

**STERLING BANK OF ASIA
STERLING MULTI-ASSET FUND**
Key Information And Investment Disclosure Statement
As of September 30, 2023

FUND FACTS

Classification:	Peso Multi-Asset Unit Investment Trust Fund	Net Asset Value per Unit (NAVPU):	113.98704
Launch Date:	May 20, 2013	Total Fund NAV:	PHP 1,993,993.59
Minimum Investment:	PHP 5,000.00	Dealing Day:	Daily up to 11:30 am
Additional Investment:	PHP 1,000.00	Redemption Settlement:	After the 3 rd banking day (T + 3)
Minimum Holding Period:	30 Calendar Days	Early Redemption Charge:	0.50% of redemption proceeds

FEES

Nature of Fees	Service Provider	Amount
Trustee Fees:	Sterling Bank of Asia – Trust Group	1.25% p.a. based on the NAV of the Fund at the end of the business day
Custodianship Fees:	BTr – ROSS & PDTC	0.01% p.a. of Security Face Value
External Auditor Fees:	Reyes Tacandong & Company	N/A
Other Fees:	None	N/A

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 minimum of 40% to a maximum of 60% of the total portfolio) and fixed-income securities with an average duration of three years or less.

CLIENT SUITABILITY

A client profiling process should be performed prior to participating in the Fund to guide the 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 MULTI-ASSET 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 multi-asset 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

• **Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities (e.g., bonds and equities). It is the exposure to the uncertain market value of a portfolio due to price fluctuations.

It is the risk of the UITF to lose value due to a decline in securities prices, which may sometimes happen rapidly or unpredictably. The value of investments fluctuates over a given time period because of general market conditions, economic changes or other events that impact large portions of the market such as political events, natural calamities, etc. As a result, the NAVPU may increase to make profit or decrease to incur loss.

• **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. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or underdeveloped capital market.

Liquidity risk occurs when certain securities in the UITF portfolio may be difficult or impossible to sell at a particular time which may prevent the redemption of investment in UITF until its assets can be converted to cash. Even government securities which are the most liquid of fixed income securities may be subjected to liquidity risk particularly if a sizeable volume is involved.

• **Credit Risk/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. This inability of the borrower to make good on its financial obligations may have resulted from adverse changes in its financial condition thus, lowering credit quality of the security, and consequently lowering the price (market/price risk) which contributes to the difficulty in selling such security. It also includes risk on a counterparty (a party the UITF Manager trades with) defaulting on a contract to deliver its obligation either in cash or securities.

This is the risk of losing value in the UITF portfolio in the event the borrower defaults on his obligation or in the case of a counterparty, when it fails to deliver on the agreed trade. This decline in the value of the UITF happens because the default/failure would make the price of the security go down and may make the security difficult to sell. As these happen, the UITF's NAVPU will be affected by a decline in value.

• **Reinvestment Risks.** This is the risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.

Investors in the UITF who redeem and realize their gains run the risk of reinvesting their funds in an alternative investment outlet with lower yields. Similarly, the UITF manager is faced with the risk of not being able to find good or better alternative investment outlets as some of the securities in the fund matures.

In case of a foreign-currency denominated UITF or a peso denominated UITF allowed to invest in securities denominated in currencies other than its base currency, the UITF is also exposed to the following risks:

• **Country Risk.** This is the possibility for an investor to experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries. There are risks in foreign investments due to the possible internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases of the foreign country involved which are difficult to predict but must be taken into account in making such investments.

Likewise, brokerage commissions and other fees may be higher in foreign securities. Government supervision and regulation of foreign stock exchanges, currency markets, trading systems and brokers may be less than those in the Philippines. The procedures and rules governing foreign transactions and custody of securities may also involve delays in payment, delivery or recovery of investments.

• **Other Risks.** Your participation in the UITFs may be further exposed to the risk of any actual or potential conflicts of interest in the handling of in-house or related party transactions by Sterling Bank of Asia. These transactions may include own-bank deposits; purchase of own-institution or affiliate obligations (stock, mortgages); purchase of assets from or sales to own institution, directors, officers, subsidiaries, affiliates or other related interests/parties; or purchases or sales between fiduciary/managed accounts.

• **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
• RETURNS CANNOT 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 ACCOUNT OF THE CLIENT
• THE TRUSTEE IS NOT LIABLE FOR ANY LOSSES UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE

For queries, you may contact the following:

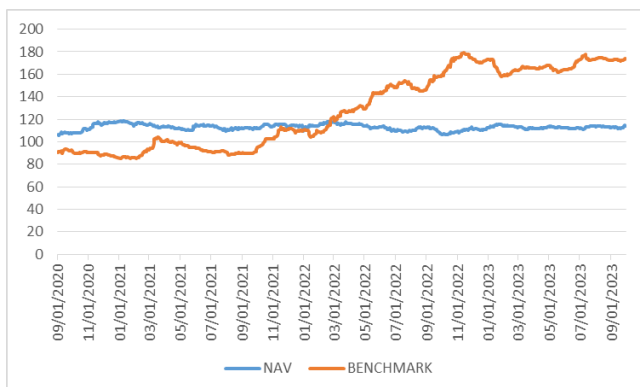
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FUND PERFORMANCE AND STATISTICS AS OF SEPTEMBER 30, 2023 (Purely for reference purposes and is not a guarantee of future results)

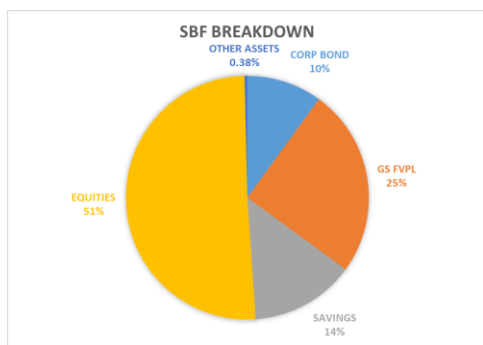
NAVPU Graph



Cumulative Performance (%)

Period	1 mo	3 mos	6 mos	1 yr	3 yrs
Fund	0.5982%	1.6947%	1.7794%	7.0679%	5.8400%
Benchmark 3yr					
BVAL + 200bps	0.9934%	0.2662%	5.2434%	9.7330%	90.7343%

Portfolio Composition



RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to PHP 277,289.74 which were approved by the Board of Directors. Likewise, all related party transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY:

The Fund will maintain its position in conservative/ defensive stocks to weather volatility in the market. The following securities are among the Fund's approved investment outlets where the Trustee intends to invest in depending on its availability or other market-driven circumstances:

Outlet	% Exposure
EQUITIES	50% to 55%
GOVERNMENT SECURITIES	15% to 25%
CORPORATE BOND	5% to 10%
TIME DEPOSIT – OWN BANK	5% to 10%
TOTAL	100.00%

NAVPU over the past 12 months

Highest	118.0748
Lowest	106.1562

Statistics

Modified Duration (Fixed Income)	160.44 days
Volatility, Past 1 Year*	0.439%
Sharpe Ratio**	-10.442
Information Ratio***	-9.951

*Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time

**Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

***Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

Top 10 Holdings (%)

EQUITIES

Double Dragon Preferred Shares	11.54%
Ayala Land, Inc.	10.33%
BDO Unibank	8.53%
San Miguel Corp Series 2F	7.43%
SM Prime Holdings Inc	4.55%
San Miguel Corp Series 2J	3.16%
Puregold Price Club	2.17%

FIXED INCOME

Treasury Bills	25.01%
Megaworld Corp Bond	10.02%
Cash	13.89%