



UCPB Balanced Fund (UBF)

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter Ended December 31, 2020

FUND FACTS

Classification: Balanced	Net Asset Value Per Unit (NAVPU): 2.630388655
Launch Date: March 5, 2007	Total Fund NAV: PhP 64,890,866.60
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: 0.4411% Trustee: UCPB Acting Through Its Trust Banking Group (TBG)	Custodian Fees: 0.0000% Custodian: Landbank of the Phils., Deutsche Bank AG Manila & Philippine Depository & Trust Corp.	External Auditor Fees: 0.0010% External Auditor: Punongbayan & Araullo Company	Other Fees: None
---	---	---	------------------

*As a percentage of average daily NAV for the quarter valued at PhP 62,874,064.60

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**

For more information: Please email trust@ucpb.com

Amerjaphil Tan

632 8811-9520

avtan@ucpb.com

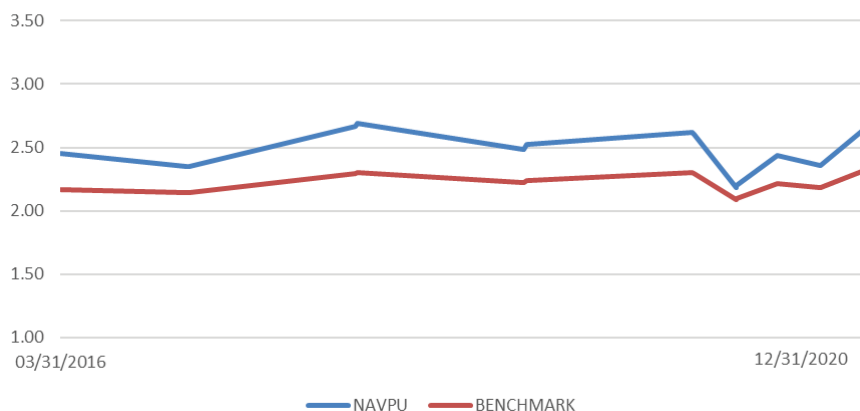
Alyssa Catapang

632 8811-9515

amcatapang@ucpb.com

FUND PERFORMANCE AND STATISTICS AS OF DECEMBER 31, 2020
(purely for reference purposes and is not a guarantee of future results)

NAVPu Graph



NAVPU OVER THE PAST 12 MONTHS

Highest	2.671788388
Lowest	2.036763672

STATISTICS

Weighted Ave. Duration	2.37
Volatility, Past 1 Year*	16.54%
Sharpe Ratio**	-0.02
Information Ratio***	0.29

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

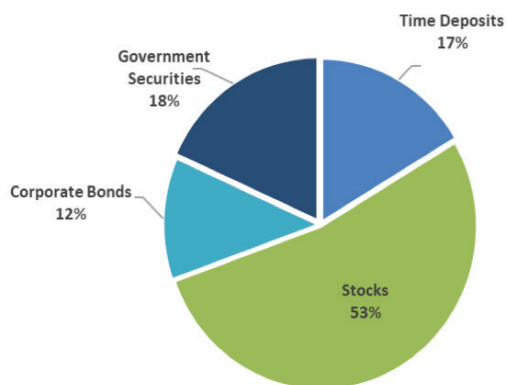
** Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

*** 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	1.99%	11.48%	7.93%	0.40%	-1.42%	N/A	0.40%
Benchmark	3.31%	13.56%	9.66%	-2.29%	-1.39%	N/A	-2.29%

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS (%)

TIME DEPOSIT	17%
Metro Pacific Investments Corporation	6%
SM Prime Holdings, Inc.	6%
Universal Robina Corporation	6%
Ayala Land, Inc.	5%
MBTC BOND DUE 2022	5%
SM Investments Corporation	5%
First Gen Corporation	5%
Ayala Corporation	4%
Security Bank Corporation	3%
Total	62%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php44K, which were approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

While our government has to deal with the effects of the pandemic, our country was visited by three typhoons that severely damaged our agricultural products and facilities. As a result, cost of goods and services further increased to 3.3% in November and 3.5% in December. Investors turned to safe-asset in anticipation that the latest calamities will derail our economic recovery. The BSP also made a surprise 25bp policy rate cut to help pump prime economy going to the new year.

The peso bond yield fell by an average of 11bps, quarter on quarter, on strong demand from investors especially on the short-dated securities. The short-end of the curve went down 25 points and the belly declined by 10.7 points. In contrast, the long-end rose by 7.5 bps as market players reduced their risk-taking activities.

The overall yield curve was 160 points lower than the end-2019 yield level to close the year. This was after the BSP trimmed the policy rates to 2.00% and the reserve requirement to 12%, both the lowest in history.