



**BPI**



# **2023 FUND PERFORMANCE REPORT**

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



# MESSAGE FROM THE CEO

Dear Policyholder,

The year 2023 marked another volatile year for the global financial markets.

Ten-year US treasury yields gyrated from lows of 3.25% to 5.02% before closing the year marginally higher by 0.06% at 3.88%. Ten-year Philippine treasury yields tracked US yields but managed to close at 6%, lower by 0.98%.

In terms of price movement, Philippine bond prices registered intra-year gains of as high as 7.37% from January to May before erasing half of the gains through October. Announcement of a possible Fed pivot from its rate hiking cycle in November cheered financial markets around the world. Philippine bond markets rallied 5.50% from its October lows to end 2023 with high single-digit gains.

Bond price movements also set the direction for the Philippine equity market. The Philippine Composite Index (PCOMP) convulsed from intra-year returns of 8.0%, then lost 16.0% from its peak before closing 2023 with a return of -1.8%. The S&P500 surprised with a 24.2% gain on the back of technology stocks.

The Philippine peso weakened from 53.68 to 56.98 versus the US dollar.

The sharp recovery in the last quarter of 2023 bodes well for 2024. The path to lower inflation appears to be well established. As a result, the US Fed has messaged the end of the rate hiking cycle with rate cuts expected to happen within the year. Financial markets may stay tentative in the early part of 2024 as markets guess when rate cuts will start. Nevertheless, the new US Fed stance will benefit financial markets around the world.

Despite the volatility in the market and other factors, BPI AIA reaffirms its strength and leadership with strong financial performance in 2023 based on unaudited financial statements:

- Total Assets	:PHP112.6 billion
- Net Worth	:PHP9.3 billion
- Share Capital	:PHP0.7 billion
- Gross Premiums	:PHP15.5 billion
- Net Income	:PHP2.4 billion

We look forward to the market's performance improving in the months to come with the positive movements during the last quarter of 2023, as well as the favorable outlook for 2024.

Thank you for choosing BPI AIA as your partner in financial security.

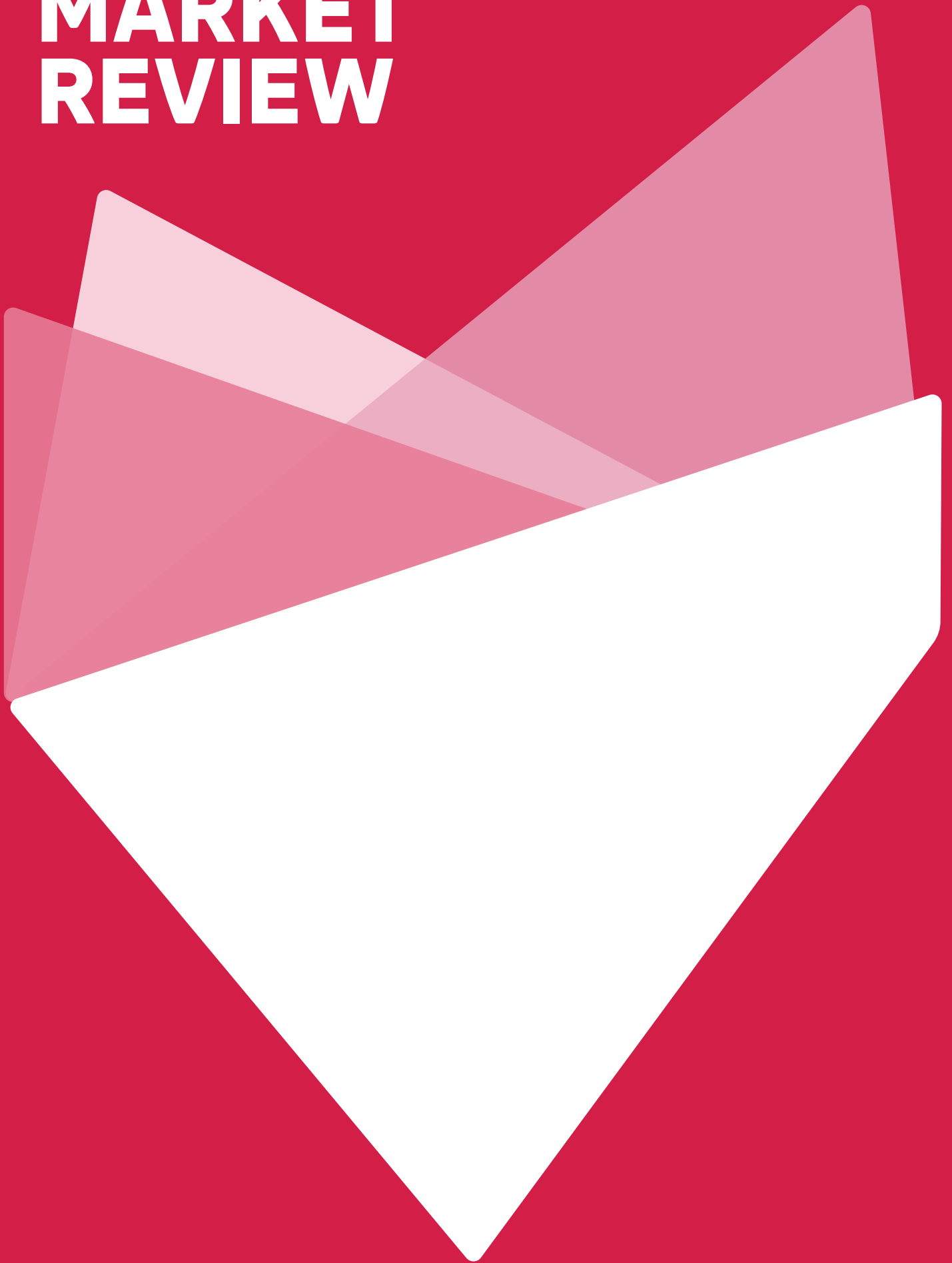
Sincerely,

*Karen Custodia*

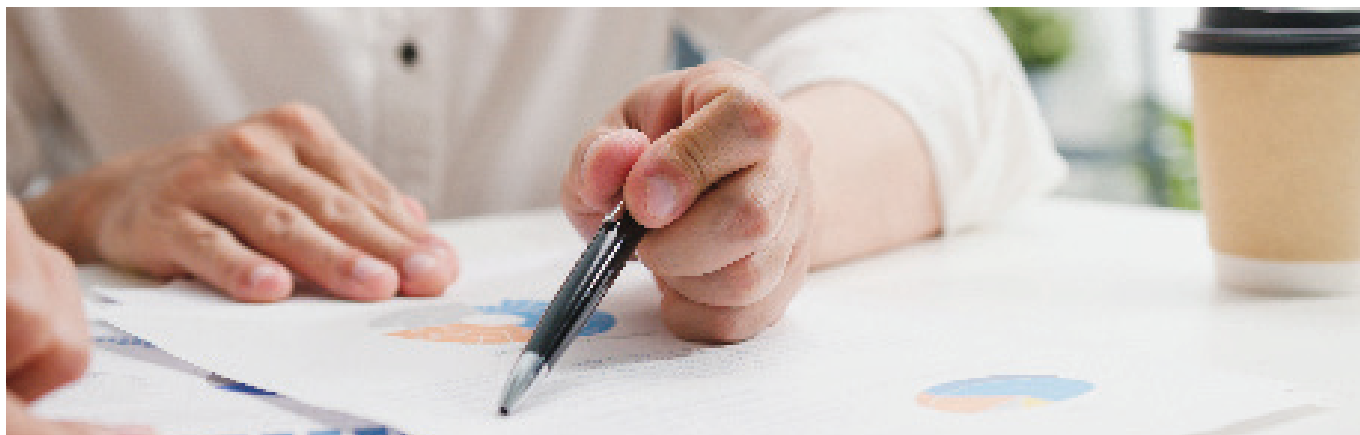
**KAREN CUSTODIA**

Chief Executive Officer

# MARKET REVIEW







## GENERAL MARKET OVERVIEW

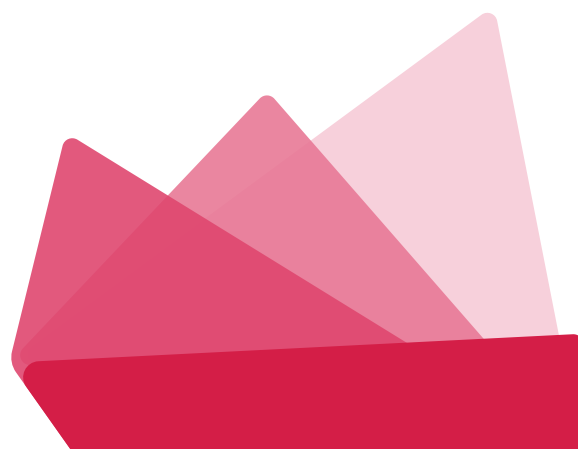
In 2023, the global economy was shaken by persistently high inflation. Despite moderating from 40-year highs in 2022, the prices of goods and services in the US remained elevated. Meanwhile, Philippine inflation reached its highest level since 2008 in January and stayed elevated for most part of the year. Prices of commodities, including rice and oil, rose due to supply constraints brought by weather disturbances and geopolitical tensions in the Middle East. To arrest inflation, the US Federal Reserve and the Bangko Sentral ng Pilipinas raised their respective policy rates to multi-year highs.

As bond yields rose to multi-year highs, investors raised concerns on slowing economic growth. Nevertheless, the US economy defied expectations and remained resilient amid healthy employment data and strong showing of technology / artificial intelligence companies. As a result, US equities exhibited another stellar year. Conversely, higher prices and borrowing costs in the Philippines resulted to lacklustre investments and government spending, even resulting to a pale 4.3% 2nd quarter GDP growth. Coupled with the threat of profit margin squeezes from businesses, Philippine equities faltered.

As the year ended, central bank tightening has paid off as average inflation declined albeit above the long run target. Both the US Federal Reserve and the Bangko Sentral ng Pilipinas hinted at monetary policy easing, prompting a reversal in bond yields and improvement in investor sentiment. Philippine equities embarked on a yearend rally but still closed in negative territory.

As of December 31, 2023:

- The S&P 500 Index came close to a record finish by ending the year higher by 24.23%.
- The Philippine Stock Exchange Index (PSEi) retreated for a fourth straight year, ending lower by 1.8%.
- The 10-Yr US Treasury yield initially reached a low of 3.24% and touched 5.0% before closing the year at 3.88%.
- The 10-Yr PHP benchmark initially rose to 7.21% and slipped to a low of 5.72% before closing the year at 6.0%.
- The USD/PHP reached a low of 53.63, surged to a high of 56.99 before closing at 55.37.





## THE LOCAL ECONOMY

December inflation decelerated to 3.9%, the first time it settled within target since March 2022. The declining oil, coal, and shipping prices helped cool inflation for utilities and transport. The outlook for the prices of these commodities remains favorable as global growth is expected to slow down due to the lagged effects of monetary tightening. However, we are wary on the effects of El Niño on food prices, particularly on rice. Governments have been heavily importing rice in anticipation of lower production during El Niño, driving import prices to multi-year highs. We forecast inflation to sustainably fall within target by 2H24. Inflation may accelerate beyond the BSP's target band in 2Q24 due to base effects, but inflation should remain below 4% for most of the year. Our expectation is that the average inflation for the year will settle at 3.7%.

In 4Q23, the Philippine economy grew by 5.6% YoY, slower than the revised 6.0% growth posted in 3Q23. This brought the FY2023 economic

growth to 5.6%, below the government's 6% to 7% target. Sustained growth in household consumption as well as improvement in capital formation provided support. Meanwhile, lower government spending and weak exports dragged down growth.

On a positive note, we expect PH GDP to grow by 6.3% in 2024 amid improved prospects of easing inflation and potential rate cuts in the latter half of this year which could lift overall demand. Furthermore, the higher national budget set by the government in 2024 may also boost government spending and public construction. The government's infrastructure program was set to be 5.6% YoY higher at Php1.4 trillion this year. Downside risks to the outlook would include implementation risks from the government and stickier-than-expected inflation.

## LOCAL FIXED INCOME MARKET

In 2023, domestic fixed income returned positively with the local currency bond index gaining 8.24%. This was boosted by falling bond yields after local inflation eased from the 8.7% peak in January. While we saw a rebound in the third quarter, inflation decelerated to 3.9% in December amid cooling prices of food and utilities. This settled within the Bangko Sentral ng Pilipinas' (BSP) target range of 2-4% for the first time since March 2022. Following a 100-bp hike made over the course of the year, the continued decline in inflation allowed the BSP to keep the policy rate steady at 6.5% during the December monetary policy meeting.

Moving forward, inflation is expected to continue trending lower with the BSP forecasting inflation to average 3.7% in 2024 from 6.0% in 2023. Moreover, the US Federal Reserve signaled that it could start easing monetary policy in 2024. These tailwinds may enable the BSP to gradually cut rates in the second half. However, we remain watchful of upside risks to inflation such as the impact of El Niño phenomenon on agricultural product prices including rice, global oil price volatility, transport fare hikes, power rate upward adjustments, and above-average wage increases. In line with this, BSP Governor Remolona signaled that the BSP will likely keep the policy rate tight until inflation firmly falls within target.

Given the favorable inflation outlook and attractive bond yields compared to historical averages, we still see opportunity to invest in fixed income. We believe investors are well positioned to augment their portfolio by adding duration to their fixed income holdings. This provides an opportunity to lock in the elevated yields and capitalize on the potential marked-to-market gains once the central bank cut rates. Despite the potential short-term risks to the inflation outlook, we see inflation moderating over the medium term as global economic growth slows and as the delayed impact of tight monetary policy takes effect.



## GLOBAL FIXED INCOME MARKET

International fixed income investments ended 2023 on a positive note with the FTSE World Government Bond Index rising by 4.41% in Php terms. The US Fed delivered a total of 100-bp rate hikes in 2023 to a target rate range of 5.25% to 5.50%, less aggressive than the year prior as inflation started to decelerate gradually. Consumer inflation in the US slowed down to 3.1% in November, firmly coming off from the 9.1% peak in June 2022. The labor market, albeit still resilient, also showed signs of cooling as job openings declined and wage growth moderated in December. These indicate that the aggressive monetary tightening is taking its intended effects. Similarly, the European Central Bank (ECB) raised interest rates by a total of 200 bps in 2023, with the deposit facility rate at a record-high of 4.0%. ECB President Christine Lagarde recently hinted that rates will likely remain elevated at least until the first half of 2024 despite lower inflation expectations. Meanwhile, the Bank of Japan (BOJ) has kept its dovish monetary policy with rates, both long-term and short-term rates, unchanged. However, the BOJ further widened its yield target band on the 10-YR Japanese government bond by 50 bps to +/- 1% from its 0% target rate. This change brought forth some view in the market that the BOJ may start to shift away from its decade-long dovish stance as it adjusts to the global developments.

Moving forward, the international fixed income market can benefit from high accrual returns as current bond yields remain elevated. While volatility in fixed income securities is expected in the short term amid oil price volatility and geopolitical risks, we are of the view that rates are likely to go down this year. Our base case points to inflation continuing its downtrend as high policy rates make their way into economies. Consequently, barring any new inflation shocks, central banks like the US Fed are getting close or even at the end of their rate-hiking cycles. The US Fed, while remaining committed to its 2% inflation target, projects potential rate cuts of 75 and 100 bps in 2024 and 2025, respectively. This can eventually be supportive to fixed income investment returns





## LOCAL EQUITY MARKET

2023 marked yet another challenging year for Philippine stocks, ending the year at 6,450 with a -1.77% return. Although the asset class managed to catch up and rally towards the end of the year, headwinds stemming from elevated inflation and interest rates weighed on investors' sentiment. Low market liquidity, geopolitical concerns, and uncertainty on the economic growth also caused investors to remain cautious of investing in the domestic equities space.

Moving forward, we remain constructive on our long-term outlook for domestic equities. At a 12x price-earnings-ratio for 2024, the PSEi can potentially land near the 7,100 level by the end of this year. This is anchoring on a more favorable investment environment amidst easing inflation and potential monetary policy easing. However, risks remain such as lingering upside risks to inflation, higher-for-longer interest rates, ongoing geopolitical concerns, global economic slowdown, and the country's twin deficits.

Nonetheless, current valuations, which remain at low levels, continue to provide an opportunity to gradually build investors' stock portfolio. Slow, gradual, and selective accumulation may be utilized. Diversification strategies are also apt as we wait for the risks to dissipate.





## GLOBAL EQUITY MARKET

In 2023, international equity markets managed to gain momentum with the MSCI World index returning 20.66% in peso terms. International stocks experienced heightened volatility from market-moving events such as the banking turmoil in the US, the US government's debt ceiling issue, and the Israel-Hamas conflict. Lingering inflation risks also weighed on market sentiment. Despite these, investors' waning fears over a US recession and optimism towards the tech sector amid growing interest in Artificial Intelligence (AI) were able to drive gains in the asset class. The US economy grew faster than expected for the third quarter of 2023, rising 4.9% YoY, the fastest pace in almost two years. Sentiment also improved amid expectations that the policy rates of central banks have reached their peaks, with potential rate cuts underway.

For 2024, international equity markets are expected to remain volatile amid lingering risks but easing inflation and potential policy rate cuts could be supportive. Investors will likely continue to monitor central bank decisions, inflation trends, and corporate earnings data.

Near-term headwinds may come from inflation surprising to the upside, higher-for-longer rates from central banks, global recession risks, and ongoing geopolitical concerns. Furthermore, uncertainty over China's postpandemic recovery in the face of deflationary pressures and its troubled property sector may also affect investors' sentiment, risk appetite, and consumer demand. Given this, it is important for investors to remain diversified yet selective when investing in international equities.





# CITI-BPI AIA FUNDS



# STATEMENT OF ASSETS AND LIABILITIES

as of December 31, 2023

## BPI AIA 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	55,430,935	54,620,029	3,501,747
Financial assets at FVPL*	585,486,428	4,338,308,384	438,347,691
Loans and receivables	44,518	73,053	5,152
Accrued income	6,430,503	3,563,023	418,711
Total Assets	647,392,384	4,396,564,489	442,273,301
<b>LIABILITIES</b>			
Insurance contract liabilities	-	-	-
Deferred tax liabilities - net	-	-	-
Accounts payable and accrued expenses	88,660	802,032	61,569
Total Liabilities	88,660	802,032	61,569
<b>Net Asset Value (NAV)</b>	<b>647,303,724</b>	<b>4,395,762,457</b>	<b>442,211,732</b>

## BPI AIA 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	-	-	\$ 221,924
Financial assets at FVPL*	\$ 9,530,281	\$ 1,089,886	\$ 48,024,526
Loans and receivables	\$ 1,434	\$ 565	\$ 43,759
Accrued income	-	-	-
Other Assets	-	-	-
Total Assets	\$ 9,531,715	\$ 1,090,451	\$ 48,290,209
<b>LIABILITIES</b>			
Insurance contract liabilities	-	-	-
Deferred tax liabilities - net	-	-	-
Accounts payable and accrued expenses	\$ 647	\$ 200	\$ 116,922
Deferred investment income	-	-	-
Other liabilities – net	-	-	-
Total Liabilities	\$ 647	\$ 200	\$ 116,922
<b>Net Asset Value (NAV)</b>	<b>\$ 9,531,068</b>	<b>\$ 1,090,251</b>	<b>\$ 48,173,287</b>

\*Fair Value through Profit or Loss



# STATEMENT OF ASSETS AND LIABILITIES

as of December 31, 2023

## BPI AIA DOLLAR VARIABLE FUNDS

In USD Equivalent

	Philam Global Multi Asset Fund	Philam Global Fixed Income (Core) Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,623	\$ 609
Financial assets at FVPL*	\$ 9,271,436	\$ 79,715
Loans and receivables	\$ 36,247	-
Accrued income	-	-
Other Assets	-	-
Total Assets	\$ 9,313,306	\$ 80,324
<b>LIABILITIES</b>		
Insurance contract liabilities	-	-
Deferred tax liabilities - net	-	-
Accounts payable and accrued expenses	\$ 39,844	\$ 700
Total Liabilities	\$ 39,844	\$ 700
Deferred investment income	-	-
Other liabilities – net	-	-
<b>Net Asset Value (NAV)</b>	<b>\$ 9,273,462</b>	<b>\$ 79,624</b>

\*Fair Value through Profit or Loss

# PREMIER PHILAM BOND FUND

Fund Inception Date: February 2, 2015

The Premier Philam Bond Fund (the "Fund") is a PHP denominated fund created for peso variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The investment focus of the Fund is capital preservation with returns and inflows derived out of investments in fixed income instruments. It considers a medium- to long-term investment horizon for its shareholders.

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

2023 Return	5.99%
2022 Return	-5.86%
2021 Return	-5.15%
2020 Return	5.94%
2019 Return	11.53%
2018 Return	-3.21%
3 Year Return (annualized as of Dec 31, 2023)	-1.82%
5 Year Return (annualized as of Dec 31, 2023)	2.26%
Return since Inception (as of Dec 31, 2023)	6.00%

- 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, 2023)

Net Asset Value (NAV in PHP thousands) <sup>b</sup>	647,304 <sup>c</sup>
Net Asset Value per Unit	1.0600

- b** NAV is net of 1.5% policy management charge  
**c** Based on Unaudited Financial Statement

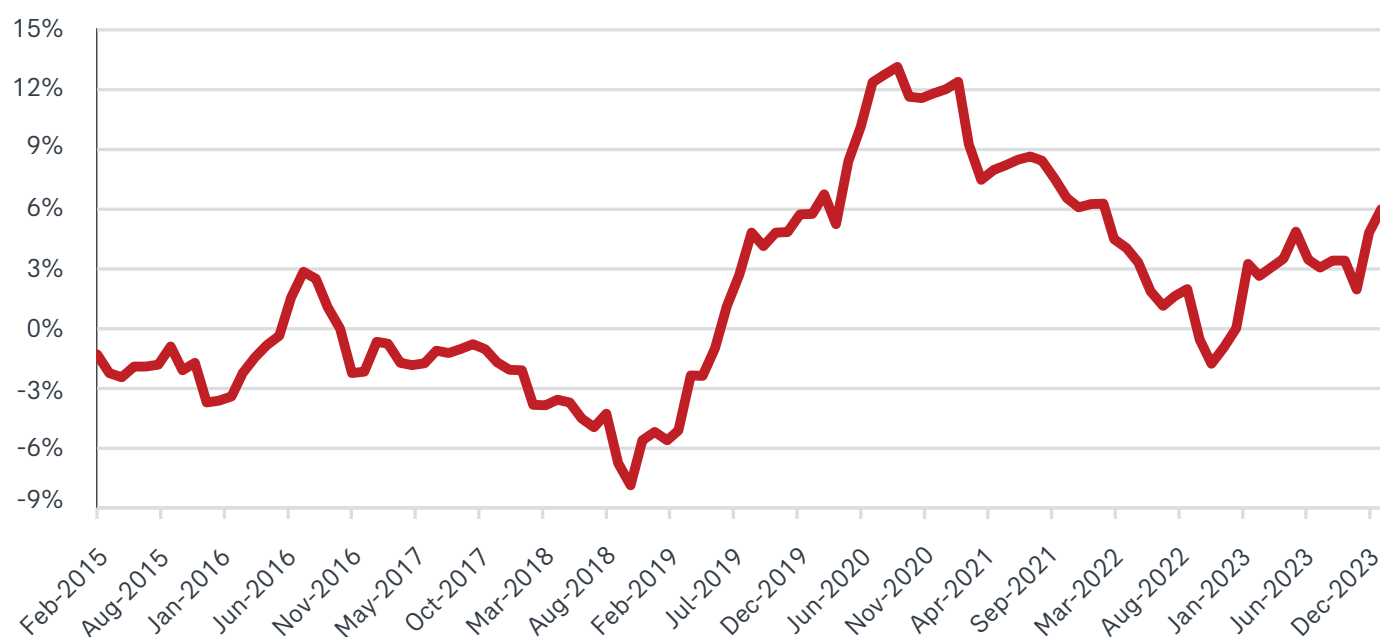
## FUND ALLOCATION

Allocation	% of Fund
Government	91.14
Cash, Time Deposits, and Other Receivables	8.65
UITF	0.00
Corporates	0.22

## FIXED INCOME SECURITIES (as of 31 Dec 2023)

Top Five Issues	Maturity	% of the Fund
Republic of the Philippines	2028	9.98%
Republic of the Philippines	2031	7.88%
Republic of the Philippines	2027	7.85%
Rizal Bank	2024	6.24%
Republic of the Philippines	2035	5.97%

## PREMIER PHILAM BOND FUND Return Since Inception <sup>d</sup>



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

# PREMIER PHILAM STRATEGIC GROWTH FUND

Fund Inception Date: February 2, 2015

The Premier Philam Strategic Growth Fund (the "Fund") is a PHP denominated fund created for peso variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund investment objective is capital growth with returns and inflows derived out of investments in equity securities. It considers a long-term investment horizon for its shareholders.

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

2023 Return	1.41%
2022 Return	-10.68%
2021 Return	0.06%
2020 Return	-8.24%
2019 Return	3.50%
2018 Return	-12.51%
3 Year Return (annualized as of Dec 31, 2023)	-3.22%
5 Year Return (annualized as of Dec 31, 2023)	-2.95%
Return since Inception (as of Dec 31, 2023)	-21.81%

**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, 2023)

Net Asset Value (NAV in PHP thousands) <sup>b</sup>	4,395,762 <sup>c</sup>
Net Asset Value per Unit	0.7819

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

**c** Based on Unaudited Financial Statement

## FUND ALLOCATION

Allocation	% of Fund
Equities	87.62
Cash & Cash Equivalent	1.24
UITF	11.14

## COMMON STOCKS (as of Dec 31, 2023)

Top Five Issues	%
AIA Peso Money Market Fund	11.14%
Ayala Land Inc	10.04%
International Container Terminal Services Inc	9.95%
SM Prime Holdings Inc	9.08%
SM Investments Corp	8.78%

## PREMIER PHILAM STRATEGIC GROWTH FUND Return Since Inception <sup>d</sup>



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

# PREMIER PHILAM EQUITY INDEX FUND

Fund Inception Date: June 25, 2018

The Premier Philam Equity Index Fund (the "Fund") is a PHP denominated fund created for peso variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund aims to invest in the stocks of top 30 corporations that compose the Philippine Stock Exchange Index (PSEi) in such proportion, as applicable/possible, that the performance of the fund attempts to replicate that of the PSEi. It aims to capitalize on the long-term positive prospects of the Philippine economy.

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

2023 Return	-0.08%
2022 Return	-7.23%
2021 Return	-0.17%
2020 Return	-8.83%
2019 Return	4.23%
2018 Return	3.49%
3 Year Return (annualized as of Dec 31, 2023)	-2.55%
5 Year Return (annualized as of Dec 31, 2023)	-2.54%
Return since Inception (as of Dec 31, 2023)	-8.99%

- 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, 2023)

Net Asset Value (NAV in PHP thousands) <sup>b</sup>	442,212 <sup>c</sup>
Net Asset Value per Unit	0.9101

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

- c** Based on Unaudited Financial Statement

## FUND ALLOCATION

Allocation	% of Fund
Equities	93.33
Cash & Cash Equivalent	0.79
UITF	5.88

## COMMON STOCKS (as of 31 Dec 2023)

Top Five Issues	%
SM Investments Corporation	9.97%
SM Prime Holdings, Inc.	9.55%
BDO Unibank, Inc.	8.04%
International Container Terminal Services Inc	7.07%
Bank of the Philippine Islands	6.74%

## 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 AIA Life Assurance Corporation. The Fund is fully invested in Philam Dollar Bond Fund, Inc. (PDBF). The PDBF is an open-end mutual fund that invests in ROPs (Philippine's debt obligations, which are denominated in US Dollars), US Treasury Bills and high grade US Dollar denominated corporate papers. The investment objective of this fund is to provide investors with returns and inflows derived from diversified investments in dollar-denominated fixed-income instruments.

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

2023 Return	6.39%
2022 Return	-12.98%
2021 Return	-1.17%
2020 Return	5.49%
2019 Return	10.70%
2018 Return	-3.57%
3 Year Return (annualized as of Dec 31, 2023)	-2.91%
5 Year Return (annualized as of Dec 31, 2023)	1.34%
Return since Inception (as of Dec 31, 2023)	8.32%

**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, 2023)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	9.531 <sup>c</sup>
Net Asset Value per Unit	1.0832

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

**c** Based on Unaudited Financial Statement



## FUND ALLOCATION

Allocation	% of Fund
Government	58.56
Corporates	37.84
Cash & Cash Equivalent (Net of Liabilities)	3.60

## TOP HOLDINGS - PHILAM DOLLAR BOND FUND, INC.

Name	Maturity	% of the Fund
AEV International	2030	9.82%
Republic of the Philippines	2030	7.50%
Republic of the Philippines	2034	6.62%
Republic of the Philippines	2040	5.34%
Republic of the Philippines	2031	5.31%

## PREMIER PHILAM DOLLAR BOND FUND Return Since Inception <sup>d</sup>



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

# PREMIER PHILAM ASIA BALANCED FUND

Fund Inception Date: March 20, 2015

The Premier Philam Asia Balanced Fund (the "Fund") is a USD denominated fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in PAMI Asia Balanced Fund, Inc. (PABF). The PABF is an open-end 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 investment 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>

2023 Return	1.61%
2022 Return	-15.59%
2021 Return	-6.63%
2020 Return	10.51%
2019 Return	11.26%
2018 Return	-12.07%
3 Year Return (annualized as of Dec 31, 2023)	-7.14%
5 Year Return (annualized as of Dec 31, 2023)	-0.31%
Return since Inception (as of Dec 31, 2023)	-9.48%

**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, 2023)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	1,090 <sup>c</sup>
Net Asset Value per Unit	0.9052

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

**c** Based on Unaudited Financial Statement

## FUND ALLOCATION

Allocation	% of Fund
Equities	50.40
Fixed Income	46.70
Cash & Cash Equivalent (Net of Liabilities)	2.90

## TOP HOLDINGS - PAMI ASIA BALANCED FUND, INC.

Name	Maturity	%
Taiwan Semiconductor		4.48%
Samsung Electronics		3.41%
Fixed Rate Treasury Bond	2029	3.39%
Korea Treasury Bond	2032	3.25%
Indonesia Government Bond	2036	2.68%

## PREMIER PHILAM ASIA BALANCED FUND

### Return Since Inception <sup>d</sup>



<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 insurance fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in Fidelity Funds-Global Thematic Opportunities 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-Global Thematic Opportunities Fund A-USD delivered returns of 10.9%, while the index returned 11.0% over the quarter. At a strategy level, the Global Technology strategy was the key contributor to performance. The growth-sensitive IT sector outperformed broader equities as investor sentiment improved. The Sustainable Demographics strategy added value, driven by stock selection in health care and the lack of exposure to the energy sector. However, the Sustainable Healthcare strategy detracted from returns, as the sector lagged the broader market. The Transition Materials strategy also held back gains.

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

2023 Return	13.18%
2022 Return	-24.06%
2021 Return	15.33%
2020 Return	8.88%
2019 Return	22.53%
2018 Return	-12.10%
3 Year Return (annualized as of Dec 31, 2023)	-0.29%
5 Year Return (annualized as of Dec 31, 2023)	5.75%
Return since Inception (as of Dec 31, 2023)	44.68%

- 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, 2023)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	48,173 <sup>c</sup>
Net Asset Value per Unit	1.4468

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

**c** Based on Unaudited Financial Statement

**BREAKDOWN BY ASSET CLASS**

Allocation	% of Fund
Equities	99.68
Uninvested Cash & Other	0.32

**TOP FIVE HOLDINGS - EQUITIES**

Name	Fund Exposure
MICROSOFT CORP	5.09
ALPHABET INC	2.47
TAIWAN SEMICONDUCTOR MFG CO LTD	1.62
NVIDIA CORP	1.56
AMAZON.COM INC	1.55

**TOP FIVE HOLDINGS - SECTOR/INDUSTRY**

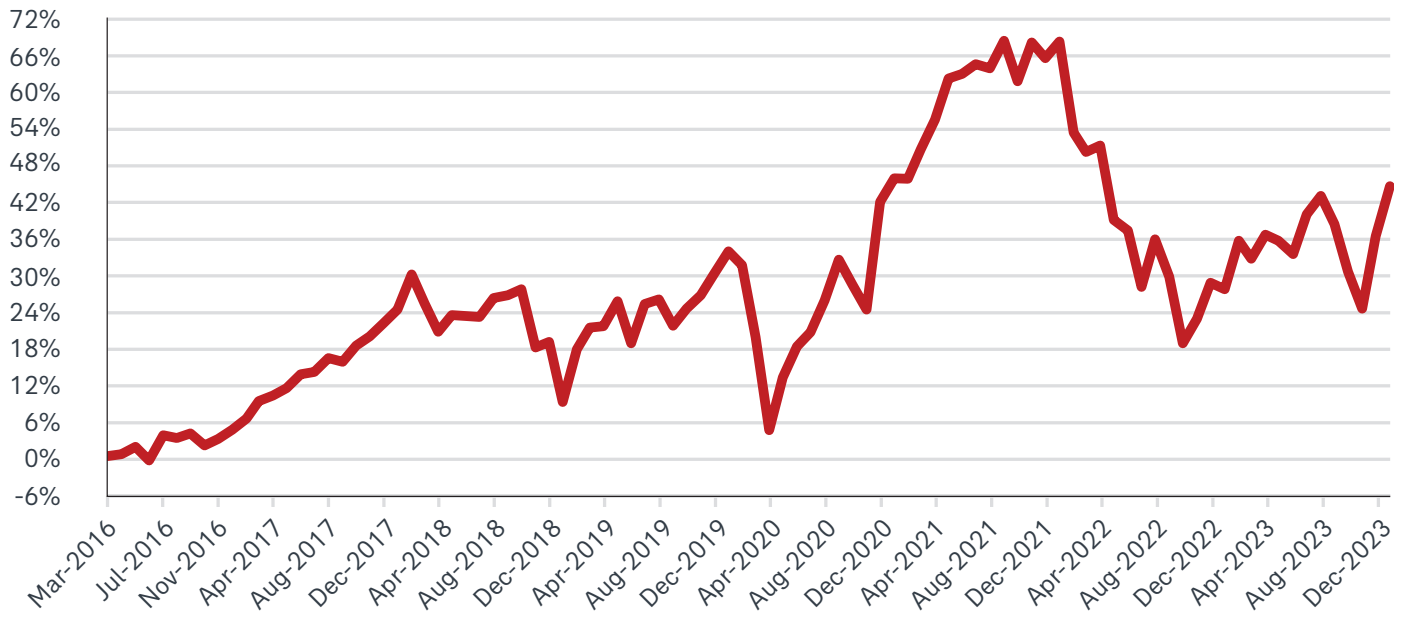
Name	Fund Exposure
Information Technology	28.92
Health Care	15.09
Industrials	14.11
Consumer Discretionary	9.97
Utilities	9.64

**TOP FIVE HOLDINGS - COUNTRY ALLOCATION**

Name	Fund Exposure
UNITED STATES	56.33
FRANCE	6.46
UNITED KINGDOM	5.60
JAPAN	4.78
GERMANY	2.89

## PREMIER PHILAM GLOBAL EQUITY FUND

### Return Since Inception <sup>d</sup>



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

# PHILAM GLOBAL MULTI ASSET FUND

Fund Inception Date: September 27, 2017

The Philam Global Multi Asset Fund (the "Fund") is a USD-denominated insurance fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance 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

Markets had another strong month in December as investor confidence was boosted by moderating inflation figures and improving economic data. Growing excitement that central banks will cut interest rates sooner in 2024 than previously expected resulted in an 'almost everything' rally. Global equities and global fixed income delivered positive returns, with the MSCI World Index (local currency) returning 4.2% and the Bloomberg Global Aggregate Index (local currency) returning 4.2% in December.

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

2023 Return	7.84%
2022 Return	-12.19%
2021 Return	9.26%
2020 Return	2.39%
2019 Return	13.90%
2018 Return	-5.14%
3 Year Return (annualized as of Dec 31, 2023)	1.14%
5 Year Return (annualized as of Dec 31, 2023)	3.83%
Return since Inception (as of Dec 31, 2023)	17.40%

- 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, 2023)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	9,273 <sup>c</sup>
Net Asset Value per Unit	1.1740

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

**c** Based on Unaudited Financial Statement

**BREAKDOWN BY ASSET CLASS**

Allocation	% of Fund
US High Yield	33.40
Global Equity	20.40
European Equity	8.30
Emerging Markets Equity	5.90
Preferred Equity	4.90
Non-Agency Securitized	4.80
Investment Grade Corporates	3.90
Global Infrastructure Equity	2.90
European High Yield	2.40
Emerging Markets Debt	1.60
Others	1.60
Cash	9.90

**TOP TEN HOLDINGS**

Name	Sector	Fund Exposure
Taiwan Semiconductor	Equity	0.40%
ABBVIE	Equity	0.40%
Samsung Electronics	Equity	0.40%
Coca-Cola	Equity	0.40%
Nestle	Equity	0.40%
Exxon Mobil	Equity	0.40%
DISH DBS CORP	Bond	0.40%
Sprint	Bond	0.40%
Volvo	Equity	0.30%
Merck & Co	Equity	0.30%

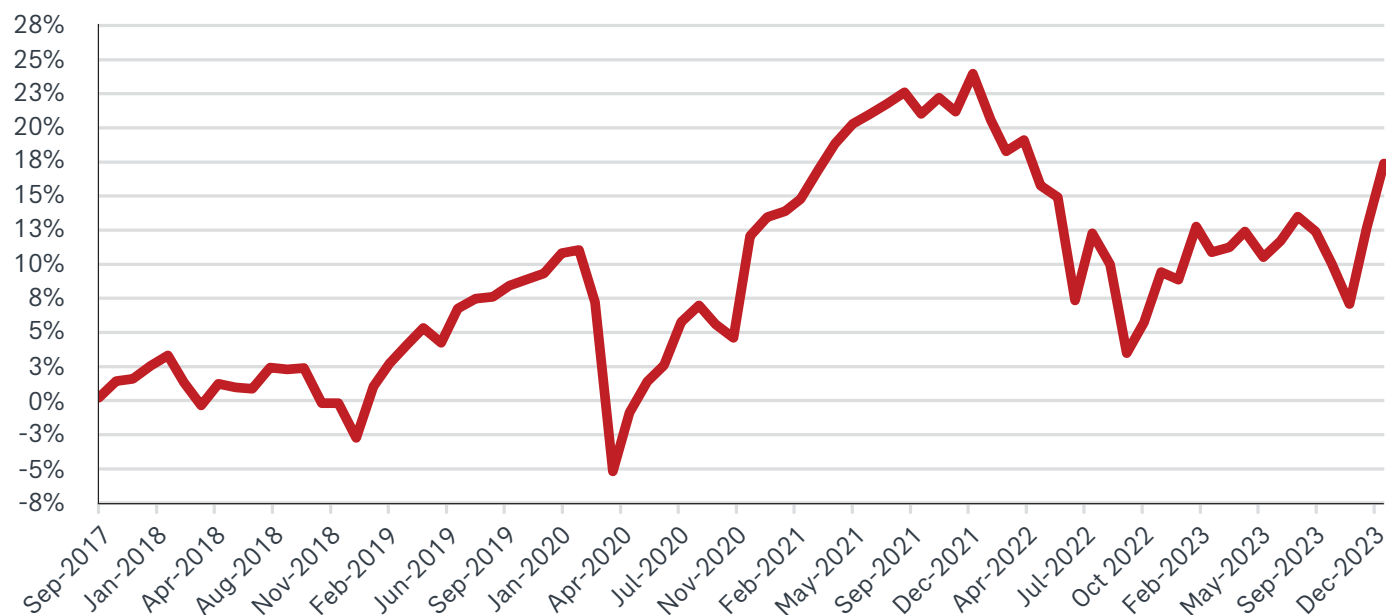


## REGIONS ALLOCATION

### Name

United States	55.40%
Europe ex-UK	14.70%
Emerging Markets	8.20%
United Kingdom	4.40%
Canada	4.00%
Asia ex-Japan	1.90%
Japan	1.40%
Australia/New Zealand	0.10%
Cash	9.90%

## PHILAM GLOBAL MULTI ASSET FUND Return Since Inception <sup>d</sup>



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

# 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 insurance fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance 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 consistent and competitive monthly distributions through December. The portfolio's duration strategies contributed to performance in December, specifically, the fund's exposure to US duration as rates fell broadly in this market. Meanwhile, short exposure to Japanese rates detracted from performance. Holdings of corporate credit and exposure to emerging markets through debt and currencies contributed to performance. The performance of residential mortgages was positive, as Agency MBS contributed to performance in December.

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

2023 Return	6.89%
2022 Return	-8.10%
2021 Return	1.86%
2020 Return	5.50%
2019 Return	8.36%
2018 Return	-0.80%
3 Year Return (annualized as of Dec 31, 2023)	0.02%
5 Year Return (annualized as of Dec 31, 2023)	2.72%
Return since Inception (as of Dec 31, 2023)	6.15%

- 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, 2023)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	80 <sup>c</sup>
Net Asset Value per Unit	1.1346

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

**c** Based on Unaudited Financial Statement

**SECTOR ALLOCATION**

Allocation	Duration in Years
Government Related	(1.00)
Securitized	3.00
Investment Grade Credit	0.70
High Yield Credit	0.10
Emerging Markets	0.30
Municipal / Other	-
Net Other Short Duration Instruments	0.20

**TOP TEN HOLDINGS\***

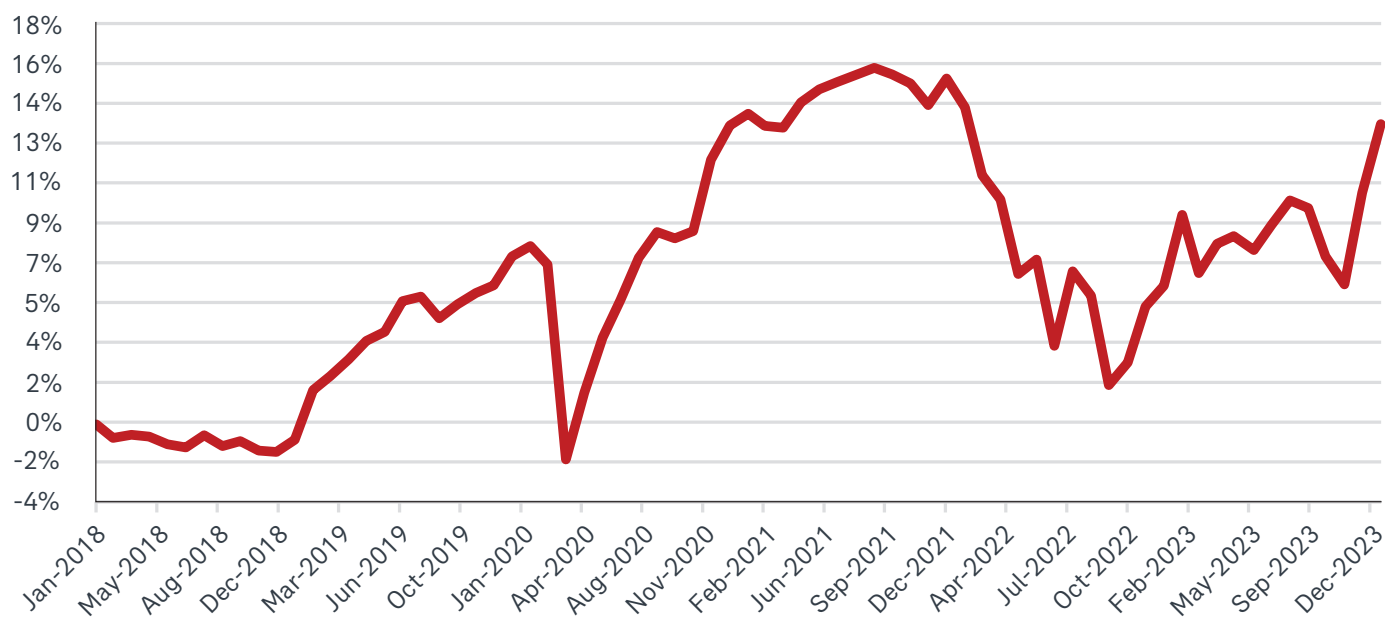
Name	% MV
FNMA TBA 5.0% NOV 30YR	4.50%
FNMA TBA 3.5% NOV 30YR	4.10%
FNMA PASS THRU 30YR #FS5749	3.90%
FNMA TBA 6.0% OCT 30YR	3.90%
FNMA TBA 5.5% NOV 30YR	3.70%
FNMA TBA 6.0% NOV 30YR	3.60%
FNMA TBA 5.5% OCT 30YR	3.10%
FNMA TBA 4.5% NOV 30YR	2.90%
BNP PARIBAS ISSUANCE BV SR SEC **ABS**	2.50%
FNMA TBA 3.0% NOV 30YR	2.10%

\*Top 10 holdings as of 09/30/2023, excluding derivatives

## TOP 10 INDUSTRIES

Name	% MV
Banks	10.50%
Electric Utility	2.20%
Pipelines	1.00%
Aerospace/Defense	0.90%
Wirelines	0.80%
Satellites	0.70%
Real Estate	0.60%
Automotive	0.60%
Airlines	0.60%
Media Cable	0.50%

## PHILAM GLOBAL FIXED INCOME (CORE) FUND Return Since Inception <sup>d</sup>



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

## DISCLOSURE STATEMENT

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## ABOUT BPI AIA

BPI AIA LIFE ASSURANCE CORP. (BPI AIA) is a strategic alliance between two leading companies in the country: AIA Philippines Life and General Insurance Company (formerly AIA Philam Life) and Bank of the Philippine Islands (BPI). AIA Philippines is the premier life insurance company in the Philippines and the market leader for over 70 years. BPI is a leading commercial bank in the country with over 170 years of experience in the local banking industry and an extensive branch network of more than 700 branches and 1,500 ATMs.

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

With the combined expertise and resources of these two trusted companies, BPI AIA policyholders are assured that their insurance is backed by financial strength and stability.



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