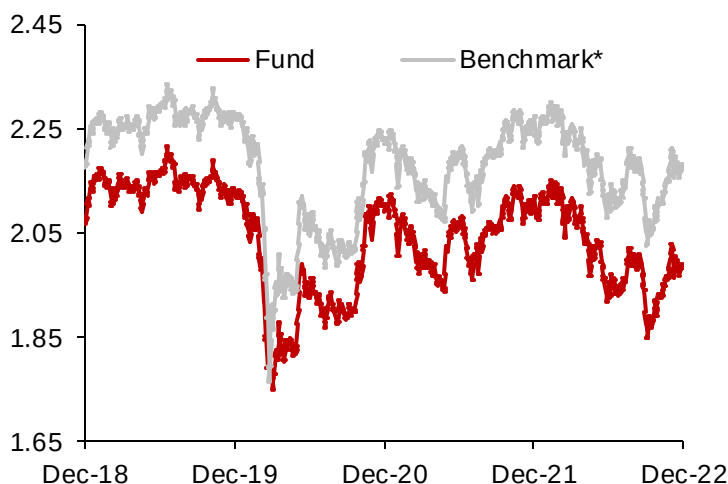
The Fund aims to achieve long-term capital appreciation by investing in a diversified portfolio of equities and fixed income instruments. The Fund shall invest at least 75% of its net assets in equity securities under normal market conditions.

The fund is suitable for investors who:

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

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

NAVPS GRAPH



NAVPS 1.9899

STATISTICS

Portfolio Beta	0.91
Volatility, Past 1 Year (%) ⁵	11.61
Sharpe Ratio ⁶	-0.60
Information Ratio ⁷	-0.55
Number of Holdings	34

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	54.71
Government & Corporates	31.68
Fixed Income Funds	2.31
Cash, Cash Equivalents ⁸	6.00
Preferreds	5.30

Sector Holdings (Equity Portion)

Holding Firms	17.79
Property	10.49
Financials	10.99
Services	7.78
Industrials	7.66
Mining and Oil	0.00

FUND FACTS

Classification:	Balanced Fund
Launch Date:	July 30, 2009
Dealing Day:	Daily up to 1:30 PM
Minimum Investment: ¹	PHP 5,000.00
Min. Subsequent Order: ¹	PHP 1,000.00
Minimum Holding Period:	180 calendar days
Redemption Settlement:	T+3 End-of-Day
Early Redemption Charge:	1.00%
Total Management Fee: ²	2.00% per annum
Total Fund NAV (Mn) :	PHP 137.53

CUMULATIVE PERFORMANCE (%)³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	-1.99	3.31	-4.85	-6.39	-11.37	93.19
Benchmark	-1.41	4.17	-2.67	-4.15	-4.81	84.04

ANNUALIZED PERFORMANCE (%)³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	-4.85	-2.52	-2.18	-1.01	-2.39	5.03
Benchmark	-2.67	-0.96	-1.40	0.01	-0.98	4.65

CALENDAR YEAR PERFORMANCE(%)³

	YTD	2021	2020	2019	2018	2017
Fund	-4.85	-0.13	-1.49	2.58	-7.70	12.56
Benchmark	-2.67	0.79	-2.29	4.38	-4.86	13.10

BENCHMARK

50% Philippine Stock Exchange Index (PSEi) and 50% return of the 91-day Philippine Treasury Bill.

TOP HOLDINGS

Name	Maturity	%
Retail Treasury Bond	2024	14.52
SM Investments Corporation		7.75
Petron Corp. Bond	2024	7.27
SM Prime Holdings, Inc.		6.42
Bank of the Philippine Islands		5.05

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.

For more information, you can contact us at (02) 8580-0900, email us at bpi_investment@bpi.com.ph

OUTLOOK AND STRATEGY

Market Review. The Philippines ended 2022 with a 3.16% drop in December to close at 6,566.39. Investors took the opportunity to take some profits after the market rallied by 18% in October and November. Investor focus again shifted back to global monetary policy, as central banks continued to hint on rising rates going forward.

For the year, the Philippine stock market recorded a 7.81% decline, and marked the third straight year of negative returns.

On the macro front, inflation accelerated to 8.0% year-on-year in November, higher than consensus estimate of 7.8%. Prices of food rose due to a severe tropical storm, while higher transport fares also contributed to the above-estimate inflation print. The latest monthly figure brought up 2022 average inflation to 5.6%.

The Bangko Sentral (BSP) raised its policy rate by 50bp, matching the rate hike announced by US Federal Reserve. The BSP policy rate is now 5.5%, the highest in 14 years. While the market expects the Fed to raise rates by another 50-75bp next year, BSP Governor Medalla pointed out he sees less “urgency” to match the Fed. This is likely influenced by the moves of the PHP which strengthened against the USD. The PHP rose 1.5% MoM against the US\$ in December.

TEL (-24.83%) was this month’s worst performer and was top foreign sold, with the stock seeing net outflows of US\$40m, after the company acknowledged that it had overspent as much as P48bn (~US\$900m) on its capex budget over the last four years. Other laggards for the month included MONDE (-12.34%) and MEG (-10.71%).

We expect the market to be buoyed by optimism coming into the new year, with expectations for a 16% earnings growth year-on-year. Valuations should provide support to the market, which is trading at 13.5x P/E based on 2023 earnings, well below historical averages.

The Philippine inflation continued to accelerate in November 2022, rising by 8.0% from the 7.7% recorded in the previous month and ahead of the 7.8% consensus estimate for the month. Consequently, the BSP hiked policy rates by 50 basis points to 5.50% in its December meeting but has indicated that the pace of rate hikes in 2023 will slow down. Month-on-month, the PH BVAL rates ended lower. Yields on the 1-year fell by about 5 basis points to 5.1%, the 2- to 7-year by about 13 basis points on average, and the 10-year by about 21 basis points to 6.99% on December 29.

Fund Performance. The Fund returned -1.99% for the month, underperforming its benchmark by 58 basis points. Year-to-date, return amounted to -4.85%, underperforming its benchmark by 218 basis points.

Fund Strategy. Our strategy remains to be invested in quality names with strong fundamentals and superior growth prospects, while remaining cognizant of the risk of higher interest rates potentially persisting for longer in 2024.