

PESO EQUITY FUND

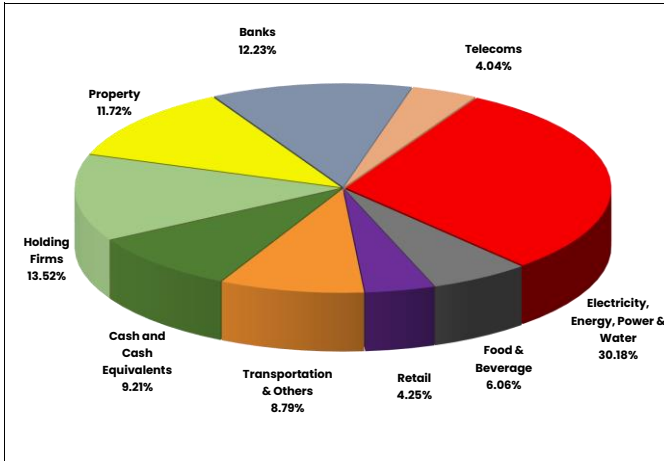
INVESTMENT OBJECTIVE

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, 2026 **1.4984**
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
International Container Terminal Services, Inc.	TRANSPORTATION	7.00%
SM Investment Corp	HOLDING FIRM	6.12%
Manila Electric Company	ELECTRICITY, ENERGY, POWER, WATER	5.96%
SM Prime Holdings, Inc.	PROPERTY	5.92%
Maynilad Water Services Inc.	ELECTRICITY, ENERGY, POWER, WATER	5.35%
Aboitiz Power Corp	ELECTRICITY, ENERGY, POWER, WATER	5.23%
BDO Unibank Inc.	BANKS	5.12%
Manila Water Company, Inc.	ELECTRICITY, ENERGY, POWER, WATER	5.08%
ACEN Corp	ELECTRICITY, ENERGY, POWER, WATER	4.51%
Bank of the Philippines Islands	BANKS	3.55%

HISTORICAL PERFORMANCE

April 30, 2026

NAVPU	Year-to-date Return
1.4984	-1.47%

	Annual Return	Cumulative Return
One-year	-2.10%	-2.10%
Three-year	-2.80%	-8.16%
Five-year	-1.20%	-5.87%

MARKET RECAP AND OUTLOOK

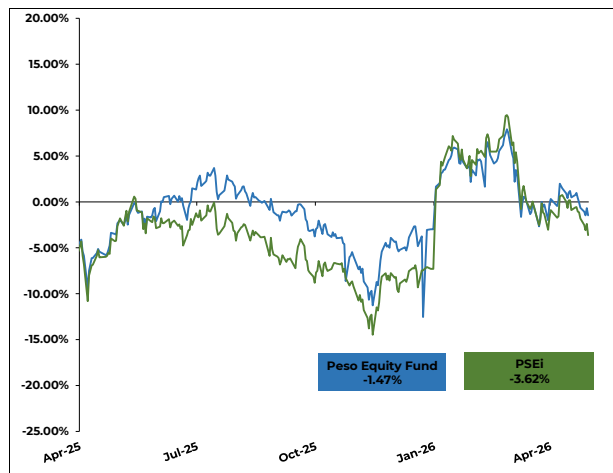
The Philippine Stock Exchange index (PSEI) continued to be stained by the lingering market risks that continued to traverse in the investment façade closing the fourth month of t year at 5,833.64 level, 3.62% lower compared to end-2025 figure. The index experienced a turbulent and largely bearish performance in April 2026, ending the month on a downward trajectory. After starting the year with some optimism, the index faced heavy selling pressure that dragged it down toward the 5,800-5,900 level by late April. Investor sentiment was significantly dampened by a combination of surging domestic inflation and tightening monetary policy, which forced the market to give up gains made earlier in the quarter. This downturn reflected a broader cautiousness as the local market struggled to find a stable floor amid deteriorating macroeconomic conditions.

On the local front, the primary catalyst for the decline was a dramatic spike in inflation, which quickened to 7.2% in April, far exceeding the central bank's target range. This surge was driven by skyrocketing costs for rice and fuel, with diesel prices more than doubling. In response, the Bangko Sentral ng Pilipinas (BSP) took a hawkish stance, raising the Target Reverse Repurchase (RRP) rate by 25 basis points to 4.5% during its April 22 meeting. These higher borrowing costs, coupled with a Philippine peso that weakened to record lows near ₱61.18 against the US dollar, added significant pressure on corporate earnings and consumer discretionary spending.

Abroad, global geopolitical tension, specifically the escalating conflict in the Middle East, played a decisive role in destabilizing the PSEI. The breakdown in peace negotiations between the US and Iran sent Brent crude futures soaring toward \$125 a barrel, which directly fed into the Philippines' high energy import costs. While US tech-heavy markets saw some decoupling and gains during the month, the PSEI remained highly sensitive to the global energy crisis and the resulting "risk-off" sentiment. International investors largely pulled back from emerging markets like the Philippines, preferring the safety of US assets or tech-focused benchmarks.

Despite the prevailing gloom, there were pockets of resilience within the local market. First-quarter corporate earnings reports provided some support, with companies like International Container Terminal Services (ICTSI) and Aboitiz Power reporting strong results that exceeded analyst expectations. However, these individual success stories were often overshadowed by the broader sectoral declines in financials and industrials, which are more sensitive to interest rate hikes. The market's high volatility was a clear reflection of a tug-of-war between decent corporate fundamentals and a hostile macroeconomic environment.

Looking ahead to May 2026, the outlook for the PSEI remains cautious but potentially ripe for bargain-hunting if inflation shows signs of peaking. Market analysts expect the index to remain range bound as investors await further guidance from the BSP on whether additional rate hikes are necessary to anchor inflation expectations. While the persistent Middle East conflict continues to pose a major downside risk to fuel prices, any stabilization in the peso or a cooling of global oil markets could spark a relief rally. For now, the market is likely to focus on the remaining Q1 earnings disclosures and government measures to address food supply stability.



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.