

PBCOM VALUE EQUITY FUND

KEY INFORMATION & INVESTMENT DISCLOSURE STATEMENT | Dec 2023

FUND FACTS

Classification: Value Equity Fund	Net Asset Value per Unit (NAVPU): 133.4238
Launch Date: December 8, 2010	Total Fund NAV: PHP 65.216 Million
Minimum Investment: PHP 5,000 (R class) PHP 20,000,000 (I class)	Dealing Cut-Off: 11:00 AM
Additional Investment: PHP 1,000 (R and I class)	Redemption Settlement: 3 banking day (T+3)
Minimum Holding Period: 30 calendar days (R and I class)	Early Redemption Charge: 0.25% of Redemption Value (R and I class)

FEES

Trust fees: 1.50% p.a. (R class) 0.75% p.a. (I class)	External auditor fees*: 0.13% p.a.	Third party custodian fees*: 0.002% p.a.
PBCOM Trust & Wealth Management Group	SGV & Co.	NROSS/PDTC

*Calculated based on the total annual fees for the previous year divided by the average monthly NAV of the previous year.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund is a Philippine Peso denominated Unit Investment Trust Fund (UITF) which aims to provide income and long-term capital growth in a portfolio of stocks listed in the Philippine Stock Exchange (PSE). The Fund is invested substantially, at least 80% of its net asset value, in equities. However, if in the judgement of the fund manager a higher cash position is warranted, such as in instances when market volatility or an increase in redemptions is expected, the actual portion invested in equities may drop below 80% temporarily. Cash may be kept for liquidity and portfolio rebalancing purposes.

CLIENT SUITABILITY

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The PBCOM Value Equity Fund Fund is suitable **only** for investors who:

- Have an aggressive risk profile
- Have a long term horizon
- Seek potentially higher returns through stock market investments

KEY RISK AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

- **Interest Rate Risk.** This is the possibility for an investor to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
- **Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities (e.g., bonds and equities). It is the exposure to the uncertain market value of a portfolio due to price fluctuations.
- **Liquidity Risk.** This is the possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or underdeveloped capital market.
- **Credit/Default Risks.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other form of security which the borrower issued.
- **Reinvestment Risks.** This is the risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.
- **Foreign Exchange Risks.** This is the possibility for an investor to experience losses due to fluctuations in foreign exchange rates. The exchange rates depend upon a variety of global and local factors, e.g., interest rates, economic performance, and political developments.
- **Country Risks.** This is the possibility for an investor to experience losses arising from investments in securities issued by/ in foreign countries due to the political, economic and social structures of such countries.
- **Regulatory Risks.** Changes in laws and regulations that could adversely affect the value and return of the investment.
- **Other Risks.** This is the risk of potential conflict of interest in a related party transaction.

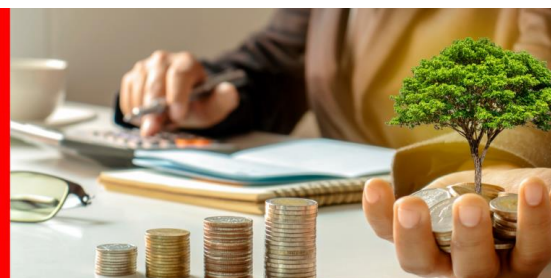
- ◆ The UITF is a trust product and not a deposit account, and is not insured nor governed by the PDIC.
- ◆ The UITF is not an obligation of, nor guaranteed, nor insured by the trust entity or its affiliates or subsidiaries.
- ◆ Due to the nature of the investments of a UITF, the returns/yields cannot be guaranteed. Historical performance, when presented, is purely for reference purposes and is not a guarantee of similar future performance.
- ◆ Any losses and income arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, are for the account of the client. As such, the units of participation of the client in the UITF, when redeemed, may be worth more or worth less than his/her initial investment/contribution.
- ◆ The trustee is not liable for losses unless upon willful default, bad faith, or gross negligence.
- ◆ The investor must read the complete details of the fund in the UITF's Plan Rules, make his/her own risk assessment, and when necessary, seek an independent/professional opinion before making an investment.



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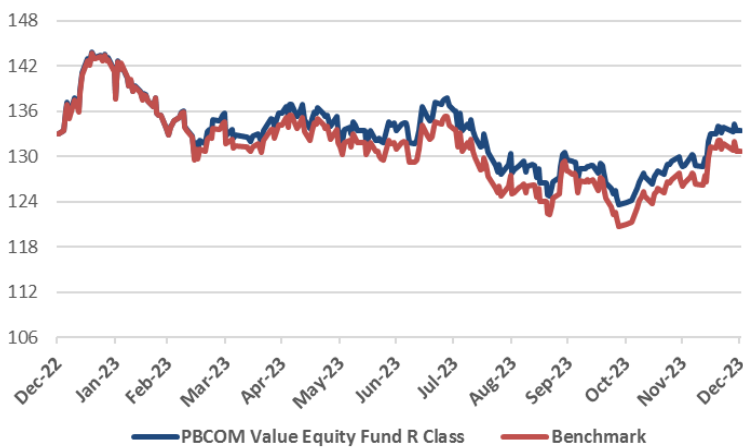
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FUND PERFORMANCE AND STATISTICS *(Purely for reference purposes and not a guarantee of future results)*

NAVPU Graph (Fund's NAVPU vs Benchmark)



NAVPU over the past 12 months

	Date	NAVPU
Highest	Jan 18, 2023	143.8456
Lowest	Oct 27, 2023	123.5890

Statistics

Volatility, (Annualized)	11.56%
Sharpe Ratio**	0.05
Information Ratio***	0.2870

*Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

**Sharpe ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

***Information ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

Cumulative Performance¹

Period	1 mo	3 mos	6 mos	1 yr	3 yrs	YTD	Since Inception
R Class	3.76%	3.07%	0.01%	0.34%	-0.34%	0.34%	33.42%
I Class	3.83%	3.33%	-	-	-	-	-
Benchmark³	3.64%	2.04%	-0.28%	-1.77%	-9.66%	-1.77%	52.81%

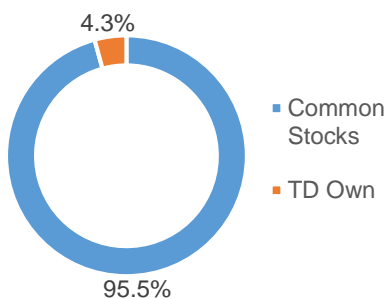
¹ Rates shown are absolute.

² Net of 1.50% Trust Fees. Past Performance is not indicative of future returns

³ Benchmark is the Year To Date Performance of the Phil. Stock Exchange Index. The benchmark reflects the change in value of the PSEi and is not on a total return basis. Additional information on the PSEi may be accessed through www.pse.com.ph

PORTFOLIO MIX

Composition



Top Sectors	% to NAV
Holding Firms	25.9%
Financials	19.1%
Property	18.1%
Consumer	11.2%
Telecom	6.5%

Top 10 Holdings	% to NAV
SM Investment Corporation	10.1%
SM Prime Holdings, Inc.	9.6%
Banco De Oro Universal Bank	8.3%
Bank of the Phil. Islands	6.8%
Ayala Land, Inc.	6.5%
Ayala Corporation	6.2%
Int'l Container Terminal Svcs, Inc.	5.4%
PBCOM TD 01/02/24	4.3%
PLDT, Inc.	4.1%
Metropolitan Bank and Trust Co.	4.0%
Total	65.4%

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to PHP 2,775,021.02 which was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets where the Trustee intends to invest in depending on its availability or other market driven circumstances: Government Securities, Time Deposits, Equity Issues and Corporate Bonds/Notes.

MARKET UPDATE

The PSEi ended 2023 at 6,450.04, representing a 1.8% decline for the year as the equity market faced challenges amid elevated inflation and interest rates. Financials was the lone sector that registered positive performance at +5.7% for the year while the Mining and Oil sector saw the biggest decline at -7.5%. Net Foreign Selling was recorded at \$886mn for the year as investors preferred the safety of USD money market instruments and US Treasuries over emerging market assets.

With PSEi PE multiples near crisis level valuations, 2024 is shaping up to be a more favorable environment for local equities on the back of declining inflation and consequently, policy rate cuts by the US Fed and the BSP. Domestic earnings growth expectations likewise remain upbeat, with aggregate net profit growth of around 9-10% deemed as achievable for the year. Some form of re-rating on the market's multiple may also be in play, as interest rates on fixed-income instruments begin to trend lower.

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