

STERLING BANK OF ASIA
STERLING BALANCED FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
AS OF JUNE 30, 2016

FUND FACTS

Classification:	Balanced Fund	Net Asset Value per Unit (NAVPU):	97.79741
Launch Date:	May 20, 2013	Total Fund NAV:	6,983,306.31
Minimum Investment:	PHP10,000.00	Dealing Day:	Daily up to 11:30 am
Additional Investment:	PHP5,000.00	Redemption Settlement:	After the 3rd banking day (T+3)
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	0.50% of redemption proceeds

FEES

Trust Fee: 1.25% p.a. Sterling Bank of Asia - Trust Group	Custodianship Fee: 2Q15 = P24.32 SCB, PDTC and BTr - ROSS	External Auditor Fees: 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

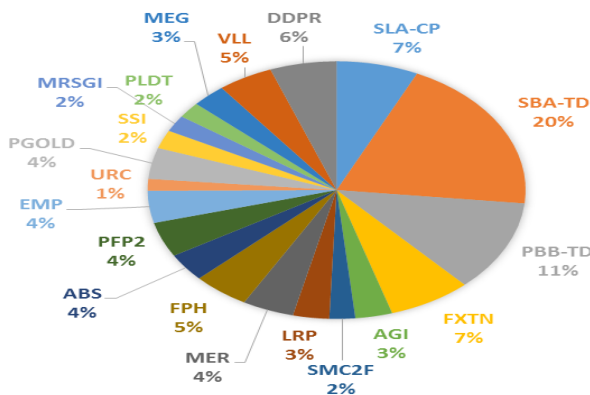
Highest	August 5, 2015	103.1546
Lowest	January 21, 2016	95.27548

YIELD

DATE	YTD	YOY
30-Jun-16	-0.0562%	-4.1329%

PORTFOLIO COMPOSITION

SBF BREAKDOWN



TOP EQUITY HOLDINGS (% TO NAV)

DDPR	5.70%
FPH	4.83%
VLL	4.72%
MER	4.42%
PFP2	4.39%
EMP	4.03%
PGOLD	3.90%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS. The Fund has deposits with the Bank Proper amounting to PHP1,380,282.94, which was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY. The equity market surged 5.3% in June to close at 7,796. This was due to an expected dovish stance of the Federal Reserve following the Brexit and the optimistic outlook on the newly inaugurated Duterte Administration. BSP launched the Interest Rate Corridor last June 3 as an outlet for excess liquidity in the market. In an environment of local euphoria and global uncertainty, the market is already trading at high multiples thus the Fund will keep its position in big cap stocks and less volatile preferred shares as a conservative stance against volatility.