



UCPB Balanced Fund (UBF)

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter Ended March 31, 2021

FUND FACTS

Classification: Balanced	Net Asset Value Per Unit (NAVPU): 2.458508735
Launch Date: March 5, 2007	Total Fund NAV: PhP 59,329,430.19
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: 0.4315% 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: 0.0182% 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 62,757,188.58

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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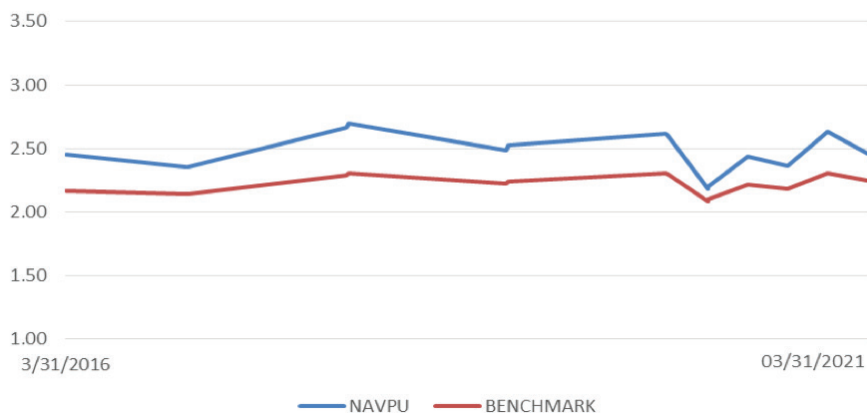
632 8811-9515

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FUND PERFORMANCE AND STATISTICS AS OF MARCH 31, 2021

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

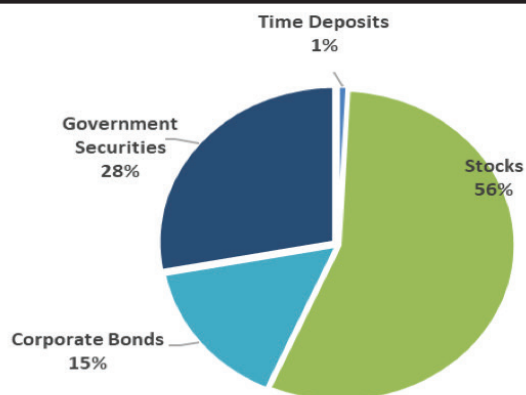
NAVPu Graph



CUMULATIVE PERFORMANCE (%)

Period	1 Mo	3 Mos	6 Mos	1 Yr	3 Yrs	5 Yrs	YTD
Fund	-2.43%	-6.54%	4.19%	12.60%	-4.10%	0.14%	-6.54%
Benchmark	-3.27%	-6.23%	6.04%	15.40%	-3.61%	2.91%	-6.23%

PORTFOLIO COMPOSITION



NAVPu OVER THE PAST 12 MONTHS

Highest	2.681546544
Lowest	2.195285533

STATISTICS

Weighted Ave. Duration	1.55
Volatility, Past 1 Year*	12.52%
Sharpe Ratio**	1.08
Information Ratio***	0.16

* 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 (%)

SM	7%
SMPH	4%
AC	4%
MER	4%
ALI	3%
Corporate Bond due 2022	6%
Corporate Bond due 2023	3%
Corporate Bond due 2023	3%
Corporate Bond due 2025	3%
FXTN due 2031	1%
Total	38%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php24K, which were approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

Inflation took center stage in the first quarter of the year as supply issue on meat due to swine flu as well as the rising oil price in the world market pushed the rate of price increase to a two-year high at 4.7% in February. On the other hand, the Philippine government's Php412 billion from the issuance of new Retail Treasury Bonds also added some upward pressure to the yields. The government's total debt now stands at Php10.4 trillion.

As a result, investors went out of the bond market that pushed the overall yield curve upward. Year to date, the overall yield curve rose by an average of 87 points led by the belly that increased by an average of 118 points. The long-end and the short-end went up by 104 points and 36 points, respectively.

The PSEi fell 5.2% in March, bringing the YTD loss to 9.8%. The steep decline was driven by the stringent and reimposed lockdowns to curb the record daily increase in COVID-19 infections. Quarantine restrictions continued to limit income opportunities as unemployment rose to 8.8% in February. Adding selling pressure to the market was the 26-month high February inflation rate of 4.7%. Average daily value turnover fell to 7.4B in March while net foreign outflows accelerated to 24B as investors stayed on the sidelines waiting for recovery.

On the bright side, however, virus cases may start to decline as the rate of infection has started to improve amid the rollout of vaccines, eventually boosting economic activity. Moreover, the corporate income tax will be reduced to 25% from 30%, thanks to the much awaited CREATE ACT which was signed by the President.