

BUILDING BASICS

SEPTEMBER 2024



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BPI Personal Wealth



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Plan Your Finances in Three Steps

1. Know what you want
2. Check what you have
3. Plan how to get there



Plan Your Finances in Three Steps

1. **Know what you want**
2. **Check what you have**
3. **Plan how to get there**



Step 1: Know What You Want



HEALTH?



EDUCATION?



BUSINESS?



PROPERTY?



TRAVEL / LEISURE?



RETIREMENT?

A blurred photograph of three female runners on a red running track. The runner in the center is wearing a blue tank top and white shorts, while the two runners on either side are wearing white tank tops and white shorts. The background shows green trees and a fence. A white horizontal bar is overlaid across the middle of the image, containing the text "Set A Goal" in a bold, red, sans-serif font.

Set A Goal

Specific

S

M

Achievable

A

R

Timely

T

Measurable

realistic

Plan Your Finances in Three Steps

1. Know what you want
2. Check what you have
3. Plan how to get there





SPEND



SAVING



MONTHLY BUDGET

INCOME

Salary	30,000
Other Source	—

Total Income	30,000
---------------------	---------------

-

EXPENSES

Food	7,000
Utilities	6,000
Transportation/Fuel	3,000
Rent	8,000
Online Shopping	3,000
Grab Foods, Food Panda	5,000
Support for relatives	3,000

Total Expenses	35,000
----------------	--------

=

SAVINGS

Deficit	-5,000
----------------	---------------

Change Your Habit

Old formula:

~~INCOME - EXPENSES = SAVINGS~~

NEW FORMULA:

INCOME - SAVINGS - EMERGENCY FUND = EXPENSES

What is an EMERGENCY FUND?

- It is your “Just In Case” Fund.
- It will help you improve your financial security during financial dilemmas:
 - Medical illness
 - Loss of job
 - Natural Calamities
 - Unforeseen circumstances such as pandemic

- Emergency fund = **6x** your
monthly
expenses



MONTHLY BUDGET

INCOME

Salary	30,000
Other Source	—

Total Income	30,000
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- SAVINGS

2,000

- EMERGENCY FUND

1,000

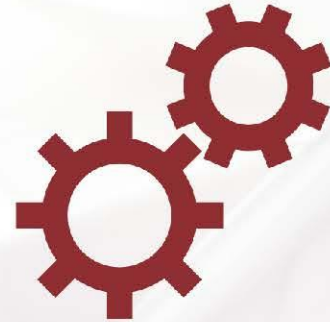
= EXPENSES

Food	5,000	7,000
Utilities		5,000
Transportation/ Fuel		3,000
Rent		8,000
Shopping	1,000	3,000
Eating out	2,000	6,000
Support for relatives		3,000
Total Expenses		27,000

TIP!



Have a separate 'wallet' for your savings and emergency.



Automate your savings every payday

Key Takeaway

- Review your CASHFLOW.
- Cap the leaks in your cashflow. Have an **EMERGENCY FUND**.
- Identify how much you can **START NOW** and how much you can **REGULARLY SET ASIDE** to reach your goal.
- Increase your SURPLUS.

Plan Your Finances in Three Steps

1. Know what you want
2. Check what you have
3. Plan how to get there

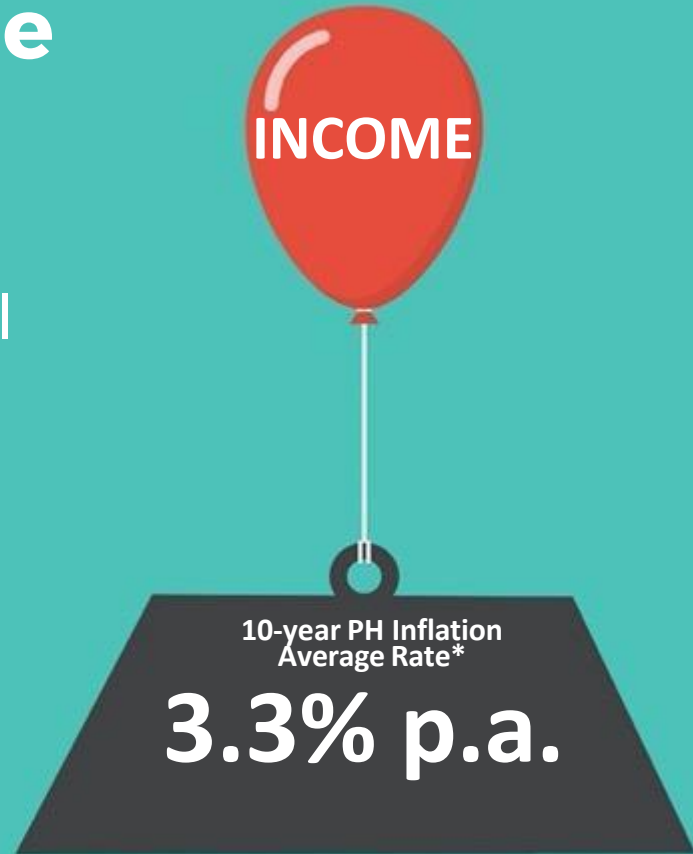


A yellow diamond-shaped sign with a black border and a black screw at the bottom center. The sign is overlaid on a blurred background of a desert road with yellow lane markings and a white car in the distance. The text on the sign is in large, bold, black capital letters.

**REALITY
CHECK
AHEAD**

Prices Rise Over Time

- **What is INFLATION?**
 - **INFLATION** is the natural increase in price
 - It is also the decrease in the purchasing power of money



**As of December 2023*

2013



2018



2023





Achieve your **GOALS**
and beat **INFLATION**
by

INVESTING

Risk-Return Trade-Off

*“The higher the **risk**,
the higher the **potential reward**.”*



For You, By You

A hand holding a silver pen over an open notebook. In the background, there is a laptop and a white cup of coffee on a saucer. The scene is brightly lit, suggesting a sunny day.

*“When it comes to investing,
there is no such thing
as a one-size-fits-all portfolio.”*

- Barry Ritholtz

Basics of Investing

H

Horizon

When do you intend to use your money?

E

Experience

Have you experienced investing before?

R

Risk Tolerance

Are you willing to take on higher risk for a higher return?

O

Objective

What is your goal in investing?



Quick Test!

Client Suitability Assessment (CSA)

1. How long have you been investing?

1. Less than 1 year
2. Less than 5 years
3. Less than 10 years
4. More than 10 years

2. What is your investment objective?

1. Protect my capital
2. Earn regular income
3. Earn income and increase my capital
4. Grow my capital over the long-term

3. How long can you keep your funds invested?

1. 1 year
2. 3 years
3. 5 years
4. 10 years or more

3. If the stock market went down by 20%, you would:

1. Sell my investments and hold cash
2. Shift to TDs/Bonds
3. Reduce my exposure in the stock market
4. Buy more stocks

Investor Profile



CONSERVATIVE

- ✓ Wants peace of mind
- ✓ Prioritizes safety
- ✓ Ok with low returns

MODERATELY CONSERVATIVE

- ✓ Wants higher income
- ✓ Slow but sure



MODERATELY AGGRESSIVE

- ✓ Accepts some degree of volatility
- ✓ Not afraid of losses in the short-term



AGGRESSIVE

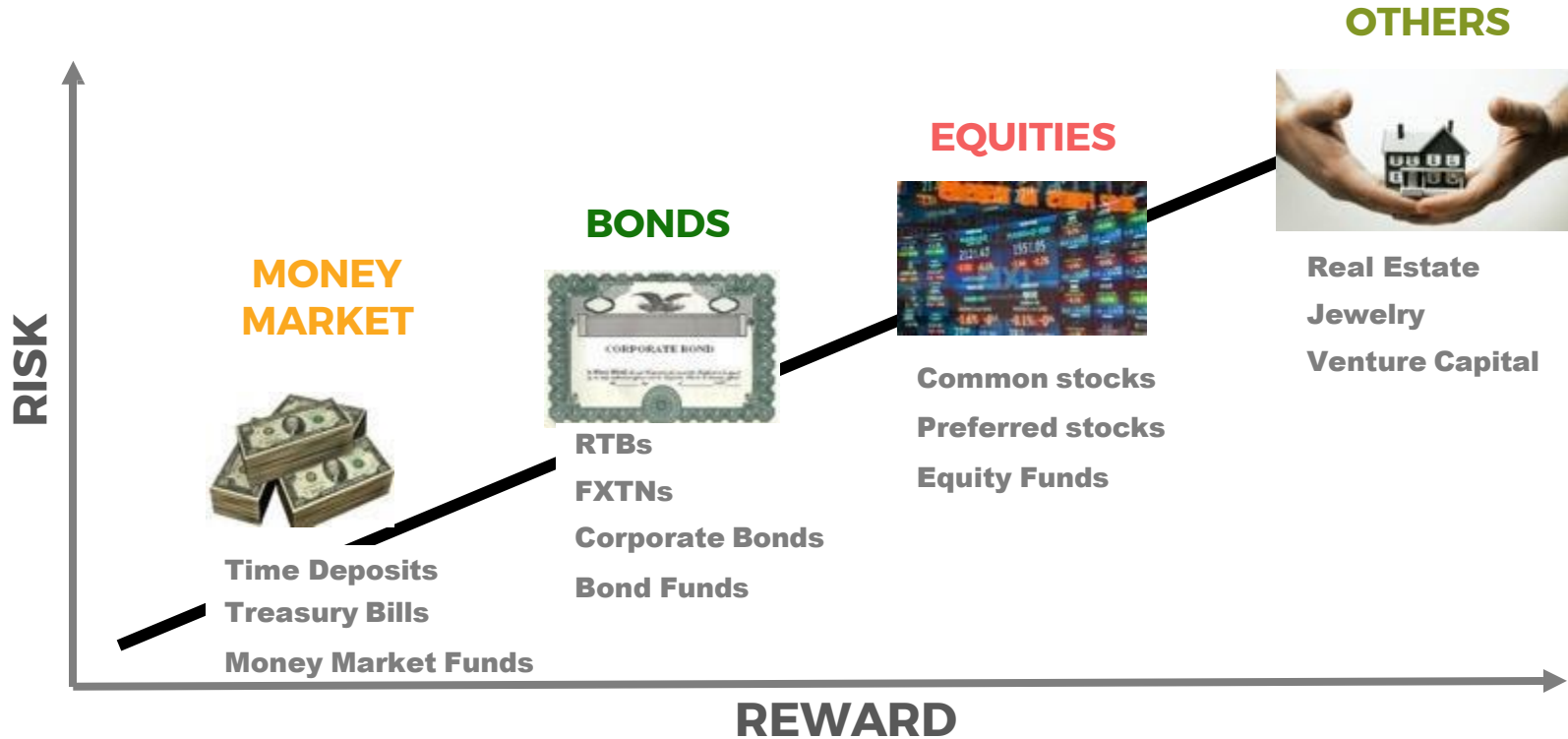
- ✓ Takes advantage of volatility
- ✓ Sees market decline as opportunities



BUILD YOUR INVESTMENT PORTFOLIO



The Investment Universe



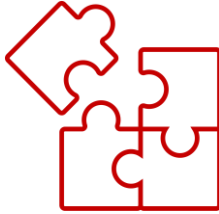
Money Market

Low-risk debt instruments that mature in one (1) year or less



Objective

Capital Preservation



Client Suitability

Moderately Conservative



Investment Horizon

One (1) year or less

WHAT ARE THE AVAILABLE MONEY MARKET INSTRUMENTS FOR ME?



DIRECT INVESTMENTS

Time Deposits
Treasury Bills
Fixed Income Securities with
remaining term of less than a year



INDIRECT INVESTMENTS

BPI Short Term Fund
BPI US Dollar Short Term Fund
ALFM Money Market Fund

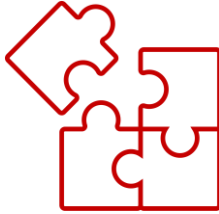
Bonds

Fixed income instruments that represent a **loan** made by a bond investor (“you”) to a borrower (“bond issuer”).



Objective

Regular Income



Client Suitability

Moderately Conservative
Or Moderately Aggressive



Investment Horizon

3 to 5 years or more

WHAT ARE THE AVAILABLE FIXED INCOME INSTRUMENTS FOR ME?



DIRECT INVESTMENTS

GOVERNMENT BONDS

Borrowings issued by the government

CORPORATE BONDS

Securities issued by a corporation



INDIRECT INVESTMENTS

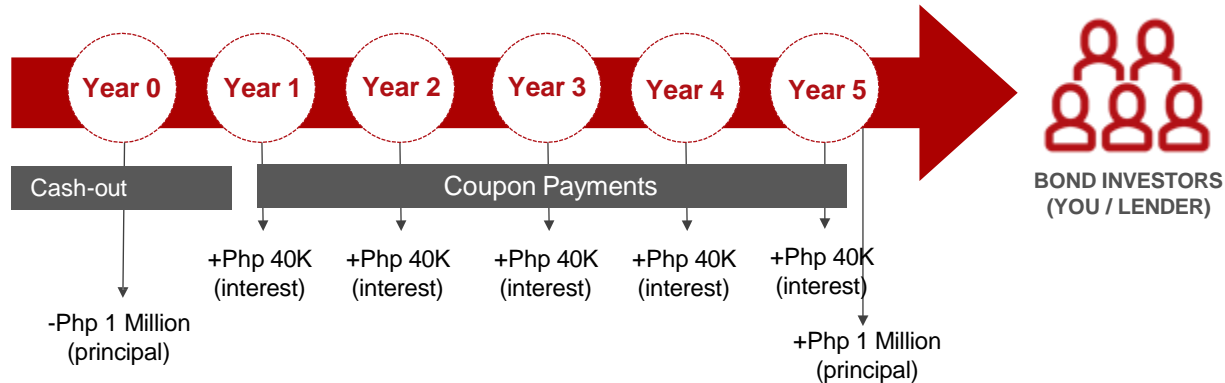
ALFM Peso Bond Fund

ALFM Dollar Bond Fund

How do bonds work?

Sample Bond

Term: 5 Years | Interest Rate: 4% per annum | Face Value: Php 1,000,000



- ▶ As a bond investor, you receive periodic interest payments (“coupon payments”).
- ▶ Once the bond matures, your principal will also be returned to you.
- ▶ If a bond is held until its maturity, there will be no price risk.

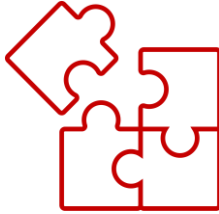
Equities

An Equity, Stock, or Share is a type of security which represents **ownership** in a company. When you purchase a stock, you become a shareholder, stockholder, or part-owner of a company.



Objective

Capital appreciation



Client Suitability

Aggressive



Investment Horizon

5 years or more

WHAT ARE THE AVAILABLE FIXED INCOME INSTRUMENTS FOR ME?



DIRECT INVESTMENTS

Stocks
Preferred Shares



INDIRECT INVESTMENTS

BPI Philippine Equity Index Fund
BPI Philippine High Dividend Equity Fund
BPI US Equity Index Feeder Fund

A hand holding a pen over a document with a laptop keyboard in the background.

**TOO MANY TO STUDY?
CONSIDER**

INVESTMENT FUNDS

What are my options?

INVESTMENT FUNDS

Is a collective investment scheme wherein the money of different investors are pooled together in a diversified portfolio managed by professional fund managers.



Affordable (Initial investment amount for as low as Php1,000)



Professional fund management



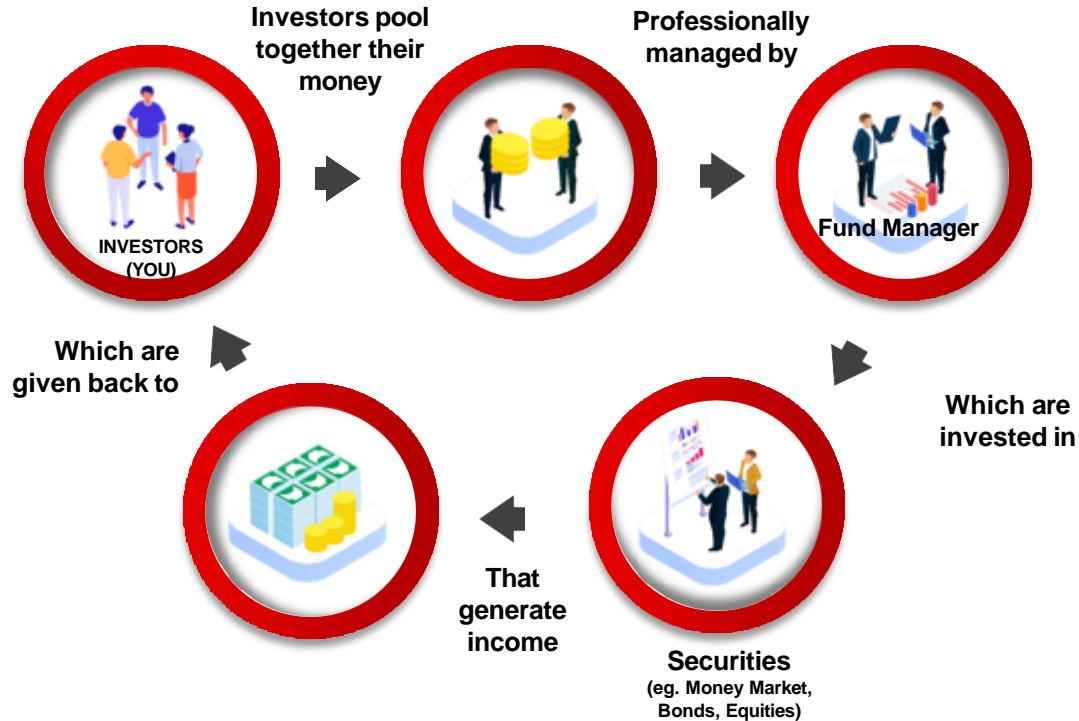
Diversified investment according to investment objective

WHAT ARE THE AVAILABLE EQUITY INVESTMENT FUNDS FOR ME?



Unit Investment and Trust Funds (UITFs) & Mutual Funds (MFs)

How do investment funds work?



How do investment funds work?

**TODAY:
YOU INVESTED
PHP 10,000**



How many units can you
avail of if the NAVPU is

PHP 500?



$$\frac{10,000}{500}$$

=

20 UNITS



TOMORROW:

THE **NAVPU INCREASES TO PHP 550.**

**NEW VALUE OF THE 20 UNITS
BOUGHT YESTERDAY:**

PHP 11,000

(20 UNITS x PHP 550)



NEXT DAY:

THE **NAVPU DECREASES TO PHP 450.**

NEW VALUE OF THE 20 UNITS
BOUGHT YESTERDAY:

PHP 9,000

(20 UNITS x PHP 450)



Benefits

- ✓ Affordability
- ✓ Professional Fund Management
- ✓ Diversification
- ✓ Higher Income Potential
- ✓ Liquidity
- ✓ Transparency



TYPES OF INVESTMENT FUNDS

- **MONEY MARKET**
- **BONDS**
- **EQUITIES**

BPI Short Term Fund

Suitable for moderately conservative investors who favor safety and stability

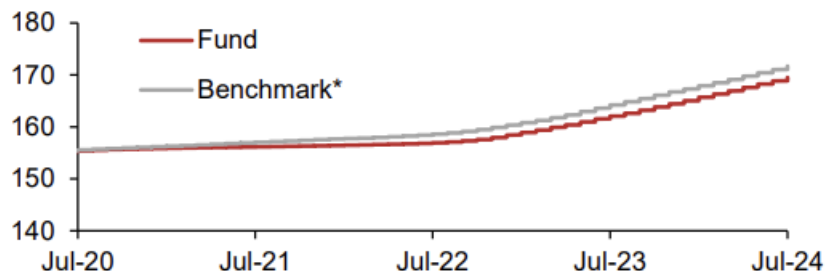
- Ideal for building emergency fund
- Provides both liquidity and stable returns
- Minimum: PHP 1,000
- No holding period

4.60% p.a.
1-year annualized return

*As of July 31, 2024

CALENDAR YEAR PERFORMANCE (%) ¹						
	YTD	2023	2022	2021	2020	2019
Fund	2.71	4.19	1.27	0.37	1.41	3.80
Benchmark	2.64	4.34	1.68	0.95	1.68	3.55

NAVPU GRAPH



* Benchmark is the 91-day Philippine Treasury Bill, net of tax

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	37.90
Corporates	-
Cash	0.05
Time Deposits and Money Market	61.55
Other Receivables - Net of Liabilities	0.50
Maturity Profile	
Cash and less than 1 year	100.00

***For Philippine residents only**

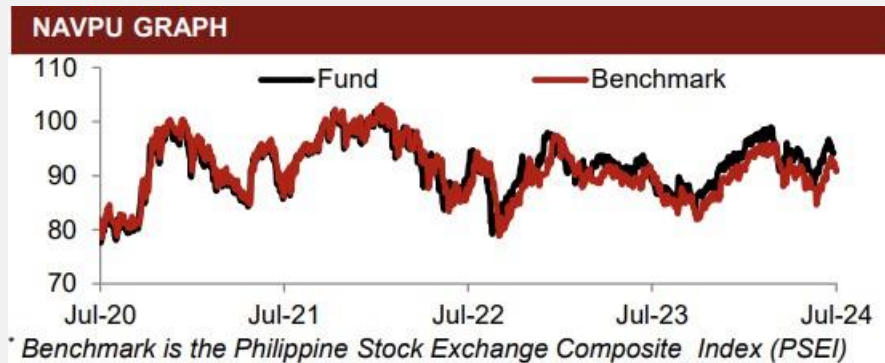
BPI Philippine Equity Index Fund

Suitable for aggressive investors who have long-term goals

- Ideal investment horizon: 5 years or more
- Minimum: PHP 1,000
- No holding period

4.0% p.a.
4-year annualized return

*As of July 31, 2024



Sector Holdings (Equity Portion)	
Holding Firms	29.56
Financials	21.56
Industrials	16.21
Property Services	14.06
Services	18.23
Minino and Oil	0.34

TOP TEN HOLDINGS	
Name	%
SM Investments Corporation	14.48
Int'l Container Terminal Services, Inc.	10.03
Bank of the Philippine Islands	8.87
BDO Unibank, Inc.	8.65
SM Prime Holdings, Inc.	8.37
Ayala Land, Inc.	5.68
Ayala Corporation	5.05
Metropolitan Bank & Trust Co.	4.03
PLDT Inc.	3.29
Jollibee Foods Corp.	3.16

CALENDAR YEAR PERFORMANCE(%) ¹						
	YTD	2023	2022	2021	2020	2019
Fund	3.58	0.28	-6.82	0.44	-7.97	5.27
Benchmark	2.62	-1.77	-7.81	-0.24	-8.64	4.68
Benchmark (TR)	4.55	0.97	-5.91	1.58	-6.90	6.46

BPI US Equity Index Feeder Fund

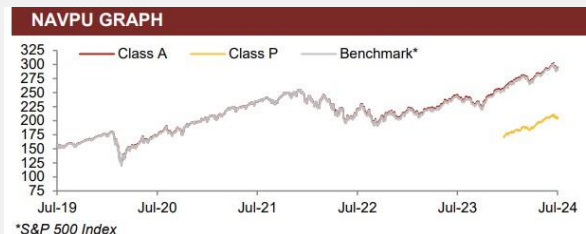
Suitable for aggressive investors who have long-term goals

- Aims to closely track the S&P 500
- Ideal investment horizon: 5 years or more
- Minimum: PHP 1,000 or USD 100
- No holding period

13.23% p.a.

5-year annualized return

*As of July 31, 2024



TOP TEN HOLDINGS	
Name	% of Target Fund
Apple Inc	6.90
Microsoft Corp	6.70
NVIDIA Corp	6.20
Amazon.com Inc	3.69
Meta Platforms Inc A	2.24
Alphabet Inc A	2.17
Alphabet Inc C	1.82
Berkshire Hathaway Inc	1.71
Broadcom Inc	1.51
Tesla Inc	1.39

Portfolio Allocation	% of Target Fund
Information Technology	31.36
Financials	13.05
Health Care	11.87
Consumer Discretionary	10.00
Others	33.72

CALENDAR YEAR PERFORMANCE (%) ¹⁷						
	YTD	2023	2022	2021	2020	2019
Class A	15.21	24.13	-18.65	27.67	15.20	30.36
Class P	21.44	23.27	-11.07	35.58	9.26	4.41
Benchmark	15.78	23.91	-19.24	27.88	15.03	30.34

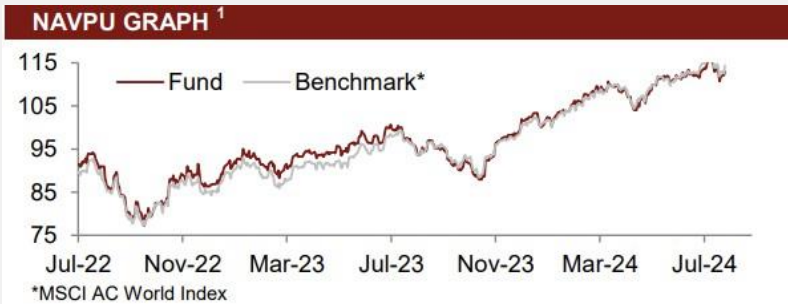
BPI Sustainable Global Equity Fund-of-Funds

Suitable for aggressive investors conscious on sustainability who have long-term goals

- Invests in target funds that integrate environmental, social, and governance criteria in its investment process
- Ideal investment horizon: 5 years or more
- Minimum: USD 100
- No holding period

12.81% p.a.

1-year annualized returns as of July 31, 2024 since inception in March 28, 2022



TOP HOLDINGS

Name	% of Holdings
Janus Henderson Horizon Global Sustainable Equity	58.08
Schroder ISF Global Sustainable Growth	21.68
Neuberger Berman Global Sustainable Equity Fund	10.10
Wellington Climate Strategy Fund	6.26

CALENDAR YEAR PERFORMANCE (%) ¹²

	YTD	2023	2022
Fund	9.25	18.98	-13.15
Benchmark	11.99	19.69	-14.71

**DON'T PUT ALL
YOUR EGGS IN
ONE BASKET!**



LIKE A BALANCED MEAL

A Balanced Portfolio



Money Market

Short-term placements providing safety and liquidity to your investment portfolio.

Bonds

Medium-to-long term debt instruments to stabilize and provide regular income to your portfolio.

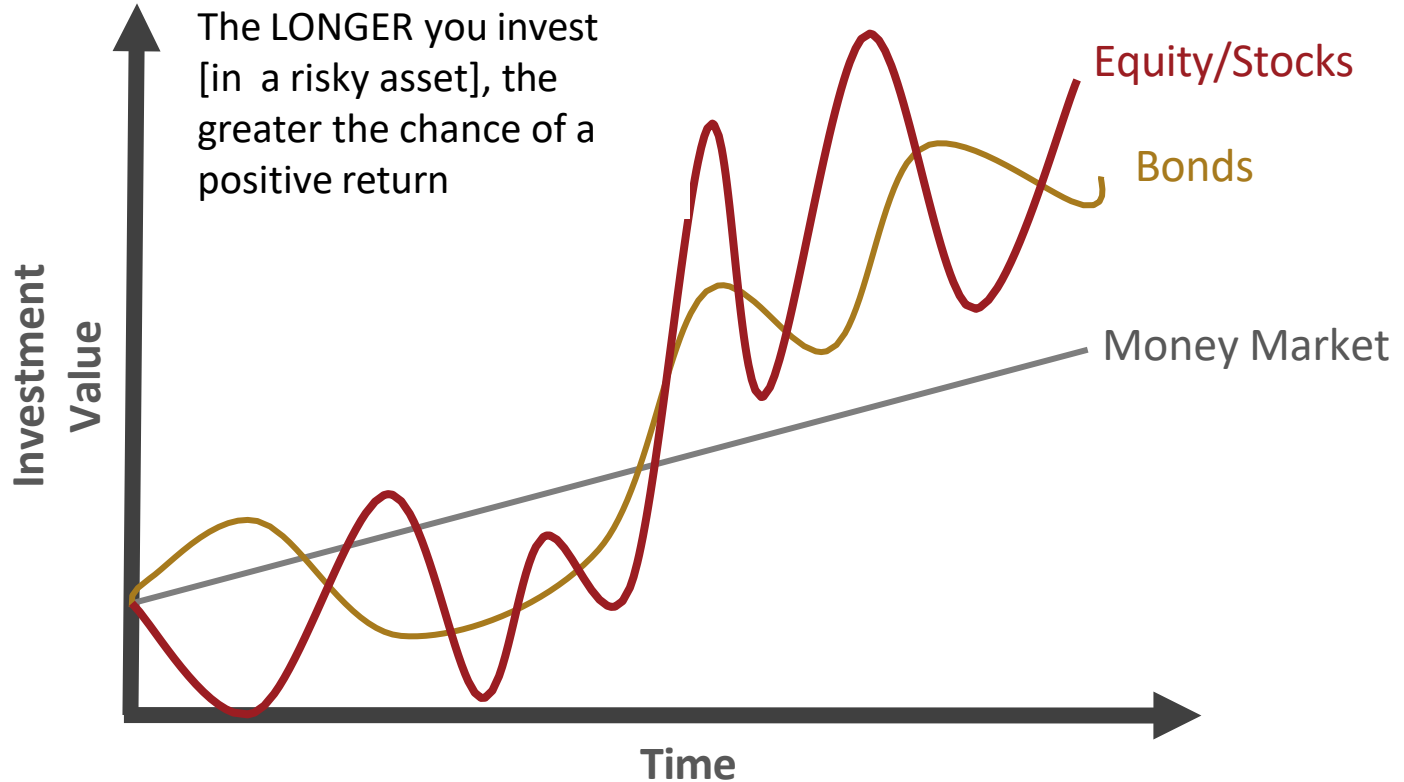
Equities/Multi-Asset

Boost the returns of your portfolio by owning and/or investing in shares of local and foreign companies or in other alternative investments.

Foreign Currency

Maximize diversification through ownership of assets denominated in more than one currency.

Diversify!



Republic Act No. 9505

- AN ACT ESTABLISHING A PROVIDENT PERSONAL SAVINGS PLAN, KNOWN AS THE PERSONAL EQUITY AND RETIREMENT ACCOUNT (PERA)
- Shall be known as the “*Personal Equity and Retirement Account (PERA) Act of 2008*”
- To promote **capital market development** and **savings mobilization**



What is PERA? *Personal Equity Retirement Account*



Voluntary and personal retirement account



PHP 200,000.00 annual contribution limit

PHP 400,000.00 annual contribution limit for Overseas Filipino Contributors



A Contributor may create and maintain a maximum of **five (5) PERA**, at any one time.

Benefits of PERA



TAX CREDIT UP TO 5%

Each contributor is entitled to tax credit equivalent to 5% of yearly total contribution



TAX- EXEMPT INVESTMENT INCOME

Investment income of PERA will be exempt from the following:

- 20 percent final withholding tax from interest on bank deposits or deposit substitutes;
- Capital Gains Tax;
- 10 percent Dividend Tax and
- Regular income tax



TAX- FREE DISTRIBUTIONS

Distributions upon attainment of 55 years of age and 5 yearly contributions are not subject to income tax. In the event of death, distributions to beneficiaries are not subject to estate taxes.



**VOLATILITY
IS HERE
TO STAY**

**TIMING
DOES NOT WORK**





1M

JILL

GOAL:

DAN

RACE TO A MILLION

9%

INVESTMENT
FUND
ANNUAL RETURN

2009	2010	2011	2012	2013
50k	50k	50k	50k	50k
2014	2015	2016	2017	2018
50k	50k	50k	50k	50k
	2019	2020		
	50k	50k		

2009	2010	2011	2012	2013
X	X	X	200k	50k
2014	2015	2016	2017	2018
50k	50k	50k	50k	50k
	2019	2020		
	50k	50k		

GOAL:

JILL

RACE TO A MILLION

DAN



AFTER 12 YEARS

PHP 1,007,036

PHP 949,936

PHP 600,000

CONTRIBUTION

PHP 600,000

PHP 407,036


RETURNS

PHP 349,936

NOW
is the
right time to
INVEST!



REGULAR SUBSCRIPTION PLAN (RSP)

Two sharpened pencils, one slightly behind the other, are positioned diagonally in the lower-left corner of the image. They have light-colored wooden barrels and dark grey or black erasers. The background is a solid, bright yellow.

An investment program that allows investors to automatically purchase units for an investment fund on a periodic basis.

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Try our Enhanced Digital Investment Account Opening



EXPERIENCE

the Enhanced Digital Investment Account Opening today!



Videos and information on select funds are readily accessible.



Make your initial subscription during your digital account opening session.



You may choose to retain or retake your CSA.



You can now nominate your Joint "OR" settlement account to fund your investment for maximum convenience.

Start your Investment Journey!



**Open an Investment
Account Online!**

Start your investment journey today!

Here's how:

1. 📱 Scan the QR code.
2. ☀️ Hit "Get Started."
3. 🗝️ Input your BPI Online user ID and password and await your OTP.
4. 🙄 Review your information.
5. 🔄 Retain your existing or retake the Client Suitability Assessment.
6. 💰 Select the investment fund then input your order amount.
7. 🏠 Nominate your settlement account.

Start investing effortlessly today! 📁 ✨

**For your investment requirements,
please email:**

Maryann Julie Chan

Investment Advisor
BPI Personal Wealth

mjychan@bpi.com.ph

**Together, let's make your
investment portfolio ready for you to
#LiveYourBestLife**

Thank You