

FUND FACTS

Classification:	Multi-asset Fund	Net Asset Value per Unit (NAVPU):	Php 117.77
Launch Date:	July 20, 2018	Total Fund NAV (Mn):	Php 143.03
Minimum Investment:	Php10,000.00	Dealing Day:	Daily up to 2:00 PM
Additional Investment:	Php1,000.00	Redemption Settlement:	T+2 End-of-Day
Minimum Holding Period:	None	Early Redemption Charge:	None

FEES*

Trustee Fees: 0.0255%* 0.030% per annum	Custodianship Fees: 0.0010%** HSBC	External Auditor Fees: 0.00%*** Isla Lipana	Other Fees: 0.00% None
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*Billings received for December 2023 divided by the average daily NAV for the month valued at Php 142.54 mn
 **Billings received for November 2023 divided by the average daily NAV for the month valued at Php 140.88 mn
 ***Billing is received at the last quarter of the year

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 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.

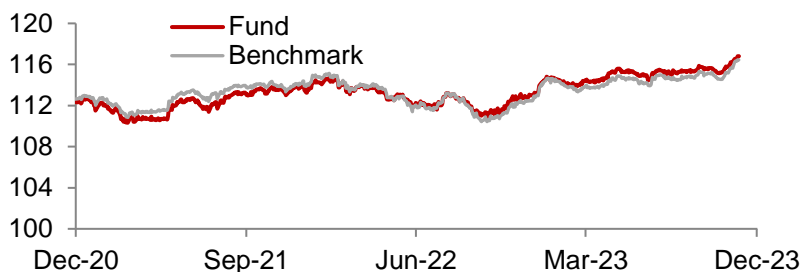
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

- 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.
- 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 NOVEMBER 30, 2023

(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	3 YR	S.I. ²
Fund	0.82	1.73	2.49	4.23	4.86	17.77
Benchmark	0.72	1.79	2.77	4.29	4.12	17.86

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	S.I. ²
Fund	4.23	1.86	1.59	3.05
Benchmark	4.29	1.46	1.36	3.06

	YTD	2022	2021	2020	2019	2018
Fund	4.23	-0.45	1.06	4.63	8.03	-0.64
Benchmark	4.29	-1.30	1.15	4.77	8.48	-0.40

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	66.09
Corporates	19.57
Cash	0.07
Time Deposits and Money Market	5.68
Equities	8.08
Other Receivables – Net of Liabilities ⁶	0.51
Sector Holdings	
Holding Firms	2.50
Property	1.81
Services	1.16
Financials	1.55
Industrials	1.07
Mining and Oil	0.00

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 2.55 Mn
 Ayala Corporation — Php 5.62 Mn
 Ayala Land, Inc. — Php 1.01 Mn
 Bank of the Philippine Islands — Php 4.87 Mn
 Globe Telecom, Inc. — Php 0.31 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.

NAVPU over the past 12 months

Highest	116.81
Lowest	112.49

STATISTICS

Portfolio Beta	1.04
Volatility, Past 1 Year (%) ³	1.75
Sharpe Ratio ⁴	-0.07
Information Ratio ⁵	-0.05
Current Number of Holdings	47

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.

TOP TEN HOLDINGS

Names	Maturity	%
Fixed Rate Treasury Note	2/14/2026	13.35
Retail Treasury Bond	3/12/2024	12.24
Retail Treasury Bond	3/4/2027	11.62
Retail Treasury Bond	8/22/2028	10.23
Retail Treasury Bond	8/12/2025	9.39
EDC Bond	6/25/2024	4.20
Retail Treasury Bond	3/7/2028	3.92
Time Deposit		3.58
Ayala Corporation	5/26/2027	3.39
Aboitiz Equity Ventures, Inc.	8/9/2025	2.67

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index returned 3.22% in November as the local yield curve bull steepened, dropping 69 basis points (bps) on average. Average daily trading volume for the month amounted to PHP29.54 billion significantly higher than October's PHP10.15 billion with trades mostly seen on the long end of the curve.

The Bureau of the Treasury (BTr) held five FXTN auctions in November. The first issuance, 5-year FXTN 10-64, was fully rejected by the BTr. Had the BTR fully awarded the paper, average yields would have risen to 7.196%. The 7-year FXTN 7-70 and 10-year FXTN 10-71 re-issuances were fully awarded at average yields of 6.807% and 6.781%, respectively. The last two issuances of the month, 15-year FXTN 20-23 and 6-year FXTN 7-68, had decreased offer sizes of PHP20 billion each and were fully awarded at average yields of 6.593% and 6.099%, respectively. Towards the end of the month, the BTr released the December auction schedule with two Treasury Bill auctions and two FXTN issuances (10- and 15-year tenors) with an offer size of PHP20 billion each.

In the local space, October headline inflation dropped to 4.9% year-on-year from the 6.1% print in September. The slowdown in inflation was mainly driven by lower food inflation with rice prices decreasing following peak harvest season and import arrivals. The third quarter GDP print came out at 5.9% year-on-year, exceeding market expectations of 4.7%. Coming from a contraction in the previous quarter, the economy rebounded given the 6.7% rise in government spending. Consequently, the Bangko Sentral ng Pilipinas (BSP) held its key policy rate at 6.5% during its November Monetary board meeting after delivering an off-cycle rate hike in the previous month. The central bank perceives the current policy settings to be appropriate until inflation move towards the target range. The BSP lowered its forecast for FY 2024 inflation to 4.4% from the previous 4.4% and 2025 to 3.4% from 3.5%. The central bank noted that growth outlook remains intact, and they remain ready to tighten further if needed.

The Philippine Stock Exchange Index (PSEi) finished the last month of the year on a strong note. The PSEi rose along with the global markets' rally on optimism spurred by the US Federal Reserve's (The Fed) decision to hold rates. Furthermore, the Fed discussed cutting rates in 2024 bolstering the dovish signal. On the local economic front, November inflation print was recorded at 4.1%, or lower than the 4.4% estimate. The PSEi rose by 3.64% month-on-month to close at 6,450.04 in December.

Trading activity improved to end the year, with average daily turnover registering at US\$89 mil or +25.4% month-on-month. Meanwhile, foreign buying was sustained for another month at US\$18 million with participation level at 49% in December. Foreigners continued to switch from banks to properties given the expected interest-rate scenario.

In terms of stock performance, the top three gainers for the month include: AGI (+15.10%), ICT (+14.37%) and JFC (+10.94%). Meanwhile, the bottom three performers were: ACEN (-8.75%), SMC (-5.46%) and AEV (-4.70%).

Fund Performance. The fund returned 0.82% in December, outperforming its benchmark by 10 bps. Year-to-date, the Fund registered a gain of 4.23%, behind the benchmark by 6 bps.

Fund Strategy. The Fund looks to maintain its current duration position as interest rates are expected to stabilize over the medium term. It will likewise continue to hold high quality corporate bonds for yield enhancement. Though inflation has exceeded the government's target range, the BSP remains vigilant in monitoring supply side pressures and potential second-round effects. Volatility will 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.

For equities: The Fund will continue to be defensive as volatility could persist given thin market liquidity and as interest rates remain elevated. The Fund will focus on companies with leading market capitalization.

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 bpwealth@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>