

# PESO EQUITY FUND

## Investment Objective

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

31 MAY 2019

## FUND DETAILS:

Inception Date	25 May 2005	Latest NAVPU	3.036929
Fund Manager	BPI Asset Management and Trust Corp.	Initial NAVPU	1.000000
Fund Currency	Peso	Highest NAVPU (01.30.2018)	3.610182
Fund Size	Php2.18 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 prices 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 was little changed in May as it closed at 7,970.02, up 0.2175% month-on-month, a few points short of the 8,000 level. Volatility persisted during the month as trade tension between China and the US escalated, which triggered sell-off across the region. Foreigners were net sellers of more than USD270m as MSCI semi-annual rebalancing took place. This gave local investors opportunity to buy undervalued stocks that offset foreign passive outflows resulting to higher market close during the rebalancing date.

On the local front, first quarter 2019 (1Q19) earnings were underwhelming as "misses" outnumbered "beats" based on consensus forecasts. Companies with good interim results were rewarded by the market.

May inflation was recently reported at 3.2%, above consensus estimate of 3%. This brings the YTD inflation average at 3.54%, still within BSP's 2-4% target range. In addition, the BSP announced a 200bps cut in big bank's reserve requirement ratio (RRR) to 18% to be implemented in three stages: 100bps last May 31, 50bps each on June 28 and July 26, 2019.

## MARKET OUTLOOK

Despite market volatilities arising from disappointing local earnings coupled with the geopolitical risks between China and the US, local market fundamentals continue to be strong. Thus, the Philippines remain as an emerging safe haven for both local and foreign investors.

Our strategy is to increase equity positions closer to neutral as the market continues to consolidate at the current valuation levels.

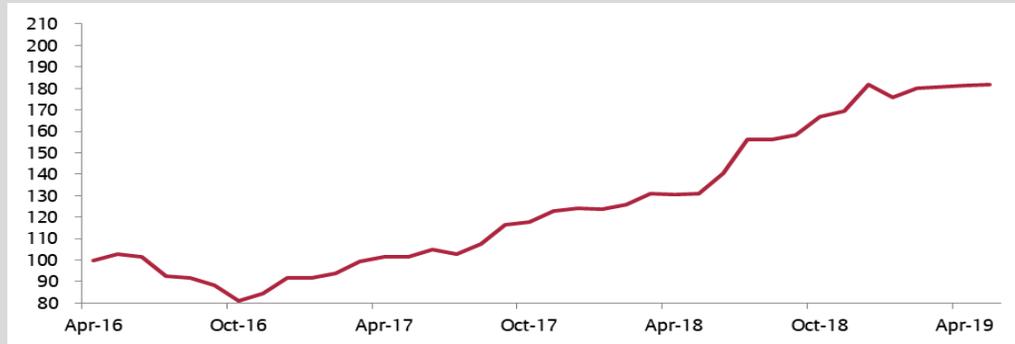


**RISK PROFILE** ● ● ● ● ●

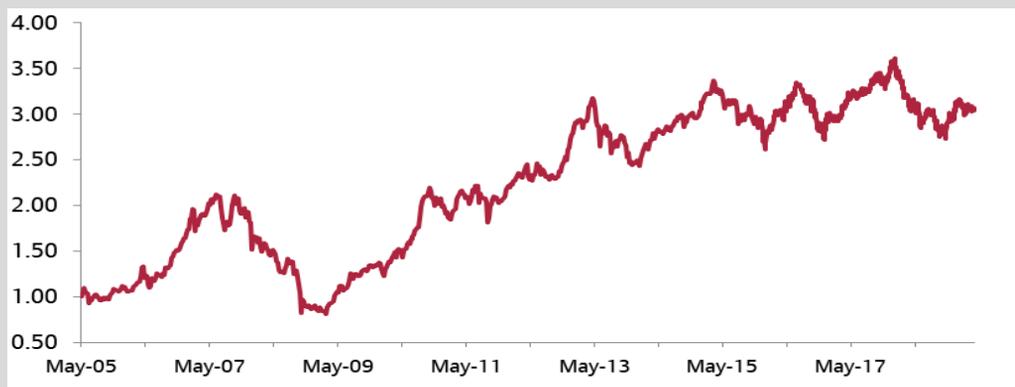
## Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	3.11%	1.19%	-1.38%	8.44%	203.69%
Annualized	N/A	1.19%	-0.46%	1.63%	8.25%

## Indexed Performance Over 3 Years (NAV - NAV)



## NAVPU Since Inception

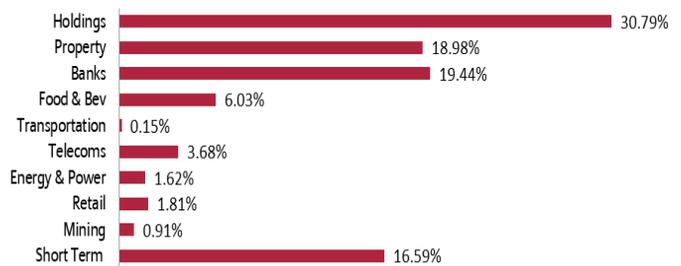


## PORTFOLIO ANALYSIS

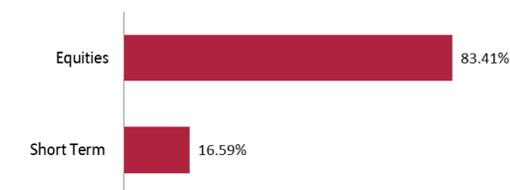
### Top 5 Holdings

Securities	%
Cash/Short-Term Deposits	16.6
SM Investments Corp. (SMIC)	8.7
SM Prime Holdings (SMPH)	8.4
Ayala Corp. (AC)	8.0
Ayala Land Inc. (ALI)	7.7
<b>Total</b>	<b>49.4</b>

### Sector Allocation



### Asset Allocation



*We expect market volatility to continue throughout 2019 arising from various global macroeconomic factors.*

#### IMPORTANT NOTICE:

This document is for information purposes only. This does not constitute an offer or a solicitation to buy or sell any investment referred to in this document. The information in this publication is based on carefully selected sources believed to be reliable but we do not make any representation as to its accuracy or completeness. Any opinions herein reflected are good as of this date but may be subject to change without prior notice. Investment or participation in the Fund is subject to risk and possible loss of principal, and is not insured by the Philippine Deposit Insurance Corporation (PDIC). Losses, if any, shall be for the account and risk of the Trustor/Participant. Past performance is not indicative of future performance.