

31 MARCH 2024

Peso Equity Fund

FUND DETAILS:

| | | | |
|----------------|-------------------------------|----------------------------|----------|
| Inception Date | 25-May-05 | Latest NAVPU | 2.851080 |
| Fund Manager | BPI Asset Mgmt. & Trust Corp. | Initial NAVPU | 1.000000 |
| Fund Currency | PHP | Highest NAVPU (01.30.2018) | 3.610182 |
| Fund Size | PHP 1.91 Billion | Lowest NAVPU (03.18.2009) | 0.815298 |
| Management Fee | 2.20% p.a. | Pricing / Valuation | Daily |



Risk Classification

The Fund is suitable for investors with a very aggressive profile or for those who take medium to long - term views. As a marked -to-market Fund, its net asset value and total return may fall or rise as a result of stock price movements. On redemption of units, a policyholder may receive an amount less than the original amount invested. Prior to investment in the Fund, the policyholder shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience.

Market Commentary

The PSEi rose 7.03% in 1st quarter 2024 (1Q 2024) as it closed at the 6900.53 level in March. The market sustained the rally that started in November 2023, up 3.04% in January and 4.49% in February until shedding 0.59% in March. Foreigners were net sellers in March amounting to USD45Million which reduced the 1Q 2024 net foreign inflows to USD163Million.

On a technical note, the PSEi manage to stay within the upward channel lines that started from the 5920 low of November last year to high of 7021 last March 4, 2024.

The PSEi was also able to stay above its 50-, 100- and 200-day simple moving averages at the 6808, 6574 and 6467 levels respectively as it consolidated for most of the month.

The YTD bullish sentiment was triggered by announcements from the US Fed of potential for 3 rate cuts of 0.25% this year. However, US Fed Chair Powell also said that the resiliency of US economic growth gives central bank flexibility to be patient before cutting rates. With this both the S&P 500 and DJIA closed the first quarter of 2024 at all-time record high of 5254 and 39,807 respectively while NASDAQ closed at the 16,379 level, a few points lower from its 16,538 high a week earlier.

Market Outlook

We remain long-term constructive on domestic equities underpinned on healthy GDP that could sustainably grow at least 5.5% and drive higher corporate earnings.

At 11x estimated 2024 earnings is also attractive and near the 10-year low despite good fundamentals. However, equity markets globally are expected to remain volatile as the higher-for-longer interest rate thematic gain traction due to sticky inflation and geopolitical concerns with the escalation of the conflict in the Middle East that led to higher oil prices. The weaker peso versus the USD has also led to risk-off sentiment in the near term.

Our strategy is to remain weighted in domestic equities given the resilient macroeconomic outlook and the PSEi's undemanding valuation but with below Neutral allocation to account short term concerns. Given thin market liquidity, we would focus on big cap liquid stocks. On sectors, we continue to favor banks which benefits from the higher-for-longer interest rate theme and defensive sectors such as telcos and utilities that pay attractive dividends. We also see good opportunity to accumulate deeply undervalued laggards such as the leading property stocks that are currently not favored by investors because of the delays in interest rate cuts.

RISK RATING ●●●
AGGRESSIVE

Based on the Fund Manager's fund risk categorization

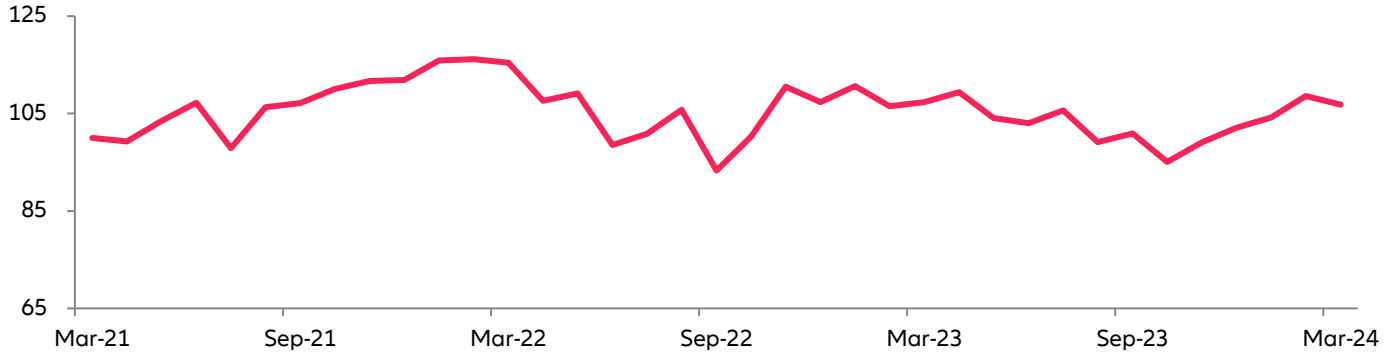
Investment Objective

To attain long term capital growth by investing in a concentrated portfolio of stocks listed on the Philippine Stock Exchange

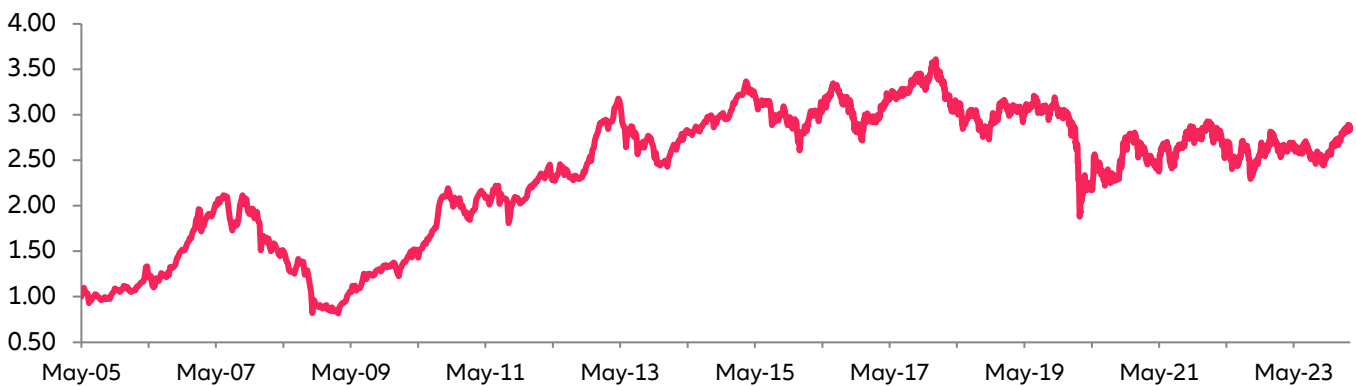
Performance Overview

| Performance History | Year To Date | 1 Year (YoY) | 3 Years (YoY) | 5 Years (YoY) | Since Inception |
|---------------------|--------------|--------------|---------------|---------------|-----------------|
| Absolute | 6.53% | 6.70% | 13.25% | -6.82% | 185.11% |
| Annualized | N/A | 6.70% | 4.23% | -1.40% | 5.72% |

Indexed Performance Over 3 Years (NAV - NAV)



NAVPU Since Inception

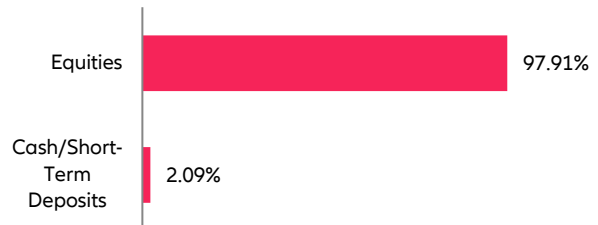


Portfolio Analysis

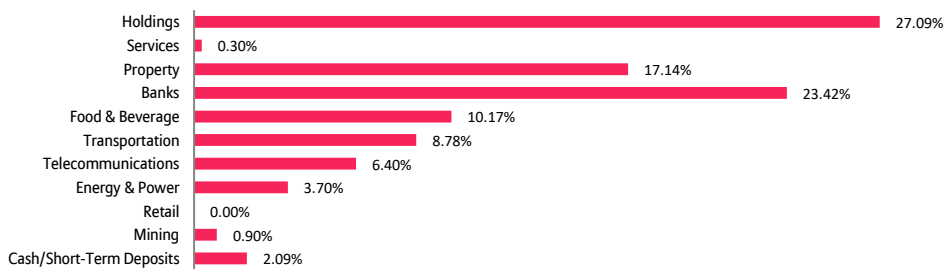
Top 5 Holdings

| Securities | % |
|---|-------------|
| SM Investments Corp. (SM) | 10.0 |
| BDO Unibank, Inc. (BDO) | 9.9 |
| SM Prime Holdings (SMPH) | 9.6 |
| International Container Terminal Services (ICT) | 8.8 |
| Bank of the Philippine Islands (BPI) | 8.4 |
| Total | 46.6 |

Asset Allocation



Sector Allocation



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