

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 December 31, 2023

1.6017

Inception Date

December 2006

Fund Classification

Equity Fund

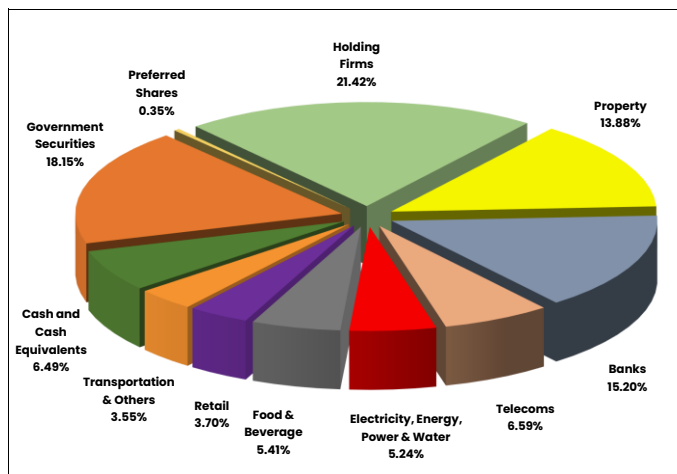
Domicile

Republic of the Philippines

Fund Currency

Philippine Peso

PORTFOLIO COMPOSITION



TOP 10 EQUITY HOLDINGS

Company	Sector	% of the Fund
SM Investments Corporation	Holding Firms	7.63%
SM Prime Holdings, Inc.	Property	6.41%
Bank of the Philippine Islands	Banks	5.87%
BDO Unibank, Inc.	Banks	4.59%
Universal Robina Corp.	Food and Beverage	4.15%
Ayala Corporation	Holding Firms	4.11%
Ayala Land, Inc.	Property	3.97%
Metropolitan Bank & Trust Co.	Banks	3.69%
PLDT, Inc.	Telecommunications	3.01%
Globe Telecom, Inc.	Telecommunications	2.98%

HISTORICAL PERFORMANCE

December 31, 2023

NAVPU

1.6017

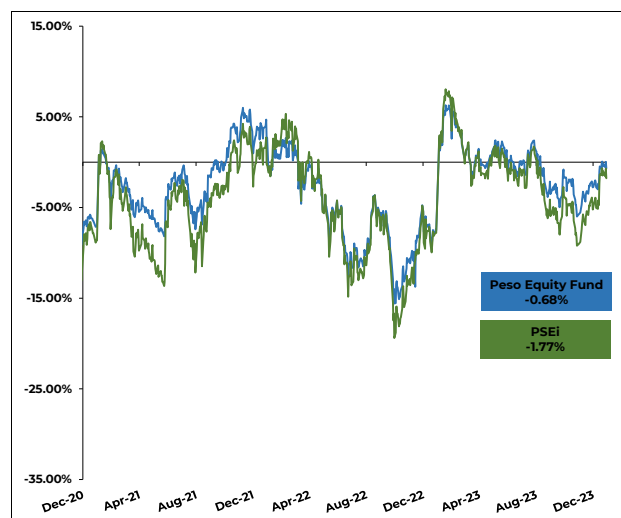
	Annual Return	Cumulative Return
One-year	-0.68%	-0.68%
Three-year	-1.93%	-5.68%
Five-year	-1.90%	-9.15%

MARKET RECAP AND OUTLOOK

The Philippine Stock Exchange index (PSEI) finished at 6,450.04 last December 29, climbing by 3.28% from the 6,223 close last November 30. Despite the better run, the local stock index failed to cling on to the 6,500 level to end the year stronger from 2022's finish of 6,566, resulting in a downside of 1.77% year-to-date. Foreign flows summed to a net buying of P1.00 billion in December. In turn, this resulted in a full-year foreign outflows of P49.69 billion, narrower than the P67.80 billion outflows in 2022.

Selling pressures kept the index to consolidate within the 6,200 to 6,300 range at the start of the month as investors sold gains from the rally of the index since dipping to the 5,900 level in late October. Nonetheless, the selloff was overturned as market players bet on strong local economic data in spite of growing geopolitical tensions in the Middle East as Houthi attacks prevent cargo ships from passing through the Red Sea. Furthermore, many analysts have downplayed worries over the inflation rate as the lower prices for agricultural items along with lower electricity rates and petroleum prices are expected to contribute to downward price pressures. The Bangko Sentral ng Pilipinas (BSP) even remarked anticipations that inflation to ease within the ceiling of the 2.0-4.0% target in December. With the central bank pausing its policy rates in its last meeting for the year, the market is driven by the sentiment that BSP is already done with the tightening cycle and may start cutting rates in the next few months. However, market players turned cautious towards the end of the month as portfolio rebalancing commenced ahead the changing of the year. Selling pressures pulled the index away from its budding momentum to crash softly at the 6,400 zone during the last trading day, sweeping hopes for the Santa Claus rally for 2023.

For 2024, local shares may rise alongside hopes of robust economic outlook and expectations of monetary policy easing could lift market sentiment. The expectation of lower inflation in December and better gross domestic product (GDP) in the 4th quarter of 2023 is seen to support Philippine equities to do well in 2024, primarily on the back of better macroeconomic data and a dovish shift in monetary policy. Moreover, the Bangko Sentral ng Pilipinas (BSP) is widely expected to begin cutting benchmark interest rates this year to keep a healthy differential with the US Federal Reserve. As such, we view the PSEI to trade within 6,400 and 6,800 with hopes that improving developments at home and abroad could provide boost in the coming weeks.



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.