

Investment Objective

The Fund seeks long-term capital appreciation by investing in a customized basket of stocks listed on the Philippine Stock Exchange (1) that are considered highly liquid and actively traded; and (2) of companies owned and/or controlled by businessmen of Chinese ethnic origins.

31 JANUARY 2019

PESO DYNASTY EQUITY FUND

FUND DETAILS:

Inception Date	15-Feb-18	Latest NAVPU	0.920688
Fund Manager	PNB - Trust Banking Group	Initial NAVPU	1.000000
Fund Currency	Peso	Highest NAVPU (02.15.2018)	1.000000
Fund Size	Php631.21 Million	Lowest NAVPU (10.12.2018)	0.769357
Management Fee	2.00% 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 started the year on a very strong note. After seeing the local stock market on a downward trend in 2018 due to macroeconomic concerns and events in the developed markets, the PSEi posted a 7.25% gain during the first trading month of the year.

The December inflation reading of 5.10% sparked risk on trades in the market. This brought the 2018 average inflation to 5.20%. For 2019, the BSP expects inflation to return to the 2.00% - 4.00% target range. The PSEi ended at 8,007.48 from December 2018's close of 7,466.02. Foreign flows reversed gears to register a net buy of Php18.70B.

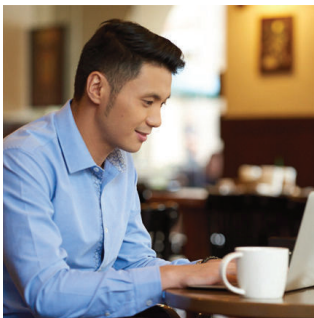
A significant amount as the January flows represent 30% of 2018's net foreign outflow of Php61.66B. Value turnover also improved from December's Php7.53B to Php8.67B. As of January, the PSEi traded at 16.7X 2019E PE.

MARKET OUTLOOK

As of end of January, the PSEi is at key resistance levels. As mentioned previously, the PSEi was locked in a trading band of 7,500 to 8,000 level. A break above such level accompanied with significant volume may point to a retest of 8,500 level. In terms of valuation, at 8,500 points to a PER of 17.5X, still an acceptable level given market's recent peak of 19.1X, then an all-time high.

Earnings growth is expected to hit double digits this year. From an estimated growth of below 9.00% in 2018, earnings growth is expected to average around 11.00% 12.00% for 2019.

The US Fed's recent decision to pause rate increases was certainly a welcome development. Dovish statements from the US Fed have also reinforced the view that the BSP may cut policy rates starting 2H19. A cut in reserve requirements is also expected as early as 1Q19. Continuing trade negotiations between US and China is another key risk that bears monitoring.

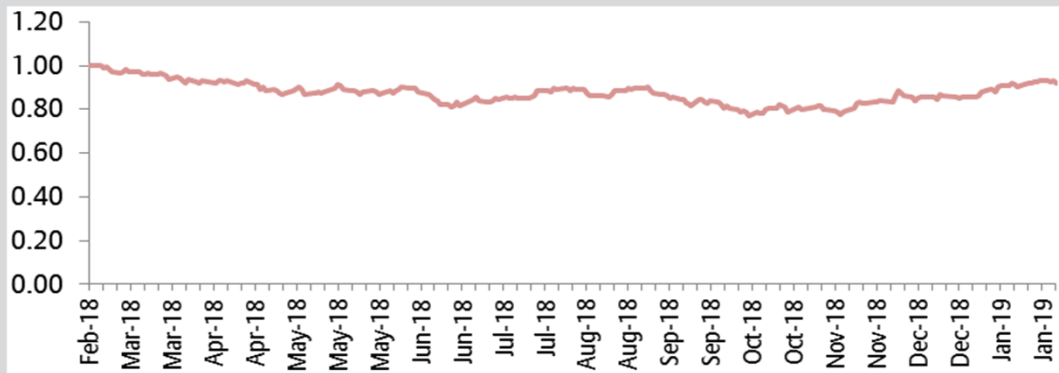

RISK PROFILE ● ● ● ● ●

Performance Overview

Performance History	Year To Date	3 Months	1 Years (YoY)	Since Inception
Absolute	7.25%	14.96%	N/A	-7.93%
Annualized	N/A	N/A	N/A	-8.26%

Indexed Performance Over 3 Years (NAV - NAV)

NAVPU Since Inception



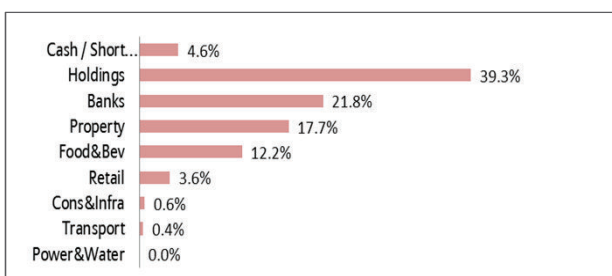
PORTFOLIO ANALYSIS

Top 5 Holdings

Securities	%
SM Investments Corp. (SM)	21.6
SM Prime Holdings (SMPH)	13.6
BDO Unibank, Inc. (BDO)	10.9
JG Summit Holdings, Inc. (JGS)	7.8
Metrobank (MBT)	6.8
Total	60.7

Securities (Ticker)	Sub-Sector	Allocation
SM Investments Corp. (SM)	Holdings	21.64%
SM Prime Holdings (SMPH)	Property	13.60%
BDO Unibank, Inc. (BDO)	Banks	10.92%
JG Summit Holdings, Inc. (JGS)	Holdings	7.76%
Metrobank (MBT)	Banks	6.76%
Jollibee Foods Corp. (JFC)	Food&Bev	5.69%
Universal Robina Corp. (URC)	Food&Bev	5.52%
Short Term	Cash / Short Term	4.60%
GT Capital Holdings, Inc. (GTCAP)	Holdings	3.75%
Security Bank Corp. (SECB)	Banks	3.17%
San Miguel Corp. (SMC)	Holdings	2.46%
Megaworld (MEG)	Property	2.29%
LT Group, Inc. (LTG)	Holdings	2.01%
Robinsons Retail Holdings, Inc. (RRHI)	Retail	1.84%
Robinsons Land Corp. (RLC)	Property	1.79%
Puregold Priceclub (PGOLD)	Retail	1.74%
Alliance Global Group, Inc. (AGI)	Holdings	1.67%
D&L Industries, Inc. (DNL)	Food&Bev	0.94%
San Miguel Food and Beverage, Inc. (FB)	Food&Bev	0.90%
Megawide Construction Corp. (MWIDE)	Cons&Infra	0.56%
Macroasia Corp. (MAC)	Transport	0.38%
Total		100.00%

Sub-Sector Allocation



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.