



The Fund is designed to seek long-term capital appreciation by investing primarily in selected listed equity securities, suitable for investors with high risk tolerance and long-term horizon.

INCEPTION DATE: 06 SEP 05 MIN INVESTMENT: PHP 5,000 FUND CURRENCY: PH Peso
 FUND SIZE: PHP 4.24B ADD'L INVESTMENT: PHP 1,000 MANAGEMENT FEE: 1.875%

FUND FACT SHEET

as of October 31, 2018

NAVPS GRAPH



SUMMARY & OUTLOOK

The PSEi pulled back by 1.9% to 7,140.29 in October on negative sentiment over higher inflation and greater impact cause by higher interest rates. Inflation for the month of October came at 6.7% within the BSP's forecast of 6.2-7% for the 3rd quarter. Higher inflation was caused by continued increases in rice / food prices. Transportation prices jumped as well as fare hikes were implemented.

The 3rd quarter GDP recorded 6.1% y-o-y growth tempered by household consumption slowdown (+5.2% in 3Q vs. +5.9% in 2Q and +5.4% in 3Q2017). Meanwhile, PH companies also started reporting 3rd quarter/first 9 months earnings results which are so far, lagging behind with market expectations. FAMI thinks that the risks to higher interest rates and inflation will start to filter thru into the 2018 corporate earnings. Thus, FAMI expects the market activity for stocks to remain weak for the remainder of 2018 or until such time that the government is expected to stabilize inflationary concerns.

FAMI expects that the BSP would likely raise interest rates by another 25 basis points before closing the year, adhering to its mandate to control inflation. PSEi trading range seen at 6,900 to 7,500 for the rest of 2018. FAMI continues to implement a very selective / bottom-up equity strategy on the expectations that broad based market rallies will be lesser in frequency moving forward on the back of a weak macro environment. FAMI currently has a higher than expected cash position of 12% on the expectations that the market will continue to remain weak and very volatile.

Lastly, FAMI believes that the current market weakness should be seen as a very strong buying opportunity for clients. An equity market correction does not necessarily translate into an overall economic recession. Looking forward into 2019, FAMI remains convicted that the equity market will recover strongly on the back of stronger earnings expectations of 12% caused by local elections, stabilizing inflation and possibly receding global and emerging market concerns.

FUND PERFORMANCE

NAVPS	1-YEAR
5.0010	-16.14%
YTD	3-YEAR
-16.83%	-3.58%
SINCE INCEPTION	5-YEAR
399.35%	-0.64%

TOP TEN HOLDINGS

SM INVESTMENTS CORPORATION	11.47%
AYALA LAND, INC.	11.23%
BDO UNIBANK, INC.	9.60%
BANK OF THE PHILIPPINE ISLANDS	7.73%
SM PRIME HOLDINGS, INC.	7.58%
AYALA CORPORATION	7.34%
GT CAPITAL HOLDINGS, INC.	6.91%
JG SUMMIT HOLDINGS, INC.	4.75%
ROBINSONS RETAIL HOLDINGS, INC.	3.58%
PUREGOLD PRICE CLUB INC.	2.87%

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

