

FUND FACTS

Classification:	Balanced Fund	Net Asset Value per Unit (NAVPU):	Php 114.38
Launch Date:	July 20, 2018	Total Fund NAV (Mn):	Php 139.23
Minimum Investment:	Php10,000.00	Dealing Day:	Daily up to 1:30 PM ⁷
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 Wealth	HSBC	Isla Lipana	None

* As a percentage of average daily NAV for the quarter valued at Php 137.33 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.

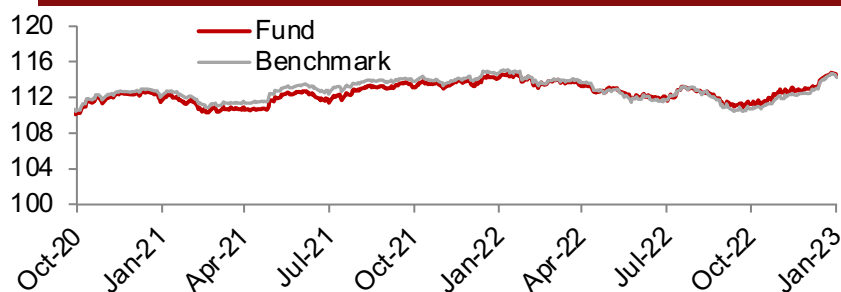
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

- 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.
- 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 JANUARY 31, 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	1.23	2.80	2.02	0.07	7.41	14.38
Benchmark	1.56	3.13	2.21	-0.54	7.35	14.78

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	S.I. ²
Fund	0.07	1.29	2.41	3.01
Benchmark	-0.54	0.97	2.39	3.08

	YTD	2022	2021	2020	2019	2018
Fund	1.23	-0.45	1.06	4.63	8.03	-0.64
Benchmark	1.56	-1.30	1.15	4.77	8.48	-0.40

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	56.79
Corporates	26.50
Cash	0.07
Time Deposits and Money Market	7.13
Equities	8.68
Other Receivables – Net of Liabilities ⁶	0.82
Sector Holdings	
Holding Firms	3.02
Property	1.78
Services	1.14
Financials	1.73
Industrials	1.02
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 2.58 Mn, Ayala Corporation — Php 9.09 Mn, Ayala Land, Inc. — Php 0.86 Mn, Bank of the Philippine Islands — Php 1.80 Mn, Globe Telecom, Inc. — Php 0.25 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	114.79
Lowest	110.80

STATISTICS

Portfolio Beta	1.01
Volatility, Since Inception (%) ³	2.90
Sharpe Ratio ⁴	-0.64
Information Ratio ⁵	0.30
Weighted Ave Duration (Yrs)	1.89
Current Number of Holdings	51

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.

⁷Effective 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.

TOP TEN HOLDINGS

Names	Maturity	%
Retail Treasury Bond	3/12/24	14.49
Fixed Rate Treasury Note	2/14/26	13.87
Retail Treasury Bond	8/12/25	6.81
Fixed Rate Treasury Note	9/10/23	6.03
Time Deposit		5.39
Fixed Rate Treasury Note	3/8/23	5.03
Energy Development Corp. Bond	6/25/24	4.27
Retail Treasury Bond	3/7/28	4.04
Ayala Corporation	5/26/27	3.57
Retail Treasury Bond	3/4/27	3.51

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index returned 3.51% in January, with benchmark government yields falling 70 basis points (bps) on average. Average daily trading volume rose to PHP17.55 billion from December's PHP9.65 billion with trades mostly seen on the belly of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in January. The first reissuance of the year, 7-year FXTN 7-68 was fully awarded at an average yield of 6.796%. The 13-year FXTN 25-8 was fully awarded at an average yield of 7.182% with a high bid-to-cover ratio of 5.29x. Yields in the belly and long end of the curve dropped following the strong auction participation. Consequently, the reissuances of the 20-year FXTN 20-25 and 10-year FXTN 10-69 were fully awarded at average yields of 6.525% and 5.913%, respectively. Towards the end of the month, the BTr released the February auction schedule with four Treasury Bill auctions and four FXTN issuances (13-, 5-, 3- and 10-year tenors).

Local inflation for the month of December rose by 8.1% year-on-year, higher than last month's 8.0%. This marked the highest year-on-year change since 2008, as food and fuel prices were affected by supply-side pressures and elevated holiday spending. The local economy expanded by 7.2% in the fourth quarter of 2022, boosted by consumption despite the highest inflation rate in 14 years. For the full year of 2022, GDP expanded by 7.6%. Central bank officials continued to reiterate that they remained prepared to adjust policy settings as needed, given persistently high CPI levels, as well as central bank tightening measures globally.

The Philippine Stock Exchange Index (PSEi) surged at the start of the year, rising as high as 7,137.62 intraday last 24 January. The market was propelled by several factors such as improved risk-appetite for emerging market (EM) securities on the back of China's reopening story, dovish signals from central banks and a slew of strong local economic indicators (4Q2022 Philippine GDP at 7.2%, the Peso strengthening further to Php54/USD level). However, the index fell and went into consolidation mode towards the latter part of the month, reversing a chunk of earlier gains. The PSEi closed at 6,793.25 or 3.45% higher month-on-month in January.

For January, trading activity was light compared to the previous month with the average daily value turnover at USD114.9 million (vs USD222 million in December). Foreigners were "Net Buyers" at USD122 million while foreign participation clocked in at 37%.

For the individual stock performances, the top index gainers for the month included: MONDE (+19.13%), MPI (+18.13%) and GTCAP (+17.24%). Meanwhile, the bottom index performers were as follows: ACEN (-8.14%), GLO (-7.34%) and SCC (-7.25%).

Fund Performance. The fund returned 1.23% in January, outperforming its benchmark by 33 bps.

Fund Strategy. The Fund looks to maintain its underweight duration position given expectations of rising interest rates moving forward. 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.

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 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>