

**PHILAM FUND**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
As of October 30, 2020



**FUND FACTS**

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Share (NAVPS):</b>	PHP 15.9170
<b>Launch Date:</b>	September 28, 1993	<b>Total Fund NAV (Mn) :</b>	PHP 10,369.23
<b>Minimum Investment:</b>	PHP 1,000.00 <sup>1</sup>	<b>Dealing Day:</b>	Daily up to 10:30 AM
<b>Additional Investment:</b>	PHP 500.00 <sup>1</sup>	<b>Redemption Settlement:</b>	Not more than 7 days
<b>Minimum Holding</b>	180 calendar days	<b>Early Redemption Charge:</b>	1.00%

**FEES\***

<b>Management &amp; Distribution Fee:</b> 2.00%	<b>Transfer Agency Fee:</b> 0.05%	<b>Custodian:</b> Citibank N.A.
BPI Investment Management, Inc <sup>2</sup>	BPI Investment Management, Inc <sup>2</sup>	<b>External Auditor:</b> Isla Lipana

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to achieve long-term capital appreciation by investing in a diversified portfolio of equities and fixed income instruments.

**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 Prospectus of the Fund, which may be obtained from the Fund Manager, before deciding to invest.

The **Philam Fund** is suitable only for investors who:

- Are at least classified as **moderate** based on their risk profile.
- Have an **investment horizon of up 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 some of the accompanying risks.

**Market Risk:** The risk that movement in the financial markets will adversely affect the investments of the Fund. To properly manage market risk, various risk measurement methodologies are utilized to quantify the potential changes in portfolio value resulting from changes in security prices.

**Interest Rate Risk:** The risk that the value of the portfolio will decline as interest rates rise (since bond prices and interest rates are inversely related). Interest rate risk is measured using duration and controlled through duration limits.

**Liquidity Risk:** The risk that the investments of the Fund cannot be sold or converted into cash within a reasonable time or sale is possible but not at a fair price. A liquidity contingency plan is in place.

**Credit Risk:** The risk that the bond issuer may not be able to pay its debt when interest payments and maturity falls due. Credit risk is minimized through diversification, establishment of investment and counterparty limits and through accreditation process of investment outlets.

**Inflation Risk:** The risk the return of your investments will not keep pace with the increase in consumer prices. To mitigate inflation risk, the Fund Manager closely monitors inflation.

**Reinvestment Risk:** The risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are re-invested. Reinvestment risk is mitigated by closely monitoring interest rate trends.

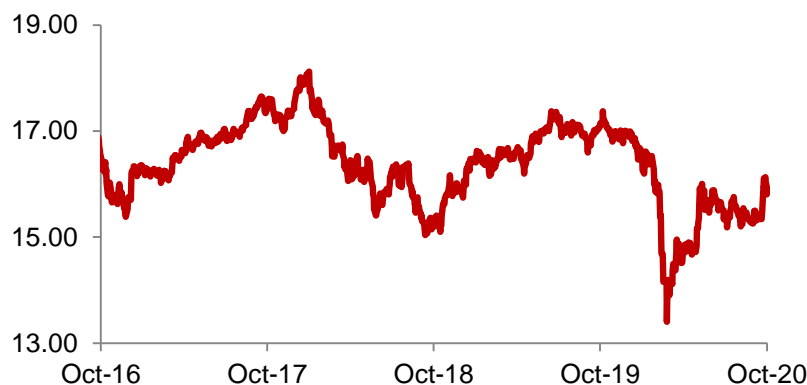
- THE MUTUAL FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPS IS FOR ILLUSTRATION OF NAVPS MOVEMENTS/ FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY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

For more information, you can contact us at **(02) 8580-0900**,  
email us at **bpi\_investment@bpi.com.ph** or visit our website, **www.philamfunds.com**

## FUND PERFORMANCE AND STATISTICS AS OF OCTOBER 30, 2020

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

### NAVPS GRAPH



### NAVPS over the past 12 months

Highest	17.3735
Lowest	13.4042

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	56.08
Government	30.92
Corporates	9.78
Fixed Income Funds	0.57
Cash & Cash Equivalent (Net of Liabilities) <sup>5</sup>	2.65

**Benchmark:** 40% Bloomberg Philippine Sovereign Bond Index AI + 50% Philippines Stock Exchange Index (Total Return) + 10% Average 30-Day Peso Deposit Rate of 4 Major Commercial Banks (Net of 20% WHT)

### CUMULATIVE PERFORMANCE (%) <sup>3</sup>

	1 mo	3 mos	6 mos	1 YR	3 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>4.15</b>	<b>3.28</b>	<b>7.23</b>	<b>-6.92</b>	<b>-8.61</b>	<b>772.21</b>
<b>Benchmark</b>	3.87	3.07	7.94	-4.33	0.33	256.95

### ANNUALIZED PERFORMANCE (%) <sup>3</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>-6.92</b>	<b>1.84</b>	<b>-2.96</b>	<b>-1.00</b>	<b>-0.62</b>	<b>8.32</b>
<b>Benchmark</b>	-4.33	6.08	0.11	1.86	2.39	4.81

### CALENDAR YEAR PERFORMANCE (%) <sup>3</sup>

	YTD	2019	2018	2017	2016	2015
<b>Fund</b>	<b>-6.16</b>	<b>6.62</b>	<b>-9.40</b>	<b>11.48</b>	<b>-1.47</b>	<b>-4.74</b>
<b>Benchmark</b>	-4.11	12.40	-7.55	13.88	0.74	-0.70

### OUTLOOK AND STRATEGY

**Market Review.** The Philippine Stock Exchange (PSEi) gained month-on-month, rising 7.8% in October primarily due to the slowdown of new daily COVID-19 cases in the country, as well as the easing of quarantine restrictions despite Metro Manila remaining nominally under a general community quarantine (GCQ) until end-November. Concerns regarding budget delays have also been addressed as the issue regarding the leadership in the House of Representatives has been quickly resolved. Further adding support to the market were the first round of third quarter earnings results, which generally showed improvements on a quarter-on-quarter basis. Foreigners continued to be net sellers in October, with portfolio outflows amounting to PHP7.59 billion or USD156.3 million for the month.

Top gainers for October include LTG (+28.2%), FGEN (+22.1%), and JFC (+17.2%), with the largest month-on-month detractors being PGOLD (-15.8%), AEV (-3.2%), and BLOOM (-3.2%). Year-to-date, EMP (+39.0%), TEL (+34.4%), and FGEN (+18.0%) were the best performers, with SECB (-50.6%), GTCAP (-49.2%), and RLC (-45.6%), being the worst performers.

This month, the BTr reissued Php 30 Bn of the 3-yr paper 3-25 with coupon 2.375% with bids fully awarded at an average rate of 2.182% and another Php15 Bn awarded via the tap facility. It also reissued Php 30 Bn of the 5-yr paper 10-60 with coupon 3.625% with bids also fully awarded at an average rate of 2.782%. The BTr has scheduled another round of 3-yr and 5-yr bonds for auction in November, and the Php 3 Bn of 1yr prize bonds are set for November 11 as well.

<sup>1</sup>Mutual Funds do not issue fractional shares.

<sup>2</sup>A wholly-owned subsidiary of BPI

<sup>3</sup>Returns are net of fees.

<sup>4</sup>Since Inception.

<sup>5</sup>Includes accrued income, investment securities purchased, accrued expenses, etc.

\*The Prospectus is available upon request through branch of account.

### TOP THREE HOLDINGS

Name	Maturity	%
SM Investments Corp.		9.18
SM Prime Holdings Inc.		6.20
Ayala Land Inc.		5.88

## OUTLOOK AND STRATEGY

**Fund Performance.** The Fund returned 4.15% for the month, outperforming the benchmark by 28 basis points.

**Fund Strategy.** We are looking to maintain our equity position at current levels, possibly increasing cash during the short-term. Profit-taking may occur in the short-term following the market's run-up above the 6000 level, but we are keeping our strategic weight on equities in the long term. We continue to like liquid names in defensive industries with good earnings visibility, as well as names that would benefit from loose monetary policy.