

30 APRIL 2024

# Peso Balanced Fund

## FUND DETAILS:

Inception Date	25-May-05	Latest NAVPU	2.663500
Fund Manager	BPI Asset Mgmt. & Trust Corp.	Initial NAVPU	1.000000
Fund Currency	PHP	Highest NAVPU (04.02.2024)	2.750260
Fund Size	PHP 0.95 Billion	Lowest NAVPU (07.06.2005)	0.983102
Management Fee	1.75% p.a.	Pricing / Valuation	Daily

## Risk Classification

The Fund is suitable for investors with a moderately aggressive profile or for those who take medium to long - term views. As a marked -to-market Fund, its net asset value and total return may fall or rise as a result of interest rate movements and stock price movements. On redemption of units, a policyholder may receive an amount less than the original amount invested. Prior to investment in the Fund, the policyholder shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience.

## Market Commentary

The BPI Government Bond Index fell 2.11% in April as the local yield curve rose 64 basis points (bps) on average. Average daily trading volume for the month amounted to Php14.73 billion, lower than March's Php19.73 billion with trades mostly seen on the belly of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in April. The 7-year FXTN 07-71 was fully awarded at an average yield of 6.299%. The 10-year FXTN 10-72, and 20-year FXTN 20-26 reissuances were partially awarded at average yields of 6.365%, and 6.900%, respectively. The bids for the FXTN 20-23 issuance were fully rejected. Had the BTr awarded the bids for the 15-year paper, average rates would have risen to 6.987%.

April headline inflation accelerated further to 3.8% year-on-year from the previous month's 3.7%. Food inflation rose to 6.3% from March's 5.7%. Rice, however, recorded a lower inflation rate of 23.9% in April, down from 24.4% in March. Despite the recent spike in prices, inflation print managed to stay within the central bank's 2 to 4% target range. During the recent Monetary Board meeting, the BSP held their policy rate steady at 6.5% after a higher inflation figure. The central bank also revised their 2024 risk-adjusted inflation forecast from 3.9% to 4.0% as risks

to inflation remain tilted to the upside.

The PSEi fell 2.94% month-on-month (MoM) as it closed at the 6700.49 levels in April. This slashed the year-to-date (YTD) market return to 3.88% as sentiment turned cautious following escalation of geopolitical risks from the Middle East. This was triggered when Israel conducted an airstrike on an Iranian embassy complex in Syria that killed sixteen people including key Iranian military personnel. This action triggered a retaliatory missile and drone strike from Iran towards Israel. Israel reportedly responded by deploying military drones to attack Isfahan city in Iran which is home to several military bases and a key Iranian nuclear facility.

## Market Outlook

The portfolio will maintain its overweight duration position relative to the benchmark. We'll continue to look for opportunities to switch low-yielding securities to improve total portfolio yield. Sticky inflation and tight labor market remain to be the main deterrent for Fed to initiate a monetary policy pivot. On the contrary, BSP Governor Remolona has become more dovish in his recent pronouncements, signaling a possibility of a policy rate cut from the BSP ahead of the Fed.

Our strategy is to remain positioned in domestic equities but with underweight allocation and continue to focus on big cap liquid stocks. We continue to favor banks which benefit from the higher-for-longer interest rate theme. We like telcos and utilities that pay attractive dividends and tend to be defensive during times of market weakness. We also see good opportunity to slowly accumulate heavily sold-down big cap property stocks that are currently not favored by investors because of the delays in interest rate cuts despite resilient earnings.



**RISK RATING** ● ● ●  
**AGGRESSIVE**

Based on the Fund Manager's fund risk categorization

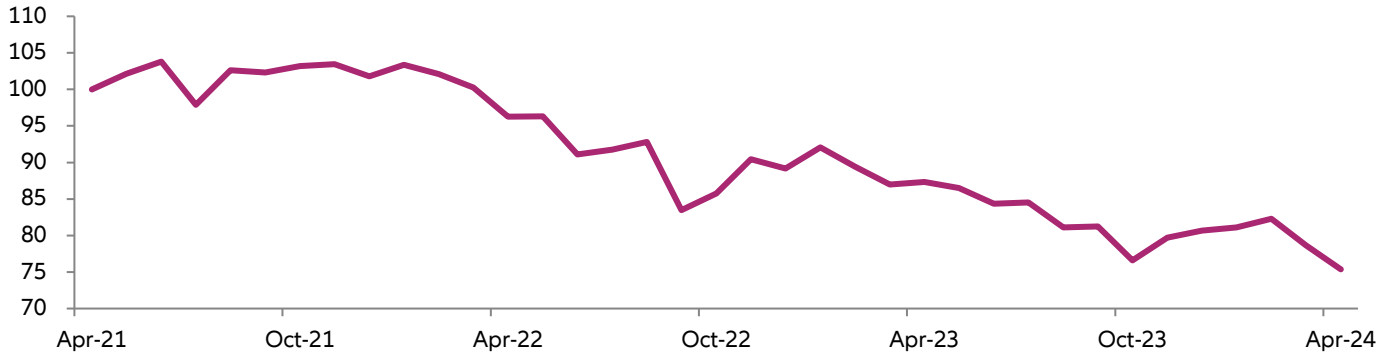
## Investment Objective

To attain long term capital and income growth by investing in both fixed income securities and a concentrated portfolio of stocks listed on the Philippine Stock Exchange

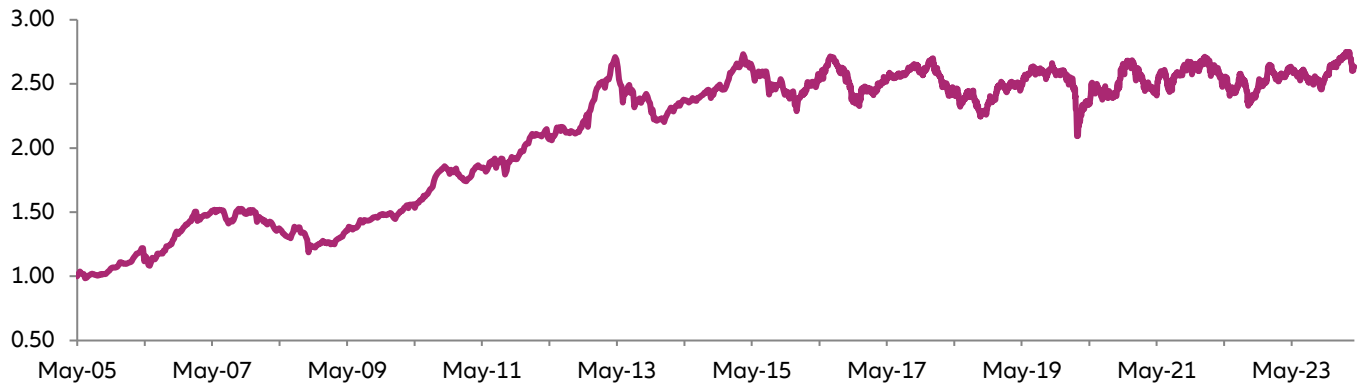
## Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	0.57%	3.14%	7.51%	6.82%	166.35%
Annualized	N/A	3.14%	2.44%	1.33%	5.31%

## Indexed Performance Over 3 Years (NAV - NAV)



## NAVPU Since Inception



## Portfolio Analysis

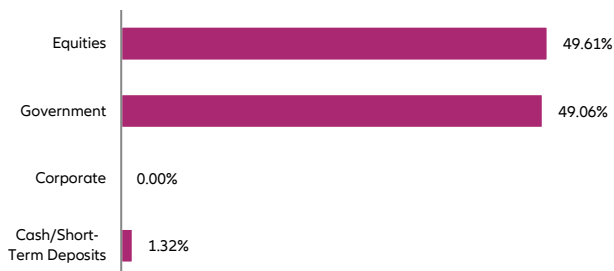
### Top 5 Fixed Income Holdings

Securities	%
FXT1068 -20320623-00911	8.4
RTB5-16 -20280307-00911	7.8
FXT2025 -20421124-00911	4.3
FXT2017 -20310719-00911	3.9
FXT2023 -20390124-00911	3.7
Total	28.0

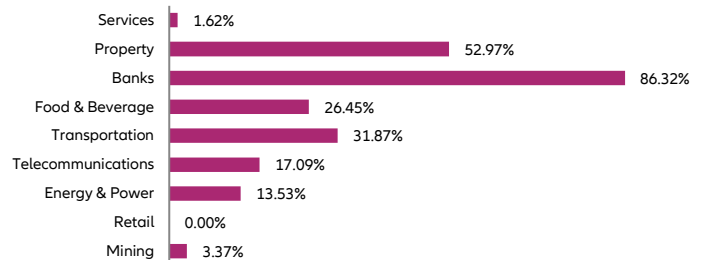
### Top 5 Equity Holdings

Securities	%
SM Investments Corp. (SM)	6.8
SM Prime Holdings, Inc.	5.1
Ayala Corporation	4.9
Ayala Land, Inc.	4.7
Banco de Oro	4.5
Total	26.0

## Asset Allocation



## Sector Allocation



### IMPORTANT NOTICE:

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