

FUND PROFILE

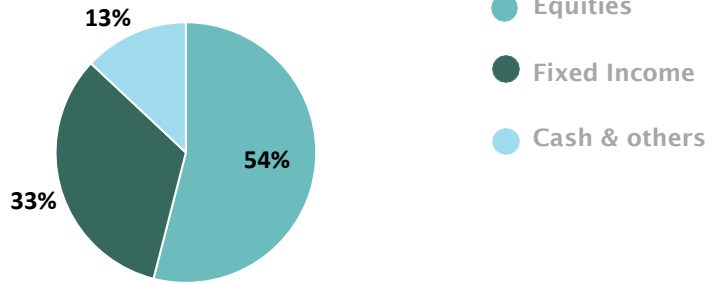
Fund Classification	Balanced Fund
Risk Profile	Moderate
Fund Currency	Philippine Peso
Launch Date	18-May-07
Net Asset Value per Share (NAVPS)	2.4574
Fund Size	PHP 838.1 in Millions
Annualized Volatility	10.97%
Management Fee	up to 1.8750% per annum
Min. Initial Investment	PHP 5,000
Min. Add'l Investment	PHP 1,000
Min. Holding Period	6 months
Sales Load	max. of 3%
Exit Fee	1.00% within 6 months
Redemption Notice Period	max. of 7 days
Valuation Method	Marked-to-Market
Custodian Bank	Deutsche Bank AG Manila
Transfer Agent	Metrobank Trust

MARKET UPDATE

- The PSEI fell flat for the month of June by **-0.3% MoM** to 6,412 level due to higher-for-longer interest rates and peso weakness. The bearish levels throughout Q2 reversed all gains from Q1 with a sharp decline of **-7.1% QoQ**, while the index fell further by **-0.59% YTD**.
- The BSP Monetary Board (MB) sent dovish signals to the market amid keeping policy rates at 6.50% at their 4th MB meeting for the year. The signing of EO 62, which would cut tariffs for rice imports and other agricultural products to 15% from 35% until 2028, attributed to the easing of this year's inflation outlook, signaling a possibility of a rate cut this year. BSP Governor Remolona also hinted at a possibility of cutting ahead of the Fed, influencing peso weakness. The Peso closed at PHP58.80, moving closer to a record low of PHP59.
- With a more positive market sentiment for interest rate cuts and lower inflation for the year, Property saw the biggest jump by **+4.77%** with **ALI (+8.57%)** and **SMPH (+5.01%)** followed by Services with a **0.49%** increase MoM due to defensive counters such as **CNVRG (+6.88% MoM)** and **GLO (+6.60% MoM)**. We expect the market to trade rangebound as players wait for more data that will point to an August rate cut.
- Sectors: Property **+4.77%**, Services **+0.49%**, Financials **(-0.01%)**, Industrials **(-1.67%)**, Holdings **(-3.51%)**, M&O **(-8.22%)**
- Top 5 Index Performers: **AEV (+10.70%)**, **MBT (+8.86%)**, **ALI (+8.57%)**, **CNVRG (+6.88%)**, **GLO (+6.60%)**
- Bottom Laggards: **MONDE (-16.07%)**, **JGS (-15.97%)**, **CNPF (-14.27%)**, **WLCON (-10.50%)**, **BLOOM (-10.28%)**
- Local GS yields continued to trade lower MoM albeit at a lower pace, with yields declining by 1 - 10 bps across the curve due to dovish signals from both the Fed and the BSP, as well as lower US yields due to softening US economic data.
- The BSP kept their policy rates unchanged in their last MB meeting and revised their risk-adjusted inflation forecast for both 2024 and 2025 to 3.1 percent from 3.8 percent and 3.7%, respectively, in the previous meeting. BSP Governor Remolona also reaffirmed the possibility of the first policy rate cut happening at the August MB meeting, and another rate cut some time in Q4, though reiterating the need of further evidence of slowing inflation to justify such cuts. June CPI was lower-than-expected at 3.7% (3.9% consensus and previous), mainly due to lower costs for transport, electricity, and housing. Furthermore, the BTR also released their borrowing schedule for Q3, where they will be offering PHP630B worth of T-bills and bonds. The T-bill auctions volume was increased to PHP20B from PHP 15B per week, while the bond auctions will continue to be offered for PHP30B with tenors of 3-years, 5-years, 7-years, and 10-years, while longer tenors such 14-years and 20-years were reduced to PHP25B.
- We expect the local GS market to trade rangebound with downward bias given lower US yields and recent policy rate cut optimism. Market movement will continue to be dictated by key economic data releases and further signals from the BSP on their monetary policy moving forward.
- US Treasury yields continued to trade lower by another 1 - 19 bps MoM as the Fed reaffirmed rate cut expectations for the year, which was supported by softer-than-expected US data releases. As expected, the Fed kept their policy rates unchanged in their last FOMC meeting, reiterating the need of inflation moving sustainably towards the 2% target before considering any policy rate adjustments, pricing in one 25-bps rate cut for 2024 in their latest dot plot. However, given softer-than-expected US data such as May CPI at 3.3% (3.4% consensus and previous, 0% MoM), market continues to price in 2 rate cuts for the year, with the first rate cut in the September FOMC meeting. ROP prices traded higher by 0.1 - 2.5 pts as credit spreads tightened due to renewed risk-on sentiment and ROP yields followed the movement in US Treasuries and, where the US 10-year reached a low of 4.213%, and eventually closed at 4.343% from 4.512% in the previous month.
- We expect the market to trade rangebound in the near term with some downward bias due to recent Fed rate cut optimism given softening US data. Market movement will continue to be dictated by upcoming data releases and signals from the Fed on their monetary policy moving forward.

FUND BASICS

The fund aims to provide capital growth with returns and inflows derived out of investments in both equity and fixed-income securities. This fund is suitable for moderate-risk investors with medium to long-term investment horizons.

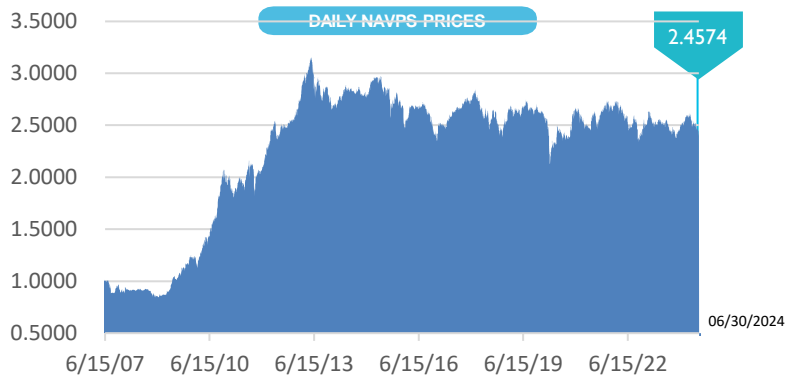


CUMULATIVE RETURNS¹

	YTD	1-year	3-year	5-year	10-year	S.I. ²
SALBF	-1.58%	-2.10%	-6.09%	-8.47%	-13.64%	144.23%
Benchmark³	-0.05%	-3.28%	-6.01%	-	-	-

CALENDAR YEAR RETURNS⁴

	2023	2022	2021	2020	2019	2018	2017
SALBF	-0.35%	-5.52%	1.07%	-0.36%	3.51%	-7.93%	14.50%



TOP 5 EQUITY SECURITIES (53.00% OF EQUITY HOLDINGS)

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
SM INVESTMENTS CORPORATION
SM PRIME HOLDINGS, INC.
BANK OF THE PHILIPPINE ISLANDS
BDO UNIBANK, INC.

TOP 5 FIXED-INCOME SECURITIES (76.97% OF BOND HOLDINGS)

	COUPON	MATURITY DATE
CITIBANK NA - USDPHP NOTES	3.6875%	02/09/2024
SAN MIGUEL FOOD AND BEVERAGES, INC.	5.2500%	10/03/2027
AYALA LAND, INC.	3.8620%	29/09/2025
FXTN 20-17	8.0000%	19/07/2031
RTB 05-18	6.2500%	28/02/2029

¹ Cumulative returns as of June 30, 2024.

² Since Inception as of 06/15/07.

³ Benchmark - 50% PSEi + 50% Blended FI Benchmark. (Blended FI Benchmark is composed of 60% BPHILR Index+ 30% SPBPHCPT Index + 10% PSAVAVE Index and was first used on 09/01/20)

⁴ Calendar Year Return is computed by getting the change on NAVPS from the first business day of the calendar year to the last business day of same year (Jan 01 - Dec 31 of a given year).

Note: Year-to-date (YTD) return refers to the amount of profit made by an investment since the first day of the current year

Fund Information

Fund Allocation

Historical Returns

Fund Performance

Top Holdings