

The Fund is designed to seek long-term capital appreciation by investing primarily in carefully selected listed and non-listed equity securities, ideal for investors seeking moderate growth, through long-term capital appreciation and preservation, with investments in stocks that yield yearly dividend earnings.

FUND FACT SHEET

as of February 17, 2017

NAVPS GRAPH



SUMMARY & OUTLOOK

Local

Foreign Portfolio Investments Yield Net Inflows for January 2017

Foreign portfolio investments transactions in January 2017 yielded overall net inflows of \$301mn, with registered investments amounting to \$1.1bn (+39.8 y-o-y), up 8.7% m-o-m, in the face of positive investor reaction to the 6.6% GDP growth in 4Q16. Total registered investments breakdown is at 95.4% in PSE-listed companies, 3.4% in Peso government securities (GS), and 1.2% in other Peso debt instruments (OPDIs) -- 79.6% of which came from the United Kingdom, United States, Singapore, Luxembourg, and Hong Kong. Outflows, on the other hand, declined to \$846mn (-11% y-o-y), down 38.3% m-o-m, with the United States receiving 89.3% of total outgoing remittances.

Corporate

Bank of the Philippine Islands (BPI PM) FY16 results

Bank of the Philippine Islands (BPI) reported FY16 net profit of P22.1bn, +21% y-o-y. Results are below our expectations but generally in line with consensus. Income before operating expenses grew by 12% to P66.5bn, below our estimates. FY16 net interest income (NII) grew by 9.7% y-o-y, as loan growth accelerated to 19.2% driven by corporate loans. Corporate loans comprised 79% of the bank's total loan portfolio. As NII lagged our estimates despite loans growing above our expectation (i.e. 16%), we suspect that BPI's net interest margin (NIM) has yet to recover. Meanwhile, non-interest income grew by 16.7%, also below our forecast despite the P4.7bn extraordinary trading gain booked in 2Q16. Opex growth accelerated to 9.6% on collective bargaining costs as well as general banking infrastructure expenses. Provisions were also higher than our estimates but we see no emerging asset quality issues as gross NPL rate was slightly lower at 1.5% (vs FY15's 1.6%). The bank ended 2016 with lower cost-to-income ratio at 52.5% (FY15: 53.7%). At end-2016, BPI's consolidated CET1, solo CET1, and total CAR stood at 12.10%, 10.71%, and 11.62% respectively.

FUND PERFORMANCE

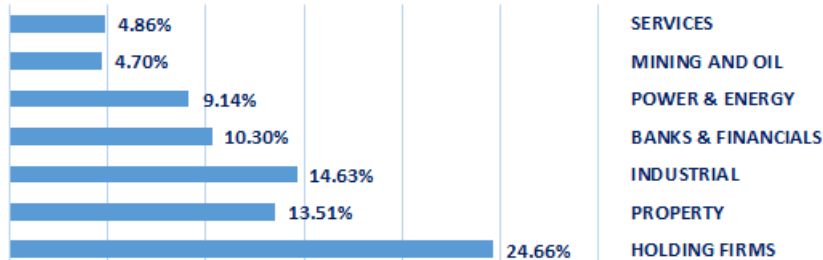
NAVPS	1-YEAR
0.9169	-6.13%
YTD	3-YEAR
3.32%	-1.73%
SINCE INCEPTION	5-YEAR
-7.08%	-

TOP TEN HOLDINGS

MANILA ELECTRIC COMPANY	8.14%
SM INVESTMENTS CORPORATION	7.44%
AYALA LAND INC	6.03%
FIRST METRO PHILIPPINE EQUITY EXCHANGE TRADED FUND	5.68%
UNIVERSAL ROBINA CORPORATION	5.60%
AYALA CORPORATION	5.22%
PETRON CORPORATION	4.70%
BANCO DE ORO UNIBANK INC	3.74%
ABOITIZ EQUITY VENTURES	3.58%
JG SUMMIT HOLDINGS INC	3.42%

Past performance is not a guide to future performance. The price of securities can and does fluctuate, and any individual security may experience upward or downward movement.

SECTOR ALLOCATION



Investment Mix EQUITIES: 81.80% FIXED INCOME: 15.94%