

FWD Peso Equity Fund

INVESTMENT OBJECTIVE

This is an actively managed Equity Fund that aims to achieve investment returns by mainly investing in equity investments which are part of the Philippine Stock Exchange Index.

SUMMARY

- The Fund's NAVPU improved 8.94% month-on-month, due to a short term momentum in the Equities market wherein the PSEi rose 8.9% month-on-month. This is attributed to easing global concerns on China and rebounding oil prices.
- Global market is seen to remain volatile in the near term due to oil prices and decision of Japanese companies to cut inflation forecast for the next five years, signaling that their negative rate policy implemented is not working as expected.
- The Fund Manager expects volatility in the near term, therefore the Fund will stay defensive to protect the Fund from market volatility. The Fund Manager will focus on stocks with clear earnings and high dividend yield.

FUND INFORMATION

Net Asset Value (NAV)	P137.21M
NAV per Unit (NAVPU)	P1.01304
Inception Date	September 15, 2014
Initial NAVPU on Inception	P1.00000
Fund Currency	Philippine Peso
Dealing Schedule	Daily

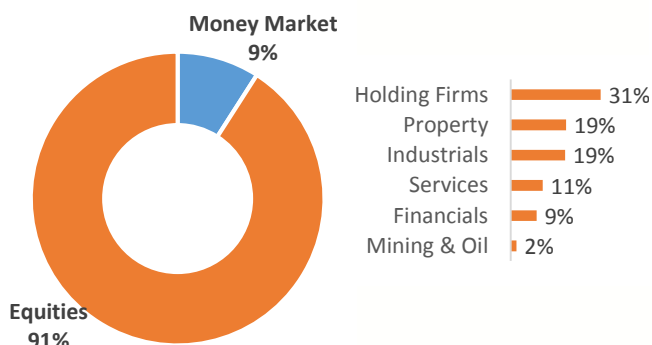
FUND PERFORMANCE

Month-on-Month	Year to Date	Since Inception
8.94%	3.82%	1.30%

HISTORICAL FUND PRICE



PORTFOLIO ALLOCATION



TOP SECURITY HOLDINGS

SECURITY	TYPE	% HELD
1 SM Investments	Equity	10%
2 Ayala Land	Equity	8%
3 PLDT	Equity	7%
4 Ayala Corp	Equity	7%
5 SM Prime Hldgs	Equity	6%
6 JG Summit	Equity	6%
7 URC	Equity	5%
8 GT Capital	Equity	4%
9 MBTC	Equity	4%
10 Jollibee Foods	Equity	4%

MARKET UPDATE

The PSEi rose 8.9% month-on-month on easing global concerns. The PSEi rose to 7,262 points end March 2016 as risk-on sentiment returned on back of easing global concerns about China's FX reserves and rebounding oil prices. Foreign investors also gave the Equities market a push. Year-to-date foreign flow was positive at \$67Million from a peak outflow position of \$128Million as of end February.

Helping the market move higher was Fed Chair Janet Yellen's dovish statements in the global economy, signaling a delay in Fed rate hike in the near term. The inclusion of JG Summit Holdings, Inc. and Ayala Land, Inc. in the "FTSE/ASEAN 40 Index" also provided liquidity to the market. The Telco sector likewise pushed up the index as Globe and PLDT rose substantially by 26% and 8% respectively, as negotiations between Telstra and San Miguel on a wireless joint venture fell through. This significantly reduced threat of a meaningful new entrant.

MARKET OUTLOOK

The Fund Manager still sees global market to remain volatile in the near term as Saudi announced recently that it will not push through with the oil freeze agreement if Iran will not participate in the negotiation. Adding to the uncertainty in the market is the decision of Japanese companies to cut inflation forecast for the next five years, signaling that negative rate policy implemented by BoJ is not working as expected. The PSEi now trades at 20.52x P/E on 2016E EPS growth of 18.60%.