

# 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 JANUARY 2019

## FUND DETAILS:

Inception Date	25 May 2005	Latest NAVPU	2.479160
Fund Manager	BPI Asset Management & Trust Corp.	Initial NAVPU	1.000000
Fund Currency	Peso	Highest NAVPU (04.08.2015)	2.732157
Fund Size	Php1.42 Billion	Highest 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.

Meanwhile, the country's trade deficit widened to US\$9.47Billion in November (+19% year-on-year) as imports moderated to US\$9.47Billion (+7% year-on-year) while exports remained weak at US\$5.57Billion (-0.3% year-on-year).

## MARKET OUTLOOK

We remain underweight on equities due threat of global economic slowdown and our expectation of elevated interest moving forward. We remain defensive in our equities strategy and use the recent market rally as an opportunity to lock-in profits. We remain active in our stock selection process and asset allocation strategy to beat benchmark and outperform our peers this 2019. We remain opportunistic in our trading strategy and plan to increase exposure when market falls to 7,600 level or lower. We will continue to create a quality portfolio with preference for large caps. We will remain overweight on banks and companies that have low leverage due to expected higher interest rates moving forward. We also like consumer companies and retail related companies since these sectors will benefit from stable inflation and upcoming election. We are also strategically overweight on property sector owing to government pivot to China and plans to boost infrastructure spending.

## MARKET COMMENTARY

Philippines' fourth quarter GDP grew 6.1% while for full-year 2018 it was at 6.2%. The 4th quarter GDP was slightly below the consensus forecast of 6.3% due to slower growth in domestic demand. This was caused by slower government consumption (+11.9%) and capital formation (+5.5%). The government is maintaining its 7% to 8% target for 2019 onwards. CPI for December came in at 5.1%, much lower than consensus estimate of 5.6%. Prices of food basket and transport services led the decline in CPI.

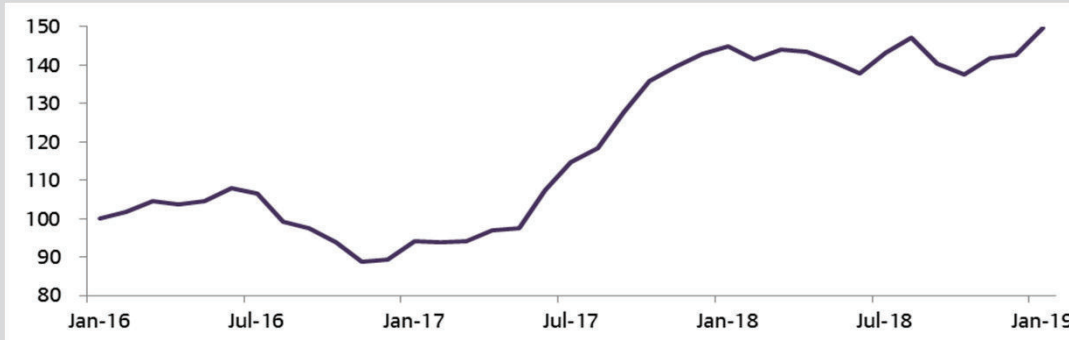


RISK PROFILE ●●●●○

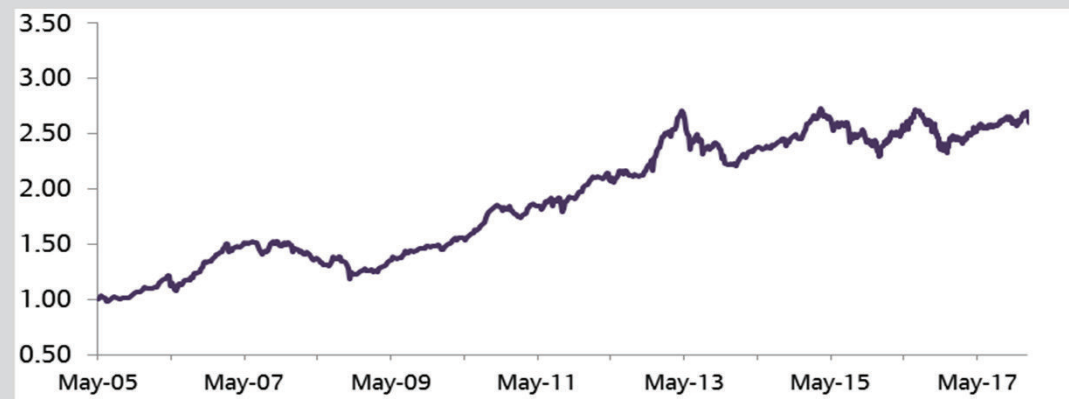
## Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	4.38%	-7.36%	3.75%	11.34%	147.92%
Annualized	N/A	-7.36%	1.24%	2.17%	6.85%

Market Performance Over 5 Years (NAV - NAV)



## NAVPU Since Inception



## PORTFOLIO ANALYSIS

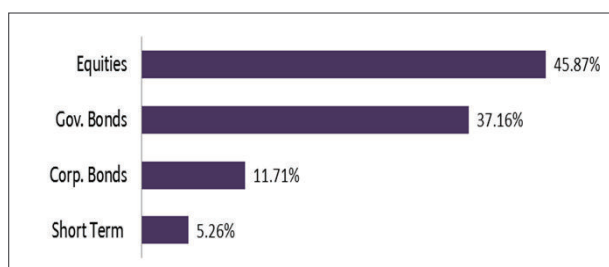
### Top 5 - Fixed Income Holdings

Securities	%
FXTN 20-17 6.40% 07/19/2031	16.8
TBILL 10/02/2019	6.8
Short Term Deposits / Cash	5.3
RTB 5-11 4.625% 12/04/2022	4.7
PCOR BOND 04/19/2024	2.8
<b>Total</b>	<b>36.4</b>

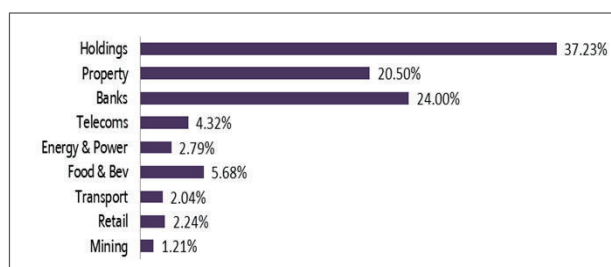
### Top 5 - Equities Holdings

Securities	%
SM Investments Corp. (SM)	4.8
Ayala Land Inc (ALI)	4.1
BDO Unibank, Inc. (BDO)	3.9
SM Prime Holdings. (SMPH)	3.9
Ayala Corp. (AC)	3.7
<b>Total</b>	<b>20.4</b>

### Asset Allocation



### Equities (Sector) Allocation



#### IMPORTANT NOTICE:

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