



FUND FACT SHEET

All data as of August 31, 2023 unless otherwise stated

Fund Objective and Strategy

The Fund aims to achieve long-term capital growth by investing in a diversified portfolio of equity and fixed income securities. The Fund aims to provide excess return over the composite benchmark, 50% Philippine Stock Exchange index (PSEi) and 50% return of the BPI Philippine Government Bond 1-5 Year Index, net of tax.

Fund Details

Fund Manager	BPI WEALTH – A Trust Corporation
Inception Date	March 12, 2015
Fund Classification	Balanced Fund
Fund Size	PHP2,960.11 Million
Fund Currency	Philippine Peso
No. of Holdings	55
Fund Management Fee	1.50% per annum

Highest and Lowest Unit Price Achieved

Initial (12 March 2015)	1.0000
Highest (30 January 2018)	1.0793
Lowest (17 March 2020)	0.8382
NAVPU – 31 August 2023	0.9236

Risk Classification

The Fund is suitable for investors with an aggressive profile or for those who take long-term views. As a marked-to-market UITF, the Fund's net asset value and total return may fall as well as rise as a result of stock prices and interest rates movements. On redemption of units, an investor may receive an amount less than the original amount of investment. Prior to investment in the Fund, the investor 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.

BPI-Philam Balanced Fund Market Commentary

The BPI Government Bond Index returned 0.50% in August as the belly of the curve dropped while the short end of the curve went up. The average daily trading volume for the month amounted to PHP16.82 billion similar to July's PHP16.94 billion with trades mostly seen on the short end of the curve.

The Bureau of the Treasury (BTr) held five FXTN auctions in August. A new 10-year paper issuance, FXTN 10-71, was fully awarded at a coupon rate of 6.625%. The 5-year FXTN 10-63 and 6-year FXTN 7-68 re-issuances were partially awarded at average yields of 6.337% and 6.468% while the 5-year FXTN 10-64 re-issuance was fully awarded at an average yield of 6.220%. The 15-year FXTN 20-23 re-issuance was the first auction rejected for the year. Had the BTr fully awarded the paper, average yields would have risen to 6.927%. Towards the end of the month, the BTr released the September auction schedule with four Treasury Bill auctions and four PHP30 billion FXTN issuances (3-, 7-, 10-, and 3-year tenors). In the local space, July headline inflation eased further to 4.7% year-on-year, from last month's 5.4%. The food, utilities, and transport prices drove the inflation lower marking six straight months of deceleration. The Philippine economy grew weaker than expected at 4.3% in the second quarter of the year, compared to the market expectation of 6%. Growth momentum was at its slowest pace since 2011 due to above-target inflation, elevated borrowing costs, and government underspending. The Bangko Sentral ng Pilipinas (BSP) kept its policy rate at 6.25% for the third time. BSP Governor Eli Remolona reiterated that they remain data-dependent but ready to hike policy rates if necessary. The BSP revised its inflation forecast upward, settling at 5.6% (from 5.4%) for 2023 and 3.3% (from 2.9%) for 2024 due to developments in global energy and food prices.

The local equities market sharply declined given the combination of illiquid market condition and worrisome macroeconomics data on both local and global space which forced investors to err on the side of caution. According to the minutes of the latest FOMC meeting of US Federal Reserve's (The Fed), officials spoke with a hawkish tone – expressing concerns on inflation pace which might lead to more rate hikes. Moreover, selling pressure intensified following the release of the 2nd quarter Philippines GDP which came out a shocker. The local economy grew at 4.3% which was way below consensus estimates of 6.0% – mostly due to the steep decline in government expenditures (-7.0% YoY). The PSEi dropped by 6.3% to close at 6,175.25 in August.

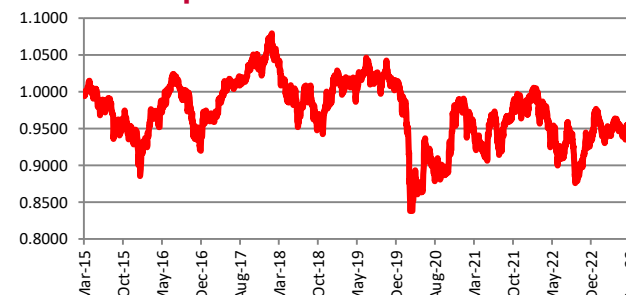
Activity in August improved as Average Daily Turnover came in at Php5.21 billion from Php3.46 billion in the prior month. Foreigners remained net sellers at US\$131 million with large flows coming out of index heavyweights SM and SMHP. Moreover, the MSCI quarterly rebalancing which indicated a reduction in the country's weighting further added to the sell-off.

For stock performances, the top three gainers for the month were as follows: SCC (+10.92%), GTCAP (+5.05%) and MPI (+3.70%). Meanwhile, the bottom three index performers included: CNVRG (-23.07%), JGS (-15.10%) and AEV (-12.64%).

Cumulative Performance (%)

YTD	6 Months	1YR	2YR	Since Inception
-1.02	-1.69	-1.58	-3.64	-7.64

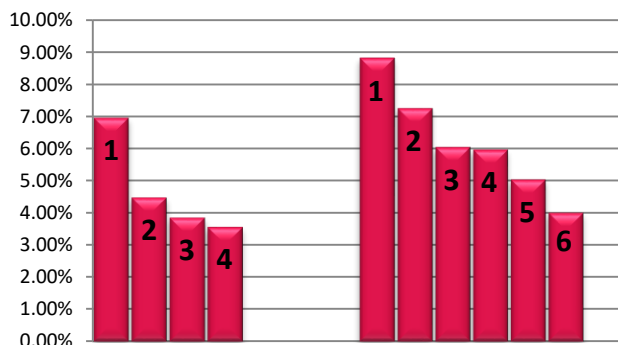
NAVPU Graph



PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	46.19
Cash	0.23
Corporates	8.94
Time Deposits and Money Market	0.81
Government	43.51
Other Receivables - Net of Liabilities	0.33

TOP HOLDINGS Asset Allocation



Top Equity Holdings

① SM Investments Corporation	6.96%
② SM Prime Holdings, Inc.	4.49%
③ BDO Unibank, Inc.	3.86%
④ Bank of the Philippine Islands	3.57%

Top Fixed Income Holdings

① Retail Treasury Bond 3/7/2028	8.82%
② Fixed Rate Treasury Note 2/14/2026	7.26%
③ Retail Treasury Bond 8/12/2025	6.05%
④ Retail Treasury Bond 3/4/2027	5.97%
⑤ Fixed Rate Treasury Note 4/8/2026	5.04%
⑥ Retail Treasury Bond 8/22/2028	4.01%

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