PBCOM
PHILIPPINE BANK OF COMMUNICATIONS
菲律濱交通銀行
80 years SINCE 1939

BEST BALANCED FUNDS

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
As of December 31, 2019

FUND FACTS	
Classification: Balanced Fund	Net Asset Value per Unit (NAVPU): 116.5740
Launch Date: December 8, 2010	Total Fund NAV: PHP 3.995 Million
Minimum Investment: PHP10,000.00	Dealing Cut-Off: 11:00 AM
Additional Investment: PHP10,000.00	Redemption Settlement: Three (3) banking days (T+3)
Minimum Holding Period: Ninety (90) calendar days	Early Redemption Charge: 0.25% of Redemption Value

FEES		
Trust Fees: **1.50% p.a.** PBCOM Trust & Wealth Management	External Auditor Fees*: **0.06% p.a.** SGV & Co.	Third Party Custodian Fees*: **0.002% p.a.** Deutsche Bank

* Calculated based on the total annual fees for the previous year divided by the average monthly NAV of the previous year

INVESTMENT OBJECTIVE AND STRATEGY

A Philippine Peso denominated Unit Investment Trust Fund (UITF) which aims to provide its participants income and capital growth on a medium to long term basis. Investments will be in selected shares of stock (minimum of 40% and maximum of 60% of investment volume) and fixed income securities (FXTN/RTB/TD/Bonds).

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 Best Balanced Fund is suitable only for investors who:

- Have a balanced risk profile
- Have a medium to long term horizon
- Who seek potentially higher returns through investments in stocks and bonds

KEY RISK AND RISK MANAGEMENT

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

- **Interest Rate Risk.** This is the possibility for an investor to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
- **Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities (e.g., bonds and equities). It is the exposure to the uncertain market value of a portfolio due to price fluctuations.
- **Liquidity Risk.** This is the possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or underdeveloped capital market.
- **Reinvestment Risks.** This is the risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.
- **Credit/Default Risks.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other form of security which the borrower issued.
- **Other Risks.** This is the risk of potential conflict of interest in a related party transaction.

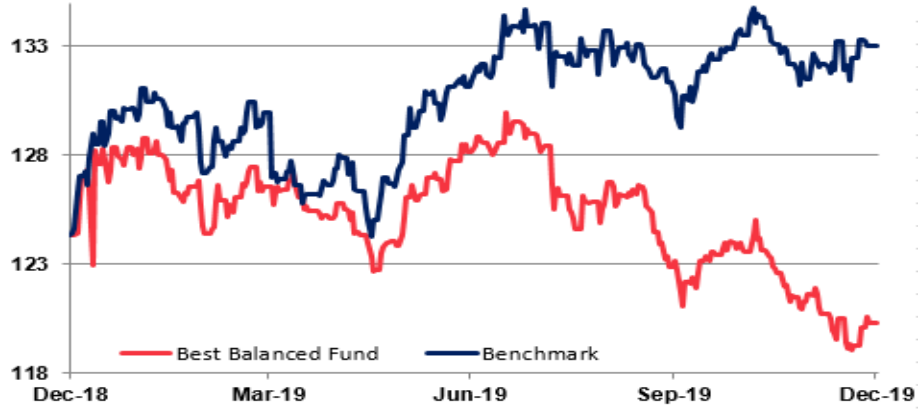
- ♦ THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)
- ♦ RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY
- ♦ WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND 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

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of December 31, 2019

FUND PERFORMANCE AND STATISTICS

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



NAVPu over the past 12 months

	Date	NAVPu
Highest	July 15, 2019	126.0130
Lowest	December 29, 2019	115.3920

Statistics YTD

Volatility, (Annualized)	3.58%
Sharpe Ratio**	(0.26)
Information Ratio***	(0.4401)

**Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.*
*** Sharpe Ratio is 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.*
**** Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.*

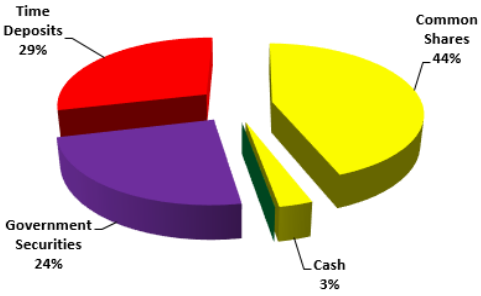
Cumulative Performance[1] (%)

Period	1 mo	3 mos	6 mos	1 yr	3 yrs	YTD	Since Inception (12/30/2010)
Fund[2]	-1.23%	-2.48%	-6.28%	-3.42%	-7.22%	-3.42%	16.41%
Benchmark[3]	1.16%	1.42%	1.40%	12.12%	12.52%	12.12%	N/A

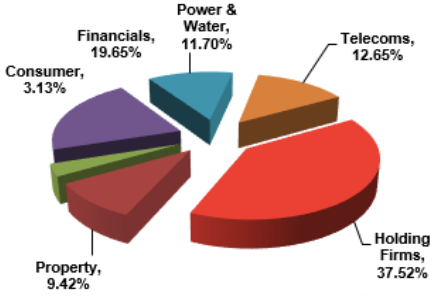
[1] *Rates shown are absolute.*
[2] *Net of 1.50% Trust Fees. Past Performance is not indicative of future returns*
[3] *Benchmark is Philippine Stock Exchange Index (60%) and BPI Liquid Philippine Government Bond Index (40%)*

Stocks	% to NAV
First Gen	4.34%
Aboitiz Equity Ventures	3.66%
GT Capital Holdings Inc	3.01%
Robinson Retail Holdings	2.88%
Globe Telecom	2.87%
Metrobank	2.83%
PLDT	2.69%
Semirara Mining	2.60%
LTG Group	2.41%
Banco de Oro	2.39%

Portfolio Mix



Sector Holdings (Equity Portion)



Related Party Transactions

The Fund has deposits with the Bank Proper amounting to Php 4,804.21 which was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

Prospective Investments

The following are among the Fund's approved investment outlets where the Trustee intends to invest in depending on its availability or other market driven circumstances: Equity issues; Government Securities; Time Deposits; or Corporate Bonds/Notes.

Market Update

Inflation rate increased to 2.5 percent in December 2019 from 1.3 percent of the previous month. Year to date, inflation averaged at 2.5. percent, exceeding the target range of Bangko Sentral ng Pilipinas' 2 – 4 percent. The uptrend was caused by prices of food and non alcoholic beverage which was mainly reflecting seasonal effects of higher demand during christmas season and impact of recent typhoons on crops. The PSE index closed at 7,815.26 in December 2019, Higher by 76.30 points, compared to previous month. While, The Philippine Peso closed December 2019 at PHP50.635 vs the US Dollar.