



UCPB Balanced Fund (UBF)

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter Ended March 31, 2019

FUND FACTS

Classification: Balanced	Net Asset Value Per Unit (NAVPU): 2.605296944
Launch Date: March 5, 2007	Total Fund NAV: PhP 93,212,285.02
Minimum Investment: PhP 10,000.00	Dealing Day: On any banking day up to 1:30 p.m.
Additional Investment: PhP 5,000.00 and in multiples of PhP 1,000.00	Redemption Settlement: Three (3) banking days after receipt by TBG of redemption notice
Minimum Holding Period: 30 calendar days	Early Redemption Charge: 5% of the total amount redeemed

FEES*

Trustee Fees: 0.4387% Trustee: UCPB Acting Through Its Trust Banking Group (TBG)	Custodian Fees: 0.0006% Custodian: Deutsche Bank AG Manila & Philippine Depository & Trust Corp.	External Auditor Fees: 0.0046% External Auditor: Punongbayan & Araullo Company	Other Fees: None
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*As a percentage of average daily NAV for the quarter valued at PhP 104,418,105.59

INVESTMENT OBJECTIVE AND STRATEGY

UBF seeks to provide long-term capital appreciation and income by investing in a mix of equities and fixed income securities. It also aims to surpass its benchmark which is the composite return of the Philippine Stock Exchange Index and the Bloomberg Philippine Sovereign Bond Index 1-5 Years. This should not be construed, however, as a guarantee of yield.

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/their investment objective 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 UBF is suitable only for investors who:
 - have a risk profile of moderate based on the results of the accomplished Client Suitability Assessment Form;
 - are seeking a simple way to achieve a diversified holding of stocks and fixed-income investments; and
 - willing to accept moderate fluctuations in unit prices.

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.

- Interest Rate Risk. This is the possibility for an investor to experience losses due to changes in 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).
- Credit Risk/Default Risk. 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 forms of security which the borrower issued.
- 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.
- Reinvestment Risk. This is associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of the funds are reinvested.

TBG strictly adheres to the investment outlets as stated in the Fund's Declaration of Trust. Exposure limits and asset allocation is closely monitored on a regular basis. All counterparties and investment outlets underwent thorough evaluation and accreditation in accordance with the Trust Manual of Operations, Policies and Guidelines.

- **THE UITF 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 AND 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**



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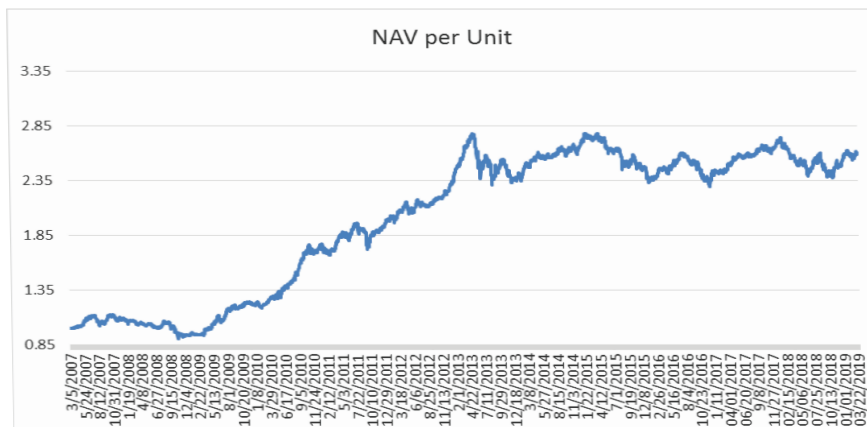
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FUND PERFORMANCE AND STATISTICS AS OF MARCH 31, 2019 (purely for reference purposes and is not a guarantee of future results)

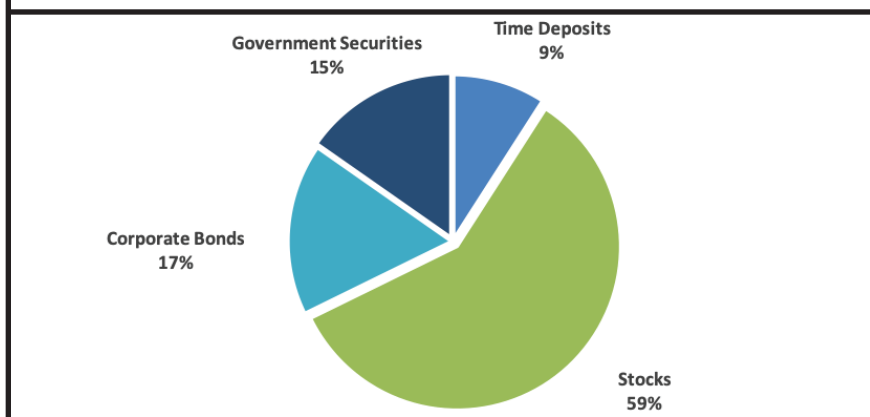
NAVPU Graph



CUMULATIVE PERFORMANCE (%)

Period	1 Mo	3 Mos	6 Mos	1 Yr	3 Yrs	5 Yrs	YTD
Fund	2.30%	4.98%	5.53%	1.63%	6.28%	4.82%	4.98%
Benchmark	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PORTFOLIO COMPOSITION



NAVPU OVER THE PAST 12 MONTHS

Highest	2.645655726
Lowest	2.378360211

STATISTICS

Weighted Ave. Duration	1.94
Volatility, Past 1 Year*	10.23%
Sharpe Ratio**	-0.09
Information Ratio***	-0.19

* 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.

TOP TEN HOLDINGS (%)

RTB 5-11	15%
Time Deposit	9%
SM Investment Corporation	8%
JGS Bonds due 2021	7%
Ayala Land, Inc.	5%
FLI Bonds due 2019	5%
AC Bonds due 2021	5%
SM Prime Holdings Inc.	4%
Ayala Corporation	4%
BDO Unibank, Inc.	3%
Total	65%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php 3.5M, which were approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

The PSEi went up by 3.65% MoM to close by 7,921 pts for the month of March which was mainly driven by the appointment of Mr. Benjamin Diokno as the new BSP governor which was seen by the market as "pro-growth". In his first statement, he said that there are more room for a monetary easing and BSP could expedite the reduction of reserve requirements of banks. This was followed by Monetary Board keeping rates unchanged last March 21, following dovish statements from Fed.

Trading was also relatively light and remained within a tight range for the past few weeks as investors stayed on the side-lines on lack or market moving news. Even the slower than expected inflation print of 3.3% for March failed to excite markets as slowdown in inflation has probably already been priced in. The PSEi may track regional market activity in the short term on the back of uncertainties surrounding the on-going US-China trade talks and slowing global growth concerns. Key levels remain at 7,600-8,200.

Inflation for the month of March registered at 3.3%, falling from 3.8% last February and lower than the 3.5% market consensus. This is also at the low end of BSP's 3.1%-3.9% forecast. Average inflation for the year now stands at 3.8%, within the 2%-4% target of BSP. Easing rice retail prices and strengthening of peso both point to sustained downward price pressures. Furthermore, Core inflation also decelerated to 3.5% from 3.9% last February, reinforcing the easing inflation environment.

Consequently, easing inflation environment gives the BSP room to ease monetary policy. The market is also ripe for a reserve requirement cut given the tightening domestic liquidity and easing loan growth of banks since August 2018. We still expect local yields to fall further in the short and medium term horizon. Fed's dovish signal and concerns on global growth slowdown should also support this view.