

## FUND PROFILE

Fund Classification	Balanced Fund
Risk Profile	Moderately Aggressive
Fund Currency	Philippine Peso
Launch Date	03-Jul-19
Net Asset Value per Share (NAVPS)	0.2155
Fund Size	PHP 464.35 in Millions
Annualized Volatility	11.78%
Management Fee	up to 1.8750% per annum
Min. Initial Investment	PHP 5,000
Min. Addl Investment	PHP 1,000
Min. Holding Period	6 months
Sales Load	max. of 2%
Exit Fee	1.00% within 6 months
Redemption Notice Period	max. of 7 days
Valuation Method	Marked-to-Market
Custodian Bank	Citibank
Transfer Agent	Metrobank Trust

## MARKET UPDATE

### EQUITIES MARKET

The local bourse plunged 10.20% MoM, closing at a bear market territory of 5,863 by month-end. Following President Trump's inauguration, the weak sentiment continued as uncertainty loomed over how the administration's future policies would impact inflation. Aside from the overhang on the global economy, domestic flows drove the market to close below the 6,000 level. Extreme price movements during the close were caused by domestic funds executing trades ahead of the PSEi index review in February.

On the macroeconomic front, December headline CPI came in hotter at 2.9% YoY (vs. 2.5% YoY in November), bringing the full-year inflation average to 3.6%, well within the BSP's target range of 2% to 4%. On the other hand, adding to the market's bearish sentiment, the Q4 GDP print surprised the downside, accelerating by only 5.2% YoY. This brought full-year economic growth for 2024 to only 5.6%, missing the target of 6% to 6.5%. The bright spot in easing inflation and sluggish economic growth is that this gives the BSP more room to cut their policy rates in the near term.

Towards the end of the month, announcements on the PSEi index review in February dictated substantial flows in the market to make way for the new entrants. Among all the sectors, only Financials (+0.72% MoM) came in the green, boosted by the inclusion of CBC (+46.46% MoM). Alongside CBC, AREIT (+10.76% MoM) will enter the index, while WLCON (-41.26% MoM) and NIKL (-37.82% MoM) are to be deleted.

Moving forward, we expect the local equities market to rebound, as bottom-fishing behavior may ensue after share prices fall across the board. Volatility is to be expected in the near term as the local market closely monitors Trump's policies and the Fed's rate cut trajectory.

Index Performers: TEL +3.47%, LTG +1.52%, GLO +1.19%, DMC +0.74%, SCC (-0.86%)

Bottom Laggards: WLCON (-41.26%), NIKL (-37.82%), AGI (-33.33%), BLOOM (-25.11%), GTCAP (-24.77%)

### LOCAL FIXED INCOME MARKET

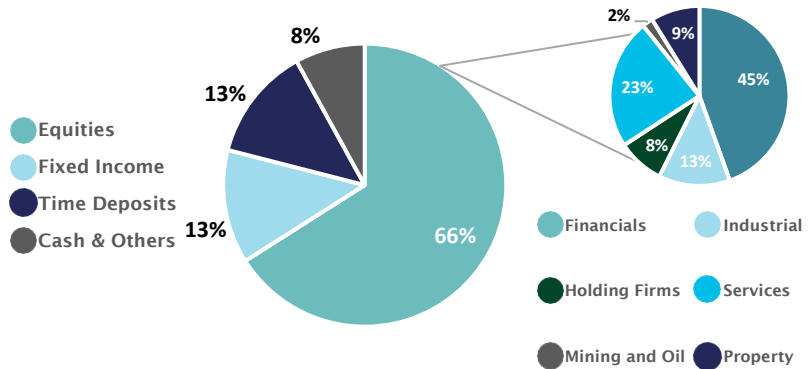
The local GS yield curve saw a bull steepening this month because of a weaker outlook on overall global macroeconomic conditions in the long run. Short-end yields fell significantly, with the front-end of the curve falling by as much as 61 bps, along with yields in the 2Y to 5Y tenor buckets falling by around 11 – 25bps. Meanwhile, the longer-end yields increased with the 20Y space rising by 28bps. Secondary market activity was more subdued, and local investors were cautious about the possible inflationary effects of Trump's policies. However, appetite in the primary market was high, prompting the BT to open a TAP facility for longer-end securities. Towards the end of the month, yields fell across the board due to the Q4 GDP print, increasing investors' expectations of a policy rate cut by the BSP despite the Fed keeping rates steady during the January FOMC meeting. Furthermore, BSP Governor Remolona's comments on adopting a possibly more accommodative policy stance fueled expectations of a more dovish Monetary Board moving forward.

We expect the local GS market to trade rangebound with a downward bias as the market anticipates the BSP Monetary Board meeting in February, during which a possible rate cut will be discussed. However, the additional supply of bonds in the market and lingering uncertainties on the inflationary effects of Trump's policies may indicate upward movement in yields, especially in longer-dated securities.

**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

SALFOCCUS is tactically allocated to swing between equities, cash and/or bonds for a wider range of investment within the permitted allocations and adjusts depending on the current market condition. So you can potentially earn higher returns when the time comes. Suitable for moderate to high-risk investors who are seeking long-term capital appreciation and/or income.



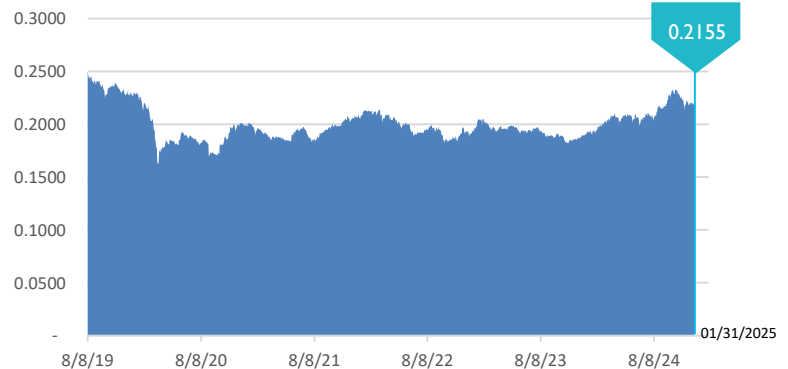
### CUMULATIVE RETURNS<sup>1</sup>

	YTD	1-year	3-year	5-year	S.I. <sup>2</sup>
<b>SALFOCCUS</b>	-0.69%	11.60%	1.17%	-2.53%	-7.23%
<b>Benchmark<sup>3</sup></b>	-5.23%	-3.97%	-10.79%	-5.01%	-

### CALENDAR YEAR RETURNS<sup>4</sup>

	2024	2023	2022	2021	2020
<b>SALFOCCUS</b>	13.97%	-1.60%	-6.11%	3.93%	-13.98%

### DAILY NAVPS PRICES



### TOP 5 EQUITY SECURITIES (54.96% of EQUITY holdings)

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.
CHINA BANKING CORPORATION
BDO UNIBANK, INC.
METROPOLITAN BANK & TRUST COMPANY
MANILA ELECTRIC COMPANY

### TOP 5 FIXED-INCOME SECURITIES (44.56% OF BOND HOLDINGS)

	COUPON	MATURITY DATE
RTB 05-18	6.2500%	28/02/2029
FXTN 10-72	6.2500%	25/01/2034
FXTN 10-63	6.2500%	22/03/2028
FXTN 20-14	8.6250%	06/09/2027
RTB 05-16	5.7500%	07/03/2027

<sup>1</sup> Cumulative returns as of JANUARY 31, 2025.

<sup>2</sup> Since Inception as of 09/01/20.

<sup>3</sup> 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)

<sup>4</sup> 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