

PESO EQUITY FUND

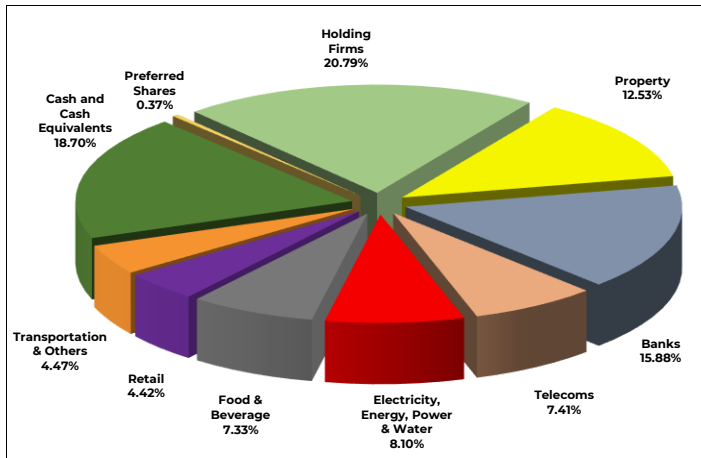
INVESTMENT OBJECTIVE

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 February 28, 2023 | 1.6192 |
| 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 Investments Corporation | Holding Firms | 5.94% |
| SM Prime Holdings, Inc. | Property | 5.32% |
| Bank of the Philippine Islands | Banks | 5.31% |
| BDO Unibank, Inc. | Banks | 5.26% |
| Ayala Land, Inc. | Property | 4.70% |
| Manila Electric Co. | Electricity, Energy, Power & Water | 4.00% |
| Ayala Corporation | Holding Firms | 3.85% |
| Metropolitan Bank & Trust Co. | Banks | 3.72% |
| Universal Robina Corp. | Food and Beverage | 3.30% |
| Globe Telecom, Inc. | Telecommunications | 3.14% |

HISTORICAL PERFORMANCE

February 28, 2023

| NAVPU | Year-to-date Return |
|--------|---------------------|
| 1.6192 | 0.41% |

| | Annual Return | Cumulative Return |
|------------|---------------|-------------------|
| One-year | -8.26% | -8.26% |
| Three-year | -1.10% | -3.27% |
| Five-year | -3.15% | -14.77% |

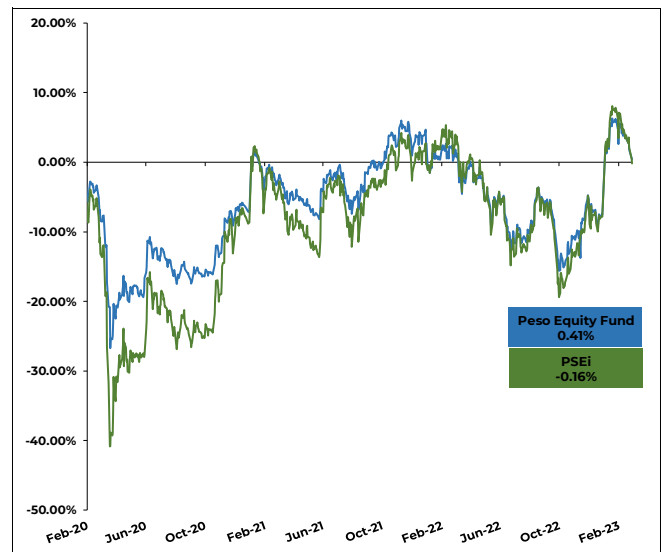
MARKET RECAP AND OUTLOOK

The Philippine Stock Exchange index (PSEI) dropped by 3.49% to finish at 6,556.20 last February 28 against the 6,793-close in January. Sourcing bets dominated the investment scene amid the high inflation and interest rate environment which clouded investors' appetite. Consequently, February settled with a net selling of P7.84 billion, resulting in the two-month tally of P1.16 billion foreign outflows.

The month commenced in the red as many players stayed on the sidelines awaiting developments globally. Sentiments turned gloomy after the US Federal Reserve decided to raise its benchmark policy rates by a quarter-point during the latest Federal Open Market Committee (FOMC) meeting, positioning the federal funds rate within the 4.50% and 4.75% range. Moreover, the release of January's hotter-than-anticipated US consumer price index (CPI) indicated a potential longer route for US policymakers bantering against the spiking prices. At home, the PSEI pummeled further south as it took cues from the market's expectations of another massive rate hike by the Bangko Sentral ng Pilipinas (BSP). Surprisingly, the BSP Monetary Board's decision to hike interest rates by 50 basis points (bps) for a second straight meeting fueled pessimism over the investment scene. As the local central bank painted a gloomier view for the country simultaneous with dismal projections for the global economy, the stock market succumbed to hefty selling volume, resulting with the index nose-diving towards the 6,500 zone. Towards the end of the month, the local bourse further plummeted to track its global counterparts alongside bearish sentiments over increasing rate hike worries, renewed recession fears, and potential escalation in Ukraine-Russia war following Putin's state of the union speech. Markedly, these problems eclipsed optimism albeit players commenced bargain-hunting activities following the 4th quarter and full-year corporate earnings season.

In the coming month, the PSEI may carry on experiencing sidelined trading amid monetary policy worries. Most traders may remain adamant following the high interest rate environment, hurting consumption demand for some sectors. With the lackluster release of key market movers, the index may continue to trade close to its end-2022 level at 6,500 and remain susceptible to news flows in the short-term.

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.