

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) shed 0.87% for the month, closing at 7,230.57. For the year, the index gained 22.76%.

December turned out to be a very volatile month. November inflation was lower than the previous month 3.7% vs 4.3% a month ago but with fears of another Typhoon Yolanda scenario hitting the Philippines, a quick selloff was seen early in the month as Typhoon Ruby rolled passed the Philippines. Oil prices continued its downtrend as OPEC decided not to reduce its production despite weakening demand fueling speculation of slowing global growth. Adding to worries was Japan's sudden technical recession as their economy shrank 0.5% quarter on quarter and Russia's surprise interest rate hike to 17% to stabilize the Ruble from depreciating. The local front was not spared as the PSEi fell below the 7000 level on Dec 17. However, the Phisix was resilient, bouncing back to close a Christmas rally above 7200.

The Fund lost 0.39% for the month versus -0.87% for the PSEi. For the full year, the Fund has outperformed the benchmark by 5.92% or 28.68% versus 22.76%. We reiterate our long term secular 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 Land, Inc.	PROPERTY	4%
Ayala Corp.	HOLDING FIRMS	4%
Metropolitan Bank & Trust Co.	FINANCIALS	4%
Energy Development Corp.	INDUSTRIAL	3%
SM Prime Holdings, Inc.	PROPERTY	3%
% of Total Holdings		48%

Asset Allocation			
Equities	89%	Cash/Equivalent	11%

Sector Weightings

Industrial	23%
Services	17%
Holding Firms	15%
Financials	14%
Property	12%
Mining and Oil	8%

NAVPS as of Dec 29, 2014

37.1886

PERFORMANCE ANALYSIS

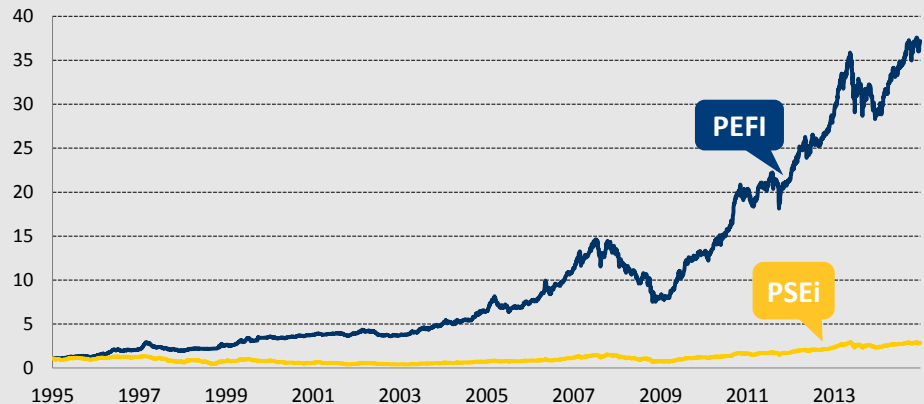
Actual Returns (%) before sales charges, after mgmt fees						
	YTD	1 mo	6 mos	YoY	3 Yrs	Since Launch
PEFI	28.68%	-0.39%	8.79%	28.68%	73.52%	3251.83%
PSEi	22.76%	-0.87%	5.68%	22.76%	65.39%	158.40%

*Since Launch date is January 2, 1995

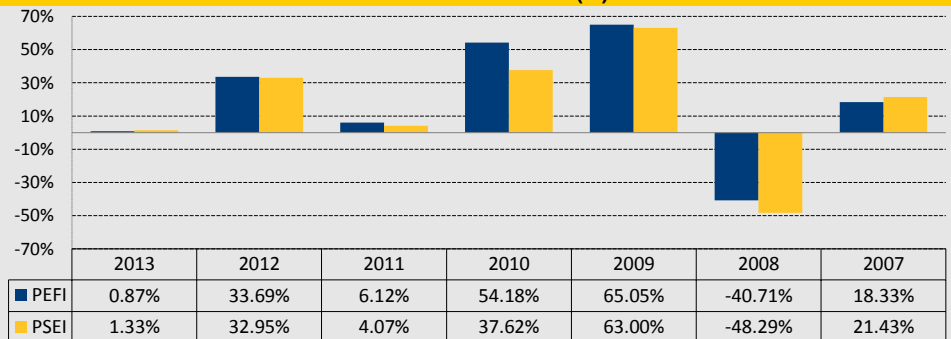
Compounded Annual Growth rates (%)

	PEFI	PSEi
10 years	19.15%	14.77%
5 years	23.21%	18.82%
3 years	20.17%	18.26%

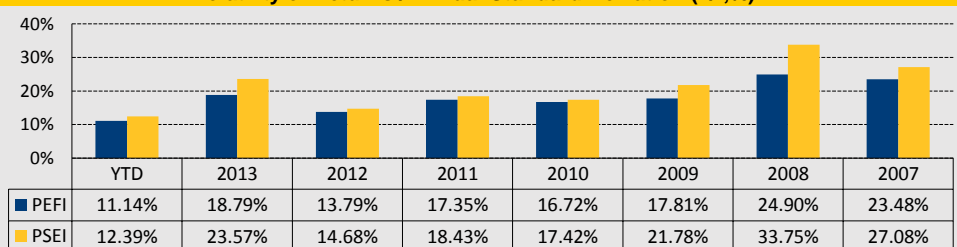
NAVPS Graph



Calendar Year Returns (%)



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



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