



**BPI PHILAM**

LIFE ASSURANCE CORPORATION

'19

# FUND PERFORMANCE REPORT

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BPI-Philam Life Assurance (BPLAC) Corp. Variable Unit-Linked  
Funds Annual Report and Statement of Assets and Liabilities  
(CITI-BPLAC)

The background of the page features a semi-transparent red overlay over a photograph of a large stadium with tiered seating. A white line graph is overlaid on the stadium image, showing a fluctuating trend line. The year '2019' is prominently displayed in large white font in the center of the page.

# 20 19

## Fund Performance Report

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A photograph of a person's hands pointing at a document with a pen, overlaid with a red filter. The person is wearing a dark jacket. The document has a circular logo and some text. The background is a solid red color.

# **+ LETTER TO POLICY HOLDERS**



## Surendra Menon

Chief Executive Officer  
BPI-Philam Life Assurance Corporation

### Dear Policyholder,

2019 was a challenging year for the economy worldwide. International economic growth slowed to 2.9% this year, from 3.6% in 2018. Trade tensions between the United States and China rose again, resulting in tariff increases and negative business sentiments across the globe.

To adapt, central banks in the largest economies shifted towards easy monetary policy. Consequently, financial conditions slowly improved, and, in the case of the Philippines, even more so than the year before. This, along with easing inflation, provided an ideal environment for local bonds.

#### All funds performed better in 2019 compared to 2018.

As bond prices soared, funds that were invested in Philippine Peso- and U.S. Dollar-denominated Philippine government securities recorded their best performances in the last 10 years. The stock market recovered, though mildly, even as listed companies' profits grew 13%.

Despite the volatility in the global market, BPLAC withstood the challenges. We maintained our strength and leadership in the industry with a strong financial performance in 2019 based on our audited financial statements:

- Total Assets: PHP 109.10 billion
- Net Worth: PHP 8.08 billion
- Paid up Capital: PHP 0.75 billion
- Gross Premiums: PHP 17.79 billion
- Net Income: PHP 1.21 billion

Thank you for choosing us as your partner in financial security. With insurance, we help millions of people protect their wealth and live healthier, longer, and better lives.

Sincerely,

**SURENDRA MENON**

Chief Executive Officer

Should you have any inquiries, please do not hesitate to call us at (02) 8528-5480 or (02)8528-5477, or send us an email at [BPLACCustomerService@aia.com](mailto:BPLACCustomerService@aia.com).

# STATEMENT OF ASSETS AND LIABILITIES

as of December 31, 2019

## BPLAC PESO VARIABLE FUNDS

In PHP Equivalent

	Premier Philam Bond Fund	Premier Philam Strategic Growth Fund	Premier Philam Equity Index Fund
<b>ASSETS</b>			
Cash and cash equivalents	–	–	–
Financial assets at FVTPL*	963,869,985	6,034,011,779	80,077,572
Loans and receivables	679,900	85,291	77,344
Accrued income and Other Assets	–	–	–
<b>Total Assets</b>	<b>964,549,884</b>	<b>6,034,097,070</b>	<b>80,154,916</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	52,942	–	69,454
<b>Total Liabilities</b>	<b>52,942</b>	<b>–</b>	<b>69,454</b>
<b>Net Asset Value (NAV)</b>	<b>964,496,942</b>	<b>6,034,097,070</b>	<b>80,085,461</b>
	–	–	–

\* Fair Value through Profit or Loss

## BPLAC DOLLAR VARIABLE FUNDS

In USD Equivalent

	Premier Philam Dollar Bond Fund	Premier Philam Asia Balanced Fund	Premier Philam Global Equity Fund
<b>ASSETS</b>			
Cash and cash equivalents	–	–	188,373
Financial assets at FVTPL*	13,519,572	1,643,684	65,245,418
Loans and receivables	2,894	232	109,035
Accrued income and Other Assets	–	–	–
<b>Total Assets</b>	<b>13,522,466</b>	<b>1,643,916</b>	<b>65,542,826</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,864	447	293,521
<b>Total Liabilities</b>	<b>1,864</b>	<b>447</b>	<b>293,521</b>
<b>Net Asset Value (NAV)</b>	<b>13,520,602</b>	<b>1,643,468</b>	<b>65,249,305</b>
	–	–	–

\* Fair Value through Profit or Loss

# STATEMENT OF ASSETS AND LIABILITIES

as of December 31, 2019

## BPLAC DOLLAR VARIABLE FUNDS

In USD Equivalent

	Philam Global Multi Asset Fund	Philam Global Fixed Income (Core) Fund
<b>ASSETS</b>		
Cash and cash equivalents	5,824	1,067
Financial assets at FVTPL*	9,184,179	196,943
Loans and receivables	5,072	–
Accrued income and Other Assets	–	–
<b>Total Assets</b>	<b>9,195,075</b>	<b>198,010</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	45,614	1,561
<b>Total Liabilities</b>	<b>45,614</b>	<b>1,561</b>
<b>Net Asset Value (NAV)</b>	<b>9,149,462</b>	<b>196,450</b>
	–	–

\* Fair Value through Profit or Loss



**+ MARKET  
REVIEW**



## General Market Overview

The markets fared better in 2019, following an eventful 2018.

Inflation, the 'front and center' of uncertainty in 2018, eased. Inflation decelerated, despite new taxes added on oil and tobacco.

As inflation fell from 5.1% (end-2018) to 2.5% (end-2019), the Bangko Sentral ng Pilipinas (BSP) lowered its policy lending rate three times in 2019, or a total of 75 basis points, to 4.0%, from 4.75% at end-2018.

The Philippine peso appreciated to PHP50.63/USD (from PHP52.58/USD), even as the U.S. dollar strengthened against most other currencies.

## The Local Economy

Gross Domestic Product (GDP) growth decelerated from 6.2% (2018) to 5.9% (2019), mainly on account of the contraction in investment spending and slowdown in manufacturing output.

Government spending, which grew 10.5%, led growth in total demand. Consumer spending still accounted for the lion's share of GDP, at 68%.

In total output, Services led, expanding 7.1%, with the Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods, and, Financial Intermediation sectors driving growth at 8.0% and 10.4%, respectively.



## Local Fixed Income Market

The BPI Philippine Government Bond Index delivered 19.23% in returns to investors in 2019 – a reversal from the 4.4%-loss the year before.

Bond prices soared, resulting in yields declining to the year's low of 4.25% (August), from 7.04% at the end of 2018. To recall, bond prices declined in 2018 as the Bangko Sentral ng Pilipinas raised its policy lending rate from 3.0% to 4.75% amidst the spike in inflation.

In 2019, fund durations were lengthened to take advantage of monetary easing amid declining inflation and slowing global economic growth. The funds also opportunistically bought corporate securities that offered good yield premia over government securities.

Looking ahead, bond prices may remain volatile, as the virus Covid-19 takes its toll on the Philippine economy and the BSP eases monetary policy further.

2020 may (or may not) witness the following: banks' reserve requirement ratios reducing to  $\leq 12.0\%$  (from 14%) and BSP's policy lending rate declining to  $\leq 2.75\%$  (from 4.0%).

That said, investment returns from our bond funds will be driven by accrual income, primarily.

## Local Equity Market

2019 was a better year for local equities, registering 4.68% in returns. In 2018, the benchmark Philippine Stock Exchange Index (PSEi) declined 12.76%.

The benchmark closed 2019 at 7,815, following a year of heightened volatility. Foreign-domiciled funds were net sellers of USD240 million. The re-balancing exercise in Morgan Stanley Capital International (MSCI) indices and continuing trade conflict between the U.S. and China generated a "risk-off" sentiment in emerging markets including the Philippines. These concerns were compounded by the unexpected decision of government to review water concessions to which foreign investors expressed uneasiness.

The funds positioned defensively for most of 2019 (because of foreign outflows resulting from MSCI rebalancing, weaker GDP growth, and US-China trade war) and were overweight in cash, though this was reduced in the latter part of the year. Sector-wise, the funds were overweight in banks and property, and, underweight in telecommunications.

At the end of 2019, the funds had adopted a 'wait and see' strategy, given the uncertainty of decisions on regulatory issues, the possibility of lower oil prices and lower inflation. Taking a long-term perspective, nonetheless, appears positive as profits of companies grow at 9-10% a year which, in turn, could attract money flows to the local stock market.

The PSEi may be quite volatile in 2020. This scenario considers the following: 1) implications of Covid-19 on the economy; 2) continuing regulatory risks; 3) a significant contraction in GDP in 2020; 4) timely passage of the government budget (PHP4.1 trillion); and, 5) deterioration in US-China trade relations.



## Global Fixed Income Market

Global fixed income securities returned 2.52%, as central banks globally reduced policy rates to stimulate their economies. In 2019, the US Federal Reserve reduced its policy lending rate from 2.50% to 1.75%.

For most of 2019, global bond yields were declining. In 4Q19, though, yields rose, after risk sentiment improved. The U.S. 10-year Treasury yield rose from 1.66% in September to 1.91% by end-December.

Fund durations were lengthened to take advantage of US Federal Reserve monetary easing. Funds also opportunistically bought corporate securities that offered good yield premia over government securities.

Going into 2020, yields may continue to be volatile, following the multi-year low in 10-year US Treasuries as investors move to safe-haven assets. The crucial events to monitor in 2020 are: the implementation of Covid-19 measures globally, movement of oil prices, and the upcoming US elections.

## Global Equity Market

The S&P 500 index wrapped up 2019 with 28.88% return, its best return since 2013. The Dow Jones Industrial Average index (DJIA) and Nasdaq Composite Index gained +22% and +35%, respectively.

Equity markets, as well as global economic growth, appeared sensitive to news relating to US and China trade negotiations. As trade activity slowed and sentiment deteriorated, global Purchasing Managers' Indices fell. To support global growth, central banks had to reduce their policy rates.

In the last Federal Open Market Committee meeting in December, the Committee shifted to a "wait and see" stance after deeming the current policy rate as appropriate and supportive of the economic outlook.

The global equity fund was overweight in Technology and Healthcare stocks. Geographically, the fund was most underweight in Japan.

In 2020, we expect stock markets globally to be more volatile than usual as Covid-19 impacts the global economy and the US presidential elections generate uncertainty. It remains to be seen whether the S&P will outperform other developed markets on the back of the continued strength of the USD, as investors move to safer haven assets.



## Premier Philam Bond Fund

Fund Inception Date: February 3, 2015

The Premier Philam Bond Fund (the "Fund") is a peso-denominated single-asset fund created for peso variable life insurance contracts issued by BPI-Philam Life Assurance (BPLAC) Corporation. The Fund is fully invested in Philam Asset Management Inc.'s Philam Bond Fund (PBF). The PBF is an open-ended mutual fund with a portfolio composed of government securities and high-grade commercial papers. The investment focus of this fund is capital preservation. A programmed capital build-up can be used for retirement, education, incentive programs, and other individual or corporate financial purposes.

### FUND PERFORMANCE<sup>a</sup>

2019 Return	11.53%
2018 Return	-3.21%
2017 Return	0.11%
2016 Return	1.51%
2015 Return	-3.63%
3 Year Return ( annualized as of Dec 31, 2019)	2.62%
Return since Inception (as of Dec 31, 2019)	5.73%

<sup>a</sup> Returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

**PORTFOLIO STATISTICS (as of Dec 31, 2019)**

Net Asset Value (NAV in PHP thousands) <sup>b</sup>	964,497 <sup>c</sup>
Net Asset Value per Unit	1.0573

**b** NAV is net of 1.5% policy management charge

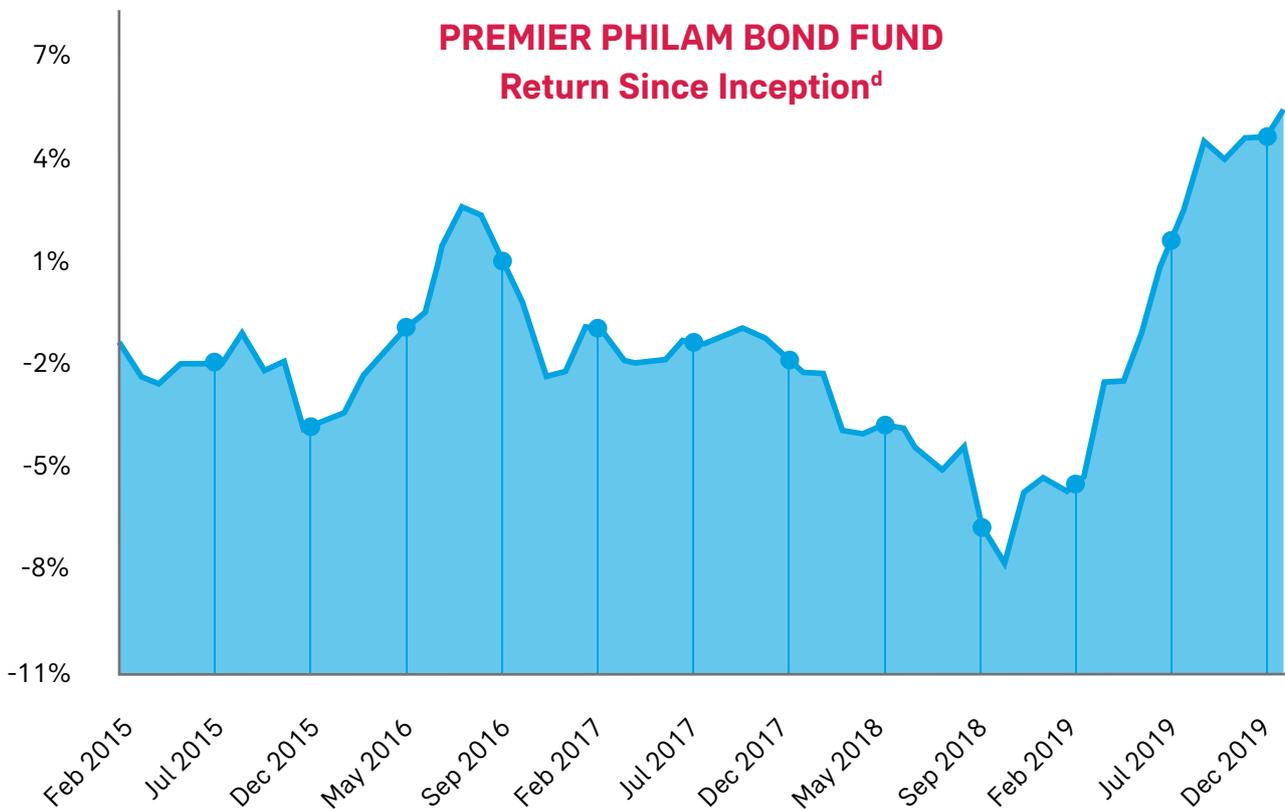
**c** Based on Audited Financial Statement

**FUND ALLOCATION**

Allocation	% of Fund
Government Securities	79.80
Corporate Bonds	13.50
Cash and Equivalents	6.70

**TOP FIVE HOLDINGS**

Name	Yield	Maturity	% of the Fund	
FXTN 2017 PHY6972FPV67	8.000%	4.56%	7/19/31	11.43%
GB R512 PHY6972HDG84	6.250%	4.35%	3/12/24	7.87%
FXTN 7-62 PHY6972HDE37	6.250%	4.68%	2/14/26	6.41%
GPN 36 US718286BM88	6.250%	4.31%	1/14/36	6.14%
FXTN 7-58 PHY6972FWM85	3.500%	4.35%	4/21/23	5.08%



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit



## Premier Philam Strategic Growth Fund

Fund Inception Date: February 3, 2015

The Premier Philam Strategic Growth Fund (the "Fund") is a peso-denominated single-asset fund created for peso variable life insurance contracts issued by BPI-Philam Life Assurance (BPLAC) Corporation. The Fund is fully invested in Philam Asset Management Inc.'s Philam Strategic Growth Fund (PSGF). The PSGF is an open-ended mutual fund with a long-term investment horizon that aims to generate capital growth through a highly diversified stock portfolio. It is an equity fund invested in listed or soon-to-be listed issues in the Philippine Stock Exchange.

### FUND PERFORMANCE <sup>a</sup>

2019 Return	3.50%
2018 Return	-12.51%
2017 Return	20.02%
2016 Return	-3.06%
2015 Return	-10.76%
3 Year Return (annualized as of Dec 31, 2019)	2.81%
Return since Inception (as of Dec 31, 2019)	-5.98%

**a** Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance

### PORTFOLIO STATISTICS (as of Dec 31, 2019)

Net Asset Value (NAV in PHP thousands) <sup>b</sup>	6,034,097 <sup>c</sup>
Net Asset Value per Unit	0.9402

**b** NAV is net of 2.0% policy management charge

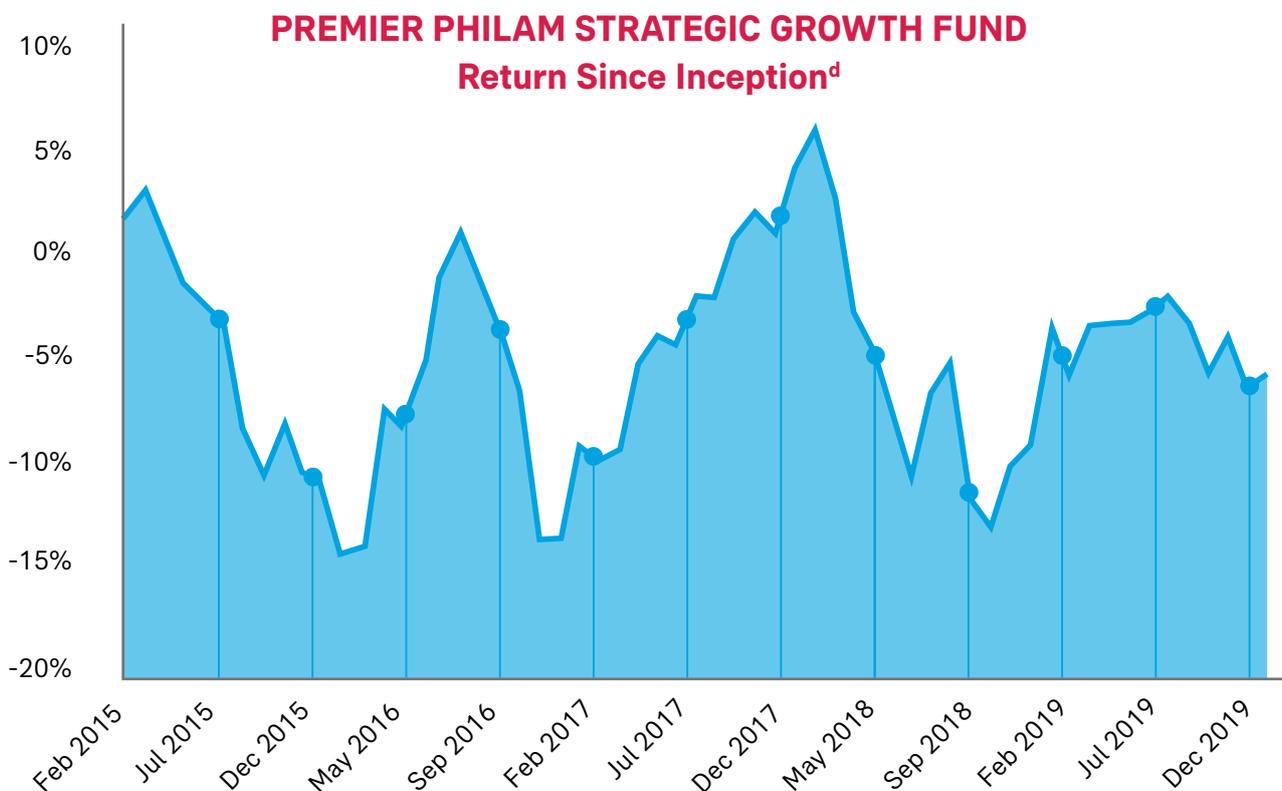
**c** Based on Audited Financial Statement

**FUND ALLOCATION**

Allocation	% of Fund
Fixed Income	9.90
Equities	90.10

**TOP TEN EQUITY HOLDINGS**

Name	% of Fund
SM INVESTMENTS CORP	12.58%
SM PRIME HOLDINGS INC	9.70%
AYALA LAND INC	8.66%
BDO UNIBANK INC	7.26%
AYALA CORPORATION	6.68%
JG SUMMIT HOLDINGS INC	4.79%
BANK OF THE PHILIPPINE ISLAN	4.69%
METROPOLITAN BANK & TRUST	3.60%
INTL CONTAINER TERM SVCS INC	3.45%
UNIVERSAL ROBINA CORP	3.02%



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit



## Premier Philam Equity Index Fund

Fund Inception Date: July 6, 2018

The Premier Philam Equity Index Fund (the "Fund") is a peso-denominated single-asset fund created for peso variable life insurance contracts issued by BPI-Philam Life Assurance (BPLAC) Corporation. The Fund is fully invested in Philam Asset Management Inc.'s PAMI Equity Index Fund (PEIF). The PEIF is an open-ended mutual fund consisting mostly of stocks comprising the Philippine Stock Exchange Index (PSEi). The investment focus of this fund is to track and replicate the performance of the PSEi through buying and selling shares proportionate to their index weights.

### FUND PERFORMANCE <sup>a</sup>

3-Month Return	0.25%
6-Month Return	-2.84%
9-Month Return	-1.61%
2019 Return	4.23%
2018 Return	3.49%
Return since Inception (as of Dec 31, 2019)	7.87%

**a** Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance

### PORTFOLIO STATISTICS (as of Dec 31, 2019)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	80,085 <sup>c</sup>
Net Asset Value per Unit	1.0787

**b** NAV is net of 2.0% policy management charge  
**c** Based on Audited Financial Statement

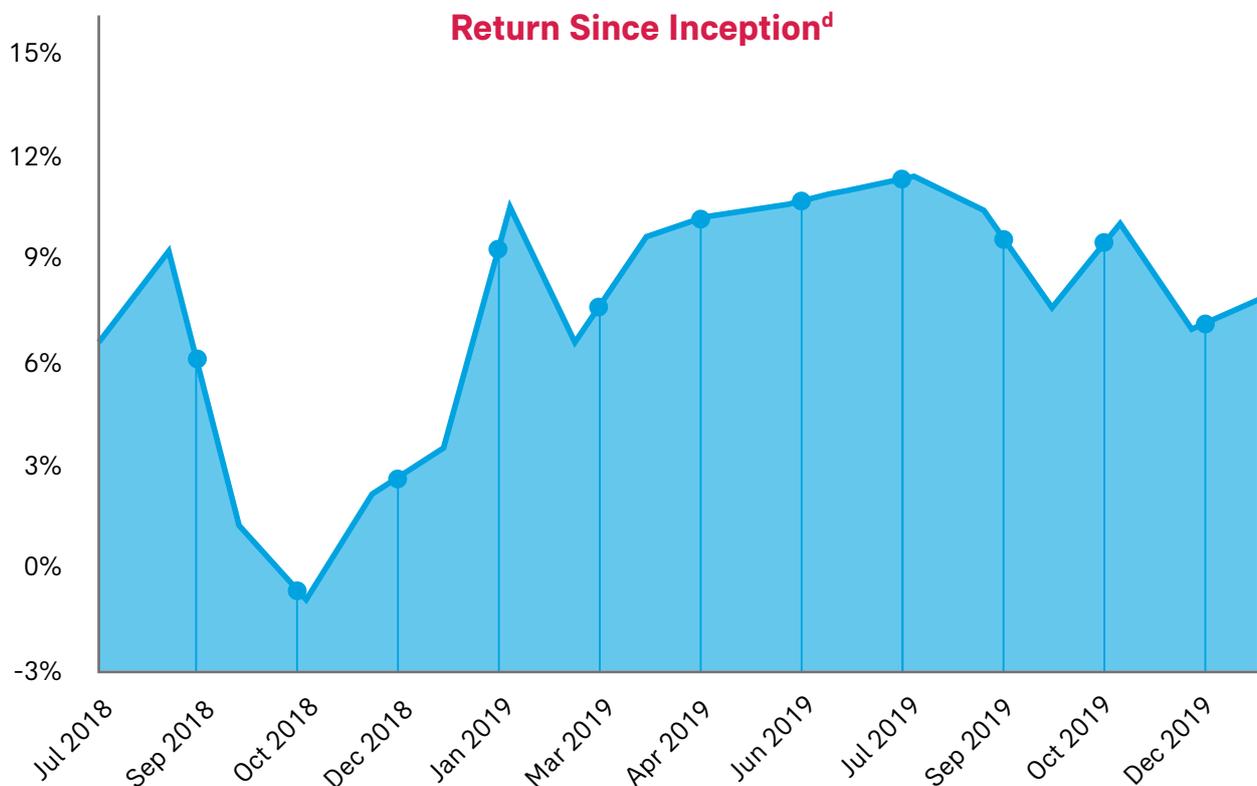
**FUND ALLOCATION**

Allocation	% of Fund
Equities	99.40
Cash and Equivalents	0.60

**TOP TEN EQUITY HOLDINGS**

Name	%
SM INVESTMENTS CORPORATION	15.37%
SM PRIME HOLDINGS, INC.	9.92%
AYALA LAND, INC.	9.39%
BDO UNIBANK, INC.	7.94%
JG SUMMIT HOLDINGS, INC.	6.05%
AYALA CORPORATION	5.77%
BANK OF THE PHIL ISLANDS	4.84%
METROPOLITAN BANK & TRUST CO.	3.72%
UNIVERSAL ROBINA CORP	3.58%
ABOITIZ EQUITY VENTURES, INC.	3.48%

**PREMIER PHILAM EQUITY INDEX FUND**  
**Return Since Inception<sup>d</sup>**



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit



## Premier Philam Dollar Bond Fund

**Fund Inception Date: April 6, 2015**

The Premier Philam Dollar Bond (the "Fund") is a USD-denominated fund created for dollar variable life insurance contracts issued by BPI-Philam Life Assurance (BPLAC) Corporation. The Fund is fully invested in Philam Asset Management Inc.'s Philam Dollar Bond Fund (PDBF). The PDBF is an open-ended mutual fund that invests in USD-denominated Philippine Government Bonds (ROPs), US Treasury Bills and high-grade USD-denominated corporate papers. The objective of this fund is to provide investors with returns and inflows derived from diversified investments in USD-denominated fixed-income instruments.

### FUND PERFORMANCE <sup>a</sup>

2019 Return	10.70%
2018 Return	-3.57%
2017 Return	4.36%
2016 Return	2.30%
2015 Return	-1.54%
3 Year Return (annualized as of Dec 31, 2019)	3.67%
Return since Inception (as of Dec 31, 2019)	12.21%

**a** Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance

### PORTFOLIO STATISTICS (as of Dec 31, 2019)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	13,521 <sup>c</sup>
Net Asset Value per Unit	1.1221

**b** NAV is net of 1.5% policy management charge

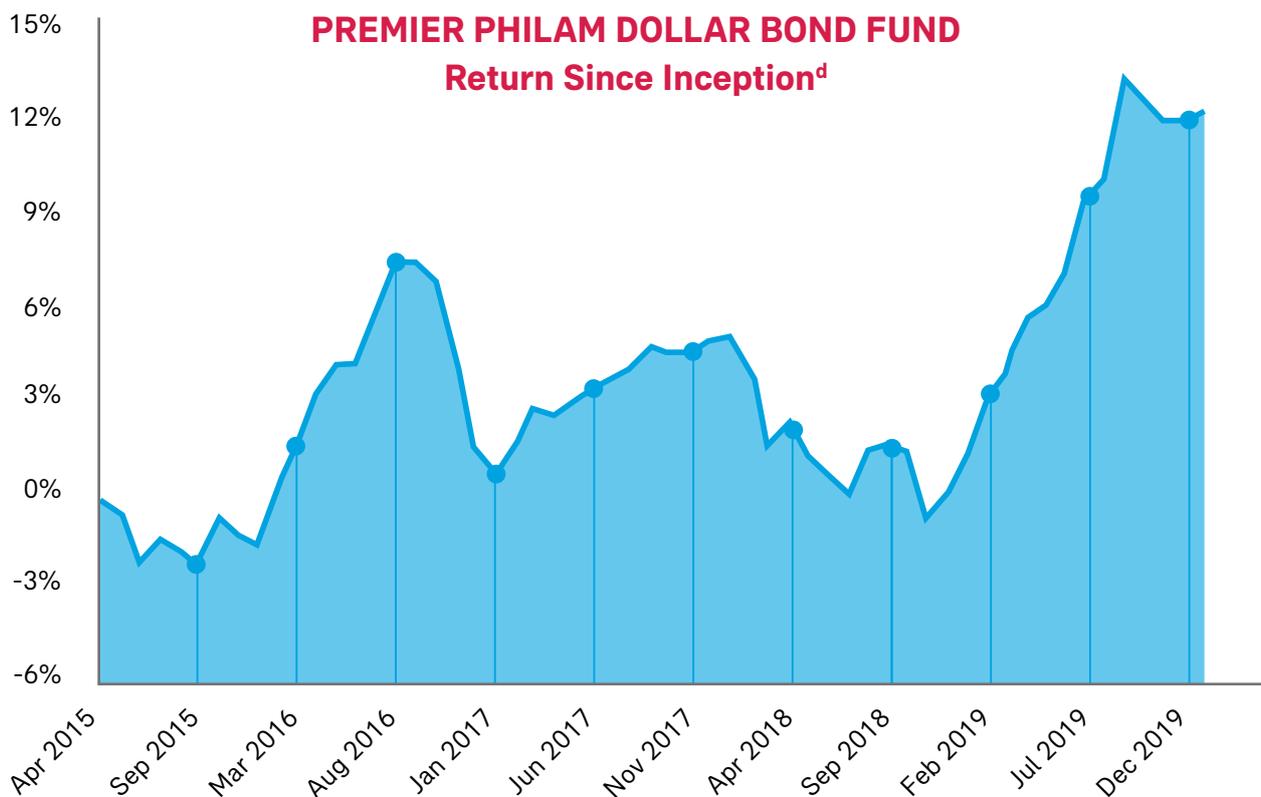
**c** Based on Audited Financial Statement

**FUND ALLOCATION**

Allocation	% of Fund
Government Securities	59.80
Corporate Bonds	35.70
Cash and Equivalents	4.60

**TOP FIVE HOLDINGS**

Name	Coupon	Yield	Maturity	% of the Fund
ROP34 ISIN US718286BG11	6.375%	2.72%	10/23/34	7.11%
ROP 30 ISIN US718286AY36	9.500%	2.46%	2/2/30	6.95%
ROP 25 US718286AP29	10.625%	2.05%	3/16/25	5.35%
CB ICTSI TREASURY B.V	4.625%	2.98%	1/16/23	4.93%
ROP 26 US718286BN61	5.500%	2.14%	3/30/26	4.48%



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit



## Premier Philam Asia Balanced Fund

**Fund Inception Date: April 6, 2015**

The Premier Philam Asia Balanced Fund (the "Fund") is a USD-denominated fund created for dollar variable life insurance contracts issued by BPI-Philam Life Assurance (BPLAC) Corporation. The Fund is fully invested in Philam Asset Management Inc.'s PAMI Asia Balanced Fund (PABF). The PABF is an open-ended mutual fund that invests primarily in equities of established companies in Asia Pacific ex-Japan, and medium- to long-term debt securities issued by sovereign nations with a credit rating not lower than the Philippines' credit rating. Its objective is to ensure long-term growth by tapping into the growth potential of Asia. This fund is a balanced portfolio of securities with geographical diversification within Asia.

### FUND PERFORMANCE <sup>a</sup>

2019 Return	11.26%
2018 Return	-12.07%
2017 Return	20.53%
2016 Return	-1.13%
2015 Return	-12.26%
3 Year Return (annualized as of Dec 31, 2019)	5.65%
Return since Inception (as of Dec 31, 2019)	2.29%

**a** Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance

### PORTFOLIO STATISTICS (as of Dec 31, 2019)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	1,643 <sup>c</sup>
Net Asset Value per Unit	1.0229

**b** NAV is net of 2.0% policy management charge

**c** Based on Audited Financial Statement

### FUND ALLOCATION

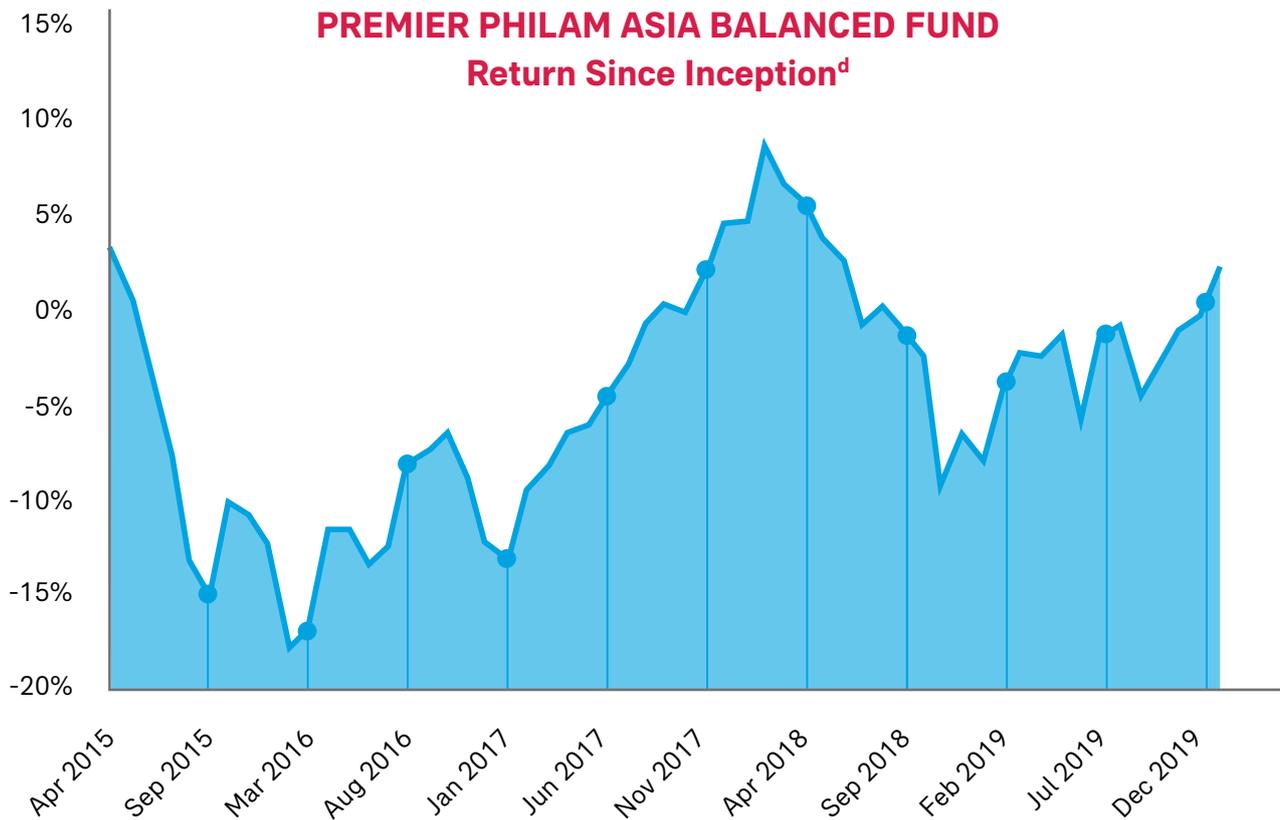
Allocation	% of Fund
Equities	52.21
Bonds	46.19
Cash and Money Market	1.60

**TOP HOLDINGS - EQUITIES**

Name	Fund Exposure
TAIWAN SEMICONDUCTOR	3.81%
TENCENT HOLDINGS LTD	2.87%
SAMSUNG ELECTRONICS	2.72%
ALIBABA GROUP ADR	2.52%
BHP GROUP LTD-AUS	1.65%
MEDIATEK INC	1.24%
CHINA MERCHANTS BK H	1.21%
AIA GROUP	1.21%
CHINA MENGNIU DAIRY	0.93%
CSL LTD	0.89%

**TOP HOLDINGS - BONDS**

Name	Fund Exposure
RPGB 3.375% 1/20	6.29%
RPGB 4.25% 4/20	6.26%
RPGB 6.875% 01/29 1064	4.27%
INDOGB 8.25% 15/05/36	3.20%
THAIGB 3.4% 6/36	2.57%
RPGB 4.625% 12/22 R511	2.54%
INDOGB 8.375% 04/39 FR79	2.46%
RPGB 4.75% 07/22 3-24	2.16%
RPGB 7.75% 2/20	2.13%
RPGB 4% 1/22	2.11%



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit



## Premier Philam Global Equity Fund

Fund Inception Date: March 18, 2016

The Premier Philam Global Equity Fund (the "Fund") is a USD-denominated fund created for dollar variable life insurance contracts issued by BPI-Philam Life Assurance (BPLAC) Corporation. The Fund is fully invested in Fidelity Funds-International Fund-A-USD, a mutual fund which invests primarily in equities throughout the world. It aims to provide long-term capital growth from a diversified and actively managed portfolio of securities.

### FUND REVIEW

Fidelity Funds-International Fund-A-USD underperformed the MSCI index primarily due to strategy selection in North America over the quarter. Strategy selection in Europe and favourable positioning in Pacific ex Japan supported performance.

### FUND PERFORMANCE <sup>a</sup>

2019 Return	22.53%
2018 Return	-12.10%
2017 Return	18.74%
2016 Return	4.82%
3 Year Return (annualized as of Dec 31, 2019)	8.54%
Return since Inception (as of Dec 31, 2019)	34.05%

**a** Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance

### PORTFOLIO STATISTICS (as of Dec 31, 2019)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	65,249 <sup>c</sup>
Net Asset Value per Unit	1.3405

**b** NAV is net of 2.0% policy management charge

**c** Based on Audited Financial Statement

### BREAKDOWN BY ASSET CLASS

Allocation	% of Fund
Equities	99.40
Cash and Other Strategies	0.70

**TOP FIVE HOLDINGS - EQUITIES**

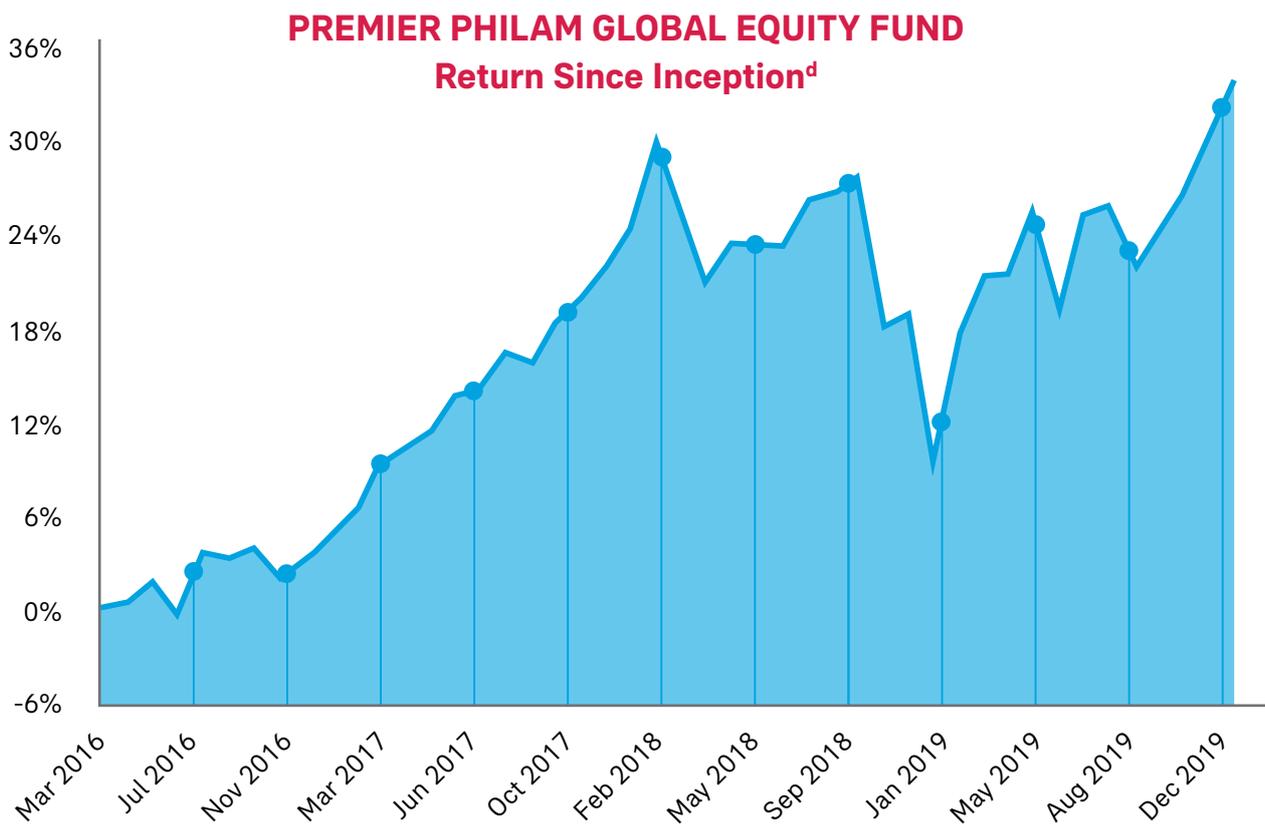
Name	Fund Exposure
BERKSHIRE HATHAWAY INC DEL	1.36%
CHEVRON CORP NEW	1.13%
MICROSOFT CORP	1.07%
WELLS FARGO & CO NEW	1.01%
ALPHABET INC	1.00%

**TOP FIVE HOLDINGS - SECTOR / INDUSTRY**

Name	Fund Exposure
Financials	17.00%
Information Technology	14.47%
Health Care	10.88%
Industrials	8.33%
Consumer Discretionary	6.93%

**TOP FIVE HOLDINGS - COUNTRY ALLOCATION**

Name	Fund Exposure
USA	60.20%
JAPAN	8.84%
UNITED KINGDOM	6.01%
CANADA	4.40%
FRANCE	3.08%



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

# Philam Global Multi Asset Fund

**Fund Inception Date: September 25, 2017**

The Philam Global Multi Asset Fund (the "Fund") is a USD-denominated fund created for dollar variable life insurance contracts issued by BPI-Philam Life Assurance (BPLAC) Corporation. The Fund is fully invested in JPMorgan Investment Funds - Global Income Fund, a mutual fund which invests primarily in a global portfolio of income-generating securities to deliver superior risk-adjusted returns.

## FUND REVIEW

Global equity markets ended the year with a strong rally in December 2019, driven by the easing of global trade tensions, positive economic data releases and stabilization in the price of crude oil. The JPMorgan Investment Funds - Global Income Fund launched a dedicated allocation to global infrastructure equities, as the strategy has attractive characteristics in terms of current level of yield, defensiveness in prior periods of equity volatility and diversification from the current equity line-up.

## FUND PERFORMANCE <sup>a</sup>

2019 Return	13.90%
2018 Return	-5.14%
2017 Return	2.56%
2 Year Return (annualized as of Dec 31, 2019)	3.94%
Return since Inception (as of Dec 31, 2019)	10.81%

**a** Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance

## PORTFOLIO STATISTICS (as of Dec 31, 2019)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	9,149 <sup>c</sup>
Net Asset Value per Unit	1.1081

**b** NAV is net of 1.5% policy management charge

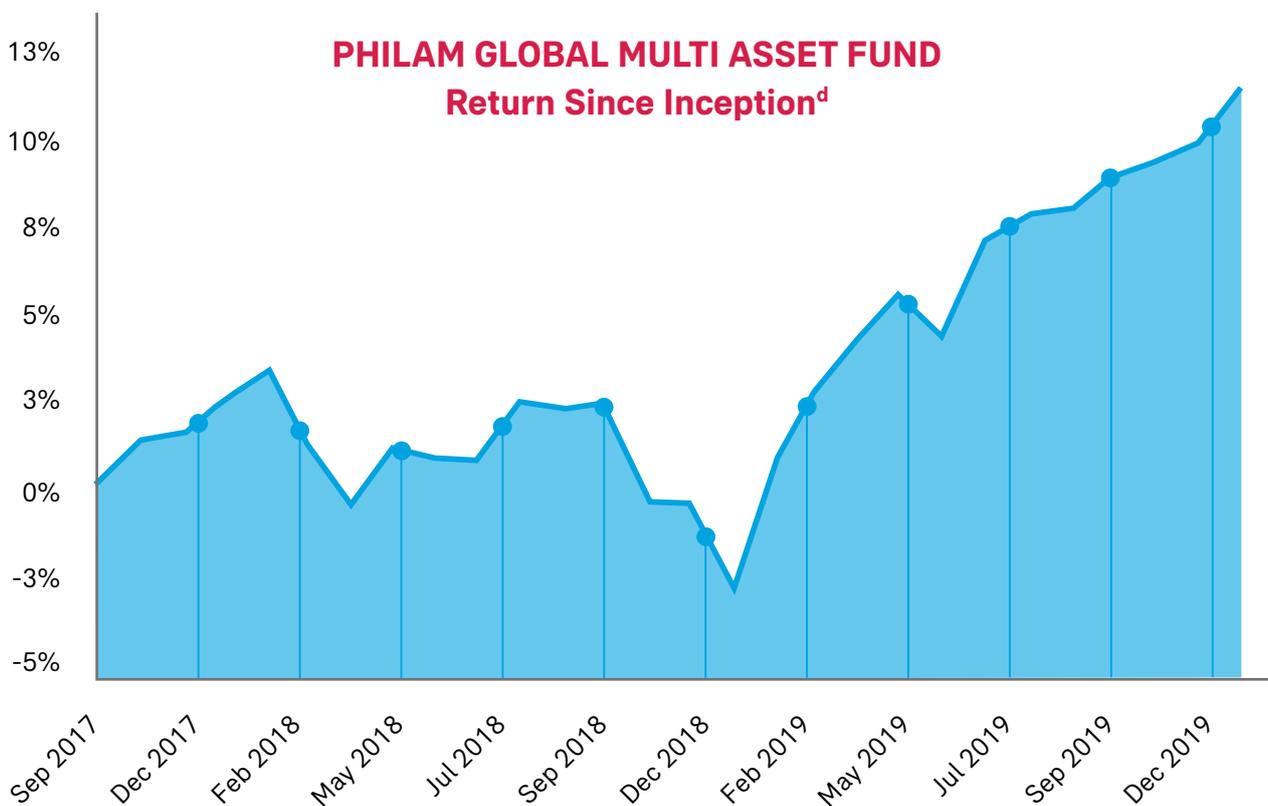
**c** Based on Audited Financial Statement

## BREAKDOWN BY ASSET CLASS

Allocation	% of Fund
US High Yield	25.40
Global Equity	15.70
European High Yield	9.10
Global REITs	6.50
Preferred Equity	6.00
NonAgency Securitized	5.80
Agency Securitized	5.60
European Equity	5.50
Short Duration Fixed Income	4.90
Emerging Markets Equity	4.50
Others	7.80
Cash	3.20

**TOP TEN HOLDINGS**

Name	Sector	Fund Exposure
Taiwan Semiconductor	Equity	0.70%
Coca-Cola	Equity	0.60%
Novartis	Equity	0.60%
Verizon Communications	Equity	0.50%
Roche	Equity	0.50%
Merck & Co	Equity	0.50%
FN BM3788 3.5% 01 Mar 2048	Agency Securitised	0.40%
Prologis	Equity	0.40%
FG G67706 3.5% 01 Dec 2047	Agency Securitised	0.40%
Allianz	Equity	0.40%



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

**REGIONS ALLOCATION**

Names	
United States	57.00%
Europe exUK	20.60%
Emerging Markets	8.20%
United Kingdom	4.90%
Canada	2.30%
Asia ex-Japan	2.30%
Japan	1.50%
Cash	3.20%

# Philam Global Fixed Income (Core) Fund

Fund Inception Date: January 19, 2018

The Philam Global Fixed Income (Core) Fund (the "Fund") is a USD-denominated fund created for dollar variable life insurance contracts issued by BPI-Philam Life Assurance (BPLAC) Corporation. The Fund is fully invested in PIMCO Global Investors Series - Income Fund, a mutual fund which invests primarily in a diversified portfolio of global fixed income securities. The fund aims to target a consistent level of return while maintaining a relatively low risk profile, with a secondary goal of capital appreciation.

## FUND REVIEW

The PIMCO GIS Income Fund continued to provide investors with attractive monthly distributions as the fund generated positive returns. The higher quality portion of the portfolio contributed to performance, as the Fund's Agency Mortgage-Backed Security (MBS) allocation and non-U.S. duration positioning added value. The higher yielding portion of the portfolio also contributed, as emerging markets (EM), corporate credit, and non-Agency MBS all contributed. Finally, currency positioning was additive due to the Fund's long exposure to a high carry EM basket.

## FUND PERFORMANCE <sup>a</sup>

3-Month Return	2.06%
6-Month Return	1.92%
9-Month Return	4.52%
2019 Return	8.36%
2018 Return	-0.80%
Return since Inception (as of Dec 31, 2019)	7.49%

**a** Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance

## PORTFOLIO STATISTICS (as of Dec 31, 2019)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	196 <sup>c</sup>
Net Asset Value per Unit	1.0749

**b** NAV is net of 1.3% policy management charge

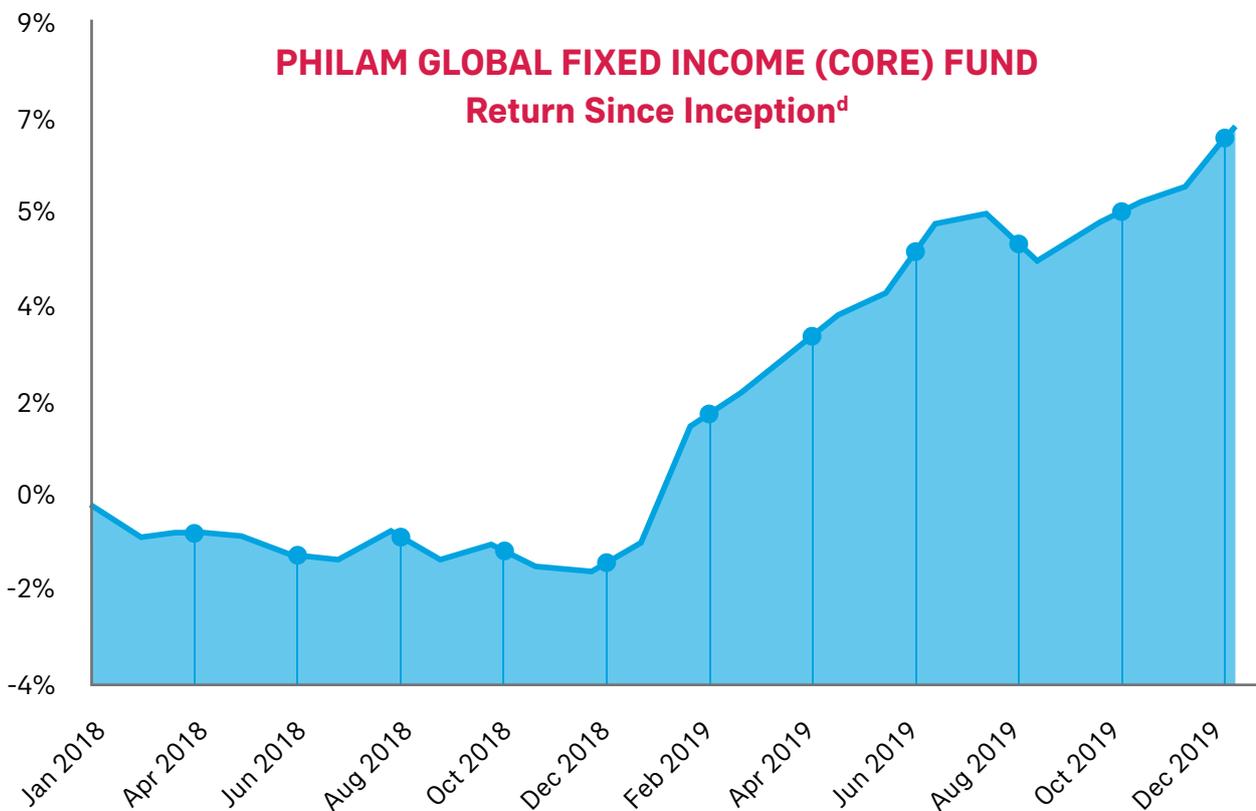
**c** Based on Audited Financial Statement

## SECTOR ALLOCATION

Allocation	Duration in Years
Government Related	(1.62)
Securitized	1.50
Investment Grade Credit	0.65
High Yield Credit	0.27
Emerging Markets	0.38
Municipal / Other	0.01
Net Other Short Duration	-

**TOP TEN HOLDINGS**

Name	% MV
FNMA TBA 3.5% NOV 30YR	6.40%
FNMA TBA 4.0% NOV 30YR	6.30%
FNMA TBA 3.0% DEC 30YR	3.50%
FNMA TBA 4.0% OCT 30YR	3.00%
BNP PARIBAS ISSUANCE BV SR SEC **ABS**	2.80%
FNMA PASS THRU 30YR #FM1390	2.40%
FNMA TBA 3.0% NOV 30YR	2.30%
U S TREASURY NOTE	2.00%
FNMA PASS THRU 30YR #FM1238	1.90%
U S TREASURY NOTE	1.70%



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

**TOP TEN INDUSTRIES**

Name	% MV
Banks	15.40%
Financial Other	2.50%
Electric Utility	1.80%
Technology	1.40%
Healthcare	1.30%
Integrated Oil	1.30%
Wireless	1.30%
Non-Captive Consumer Finance	1.20%
Media NonCable	0.80%
Real Estate	0.80%



## Disclosure Statement

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**Opinions:** Any opinions expressed in this document may be subject to change without notice. We are not soliciting or recommending any action based on this material.

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## About BPI-Philam

BPI-Philam Life Assurance Corporation is a strategic alliance between two leading financial companies in the Philippines - The Philippine American Life and General Insurance Company (Philam Life) and Bank of the Philippine Islands (BPI). Philam Life is the country's premier and most trusted life insurer for over seven decades now. Bank of the Philippine Islands is a leading commercial bank in the country with over 160 years of experience in the local banking industry and an extensive branch network of more than 1,000 branches and 3,000 ATMs.

BPI-Philam was once again hailed as the Philippine's Best Life Insurance Company for 2018 by an international finance magazine, World Finance. The win is a shining testament to the best quality service BPI-Philam has afforded Filipinos throughout the years with their accessible and comprehensive offerings.

BPI-Philam's professional and expertly trained Bancassurance Sales Executives are assigned in BPI and BPI Family Savings Bank branches nationwide to render financial advisory services that address customers' financial and protection needs.

As a combined brand, Filipinos can trust BPI-Philam to help achieve their dreams through solutions that are accessible, affordable and personalized. We at BPI-Philam understand that the Filipinos' needs continue to evolve as they go through the different life stages and they want to be able to easily access solutions that help them live healthier, longer and better lives.



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