

31 MARCH 2022

Peso Balanced Fund

FUND DETAILS:

Inception Date	25 May 2005	Latest NAVPU	2.640481
Fund Manager	BPI Asset Management & Trust Corp.	Initial NAVPU	1.000000
Fund Currency	PHP	Highest NAVPU (04.08.2015)	2.732157
Fund Size	PHP 1.27 Billion	Lowest NAVPU (07.06.2005)	0.983102
Management Fee	1.75% p.a.	Pricing / Valuation	Daily



RISK RATING ●●●●○

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

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 returned -0.64% in March, with benchmark government yields rising 27 basis points (bps) on average. The PSEi fell 1.47% month-on-month (MoM) as it closed at 7,203.47 in March. Despite the geopolitical uncertainty caused by the Russia-Ukraine conflict, the PSEI managed to remain in positive territory year-to-date (YTD) with +1.13% return.

Inflation in March jumped to 4.0% from 3.0% the previous month. Pump prices rose for 11 straight weeks until late March leading higher transport costs, and eventually, rippled through other commodities. The Bangko Sentral ng Pilipinas (BSP) kept the policy rate steady at 2% during their March meeting while raising its last month's forecast to 4.3% from 3.7% for full year 2022 inflation and 3.6% from 3.3% for 2023. BSP Governor Diokno said the central bank is keenly aware that inflation will likely remain elevated due to domestic and global supply side pressures. With daily new cases of COVID-19 slowing down, Metro Manila and other cities eased to Alert Level 1 lockdown for March allowing full capacity in establishments and public

transportation.

Market Outlook

The fixed income portfolio maintained its underweight duration position relative to the benchmark.

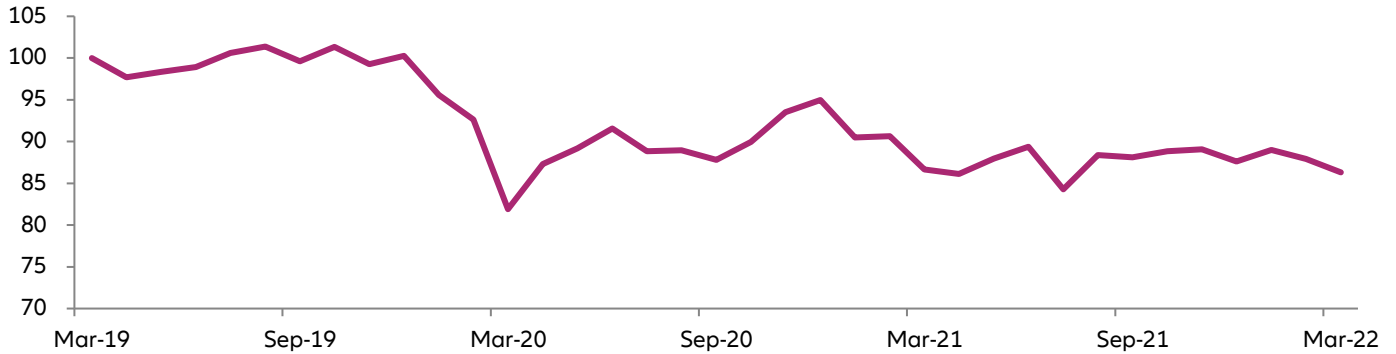
Global high inflation poses the greatest risk to interest rates currently. The Fed is now willing to take more aggressive measures to curb inflation with its latest meeting minutes hinting on a more aggressive pace of rate hikes and balance sheet reduction to possibly start as early as May. Locally, inflation will likely exceed central bank upper band once again. Recent rhetoric from the BSP turned hawkish recently especially after March inflation exceeded expectations.

On the equities side, we will continue to take a defensive stance given the uncertainties. We will take advantage of the heightened market volatility and take profit on stocks that have outperformed benchmark index and on companies that have already priced-in the reopening story. We would also favor high quality stocks with attractive dividend yield, which can be defensive and outperform in a weak market.

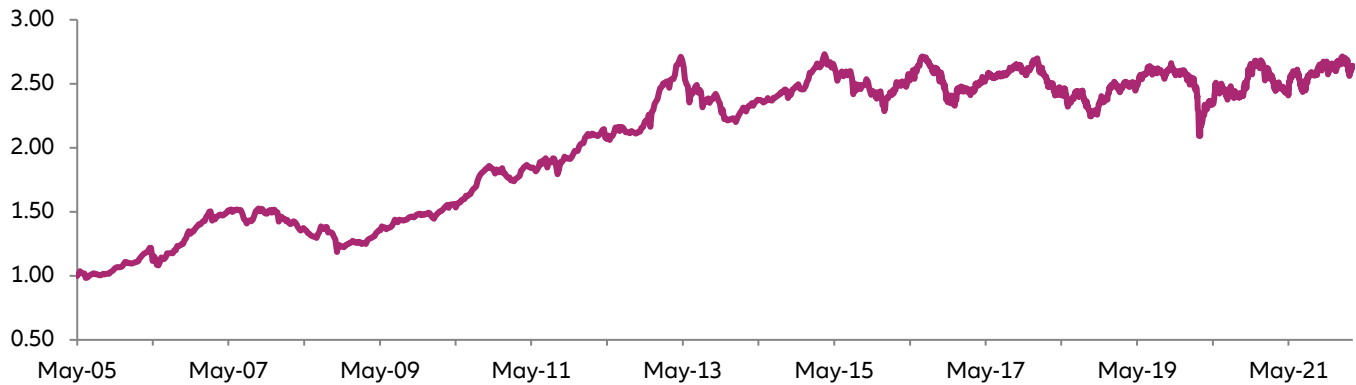
Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	-0.46%	6.16%	5.31%	7.61%	164.05%
Annualized	N/A	6.16%	1.74%	1.48%	5.93%

Indexed Performance Over 3 Years (NAV - NAV)



NAVPU Since Inception



Portfolio Analysis

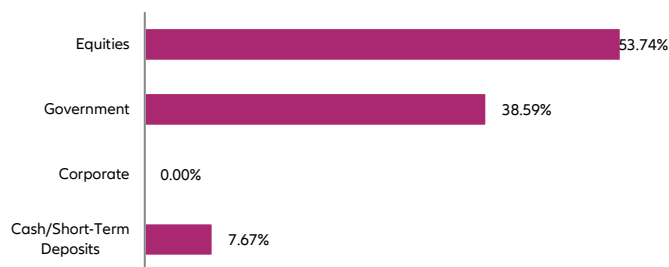
Top 5 Fixed Income Holdings

Securities	%
Cash/Short-Term Deposits	7.7
FXT3-24 -20220704-00911	4.5
RTB5-12 -20240312-00911	4.5
RTB5-15 -20270304-00911	4.2
FXT2017 -20310719-00911	3.2
Total	24.2

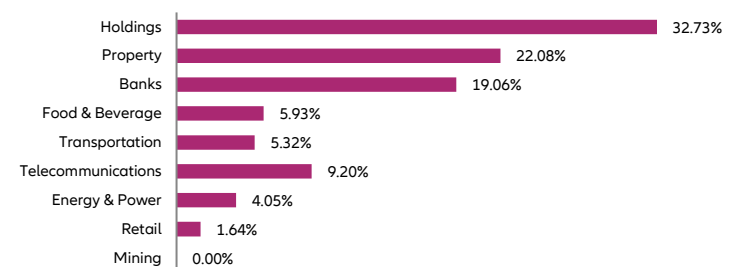
Top 5 Equity Holdings

Securities	%
SM Investments Corp. (SM)	6.2
SM Prime Holdings, Inc.	5.3
Ayala Corporation	4.7
Ayala Land, Inc.	4.2
Banco de Oro	4.0
Total	24.4

Asset Allocation



Sector Allocation



IMPORTANT NOTICE:

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