



UCPB Balanced Fund (UBF)

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter Ended December 31, 2019

FUND FACTS

Classification: Balanced	Net Asset Value Per Unit (NAVPU): 2.619859849
Launch Date: March 5, 2007	Total Fund NAV: PhP 67,484,147.06
Minimum Investment: PhP 1,000.00	Dealing Day: On any banking day up to 1:30 p.m.
Additional Investment: PhP 1,000.00 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: 0.4420% Trustee: UCPB Acting Through Its Trust Banking Group (TBG)	Custodian Fees: 0.0000% Custodian: Deutsche Bank AG Manila & Philippine Depository & Trust Corp.	External Auditor Fees: 0.0058% 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 67,602,490.73

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**



Talin Cruz
Jaja Tan
Marilyn Pabustan-Perion
Hannah Borromeo

(02) 8811-9214
(02) 8811-9520
(02) 8811-9512
(02) 8811-9553

Nadia Gaetos
Lhiz Saxby
Elena Hong

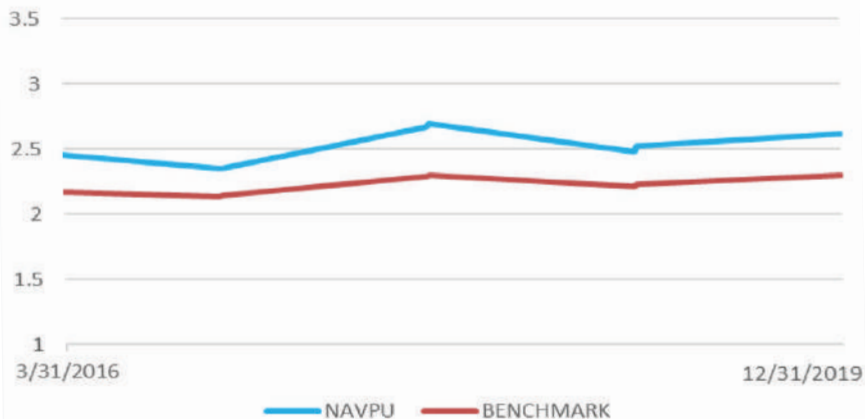
(02) 8811-9515
(02) 8811-9538
(02) 8811-9597

Rosemarie Omet
Alyssa Catapang
Jules Esteva

(02) 8811-9598
(02) 8811-9522
(02) 8811-9544

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

NAVPu Graph



NAVPU OVER THE PAST 12 MONTHS

Highest	2.717926994
Lowest	2.48156452

STATISTICS

Weighted Ave. Duration	6.725661822
Volatility, Past 1 Year*	8.35%
Sharpe Ratio**	-0.10
Information Ratio***	0.03

* Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

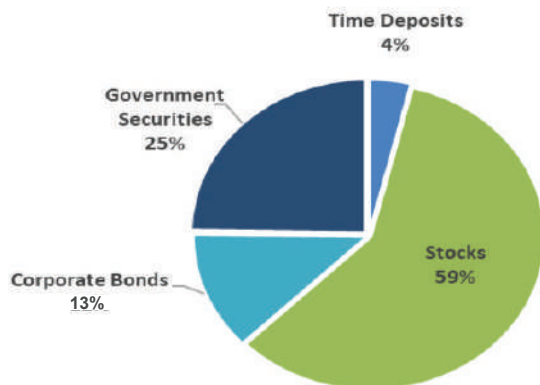
** Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

*** 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 (%)

Period	1 Mo	3 Mos	6 Mos	1 Yr	3 Yrs	5 Yrs	YTD
Fund	0.61%	0.05%	-1.06%	5.57%	11.38%	-1.63%	5.57%
Benchmark	0.83%	0.98%	0.46%	0.46%	14.37%	N/A	7.73%

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS (%)

FXTN 2017	15%
SM Investments Corporation	9%
AC Bond due 2021	8%
SM Prime Holdings, Inc.	7%
Ayala Land, Inc.	5%
FXTN 2023	5%
MBTC Bond due 2022	5%
BDO Unibank, Inc.	4%
Ayala Corporation	4%
Time Deposit	4%
Total	66%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php9K, 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 PCOMP ended at 7,815.26, up by 0.98% or 76.3 points month on month. The month of December was indecisive for the exchange as BSP had not been true to its word of another rate cut before the year end. It went to as high as 7,892 and low of 7,473. However, the President Duterte's negative comments on the water concessionaires continue to hound the market. The market was beginning to be wary about regulatory risk. As such, MWC, DMC, MPI and AC, all have concessionaires with the government, suffered and negatively affected the index. The much anticipated window dressing were short-lived as foreign sellers dominated the market.

Yields continue to decline. It declined to 3.42% or 9 bps for 1-year tenor, 4.06% or 19bps for 5-year tenor, and 4.47% or 27 bps for 10-year tenor. The drop in yields is attributable to benign inflation at 1.3% in November. Furthermore, it is due to market expectation on BSP governor eyeing around 50 bps rates in 2020.

Remittances hit 10-month high in October. It increased by 7.7% or equivalent to \$2.97 billion and may surpassed the Dec 2018 level by 2019 yearend. The 2019 budget was 99% released according to DBM. The exhaustion of 2019 budget will have trickle-down effect to the real economy. It will tend to have robust GDP. Rates will likely to remain low due to benign inflation and further BSP expansionary policy.