

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 April 30, 2025

Inception Date

Fund Classification

Domicile

Fund Currency

1.5306

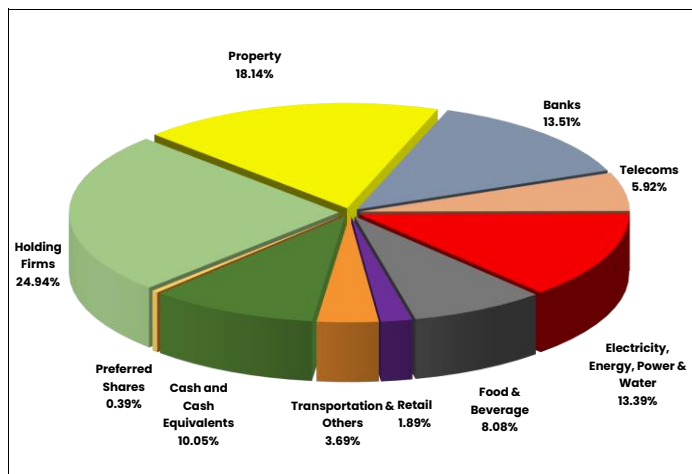
December 2006

Equity Fund

Republic of the Philippines

Philippine Peso

PORTFOLIO COMPOSITION



TOP 10 EQUITY HOLDINGS

Company	Sector	% of the Fund
SM Investments Corporation	HOLDING FIRM	7.50%
Ayala Corporation	HOLDING FIRM	7.01%
SM Prime Holdings, Inc.	PROPERTY	6.80%
BDO Unibank Inc.	BANK	5.19%
Bank of the Philippine Islands	BANK	4.19%
Aboitiz Equity Ventures, Inc.	HOLDING FIRM	3.83%
Ayala Land, Inc.	PROPERTY	3.58%
Manila Water Corporation	ELECTRICITY, ENERGY, POWER, WATER	3.42%
Metropolitan Bank and Trust Company	BANK	3.41%
GT Capital Holdings, Inc.	FOOD, BEVERAGE & TOBACCO	2.23%

HISTORICAL PERFORMANCE

April 30, 2025

NAVPU	Year-to-date Return
1.5306	-2.27%

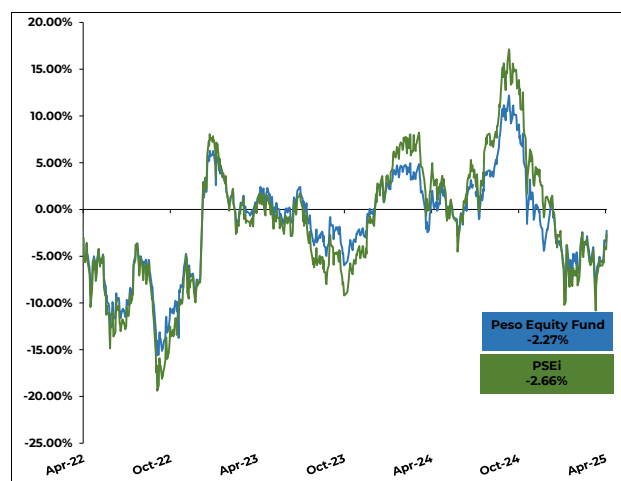
	Annual Return	Cumulative Return
One-year	-5.82%	-5.82%
Three-year	-2.51%	-7.34%
Five-year	0.40%	2.04%

MARKET RECAP AND OUTLOOK

The Philippine Stock Exchange index (PSEI) climbed significantly to 6,3054.99, posting a 2.82% growth from the previous month's close of 6,180.72. However, the benchmark index was at 3.81% lower than end-2024 close of 6,528.79. The overall sentiment on the local market continued to improve through the month brought by optimism that inflation will remain on track with the target alongside hopes that the central bank would continue to ease local monetary policy in 2025. March inflation fell to 1.8%, the first time that consumer prices clocked beneath the 2.0% -4.0% target in over 5 years. This figure has brought annual inflation to 2.2% in the first quarter of the year. Meanwhile, with inflation poised to stay within the desired range, along with expectations of a global economic slowdown stemming from hefty tariffs imposed by the US, the Bangko Sentral ng Pilipinas (BSP) decided to cut interest rates by a quarter of a point, this brought borrowing rates at 5.25%. This recent development brought enthusiasm among investors for the Philippine equity market, bringing in better volume from foreign investors. The buzzing noise from the US President Donald Trump's tariff rift with major partners has pushed many investors to flee developed markets and seek refuge to emerging markets with bright prospects, which includes the Philippines. Accordingly, foreign flows saw a net selling of P3.14 billion in April alone, tallying the 4-month volume to a P15.37 billion foreign outflows.

Despite the uptrend seen in the previous month, the local index dropped to its lowest level in almost 3 years at 5,822.85 last April 7 as US President Donald Trump announced its tariff plans on its so called "Liberation Day" last April 7. US customs agents began collecting a baseline tariff of 10% on all imports from many countries last April 5. Supposedly, higher tariffs were due to be collected on April 9 ranging from 11.0% - 50.0% depending on the country of origin based on Trump's tariff guidelines, with European Union imports facing a 20% tariff, while Chinese goods will be hit with a 34% tariff, bringing the US' total new levies in China to 54%. However, amid a global market meltdown, Mr. Trump abruptly reversed course by pausing most of his tariffs on U.S. trade partners for 90 days after recognizing the more than 75 countries that he said have been negotiating on trade and had not retaliated against his latest increase in tariffs. During this period, it will stay at the baseline 10%, while sharply increasing the tariff rate on Chinese imports to 125%. This in turn provided some relief in the equity market, bolstering sentiments anew as traders shifted focus on better local macro fundamentals. With local inflation continuing to drop and fears of global economic slowdown resulted to a BSP rate cut, the index began to hedge within the 6,000 - 6,200 levels. The stronger Peso-to-dollar exchange rates also provided support for the short uptrend, with local currency continued to appreciate further at P56/dollar level and eventually settling at P55.84/dollar last April 30. The local bourse also benefited from the significant drop in global oil prices as investors amid the slower demand and plans for production hike from members of the Organization for Petroleum Exporting Countries (OPEC+) in April. The index continued the uptrend hovering the 6,400 level following de-escalation on the global trade war as recent remarks from Trump sparked possibilities of a trade talks between China and US. In addition to this, the optimistic first quarter earnings reports from most of the local corporations also favored the PSEI, which also points out to better chances that the local economy will track higher in the first quarter of the year following a 5.3% expansion in the last quarter of 2024.

The local index may likely to trade sideways higher within the 6,200 - 6,600 zone in May considering the recent developments. Overall sentiment will likely improve given the better economic conditions, as inflation significantly dropped further to 1.4% in April, well beneath the 2.0% - 4.0% target. This alludes to stronger chances of a rate cut in the upcoming Monetary Board meeting in June. The potential trade talks between US and China may continue to provide further relief among analysts over recession fears. However, any escalation in the global trade façade may be detrimental to the current market sentiment. The prospects of our local fundamentals improving in the coming months may also solidify our grounds as a stellar performer albeit the ongoing onslaught of rhetorics of tariffs and recession risks in the US. Many investors may continue to flock emerging markets, pushing our local equities market as a plausible avenue for aggressive short plays ahead of the current tariff truce as well as further exacerbation of market whammies.



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.