

Investment Objective

To achieve long term capital appreciation, with investments concentrated in global equity markets, with the focus on the acquisition of securities that Investment Managers considers to have above-average potential for profit growth and/or attractive valuations.

31 MAY 2018

DOLLAR GLOBAL EQUITY FUND

FUND DETAILS:

Inception Date	16-March-17	Latest NAVPU	1.182920
Fund Manager of		Initial NAVPU	1.000000
Underlying Fund	Allianz Global Investors (AGI)	Highest NAVPU (01.30.2018)	1.241863
Fund Currency	USD	Lowest NAVPU (03.23.2017)	0.994733
Fund Size	USD29.09 Million	Pricing / Valuation	Daily
Management Fee	2.00% 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 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

May was a mixed month for global equities. Despite steady global growth, fresh concerns about a US-led trade war and political disruption in Italy and Spain saw the MSCI World Index finish more or less flat in dollar terms. Overall, US and UK equities closed the month slightly higher, while euro-zone stocks retreated. In the face of a strengthening US dollar, most emerging markets declined.

The US economy continues to grow steadily, with unemployment reaching an 18 year low of 3.8%. A strong earnings season closed with S&P 500 company profits up 26% year-on-year (yoy), thanks partially to US tax reform. US 10-year treasury yields reached a seven-year high of 3.12% as investors speculated that higher inflationary pressures would lead to faster interest rate hikes. However, yields soon fell back down to 2.8% as European political jitters in pushed investors into safe-haven assets.

By contrast, the euro zone has shown little sign of reversing its Q1 slowdown. The region recorded its worst quarterly growth rate and monthly purchasing managers' index (PMI) numbers for 18 months, at 0.4% and 54.1, respectively. Japan similarly surprised on the downside, with its economy contracting 0.6% in Q1.

The portfolio's returns have been flat against the benchmark in May. In terms of portfolio constituents, a return to outperformance for the Information Technology sector, in which we are overweight, has been offset by stock selection in Materials.

The portfolio has also benefitted from its underweight positioning in the bond proxy sectors of Telecommunications and Utilities.

MARKET OUTLOOK

May has brought into focus a number of themes emerging over the course of this year. After impressive Q1 earnings, equity valuations remain stretched. Strong economic performance in the US is storing up inflationary pressures, which will encourage the US Federal Reserve (Fed) to raise rates and remove excess liquidity from the global monetary system. However, this sustained economic success is not being matched elsewhere. Thus the stage is set for flatter returns, potential corrections and increased volatility.

Q1 earnings season confirmed our view that current equity valuations are at their upper end. How much longer these valuations can be sustained depends as much on investor expectations for earnings growth as it does on the underlying economy. In the US at least, both have the potential to stay strong, with signs that hourly earnings are beginning to rise in step with the high employment rate.

However, this success is also creating inflationary pressures in the US economy, which a 10-year treasury yield above 3% had started to reflect. President Trump's tariffs also represent a directly inflationary intervention into the market. Despite this, investors are currently only pricing in two US rate hikes by the end of 2020. The Fed is itself predicting five hikes, targeting a terminal rate of 3.25%. Given the discrepancy and potential for the terminal rate to rise, we expect a resurgence of volatility over the coming months.

President Trump's decision to pull out of the Iranian nuclear deal and the chaos of Italian elections serve as a reminder that global equity markets remain vulnerable to geopolitical shocks. Consequently, we continue to take profits in those companies we feel are too richly valued, looking instead for stocks able to deliver performance in tougher market conditions. Moreover, we expect that the quality of company balance sheets will start to drive share prices in noticeably more divergent ways.

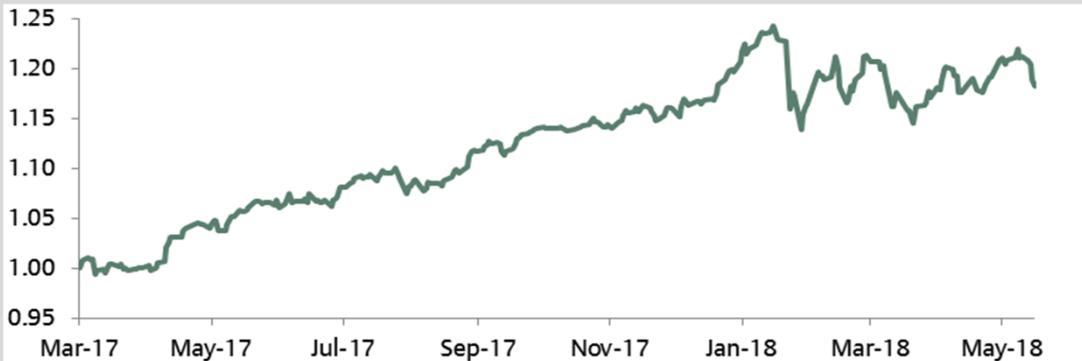


RISK PROFILE ● ● ● ● ●

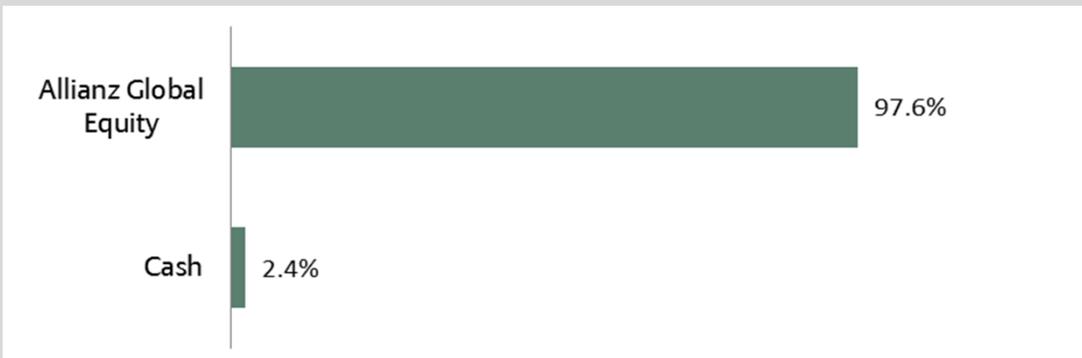
Performance Overview

Performance History	Year To Date	3 Months	1 Year (YoY)	Since Inception
Absolute	1.27%	-2.34%	11.98%	18.29%
Annualized	N/A	N/A	11.98%	14.92%

NAVPU Since Inception

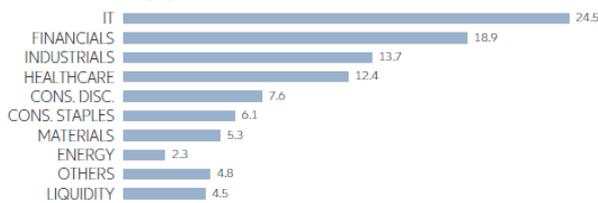


Asset Allocation

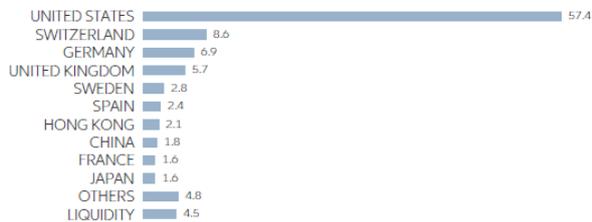


PORTFOLIO ANALYSIS – ALLIANZ GLOBAL EQUITY

Sector Allocation (%)



Country Allocation (%)



Top 10 Holdings – ALLIANZ GLOBAL EQUITY

Top 10 Holdings (Country)	Sector	%
ALLIANZ GLB SM CAP EQ-IT	OTHERS	4.8
MICROSOFT CORP (US)	IT	3.6
UNITEDHEALTH GROUP INC (US)	HEALTHCARE	3.1
SCHWAB (CHARLES) CORP (US)	FINANCIALS	2.9
ACCENTURE PLC-CL A (US)	IT	2.8
VISA INC-CLASS A SHARES (US)	IT	2.5
ECOLAB INC (US)	MATERIALS	2.4
AMADEUS IT GROUP SA (ES)	IT	2.4
EOG RESOURCES INC (US)	ENERGY	2.3
UBS GROUP AG-REG (CH)	FINANCIALS	2.3
Total		29.1

IMPORTANT NOTICE:

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