

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 is suitable for investors who:

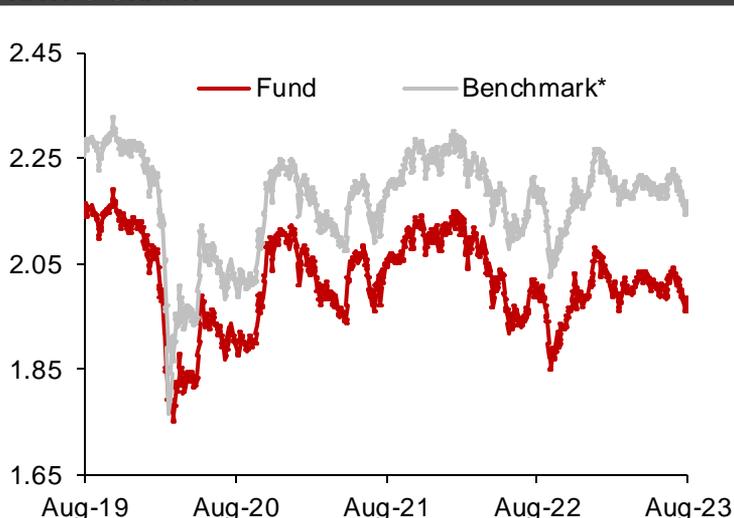
- Are at least classified as **aggressive** based on their risk profile.
- have an investment horizon of up **at least five (5) years**.

FUND FACTS

Classification:	Balanced Fund
Launch Date:	July 30, 2009
Dealing Day:	Daily up to 2:00 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+2 End-of-Day
Early Redemption Charge:	1.00%
Total Management Fee:²	1.50% per annum
Total Fund NAV (Mn) :	PHP 119.00

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

NAVPS GRAPH



NAVPS 1.9651

STATISTICS

Portfolio Beta	1.03
Volatility, Past 1 Year (%) ⁵	9.86
Sharpe Ratio ⁶	-0.49
Information Ratio ⁷	-0.02
Number of Holdings	31

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	51.98
Government & Corporates	34.95
Fixed Income Funds	0.00
Cash, Cash Equivalents ⁸	6.79
Preferreds	6.28

Sector Holdings (Equity Portion)

Holding Firms	16.04
Property	9.92
Financials	11.99
Services	6.43
Industrials	7.60
Mining and Oil	0.00

CUMULATIVE PERFORMANCE (%)³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	-3.16	-1.05	-1.08	3.50	-7.40	90.79
Benchmark	-2.99	-1.76	-0.98	6.79	-3.18	81.30

ANNUALIZED PERFORMANCE (%)³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	-1.08	-2.25	1.15	-2.37	-1.53	4.69
Benchmark	-0.98	-1.01	2.22	-1.56	-0.64	4.31

CALENDAR YEAR PERFORMANCE(%)³

	YTD	2022	2021	2020	2019	2018
Fund	-1.25	-4.85	-0.13	-1.49	2.58	-7.70
Benchmark	-1.49	-2.67	0.79	-2.29	4.38	-4.86

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	16.79
Petron Corp. Bond	2024	8.40
SM Investments Corporation		7.03
SM Prime Holdings, Inc.		6.06
BDO Unibank, Inc.		5.34

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. The local equities market sharply declined given the combination of illiquid market condition and worrisome macroeconomics data on both local and global space which forced investors to err on the side of caution. According to the minutes of the latest FOMC meeting of US Federal Reserve's (The Fed), officials spoke with a hawkish tone – expressing concerns on inflation pace which might lead to more rate hikes. Moreover, selling pressure intensified following the release of the 2nd quarter Philippines GDP which came out a shocker. The local economy grew at 4.3% which was way below consensus estimates of 6.0% - mostly due to the steep decline in government expenditures (-7.0% YoY). The PSEi dropped by 6.3% to close at 6,175.25 in August.

Activity in August improved as Average Daily Turnover came in at Php5.21 billion from Php3.46 billion in the prior month. Foreigners remained net sellers at US\$131 million with large flows coming out of index heavyweights SM and SMPH. Moreover, the MSCI quarterly rebalancing which indicated a reduction in the country's weighting further added to the sell-off.

For stock performances, the top three gainers for the month were as follows: SCC (+10.92%), GTCAP (+5.05%) and MPI (+3.70%). Meanwhile, the bottom three index performers included: CNVRG (-23.07%), JGS (-15.10%) and AEV (-12.64%).

The BPI Government Bond Index returned 0.50% in August as the belly of the curve dropped while the short-end of the curve went up. The average daily trading volume for the month amounted to PHP16.82 billion similar to July's PHP16.94 billion with trades mostly seen on the short-end of the curve.

The Bureau of the Treasury (BTr) held five FXTN auctions in August. A new 10-year paper issuance, FXTN 10-71, was fully awarded at a coupon rate of 6.625%. The 5-year FXTN 10-63 and 6-year FXTN 7-68 re-issuances were partially awarded at average yields of 6.337% and 6.468% while the 5-year FXTN 10-64 re-issuance was fully awarded at an average yield of 6.220%. The 15-year FXTN 20-23 re-issuance was the first auction rejected for the year. Had the BTr fully awarded the paper, average yields would have risen to 6.927%. Towards the end of the month, the BTr released the September auction schedule with four Treasury Bill auctions and four PHP30 billion FXTN issuances (3-, 7-, 10-, and 3-year tenors).

In the local space, July headline inflation eased further to 4.7% year-on-year, from last month's 5.4%. The food, utilities and transport prices drove the inflation lower marking six straight months of deceleration. The Philippine economy grew more weakly than expected at 4.3% in the second quarter of the year, compared to the market expectation of 6%. Growth momentum was at its slowest pace since 2011 due to above target inflation, elevated borrowing costs, and government underspending. The Bangko Sentral ng Pilipinas (BSP) kept its policy rate at 6.25% for the third time. BSP Governor Eli Remolona reiterated that they remain data-dependent but ready to hike policy rates if necessary. The BSP revised its inflation forecast upward, settling at 5.6% (from 5.4%) for 2023 and 3.3% (from 2.9%) for 2024 due to developments in global energy and food prices.

Fund Performance. The Fund returned -3.16% for the month, underperforming its benchmark by 17 basis points. Year-to-date, return amounted to -1.25%, outperforming its benchmark by 24 basis points.

Fund Strategy. The Fund will maintain its defensive stance given the heightened volatility from internal and external sources. The elevated interest rate environment, inflation and slow growth continue to drag sentiment. The fund will take advantage of market swings to rebalance in favor of high quality names.