

FUND FACTS

Classification:	Multi-asset Fund	Net Asset Value per Unit (NAVPU):	Php 118.34
Launch Date:	July 20, 2018	Total Fund NAV (Mn):	Php 143.71
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: 0.0254%* **Custodianship Fees:** 0.0011%** **External Auditor Fees:** 0.00%*** **Other Fees:** 0.00%

0.030% per annum

BPI Wealth

HSBC

Isla Lipana

None

*Billings received for January **Billings received for December ***Billing is received at the last

2024 divided by the average 2023 divided by the average daily quarter of the year

daily NAV for the month valued NAV for the month valued at Php

at Php 143.43 mn

142.54 mn

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.

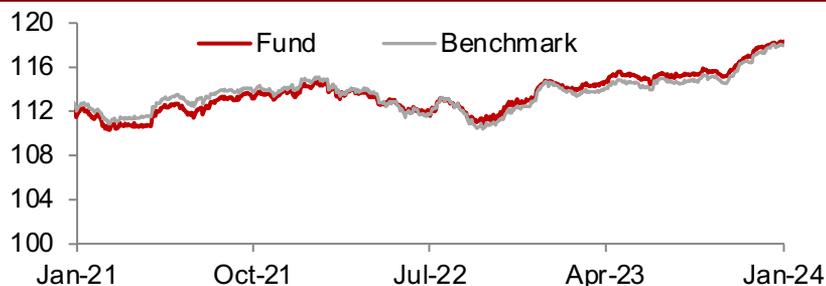
• THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

• 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 JANUARY 31, 2024

(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	0.48	2.73	2.61	3.46	6.14	18.34
Benchmark	0.64	3.05	2.75	3.35	5.36	18.62

ANNUALIZED PERFORMANCE (%) ¹

	1 YR	2 YRS	3 YRS	S.I. ²
Fund	3.46	1.75	2.01	3.09
Benchmark	3.35	1.38	1.76	3.13

	YTD	2023	2022	2021	2020	2019	2018
Fund	0.48	4.23	-0.45	1.06	4.63	8.03	-0.64
Benchmark	0.64	4.29	-1.30	1.15	4.77	8.48	-0.40

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	63.56
Corporates	17.82
Cash	0.07
Time Deposits and Money Market	9.49
Equities	8.27
Other Receivables – Net of Liabilities ⁶	0.79
Sector Holdings	
Holding Firms	2.56
Property	1.84
Services	1.16
Financials	1.68
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 2.50 Mn
 Ayala Corporation — Php 5.72 Mn
 Ayala Land, Inc. — Php 1.00 Mn
 Bank of the Philippine Islands — Php 3.93 Mn
 Globe Telecom, Inc. — Php 0.32 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	118.34
Lowest	113.87

STATISTICS

Portfolio Beta	1.04
Volatility, Past 1 Year (%) ³	1.64
Sharpe Ratio ⁴	-0.58
Information Ratio ⁵	0.10
Current Number of Holdings	45

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	2/14/26	13.29
Retail Treasury Bond	3/12/24	12.18
Retail Treasury Bond	3/4/27	11.51
Retail Treasury Bond	8/22/28	10.11
Retail Treasury Bond	8/12/25	9.36
Time Deposit		7.41
Energy Development Corp. Bond	6/25/24	4.18
Ayala Corporation	5/26/27	3.44
Aboitiz Equity Ventures, Inc.	8/9/25	2.68
Fixed Rate Treasury Note	4/27/30	2.42

OUTLOOK AND STRATEGY

Market Review. The BPI Government Bond Index returned -0.18% in January as the local yield curve bear steepened, rising 13 basis points (bps) on average. Average daily trading volume for the month amounted to PHP20.98 billion higher than December's PHP15.48 billion with trades mostly seen on the long end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in January, all of which are new issuances. The 3-year FXTN 03-30, 5-year FXTN 05-78, 7-year FXTN 07-71, and 10-year FXTN 10-72 were priced at coupon rates of 6.000%, 6.125%, 6.125%, and 6.250%, respectively. In addition, with the tender bids reaching more than PHP100 million, the BTr offer tap issuances for the 7-year and 10-year papers, awarding PHP5 billion each.

In the local space, December headline inflation fell sharply to 3.9% year-on-year from previous month's 4.1%. Despite the December figure being the slowest print since February 2022, average inflation for 2023 concluded at 6%, which is still above the BSP's target range of 2% to 4%. The slowdown was mainly driven by easing inflation from most commodity groups such as housing, water, electricity, gas, and other fuels. Although price pressures are starting to ease, the BSP noted the unlikelihood of cutting policy rates for the first half of the year due to risks of supply shocks, consistent with the tones of the FED and other central banks.

The Philippine Stock Exchange Index (PSEi) got off to a hot start in 2024. The early-year optimism, fueled by the prospects of potential rate cuts, has propelled risk assets to gain traction. Further bolstering this is the encouraging local macroeconomic data, which has boosted investor sentiment. Notably, December inflation data came in lower at 3.9% from November's 4.1% and below consensus estimates of 4.0%. In addition to that, 4Q2023 Philippine GDP growth was recorded at 5.6%, exceeding market expectations of 5.2%.

Against this backdrop, the PSEi concluded January at 6,646.44, marking a 3.04% month-on-month return.

Trading activity surged, with the average daily turnover registering at US\$104 mil or 16.6% month-on-month. Foreign investors opened the year as net buyers at positive US\$80 million in January with observable preference for big cap liquid names primarily holding firms and banks.

In terms of stock performance, the top three gainers for the month include: BLOOM (+13.62%), GTCAP (+12.80%) and MBT (+11.31%). Meanwhile, the bottom three performers were: NIKL (-11.68%), MER (-9.27%) and URC (-5.67%).

Fund Performance. The fund returned 0.48% in January, underperforming its benchmark by 16 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, but also opportunistic, 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 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>