



BPI INVEST BAYANIHAN BALANCED FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of April 30, 2021

FUND FACTS

Classification:	Balanced Fund	Net Asset Value per Unit (NAVPU):	Php 110.61
Launch Date:	July 20, 2018	Total Fund NAV (Mn):	Php 207.89
Minimum Investment:	Php10,000.00	Dealing Day:	Daily up to 2:30 PM
Additional Investment:	Php1,000.00	Redemption Settlement:	T+3 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.3000%	Custodianship Fees: 0.0012%	External Auditor Fees: 0.0075%	Other Fees: 0.00%
BPI Asset Management	HSBC	Isla Lipana	None
* As a percentage of average daily NAV for the quarter valued at Php for February 2021 divided by 208.84 Million			
*Monthly rate: Billings received for 2018 divided by average daily NAV			

INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a balanced UITF with 5% to 20% equities exposure that intends to achieve for its Participants long term capital growth derived from a diversified portfolio of equity and fixed income securities. The Fund aims to provide absolute returns in excess of the return of the composite benchmark, 90% BPI Philippine 1-3 Year Index and 10% PSEi 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 Bayanihan Balanced Fund is suitable for investors who:

- Are at least classified as moderately aggressive based on their risk profile
- Have an investment horizon of more than 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.

Interest Rate Risk:	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.
Equity Price Risk:	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.
Liquidity Risk:	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.
Related Party Risk:	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.
Credit/ Default Risk:	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.

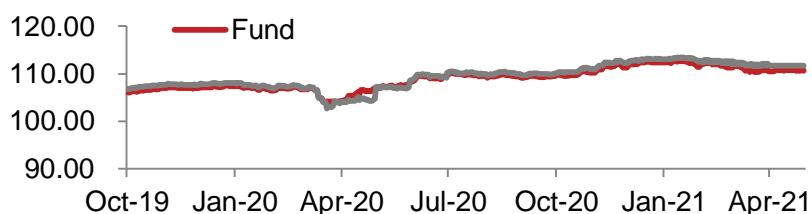
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- 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 APRIL 30, 2021

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

NAVPU GRAPH



* Benchmark is 10% PSEi, 90% return of the BPI Phil 1-3 Year index, net of tax

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mos	6 mos	1 YR	S.I. ²
Fund	0.16	-0.79	0.34	3.35	10.61
Benchmark	-0.76	-1.38	1.42	7.42	11.64

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	S.I. ²
Fund	3.35	4.05	3.69
Benchmark	7.42	4.26	4.16

CALENDAR YEAR PERFORMANCE(%) ¹

	YTD	2020	2019	2018
Fund	-1.51	4.63	7.34	-0.64
Benchmark	-1.38	4.77	8.48	-0.40

NAVPU over the past 12 months

Highest	112.73
Lowest	104.20

STATISTICS

Portfolio Beta	1.00
Volatility, Since Inception (%) ³	2.50
Sharpe Ratio ⁴	0.90
Information Ratio ⁵	-2.03
Weighted Ave Duration (Yrs)	1.867
Current Number of Holdings	39

¹Returns are net of fees.

²Since Inception

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

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

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

⁶Includes 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	11.71
Fixed Income	84.30
Cash	0.05
Time Deposits and Money Market	3.46
Other Receivables – Net of Liabilities ⁶	0.49
Sector Holdings	
Holding Firms	4.14
Property	2.78
Services	1.90
Financials	1.70
Industrials	1.19
Mining and Oil	0.00

TOP TEN HOLDINGS

Names	Maturity	%
Retail Treasury Bond	12/4/2022	25.28
Retail Treasury Bond	3/12/2024	20.77
Retail Treasury Bond	2/11/2023	16.32
Fixed Rate Treasury Note	3/8/2023	5.03
Retail Treasury Bond	8/12/2025	4.77
Time Deposit		3.46
SMC Global Power Holdings Corporation	4/24/2022	2.47
BDO Unibank, Inc.	8/3/2022	2.46
Security Bank Corp.	6/28/2021	2.42
Fixed Rate Treasury Note	1/19/2022	1.98

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 5.04 Mn, Ayala Land, Inc. — Php 2.43 Mn, Bank of the Philippine Islands — Php 1.19 Mn, Globe Telecom, Inc. — Php 0.84 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 BPI Government Bond Index returned 0.84% in April, with benchmark government yields dropping 12 basis points (bps) on average. The yield curve flattened, with rates in the belly and long-end of the curve declining while short-term yields rose slightly. Average daily trading volume rose to PHP19.84bn from March's PHP18.66bn, with the 4.5-year RTB5-13 and the newly issued RTB3-11 seeing strong trading volumes over the month. The Bureau of the Treasury (BTr) held two FXTN auctions and four Treasury Bill auctions in April. The first FXTN auction was a PHP35-bn issuance of a new 7-year security FXTN7-64; the second was another PHP35-bn issuance of a new 5-year security FXTN5-77. Average bid yields were at 3.529% and 3.301%, respectively, while coupons were at 3.625% and 3.375%, respectively. Market demand was quite strong with bids exceeding PHP80-bn for each. The BTr opened a PHP25-bn tap issuance for the FXTN7-64 which was fully awarded after bids amounted to nearly double the offered size. Meanwhile, the Treasury Bills saw yields rising gradually across all three tenors, with average rates for the 91-, 182- and 364-day papers awarded at 1.369%, 1.714% and 1.880%, respectively, during the last auction of the month. In the local economic space, March inflation eased to 4.5% year-on-year, slightly lower than February's 4.7% figure and putting an end to the 5-month streak of monthly price accelerations. The slowdown was mainly attributed to food and non-alcoholic beverage prices, though the Philippine Statistics Authority noted more tempered increases across all other price categories as well. Bangko Sentral ng Pilipinas (BSP) Governor Benjamin Diokno noted that the current level of inflation was still "consistent with expectations", adding that "inflation could settle above the high end of the target in 2021, reflecting the impact of supply-side constraints". Meanwhile, local coronavirus (COVID) infections continued to surge to new highs – peaking at 10,686 new cases in a day-- which prompted President Duterte to further extend various iterations of Community Quarantine across the country. With uncertainty regarding growth and inflation likely to persist, the Bangko Sentral ng Pilipinas (BSP) maintains that its current monetary policy is still appropriate. Governor Diokno reiterated that they were ready to address rising inflation pressures should any spillover effect begin to manifest.

The Philippine Stock Exchange Index (PSEi) stumbled by 1.1% to 6,370.87 over the worsening situation of the pandemic. The country grappled with record-daily highs of new infections that battered the overall healthcare system. The government in turn, responded by renewing tight lockdowns to control the spread of infections. However, a ray of light seemed to pierce through the seemingly dark tunnel over the on-going vaccination program, though at a much slower pace due to delayed deliveries of the vaccines. Volume was down for another month, with average daily turnover was 43.6% lower month-on-month at US\$115 million. In terms of foreign activity, net selling was yet again the main story, registering at US\$171 in April. Macro-economic news for the month are as follows: 1) CPI rose at 4.5% in March, lower than the 4.7% increase in February. The ease was mainly due to lower inflation on food, particularly fish, fruits and vegetables. Utilities prices also moderated but was countered by increased transportation cost due to higher fuel prices. 2) Remittances from OFWs rose by 5% to US\$2.47bn in February. 3) The country's budget deficit widened to Php191 billion in March with Revenues dipping 17% year-on-year due to base effects from last year's dividend remittances to fund Bayanihan 1. Moreover, expenditure inched 22% higher year-on-year mainly due to infrastructure disbursements. In terms of individual stock performances, main advancers were: MPI (+8.3%), ICT (+7.4%) and TEL (+4.5%); while the main laggards were: MEG (-12%), JGS (-11.7%) and RLC (-8.39%).

Fund Performance. The fund returned 0.16% in April, outperforming its benchmark by 92 bps. It is behind the benchmark since inception by 103 basis points with a return of 10.61%.

Fund Strategy. The Fund looks to maintain a neutral duration position given expectations of slightly accelerating local inflation amid recovering oil prices and dwindling base effects compared to prior months. Volatility may persist in the global space, and the portfolio will be actively managed to take advantage of this. Investors in a bond fund must be prepared to withstand volatility as higher investment value is typically achieved over the medium to long 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 inquiries and comments, please send an email to bpi_asset_management@bpi.com.ph or call us at (02) 8580-AMTC (2682).

Regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>, BSP Webchat <https://www.bsp.gov.ph>

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