

**Investment Objective**

To achieve dividend income and long term capital appreciation by investing in a customized basket of no more than twenty (20) companies listed on the Philippine Stock Exchange with a history of regular declaration of dividends; that have recently provided the highest dividend yields; and are considered very liquid and are actively traded.

31 JANUARY 2019

# PESO OPTIMIZED DIVIDEND EQUITY FUND

**FUND DETAILS:**

Inception Date	17-Sep-14	Latest NAVPU	0.960394
Fund Manager	PNB - Trust Banking Group	Initial NAVPU	1.000000
Fund Currency	Peso	Highest NAVPU (09.22.2017)	1.102789
Fund Size	Php2.13 Billion	Lowest NAVPU (01.22.2016)	0.834893
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.

7.25%. 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, it is still an acceptable level given market's recent peak of 19.1X, then an all-time high.

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.

**MARKET COMMENTARY**

December PHL inflation was reported at 5.10% from 6.0% in November. Confirming the view that CPI has already peaked last September and October at 6.70%. This brought the 2018 average inflation to 5.20%. The decline in oil prices in the global market and government measures to ease food bottlenecks (particularly rice) helped reduce price pressures. For 2019, the BSP expects inflation to return to the 2.00% - 4.00% target range.

The inflation report was enough to spark risk on trades in the market. The PSEi ended at 8,007.48 from December 2018's close of 7,466.02 for a year to date gain of

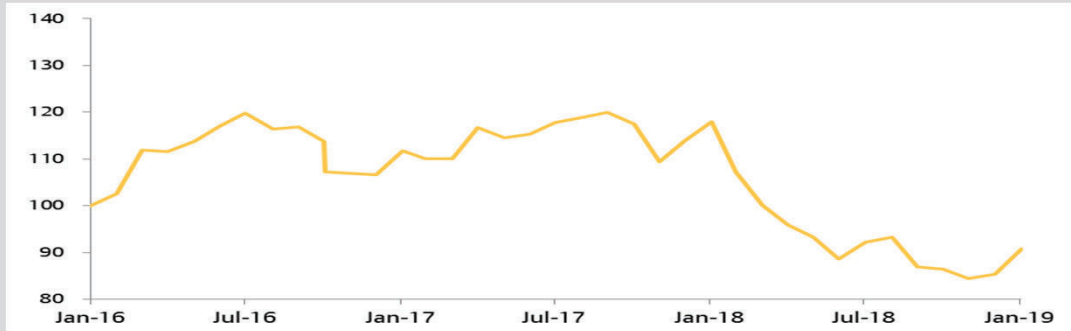


**RISK PROFILE** ● ● ● ● ●

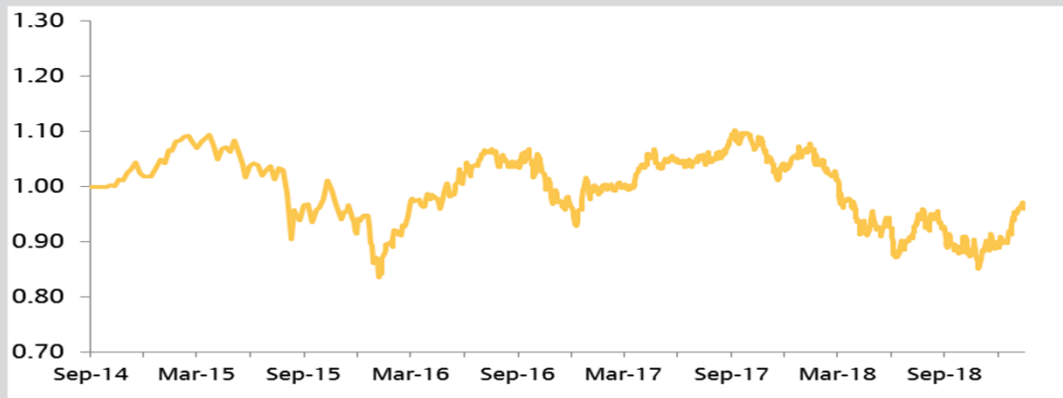
## Performance Overview

Performance History	Year To Date	3 Months	1 Years (YoY)	3 Years (YoY)	Since Inception
Absolute	6.62%	9.88%	-10.01%	9.39%	-3.96%
Annualized	N/A	N/A	-10.01%	3.04%	-0.92%

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



## NAVPU Since Inception

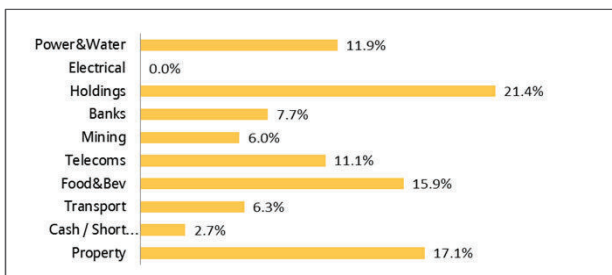


## PORTFOLIO ANALYSIS

### Top 5 Holdings

Securities	%
Int'l. Container Terminal Services (ICT)	6.3
Aboitiz Power (AP)	6.1
Semirara Mining Corp (SCC)	6.0
San Miguel Food and Beverage, Inc. (FB)	6.0
PLDT (TEL)	5.9
<b>Total</b>	<b>30.3</b>

### Sub-Sector Allocation



Securities (Ticker)	Sub-Sector	2019 YTD Dividend Yield*	2018 Dividend Yield**
Aboitiz Equity Ventures (AEV)	Holdings	0.00%	2.33%
Aboitiz Power (AP)	Power&Water	0.00%	3.96%
Ayala Land, Inc. (ALI)	Property	0.00%	1.24%
Bank of the Phil. Islands (BPI)	Banks	0.99%	1.91%
D&L Industries (DNL)	Food&Bev	0.00%	2.37%
DMCI Holdings, Inc. (DMC)	Holdings	0.00%	7.51%
Globe Telecoms (GLO)	Telecoms	0.00%	4.79%
Int'l. Cont. Terminal Services (ICT)	Transport	0.00%	2.50%
LT Group, Inc. (LTG)	Holdings	0.00%	1.20%
Manila Electric Co. (MER)	Power&Water	0.00%	3.52%
Megaworld Corp. (MEG)	Property	0.00%	1.31%
Metro Pacific Inv. Corp. (MPI)	Holdings	0.00%	2.38%
PLDT, Inc. (TEL)	Telecoms	0.00%	5.69%
Robinsons Land Corp. (RLC)	Property	0.00%	1.79%
San Miguel Corp. (SMC) ***	Holdings	0.21%	(not in basket in 2018)
San Miguel Food and Beverage, Inc. (FB) ***	Food&Bev	0.00%	(not in basket in 2018)
Security Bank (SECB)	Banks	0.00%	1.94%
Semirara Mining Corp (SCC)	Mining	0.00%	9.76%
Universal Robina (URC)	Food&Bev	0.00%	2.48%
Vista Land & Lifescapes, Inc. (VLL) ***	Property	0.00%	(not in basket in 2018)

\*2019 Calculated using Jan. 31, 2019 closing prices

\*\*2018 Calculated using Dec 28, 2018 closing prices

\*\*\*not in basket as of Dec 2018

### IMPORTANT NOTICE:

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