

PAMI ASIA BALANCED FUND, INC.
FUND FACT SHEET
As of February 29, 2024

FUND OVERVIEW

The Fund aims to achieve capital growth and generate steady income by tapping into the growth potential of Asia.

The fund is suitable for investors who:

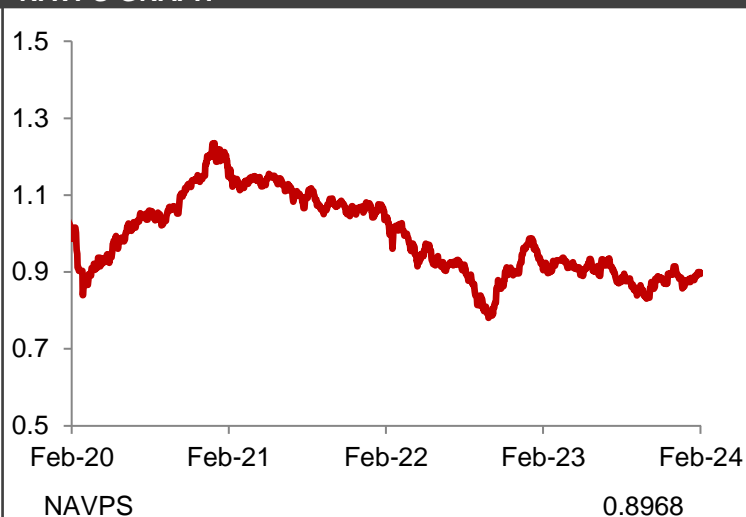
- Are at least classified as **moderate** based on their risk profile.
- have an investment horizon of up **at least five (5) years**.

FUND FACTS

| | |
|---|---------------------|
| Classification: | Balanced Fund |
| Launch Date: | October 1, 2011 |
| Dealing Day: | Daily up to 2:00 PM |
| Minimum Investment:¹ | USD 200.00 |
| Min. Subsequent Order:¹ | USD 50.00 |
| Minimum Holding Period: | 180 calendar days |
| Redemption Settlement: | T+5 End-of-Day |
| Early Redemption Charge: | 1.00% |
| Total Management Fee:² | 2.05% per annum |
| Total Fund NAV (Mn) : | USD 5.36 |

FUND PERFORMANCE AND STATISTICS *(Purely for reference purposes and is not a guarantee of future results)*

NAVPS GRAPH



BENCHMARK

50% Markit IBOXX Asian Local Bond Index (ALBI)
+ 50% MSCI AC Pacific ex Japan

STATISTICS

| | |
|--|-------|
| Portfolio Beta | 0.94 |
| Volatility, Past 1 Year (%) ⁵ | 11.47 |
| Sharpe Ratio ⁶ | -0.54 |
| Information Ratio ⁷ | -1.55 |
| Number of Holdings | 173 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|-------------------------------------|-----------|
| Equities | 51.14 |
| Fixed Income | 46.52 |
| Cash, Cash Equivalents ⁸ | 2.34 |

CUMULATIVE PERFORMANCE (%) ³

| | 1 mo | 6 mos | 1 YR | 3 YRS | 5 YRS | S.I. ⁴ |
|-------------|-------------|-------------|--------------|---------------|--------------|-------------------|
| Fund | 2.66 | 1.09 | -0.91 | -21.90 | -9.18 | 0.02 |
| Benchmark | 2.46 | 2.26 | 2.53 | -14.56 | 8.75 | 47.13 |

ANNUALIZED PERFORMANCE (%) ³

| | 1 YR | 2 YRS | 3 YRS | 4 YRS | 5 YRS | S.I. ⁴ |
|-------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| Fund | -0.91 | -7.12 | -7.91 | -2.34 | -1.91 | 0.00 |
| Benchmark | 2.52 | -3.45 | -5.10 | 1.19 | 1.69 | 2.98 |

CALENDAR YEAR PERFORMANCE(%) ³

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------|--------------|-------------|---------------|--------------|--------------|--------------|
| Fund | -2.00 | 2.13 | -16.21 | -7.02 | 11.33 | 12.25 |
| Benchmark | -1.64 | 5.65 | -12.92 | -4.37 | 16.41 | 15.22 |

TOP HOLDINGS

| Name | Maturity | % |
|---------------------------|----------|------|
| Taiwan Semiconductor | | 5.23 |
| Fixed Rate Treasury Bond | 2029 | 3.35 |
| Korea Treasury Bond | 2032 | 3.21 |
| Samsung Electronics | | 3.18 |
| Indonesia Government Bond | 2036 | 2.76 |

¹Contribution rounded down/redemption rounded off to the nearest whole share. Mutual Fund shares do not issue fractional shares.

²Management, Distribution & Transfer Agency Fees

³Returns are net of fees.

⁴Since Inception.

⁵Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁶Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

⁷Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

⁸Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities

Fund prospectus is available upon request through BPI Investment Management Inc. (BIMI), authorized distributors and sales agents.

- **THE MUTUAL FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPS IS FOR ILLUSTRATION OF NAVPS MOVEMENTS/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 FUND MANAGER IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

OUTLOOK AND STRATEGY

Market Review. Stronger-than-expected economic data, coupled with better-than-expected earnings, led investors to further dial back the prospect of rate cuts, resulting in February mirroring January's performance, with equities rallying but bonds depreciating in price terms. Investors continued to focus on the US as they pondered the ongoing strength in economic data, with many forecasters moving away from predicting an imminent recession. January's Non-Farm Payrolls grew by +353k, along with upward revisions to the previous two months. Additionally, the US core CPI for January was higher than expected at a monthly rate of +0.4%. While Euro-area growth remains stagnant, there are signs that the worst of the slow patch might be over. This led central bank speakers to push back on investor expectations of early rate cuts. The market priced in over 60bps of US rate cuts in 2024 and postponed the timing of the first rate cut to June 2024.

Looking into equities in more detail, the MSCI World Equity Index returned +4.2% in US terms, with the S&P 500 outperforming and rallying by +5.3%. Most other markets performed similarly; the Euro Stoxx 50 gained +5%; the Japanese Topix +4.9%, but the UK's FTSE 100 was a notable underperformer, only gaining +0.5%. Growth once again outperformed Value, and Small Caps showed some minor outperformance against Large Caps. Emerging Markets kept pace with Developed Markets, gaining +4.8%.

Stronger data and delayed rate cuts put pressure on bond yields, particularly in shorter-dated maturities, although yields rose across the curve. US 2-year yields increased by +41bps to 4.62%, while US 10-year yields rose by 34bps to 4.25%. A similar situation was observed in Europe, with 10-year German yields rising by 33bps, but 2-year German yields only increased by 4bps. Overall, the US Treasury index lost -1.4% in February, while losses in other markets were smaller. In Europe, the Euro Government Bond index depreciated by -1.2%, and UK Gilts suffered a similar -1.2% loss. Japanese government bonds fared better, with 10-year JGB yields slightly decreasing from 0.73% to 0.71%. EM bonds emerged as winners, with the JPM Emerging Markets Bond index rising by +1.4%.

In the credit markets, spreads tightened as in the sovereign bond markets, but this was offset by the rise in overall yields. The Itraxx Main credit index saw spreads tighten from +60bps to +55bps, while the Itraxx Crossover index also experienced a tightening of spreads from +328bps to +305bps. Overall, this resulted in the Bloomberg Euro Agg Corporate Index losing -0.9%, while the Bloomberg US Agg Corporate index once again underperformed, dropping by -1.5%.

Shifting focus to currencies, it was a positive month for the US Dollar, with the Dollar Index appreciating by +0.9%. The Dollar slightly gained against the Euro, rallying by +0.1% during the month. The Euro exhibited strength against other currencies, appreciating by +0.4% against the British Pound and an impressive +2% against the Japanese Yen. EM currencies were less favored in February, with the JP Morgan Emerging Markets Currency Index losing -1.2%.

Fund Performance. The Fund return 2.66% for the month, outperforming its benchmark by 20 basis points. Rally in the EM equity market and equity stock selection helped performance.

Fund Strategy. On equities, as markets touched new highs and concentration risks increased in the US and Europe, we are assessing whether it is sustainable for stocks to push higher purely from a macro/growth perspective. Given full valuations, any downside catalyst in the form of disappointment in rate cuts, weak economic data could hamper returns in the more expensive segments. Against this backdrop, investors should explore segments that offer the right balance of potential future earnings growth and valuations in the US, Europe, Japan and EM. On fixed income, markets have been reassessing their expectations of Fed policy rate cuts on the back of central bank communication and US inflation data. Both the Fed and the ECB would like to see continued progress on inflation before they initiate their first rate cuts. And, given the recent trend in core services inflation in the US, it makes sense for them to be patient on this front. From an investor perspective, this means risk-free yields at current levels are attractive, particularly in the US. However, owing to uncertainty on the evolution of the economies, we remain very agile in bonds and look for global opportunities. We remain positive in global quality credit and in EM bonds.