INVESTMENT OBJECTIVE

The Index Fund seeks to generate returns that would reflect the performance of the Philippine equities market by investing in equity securities included in the PSEi. The Fund is suitable for aggressive investors with long-term investment horizon.

INVESTMENT INFORMATION

Fund Classification: Equity Fund
Risk Profile: Moderately Aggressive
Fund Currency: Philippine Peso
Inception Date: December 17, 2013

Net Asset Value per Share (NAVPS): Php 0.6948
Fund Size: Php 76 M
Y.O.Y. Return (02/14/2021): 6.19%
Benchmark Y.O.Y. Return (02/14/2021): 16.19%

Management Fee: up to 1.750% per annum
Min. Initial Investment: Php 5,000
Min. Add'l Investment: Php 1,000
Min. Holding Period: 6 months
Sales Load: max. of 2%
Exit Fee: 1.00% within 6 months
Redemption Notice Period: max. of 7 days
Valuation Method: Marked-to-Market
Custodian Bank: Citibank
Transfer Agent: Metrobank Trust

MARKET COMMENTARY

PSEi: 6,794.86, YTD: -4.83%

PSEi declined 1.90% week-on-week, to 6,744 as disappointing corporate earnings as well as rising US yields dragged the market down. Majority of the sectors ended the week on a weak note: Conglomerates (-0.24%), Properties (+0.33%), Mining (-0.69%), Services (-1.76%), Industrials (-3.44%) and Banks (+0.39%). Foreign investors were net sellers of $87M this week.

January Balance of Payments reversed to a deficit. Reverted to deficit at $752m, a reversal from $4.236b surplus in Dec. The deficit was a result of the govt’s payment of foreign obligations according to the BSP. Dec. deficit at P302.6b to bring FY20 budget deficit to P1.37T. The pandemic brought FY20 deficit to more than double the P660.2b shortfall in 2019. The FY20 budget deficit was equivalent to 7.63% of GDP, lower than the 9.63% revised program, but sharply higher than the 3.38% recorded in 2019.

Market will be on a wait-and-see attitude as it will wait for the release of February inflation figures. While the government’s receipt of the first batch of vaccine is a good step forward in improving sentiment, we believe investors will wait for a follow-through in deliveries to expand inoculation to a wider set of population.

Disclosure Statements: This is not a deposit product. Earnings are not assured and principal amount invested is exposed to risk of loss. This product cannot be sold to you unless its benefits and risks have been thoroughly explained. 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.