

## FWD Peso Stable Fund

### INVESTMENT OBJECTIVE

This is an actively managed Balanced Fund that aims to achieve investment returns by diversifying into equity investments listed in the Philippine Stock Exchange, and fixed income investments issued by the Philippine Government and Philippine Corporations.

### SUMMARY

- The Fund's NAVPU grew 3.60% month-on-month, attributed to slightly higher bond prices of local bonds and a short term momentum of the Equities market.
- On Fixed Income, interest rates are expected hold steady for the first half of 2016 and this is positive for Bonds, however, global developments may still lead to some volatility so the Fund Manager will wait for fresh leads. On Equities, the Fund Manager sees an opportunity for the PSEi to climb in anticipation of higher consumer spending due to the upcoming elections and higher discretionary spending due to the low oil price

### FUND INFORMATION

|                            |                  |
|----------------------------|------------------|
| Net Asset Value (NAV)      | P163.46M         |
| NAV per Unit (NAVPU)       | P0.83485         |
| Inception Date             | January 14, 2015 |
| Initial NAVPU on Inception | P1.00000         |
| Fund Currency              | Philippine Peso  |
| Dealing Schedule           | Daily            |

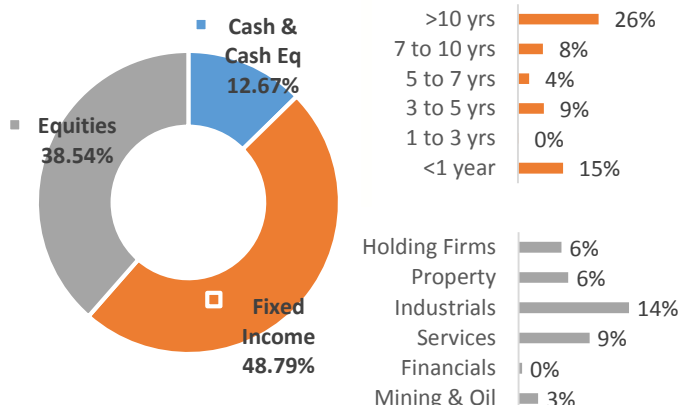
### FUND PERFORMANCE

|                |              |                 |
|----------------|--------------|-----------------|
| Month-on-Month | Year to Date | Since Inception |
| <b>3.60%</b>   | <b>2.18%</b> | <b>-16.52%</b>  |

### HISTORICAL FUND PRICE



### PORTFOLIO ALLOCATION



### TOP SECURITY HOLDINGS

| SECURITY             | TYPE      | MATURITY | % HELD |
|----------------------|-----------|----------|--------|
| DNL Industries       | Equity    | -        | 5%     |
| Cebu Air Inc.        | Equity    | -        | 5%     |
| AEV 2020             | Corp Bond | 2020     | 4%     |
| Ayala Land, Inc.     | Equity    | -        | 3%     |
| FXTN 20-17           | Govt Bond | 2031     | 3%     |
| LT Group, Inc.       | Equity    | -        | 2%     |
| ROCK 2021            | Corp Bond | 2021     | 2%     |
| SMB 2021             | Corp Bond | 2021     | 2%     |
| TBILL 04.20.16       | MM        | 2016     | 2%     |
| Century Pacific Food | Equity    | -        | 2%     |

### MARKET UPDATE

#### Fixed Income

Players moved cautiously for the first half of the month as they waited for leads. By the middle of March, the FOMC kept their policy rate unchanged at 0.25% and revised its target of having four rate hikes to merely two, citing that global and financial developments continue to pose risks to the economy.

#### Equities

Equity markets globally staged a dramatic comeback for the month of March due to climbing oil prices, Dovish tone by the FED, and easing fears of a hard landing in China. The PSEi ended the month at 7,262.30, up 8.9% MOM. Foreigners were net buyers of US\$204m, reversing February's outflow of US\$85m. Turnover increased by 20% to US\$168m from US\$140m the previous month.

### MARKET OUTLOOK

#### Fixed Income

March inflation was at 1.1% - exactly what was forecasted by economists but below the government's 2% lower target. Market activity shall be range-bound with an upward bias but we expect healthy correction in the market especially after the Interest Rate Corridor gets implemented.

#### Equities

Due to the upcoming elections, we believe the market will consolidate at these levels with initial support at 7,000 and resistance between 7,300 to 7,400. If we get a clear winner in the upcoming elections and corporates deliver decent first quarter earnings, we may be able to break 7,400. We continue to be bullish on index names such as LTG and MPI as the former will benefit from the crackdown on illicit trade, while the latter will benefit from increased infrastructure spending. Non-index names we continue to like include PGOLD, RRHI, DNL, and CEB.