

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 2.71% for the month, back to 7,000, closing at 7,050.89 on August 29 after reaching a YTD high of 7,160.46 on August 27.

PLDT was the stock for the month as it announced an investment in a German company Rocket Internet GmbH on August 6. Later in the month, buyers were fueled by the MSCI quarterly rebalance which increased its TEL weighting by another 7%, bringing the total weight close to 15% of the index.

The PSEi was resilient following global markets and shrugging geopolitical conflicts in Iraq and Russia. The S&P 500 reached 2,000 for the first time—a new milestone for the US market. ECB President Mario Draghi on the other hand gave very dovish comments during his Jackson Hole speech stating further policy easing and even possibly quantitative easing.

2Q GDP came in at 6.4%, a fraction shy from the 6.5 to 7.5 percent government target but well above 5.6% for the first quarter. In addition, the Philippines was registered as the second fastest growing economy in Asia ahead of Malaysia, Indonesia and Thailand.

The Fund returned 3.12% for the month versus 2.71% for the PSEi. Year to date, has outperformed the benchmark 22.93% versus 19.71. We maintain our bullish outlook on the stock market and reiterate our stance to stay the course.

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	%
Philippine Long Distance Telephone Co.	SERVICES	8%
Nickel Asia Corp.	MINING AND OIL	7%
Universal Robina Corp.	INDUSTRIAL	6%
Metropolitan Bank & Trust Co.	FINANCIALS	4%
Ayala Corp.	HOLDING FIRMS	4%
SM Investments Corp.	HOLDING FIRMS	4%
Ayala Land, Inc.	PROPERTY	4%
BDO Unibank, Inc.	FINANCIALS	3%
Bank of the Philippine Islands	FINANCIALS	3%
International Container Terminal Services, Inc.	SERVICES	3%
Total % of Top Holdings		46%

Sector Weightings	
Industrial	20%
Holding Firms	17%
Services	16%
Financials	13%
Property	11%
Mining and Oil	8%

NAVPS as of Aug 29, 2014	35.5282
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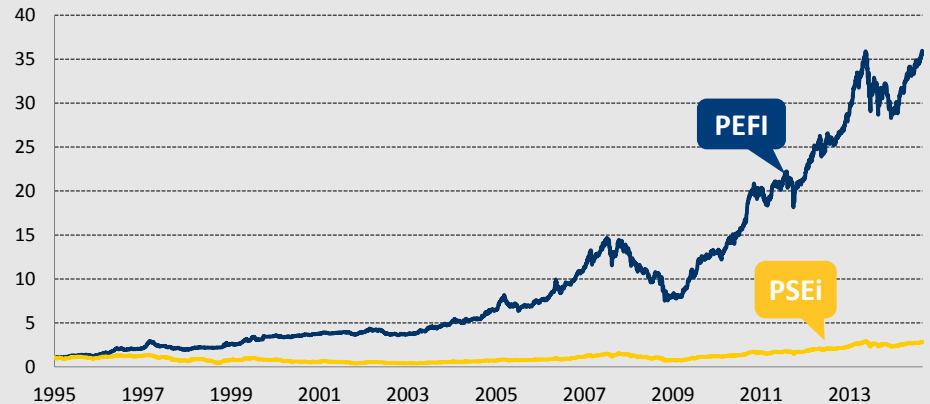
PERFORMANCE ANALYSIS

Actual Returns (%) before sales charges, after mgmt fees						
	YTD	1 mo	6 mos	YoY	3 Yrs	Since Launch
PEFI	22.93%	3.12%	13.17%	18.46%	68.42%	3102.18%
PSEi	19.71%	2.71%	9.74%	18.62%	63.76%	151.98%

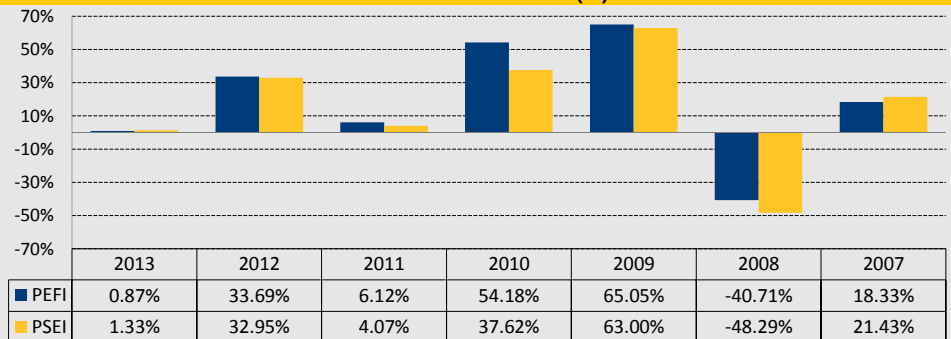
*Since Launch date is January 2, 1995, Benchmark is PSEi

Compounded Annual Growth rates (%)		
	PEFI	PSEi
10 years	20.46%	16.12%
5 years	23.02%	19.58%
3 years	18.98%	17.87%

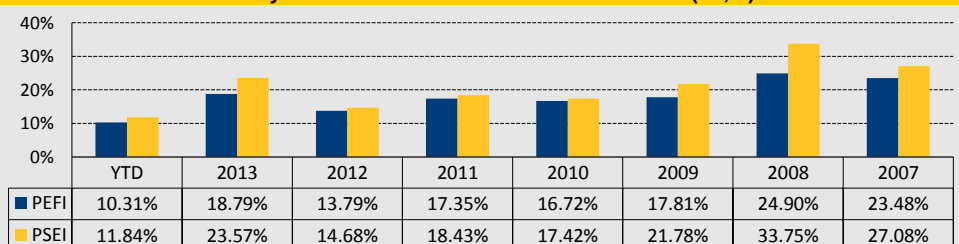
NAVPS Graph



Calendar Year Returns (%)



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



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