

**STERLING BANK OF ASIA**  
**STERLING BALANCED FUND**  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
AS OF DECEMBER 31, 2015

#### FUND FACTS

<b>Classification:</b>	Balanced Fund	<b>Net Asset Value per Unit (NAVPU):</b>	97.85260
<b>Launch Date:</b>	May 20, 2013	<b>Total Fund NAV:</b>	PHP6,498,305.05
<b>Minimum Investment:</b>	PHP10,000.00	<b>Dealing Day:</b>	Daily up to 11:30 am
<b>Additional Investment:</b>	PHP5,000.00	<b>Redemption Settlement:</b>	After the 3rd banking day (T+3)
<b>Minimum Holding Period:</b>	30 calendar days	<b>Early Redemption Charge:</b>	0.50% of redemption proceeds

#### FEES

<b>Trust Fee:</b> 1.25% p.a. Sterling Bank of Asia - Trust Group	<b>Custodianship Fee:</b> 2Q15 = P24.32 SCB, PDTC and BTr - ROSS	<b>External Auditor Fees:</b> 0.00% p.a. Reyes Tacandong & Company
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#### INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve long-term capital appreciation and income growth over a medium to long-term investment period.

Investments will be in a combination of select equities (a maximum of 60% of the total portfolio) and fixed-income securities with an average duration of three years or less.

#### CLIENT SUSTAINABILITY

**A client profiling should be performed prior to participating in the Fund to guide prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/ Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.**

The **STERLING BALANCED FUND** is suitable only for investors who:

- Have an aggressive risk profile
- Have an investment horizon of at least three (3) years
- Are willing to be exposed to greater price volatility and risk of a balanced investment
- Are looking for long term capital appreciation and income growth through price appreciation and through a regular stream of income from fixed rate securities

#### KEY RISK AND RISK MANAGEMENT

**You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.**

- **Interest Rate Risk** - This is the possibility for an investor to experience losses due to changes in interest rates.
- **Market/Price Risk** - This is the possibility for an investor to experience losses due to changes in market prices of securities.
- **Liquidity Risk** - This is the possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.
- **Credit/ Default Risk** - This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued.
- **Related Party Risk** - This is the possibility for an investor to experience losses due to potential conflict of interest in a related party transaction.

**THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**

**RETURNS CAN NOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY**

**WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE**

**THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE**

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**FUND PERFORMANCE AND STATISTICS**

(Purely for reference purposes and is not a guarantee of future results)

**NAVPU GRAPH**



**NAVPU OVER PAST 12 MONTHS**

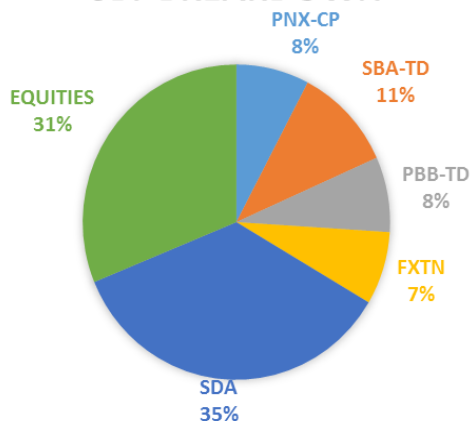
Highest	April 14, 2015	103.77825
Lowest	November 16, 2015	97.16818

**YIELD**

DATE	YTD	YOY
31-Dec-15	-2.2721%	-2.2709%

**PORTFOLIO COMPOSITION**

**SBF BREAKDOWN**



**TOP EQUITY HOLDINGS (% TO NAV)**

MER	4.92%
PFP2	4.75%
AGI	3.71%
PGOLD	3.47%
LRP	3.41%

**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS.** The Fund has deposits with the Bank Proper amounting to PHP691,467.69, which was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

**OUTLOOK AND STRATEGY.** In closing, the equity market dropped 3.9% for 2015. The Federal Reserve finally raised its key rates in December, which spurred a more cautious stance from investors. BSP maintained its policy rates, noting that inflation has remained within target range. The Fund will keep its position in big cap stocks and less volatile preferred shares as a conservative stance against foreign outflows.