

**PESO EQUITY FUND**

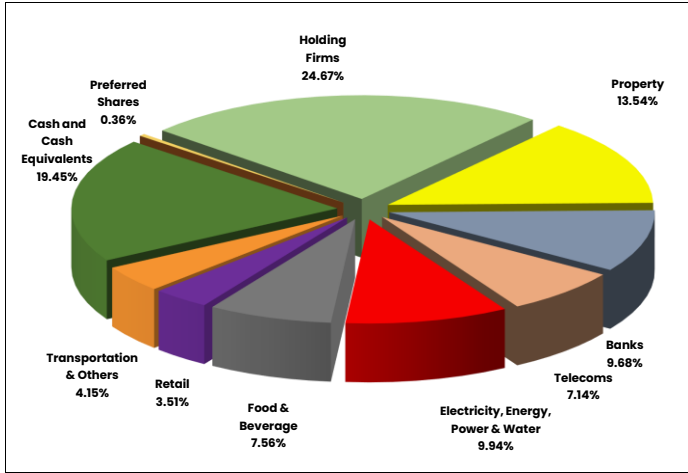
**INVESTMENT OBJECTIVE**

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**

<b>NAVPU as of April 30, 2024</b>	<b>1.6252</b>
<b>Inception Date</b>	December 2006
<b>Fund Classification</b>	Equity Fund
<b>Domicile</b>	Republic of the Philippines
<b>Fund Currency</b>	Philippine Peso

**PORTFOLIO COMPOSITION**



**TOP 10 EQUITY HOLDINGS**

Company	Sector	% of the Fund
SM Investments Corporation	HOLDING FIRM	8.75%
SM Prime Holdings, Inc.	PROPERTY	6.52%
Ayala Corporation	HOLDING FIRM	4.68%
BDO Unibank Inc.	FOOD, BEVERAGE & TOBACCO	4.25%
Universal Robina Corp.	PROPERTY	4.17%
Ayala Land, Inc.	TELECOM	0.00%
PLDT, Inc.	BANK	3.17%
Abotiz Power Corporation	ELECTRICITY, ENERGY, POWER, WATER	3.12%
Globe Telecom, Inc.	BANK	3.10%
JG Summit Holdings, Inc.	TELECOM	2.85%

**HISTORICAL PERFORMANCE**

April 30, 2024

<b>NAVPU</b>	<b>1.6252</b>	<b>Year-to-date Return</b>	<b>1.47%</b>
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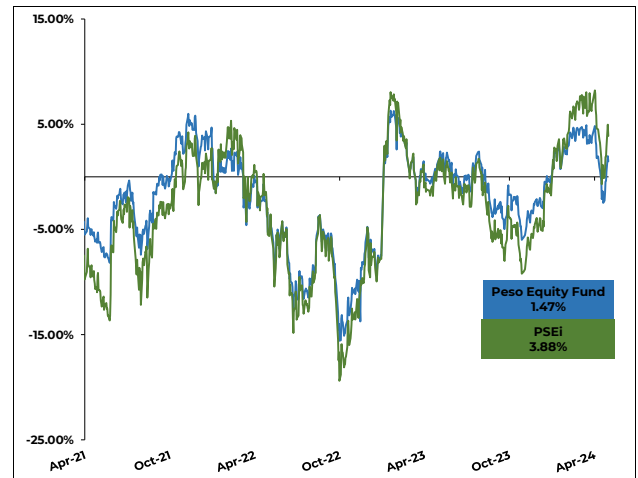
	Annual Return	Cumulative Return
<b>One-year</b>	<b>-0.39%</b>	<b>-0.39%</b>
<b>Three-year</b>	<b>0.69%</b>	<b>2.09%</b>
<b>Five-year</b>	<b>-2.74%</b>	<b>-12.96%</b>

**MARKET RECAP AND OUTLOOK**

The Philippine Stock Exchange index (PSEi) closed at 6,700.49 last April 30, dropping by 2.94% from March's finish of 6,904. The Déjà vu from previous years' interest rate-inflation gloom pierced to more extremes, with most market players turning less optimistic from the upbeat expectations seen early in the year. More so, the widening fire of the Middle East geopolitical turmoil rattled up the markets, with the potential uptick of global oil prices and dislocation of trade channels would result to further deterioration of our frail global economy. Nonetheless, year-to-date, the local index still settled with an upside of 3.88% from end-2023's finish of 6,450. Accordingly, April summed with a sweeping net outflow of P25.13 billion, resulting in the 4-month tally recording a bulky net selling of P16.02 billion, threefold of the P49.69 billion outflows in end-2023.

The second quarter commenced with a gloomier façade amidst the growing pessimism from the enduring uptrend in the inflation data, pushing back the possibility of the relaxation of the benchmark policy rates by the Bangko Sentral ng Pilipinas (BSP). Recall, local trading commenced 2024 with full of hopes, skyrocketing towards higher territories and briefly touching the 7,000 zone. The index continued to spiral down and lose its grasp of the 6,900 levels after the release of US Federal Reserve comments. Federal Reserve officials, including its Chairman Jerome Powell, continued to be more focused on the need for more debate and data before interest rates are cut. With the US Fed similarly dealing with elevated inflation generating uncertainties for the timing of rate cuts, investors were left in caution as hopes for a rate cut in the first half of the year ceased. Locally, the persistent elevated inflation and the rekindling hawkish rhetorics from the BSP clouded expectations for the occurrence of the interest rate cut this year. The dry spell has made its impact felt as food prices went up, particularly on staple commodities such as rice and meat products. Moreover, the supply tightening from the Organization of Petroleum Exporting Countries (OPEC+) weighed on the surge of fuel prices pushing cost much higher adding to the notion that the BSP may hold the interest rates higher for longer to relinquish supply side pressure on prices. Furthermore, tension in the Middle East caused investors to stay in the sidelines with Iran and Israel continued to exchange missiles and drone attacks. The uprisings seemed to expand with Israel and Hezbollah exchanging attacks at the Lebanon's border, which have left thousands of Israelis displaced and may post signs of an even deeper conflict in the melting pot for crude oil. However, towards the end of the month, the index slightly reverted bloodbath to return to the 6,700-zone following bargain hunting activities and as positive sentiment in the US spilled over to the local market. US stocks rallied, fueled by some mega-cap growth stocks on the back of improved quarterly results from tech heavyweights Alphabet and Microsoft. More so, the US Commerce department data reported that the monthly inflation rose moderately in March. Market players also cheered upon Iran's statement that it will not further escalate its conflict with Israel as it lifted worries over higher oil prices. At home, investor sentiments improved following an order from President Ferdinand Marcos, Jr. to ease the import process for agricultural products. The strong earnings reports and the report of the national government's budget gap narrowing in March has supplemented the uptrend of most local stocks.

For the coming month, the PSEi may likely consolidate within the 6,500 to 6,800 zone amidst players keeping tabs of developments at home and abroad. We may expect investors to mull over the upcoming macroeconomic releases including the 1st quarter gross domestic product (GDP), April inflation rate, and March unemployment may fuel buying momentum depending on the reports' outcome. The movement of the index may depend on these catalysts, of which we believe a moderate uptrend is possible along better prospects on the Philippine economic performance. The Department of Finance expects that the local economy will expand from 5.8% to 6.3%, brought by increased manufacturing activities and boosted local demand. If realized, market watchers see this to potentially minimize the effect of a possible higher April inflation report in the index. Furthermore, the season of 1<sup>st</sup> quarter corporate earnings may also fuel confidence among investors for select stocks.



**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.