

31 MARCH 2024

Peso-Hedged Global Sustainability Equity Fund



AGI RISK AND REWARD INDICATOR



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).

FUND DETAILS:

Inception Date	22-Jul-19	Latest NAVPU	1.507120
Fund Manager	Allianz Global Investors (AGI)	Initial NAVPU	1.000000
Fund Currency	PHP	Highest NAVPU (11.10.2021)	1.536090
Fund Size	PHP 2.97 Billion	Lowest NAVPU (03.24.2020)	0.796554
Management Fee	2.20% p.a.	Pricing / Valuation	Daily

Risk Classification

The Fund is suitable for investors with a moderately 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 interest rate movements and 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 moved higher over March, further bolstering already strong year-to-date returns. Sentiment was lifted by signs of improving economic momentum in Europe and China, as well as by central bank indications that rate cuts were likely to start in the summer. At a sector level, Energy companies advanced the most, followed by Materials stocks, while Consumer Discretionary was the weakest.

The Swiss National Bank became the first major central bank to lower rates this cycle. However, in general, central banks stuck with the mantra that rates would be cut this year, but not before the summer. In contrast, after months of speculation, the Bank of Japan finally raised rates to 0 - 0.1% and ended its yield curve control policy. Headline inflation rates slowed in Europe but ticked higher in the US, Japan and China, with the latter exiting deflation for the first time in six months.

The US dollar, euro and British pound strengthened against the Japanese yen. While the Bank of Japan increased borrowing costs for the first time since 2007 and ended its yield curve control policy, it stressed that borrowing costs would not rise sharply until inflation expectations were anchored at its 2% target.

Commodity prices rallied. Oil prices moved higher given the ongoing conflicts in Ukraine and the Gaza strip, as well as the increased attacks in the Red Sea. Gold prices also advanced, touching a fresh high. However, iron ore prices slumped to a 10-month low given muted Chinese demand and ample supply.

Market Outlook

The recent earnings season has been generally healthy with the portfolio companies mainly on the right side of earnings numbers. FY 2023 earnings numbers for the MSCI AC World have been flat but distorted by the extraordinary growth trajectory of the Magnificent 7*. 2024 estimates and where available for 2025, show a slightly wider base of positive earnings. Anecdotally, this is also what we are hearing in company management meetings, where optimism is higher for H2 2024 and beyond. Higher but not yet prohibitive valuations, mean that earnings visibility will be key in the coming months. The recent results from a technology company that designs graphics processing units, a technology conglomerate and an online consumer giant and the following positive share price reaction show that there is still capacity to surprise on the upside. The shares of a technology hardware producer however, dropped after their earnings release, as otherwise positive numbers were overshadowed by declining smartphone sales in China, highlighting the fact that at these heightened valuations, a small misstep can have a disproportionate impact on share prices. We are confident that the structural growth, low debt levels and high earnings visibility of our companies means the portfolio is well positioned but will be mindful of valuations and adjust position sizes where we feel appropriate.

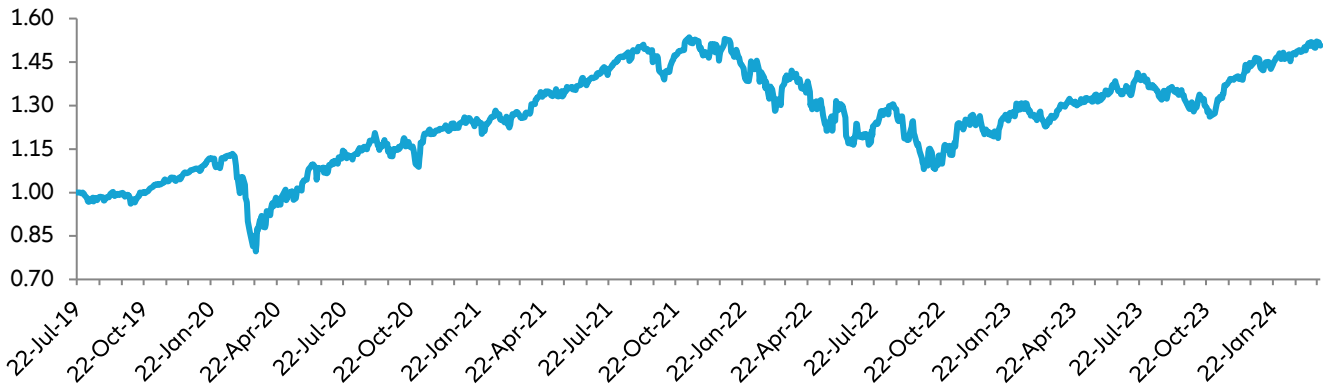
The geopolitical landscape remains uncertain, with ongoing conflicts in the Ukraine and the Middle East.

Looking at the quarter performance, it is clear that our natural tendency to invest in future growth has impacted negatively. The crowding within the mega cap tech space where we are almost structurally underweight was also a large factor. Whilst we have had some negative operating results from a few stocks, these have been relatively contained and offset by more positive performance elsewhere. A large part of the underperformance can be explained by simply not owning certain mega caps, detrimental in the short term but tends to broaden out in the medium term.

Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	2.85%	17.62%	18.07%	N/A	50.71%
Annualized	N/A	17.62%	5.69%	N/A	9.16%

NAVPU Since Inception

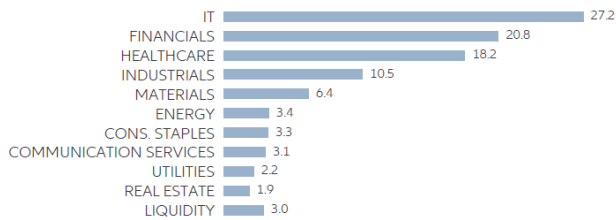


Portfolio Analysis

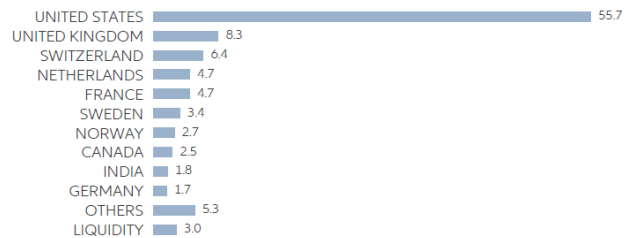
Asset Allocation



Sector Allocation (%)



Country/Location Allocation (%)



Top 10 Holdings (Country/Location) ⁴	Sector	%
MICROSOFT CORP (US)	IT	7.6
VISA INC-CLASS A SHARES (US)	FINANCIALS	3.2
ALPHABET INC-CL A (US)	COMMUNICATION SERVICES	3.1
MEDTRONIC PLC (US)	HEALTHCARE	3.1
APPLIED MATERIALS INC (US)	IT	3.1
INTUIT INC (US)	IT	3.1
ASML HOLDING NV (NL)	IT	2.8
S&P GLOBAL INC (US)	FINANCIALS	2.6
CAPGEMINI SE (FR)	IT	2.5
CANADIAN PACIFIC KANSAS CITY (CA)	INDUSTRIALS	2.5
Total		33.6

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