PhilEquity Fund

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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 . Philippine Peso Currency Valuation method Marked-to-market Type Equity Fund Sales Load Max of 3.5% Exit fee Max of 2% 1.5% p.a. of total funds under Annual Management fee management Hold period to waive exit fees More than 2 years Redemption Period Max of 7 banking days Fund Manager Philequity Management Inc. Benchmark Philippine Stock Exchange Index

MARKET COMMENTARY

The Philippine Stock Exchange Index (PSEi) gained 1.09% for the month, closing at 7,294.38 on Nov 28.

Global growth and third quarter company earnings remained the focus for the month. ECB President Mario Draghi kept interest rates at record lows as the Eurozone reported better than expected GDP. The ECB mentioned they may begin asset purchases sooner rather than later as inflation remained below forecast. Japan on the other hand dissapointed and slipped into a technical recession in the third quarter setting the stage for Prime Minister Abe to delay the sales tax hike. Lastly, China declared its first rate cut in 2 years to keep its economy stable.

The PSEi reached its highest level for the year on Nov 26 to close at 7,356.59 but GDP results dampened the uptrend the following day. 3Q GDP came in at 5.3%--its weakest pace since the last three months of 2011. Port congestion, reduced government spending and lower agricultural output were the main culprits for weak growth. The rate was unexpected and sent the stock market to fall 0.90% upon news and eventually closed the trading day down 1.24%.

Share placements from BLOOM, AC and SMPH also caused some market volatility--an expected move as stock prices have been on the uptrend.

Despite recent volatility, we remain bullish on Philippine stocks. We cite the sharp decrease in oil prices as one of the catalysts for higher GDP growth.

The Fund gained 1.71% for the month versus 1.09% for the PSEi. Year to date, the Fund has outperformed the benchmark 29.19% versus 23.85%. 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	O OIL 7%				
Universal Robina Corp.	INDUSTRIA	L 7%				
Philippine Long Distance Telephone Co.	SERVICES	6%				
BDO Unibank, Inc.	FINANCIALS	5 5%				
SM Investments Corp.	HOLDING F	IRMS 5%				
Ayala Corp.	HOLDING FIRMS					
Metropolitan Bank & Trust Co.	FINANCIALS					
Energy Development Corp.	INDUSTRIA	L 3%				
Ayala Land, Inc.	PROPERTY	3%				
Bloomberry Resorts Corp.	SERVICES	3%				
% of Total Holdings	47%					

Asset Allocation

Equities 90% Cash/equivalent 10%



PERFORMANCE ANALYSIS

Actual Returns (%) before sales charges, after mgmt fees							
	YTD	1 mo	6 mos	YoY	3 Yrs	Since Launch	
PEFI	29.19%	1.71%	10.67%	24.08%	79.47%	3265.09%	
PSEi	23.85%	1.09%	7.46%	18.22%	72.53%	160.68%	

*Since Launch date is January 2, 1995

 Compounded Annual Growth rates (%)

 PEFI
 PSEi

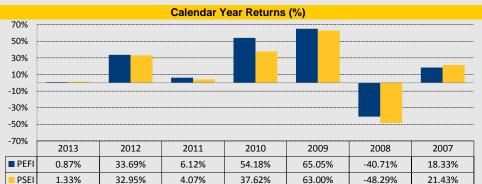
 10 years
 19.03%
 14.93%

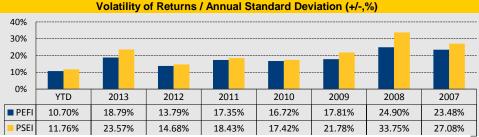
 5 years
 23.46%
 19.09%

 3 years
 21.53%
 19.94%

NAVPS Graph







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