

Investment Objective

To achieve long term capital growth by investing in global equity markets of developed countries with a focus on sustainable practices (namely, business practices which are environmentally friendly and socially responsible).

30 NOVEMBER 2021

PESO-HEDGED GLOBAL SUSTAINABILITY EQUITY FUND

FUND DETAILS:

Inception Date	22 Jul 2019	Latest NAVPU	1.473067
Fund Manager of		Initial NAVPU	1.000000
Underlying Fund	Allianz Global Investors (AGI)	Highest NAVPU (11.10.2021)	1.536090
Fund Currency	Peso	Lowest NAVPU (03.24.2020)	0.796554
Fund Size	Php1.70 Billion	Pricing / Valuation	Daily
Management Fee	2.20% p.a.		

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

Global equities initially rallied, buoyed by robust corporate earnings and dovish signals from major central banks. However, the discovery of a new COVID-19 variant (Omicron) towards the month-end drove a sharp pullback. The variant’s severity is yet to be determined, but the potential for renewed restrictions to derail the global economic recovery weighed heavily on investor sentiment.

At a sector level, Energy and Financials fared worst, falling around 3% due to their cyclical exposure, although they remain some of the strongest performers year-to-date. In a rare bright spot, Technology stocks continued their strong performance. Other sectors were more mixed, ending the month flat or in a narrow range either side.

Inflation continued to move higher. While supply chain disruptions limited growth in manufacturing, services generally accelerated, despite several European countries tightening restrictions as infection levels surged. While interest rates moved higher in certain emerging economies, most developed market central banks struck a dovish tone.

Oil prices, as measured by Brent crude, plunged to a three-month low of below USD 70 a barrel. European natural gas prices rose, although they remained below the peak levels seen in early October, on forecasts of exceptionally cold weather and news that the US planned to impose additional sanctions related to the contested Nord Stream 2 pipeline.

MARKET OUTLOOK

December market outlooks are given to grand predictions. Yet for as long as COVID-19 continues to dictate global events, the predictive value of such an endeavour is even more questionable than usual. At the time of writing, governments, health care officials, investors and businesses alike are all grappling with the potential impact of a new COVID variant (Omicron) which until two weeks ago, was unknown.

We prefer to focus on companies rather than crystal balls. Moreover, our holdings are quality compounders harnessing structural growth forces like digitalisation and the global energy transition, such that their intrinsic value should be less impacted by short-term macroeconomic changes. Thus, our outlook reflects the range of topics for which portfolio companies have told us they are preparing, as well as factors likely to shape portfolio construction and performance in the medium term.

The first is moderating growth. While cyclical exposure in our holdings tends to be low, companies have seen revenues increase as global economies reopen. However, growth may also continue to be limited by supply chain issues. Initially due to the logistical complexity of restarting entire industries, interruptions are now prolonged by exogenous factors. In some regions, renewed COVID-19 infections have forced factories into hiatus. Companies have also gone out of business at the same time as new investments were scaled back.

At a policy level, the US and China continue to hold the biggest sway. With US Federal Reserve (Fed) chair Jerome Powell divesting the word “transitory” from his vocabulary, some investors are fearful monetary policy will tighten just as companies face higher input costs and slower growth. At the same time, President Xi has used the past year to demonstrate that he is more concerned with ideology than capital markets and as such, investors in China should recalibrate their risk/reward calculations.

Nonetheless, this challenging backdrop presents many opportunities for active investors. More so than ever then, our job as investors is to construct portfolios which can weather the storm and thrive in fairer conditions.

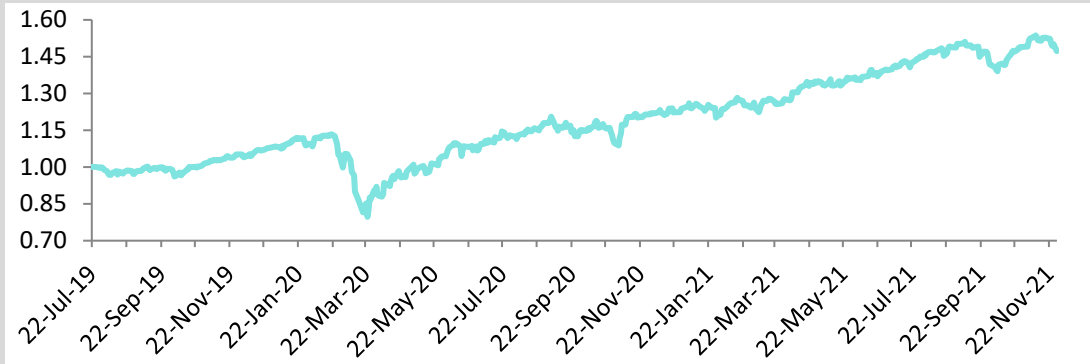
RISK RATING ●●●●●○



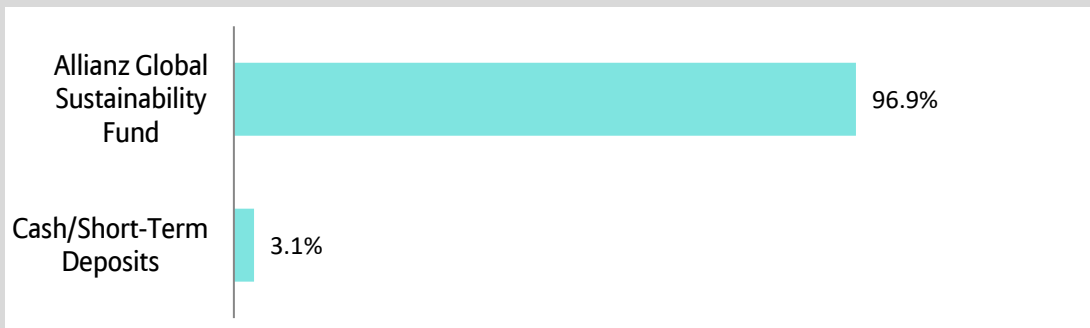
Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	19.00%	21.34%	N/A	N/A	47.31%
Annualized	N/A	21.34%	N/A	N/A	17.90%

NAVPU Since Inception

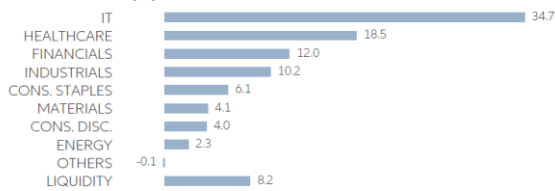


Asset Allocation

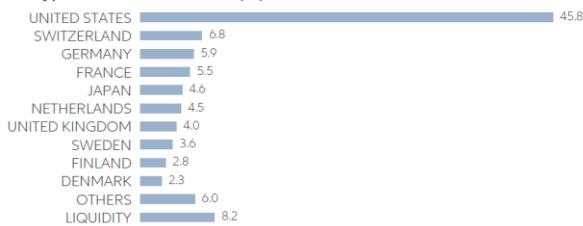


Portfolio Analysis – ALLIANZ GLOBAL SUSTAINABILITY

Sector Allocation (%)



Country/Location Allocation (%)



Top Holdings – ALLIANZ GLOBAL SUSTAINABILITY

Top 10 Holdings (Country/Location) ⁴	Sector	%
MICROSOFT CORP (US)	IT	9.9
ADOBE INC (US)	IT	5.0
S&P GLOBAL INC (US)	FINANCIALS	3.4
UNITEDHEALTH GROUP INC (US)	HEALTHCARE	3.2
APPLIED MATERIALS INC (US)	IT	3.1
INTUIT INC (US)	IT	2.9
NESTLE SA-REG (CH)	CONS. STAPLES	2.8
STORA ENSO OYJ-R SHS EUR (FI)	MATERIALS	2.8
KEYENCE CORP (JP)	IT	2.7
ROCHE HOLDING AG-GENUSSCHEIN (CH)	HEALTHCARE	2.7
Total		38.5

IMPORTANT NOTICE:

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