

# PhilEquity Fund



## INVESTMENT OBJECTIVES

To seek long-term capital appreciation through investing primarily in equity securities of listed Philippine companies while considering the liquidity and safety to manage risk.

## FUND FACTS

Incorporation Date	21 February 1994
Structure	Open-ended mutual fund
Currency	Philippine Peso
Valuation method	Marked-to-market
Type	Equity Fund
Sales Load	Max of 3.5%
Exit fee	Max of 2%
Annual Management fee	1.5% p.a. of total funds under management
Hold period to waive exit fees	More than 2 years
Redemption Period	Max of 7 banking days
Fund Manager	PhilEquity Management Inc.

## MARKET COMMENTARY

The Philippine Stock Exchange Index (PSEi) rallied 3.29% for the month, closing at 7,283.07 on Sept 30.

After the PSEi reached an all-time (intraday) high of 7,413.62 on September 25, worries in the US, China and the Eurozone finally made an impact on the local market. US Fed Chair Janet Yellen reiterated keeping rates low for a considerable period of time during the FOMC meeting but players were wary that rates would be raised earlier than expected as key economic data have pointed to a generally improving economy. China's disappointing industrial production on the other has signalled a possible hard landing as the figures were reported to be its lowest production since the recession. ECB Chair Mario Draghi kept interest rates low as the Eurozone remained weak.

On the local front, Manila finally lifted the truck ban after witnessing increased traffic and port congestion that directly impacted GDP while the BSP raised SDA and onite rates to counter inflation, as largely expected by the market.

Lastly, geopolitical risks have also shown some effects on our market. With airstrikes by the US and its allies on ISIS, the threat of another war with the Middle East has raised concern. Meanwhile the Russia-Ukraine crisis has shown no resolve with Russia sending in more troops to Ukraine. The Hong Kong (albeit peaceful) protests on the other hand have also gained some traction as the world waits for China's reaction to democracy in Hong Kong.

Despite the recent volatility in our market, the Fund returned 4.24% for the month versus 3.29% for the PSEi. Year to date, has outperformed the benchmark 28.15% versus 23.66%. We reiterate our long term bullish outlook on Philippine equities and advise our clients to use these pullbacks as opportunities to increase exposure.

## FEATURES

Initial Investment	PhP 5,000	
Additional Investment	PhP 1,000	
Sales Load	5k - 99k	3.50%
	100k - 249k	3.25%
	250k - 499k	3.00%
	500k - 999k	2.75%
	1M - 1.9M	2.50%
	2M - 4.9M	2.00%
	5M - 9.9M	1.50%
	10M - 19.9M	1.00%
	20M - 49.9M	0.50%
	50M+	0.25%
Exit Fees	< 1 Year	2.00%
	1 - 2 Years	1.50%
	> 2 Years	0.00%

## PORTFOLIO ANALYSIS

Top Ten Holdings		
Issue	Industry	%
Nickel Asia Corp.	MINING AND OIL	8%
Philippine Long Distance Telephone Co.	SERVICES	7%
Universal Robina Corp.	INDUSTRIAL	7%
SM Investments Corp.	HOLDING FIRMS	5%
Ayala Corp.	HOLDING FIRMS	4%
BDO Unibank, Inc.	FINANCIALS	4%
Metropolitan Bank & Trust Co.	FINANCIALS	4%
Ayala Land, Inc.	PROPERTY	4%
Bank of the Philippine Islands	FINANCIALS	3%
Energy Development Corp.	INDUSTRIAL	3%
Total % of Top Holdings		48%

Sector Weightings	
Industrial	22%
Holding Firms	18%
Services	14%
Financials	14%
Property	11%
Mining and Oil	8%

NAVPS as of Sep 30, 2014	37.035
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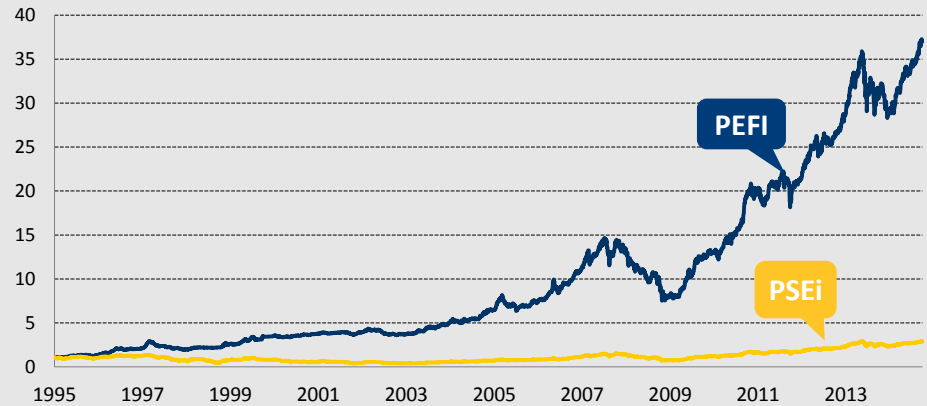
## PERFORMANCE ANALYSIS

Actual Returns (%) before sales charges, after mgmt fees						
	YTD	1 mo	6 mos	YoY	3 Yrs	Since Launch
PEFI	28.15%	4.24%	18.35%	21.31%	90.27%	3237.99%
PSEi	23.66%	3.29%	14.52%	17.62%	82.09%	160.28%

\*Since Launch date is January 2, 1995, Benchmark is PSEi

Compounded Annual Growth rates (%)		
	PEFI	PSEi
10 years	20.14%	15.25%
5 years	24.75%	21.06%
3 years	23.92%	22.11%

### NAVPS Graph



### Calendar Year Returns (%)

	2013	2012	2011	2010	2009	2008	2007
PEFI	0.87%	33.69%	6.12%	54.18%	65.05%	-40.71%	18.33%
PSEI	1.33%	32.95%	4.07%	37.62%	63.00%	-48.29%	21.43%

### Volatility of Returns / Annual Standard Deviation (+/-,%)

	YTD	2013	2012	2011	2010	2009	2008	2007
PEFI	10.16%	18.79%	13.79%	17.35%	16.72%	17.81%	24.90%	23.48%
PSEI	11.66%	23.57%	14.68%	18.43%	17.42%	21.78%	33.75%	27.08%

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