

# PBCOM PHP MULTI-ASSET FUND

KEY INFORMATION & INVESTMENT DISCLOSURE STATEMENT | Dec 2023

## FUND FACTS

**Classification:** Multi-Asset Fund  
**Launch Date:** December 8, 2010  
**Minimum Investment:** PHP 5,000.00  
**Additional Investment:** PHP 1,000.00  
**Minimum Holding Period:** 30 calendar days

**Net Asset Value per Unit (NAVPU):** 117.9525  
**Total Fund NAV:** PHP 3.127 Million  
**Dealing Cut-Off:** 11:00 AM  
**Redemption Settlement:** 3 banking day (T+3)  
**Early Redemption Charge:** 0.25% of Redemption Value

## FEES

Trust fees: 1.00% p.a. PBCOM Trust & Wealth Management Group	External auditor fees*: 0.55% p.a. SGV & Co.	Third party custodian fees*: 0.002% p.a. NROSS/PDTC
---	---	--

\*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

The Fund is a Philippine Peso denominated Unit Investment Trust Fund (UITF) that aims to provide medium to long term capital growth. The Fund invests in a diversified portfolio of fixed income securities, equities and other allowable investments for UITFs. The Fund has at least five percent (5%) to twenty percent (20%) invested in stocks listed in the Philippine Stock Exchange and a portfolio of medium to long term deposits and fixed-income securities. Cash may be kept for liquidity and portfolio rebalancing purposes.

## 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 PBCOM PHP Multi-Asset Fund is suitable **only** for investors who:

- Have an aggressive risk profile
- Have a medium to long term horizon
- Seek potentially higher returns through investment 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.
- **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.
- **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.
- **Foreign Exchange Risks.** This is the possibility for an investor to experience losses due to fluctuations in foreign exchange rates. The exchange rates depend upon a variety of global and local factors, e.g., interest rates, economic performance, and political developments.
- **Country Risks.** This is the possibility for an investor to experience losses arising from investments in securities issued by/ in foreign countries due to the political, economic and social structures of such countries.
- **Regulatory Risks.** Changes in laws and regulations that could adversely affect the value and return of the investment.
- **Other Risks.** This is the risk of potential conflict of interest in a related party transaction.

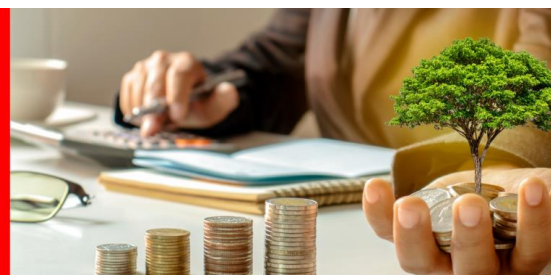
- ◆ The UITF is a trust product and not a deposit account, and is not insured nor governed by the PDIC.
- ◆ The UITF is not an obligation of, nor guaranteed, nor insured by the trust entity or its affiliates or subsidiaries.
- ◆ Due to the nature of the investments of a UITF, the returns/yields cannot be guaranteed. Historical performance, when presented, is purely for reference purposes and is not a guarantee of similar future performance.
- ◆ Any losses and income arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, are for the account of the client. As such, the units of participation of the client in the UITF, when redeemed, may be worth more or worth less than his/her initial investment/contribution.
- ◆ The trustee is not liable for losses unless upon willful default, bad faith, or gross negligence.
- ◆ The investor must read the complete details of the fund in the UITF's Plan Rules, make his/her own risk assessment, and when necessary, seek an independent/professional opinion before making an investment.



## TRUST ONLINE PORTAL

<https://mytrustinvests.pbcom.com.ph/>

View and monitor your investments anytime, anywhere.



(02) 8777-2266 or 1-800-10-777-2266 | [www.pbcom.com.ph](http://www.pbcom.com.ph) | PhilippineBankofCommunications

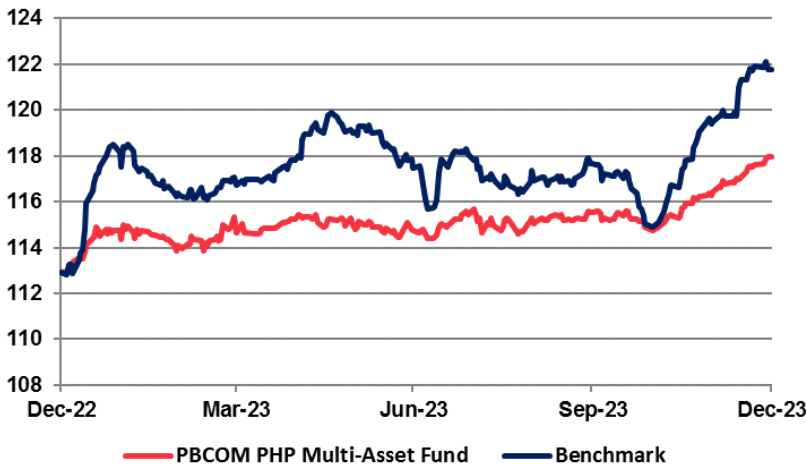
PBCOM

# PBCOM PHP MULTI-ASSET FUND

KEY INFORMATION & INVESTMENT DISCLOSURE STATEMENT | Dec 2023

## FUND PERFORMANCE AND STATISTICS *(Purely for reference purposes and not a guarantee of future results)*

### NAVPU Graph (Fund's NAVPU vs Benchmark)



### NAVPU over the past 12 months

	Date	NAVPU
Highest	Dec 31, 2023	117.9525
Lowest	Dec 31, 2022	112.9016

### Statistics

Volatility, (Annualized)	2.57%
Sharpe Ratio**	(0.14%)
Information Ratio***	(0.2214)

\*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<sup>1</sup>

Period	1 mo	3 mos	6 mos	1 yr	3 yrs	YTD	Since Inception
Fund <sup>2</sup>	1.45%	2.08%	2.79%	4.47%	3.48%	4.47%	17.95%
Benchmark <sup>3</sup>	1.98%	3.50%	3.64%	7.81%	2.01%	7.81%	54.51%

1. Rates shown are absolute.

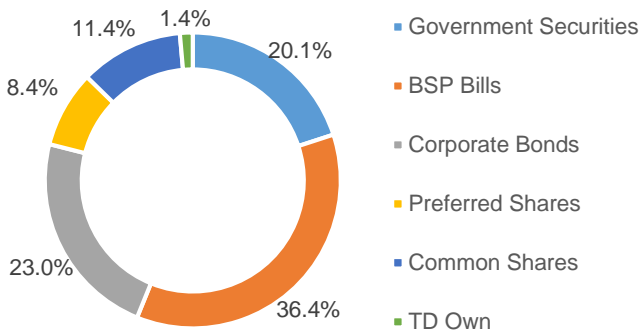
2. Net of 1.00% Trust Fees. Past Performance is not indicative of future returns

3. Benchmark is the combined weighted Year To Date performance of the Phil. Stock Exchange Index (20%) and Bloomberg Phil. Sovereign Bond Index (80%)

The equity benchmark reflects the change in value of the PSE Index and is not on a total return basis. Additional information on the PSEi may be accessed through [www.pse.com.ph](http://www.pse.com.ph) while details on the Bloomberg Phil. Sovereign Bond Index is available through the Bloomberg Financial Terminal

## PORTFOLIO MIX

### Composition



Top 10 Holdings	% to NAV
BSP Bill 02/20/24	36.4%
AP Bonds 03/17/29	10.2%
FXTN 10-64 01/10/29	10.2%
FXTN 07-70 07/27/30	10.0%
CLI Bonds 10/07/29	6.4%
ALI Bonds 07/04/24	6.4%
ACENA Preferred Shares	4.7%
ICT Common Shares	4.3%
SMC2O Preferred Shares	3.7%
SCC Common Shares	2.9%
Total	95.2%

## RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to PHP 45,514.47 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: Government Securities, Time Deposits, Equity Issues and Corporate Bonds/Notes.

## MARKET UPDATE

The PSEi ended 2023 at 6,450.04, representing a 1.8% decline for the year as the equity market faced challenges amid elevated inflation and interest rates. Financials was the lone sector that registered positive performance at +5.7% for the year while the Mining and Oil sector saw the biggest decline at -7.5%. Net Foreign Selling was recorded at \$886mn for the year as investors preferred the safety of USD money market instruments and US Treasuries over emerging market assets.

With PSEi PE multiples near crisis level valuations, 2024 is shaping up to be a more favorable environment for local equities on the back of declining inflation and consequently, policy rate cuts by the US Fed and the BSP. Domestic earnings growth expectations likewise remain upbeat, with aggregate net profit growth of around 9-10% deemed as achievable for the year. Some form of re-rating on the market's multiple may also be in play, as interest rates on fixed-income instruments begin to trend lower.

Headline inflation for December fell to 3.9% from 4.1% in November. This was better than market expectations of 4.0% and near the low-end of the BSP's forecast range of 3.6% to 4.4%. On a month-on-month basis, headline CPI rose at 0.2% for the month, broadly the same rate as in November. Rice inflation grew at a faster MoM rate of 3.5% in December from 2.7% in November and accounted for bulk of the acceleration in food items. For the year, average inflation stood at 6.0%, above the government's target range of 2-4%. Inflation is widely expected to fall within the 2-4% target range within 2024, however, upside risks still remain due to volatile oil prices and the potential effects of El Nino.

On monetary policy, the BSP recognizes the need for interest rates to remain sufficiently elevated in order to keep inflation in check. In terms of market expectation, the BSP is expected to consider cutting rates in the second quarter of 2024, with cumulative rate cut forecasts ranging from 100 to 150 bps for the year.

This document has been prepared by Philippine Bank of Communications ("PBCOM"), for information purposes only and does not constitute any recommendation, offer, or solicitation to any person to enter into any transaction, trading, hedging, or investment strategy of any kind. PBCOM is acting solely as principal and not as your advisor or fiduciary in respect of any transaction. PBCOM has not provided any investment advice or recommendation to you in relation to any transaction, and thus you may not rely on any communication (written or oral) from PBCOM as investment advice or recommendation whatsoever. This document does not disclose all the risks and aspects, significant or otherwise, in connection with transactions or investments referred to herein. You must determine, on your own or through your advisor, the merits, terms conditions and risks of the investment/transactions described herein, and, especially, the suitability of entering into any investment/transactions in light of your particular financial situation, needs, and/or other individual circumstances. PBCOM accepts no liability whatsoever for any losses (including, but not limited to, consequential losses) arising from the use of this document or reliance on the information contained herein. PBCOM does not represent or make any warranty as to the accuracy or completeness of information contained in this document. PBCOM disclaims any liability for any errors or omissions in this document. Any data on past performance, scenario analysis or back-testing is no indication as to future performance. All opinions and estimates are given as of the date hereof and are subject to change without notice. The value of any investment fluctuates as a result of market changes.