



FORMERLY BPI-PHILAM LIFE ASSURANCE CORPORATION

# 2021 FUND PERFORMANCE REPORT

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BPI AIA Life Assurance Corp. (BPI AIA)  
Variable Unit-Linked Funds Annual Report  
and Statement of Assets and Liabilities  
(CITI-BPLAC)





# Message from the CEO

## To our Policyholders,

Most countries continued to rely on the extraordinarily large government stimulus packages and central bank interventions that helped support the financial markets in 2020. While these helped boost the prices of traded assets, the same “fanned” inflation. The continuing disruption in the supply of raw materials and products and services themselves did not help.

Locally, businesses began to open in earnest, despite bouts of the variants and resurgence of the virus. Individuals and businesses began to spend. Corporate profits started to recover soon after.

That said, inflation, and consequently, the need for central banks to curtail further expansion in money supply, kept investors from pouring more money in the financial markets.

Despite the volatility in the market and other factors, BPI AIA reaffirms its strength and leadership with strong financial performance in 2021 based on audited financial statements:

- Total Assets : PHP 116.1 billion
- Net Worth : PHP 8.4 billion
- Paid up Capital : PHP 0.75 billion
- Gross Premiums : PHP 18.3 billion
- Net Income : PHP 2.1 billion

Thank you for choosing us as your partner in financial security. At BPI AIA, we make sure that insurance is affordable and accessible to everyone, helping millions of people live healthier, longer, and better lives.

Sincerely,

SURENDRA MENON  
Chief Executive Officer



# Market Review





## GENERAL MARKET OVERVIEW

Persistent inflation and variants of the virus kept investors on their toes in 2021.

As the largest central banks commenced the normalization of monetary policies, interest rates, everywhere, “bottomed out” and started to rise as bond prices declined. In the United States, long term interest rates began to rise as early as the first quarter of 2021.

For most part of the year, nevertheless, monetary policy succeeded in anchoring expectations of global inflation and interest rates.

Local interest rates rose in tandem as the price of traded peso fixed income securities retreated. The new variant Delta and the resurgence new cases in Omicron weighed down on the local stock market, despite government’s efforts to boost vaccination and re-open the economy. Even as corporate profits improved sequentially from one quarter to the next, stock prices see-sawed and ended the year without capital gains.

## THE LOCAL ECONOMY

High food and energy prices pushed inflation above the Bangko Sentral ng Pilipinas’ (BSP) target range. Seeing inflation as transitory, however, the BSP kept its monetary policy at historic lows. Open market operations, new loans to the national government, and measures to minimize the economic fallout of the covid-19 pandemic ensured support to the local economy.

All sectors of the PHP20 trillion economy expanded. Spending on construction and durable equipment rebounded 11.1 per cent and 12.2 per cent, respectively. Household final consumption expenditure, which accounts for 73 per cent of total expenditures, grew 4.2 per cent, weighed down by inflation and unemployment, low consumer confidence, and restrictions on mobility. Public consumption expenditure rose 7%.

In 2021, Philippine Gross Domestic Product recovered 5.7%, from -9.5% the year before. In nominal terms, the money earned by individuals and businesses, or Gross National Income, increased by PHP790 billion.



## LOCAL FIXED INCOME MARKET

The Local Currency Bond Index returned -2.96% in 2021, with benchmark yields rising over 111 basis points (bps) on average for the year.

In the local economic space, November inflation further eased to 4.2% year-on-year, with the rise in food prices slowing even as energy costs remained elevated. Using the 2018 base prices, average year-to-date inflation as of November 2021 settled at 4.0%, within the upper-end target of the government. In early December, the Department of Health shortened the duration between the COVID-19 vaccine second dose and booster from six months to three months. This proved timely as the highly infectious COVID-19 Omicron variant continued its global spread. The Bangko Sentral ng Pilipinas (BSP) maintained its accommodative stance by keeping the benchmark interest rate at 2.0% and the Reserve Requirement Ratio (RRR) at 12.0%. In 2020, the policy rate and RRR were both reduced by a total of 200 basis points to provide additional liquidity and support to the economy amid the pandemic. Globally, yields have been going up due to (1) Higher commodity prices and inflation globally hitting record levels, (2) the start of tighter monetary policies with the US Fed's tapering and rate hike expectations, and (3) the increase in bond supply as governments finance deficits. In the Philippines, the government borrowed Php2 trillion in 2021. This is significantly higher compared to the Php876 billion of net borrowing in 2019.

In the medium-term, domestic bond yields may move higher as the local economy shifts from the initial recovery phase to the early expansion phase of the business cycle. By then, the BSP would have more capacity to tighten monetary policy by raising policy rates. In addition, there will likely be consistent upward pressure on yields, especially in the medium- to long-end of the yield curve due to higher public financing needs. The government is expected to borrow around Php2.3 trillion annually from 2022-to 2023.

Over the long term, returns from fixed-income assets will primarily come from the accrual returns or interest coupons of these bonds. Marked-to-market returns and losses in particular years will most likely offset each other. Investors should expect returns to be slightly above the long-term inflation expectations which will likely settle around 3%.



## GLOBAL FIXED INCOME MARKET

The JP Morgan Asia Credit Index (JACI) Philippines returned 6.95% in 2021 as Philippine dollar-denominated bonds remained resilient despite the losses in US Treasuries.

Benchmark yields rose over 50 basis points (bps) on average during the year as the US Treasury Yield curve remained mute on the short end with the 3-mo yield at 0.03% (0.06% at the end-2020) while the belly and long-end of the curve rose with the 10-year yield at 1.51% (0.91% at end-2020). The emergence of the highly transmissible Omicron variant has driven market volatility and has begun to take its toll on global growth. However, markets recovered quickly as data from the UK and South Africa indicated a lower risk of severe illness from the variant. Meanwhile, oil prices kept their upward trend amid pent up demand and businesses reopening with WTI Crude and Brent Crude increasing 50.15% and 55.01%, respectively, in 2021. This continued to add price pressures which pushed inflation data to multi-decade highs. During the last FOMC meeting of the year, the Federal Reserve (Fed) adopted a more hawkish stance given the rapid tightening of the labour market and persistent inflationary pressures. The Fed announced its plans to double the pace of tapering from \$15 billion to \$30 billion per month starting January next year while maintaining the Federal Funds target rate at 0% - 0.25%. The Fed officials also updated the dot plot showing three rate hike expectations for 2022 based on median projections. Overall, yields rose during the year due to (1) a spike in oil prices due to pent up demand adding pressure to inflation print, (2) monetary policies with the US Fed's tapering and rate hike expectations, and (3) continued increase in bond supply as governments finance deficits.

While the hawkish sentiment on central banks and elevated inflation globally are currently being priced in already, global rates still have room to rise in the medium-term due to upward pressures such as (1) the hawkish outlook of the Fed in its statements, signalling accelerated tapering and more rate hikes in 2022, and balance sheet reduction to address the above-target inflation; (2) persistent and elevated inflation levels, which continued to accelerate in December 2021; and (3) governments expanding their fiscal borrowing will add more supply of fixed income securities in the market. Given the mentioned points, expect that these might move to an uptrend moving forward.



## LOCAL EQUITY MARKET

The local bourse index tumbled to the end of 2021 following the sharp rise in the number of COVID-19 cases. A suspected new variant called “Omicron”, along with the traditional holiday gatherings propelled a new surge. The alarm bells sounded off and the government swiftly responded by enforcing a stricter quarantine measure – Alert level 3 in the National Capital Region from January 3 to 15.

The market had been down as much as 13.65% year-to-date during the first half of the year as prospects of economic recovery were impinged by a two-week Enhanced Community Quarantine in April, followed by a Modified ECQ that lasted until Mid-May. In the second half of the year, mobility restrictions continued to be eased made possible by the continued decline in case counts. The market rose to its 2021 peak as of early November at +4.2%, however, Omicron doused optimism and wiped out the gains entirely. The PSEi closed in 2021 at 7,122.63. For the year, the Philippines slipped by 0.24%. In terms of foreign activity, foreigners continued to be net sellers with \$4.5 million worth of outflows during the year.

For this year’s stock performance, the main advancers are as follows: CNVRG (+114.09%), WLCON (+80.47%), and GLO (+63.65%) as investors positioned in fintech businesses and reopening plays. Meanwhile, the laggards were JGS (-25.98%), LTG (-9.36%) and JFC (-7.90%).

In the short run, uncertainty lingers amid a fluid global backdrop, driving volatility in the local market. However, while governments and central banks throughout the world initiate rolling back monetary and fiscal stimulus, they will likely remain wary of the trajectory of their economic recovery. In the long run, we are constructive on domestic equities due to the continued ramp-up in the country’s vaccination program (e.g., majority of the population fully vaccinated, expansion of vaccine drive to the younger population, booster shots being inoculated), and a resilient Philippine economy. With these, we see the PSEi likely recouping some of the losses in previous years and moving towards 7,600 for 2022. However, we want to highlight that the domestic bourse will continue to be subject to potential volatility amid (1) changing monetary conditions as global central banks address inflation, and (2) possible virus resurgences due to new COVID-19 variants, and (3) geopolitical tensions exacerbating inflation risks globally. We note that the initial target is exposed to downside risks from these factors, among others.





## GLOBAL EQUITY MARKET

Continued pandemic concerns heightened market volatility as the emergence of the highly infectious Omicron variant pushed global cases to record highs. Moreover, elevated inflation pushed by pent-up demand, together with labour and supply issues, remained with investors keeping an eye on central banks' next steps to gradually scale back accommodative policies. Nonetheless, S&P 500 managed to finish the year on a good note with 26.9%-gain backed by strong earnings growth and further boosted by the prospect of further potential earnings upswing in 2022.

To combat inflation, the Federal Reserve kept rates steady but doubled the pace of tapering their asset purchases with plans to end the bond-buying program by early 2022 instead of mid-year and also forecasted a faster pace of rate hikes. The US central bank's hawkish pivot comes in contrast to the policy direction of China as its central bank cuts its reserve requirement ratio by 0.5% to support the country's stalling growth. The country's top officials also pledged to stabilize the economy in 2022 by increasing fiscal spending.

In commodity markets, oil prices remained volatile as the deepening energy shortage in Europe provided support while headwinds persisted in the form of continued weaker demand from the resurgence of the Omicron variant and expected slower economic growth.

Asian equities remained volatile due to concerns over the Omicron variant but slightly rose towards the end of December as sentiment improved, with the variant proving to be milder than expected. Chinese equities, however, despite having made some accommodative monetary policy moves, detracted in December due to concerns over slowing growth and fears of new lockdown restrictions following the emergence of the new variant. The MSCI Asia ex-Japan closed in the negative territory with -4.88% as investors remained cautious on Omicron headlines and elevated inflation.

Moving forward, international equities are expected to continue to be volatile as investors weigh mixed market developments, including developments in geopolitical tensions and the recovery of the global economy from the pandemic. Short-term headwinds are coming from inflation risks, supply chain disruptions, a more hawkish Fed, and geopolitical concerns. Equity performance may vary per country and sector and will likely depend on the government's monetary and fiscal measures, together with economic and corporate earnings recovery. Investors need to be diversified when investing in international equities.



# CITI-BPLAC FUNDS



# Statement of Assets and Liabilities

as of December 31, 2021



## BPLAC PESO VARIABLE FUNDS

In PHP Equivalent	Premier Philam Bond Fund	Premier Philam Strategic Growth Fund	Premier Philam Equity Index Fund
<b>ASSETS</b>			
Cash and cash equivalents	-	-	-
Financial assets at FVPL*	875,023,521	5,544,884,386	307,194,017
Loans and receivables	74,681	400,219	48,704
Accrued income	-	-	-
Other Assets	-	-	-
<b>Total Assets</b>	<b>875,098,203</b>	<b>5,545,284,606</b>	<b>307,242,722</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	30,447	353,139	45,065
<b>Total Liabilities</b>	<b>30,447</b>	<b>353,139</b>	<b>45,065</b>
<b>Net Asset Value (NAV)</b>	<b>875,067,756</b>	<b>5,544,931,467</b>	<b>307,197,656</b>

## BPLAC DOLLAR VARIABLE FUNDS

in USD Equivalent	Premier Philam Dollar Bond Fund	Premier Philam Asia Balanced Fund	Premier Philam Global Equity Fund
<b>ASSETS</b>			
Cash and cash equivalents	-	-	262,397
Financial assets at FVPL*	12,754,273	1,509,395	81,020,485
Loans and receivables	5,678	416	70,245
Accrued income	-	-	-
Other Assets	-	-	-
<b>Total Assets</b>	<b>12,759,951</b>	<b>1,509,811</b>	<b>81,353,128</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	5,307	56	115,411
<b>Total Liabilities</b>	<b>5,307</b>	<b>56</b>	<b>115,411</b>
<b>Net Asset Value (NAV)</b>	<b>12,754,644</b>	<b>1,509,755</b>	<b>81,237,717</b>

\*Fair Value through Profit or Loss

# Statement of Assets and Liabilities

as of December 31, 2021



## BPLAC DOLLAR VARIABLE FUNDS

In USD Equivalent

	Philam Global Multi Asset Fund	Philam Global Fixed Income (Core) Fund
<b>ASSETS</b>		
Cash and cash equivalents	18,035	609
Financial assets at FVPL*	10,399,830	218,531
Loans and receivables	1,144	366
Accrued income	-	-
Other Assets	-	-
Total Assets	10,419,009	219,506

## LIABILITIES

Accounts payable and accrued expenses	45,761	1,454
Total Liabilities	45,761	1,454

<b>Net Asset Value (NAV)</b>	<b>10,373,248</b>	<b>218,052</b>
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\*Fair Value through Profit or Loss

# Premier Philam Bond Fund

Fund Inception Date: February 2, 2015



The Premier Philam Bond Fund (the "Fund") is a PHP-denominated single asset fund created for peso variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in Philam Bond Fund, Inc. (PBF). The PBF is an open-end mutual fund with a portfolio composed of government securities and high-grade commercial papers. The investment focus of this fund is capital preservation. A programmed capital build-up can be used for retirement, education, incentive programs, and other individual or corporate financial purposes.

## FUND PERFORMANCE <sup>a</sup>

2021 Return	-5.15%
2020 Return	5.94%
2019 Return	11.53%
2018 Return	-3.21%
2017 Return	0.11%
2016 Return	1.51%
3 Year Return (annualized as of Dec 31, 2021)	3.87%
5 Year Return (annualized as of Dec 31, 2021)	1.66%
Return since Inception (as of Dec 31, 2021)	-5.15%

**a** Returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## PORTFOLIO STATISTICS (as of Dec 31, 2021)

Net Asset Value (NAV in PHP thousands) <sup>b</sup>	875,068 <sup>c</sup>
Net Asset Value per Unit	1.0624

**b** NAV is net of 1.5% policy management charge

**c** Based on Audited Financial Statement

## FUND ALLOCATION

Allocation	% of Fund
Government	70.48
Corporates	18.51
Cash, Time Deposits, and Other Receivables - Net of Liabilities	11.01

## TOP HOLDINGS - PHILAM BOND FUND

Name	Maturity	% of the Fund
Retail Treasury Bond	2025	12.28%
Retail Treasury Bond	2024	8.84%
Fixed Rate Treasury Note	2031	7.35%
Republic of the Philippines	2036	5.11%
SM Prime Holdings Bond	2025	3.98%

## PREMIER PHILAM BOND FUND Return Since Inception <sup>d</sup>



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

# Premier Philam Strategic Growth Fund

Fund Inception Date: February 2, 2015



The Premier Philam Strategic Growth Fund (the "Fund") is a PHP-denominated single asset fund created for peso variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in Philam Strategic Growth Fund, Inc. (PSGF). The PSGF is an open-end mutual fund with a long-term investment that generates capital growth through a highly diversified stock portfolio. It is an equity fund invested in listed or soon to be listed issues in the Philippine Stock Exchange.

## FUND PERFORMANCE <sup>a</sup>

2021 Return	0.06%
2020 Return	-8.24%
2019 Return	3.50%
2018 Return	-12.51%
2017 Return	20.02%
2016 Return	-3.06%
3 Year Return (annualized as of Dec 31, 2021)	-1.69%
5 Year Return (annualized as of Dec 31, 2021)	-0.04%
Return since Inception (as of Dec 31, 2021)	-13.68%

**a** Returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## PORTFOLIO STATISTICS (as of Dec 31, 2020)

Net Asset Value (NAV in PHP thousands) <sup>b</sup>	5,544,931 <sup>c</sup>
Net Asset Value per Unit	0.8632

**b** NAV is net of 2.0% policy management charge

**c** Based on Audited Financial Statement



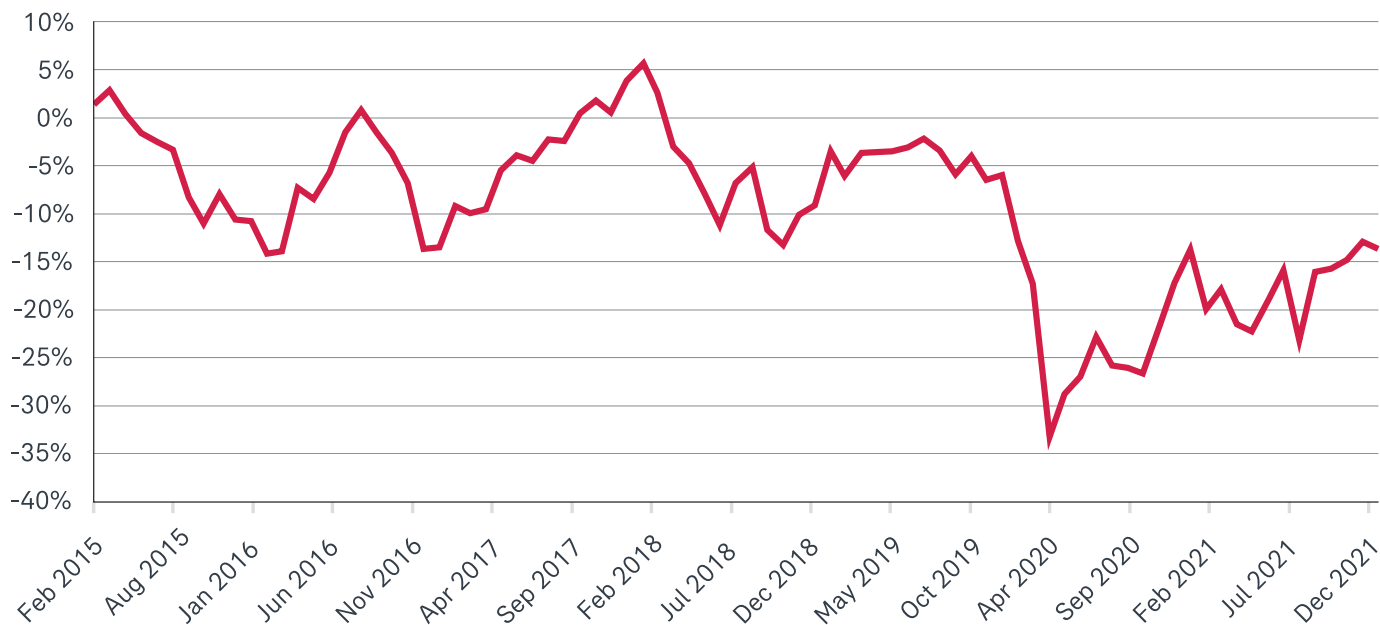
## FUND ALLOCATION

Allocation	% of Fund
Equities	94.65
Government	3.98
Fixed Income Funds	0.26
Cash & Cash Equivalent (Net of Liabilities)	1.11

## TOP HOLDINGS - PHILAM STRATEGIC GROWTH FUND, INC.

Name	%
SM Investments Corporation	12.65%
Ayala Land, Inc.	9.41%
Ayala Land Corporation	8.26%
SM Prime Holdings Inc.	8.11%
Int'l Container Terminal Services, Inc.	7.55%

## PREMIER PHILAM STRATEGIC GROWTH FUND Return Since Inception <sup>d</sup>



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

# Premier Philam Equity Index Fund

Fund Inception Date: June 25, 2018



The Premier Philam Equity Index Fund (the "Fund") is a PHP-denominated single asset fund created for peso variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in PAMI Equity Index Fund, Inc. (PEIF). The PEIF is an open-end mutual fund consist mostly of stocks comprising the Philippine Stock Exchange Index (PSEi). The investment focus of this fund is to track and replicate the performance of the PSEi through buying and selling the proportionate number of shares.

## FUND PERFORMANCE <sup>a</sup>

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2021 Return	-0.17%
2020 Return	-8.83%
2019 Return	4.23%
2018 Return	3.49%
3 Year Return (annualized as of Dec 31, 2021)	-5.13%
Return since Inception (as of Dec 31, 2021)	-1.82%

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- a** Returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## PORTFOLIO STATISTICS (as of Dec 31, 2021)

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Net Asset Value (NAV in PHP thousands) <sup>b</sup>	307,198 <sup>c</sup>
Net Asset Value per Unit	0.9818

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- b** NAV is net of 1.5% policy management charge

- c** Based on Audited Financial Statement

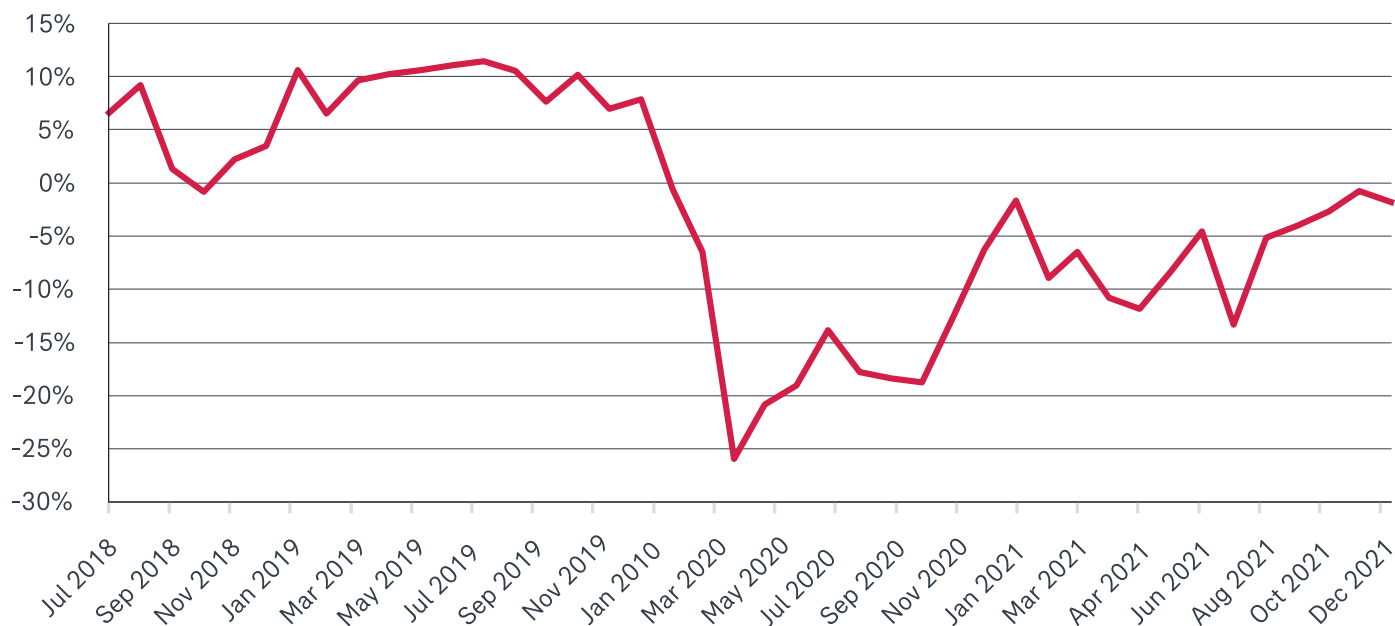
## FUND ALLOCATION

Allocation	% of Fund
Equities	99.48
Cash & Cash Equivalent (Net of Liabilities)	0.52

## TOP FIVE HOLDINGS - PAMI EQUITY INDEX FUND, INC.

Name	%
SM Investments Corporation	14.77%
SM Prime Holdings, Inc.	9.55%
Ayala Land, Inc.	7.74%
BDO Unibank, Inc.	6.31%
Ayala Corporation	6.28%

## PREMIER PHILAM EQUITY INDEX FUND Return Since Inception <sup>d</sup>



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

# Premier Philam Dollar Bond Fund

Fund Inception Date: April 6, 2015



The Premier Philam Dollar Bond (the "Fund") is a USD-denominated fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in Philam Dollar Bond Fund, Inc. (PDBF). The PDBF is an open-end mutual fund that invests in ROPs (Philippine's debt obligations, which are denominated in US Dollars), US Treasury Bills and high grade US Dollar denominated corporate papers. The investment objective of this fund is to provide investors with returns and inflows derived from diversified investments in dollar-denominated fixed-income instruments.

## FUND PERFORMANCE <sup>a</sup>

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2021 Return	-1.17%
2020 Return	5.49%
2019 Return	10.70%
2018 Return	-3.57%
2017 Return	4.36%
2016 Return	2.30%
3 Year Return (annualized as of Dec 31, 2021)	4.90%
5 Year Return (annualized as of Dec 31, 2021)	3.04%
Return since Inception (as of Dec 31, 2021)	16.99%

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**a** Returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## PORTFOLIO STATISTICS (as of Dec 31, 2021)

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Net Asset Value (NAV in USD thousands) <sup>b</sup>	12,755 <sup>c</sup>
Net Asset Value per Unit	1.1699

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**b** NAV is net of 1.5% policy management charge

**c** Based on Audited Financial Statement

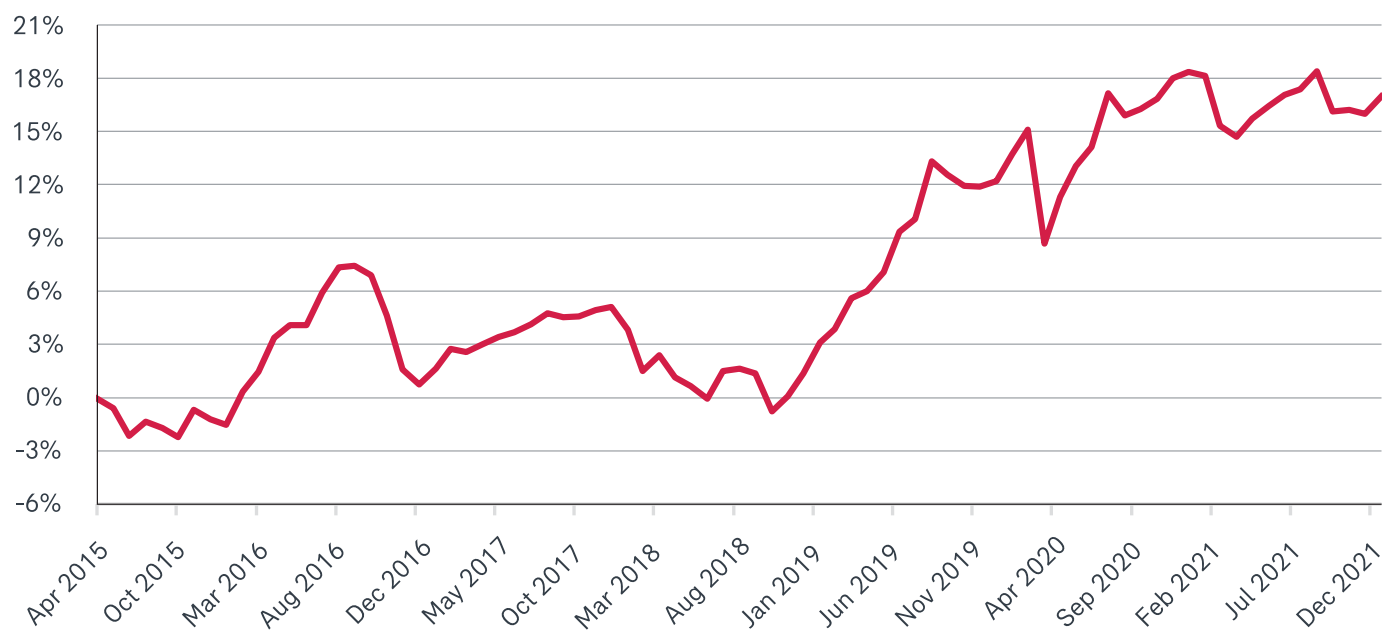
## FUND ALLOCATION

Allocation	% of Fund
Government	47.51
Corporates	37.30
Cash, Time Deposits, and Other Receivables - Net of Liabilities	15.19

## TOP HOLDINGS - PHILAM DOLLAR BOND FUND, INC.

Name	Maturity	% of the Fund
AEV International	2030	7.76%
Republic of the Philippines	2030	6.75%
Republic of the Philippines	2034	5.92%
Republic of the Philippines	2040	4.79%
Republic of the Philippines	2031	4.74%

## PREMIER PHILAM DOLLAR BOND FUND Return Since Inception <sup>d</sup>



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

# Premier Philam Asia Balanced Fund

Fund Inception Date: March 20, 2015



The Premier Philam Asia Balanced Fund (the "Fund") is a USD-denominated fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in PAMI Asia Balanced Fund, Inc. (PABF). The PABF is an open-end mutual fund that invests primarily in equities of established companies in Asia Pacific ex Japan and medium to long-term debt securities issued by sovereign nations with a credit rating not lower than the Philippines' credit rating. Its investment objective is to ensure long-term growth by tapping into the growth potential of Asia. This fund is a balanced portfolio of securities with geographical diversification within Asia.

## FUND PERFORMANCE <sup>a</sup>

2021 Return	-6.63%
2020 Return	10.51%
2019 Return	11.26%
2018 Return	-12.07%
2017 Return	20.53%
2016 Return	-1.13%
3 Year Return (annualized as of Dec 31, 2021)	4.71%
5 Year Return (annualized as of Dec 31, 2021)	4.00%
Return since Inception (as of Dec 31, 2021)	5.55%

**a** Returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## PORTFOLIO STATISTICS (as of Dec 31, 2021)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	1,510 <sup>c</sup>
Net Asset Value per Unit	1.0555

**b** NAV is net of 2.0% policy management charge

**c** Based on Audited Financial Statement

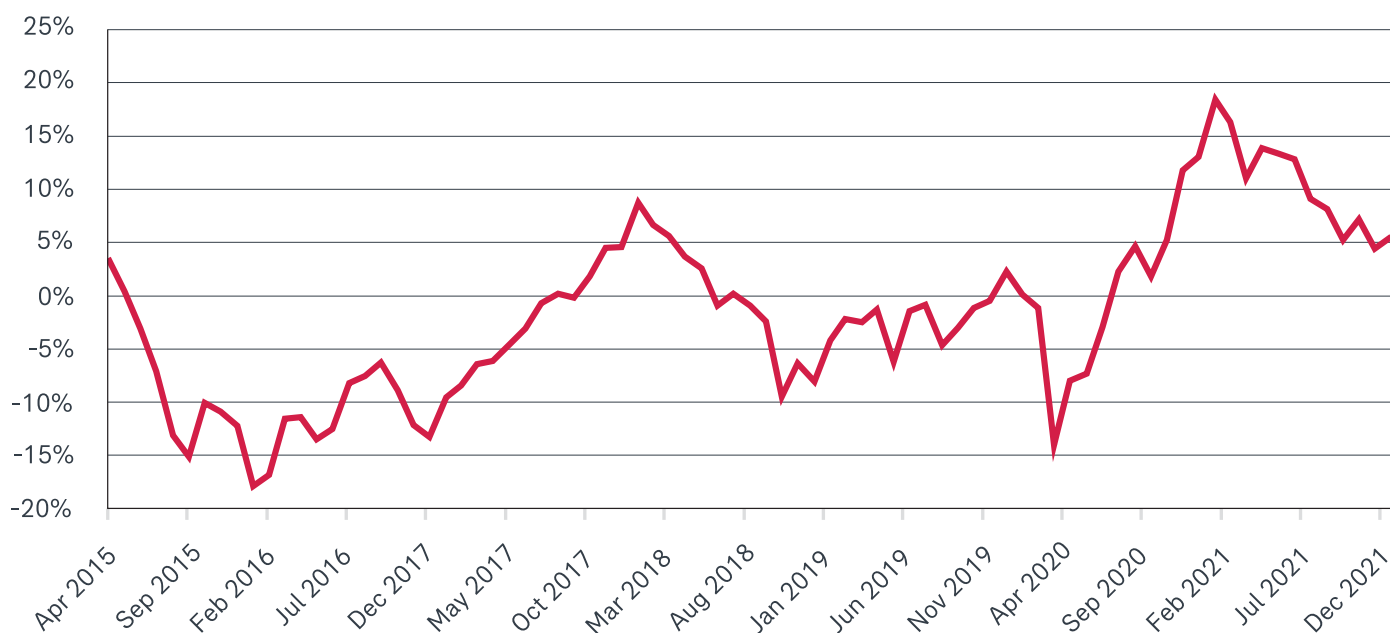
## FUND ALLOCATION

Allocation	% of Fund
Equities	50.74
Fixed Income	45.49
Cash & Cash Equivalent (Net of Liabilities)	3.77

## TOP HOLDINGS - PAMI ASIA BALANCED FUND, INC.

Name	Maturity	%
Taiwan Semiconductor		4.59%
Fixed Rate Treasury Bond	2029	4.16%
China Government Bond	2027	3.15%
China Government Bond	2028	3.14%
Singapore Government Bond	2029	3.11%

## PREMIER PHILAM ASIA BALANCED FUND Return Since Inception <sup>d</sup>



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

# Premier Philam Global Equity Fund

Fund Inception Date: March 18, 2016



The Premier Philam Global Equity Fund (the "Fund") is a USD-denominated insurance fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in Fidelity Funds-Global Thematic Opportunities Fund A-USD, a mutual fund which invests primarily in equities throughout the world. It aims to provide long-term capital growth from a diversified and actively managed portfolio of securities.

## FUND REVIEW

Fidelity Funds-Global Thematic Opportunities Fund A-USD delivered returns of 4.1%, while the MSCI World Index (Net) returned 6.7% over the quarter. A strategy that focuses on the consumption theme in China lagged global equities. Meanwhile, the allocation to the Global Health Care and Global Sustainable Water & Waste strategies contributed to relative performance.

## FUND PERFORMANCE <sup>a</sup>

2021 Return	15.33%
2020 Return	8.88%
2019 Return	22.53%
2018 Return	-12.10%
2017 Return	18.74%
2016 Return	4.82%
3 Year Return (annualized as of Dec 31, 2021)	15.45%
5 Year Return (annualized as of Dec 31, 2021)	9.94%
Return since Inception (as of Dec 31, 2021)	68.33%

<sup>a</sup> Returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.



## PORTFOLIO STATISTICS (as of Dec 31, 2020)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	81,238 <sup>c</sup>
Net Asset Value per Unit	1.6833

**b** NAV is net of 2.0% policy management charge

**c** Based on Audited Financial Statement

## BREAKDOWN BY ASSET CLASS

Allocation	% of Fund
Equities	99.00
Uninvested Cash & Other	1.00

## TOP FIVE HOLDINGS - EQUITIES

Name	Fund Exposure
ISHARES HEALTHCARE INNOVATION UCITS ETF	3.41
MICROSOFT CORP	3.25
ISHARES NSDQ US BIOTECH UCIT ETF	2.37
APPLE INC	1.69
ALPHABET INC	1.63

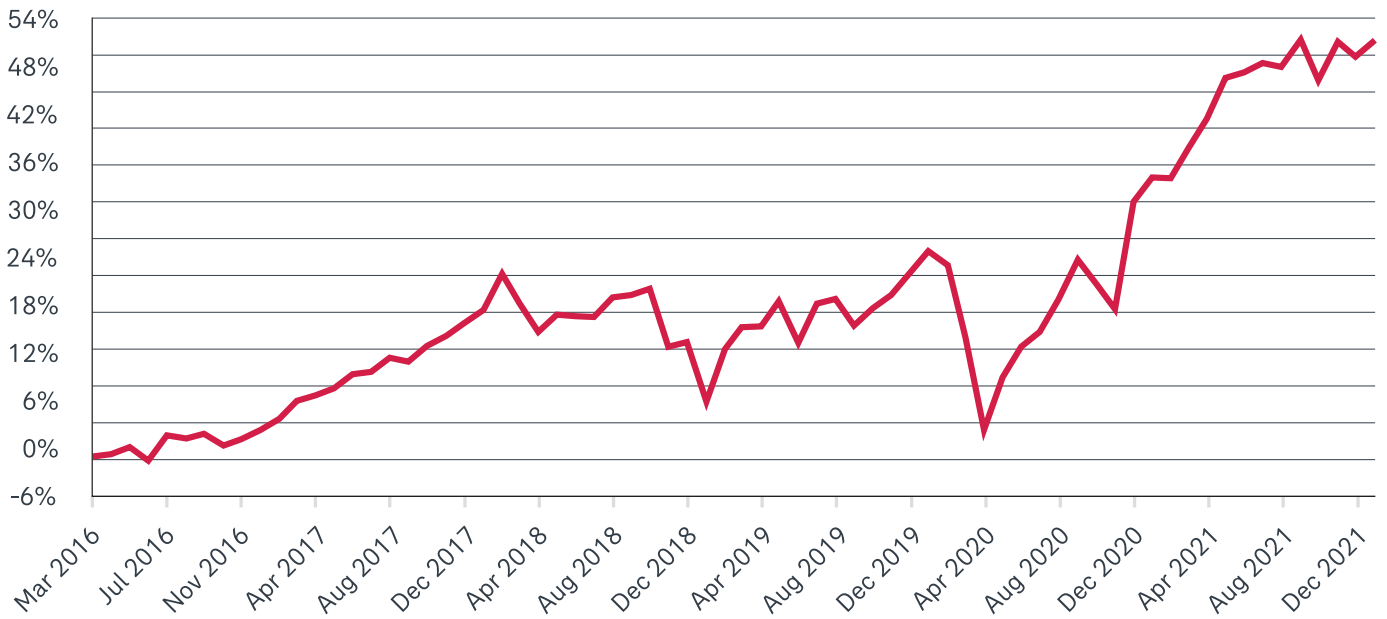
## TOP FIVE HOLDINGS - SECTOR/INDUSTRY

Name	Fund Exposure
Information Technology	30.37
Industrials	13.51
Consumer Discretionary	11.11
Health Care	10.68
Communication Services	5.34

## TOP FIVE HOLDINGS - COUNTRY ALLOCATION

Name	Fund Exposure
USA	51.56
CHINA	7.93
IRELAND	7.69
JAPAN	4.29
UNITED KINGDOM	4.24

## PREMIER PHILAM GLOBAL EQUITY FUND Return Since Inception <sup>d</sup>



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

# Philam Global Multi Asset Fund

Fund Inception Date: September 27, 2017



The Philam Global Multi Asset Fund (the "Fund") is a USD-denominated insurance fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in JPMorgan Investment Funds - Global Income Fund, a mutual fund which invests primarily in a global portfolio of income-generating securities, to deliver superior risk-adjusted returns.

## FUND REVIEW

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Developed market equities continued to rally over the last month, providing investors with strong positive returns for the third calendar year in a row. Global fixed income returns were slightly down in December, as yields increased through the end of the month. As of the end of December, the 10-year U.S. Treasury yield stood at 1.52%, up 9 basis points (bps) points from the end of November.

## FUND PERFORMANCE <sup>a</sup>

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2021 Return	9.26%
2020 Return	2.39%
2019 Return	13.90%
2018 Return	-5.14%
2017 Return	2.56%
3 Year Return (annualized as of Dec 31, 2021)	8.41%
Return since Inception (as of Dec 31, 2021)	23.97%

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<sup>a</sup> Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## PORTFOLIO STATISTICS (as of Dec 31, 2021)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	10,373 <sup>c</sup>
Net Asset Value per Unit	1.2397

**b** NAV is net of 1.5% policy management charge

**c** Based on Audited Financial Statement

## BREAKDOWN BY ASSET CLASS

Allocation	% of Fund
US High Yield	25.30
Global Equity	18.00
Preferred Equity	10.00
European Equity	7.90
Covered Call	7.90
European High Yield	6.70
Emerging Markets Equity	5.10
Global REITs	5.00
Non-Agency Securitized	4.60
Global Infrastructure Equity	2.50
Others	3.40
Cash	3.60

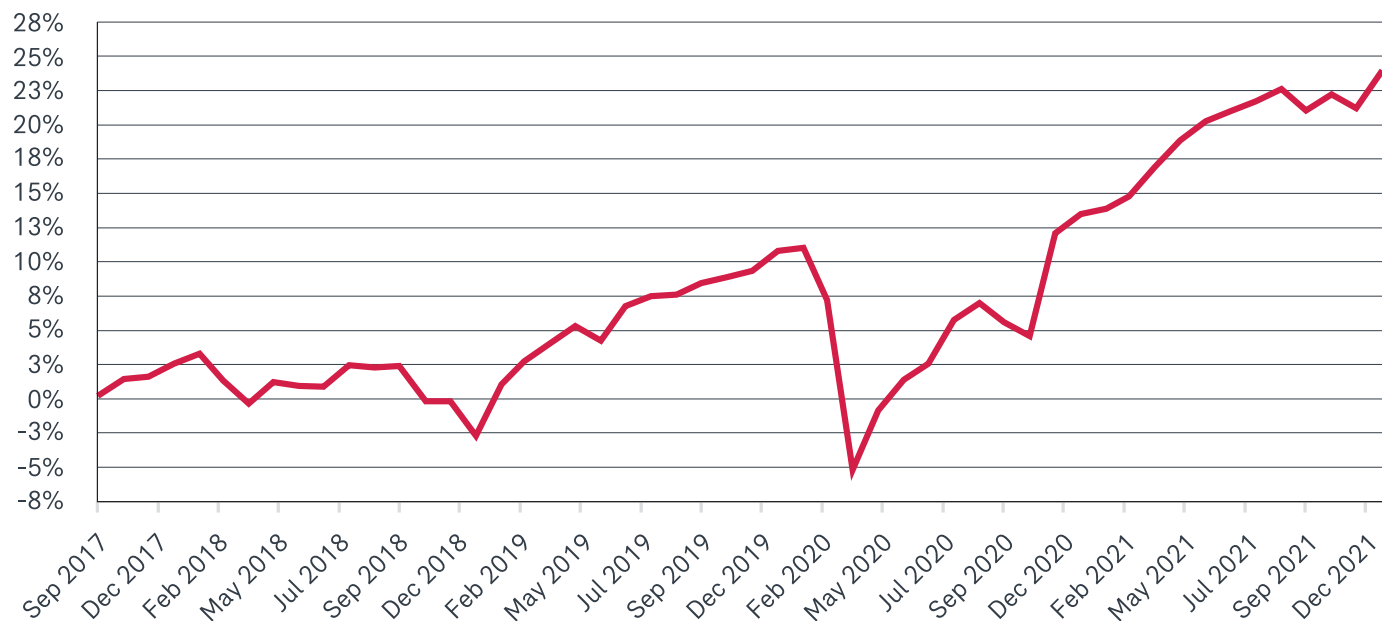
## TOP TEN HOLDINGS

Name	Sector	Fund Exposure
BNP RTY Covered Call Note 01/22	Equity	1.00%
BNP RTY Covered Call Note 01/22	Equity	1.00%
UBS RTY Covered Call Note 04/22	Equity	1.00%
GS/NBC RTY Covered Call Note 03/22	Equity	1.00%
BC RTY Covered Call Note 03/22	Equity	1.00%
GS/NBC RTY Covered Call Note 02/22	Equity	0.90%
BC RTY Covered Call Note 03/22	Equity	0.90%
BNP RTY Covered Call Note 01/22	Equity	0.90%
Roche	Equity	0.50%
Nestle	Equity	0.50%

## REGIONS ALLOCATION

Name	
United States	58.00%
Europe ex-UK	18.90%
Emerging Markets	7.60%
United Kingdom	5.10%
Canada	3.40%
Japan	1.70%
Asia ex-Japan	1.70%
Cash	3.60%

## PHILAM GLOBAL MULTI ASSET FUND Return Since Inception <sup>d</sup>



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit

# Philam Global Fixed Income (Core) Fund

Fund Inception Date: January 19, 2018



The Philam Global Fixed Income (Core) Fund (the "Fund") is a USD-denominated insurance fund created for dollar variable life insurance contracts issued by BPI AIA Life Assurance Corporation. The Fund is fully invested in PIMCO Global Investors Series - Income Fund, a mutual fund which invests primarily in a diversified portfolio of global fixed income securities. The fund aims to target a consistent level of return while maintaining a relatively low risk profile, with a secondary goal of capital appreciation.

## FUND REVIEW

The PIMCO GIS Income Fund continued to provide investors with attractive monthly distributions through December 2021. The higher yielding portion of the portfolio was positive in December 2021. The Fund's holdings of Non-agency MBS contributed to performance as spreads tightened. The portfolio's exposures to emerging market debt and currencies contributed to performance as emerging market local yields generally fell, and these currencies appreciated versus the US Dollar.

## FUND PERFORMANCE <sup>a</sup>

2021 Return	1.86%
2020 Return	5.50%
2019 Return	8.36%
2018 Return	-0.80%
3 Year Return (annualized as of Dec 31, 2021)	5.20%
Return since Inception (as of Dec 31, 2021)	15.51%

- a** Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## PORTFOLIO STATISTICS (as of Dec 31, 2021)

Net Asset Value (NAV in USD thousands) <sup>b</sup>	218 <sup>c</sup>
Net Asset Value per Unit	1.1551

**b** NAV is net of 1.3% policy management charge

**c** Based on Audited Financial Statement

## SECTOR ALLOCATION

Allocation	Duration in Years
Government Related	(1.50)
Securitized	0.65
Investment Grade Credit	1.18
High Yield Credit	0.31
Emerging Markets	0.51
Municipal / Other	0.01
Net Other Short Duration Instruments	0.10

## TOP TEN HOLDINGS\*

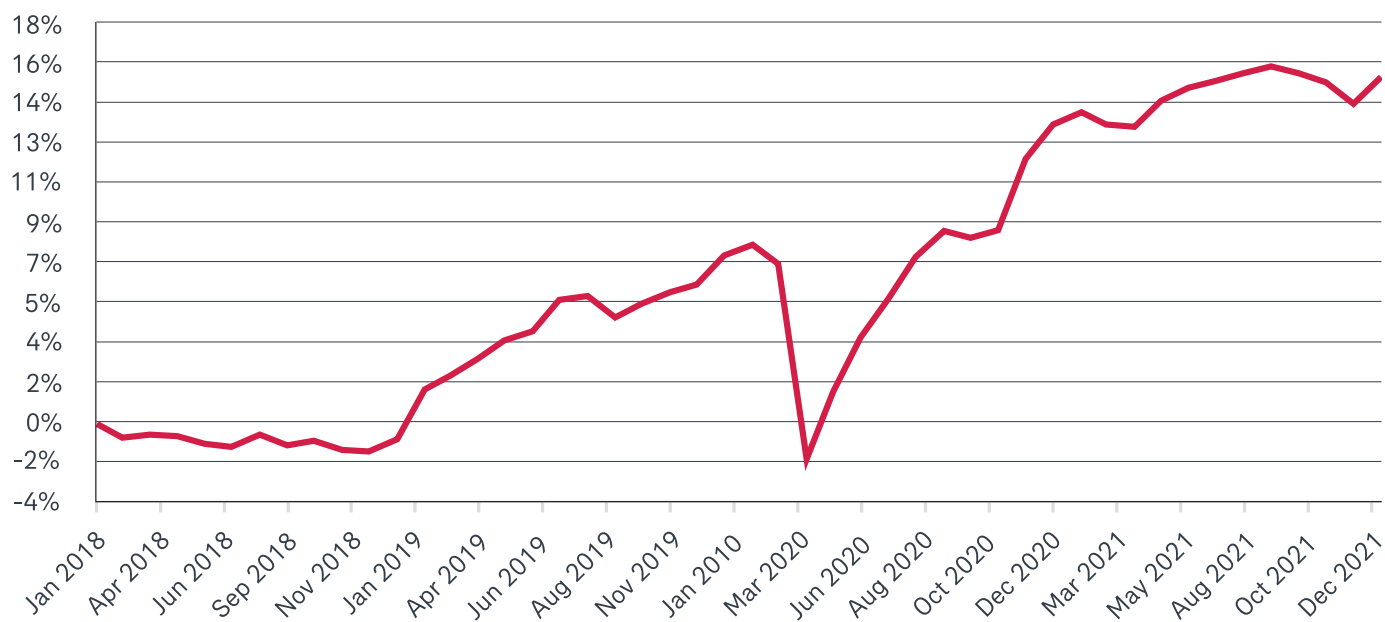
Name	% MV
FNMA TBA 3.5% DEC 30YR	5.20%
FNMA TBA 3.0% DEC 30YR	2.80%
BNP PARIBAS ISSUANCE BV SR SEC **ABS**	2.50%
U S TREASURY INFLATE PROT BD	1.50%
U S TREASURY NOTE	1.50%
SOUTH AFRICA (REP) BD SER R186	1.20%
FNMA TBA 2.5% DEC 30YR	0.80%
U S TREASURY BOND	0.80%
FNMA TBA 3.5% NOV 30YR	0.80%
U S TREASURY NOTE	0.80%

\*Top 10 holdings as of 30/09/2021, excluding derivatives

## TOP 10 INDUSTRIES

Name	% MV
Banks	10.20%
Electric Utility	2.60%
Aerospace/Defense	2.20%
Technology	1.70%
Gaming	1.40%
Satellites	1.30%
Airlines	1.20%
Financial Other	1.10%
Wirelines	1.10%
Captive Consumer	1.10%

## PHILAM GLOBAL FIXED INCOME (CORE) FUND Return Since Inception <sup>d</sup>



<sup>d</sup> Fund returns are calculated based on Net Asset Value per Unit



## Disclosure Statement

**Readership:** This document is intended solely for the addressee(s). Its content may be legally privileged and/or confidential.

**Opinions:** Any opinions expressed in this document may be subject to change without notice. We are not soliciting or recommending any action based on this material.

**Risk Warning:** Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested. The investment risks vary between different types of instruments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio the loss on realization or cancellation may be very high (including total loss of investment), as the value of such an investment may fall suddenly and substantially. In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved. Unless otherwise noted, all information contained herein is sourced with BPI AIA internal data. The content included herein has been shared with various in-house departments within BPI AIA and will comply with the confidentiality requirements of their respective jurisdictions. Parts of this presentation may be based on information received from sources we consider reliable. We do not represent that all of this information is accurate or complete and may not be relied upon as such. The investment risks and other risks associated with this product are borne solely by the policyowner.

## About BPI AIA

BPI AIA LIFE ASSURANCE CORP. (BPI AIA) is a strategic alliance between two leading companies in the country: AIA Philippines Life and General Insurance Company (formerly AIA Philam Life) and Bank of the Philippine Islands (BPI). AIA Philippines is the premier life insurance company in the Philippines and the market leader for over 70 years. BPI is a leading commercial bank in the country with over 170 years of experience in the local banking industry and an extensive branch network of more than 1,000 branches and 3,000 ATMs.

BPI AIA's professional and expertly trained Bancassurance Sales Executives are assigned in BPI branches nationwide to render financial advisory services that address customers' financial and protection needs.

With the combined expertise and resources of these two trusted companies, BPI AIA policyholders are assured that their insurance is backed by financial strength and stability.



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