

PhilEquity Fund



INVESTMENT OBJECTIVES

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

FUND FACTS

Incorporation Date	21 February 1994
Structure	Open-ended
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.

COMMENTARY

The Philippine Stock Exchange Index (PSEi) closed January 30, 2014 at 6,041.19 level, up 2.6% from the December 27, 2013 level of 5,889.83 slightly recovering from the panic sell-off caused by typhoon Yolanda and the improvement of developed markets.

Inflation for the month of January accelerated to 4.2%, 0.1% higher than December's rate, again caused by Yolanda. The BSP noted that they would monitor inflation more closely as inflation quickened to a two year high.

Despite all the challenges faced by the economy last year, 2013 GDP was resilient at 7.2%, higher than the government expectation of 6 to 7%. For the month, foreign flows moved out of the Philippine market and into developed markets as the US FED decided to continue to taper by another \$10b after the FED meeting last January 29, and China's low PMI figures--two economies that have the largest impact on the global market.

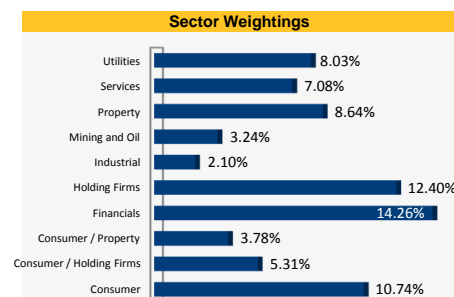
The Fund returned 2.1% month-on-month while the Philippine Stock Exchange Index (PSEi) returned 2.6% however, the Fund maintained a lower standard deviation of 12.9% versus the PSEi's 15.7% on a year-to-date basis. On a long-term basis the Fund's performance on a compounded annual growth rate for the past 10 years is 18.86%, 5 years is 30.58% and 3 years at 14.84%. The top three holdings are PLDT, MBT, and SM with the top ten holdings representing 47.5% of the Fund.

FEATURES

Initial Investment	PhP 5,000	
Additional Investment	PhP 1,000	
Sales Load	1k - 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	%
PLDT	Utilities	9.3%
Metrobank	Financials	5.7%
SM Investments Corp	Consumer / Holding Firms	5.3%
Universal Robina Corp	Consumer	4.9%
Meralco	Utilities	4.5%
Ayala Land Inc	Property	4.1%
Ayala Corp	Holding Firms	3.8%
BPI	Financials	3.6%
Jollibee	Consumer	3.2%
Abotit Ventures	Holding Firms	3.1%



Total % of Top Holdings **47.5%**

NAVPS as of Jan 30, 2014 **29.495**

PERFORMANCE ANALYSIS

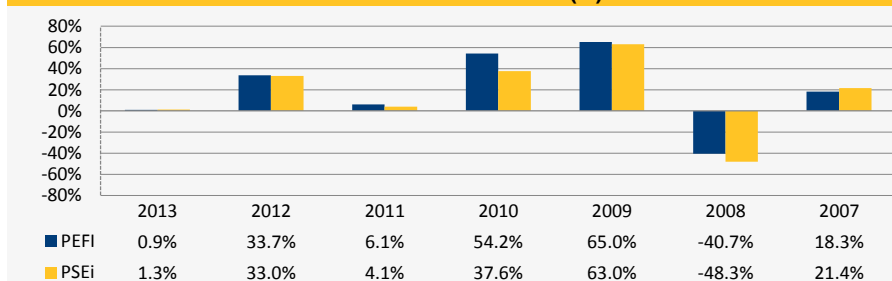
Actual Returns (%) before sales charges, after mgmt fees							Compounded Annual Growth rates (%)		
	YTD	1 mo	6 mos	1 Yr	3 Yrs	Since Launch		PEFI	PSEi
PEFI	2.1%	2.1%	-9.5%	-4.6%	51.5%	2558.4%	10 years	18.86%	14.89%
PSEi	2.6%	2.6%	-10.2%	-3.7%	52.2%	115.9%	5 years	30.58%	27.05%
							3 years	14.84%	15.02%

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

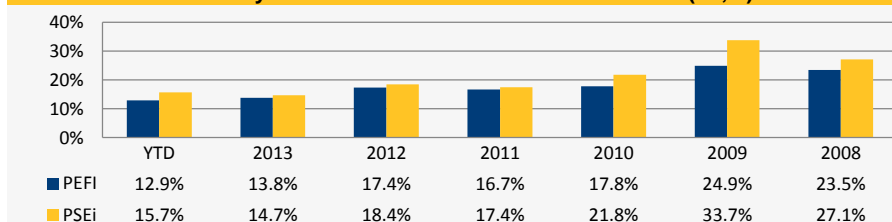
NAVPS Graph



Calendar Year Returns (%)



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



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