

# PESO BALANCED FUND

## 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.

31 MAY 2019

## FUND DETAILS:

|                |                                    |                            |          |
|----------------|------------------------------------|----------------------------|----------|
| Inception Date | 25 May 2005                        | Latest NAVPU               | 2.507698 |
| Fund Manager   | BPI Asset Management & Trust Corp. | Initial NAVPU              | 1.000000 |
| Fund Currency  | Peso                               | Highest NAVPU (04.08.2015) | 2.732157 |
| Fund Size      | Php1.44 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 prices 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 rose 2.05% in May, with yields of benchmark government securities falling an average of 36.3 basis points. May 2019 inflation surprised at 3.2%, higher than April's 3.0%. This brings the YTD inflation average at 3.54%, still within BSP's 2-4% target range. The food basket's disinflation lost its momentum as prices increased. This was because the timid drop in rice prices was offset by the increase in fruits and vegetables. The utilities sub-index posted slightly higher inflation as demand due to the hot weather pushed electricity generation charges higher.

The PSEi was little changed in May as it closed at 7,970.02, up 0.2175% month-on-month, a few points short of the 8,000 level. Volatility persisted during the month as trade tension between China and the US escalated, which triggered sell-off across the region. On the local front, first quarter 2019 (1Q19) earnings were underwhelming as "misses" outnumbered "beats" based on consensus forecasts. Companies with good interim results were rewarded by the market.

## MARKET OUTLOOK

Despite market volatilities arising from disappointing local earnings coupled with the geopolitical risks between China and the US, local market fundamentals continue to be strong. Thus, the Philippines remain as an emerging safe haven for both local and foreign investors.

Our strategy is to increase equity positions closer to neutral as the market continues to consolidate at the current valuation levels. For the fixed income side, underweight duration relative to benchmark will be reduced. Strong local fundamentals are seen to continue supporting dollar-denominated bond prices, while global events remain likely to add volatility.

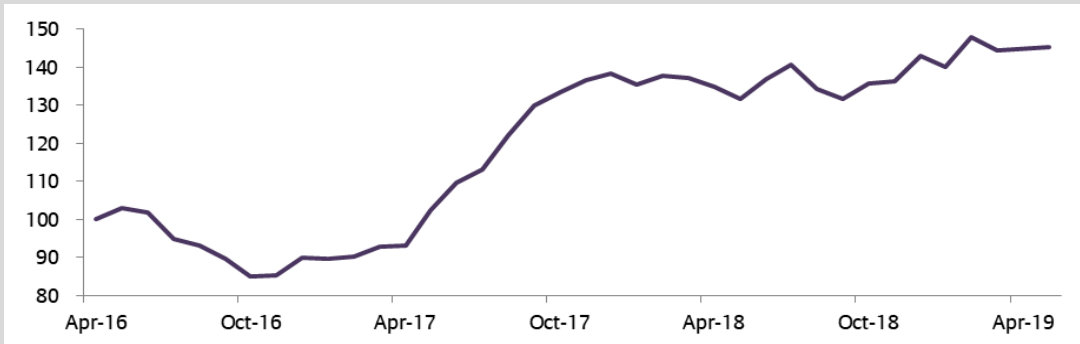


RISK PROFILE ●●●●○

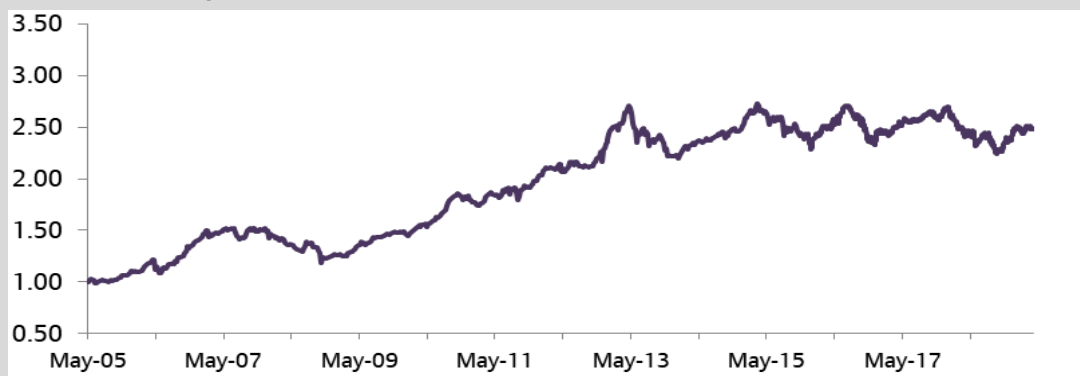
## Performance Overview

| Performance History | Year To Date | 1 Year (YoY) | 3 Years (YoY) | 5 Years (YoY) | Since Inception |
|---------------------|--------------|--------------|---------------|---------------|-----------------|
| Absolute            | 5.58%        | 4.30%        | -1.72%        | 5.74%         | 150.77%         |
| Annualized          | N/A          | 4.30%        | -0.58%        | 1.12%         | 6.78%           |

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



## NAVPU Since Inception



## PORTFOLIO ANALYSIS

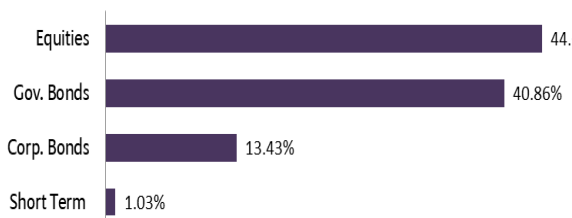
### Top 5 - Fixed Income Holdings

| Securities                  | %           |
|-----------------------------|-------------|
| FXTN 20-17 6.40% 07/19/2031 | 17.4        |
| TBILL 10/02/2019            | 5.5         |
| FXTN 20-23 6.75% 01/24/2039 | 4.2         |
| RTB 5-12 6.25% 03/12/2024   | 3.0         |
| Petron Corp Bond 4/19/2024  | 2.9         |
| <b>Total</b>                | <b>33.1</b> |

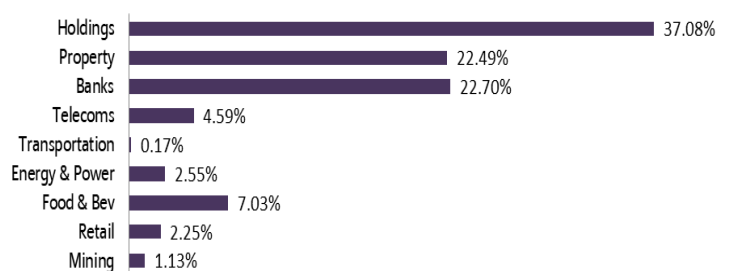
### Top 5 - Equities Holdings

| Securities                  | %           |
|-----------------------------|-------------|
| SM Investments Corp. (SMIC) | 4.6         |
| SM Prime Holdings (SMPH)    | 4.3         |
| Ayala Corp. (AC)            | 4.2         |
| Ayala Land Inc. (ALI)       | 4.0         |
| Banco de Oro Unibank (BDO)  | 3.7         |
| <b>Total</b>                | <b>20.9</b> |

### Asset Allocation



### Equities (Sector) Allocation



#### IMPORTANT NOTICE:

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