

## FUND INFORMATION

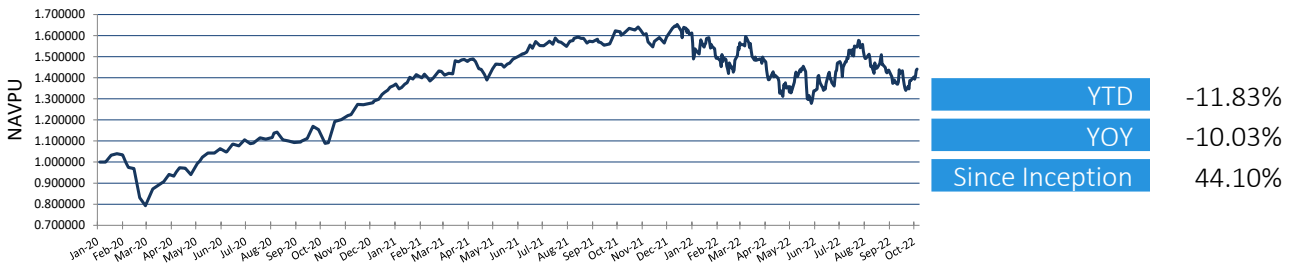
Launch Date	January 22, 2020	Net Asset Value per Unit (NAVPU)	PHP	1.441003
Bloomberg Ticker	ILPGTEF PM Equity	Total Fund NAV (Mn)	PHP	5,401.39

**INVESTMENT OBJECTIVE AND STRATEGY** The Peso Global Technology Fund seeks to achieve long-term capital appreciation by investing majority of its assets in a local domiciled fund whose underlying investment is exposed to equity securities of companies throughout the world that derive or benefit significantly from technological advances and improvements.

**RISK PROFILE** As an asset class, Equity investments have the highest risk profile in the universe of funds of InLife. In this asset class, the Peso Global Technology Fund is **highly aggressive** as it seeks to invest both in established technology companies but also in the future technology winners. This fund is suitable for investors seeking peso-denominated global investments who have a deep appreciation of the risk and rewards of investing in a specific sector of the equities market.

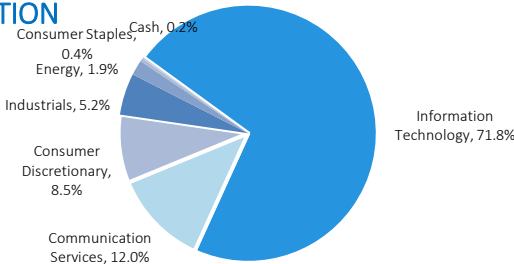
## FUND PERFORMANCE AND STATISTICS

Purely for reference purposes and is not a guarantee of future results



## ASSET ALLOCATION

(Target Fund)

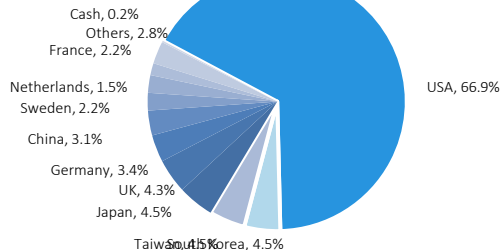


## TARGET FUND'S TOP HOLDING COMPANIES

- Microsoft Corp
- Apple Inc
- Salesforce Inc
- Amazon.com Inc
- Alphabet Inc
- Samsung Electronics Co Ltd
- SAP SE
- Ericsson
- Workday Inc
- Netflix Inc

## GEOGRAPHIC EXPOSURE

(Target Fund)



**MARKET REVIEW** After a volatile start, global equities rallied in October on cautious optimism that the Federal Reserve might start to slow the pace of interest rate increases in the coming months. On the monetary policy front, the European Central Bank hiked its key interest rate by 75 basis points (bps) to the highest level in more than a decade. Meanwhile, investors welcomed the reversal of nearly all the unfunded tax cuts announced in the UK's September "mini-budget" and the appointment of Prime Minister Rishi Sunak following the resignation of Liz Truss. At a regional level, the US was the best-performing region in October, while China fell c.16% following the 20th

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Communist Party Congress and on continuing concerns about the impact of zero-COVID on China's growth. At a sector level, the energy sector led the rally as oil prices jumped on the back of a bigger-than consensus OPEC production cut of 2 million barrels per day from November. Meanwhile, communication services and consumer discretionary were among the notable laggards. From a style perspective, growth stocks saw substantial losses and underperformed value stocks. All IT subsectors recorded positive returns; technology hardware, storage & peripherals, communications equipment, and IT services were the leading performers.

**FUND PERFORMANCE** The Target Fund returned 2.4% during the month, compared to 6.0% for the comparative index. Stock selection in the interactive media & services and internet & direct marketing retail industries detracted from returns but was beneficial in the software sector. The underweight stance in consumer technology major Apple, which is overvalued because of its perceived safe haven status, held back relative performance as its shares rose after the company's quarterly earnings modestly beat expectations on revenue and profit and showed global demand for its premium hardware remains high. The holding in e-commerce major Amazon, which has an under-appreciated retail and cloud growth runway and margin improvement potential longer term, fell after the company projected sales in the holiday quarter would be far below expectations. Shares in Meta Platforms, which owns Facebook and Instagram, also fell following the release of the company's third-quarter earnings miss and a weak fourth quarter outlook. Despite high capital expenditure issues, the company offers upside potential given its established social media dominance and low valuation. On a positive note, the underweight stance in Microsoft added relative value as its shares fell after the software major told investors to brace for a steep downturn in the personal computer (PC) market and a decelerating pace of expansion in the cloud segment. Baker Hughes, which owns digital assets within the energy sector, was another notable contributor. The company said it would increase its quarterly dividend and that its board had authorized an additional \$2 billion in share repurchases. The position in video streaming major Netflix contributed to performance after the company said it stemmed its subscriber losses in the third quarter, as popular programs helped it add 2.4 million members. The result was more than double the number of subscribers the company had forecast.

**FUND POSITIONING** In the volatile, tighter money environment seen this year, markets have been unforgiving of even relatively small misses. Investors have switched from the optimism of recent years to excessive pessimism. Mega caps have also been victims of a change in investor perception. The unusual circumstances which drove their very strong performance during the pandemic were a one-off but led many to think of these as safe havens. Markets are now realizing that these are also susceptible to some slowdown, while the negative effects of the strong dollar on their earnings had not been fully priced in. The Target Fund Manager remains positive on the long-term prospects for several of them, but it is always important to view them on a case-by-case basis. Despite the short-term cyclical headwinds, the global technology opportunity set remains diverse and wide-ranging. Balance sheets remain generally strong, while a lot of technology business models are recurring in nature, with firms getting better at monetizing customer engagement. This makes for a more stable demand environment than in the past. Inflation is a concern, but companies are raising prices as cost increases - be it semiconductor price increase, CPI-linked software pricing, or the take rate business model of internet platforms and payment networks. Looking beyond the current uncertain macro environment, companies across the sector are set to benefit from long-term demand from consumers, enterprises, and governments for technology products and solutions. Thinking about the adoption curve over the next 3-5 years, growth in things like cloud, data analytics, cybersecurity solutions, electric vehicle adoption, and factory automation will continue.