

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.
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 disappointed 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 OIL	7%
Universal Robina Corp.	INDUSTRIAL	7%
Philippine Long Distance Telephone Co.	SERVICES	6%
BDO Unibank, Inc.	FINANCIALS	5%
SM Investments Corp.	HOLDING FIRMS	5%
Ayala Corp.	HOLDING FIRMS	4%
Metropolitan Bank & Trust Co.	FINANCIALS	4%
Energy Development Corp.	INDUSTRIAL	3%
Ayala Land, Inc.	PROPERTY	3%
Bloomerry Resorts Corp.	SERVICES	3%
% of Total Holdings		47%

Asset Allocation			
Equities	90%	Cash/Equivalent	10%

Sector Weightings

Industrial	22%
Services	18%
Holding Firms	16%
Financials	15%
Property	12%
Mining and Oil	7%

NAVPS as of Nov 28, 2014

37.3357

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



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	10.70%	18.79%	13.79%	17.35%	16.72%	17.81%	24.90%	23.48%
PSEi	11.76%	23.57%	14.68%	18.43%	17.42%	21.78%	33.75%	27.08%

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