PAMI ASIA BALANCED FUND, INC.
FUND FACT SHEET
As of March 27, 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 to **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 5.32

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

NAVPS GRAPH

NAVPS 0.8985

CUMULATIVE PERFORMANCE (%) [3]

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. [4]
Fund	**-0.11**	**4.25**	**-3.77**	**-19.92**	**-8.96**	**-0.09**
Benchmark	1.29	6.44	0.72	-11.36	9.11	49.03

ANNUALIZED PERFORMANCE (%) [3]

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. [4]
Fund	**-3.77**	**-6.30**	**-7.14**	**0.78**	**-1.86**	**-0.01**
Benchmark	0.72	-2.09	-3.95	3.80	1.76	3.06

CALENDAR YEAR PERFORMANCE(%) [3]

	YTD	2023	2022	2021	2020	2019
Fund	**-2.11**	**2.13**	**-16.21**	**-7.02**	**11.33**	**12.25**
Benchmark	-0.37	5.65	-12.92	-4.37	16.41	15.22

TOP HOLDINGS

Name	Maturity	%
Taiwan Semiconductor		5.80
Fixed Rate Treasury Bond	2029	3.35
Korea Treasury Bond	2032	3.18
Samsung Electronics		3.00
Indonesia Government Bond	2036	2.72

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]	11.22
Sharpe Ratio [6]	-0.81
Information Ratio [7]	-1.70
Number of Holdings	190

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	50.52
Fixed Income	46.02
Cash, Cash Equivalents [8]	3.46

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

[2]Management, Distribution & Transfer Agency Fees

[3]Returns are net of fees.

[4]Since Inception.

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

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

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

[8]Includes 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. In March, stronger-than-expected economic data, coupled with better-than-expected earnings, led to investors further adjusting both the timing and the amount of rate cuts. Like the first two months of the year, March followed the pattern of equities rallying while bonds struggled to make progress.

Investors continued to focus on the US as they pondered the ongoing strength in economic data, with many forecasters now predicting a “No Landing” scenario. US Q4 2023 GDP grew at an annualized rate of +3.4%, and February’s Non-Farm Payrolls increased by +275k, while inflation remained stubbornly above 3% in Q1. Although Euro-area growth is relatively stagnant, there are signs that the worst of the slowdown might be over as the March flash Composite PMI rose to a 9-month high of 49.9. At the beginning of the year, markets were pricing in a total of 150bps of cuts in the US in 2024, with the first cut expected at the March FOMC meeting. However, by the end of March, these expectations had decreased to a total of 75bps of cuts, with the first cut not anticipated until the June Fed meeting.

Looking more closely at the equity side, the MSCI World Equity Index returned +3.2% in US terms, with the S&P 500 matching this performance and rallying by +3.2%. Most other markets performed similarly, with the Euro Stoxx 50 and the Japanese Topix both gaining +4.3%, while the UK’s FTSE 100 outperformed, recording an appreciation of +4.8%. Value outperformed Growth as some of the Magnificent Seven saw share prices fall, and Small Caps slightly outperformed Large Caps. Emerging Markets struggled to keep pace with Developed Markets, only rallying +2.5%.

Regarding rates, stronger data and delayed rate cuts led to a slight fall in bond yields, primarily in longer-dated maturities, but yields decreased across the curve. US 2-year yields remained flat at 4.62%, while US 10-year yields fell by 5bps to 4.20%. A similar situation occurred in Europe, with 10-year German yields dropping by 11bps, but 2-year German yields only fell by 5bps. Overall, the US Treasury index gained +0.6% during March, but gains in other markets were more significant. In Europe, the Euro Government Bond index appreciated by +1%, and UK Gilts outperformed with a +1.8% gain. Japanese government bonds remained mostly unchanged, with 10-year JGB yields only rising from 0.71% to 0.73%. EM bonds were the top performers, with the JPM Emerging Markets Bond index rising by +2.2%.

Turning to currencies, it was another positive month for the US Dollar, with the Dollar Index appreciating by +0.3%, and the Dollar gaining slightly against the Euro, rallying by +0.1% during the month. The Euro had mixed results against other currencies, depreciating by -0.1% against the British Pound but gaining by +0.8% against the Japanese Yen and an impressive +1.8% against the Swiss Franc. EM currencies were once again out of favour in March, with the JP Morgan Emerging Markets Currency Index losing -0.4%.

Fund Performance. The Fund returned -0.11% for the month, underperforming its benchmark by 140 basis points. The fund slightly lagged the benchmark due to equity selection. Within fixed income, the lack of exposure to Indian rates was the main detractor in relative terms.

Fund Strategy. Within equities, we are still forecasting a slowing in US economic activity, although avoiding a recession, and we don’t expect to see a US profits recession. However, any disappointment on the growth front or in earnings could have a negative effect on complacent markets. We have a close to neutral stance on DM equities, with a slight positive tilt on Japan and EM. In fixed income, we also maintain our positive stance on duration in the US and Europe. However, given the high government debt levels and persistent inflation, we are actively managing these positions. We maintain our preference for quality and attractive valuations in credit, favouring Euro investment grade exposure. We cannot dismiss the possibility of temporary surprises, hence we favor duration hedges and some oil exposure as effective hedges against geopolitical risks.