



PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.

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2020 Sustainability Report

The year 2020 is one of the most challenging periods in history as the world struggled against the pandemic caused by the Covid-19 virus. The economy was adversely affected and many businesses felt the impact of the unexpected event. For Praxis Fides MBAI, the year saw the stock market falling and interest rates dropping to all-time lows. The quarantine restrictions likewise resulted to limited workdays and shortened periods that reduced the volume of transactions in the organization.

Praxis Fides MBAI remains strong and resilient despite all these undesirable elements. Thanks to more than 30 years of hardwork and diligence displayed by the Area Representatives who ensured that there is a steady flow of cash coming from the monthly contributions of the members of the Association. The funds are then invested in various placements and other financial instruments that will provide better rate of return for the investment.

Type of Investment	2019	2020
Short-Term TD	118,012,991	72,652,203
Long-Term TD	97,150,902	140,241,655

The company has a sizeable portfolio of Long-Term Time Deposits with guaranteed locked-in interest rate ranging from 3%-6% per annum. However, traditional Short-Term Time Deposits were diverted to Corporate Bonds which offer higher coupon rates averaging between 3%-4% per annum over a period of 3-5 years. The company also invested in Preferred Shares of publicly-listed companies that declare quarterly dividends to its stockholders. Praxis Fides MBAI likewise made some acquisitions in the IPO of MerryMart shares which provided substantial gains in the 2nd quarter of the year.

Type of Investment	Amount Invested in 2020
Corporate Bonds	42,000,000
Government Securities	24,859,179
Preferred Shares	16,021,266
Short-Term Commercial Paper	11,737,529
Mutual Funds	10,000,000

UITF	5,000,000

Government securities were also considered as the company tried to help the country recover from the pandemic. Retail Treasury Bonds and Treasury Bills are zero-risk investments and offer better rates than term deposits of most commercial banks. The company also availed of Short-Term Commercial Paper which gave advance interests through discounted placements. Mutual Funds and UITF have no fixed rate of return but investments made in previous years which have reached the 5-year horizon period have accumulated earnings and were realized in 2020.

Aside from money placements, the company also realized profits from sale of real estate properties and enjoys rental income from leasehold commercial spaces.

The Board of Trustees and Management of Praxis Fides MBAI are confident that there are unlimited opportunities to explore to ensure growth and sustainability for the company. With an effective investment strategy and efficient policies in place, the company hopes for better days ahead.