

FWD PH Unit Linked

2023 Annual Report



Power Up

About FWD Philippines



About FWD Philippines

FWD Life Insurance Corporation (FWD Philippines) launched its commercial operations in September 2014. Currently, FWD Philippines ranks number one in customer experience among insurers in the country¹ and maintains its position as Top 3 and Top 6 in terms of paid-up capital² and new business annual premium equivalent³, respectively.

FWD Philippines is part of FWD Group, a pan-Asian life insurance business with more than 11 million customers across 10 markets, including some of the fastest-growing insurance markets in the world. FWD Philippines reached its 10th anniversary in 2023. The company is focused on making the insurance journey simpler, faster, and smoother, with innovative propositions and easy-to-understand products, supported by digital technology. Through this customer-led approach, FWD Philippines is committed to changing the way people feel about insurance.

For more information, please visit fwd.com.ph.

¹Based on KPMG's Global Customer Experience Excellence Report 2023

²www.insurance.gov.ph > Data > Statistics > Life Insurance Companies > 2022 > Based on Paid-Up Capital

³www.insurance.gov.ph > Data > Statistics > Life Insurance Companies > 2022 > Based on New Business Annual Premium Equivalent

About Fund Managers



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Through the years, the Trust and Asset Management Group of Security Bank has **won multiple awards** for fund management.

Security Bank Trust

Funds and asset management is operated through the Trust and Asset Management Group of Security Bank which obtained its Trust license in 1983. In 2014, Security Bank embarked on a rebranding campaign to further strengthen market appreciation of its retail banking business, which complements its wholesale banking business. At the heart of this goal is to provide priority service and superior customer experience that resonates with a new brand promise, “Better Banking Begins Here.” The re-branding of trust followed.

The Trust and Asset Management Group offers the most basic but wide options of trust investment products and services. These include the seven (7) Unit Investment Trust Funds (6 PHP and 1 USD) and five (5) USD Feeder Funds catering to all types of investors. The Group also manages segregated accounts of Philippine companies’ Retirement Funds, pre-need companies, foundations, schools and universities, and large corporate accounts. The Trust Group

also administers escrows and likewise acts as Facility Agent and Mortgage/Collateral Trustee for large corporate accounts.

Through the years, the Trust and Asset Management Group of Security Bank has won multiple awards for fund management. In 2022 and 2021, the CFA Society Philippines awarded Security Bank Trust and Asset Management Group’s SB Peso Bond Fund as the Best Managed Fund for the Long-Term Peso Bond Fund Category (Peso – FVPL). The SB Peso Bond Fund, managed by seasoned fund managers, bested 71 other funds from 14 investment houses and Trust Institutions. In 2020, the Asset Hong Kong / The Most Astute Investors awarded Security Bank Trust and Asset Management Group with Rank 2 in both Top Investment House 2020 and Most Astute Investor 2020, and Rank 3 in Most Astute Investor 2020. Since 2015, Security Bank Trust and Asset Management Group has been part of the top 10 most astute investors, and top 5 in 2018-2020 in the Asian G3 Bonds and Asian Local Currency Bonds Categories.



As of April 2023, BPI Wealth administers over **PhP1.1 trillion** in assets under management (AUM), which accounts to about **17%** of the industry's AUM.

BPI Asset Management and Trust Corporation

BPI Asset Management and Trust Corporation, doing business under the trade name and style of BPI Wealth – A Trust Corporation (BPI Wealth), is the largest trust corporation in the Philippines. As of April 2023, BPI Wealth administers over PhP1.1 trillion in assets under management (AUM), which accounts to about 17% of the industry's AUM.

BPI Wealth is a wholly-owned subsidiary of the Bank of the Philippine Islands (BPI) and is the first among the trust departments of major local banks to have been spun off to a stand-alone trust corporation and authorized to conduct business as such by the Bangko Sentral ng Pilipinas (BSP) under Circular No. 710. Coming from a 54-year history as a trust entity and department of BPI, it started commercial operations on 1 February 2017.

BPI Wealth remains to be a strong business contributor to BPI and also continues to be a

major player in the Philippine asset management and trust industry. The trust corporation has a long track record of managing assets of both institutional and individual investors through innovative and investment products and solutions considered to be the most complete in the industry. These include the 37 Unit Investment Trust Funds (UITFs) amounting to over PHP 273 billion, which is 28% of the total UITF market.

BPI, the parent bank of BPI Wealth, is a universal bank which, together with its subsidiaries, offers a wide range of financial services that includes consumer banking and lending, asset management, insurance, securities brokerage and distribution, foreign exchange, leasing, and corporate and investment banking. Founded in 1851, BPI is the first bank in the Philippines and in the Southeast Asia region. The establishment of BPI, originally known as El Banco Español Filipino de Isabel II, ushered in the start of the Philippine banking and finance industry.

2023 Market Review





Domestic Fixed Income

Domestic fixed income posted positive returns this year as interest rates remained elevated. The Bangko Sentral ng Pilipinas (BSP) maintained its tight monetary policy and implemented a series of rate hikes, totaling 100 basis points, resulting in a year-end rate of 6.5%. Inflation, which peaked at 8.7% in January, receded to 3.9% in December, primarily driven by lower prices of food and utilities. This dynamic resulted in a flattening yield curve, with the short end climbing in response to BSP hikes and the long end decreasing as inflation moderated.

Domestic Equities

The Philippine Stock Exchange Index (PSEi) ended the year at 6,450, 1.77% lower than last year's. The Philippine market struggled to achieve positive returns due to negative sentiment and the lack of foreign inflows. Factors such as persistently high inflation, uncertain economic growth, and geopolitical tensions in Europe and the Middle East deterred investors from venturing into riskier assets. The prevalence of high bond yields led investors to the relative safety of fixed-income assets since these provide a decent return.

Global Fixed Income

Global bond yields rose as the US Federal Reserve (Fed) and the European Central Bank (ECB) increased interest rates by 100 and 200 basis points, respectively. The Fed's target range now stands between 5.25% and 5.5%, while the ECB's deposit facility rate reached a record high of 4%. Despite the ongoing effort to combat inflation, officials from both central banks have suggested the possibility of rate cuts in 2024.

Global Equities

Global stocks surged in 2023 with the S&P 500 posting a 24.23% return. A number of tech companies—Apple, Alphabet, Amazon, Meta, Microsoft, NVIDIA, and Tesla—played a significant role in boosting global equities. This surge was mainly driven by investors' confidence in artificial intelligence (AI), with NVIDIA having an impressive increase of 239% due to its pivotal role in AI technology. Sentiment has also improved as the likelihood of the Federal Reserve (Fed) cutting interest rates has shifted from being a question of "if" to "when." Nearly all Fed officials anticipate at least one interest rate cut in the coming year, with the majority predicting a total of three cuts.

Statement of Assets and Liabilities (Unaudited)



FWD Dollar Funds (in USD)	FWD Global US Dollar Equity Index Fund	FWD Global Good USD ESG Fund	FWD Dollar Nitro Global Payout Fund	FWD Dollar Velocity Global Payout Fund	FWD Dollar Pitstop Liquidity Fund
Cash	22,964	304,039	2,282,277	125,915	308,502
Account receivable	6,067	-	-	-	-
Investment income receivable	-	-	1,228	-	-
Deposit interest receivable	3	31	259	12	-
Unsettle trans. receivable	-	-	386,051	-	(1,209)
Exchange traded fund	59,645,943	81,590,849	75,241,114	2,466,907	-
Mutual fund	-	-	42,101,664	1,571,017	251,658
Common stock	-	-	-	-	-
Gov't fixed rate bond	-	-	-	-	-
Fixed rate bond	-	-	-	-	-
Total Assets	59,674,976	81,894,920	120,012,594	4,163,851	558,951
LESS: PAYABLES					
Unsettle trans. payable	(329,604)	(1,165,997)	(94,554)	(309,288)	30
Account payable	(96,540)	(151,197)	(244,447)	(35,609)	(33,253)
Total Payables	(426,144)	(1,317,193)	(339,001)	(344,897)	(33,223)
NET ASSET VALUE	\$59,248,831	\$80,577,726	\$119,673,592	\$3,818,953	\$525,727

CONSERVATIVE - MODERATE FUNDS						
FWD Peso Funds (in Php)	FWD Peso Fixed Income Fund	FWD Peso Bond Fund	FWD Peso Pitstop Liquidity Fund	FWD Peso Balanced Fund	FWD Peso Stable Fund	FWD Peso Velocity Global Payout Fund
Cash	14,723,754			41,007,703		11,768,122
Account receivable	-	1,780,161	-	105	733,367	-
Investment income receivable	5,187,226			11,416,902		-
Deposit interest receivable	-			-		277
Unsettle trans. receivable	-			-		-
Exchange traded fund	-	1,134,223,299	13,855,684	-	1,034,669,771	150,270,346
Mutual fund	-			-		104,707,551
Common stock	-			242,629,556		-
Gov't fixed rate bond	386,629,522			839,212,967		-
Fixed rate bond	61,072,117			137,829,939		-
Total Assets	467,612,618	1,136,003,460	13,855,684	1,272,097,171	1,035,403,138	266,746,295
LESS: PAYABLES						
Unsettle trans. payable	(158,617)			(1,065,268)		(14,118)
Account payable	(910,214)	(2,658,681)	(12,467)	(3,079,584)	(1,441,993)	(547,923)
Total Payables	(1,068,831)	(2,658,681)	(12,467)	(4,144,852)	(1,441,993)	(562,042)
NET ASSET VALUE	P466,543,788	P1,133,344,779	P13,843,217	P1,267,952,319	P1,033,961,145	P266,184,253

	AGGRESSIVE FUNDS						
FWD Peso Funds (in Php)	FWD Peso Equity Fund	FWD Peso Equity Index Fund	FWD Peso Growth Fund	FWD Peso High Dividend Equity Fund	FWD Diversity Fund	FWD Global Good Peso ESG Fund	FWD Peso Nitro Global Payout Fund
Cash	97,444,296	102,071,338			516,247	24,177,290	477,975,973
Account receivable	1,067	11,389,714	12,739,042	6,274,463	-	-	-
Investment income receivable	3,320,380				-	-	324,119
Deposit interest receivable	-				-	1,545	1,412
Unsettle trans. receivable	2,820,195				-	-	-
Exchange traded fund	-		6,646,913,658	4,375,600,863	-	4,317,381,490	8,002,161,332
Mutual fund	-				63,869,066	-	4,583,834,731
Common stock	4,547,890,227	5,178,977,333			-	-	-
Gov't fixed rate bond	-				-	-	-
Fixed rate bond	-				-	-	-
Total Assets	4,651,476,165	5,292,438,386	6,659,652,700	4,381,875,326	64,385,314	4,341,560,325	13,064,297,567
LESS: PAYABLES							
Unsettle trans. payable	(2,593,701)				(846,140)	(36,961,885)	(926,946)
Account payable	(13,106,609)	(87,136,557)	(17,300,547)	(9,070,339)	(64,958)	(7,994,624)	(26,592,609)
Total Payables	(15,700,310)	(87,136,557)	(17,300,547)	(9,070,339)	(911,098)	(44,956,509)	(27,519,554)
NET ASSET VALUE	P4,635,775,855	P5,205,301,828	P6,642,352,154	P4,372,804,988	P63,474,216	P4,296,603,816	P13,036,778,012

Historical Fund Performance



Details of the funds as to holdings, recent performance, and allocation can be found in the FWD Philippines Investment page at <https://investment.fwd.com.ph/>. Below is historical year on year performance of the funds.

FWD Dollar Funds

Fund Name (Fund Manager) (Fund Launch Date)	2017	2018	2019	2020	2021	2022	2023	Return since inception
FWD Global US Dollar Equity Index Fund (FWD) (18-Sept-2017)	6.30%	-11.30%	23.30%	13.60%	16.57%	-19.85%	48.77%	48.77%
FWD Global Good USD ESG Fund (FWD) (19-Feb-2021)	n/a	n/a	n/a	n/a	25.59%	-22.92%	22.82%	18.91%
FWD Dollar Nitro Global Payout Fund (FWD) (27-Jun-2022)	n/a	n/a	n/a	n/a	n/a	-5.18%	6.27%	0.77%
FWD Dollar Velocity Global Payout Fund (FWD) (27-Jun-2022)	n/a	n/a	n/a	n/a	n/a	-1.27%	7.18%	5.81%
FWD Dollar Pitstop Liquidity Fund (FWD) (19-Jun-2023)	n/a	n/a	n/a	n/a	n/a	n/a	3.56%	3.56%

Note: The investment fund is not a deposit product and is not insured by the Philippine Deposit Insurance corp (PDIC). Historical performance is not indicative of future performance. Policyholders and potential customers should be aware that investments may go up or down depending on market fluctuations and, thus, are not guaranteed.



FWD Peso Funds

Fund Name (Fund Manager) (Fund Launch Date)	2014	2015	2016	2017
FWD Peso Bond Fund (SBC) (02-Feb-15)	n/a	-5.2%	0.0%	-1.3%
FWD Peso Fixed Income Fund (BPI) (15-Sep-14)	3.0%	-1.9%	-1.4%	-0.8%
FWD Peso Balanced Fund (BPI) (15-Sep-14)	2.1%	-2.8%	-2.3%	2.7%
FWD Peso Stable Fund (SBC) (28-Jan-15)	n/a	-18.3%	-1.8%	9.9%
FWD Peso Equity Fund (BPI) (15-Sep-14)	0.1%	-2.5%	-2.8%	23.2%
FWD Peso Equity Index Fund (SBC) (19-Jun-17)	n/a	n/a	n/a	6.3%
FWD Peso Growth Fund (SBC) (26-Jan-15)	n/a	-26.4%	-3.7%	26.9%
FWD Peso High Dividend Equity Fund (SBC) (27-Jan-15)	n/a	-25.5%	1.2%	22.6%
FWD Diversity Fund (FWD) (01-Feb-21)	n/a	n/a	n/a	n/a
FWD Global Good Peso ESG Fund (FWD) (01-Feb-21)	n/a	n/a	n/a	n/a
FWD Peso Nitro Global Payout Fund (FWD) (27-Sep-22)	n/a	n/a	n/a	n/a
FWD Peso Velocity Global Payout Fund (FWD) (27-Sep-22)	n/a	n/a	n/a	n/a
FWD Peso Pitstop Liquidity Fund (SBC) (19-Jun-23)	n/a	n/a	n/a	n/a

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2018	2019	2020	2021	2022	2023	Return since inception
-5.4%	18.2%	10.6%	-4.6%	-3.5%	8.3%	15.3%
-5.1%	12.4%	8.1%	-3.7%	-4.3%	7.0%	12.3%
-8.1%	9.6%	6.2%	-3.2%	-5.8%	5.4%	4.0%
-11.1%	8.5%	0.7%	-3.7%	-6.3%	3.8%	-19.9%
-12.8%	2.8%	-9.5%	1.6%	-5.8%	1.1%	-8.4%
-13.1%	4.6%	-9.1%	1.1%	-7.0%	-0.2%	-17.5%
-8.7%	1.3%	-13.8%	2.3%	-4.8%	-0.1%	-30.1%
-9.1%	1.4%	-13.0%	0.6%	-5.3%	0.3%	-29.0%
n/a	n/a	n/a	-1.2%	-14.4%	4.9%	-11.3%
n/a	n/a	n/a	22.1%	-15.3%	20.9%	25.0%
n/a	n/a	n/a	n/a	-5.2%	4.6%	-0.8%
n/a	n/a	n/a	n/a	-2.3%	6.3%	3.9%
n/a	n/a	n/a	n/a	n/a	2.4%	2.4%

