



**BPI ASSET MANAGEMENT AND TRUST GROUP**  
**BPI BALANCED FUND**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
As of November 27, 2015

**FUND FACTS**

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	Php164.74
<b>Launch Date:</b>	April 4, 2005	<b>Total Fund NAV (Mn):</b>	Php4,154.87
<b>Minimum Investment:</b>	Php10,000.00	<b>Dealing Day:</b>	Daily up to 2:30 PM
<b>Additional Investment:</b>	Php1,000.00	<b>Redemption Settlement:</b>	T+3 5:00 PM
<b>Minimum Holding Period:</b>	None	<b>Early Redemption Charge:</b>	None

**FEES\***

<b>Trustee Fees:</b> 1.500%	<b>Custodianship Fees:</b> 0.0115%	<b>External Auditor Fees:</b> 0.005%	<b>Other Fees:</b> 0.00%
BPI Asset Management	HSBC	Isla Lipana	None

\* As a percentage of average daily NAV for the quarter valued at divided by the average daily NAV for the quarter valued at divided by the average daily NAV  
Php4,064.65 Million                      NAV                      NAV

**INVESTMENT 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 91-day Philippine Treasury Bill, net of tax

**CLIENT SUITABILITY**

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The BPI Balanced Fund is suitable for investors who:

- Are at least classified as aggressive based on their risk profile
- Have an investment horizon at least five (5) years

**KEY RISKS AND RISK MANAGEMENT**

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

<b>Interest Rate Risk:</b>	Investors are exposed to adverse changes in the prices of domestic fixed income securities due to a rise in interest rates, which generally causes fixed income security prices to decline. Factors/ events that may lead to a rise interest rates include adverse market conditions, issuer-specific factors/ events and/ or negative developments in domestic political and economic conditions.
<b>Equity Price Risk:</b>	Investors are exposed to adverse changes in the prices of stocks listed in the Philippine Stock Exchange, which may be brought about by adverse stock market conditions, unfavorable company earnings and valuations and/ or negative developments in domestic and global political and economic conditions.
<b>Liquidity Risk:</b>	Investors are exposed to the risk of loss due to the fund's inability to convert fixed income and equity security holdings to cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price due to limited buyers/ sellers in the market, low trading volumes or market disruptions, among other reasons/ factors.
<b>Related Party Risk:</b>	Investors are exposed to actual or potential conflicts of interest in the handling of related party transactions by the Trustee, specifically, time deposit placements with the Trustee's own bank and/ or its subsidiary, purchase of debt and equity securities issued by related parties, as well as the execution of trade transactions with related counterparties.
<b>Credit/ Default Risk:</b>	Investors are exposed to the risk of loss due to the failure of the borrower/ debt issuer to make timely interest and/ or principal payments on its deposit liabilities, loans, bonds or other debt instruments due to a deterioration in the borrower's/ issuer's financial condition or external factors and events that may affect its ability to repay financial obligations such as negative developments in domestic political and economic conditions.

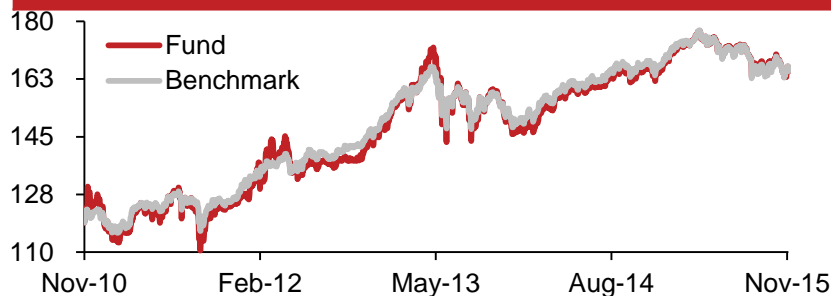
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks

**• THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**  
**• RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.**  
**• WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**  
**• THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

## FUND PERFORMANCE AND STATISTICS AS OF NOVEMBER 27, 2015

(Purely for reference purposes and is not a guarantee of future results)

### NAVPU GRAPH



### NAVPU over the past 12 months

Highest	177.13
Lowest	161.86

### STATISTICS

Portfolio Beta	1.01
Volatility, Past 1 Year (%) <sup>3</sup>	7.93
Sharpe Ratio <sup>4</sup>	-0.29
Information Ratio <sup>5</sup>	0.41
Current Number of Holdings	43

### CUMULATIVE PERFORMANCE (%) <sup>1</sup>

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>-1.76</b>	<b>-1.52</b>	<b>-4.04</b>	<b>-0.66</b>	<b>16.14</b>	<b>140.08</b>
<b>Benchmark</b>	<b>-1.38</b>	<b>-0.97</b>	<b>-3.86</b>	<b>-1.50</b>	<b>13.73</b>	<b>123.30</b>

### ANNUALIZED PERFORMANCE (%) <sup>1</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>2</sup>
<b>Fund</b>	<b>-0.66</b>	<b>3.93</b>	<b>5.11</b>	<b>7.62</b>	<b>6.74</b>	<b>8.57</b>
<b>Benchmark</b>	<b>-1.50</b>	<b>3.65</b>	<b>4.38</b>	<b>7.35</b>	<b>6.74</b>	<b>7.83</b>

### CALENDAR YEAR PERFORMANCE(%) <sup>1</sup>

	YTD	2014	2013	2012	2011	2010
<b>Fund</b>	<b>-0.27</b>	<b>12.50</b>	<b>1.37</b>	<b>16.08</b>	<b>-0.72</b>	<b>37.39</b>
<b>Benchmark</b>	<b>-1.16</b>	<b>11.57</b>	<b>1.56</b>	<b>16.30</b>	<b>3.14</b>	<b>19.41</b>

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	48.77
Fixed Income	0.00
Cash and Other Receivables	51.23
Sector Holdings	
Holding Firms	17.06
Property	8.86
Industrial	8.66
Services	6.86
Financials	6.83
Mining and Oil	0.50

<sup>1</sup>Returns are net of fees.

<sup>2</sup>Since Inception

<sup>3</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>4</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>5</sup>Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

\*Declaration of Trust is available upon request through branch of account.

### TOP TEN HOLDINGS

Equity Names	%
SM Investments Corp.	4.64
Ayala Land, Inc.	4.62
Phil. Long Distance Telephone Co.	3.57
Universal Robina Corp.	3.50
Ayala Corporation	3.34
Fixed Income Names	%
NONE	

### RELATED PARTY TRANSACTIONS\*

The Fund has transactions and outstanding investments including deposit, investments in the share/s of stock, and/or debt issuances of the following companies related to the Bank of the Philippine Islands:

Ayala Corporation — Php 178.73Mn, Ayala Land, Inc. — Php 192.08Mn, Bank of the Philippine Islands — Php 538.27Mn, Globe Telecom, Inc. — Php 58.68Mn, Manila Electric Company — Php 47.32Mn, International Container Terminal Services, Inc. — Php 53.72Mn, DMCI Holdings, Inc. — Php 34.68Mn, Aboitiz Power Corporation — Php 50.20Mn, Jollibee Foods Corporation — Php 64.53Mn, Philippine Long Distance Telephone Company — Php 148.23Mn, Metro Pacific Investments Corporation — Php 31.75Mn, Robinsons Land Corporation — Php 47.36Mn, First Gen Corporation. — Php 19.44Mn, Petron Corp. — Php 4.05Mn

Investments in the said outlets were approved by the Trust Committee. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

\* Related party in accordance with BPI's internal policy.

## OUTLOOK AND STRATEGY

**Market Review.** The Philippines Stock Exchange (PSEi) stumbled by 2.90% to 6,927.07 for the month of November on growing expectations of the imminent US Fed rate hike. Likewise, the lackluster result of the latest round of corporate earnings and below-consensus 3Q2015 GDP contributed to the weakened market sentiment. On a year-to-date basis, the PSEi is now down by 4.2%. Volumes continued to be light as the average daily turnover slowed by 24.18% month-on-month to US\$138 million. Meanwhile, in terms of flows, foreigners continued to be net sellers, registering US\$168 million. This is the eighth straight month of net foreign selling, translating to a year-to-date outflow of US\$1.108 billion.

Top index gainers for the month are LTG (+19.20%), EMP (+10.24%), and DMCI (+8.71%). On the other hand, the worst performing index issues are BLOOM (-15.12%), GLO (-12.28%) and FGEN (-11.07%). In terms of sectors, only holdings posted a positive return (+0.07%) while the rest are negative.

On the local economic front, 3Q2015 GDP grew by 6%, higher than the previous quarter of 5.8% but still missed consensus estimate of 6.3%. Trade balance pulled down the economic print while private consumption remained robust as it rose 6.3% YoY, fixed capital formation climbed 9.3% YoY and government consumption ascended 17.4% YoY. Meanwhile, inflation remained slow, rising by only 0.4% YoY in October with the food index rising by 0.7% YoY, the lowest recorded in over a decade. The Bangko Sentral ng Pilipinas (BSP) continued to keep policy rates unchanged on the back of strong economic growth and benign inflation. Remittances from overseas Filipino workers increased by 4.3% to US\$2.2 billion in September mostly coming from strong growth in the Middle East (+10.8% YoY) and Asia (+21% YoY).

**Fund Performance.** The fund fell by 1.76% in November, missing its benchmark by 38 basis points. It outperforms the benchmark on a year-to-date basis by 89 basis points with a return of -0.27%.

**Fund Strategy.** We will continue to adopt a defensive strategy as global volatility continues to discourage conviction buying on equities. Value turnover will also taper off as foreign investors continue to re-assess asset allocation towards Emerging Markets. Expect huge market swings in the short term on global growth concerns. On the domestic front, we look to continue selling on rallies and pick up on market dips especially those companies that provide strong cash yields.

## LIST OF PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets, wherein the Trustee intends to invest depending on strategy, availability, or other market-driven circumstances:

- (a) Shares of Stock of selected corporations which are already listed or being offered publicly and soon to be listed in major capital markets.
- (b) Primarily medium term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investment outlets/ categories as the BSP may allow.
- (c) Primarily medium term tradable fixed-income securities issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Fund.
- (d) Bank deposits and such other investments allowed under regulations issued by the BSP.