



UCPB Balanced Fund (UBF)

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter Ended June 30, 2021

FUND FACTS

Classification: Balanced	Net Asset Value Per Unit (NAVPU): 2.532610702
Launch Date: March 5, 2007	Total Fund NAV: PhP 61,051,993.75
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: 0.4363% Trustee: UCPB Acting Through Its Trust Banking Group (TBG)	Custodian Fees: 0.0000% Custodian: Bureau of the Treasury & Philippine Depository & Trust Corp	External Auditor Fees: 0.0080% External Auditor: Punongbayan & Arullo Company	Other Fees: None
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*As a percentage of average daily NAV for the quarter valued at PhP 59,622,122.65

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 (net) and 30-Day Average Special Savings Rate (net). 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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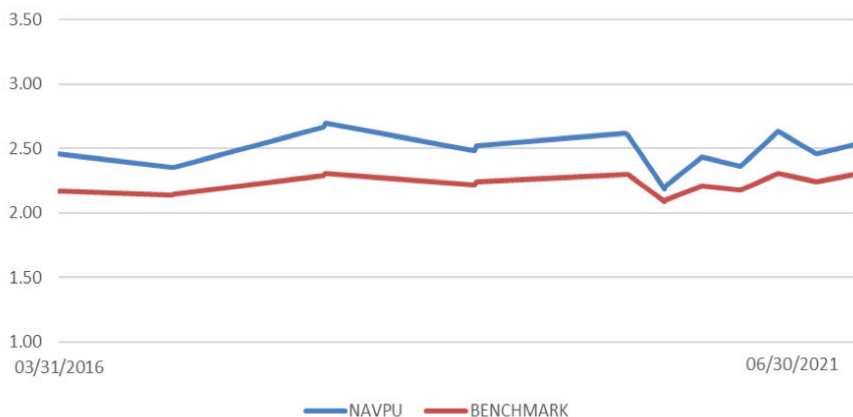
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FUND PERFORMANCE AND STATISTICS AS OF JUNE 30, 2021

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

NAVPu Graph



NAVPU OVER THE PAST 12 MONTHS

Highest	2.681546544
Lowest	2.346999495

STATISTICS

Weighted Ave. Duration	1.72
Volatility, Past 1 Year*	10.48%
Sharpe Ratio**	0.33
Information Ratio***	0.09

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

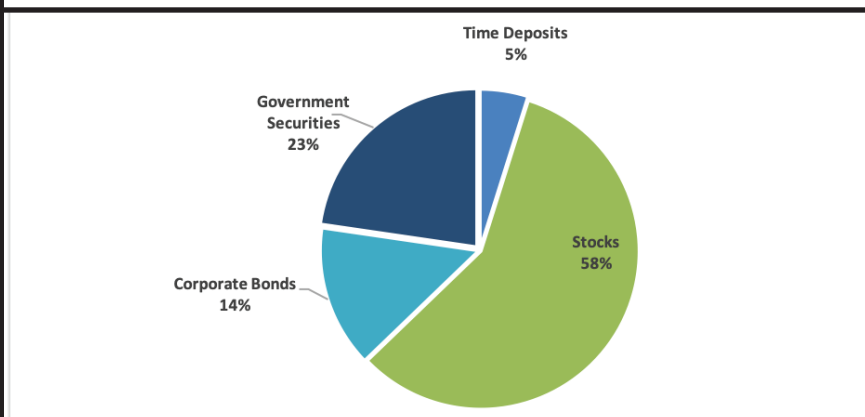
** Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

*** 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	1.83%	3.01%	-3.73%	3.91%	4.56%	-0.34%	-3.73%
Benchmark	2.72%	4.96%	-1.70%	7.67%	6.33%	2.82%	-1.70%

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS (%)

TOP 5 Equity

SM	14%
SMPH	10%
BPI	7%
ALI	7%
BDO	7%
Total	45%

TOP 5 Fixed Income

Corporate Bond due 2022	5%
Corporate Bond due 2023	2%
Corporate Bond due 2023	2%
Corporate Bond due 2025	2%
TBILLS due 2021	2%
Total	13%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php28K, which were approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

Sudden surge in Covid-19 cases in NCR plus prompted the national government to put the nation's capital back to ECQ dampened the hope of faster recovery this year. The first quarter GDP was posted at negative 4.5%, worse than expectations. The contraction was led by the decline in spending, both by households and government and a lower industrial sector output due to limited mobility of workers. Meanwhile, inflation eased in the second quarter with an average of just 4.2% but still above BSP's range of 2 - 4%. The government temporarily reduced tariff rates for pork and rice that resulted to the decline in food prices. As a result, the BSP kept policy rates unchanged all throughout the second quarter amidst weak growth and easing inflation. The peso bond yield steepened due the stronger liquidity pushed the belly and the short-end of the curve to went down by 44 points and 38 points quarter on quarter, respectively. The over-all yield curve fell by an average of 33 points despite increased re-issuance of long-tenored securities. The PSEi ended June 4.1% higher at a level of 6,902 as foreigners turned buyers for the first time in months, taking advantage of the attractive valuations following the MSCI rebalancing. This brought YTD losses to 3.3% from 13.7% on May 24.

The Philippines' COVID-19 situation continued to improve, boosting investors' confidence. The seven-day moving average currently stood at 5,773 vs 6,505 as of end-May. Moreover, hospital occupancy rates have consistently remained well within safe levels. The prospect of inoculation rates improving further is boosted by the rising number of available vaccines, with the government expecting to receive 13.3M doses in July and 13.6M doses in August. On the macro front, May inflation was unchanged. Both headline at 4.5% YoY and core at 3.3%. With steady inflation growth, the central bank decided to maintain policy rates. Moreover, the BSP observed that economic activity has improved in recent weeks, but the overall momentum of the economic recovery remains tentative as the threat of COVID-19 infections continues. OFW remittances rose by 12.7% to \$2.3B in April 2021 from \$2.0B in the same month in 2020. Remittances in YTD April reached \$10 billion, higher by 4.8% than the prior year's level of \$9.4B. Meanwhile, the Philippine Peso depreciated by 2.32%, weaker by Php1.11 closing the month at 48.80.