

FUND PROFILE

Fund Classification Risk Profile	Balanced Fund Moderate
Fund Currency	Philippine Peso
Launch Date	18-May-07
Net Asset Value per Share (NAVPS)	2.5155
Fund Size	PHP 778.22 in Millions
Annualized Volatility	10.88%
Management Fee Min.	up to 1.8750% per annum
Initial Investment Min.	PHP 5,000
Add'l Investment Min.	PHP 1,000
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 Deutsche
Custodian Bank	Bank AG Manila
Transfer Agent	MetrobankTrust

MARKET UPDATE

EQUITIES MARKET

The local bourse ended at 6,529 for the last month of the year, declining by **-1.29% MoM** but posting a modest gain of **+1.22% YTD**. This marks the first year-end gain after four consecutive years of declines. However, uncertainty about President-elect Trump's future policies persists, reflected in the risk-off sentiment and further sell-off in the local market during the month. By year-end, net foreign outflows amounted to \$408.33 million.

Foreign investors continued to shift their interest towards less risky U.S. assets, specifically the U.S. dollar, contributing to the YTD depreciation of the Philippine Peso against the greenback by 4.43%. Fortunately, due to the inflows of remittances during the holiday season, the Peso appreciated MoM by 1.35%, closing at PHP 57.843/\$1.00 for the year.

The Fed and the BSP cut their respective key policy rates by 25bps, maintaining a rate differential of 125bps between the two central banks. With the market anticipating less interest rate cuts by the Fed moving forward, sentiment on Financials (-4.31%) and Property (-4.85%) dwindled for the month. Meanwhile, the November CPI print came in at 2.5% YoY, accelerating from the October print of 2.3%. This brings the average inflation rate for the year to 3.2%, which is well within the 2% to 4% target of the BSP. Manageable inflation allows further room for the BSP to cut policy rates.

The local equities market will remain on the sidelines as investors await the monetary policy meetings of the Fed and the BSP in January for further signals on the magnitude of policy rates for the year and news on possible inclusions and deletions for the PSEI index review in February. Globally, investors continue their risk-off sentiment as they seek further clarity on Trump's future economic policies.

Index Performers for December: NIKL (+17.51%), WLCON (+10.00%), SCC (+8.72%), ICT (+4.32%), JFC (+4.26%)

Bottom Laggards for December: BLOOM (-16.42%), ALI (-8.39%), MONDE (-7.13%), JGS (-6.80%), BDO (-6.80)

Index Performers for 2024: CNVRG (+92.60%), ICT (+56.40%), MBT (+40.35%), CNPF (+35.54%), GLO (+26.98%)

Bottom Laggards for 2024: BLOOM (-53.46%), JGS (-46.13%), NIKL (-36.31%), URC (-33.16%), WLCON (-31.58%)

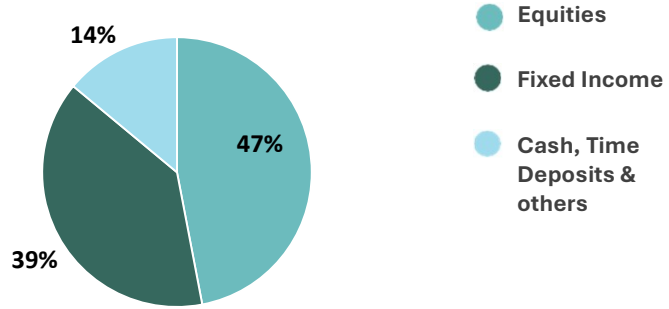
LOCAL FIXED INCOME MARKET

Local GS yield curve saw a bear flattening in the month, where short-end yields rose by as much as 69 bps, while yields in the belly to the long end (mainly 3 – 10 years) rose by 11 – 17 bps due to higher US yields and revised rate cut projections for the central banks for 2025. As expected, the BSP followed through with their 25-bps rate cut in the last MB meeting for 2024 and emphasized their commitment to a cautious approach to monetary easing moving forward. Inflation continues to be manageable and easing, though inflation risks remain toward the upside, as reflected in their revised inflation forecasts (3.4% vs. 3.3% previous for 2025, 3.7% for 2026). Demand was relatively muted in the month, though some buying momentum was seen mid-month as the peso strengthened and both central banks pushed through with their respective rate cuts. However, given the significant uptick in US yields, the local market followed suit, and most players looked to de-risk/trim positions before the year-end close. We expect the local GS market to continue to consolidate with upward bias given the recent spike in US yields, the resumption of bond supply from the auctions, and the upcoming Trump presidency. Market movement will continue to be dictated by key economic data releases and further signals from the BSP on their monetary policy moving forward.

DISCLAIMER: This is not a deposit product. Earnings are not assured and principal amount invested is exposed to risk of loss. An investment in the Fund is not insured or guaranteed by the Philippines Deposit Insurance Corporation or any other government agency. This product cannot be sold to you unless its benefits and risks have been thoroughly explained. Past performance is not a guide to future performance. The price of securities can and does fluctuate, and any individual security may experience upward or downward movement.

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.

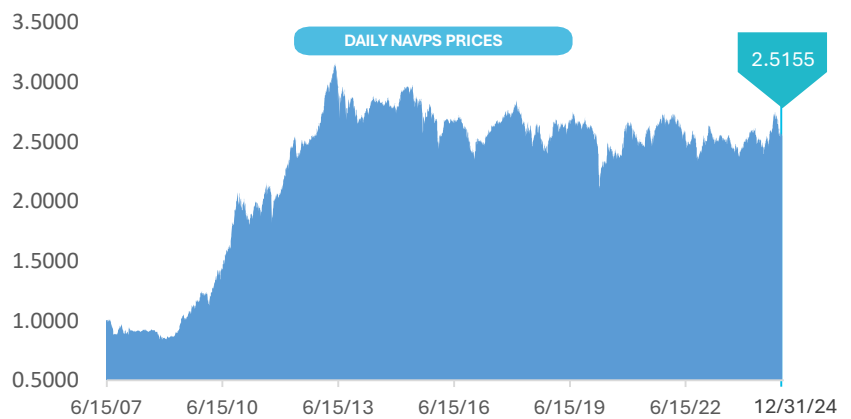


CUMULATIVE RETURNS¹

	YTD	1-year	3-year	5-year	10-year	S.I. ²
SALBF	0.75%	0.75%	-5.14%	-4.41%	-10.16%	150.02%
Benchmark ³	2.70%	2.70%	-4.51%	-3.87%	-	-

CALENDAR YEAR RETURNS⁴

	2024	2023	2022	2021	2020	2019	2018	2017
SALBF	0.75%	-0.35%	-5.52%	1.07%	-0.36%	3.51%	-7.93%	14.50%



TOP 5 EQUITY SECURITIES (56% of EQUITY HOLDINGS)

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

TOP 5 FIXED-INCOME SECURITIES

(41% OF BOND HOLDINGS)	COUPON	MATURITY DATE
SAN MIGUEL FOOD AND BEVERAGES, INC.	5.2500%	03/10/2027
RTB 05-18	6.2500%	02/28/2029
FXTN 10-72	6.2500%	01/25/2034
FXTN 20-17	8.0000%	07/19/2031
FXTN 10-63	6.2500%	03/22/2028

¹ Cumulative returns as of December 31, 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