

PESO EQUITY FUND

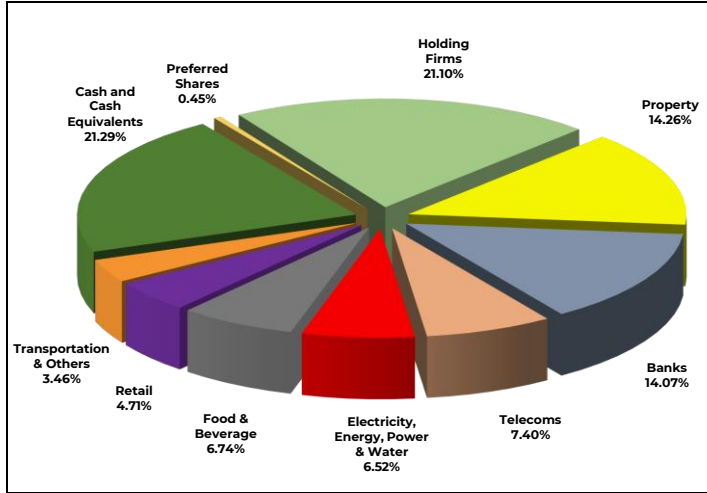
INVESTMENT OBJECTIVE

The Peso Equity Fund seeks to maximize income consistent with its policy to preserve capital and to maintain liquidity of investments through a diversified portfolio of high-quality listed equity issues – blue chips and growth stocks listed in the Philippines Stock Exchange.

KEY FIGURES

NAVPU as of July 31, 2022	1.5666
Inception Date	December 2006
Fund Classification	Equity Fund
Domicile	Republic of the Philippines
Fund Currency	Philippine Peso

PORTFOLIO COMPOSITION



TOP 10 EQUITY HOLDINGS

Company	Sector	% of the Fund
SM Prime Holdings, Inc.	Property	6.39%
SM Investments Corporation	Holding Firms	6.25%
Bank of the Philippine Islands	Banks	4.75%
Ayala Land, Inc.	Property	4.69%
BDO Unibank, Inc.	Banks	4.51%
Ayala Corporation	Holding Firms	4.41%
PLDT, Inc.	Telecommunications	3.60%
Metropolitan Bank & Trust Co.	Banks	3.18%
Manila Electric Co.	Electricity, Energy, Power & Water	3.16%
Wilcon Depot, Inc.	Retail	3.10%

HISTORICAL PERFORMANCE

July 31, 2022

NAVPU	Year-to-date Return
1.5666	-10.16%

	Annual Return	Cumulative Return
One-year	-0.36%	-0.36%
Three-year	-5.80%	-16.41%
Five-year	-3.01%	-14.16%

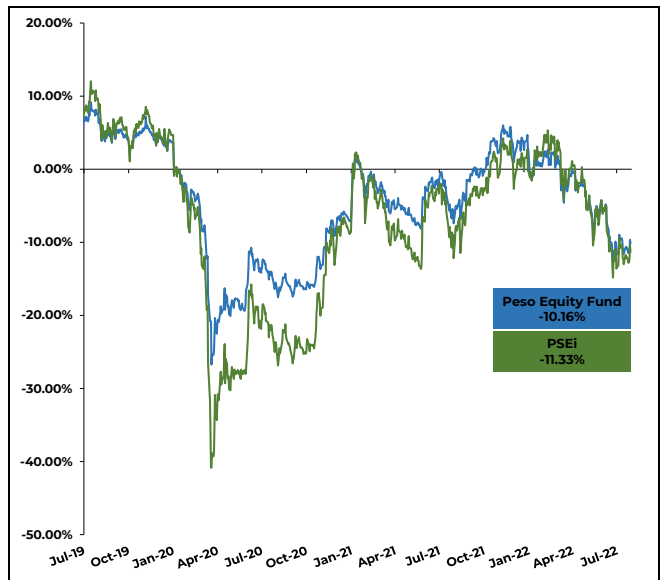
MARKET RECAP AND OUTLOOK

The Philippine Stock Exchange index (PSEI) rose by 2.61% to close at 6,315.93 last July 29 from the 6,155 finish in June. Local shares were wobbly throughout the month alongside the mixed sentiment over developments abroad, fueling the cautious and non-aggression among most players. The country's foreign flows carried on, spilling out of the country around P4.50 billion in July with the 7-month tally ending at a net selling of P45.43 billion.

At the onset of the month, local stocks inched up as investors opted to bargain-hunt amidst the market's decline in June and the resulting oversold valuation of most stock prices. In the international scene, the gradual drop of oil prices lifted investor sentiment since expectations of a downtrend could assist the local inflation to taper down from its current highs. Markedly, the local index pierced back the 6,400 zone early in the month following the continuing fall of bond yields, which created a slight boost of buying confidence. However, the PSEI contracted the developing uptrend after investors turned cautious and took profits. The gains from the bargain-hunting dissipated ahead of the release of firms' second quarter earnings and as the peso continued to weaken against the dollar. Most stocks shredded gains as the market monitored the US inflation projection alongside the peso breaching P56-level anew. The surprise rate hike by the Bangko Sentral ng Pilipinas (BSP) during an off-cycle meeting caused panic and prompted selling pressure among investors, as it could lead to higher financing costs for businesses and slowdown economic activity. The BSP Monetary Board delivered an all-time high hike of 75 basis points tagged as an urgent action due to the worsening price pressures. The sentiment even turned even more gloomy after Fitch Ratings downgraded its growth forecast for the Philippines. The thinktank trimmed its GDP projection to 6.5% this year from 6.9% previously, stemming from the recurring headwinds and the inflation pressures that the country is facing. Towards the end of the month, the index was able to hurdle past the soured bets of the market following President Bongbong Marcos' first State of the Nation Address (SONA) and the US Federal Reserve's policy meeting. PBBM unveiled his administration's major economic agenda for his term, boosting the trust of the investing public with his regime. He pledged to pursue "prudent" fiscal management and tax reforms. Meanwhile, bargain hunting activities resumed after the US Fed announced another 75-basis-point (bp) rate hike, clearing the market concerns from aggressively imposing a 100-bp hike in July. Moreover, the recent upgraded growth forecast of the International Monetary Fund (IMF) to the country's growth forecast also aided the buying momentum. The IMF forecasted the Philippines' gross domestic product (GDP) to grow by 6.7% from the previous 6.5% projection earlier in the year.

In August, the local stock index may trade within the 6,200 to 6,700 levels as most market participants stay cautious while monitoring fresh developments at home and abroad. Players may remain prudent and adapt a wait-and-see stance as more companies release their second-quarter earnings. With the ghost month around the corner, sentiment may retain tepid as traders may be taken aback especially with the worsening geopolitical scene in the Eurozone and nuisance of the rising global inflation. Nevertheless, we may find windows of optimism with the release of significant economic data in the month, specifically the second quarter gross domestic product (GDP) rate and June unemployment data. If data reports show stellar results, we can expect upswings in local shares.

FUND PERFORMANCE vs BENCHMARK



DISCLAIMER: Historical performance is not indicative of future results. The price per unit may go up or down depending on market fluctuations. The Fund is NOT a deposit product, and, as such, yields are NOT guaranteed. The performance of the fund is reflected by the Net Asset Value (NAV) computed at the end of each business day.