

PESO EQUITY FUND

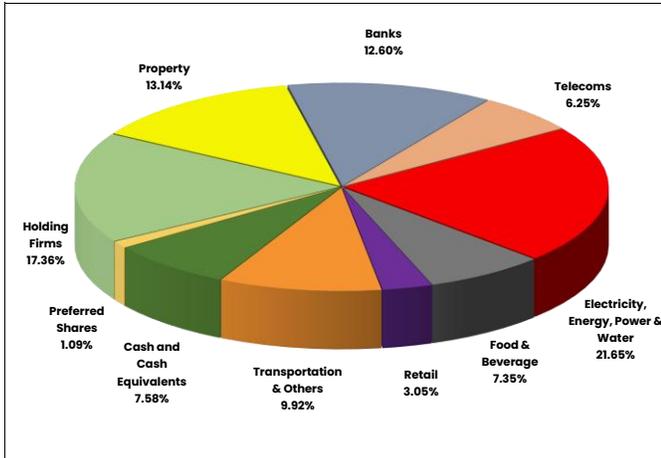
INVESTMENT OBJECTIVE

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 27, 2026 **1.6359**
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 Investment Corporation	HOLDING FIRM	6.30%
International Container Terminal Services, Inc.	TRANSPORTATION	6.27%
SM Prime Holdings, Inc.	PROPERTY	5.93%
BDO Unibank Inc.	BANK	5.15%
Maynilad Water Services Inc.	ELECTRICITY, ENERGY, POWER, WATER	5.15%
Manila Water Company, Inc.	ELECTRICITY, ENERGY, POWER, WATER	4.12%
Ayala Land	PROPERTY	4.09%
Bank of the Philippine Islands	BANK	4.07%
Manila Electric Company	ELECTRICITY, ENERGY, POWER, WATER	4.07%
JG Summit	HOLDING FIRM	3.83%

HISTORICAL PERFORMANCE
February 27, 2026

NAVPU	Year-to-date Return
1.6359	7.58%

	Annual Return	Cumulative Return
One-year	12.11%	12.11%
Three-year	0.34%	1.03%
Five-year	-0.13%	-0.65%

MARKET RECAP AND OUTLOOK

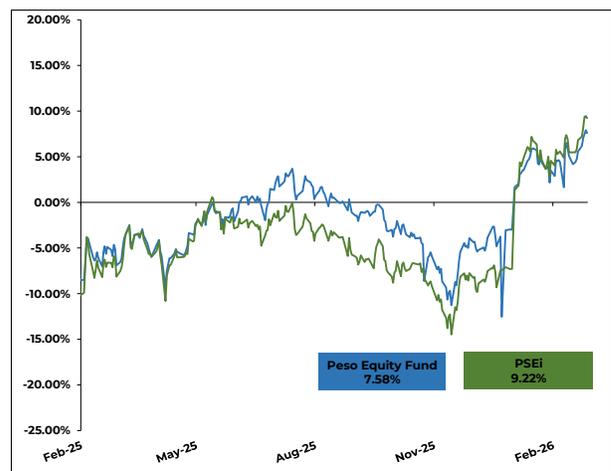
The Philippine Stock Exchange Index (PSEI) ended February at 6,611.24 points, registering a strong 9.22% increase from end-2025 levels. The index experienced a resurgence during the month, reaching its highest level in over a year. After starting the month on a steady note, the benchmark index rallied above the 6,600 level. This bullish momentum allowed the index to comfortably reclaim the 6,500 psychological barrier, supported by improved trading volume and a return of foreign interest. The rally was largely driven by a combination of strong fourth-quarter corporate earnings and a favorable pivot in domestic monetary policy, providing a much-needed lift after a sluggish end to 2025.

Locally, the primary catalyst was the Bangko Sentral ng Pilipinas (BSP), which reduced its policy rate by 25 basis points to 4.25% on February 19. This cut, aimed at stimulating growth following a disappointing Q4 2025 GDP print, boosted sentiment across interest-sensitive sectors like real estate and banking. Furthermore, domestic labor data provided a fundamental cushion, with the underemployment rate dropping to a historic low of 8%. These internal strengths were complemented by cooling inflation, which remained within the BSP's target range, allowing investors to focus on the robust balance sheets of blue-chip heavyweights like SM Investments and BDO Unibank.

On the international front, the PSEI benefited from a "rotation trade" as global investors moved away from volatile US assets. Uncertainty surrounding US trade policy and the nomination of Kevin Warsh as the next Fed Chair led to a weaker US dollar, which in turn supported the Philippine peso, pushing it to its strongest level since September 2025 at around ₱57.60. This currency stability reduced "FX risk" for foreign funds, encouraging a net inflow of capital into emerging markets like the Philippines, which appeared undervalued compared to tech-heavy regional peers that were reeling from a correction in the AI sector.

Despite this optimism, the month was not without its hurdles. Linger concerns over a high-profile infrastructure corruption scandal and the impact of the Middle East conflict on global oil prices acted as a temporary drag on sentiment. Additionally, while the January inflation rate was a modest 2.0%, the BSP warned of potential upward pressures in February due to rising electricity costs and petroleum prices. These factors prevented a total "breakout" rally, keeping the market's gains measured as investors balanced the excitement of lower interest rates against the reality of a fragile global supply chain.

Looking ahead to March 2026, the outlook for the PSEI remains cautiously optimistic, with a projected trading range between 6,200 and 6,600. Market direction is likely to be influenced by the tail end of earnings season, a seasonal uptick in government spending as the second quarter approaches, and ongoing geopolitical tensions particularly in the Middle East which could create intermittent volatility and impact global oil prices, in turn affecting investor sentiment. That said, investors should closely monitor the February inflation print; a reading above the 3.1% upper-bound forecast could stall the BSP's easing cycle and prompt a period of consolidation.



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.