

## FUND FACTS

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php 165.08
<b>Launch Date:</b>	April 4, 2005	<b>Total Fund NAV (Mn):</b>	Php 4,892.33
<b>Minimum Investment:</b>	Php10,000.00	<b>Dealing Day:</b>	Daily up to 1:30 PM <sup>7</sup>
<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> 0.0711%	<b>Custodianship Fees:</b> 0.0011%	<b>External Auditor Fees:</b> 0.00%	<b>Other Fees:</b> 0.00%
BPI Wealth	HSBC	Isla Lipana	None

\*Monthly rate: billings received for March 2023 divided by the average daily NAV for the same month valued at Php 4,905.41 mn

\*Monthly rate: billings received for February 2023 divided by the average daily NAV for the same month valued at Php 5.00 mn

\*Billing is received at the last quarter of the year

## 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 BPI Philippine Government Bond 1-5 Year Index, 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.

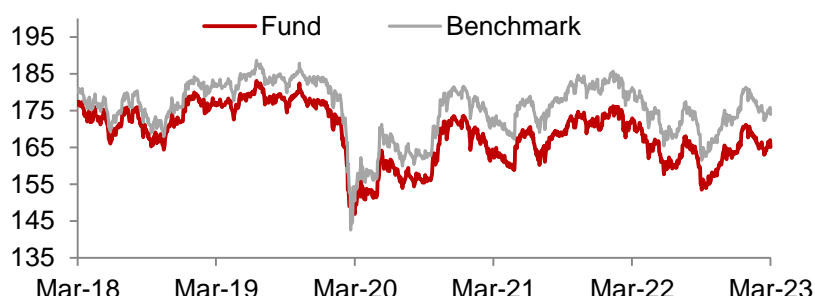
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- 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.
- THIS PRODUCT CANNOT BE SOLD TO YOU UNLESS ITS BENEFITS AND RISKS HAVE BEEN THOROUGHLY EXPLAINED. IF YOU DO NOT FULLY UNDERSTAND THIS PRODUCT, DO NOT PURCHASE OR INVEST IN IT.

## FUND PERFORMANCE AND STATISTICS AS OF MARCH 31, 2023

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

### NAVPU GRAPH



\* Benchmark is 50% PSEi, 50% return of the BPI Philippine Government Bond 1-5 Year Index, net of tax (\*Effective February 1, 2022)

### NAVPU over the past 12 months

Highest	172.40
Lowest	153.46

### STATISTICS

Portfolio Beta	1.01
Volatility, Past 1 Year (%) <sup>3</sup>	9.88
Sharpe Ratio <sup>4</sup>	-0.70
Information Ratio <sup>5</sup>	-0.35
Current Number of Holdings	58

<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.

<sup>7</sup>Effective March 1, 2022, transaction cut off times of the Fund have been temporarily adjusted until further notice. Announcements for changes of Fund cut off times shall be available on our website.

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

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>0.30</b>	<b>0.99</b>	<b>7.57</b>	<b>-4.49</b>	<b>10.67</b>	<b>140.58</b>
<b>Benchmark</b>	<b>-0.34</b>	<b>0.53</b>	<b>7.68</b>	<b>-4.02</b>	<b>13.53</b>	<b>142.66</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>-4.49</b>	<b>0.88</b>	<b>3.44</b>	<b>-1.75</b>	<b>-1.37</b>	<b>5.00</b>
<b>Benchmark</b>	<b>-4.02</b>	<b>0.91</b>	<b>4.32</b>	<b>-1.17</b>	<b>-0.59</b>	<b>5.05</b>

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

	YTD	2022	2021	2020	2019	2018
<b>Fund</b>	<b>0.99</b>	<b>-4.17</b>	<b>-0.40</b>	<b>-3.42</b>	<b>3.08</b>	<b>-6.39</b>
<b>Benchmark</b>	<b>0.53</b>	<b>-4.32</b>	<b>0.79</b>	<b>-2.29</b>	<b>4.38</b>	<b>-4.86</b>

### PORTFOLIO COMPOSITION

	Allocation	% of Fund
Equities		48.32
Cash		0.29
Corporates		9.61
Time Deposits and Money Market		3.43
Government		37.08
Other Receivables – Net of Liabilities <sup>6</sup>		1.26
<b>Sector Holdings</b>		
Holding Firms		16.00
Property		10.35
Financials		8.94
Services		5.45
Industrials		7.22
Mining and Oil		0.35

### TOP TEN HOLDINGS

Names	Maturity	%
Retail Treasury Bond	3/7/2028	8.55
SM Investments Corporation		7.08
Fixed Rate Treasury Note	2/14/2026	7.01
Retail Treasury Bond	8/12/2025	6.06
Retail Treasury Bond	3/4/2027	5.76
SM Prime Holdings, Inc.		4.83
Fixed Rate Treasury Note	4/8/2026	4.83
BDO Unibank, Inc.		3.81
Bank of the Philippine Islands		3.06
Ayala Land, Inc.		2.96

### 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 Wealth - A Trust Corporation ("BPI Wealth"):

ACEN Corporation Php 58.11 Mn, Ayala Corporation — Php 203.53 Mn, Ayala Land, Inc. — Php 213.30 Mn, Bank of the Philippine Islands — Php 174.28 Mn, Globe Telecom, Inc. — Php 27.55 Mn

Investments in the said outlets were approved by the BPI Wealth'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 Wealth's internal policy.

## OUTLOOK AND STRATEGY

### Market Review.

The BPI Government Bond Index returned 0.59% in March as the benchmark government yield curve flattened with the short-end of the curve rising and the long-end falling. Average daily trading volume rose to PHP14.83 billion from February's PHP11.91 billion with trades mostly seen on the long-end of the curve.

The Bureau of the Treasury (BTr) recently decreased each auction's offer size to PHP25 billion for the five FXTN issuances in March. The 6-year FXTN 7-67, 10-year FXTN 10-69, 13-year FXTN 25-7, 20-year FXTN 20-25, and 7-year FXTN 7-68 were all fully awarded at average yields of 6.172%, 6.378%, 6.167%, 6.631%, and 6.162%, respectively. Towards the end of the month, the BTr released the April auction schedule with four Treasury Bill auctions and four FXTN issuances (3-, 9-, 13-, and 7-year tenors) each with an offer size of PHP25 billion.

In the local space, February inflation printed lower than market expectations at 8.6% year-on-year. The decline in the February figure can be attributed to slower transport costs and flat utility inflation. Despite easing headline inflation, food inflation accelerated further as supply-side constraints continue. Consequently, the Bangko Sentral ng Pilipinas (BSP) hiked its policy rate by 25 basis points to 6.25% during the March Monetary Board meeting, reiterating its commitment to fighting elevated inflation. Furthermore, the central bank trimmed its 2023 inflation forecast to 6.0% from 6.1%.

The Philippine Stock Exchange Index (PSEi) displayed a roller coaster performance for the month following a slew of market moving events globally. The PSEi initially rose to as much as 2.4% before the news on Silicon Valley Bank (SVB) and Credit Suisse's collapse which sent shockwaves through the global financial system. The market also priced in the direction of the elevated interest rates and inflation.

Meanwhile, on the local economic front, the Bangko Sentral ng Pilipinas (BSP) raised policy rates by 25 basis points to 6.25% as Philippine Inflation remained high at 8.6%. In terms of inflation forecast, the BSP adjusted the 2023 and 2024 to 6.0% (from 6.1%) and 2.9% (from 3.1%), respectively. The local bourse gave up 0.9% to close at 6,499.68 in March.

In terms of average daily turnover, the local bourse was less active for the month at US\$130.9 million or 10.6% lower compared to 146.4 million registered in February. Meanwhile, Foreigners remained net sellers with an outflow of US\$498 million, further stretching the Year-to-date figure to US\$518 million. Foreign participation clocked in at 47% (from 48%).

For the individual stock performances, the top three index gainers for the month are as follows: TEL (+10.51%), DMC (+8.90%) and SCC (+7.83%). Meanwhile, the bottom three index performers include: CNVRG (-21.28%), MONDE (-18.66%) and AEV (-10.37%).

**Fund Performance.** The fund returned 0.30% in March, outperforming the benchmark by 64 basis points. Year-to-date, it outperformed the benchmark by 46 basis points with a return of 0.99%.

**Fund Strategy.** The Fund will remain defensive as volatility is expected to persist across financial markets on the back of elevated global inflation. This high inflationary environment could influence Central Banks to maintain interest rates higher for longer until it can contain consumer prices to manageable levels. The fund will take advantage in buying quality names on dips and sell on excessive market rallies.

For the fixed income portion of the fund, the Fund looks to maintain its underweight duration position given expectations of rising interest rates moving forward. Though inflation has exceeded the government's target range, the BSP remains vigilant in monitoring supply side pressures and potential second-round effects. 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 Wealth - A Trust Corporation ("BPI Wealth") is a subsidiary of the Bank of the Philippine Islands. For inquiries and comments, please send an email to [bpiwealth@bpi.com.ph](mailto:bpiwealth@bpi.com.ph) or call us at (02) 8580-2682.

BPI Wealth as Trustee/Investment Manager is regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>