

**BPI INVEST BALANCED FUND****KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of March 31, 2021

**FUND FACTS**

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 162.20
<b>Launch Date:</b>	April 4, 2005	<b>Total Fund NAV (Mn):</b>	Php 4,871.47
<b>Minimum Investment:</b>	Php10,000.00	<b>Dealing Day:</b>	Daily up to 2:30 PM
<b>Additional Investment:</b>	Php1,000.00	<b>Redemption Settlement:</b>	T+3 End-of-Day
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES\***

<b>Trustee Fees:</b> 1.500%	<b>Custodianship Fees:</b> 0.0010%	<b>External Auditor Fees:</b> 0.0049%	<b>Other Fees:</b> 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

\* As a percentage of average daily NAV for the quarter valued at Php 5,044.80 Million  
 \*Monthly rate: billings received for January 2021 divided by the average daily NAV for the month  
 \*Billings received for 2018 divided by the average daily NAV

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to achieve long-term capital growth by investing in a diversified portfolio of equity and fixed income securities. The Fund aims to provide excess return over the composite benchmark, 50% Philippine Stock Exchange index (PSEi) and 50% return of the 91-day Philippine Treasury Bill, net of tax

**CLIENT SUITABILITY**

A client profiling process shall be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The BPI Invest Balanced Fund is suitable for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon at least five (5) years

**KEY RISKS AND RISK MANAGEMENT**

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

<b>Interest Rate Risk:</b>	Investors are exposed to adverse changes in the prices of domestic fixed income securities due to a rise in interest rates, which generally causes fixed income security prices to decline. Factors/ events that may lead to a rise interest rates include adverse market conditions, issuer-specific factors/ events and/ or negative developments in domestic political and economic conditions.
<b>Equity Price Risk:</b>	Investors are exposed to adverse changes in the prices of stocks listed in the Philippine Stock Exchange, which may be brought about by adverse stock market conditions, unfavorable company earnings and valuations and/ or negative developments in domestic and global political and economic conditions.
<b>Liquidity Risk:</b>	Investors are exposed to the risk of loss due to the fund's inability to convert fixed income and equity security holdings to cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price due to limited buyers/ sellers in the market, low trading volumes or market disruptions, among other reasons/ factors.
<b>Related Party Risk:</b>	Investors are exposed to actual or potential conflicts of interest in the handling of related party transactions by the Trustee, specifically, time deposit placements with the Trustee's own bank and/ or its subsidiary, purchase of debt and equity securities issued by related parties, as well as the execution of trade transactions with related counterparties.
<b>Credit/ Default Risk:</b>	Investors are exposed to the risk of loss due to the failure of the borrower/ debt issuer to make timely interest and/ or principal payments on its deposit liabilities, loans, bonds or other debt instruments due to a deterioration in the borrower's/ issuer's financial condition or external factors and events that may affect its ability to repay financial obligations such as negative developments in domestic political and economic conditions.

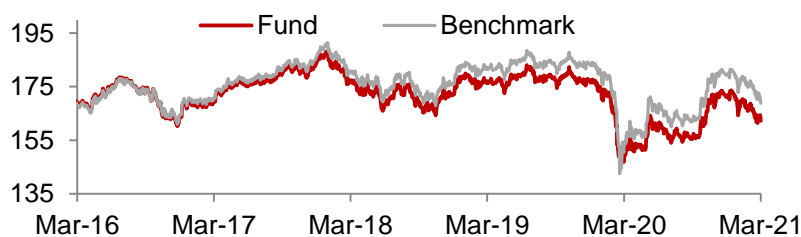
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES SHALL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**
- **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

## FUND PERFORMANCE AND STATISTICS AS OF March 31, 2021

(Purely for reference purposes and is not a guarantee of future results)

### NAVPU GRAPH



\* Benchmark is 50% PSEi, 50% return of the 91-day T-Bill, net of tax

### NAVPU over the past 12 months

Highest	173.60
Lowest	149.35

### STATISTICS

Portfolio Beta	1.01
Volatility, Past 1 Year (%) <sup>3</sup>	8.93
Sharpe Ratio <sup>4</sup>	0.84
Information Ratio <sup>5</sup>	-2.84
Current Number of Holdings	46

### CUMULATIVE PERFORMANCE (%) <sup>1</sup>

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>-2.58</b>	<b>-5.29</b>	<b>4.19</b>	<b>8.74</b>	<b>-8.28</b>	<b>136.38</b>
<b>Benchmark</b>	<b>-2.54</b>	<b>-4.79</b>	<b>5.32</b>	<b>11.49</b>	<b>-4.67</b>	<b>138.30</b>

### ANNUALIZED PERFORMANCE (%) <sup>1</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>8.74</b>	<b>-4.31</b>	<b>-2.84</b>	<b>-1.04</b>	<b>-0.81</b>	<b>5.52</b>
<b>Benchmark</b>	<b>11.49</b>	<b>-3.21</b>	<b>-1.58</b>	<b>0.19</b>	<b>0.43</b>	<b>5.58</b>

### CALENDAR YEAR PERFORMANCE(%) <sup>1</sup>

	YTD	2020	2019	2018	2017	2016
<b>Fund</b>	<b>-5.29</b>	<b>-3.42</b>	<b>3.08</b>	<b>-6.39</b>	<b>12.42</b>	<b>-0.89</b>
<b>Benchmark</b>	<b>-4.79</b>	<b>-2.29</b>	<b>4.38</b>	<b>-4.86</b>	<b>13.09</b>	<b>0.31</b>

<sup>1</sup>Returns are net of fees.

<sup>2</sup>Since Inception

<sup>3</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>4</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>5</sup>Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>6</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

\*Declaration of Trust is available upon request through branch of account.

### PORTFOLIO COMPOSITION

	Allocation	% of Fund
Equities		54.22
Cash		0.44
Corporates		6.59
Time Deposits and Money Market		19.13
Government		19.41
Other Receivables – Net of Liabilities <sup>6</sup>		0.21
<b>Sector Holdings</b>		
Holding Firms		19.39
Property		12.82
Financials		8.90
Services		6.32
Industrials		6.79
Mining and Oil		0.00

### TOP TEN HOLDINGS

Names	Maturity	%
Time Deposit		12.32
SM Investments Corporation		7.80
SM Prime Holdings, Inc.		6.55
Fixed Rate Treasury Note	9/10/2023	5.12
Retail Treasury Bond	12/4/2022	5.08
Ayala Land, Inc.		4.93
Retail Treasury Bond	2/11/2023	4.20
Time Deposit		3.74
Ayala Corporation		3.64
BDO Unibank, Inc.		3.47

### RELATED PARTY TRANSACTIONS\*

The Fund has transactions and outstanding investments including deposit, investments in the share/s of stock, and/or debt issuances of the following companies related to the BPI Asset Management and Trust Corporation (BPI AMTC):

Ayala Corporation — Php 270.61 Mn, Ayala Land, Inc. — Php 260.91 Mn, Bank of the Philippine Islands — Php 142.40 Mn, Globe Telecom, Inc. — Php 46.90 Mn

Investments in the said outlets were approved by the BPI AMTC's Board of Directors. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

\* Related party in accordance with BPI AMTC's internal policy.

## OUTLOOK AND STRATEGY

**Market Review.** The Philippine Bell-weather index fell by 5.2% in March to 6,443.09 following the recent and more aggressive COVID-19 surge. The country has registered record-breaking daily new cases spurred by different variants of the disease. As a response, the government opted to shift back to the strictest quarantine measure – ECQ.

Volume was significantly lighter this month, with Average Daily Turnover recording US\$204 million or 19.7% lower month-on-month. Meanwhile, in terms of foreign activity, outflows persisted in March at US\$483 million. On a year-to-date basis, net foreign outflows registered at US\$946 million.

Macro-economic news for the month include: 1) Inflation increased to 4.7% in February, the highest in over two years. However, the BSP maintained policy rates at 2.0%. 2) The country's gross international reserves rose to US\$109.82 billion as of end-February on the back of BSP's foreign exchange operations and income from its investments abroad. 3) The National Government recorded a Php14.1 billion budget deficit for January of this year, a contrast of last year's Php23 billion surplus. This was partly a result of 12% YoY revenue contraction.

In terms of individual stock performance, the main advancers were SCC (+6.43%), PGOLD (+6.22%) and URC (+4.15%). Meanwhile, the biggest detractors include AEV (-18.15%), BLOOM (-13.00%) and MBT (-12.43%).

In the local economic space, February inflation accelerated to 4.7% year-on-year, quickening from January's 4.2% figure and marking the 5th straight monthly increase. The rise was mainly attributed to food and non-alcoholic beverage prices, as the cost of meat spiked by 20%. Transport prices also contributed, as global oil prices saw an 18% increase. Meanwhile, local coronavirus (COVID) infections spiked to as much as 10,000 new cases per day, which prompted President Duterte to announce yet another lockdown ahead of the Holy Week long weekend. With uncertainty regarding growth and inflation likely to persist, the Bangko Sentral ng Pilipinas (BSP) kept its policy rates steady once more. BSP Governor Benjamin Diokno assured the public by reiterating that they were ready to address rising inflation pressures should any spillover effect begin to manifest.

**Fund Performance.** The fund returned -2.58% in March, underperforming its benchmark by 4 basis points. Year-to-date, it underperformed the benchmark by 50 basis points with a return of -5.29%.

**Fund Strategy.** We look to remain strategic long-term buyers of Philippine equities, in hopes of improved vaccine rollout. However, we will adopt a defensive stance amidst the rising volatility from the negative fundamental views. Buy on market dips.

For the fixed income portion of the fund, we continue to favor the safety of time deposits and short term securities. Expectations of continued accommodative monetary policy may depress rates in the near term.

## LIST OF PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets, wherein the Trustee intends to invest depending on strategy, availability, or other market-driven circumstances:

- (a) Shares of Stock of selected corporations which are already listed or being offered publicly and soon to be listed in major capital markets.
- (b) Primarily medium term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investment outlets/ categories as the BSP may allow.
- (c) Primarily medium term 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 Trustee may deem to be in the best interest of the Fund.
- (d) Bank deposits and such other investments allowed under regulations issued by the BSP.

BPI Asset Management and Trust Corporation (BPI AMTC) is a subsidiary of the Bank of the Philippine Islands. For any inquiries and complaints relating to our services and products you may call our hotline: 889-10000, or send an email at [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or write a letter addressed to BPI Asset Management and Trust Corporation - Consumer Assistance Office, 7/F, BPI Buendia Center, Sen. Gil J. Puyat Avenue, Makati City 1209.

BPI AMTC as Trustee / Investment Manager is regulated by the Bangko Sentral ng Pilipinas (BSP) with e-mail address: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph).