



BPI INVEST BAYANIHAN BALANCED FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of November 29, 2021

FUND FACTS

Classification:	Balanced Fund	Net Asset Value per Unit (NAVPU):	Php 113.08
Launch Date:	July 20, 2018	Total Fund NAV (Mn):	Php 212.87
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: 0.0011%	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 213.04 Million			
*Monthly rate: Billings received for April 2021 divided by average daily NAV			
*Billings 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.

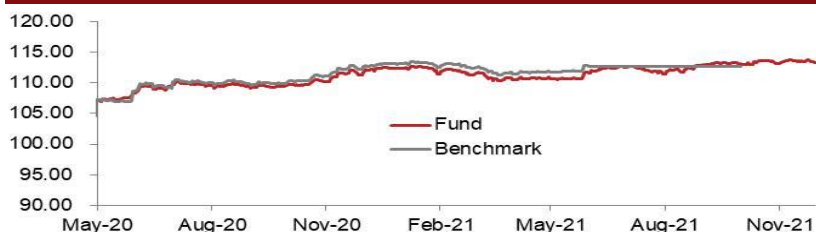
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- 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 NOVEMBER 29, 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

NAVPU over the past 12 months

Highest	113.82
Lowest	108.47

STATISTICS

Portfolio Beta	0.99
Volatility, Since Inception (%) ³	2.58
Sharpe Ratio ⁴	0.30
Information Ratio ⁵	-0.01
Weighted Ave Duration (Yrs)	1.46
Current Number of Holdings	43

CUMULATIVE PERFORMANCE (%) ¹

	1 mo	3 mos	6 mos	1 YR	3 YR	S.I. ²
Fund	0.11	0.31	1.49	1.72	14.27	13.26
Benchmark	0.12	0.43	2.43	3.88	15.97	18.20

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	S.I. ²
Fund	1.72	2.91	-0.29	3.77
Benchmark	3.88	3.44	5.06	4.28

	YTD	2020	2019	2018
Fund	0.85	4.63	7.34	-0.64
Benchmark	1.02	4.77	8.48	-0.40

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	58.53
Corporates	17.00
Cash	0.05
Time Deposits and Money Market	12.55
Preferreds	11.39
Other Receivables – Net of Liabilities ⁶	0.48
Sector Holdings	
Holding Firms	3.83
Property	2.41
Services	2.17
Financials	1.77
Industrials	1.20
Mining and Oil	0.00

TOP TEN HOLDINGS

Names	Maturity	%
Retail Treasury Bond	3/12/2024	19.89
Retail Treasury Bond	2/11/2023	15.81
Retail Treasury Bond	12/4/2022	12.45
Time Deposit		7.38
Time Deposit		5.17
Fixed Rate Treasury Note	3/8/2023	4.85
Retail Treasury Bond	8/12/2025	4.58
Energy Development Corp. Bond	6/25/2024	2.92
BDO Unibank, Inc.	8/3/2022	2.38
SMC Global Power Holdings Corporation	4/24/2022	2.36

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 4.58 Mn, Ayala Land, Inc. — Php 2.15 Mn, Bank of the Philippine Islands — Php 1.32 Mn, Globe Telecom, Inc. — Php 1.18 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 -0.35% in November, with benchmark government yields rising 10.44 basis points (bps) on average. The yield curve flattened, with rates on the short-end and belly of the curve rising while the long-end marginally fell. Average daily trading volume rose to PHP15.762bn from October's PHP13.997bn with trades mostly seen on the short-end (3 months to 1-year papers) and belly (5-year papers) of the curve.

The Bureau of the Treasury (BTr) originally announced four FXTN auctions (two 5-, 7-, and 10-year tenors) for the month. However, following strong demand for its 5.5-year Retail Treasury Bond issuance, the last two auctions (5- and 7-year) were cancelled. The new 5.5-year RTB 5-14 was initially awarded at a coupon rate of 4.625% with bid yields averaging at 4.564%. Total volume at the end of the offer period (concluded November 26) was at PHP360billion, PHP330.5 billion of which was raised in new money, while the rest was via bond exchange. Investors saw the successful issuance as a positive development for the local bond market, which pushed yields slightly lower towards month end. Average rates on the 5- and 10-year auctions were at 3.762% and 5.130% respectively. The BTr also released its December auction schedule, announcing just two FXTN issuances (10- and 7-year tenors) and three Tbill auctions.

In the local economic space, October inflation further eased to 4.6% year-on-year, as the rise in food and transport prices slowed. The lower figure was a welcome development as there were speculations that inflation was not transitory, though some analysts continued to warn that this was just a blip and higher prices ought to be expected moving forward, given elevated global oil prices. Meanwhile, the country's GDP growth came in at +7.1% year-on-year, beating the consensus estimate of 4.8%. Growth was driven by the industrial service sectors, while the agricultural sector lagged due to bad weather and the African Swine Fever outbreaks. Though growth has proven robust in recent quarters, analysts believe there is room for the central bank to keep rates accommodative. Sure enough, during its Monetary Board meeting last November 18, the Bangko Sentral ng Pilipinas (BSP) kept its policy rate at a record low, citing the need for continued monetary support for the economy. It likewise cut its projected 2022 inflation forecast to 4.3% from 4.4% originally.

The Philippine Stock Exchange rose for another month following a continued improvement in the overall environment in this stage of the pandemic. A confluence of catalysts, namely – continuous drop in the number of COVID-19 cases, rise in the vaccination rates, better-than-expected economic growth and looser restrictions – led to the positive market sentiment. The local bell-weather index even surged to 5.5% to the 7,400 level intra-month before the threat of a newly-detected “Omicron” variant pared some of the gains. The PSEi grew by 2.1% month-on-month to close at 7,200.88 in November.

Market activity was a tad lighter for the month with average value turnover at US\$201.87 million or lower by 0.3% month-on-month. In terms of foreign activity, foreigners were net buyers for the 2nd consecutive month with US\$5.03 million that came in. The follow-on offering of Synergy Grid or “SGP” buoyed inflows after registering US\$24.2 million. MSCI rebalancing also occurred at month-end which highlighted the inclusion of AC Energy and Monde Nissin. Overall, the MSCI led to a net US\$13 million worth of inflow. Foreign participation registered at 49%, higher than 41% in October.

In terms of individual stock performance, main advancers were: BLOOM (+14.56%), SMPH (+12.99%) and ICT (+9.94%) while the laggards are as follows: ACEN (-7.99%), AP (-6.84%) and JGS (-6.06%).

Fund Performance. The fund returned 0.11% in November, underperforming its benchmark by 1 bps. Year-to-date, it underperformed the benchmark by 17 basis points with a return of 0.85%.

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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