

# 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 March strong at 6,428.71 or 9.10% YTD. The market continued to break new highs for the year as it reached 6,529.58 mid-March despite early jitters from issues in Russia and Ukraine as well as concerns over China's growth. With support at 6,200 and resistance at 6,650 - 6,800, the PSEi is trading above its moving average in the short-term, medium-term and long-term indicating a bullish Philippine market. We continued to witness foreign flows come into the market, reiterating our stance that the Philippines has finally been differentiated from other emerging markets.

The Bangko Sentral ng Pilipinas (BSP) kept interest rates at a record low 3.5% but decided to increase banks' reserve requirement by one percentage point effective April 4, 2014, a decision intended to guard against potential risks to financial stability that could arise from continued strong liquidity growth and rapid credit expansion.

The inflation rate (IR) of the Philippines slowed to 3.9% for the month of March versus 4.1% for the month of February. The Monetary Board also revised its target IR for the year from 4.3% to 4.2% and 2015 IR at 3.2% from 3.3%.

The Fund returned 0.58% for March versus 0.06% for the PSEi. The Fund was also less volatile with a standard deviation of 11.5% versus 3.9% for the PSEi. Year to date, the Fund is outperforming the index at 9.26%

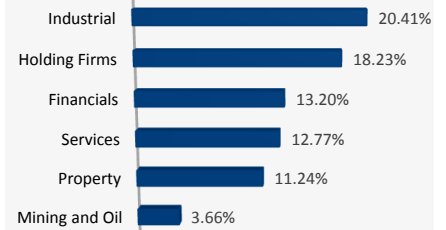
## FEATURES

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	%
PLDT	SERVICES	8.1%
Universal Robina Corp	INDUSTRIAL	5.3%
Metropolitan Bank & Trust Co	FINANCIALS	5.0%
SM Investments Corp	HOLDING FIRMS	4.8%
Ayala Land, Inc.	PROPERTY	4.0%
Ayala Corp	HOLDING FIRMS	3.9%
Megaworld Corp	PROPERTY	3.9%
Bank of the Philippine Islands	FINANCIALS	3.3%
Manila Electric Co	INDUSTRIAL	3.1%
Jollibee Foods Corp	INDUSTRIAL	3.1%

## Sector Weightings



Total % of Top Holdings **44.4%**

NAVPS as of Mar 31, 2014 **31.5755**

## PERFORMANCE ANALYSIS

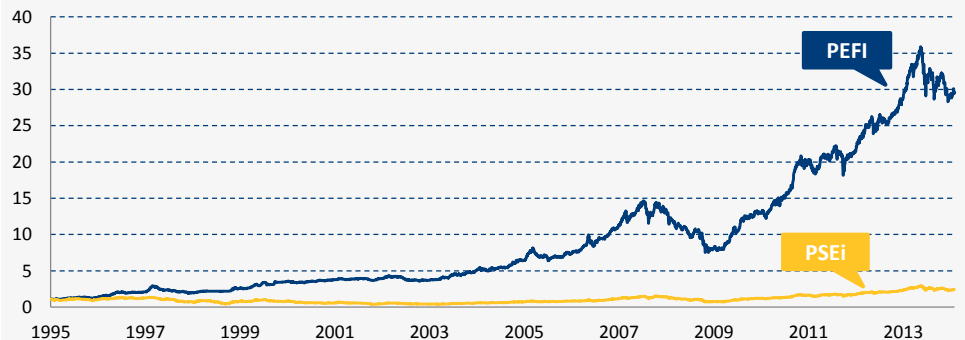
Actual Returns (%) before sales charges, after mgmt fees						
	YTD	1 mo	6 mos	1 Yr	3 Yrs	Since Launch
PEFI	9.26%	0.6%	3.4%	-5.5%	58.7%	2745.9%
PSEI	9.15%	0.1%	3.8%	-6.1%	58.5%	129.7%

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

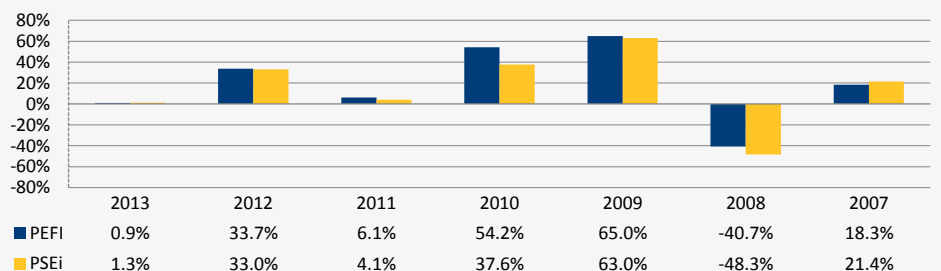
## Compounded Annual Growth rates (%)

	PEFI	PSEi
10 years	20.17%	16.27%
5 years	29.80%	26.48%
3 years	16.65%	16.60%

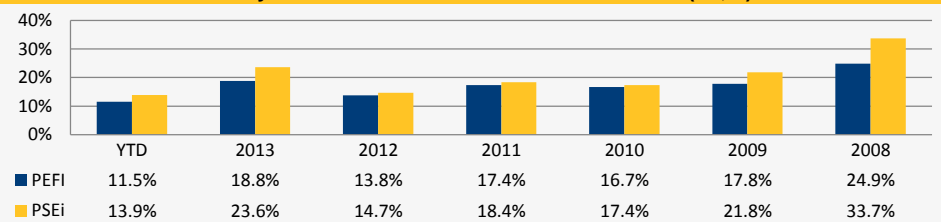
## NAVPS Graph



## Calendar Year Returns (%)



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



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# PhilEquity PSE Index Fund



## INVESTMENT OBJECTIVES

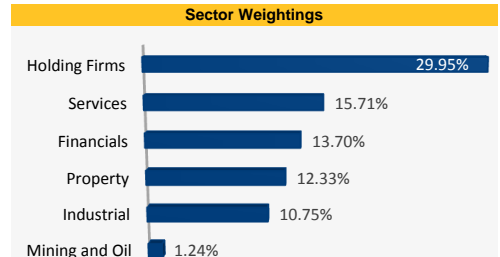
To track and closely match the performance of the Philippine Stock Exchange Index (PSEi) by buying and selling a proportionate number of shares of the stocks that compose the PSEi.

## FUND FACTS

Incorporation Date	22 February 1999
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.

## PORTFOLIO ANALYSIS

Top Ten Holdings		
Issue	Industry	%
PLDT	SERVICES	10.4%
SM Investments Corp	HOLDING FIRMS	8.2%
Ayala Land, Inc.	PROPERTY	7.1%
Bank of the Philippine Islands	FINANCIALS	5.5%
Universal Robina Corp	INDUSTRIAL	4.7%
Abolito Equity Ventures, Inc.	HOLDING FIRMS	4.6%
BDO Unibank, Inc.	FINANCIALS	4.6%
Ayala Corp	HOLDING FIRMS	4.3%
JG Summit Holdings, Inc.	HOLDING FIRMS	3.9%
Alliance Global Group, Inc.	HOLDING FIRMS	3.9%



**Total % of Top Holdings** **57.2%**

**NAVPS as of Mar 31, 2014** **4.2999**

## PERFORMANCE ANALYSIS

	Actual Returns (%) before sales charges, after mgmt fees					
	YTD	1 mo	6 mos	1 Yr	3 Yrs	Since Launch
<b>PPSE</b>	8.92%	1.0%	5.0%	-2.7%	61.1%	330.0%
<b>PSEi</b>	9.15%	0.1%	3.8%	-6.1%	58.5%	334.8%

\*Since Launch date is May 1, 2000, Benchmark is PSEi

	Compounded Annual Growth rates (%)	
	PPSE	PSEi
<b>10 years</b>	17.75%	16.27%
<b>5 years</b>	26.57%	26.48%
<b>3 years</b>	17.23%	16.60%

## COMMENTARY

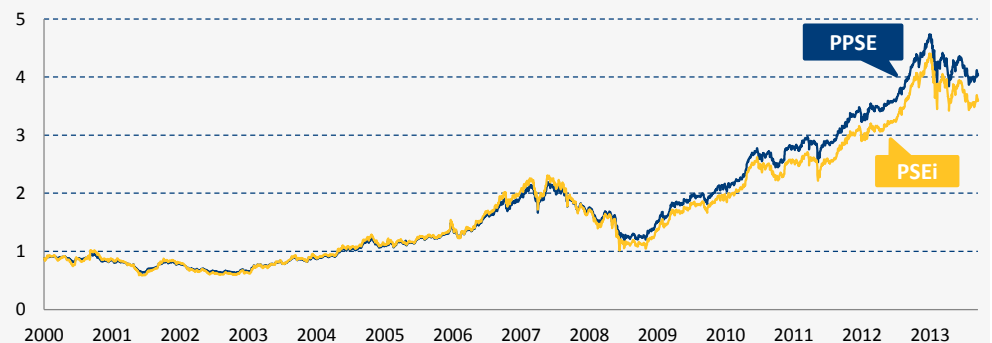
The Philippine Stock Exchange Index (PSEi) closed March strong at 6,428.71. The market continued to break new highs for the year as it reached 6,529.58 mid-March despite early jitters from issues in Russia and Ukraine as well as concerns over China's growth. With support at 6,200 and resistance at 6,650 - 6,800, the PSEi is trading above its moving average in the short-term, medium-term and long-term indicating a bullish Philippine market. We continued to witness foreign flows come into the market, reiterating our stance that the Philippines has finally been differentiated from other emerging markets.

The Bangko Sentral ng Pilipinas (BSP) kept interest rates at a record low 3.5% but decided to increase banks' reserve requirement by one percentage point effective April 4, 2014, a decision intended to guard against potential risks to financial stability that could arise from continued strong liquidity growth and rapid credit expansion.

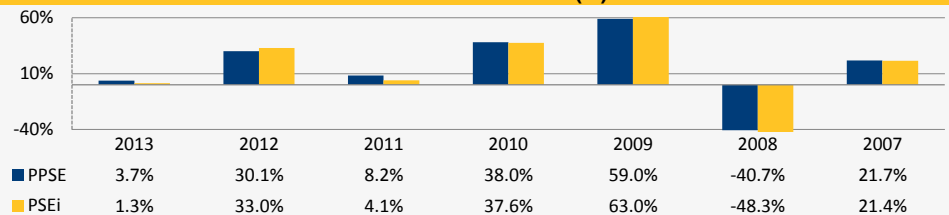
The inflation rate (IR) of the Philippines slowed to 3.9% for the month of March versus 4.1% for the month of February. The Monetary Board also revised its target IR for the year from 4.3% to 4.2% and 2015 IR at 3.2% from 3.3%.

The Fund returned 0.99% for March versus its benchmark PSEi which returned 0.06%. The Fund was also less volatile with a standard deviation of 12.5% versus PSEi's 13.9%. On a longer term the Fund return 17.75% for the past 10 years, 26.57% for the past 5 years and 17.23% for the past 3 years.

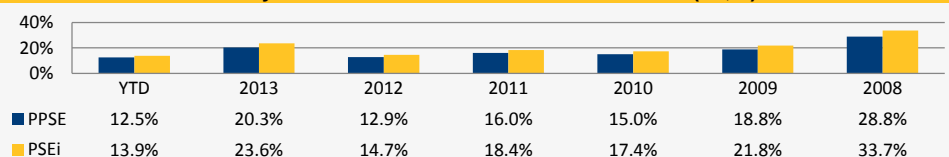
## NAVPS Graph



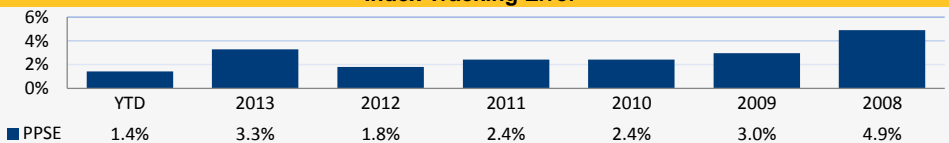
## Calendar Year Returns (%)



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



## Index Tracking Error



## Features

Initial Investment	PhP 200,000	
Additional Investment	PhP 50,000	
Sales Load	200k - 249k	5.00%
	250k - 499k	3.50%
	500k - 749k	2.00%
	750k - 999k	1.00%
	1M +	0.50%
Exit Fees	< 1 Year	2.00%
	1 - 2 Years	1.50%
	> 2 Years	0.00%

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# PhilEquity Dividend Yield Fund



## INVESTMENT OBJECTIVES

To seek long-term capital appreciation through investing in listed equity securities that pay out dividends while taking into consideration the liquidity and safety of its investments to protect the interest of its investors

## FUND FACTS

Incorporation Date	2 August 2012
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
Manager	Philequity Management Inc.

## COMMENTARY

The Philippine Stock Exchange Index (PSEi) closed March strong at 6,428.71. The market continued to break new highs for the year as it reached 6,529.58 mid-March despite early jitters from issues in Russia and Ukraine as well as concerns over China's growth. With support at 6,200 and resistance at 6,650 - 6,800, the PSEi is trading above its moving average in the short-term, medium-term and long-term indicating a bullish Philippine market. We continued to witness foreign flows come into the market, reiterating our stance that the Philippines has finally been differentiated from other emerging markets.

The Bangko Sentral ng Pilipinas (BSP) kept interest rates at a record low 3.5% but decided to increase banks' reserve requirement by one percentage point effective April 4, 2014, a decision intended to guard against potential risks to financial stability that could arise from continued strong liquidity growth and rapid credit expansion.

The inflation rate (IR) of the Philippines slowed to 3.9% for the month of March versus 4.1% for the month of February. The Monetary Board also revised its target IR for the year from 4.3% to 4.2% and 2015 IR at 3.2% from 3.3%.

The Fund returned 0.44% for March versus its benchmark PSEi which returned 0.06%. Apples to apples, the Fund is outperforming the benchmark at 7.2% versus 6.95% since launching.

## FEATURES

Initial Investment	PhP 20,000	
Additional Investment	PhP 5,000	
Sales Load	20k - 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%

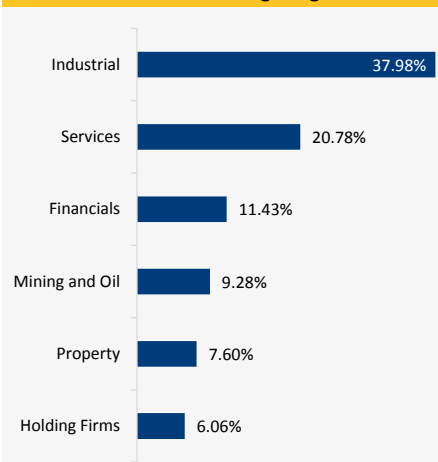
## PORTFOLIO ANALYSIS

Top Ten Holdings		
Issue	Industry	%
Philippine Long Distance Telephone Co	SERVICES	11.7%
Universal Robina Corp	INDUSTRIAL	7.2%
Manila Electric Co	INDUSTRIAL	6.7%
Metropolitan Bank & Trust Co	FINANCIALS	6.4%
Aboitiz Power Corp	INDUSTRIAL	5.8%
Nickel Asia Corp	MINING AND OIL	5.3%
Globe Telecom, Inc.	SERVICES	5.2%
D&L Industries, Inc.	INDUSTRIAL	5.0%
Petron Corp	INDUSTRIAL	4.4%
Semirara Mining Corp	MINING AND OIL	4.0%

Total % of Top Holdings

61.6%

## Sector Weightings



NAVPS as of Mar 31, 2014

1.0324

## PERFORMANCE ANALYSIS

### Actual Returns (%) before sales charges, after management fees

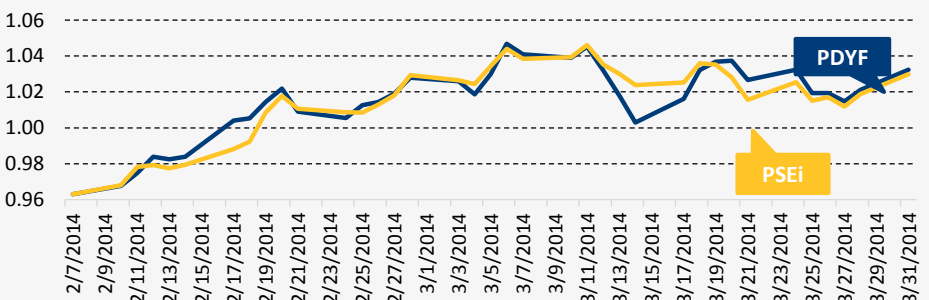
	YTD	1 mo	Since Launch
PDYF	7.20%	0.44%	7.21%
PSEi	9.15%	0.06%	6.95%

\*YTD returns for PDYF as of Feb 7, 2014, since launch as of Feb 7, 2014

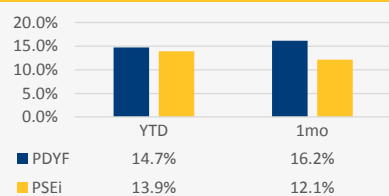
### Why Invest in a Dividend Fund?

Investing in a dividend fund not only lets you earn through capital appreciation, but also through dividends paid out by the underlying companies invested by the fund. Dividend paying stocks are also considered less volatile as they tend to be companies with large market capitalizations.

### NAVPS Graph

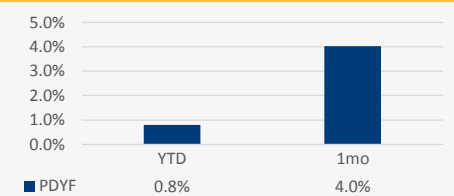


### Volatility of Returns / Standard Deviation (+/-,%)



\*YTD returns for PDYF as of Feb 7, 2014

### Index Tacking Error



\*YTD as of Feb 7, 2014

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# PhilEquity Peso Bond Fund



## INVESTMENT OBJECTIVES

The Fund aims to provide investors with long-term capital appreciation through investments in government securities, commercial papers, corporate bonds, promissory notes and other debt instruments of varying tenors.

## FUND FACTS

Incorporation Date	24 February 1999
Structure	Open-ended
Currency	Philippine Peso
Valuation method	Marked-to-market
Type	Bond Fund
Sales Load	Max of 1%
Exit fee	Max of 1%
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

After the US Federal Reserve announced it may raise interest rates as early as next year, the Bangko Sentral ng Pilipinas (BSP) announced that it may take measures to adjust its monetary policy stance through raising interest rates or to raise reserve requirements. Governor Tetangco announced that the increase as early as next month would be gradual but also less disruptive to local businesses. As a result, the market traded cautiously while waiting for the Monetary Board rate setting meeting.

Last March 27, 2014, the Monetary Board decided to keep the Bangko Sentral ng Pilipinas (BSP) interest rate at 3.5% but chose to increase the reserve requirement by one percentage point effective on April 4, 2014, a decision intended to guard against potential risks to financial stability that could arise from continued strong liquidity growth and rapid credit expansion. Tetangco also admitted that the timeframe for keeping interest rates steady was "narrowing".

The inflation rate (IR) of the Philippines was reduced to 3.9% for the month of March versus 4.1% a month ago. The Monetary Board also revised its target IR for the year from 4.3% to 4.2% and 2015 IR at 3.2% from 3.3%.

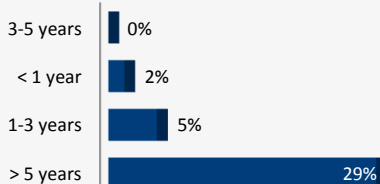
The Fund returned 0.68% for March versus -0.43% a month ago.

## FEATURES

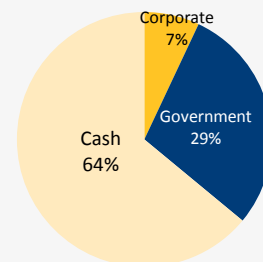
Initial Investment	PhP 10,000	
Additional Investment	PhP 5,000	
Sales Load	10k - 99k	1.00%
	100k - 999k	0.75%
	1M - 4.9M	0.50%
	5M +	0.25%
Exit Fees	< 1 Year	1.00%
	1 - 2 Years	0.50%
	> 2 Years	0.00%

## PORTFOLIO ANALYSIS

### Interest Rate Exposure



### Asset Allocation (%)



NAVPS as of Mar 31, 2014

3.3957

## PERFORMANCE ANALYSIS

### Actual Returns (%) before sales charges, after mgmt fees

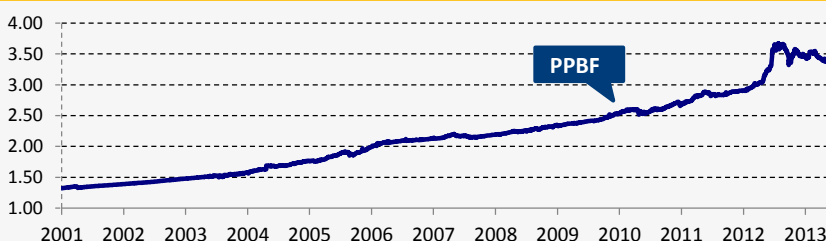
	YTD	1 mo	6 mos	1 Yr	3 Yrs	Since Launch
PPBF	-1.3%	0.7%	-1.5%	-4.6%	32.2%	156.9%

\*Since Launch date is May 1, 2000

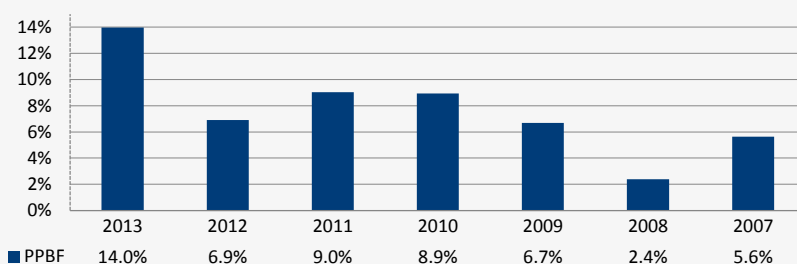
### Compounded Annual Growth Rates (%)

	10 years	8.33%
	5 years	8.69%
	3 years	9.76%

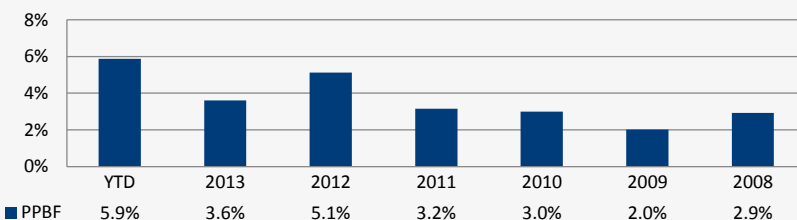
### NAVPS Graph



### Calendar Year Returns (%)



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



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# PhilEquity Dollar Income Fund



## INVESTMENT OBJECTIVES

The Fund aims to provide investors with long-term capital appreciation through investments in dollar-denominated bonds issued by the Philippine or foreign governments and corporations.

## FUND FACTS

Incorporation Date	4 March 1999
Structure	Open-ended
Currency	US Dollar
Valuation method	Marked-to-market
Type	Bond Fund
Sales Load	Max of 1%
Exit fee	Max of 1%
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

After the US Fed chair Janet Yellen announced it may raise interest rates as early as next year, the BSP also announced that the timeframe for keeping interest rates steady was "narrowing".

A flurry of favorable US news pushed markets higher. Jobless claims showed improvement, down 10 thousand from 311 thousand. Flash PMI was recorded at 55.5%, down from 57.1% in Feb but the rate of growth and the pace of hiring remained strong. Non-farm payrolls increased to 197k in Feb from 144k in Jan.

Last March 27, 2014, Monetary Board decided to keep the Bangko Sentral ng Pilipinas (BSP) interest rate at 3.5% but chose to increase the reserve requirement by one percentage point effective on April 4, 2014, a decision intended to guard against potential risks to financial stability that could arise from continued strong liquidity growth and rapid credit expansion.

The inflation rate (IR) of the Philippines was reduced to 3.9% for the month of March versus 4.1% a month ago. The Monetary Board also revised its target IR for the year from 4.3% to 4.2% and 2015 IR at 3.2% from 3.3%.

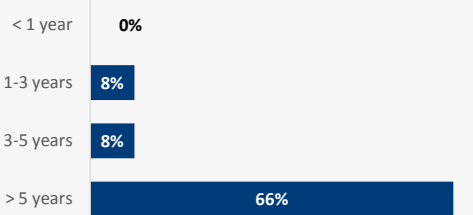
The Fund returned 0.8% for March versus 0.5% a month ago. Year to date, the Fund has returned 2.4%.

## FEATURES

Initial Investment	USD 2,000	
Additional Investment	USD 1,000	
Sales Load	2k - 19k	1.00%
	20k - 99k	0.90%
	100k - 249k	0.75%
	250k +	0.50%
Exit Fees	< 1 Year	1.00%
	1 - 2 Years	0.50%

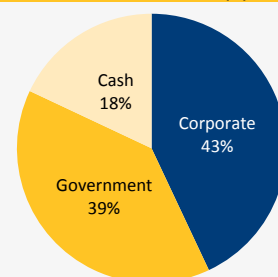
## PORTFOLIO ANALYSIS

### Interest Rate Exposure



NAVPS as of Mar 31, 2014 \$ 0.0532

### Asset Allocation (%)



## PERFORMANCE ANALYSIS

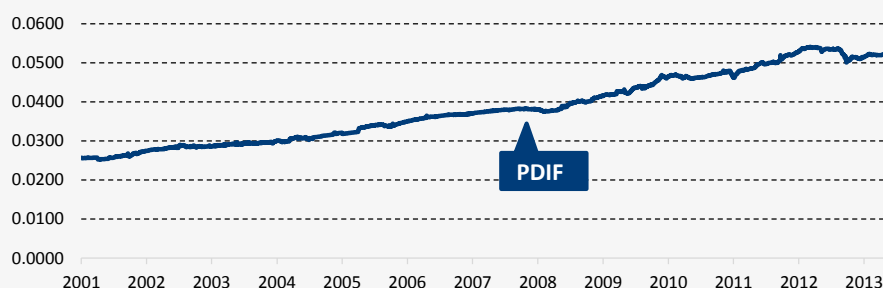
### Cumulative Returns, before sales charges, after management fees (%)

	YTD	1 mo	6 mos	1 Yr	3 Yrs	Since Launch
PDIF	2.4%	0.8%	3.5%	-0.4%	15.1%	108.6%

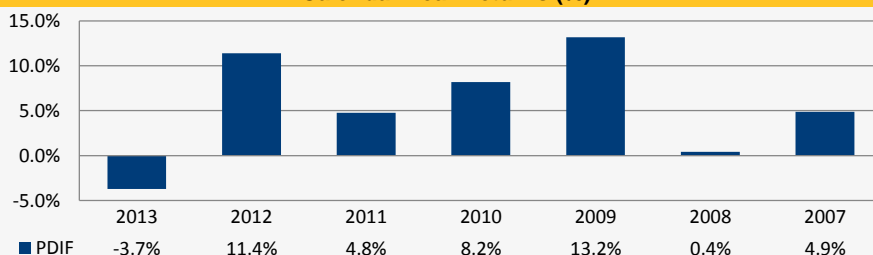
### Compounded Annual Growth rates (%)

10 years	6.13%
5 years	6.11%
3 years	4.80%

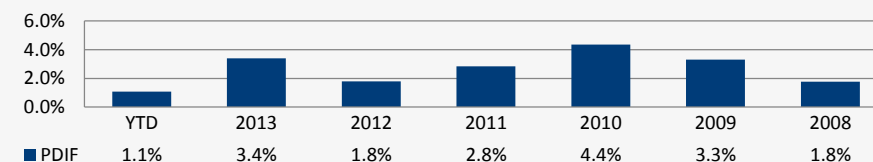
### NAVPS Graph



### Calendar Year Returns (%)



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



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