

## FUND INFORMATION

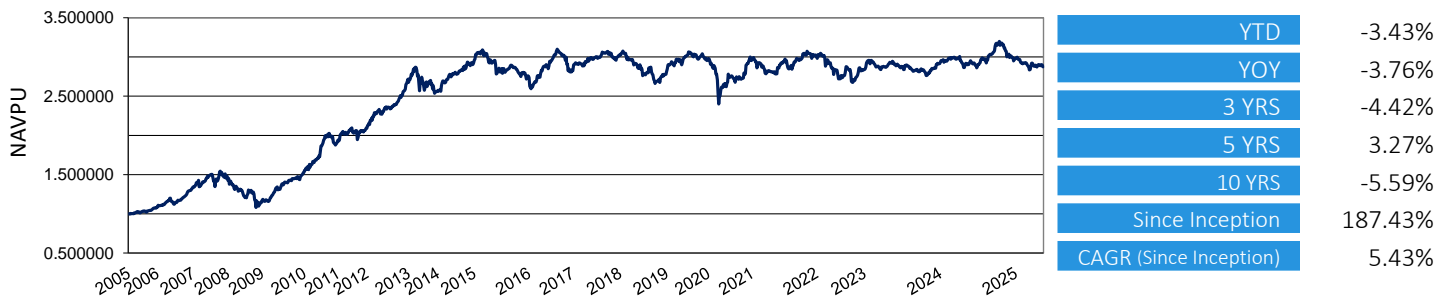
Launch Date	March 15, 2005	Net Asset Value per Unit (NAVPU)	PHP 2.874272
Bloomberg Ticker	ILBALAF PM Equity	Total Fund NAV (B)	PHP 1.71

**INVESTMENT OBJECTIVE AND STRATEGY** The Balanced Fund invests in government securities, bonds issued by, and term loans extended to, prime Philippine corporations, and short-term money market instruments, and in prime rated stocks that are listed in the Philippine Stock Exchange.

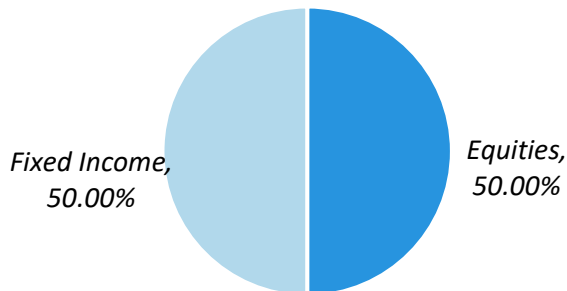
**RISK PROFILE** As an asset class in the universe of funds of InLife, the combined exposure of Fixed Income and Equity securities reflects a **moderate risk profile that lies between conservative and aggressive**. Suitable for investors who have a higher tolerance of risk than a Fixed Income Fund but lower volatility than an Equity-Equity fund would provide.

## FUND PERFORMANCE AND STATISTICS

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



## ASSET ALLOCATION



The Balanced Fund is invested in the Insular Life WB - Equity Fund and the Insular Life WB - Peso Fixed Income Fund

**MARKET REVIEW** Local yields were mixed due to uncertainties in future rate path amid global trade and political tensions while local inflation continue to ease. The 5Y BVAL rate fell by 6.6bps to 5.921% while the 10Y BVAL rate fell by 10.4 bps to 6.12%.

The BSP unexpectedly held rates steady at 5.75% in its latest policy meeting, contrary to market expectations of a 25bps rate cut. The decision was likely influenced by heightened uncertainty surrounding U.S. trade policy and potential retaliatory measures. This was partly offset by the announced reduction in the reserve requirement ratio (RRR) for banks by 200 bps to 5%. This is expected to inject liquidity into the financial system of up to Php 330 billion. Meanwhile, headline inflation remained stable at 2.9%yoy in January, while core inflation eased to 2.6%yoy from 2.8%yoy in the prior month. Without the rising costs of food and beverages, headline inflation would have slowed. The decline in core inflation was partly driven by lower cost for rent, services, other durable goods, and base effects.

The Philippines has also been removed from the Financial Action Task Force (FATF) "grey list", reflecting significant progress in strengthening its anti-money laundering and counter-terrorism financing measures. This development is expected to bolster

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**MARKET REVIEW (cont'd)** remittances and foreign investments by enhancing the country's financial system and global reputation.

Despite the BSP's surprise decision to keep rates steady, the reduction in the reserve requirement ratio is expected to support liquidity and credit growth, mitigating some of the uncertainty stemming from global trade and geopolitical tensions. With inflation remaining manageable and the country's removal from the FATF grey list improving investor sentiment, market conditions could remain favorable. However, continued vigilance is warranted as external risks and evolving policy dynamics may influence the direction of local yields in the near term.

The Philippine Stock Exchange Index (PSEi) was up 2.3% month on month. Despite the relief recovery, the market failed to sustain its momentum to end the month above 6,000 level. Net foreign selling for the month was Php8.4 billion, as foreign funds took advantage of the MSCI rebalancing to sell off positions in the PHL stock market. The PSEi closed at 5,997.97, translating to a year-to-date decline of 8.1%.

The PSEi started the month strong but later succumbed to profit taking on US President Trump's renewed tariff threats to China, Mexico and Canada. The surprise BSP decision to keep its policy rates unchanged also dampened sentiment, although the announcement of the RRR cut was able to partly cushion the disappointment of investors.

The market should remain fragile at least in the near term as investors focus on the next developments regarding US President Trump's tariff policies. We remain hopeful though that bargain hunters would be ready to support the market when selling pressures persist.