PESO GLOBAL MULTI-ASSET INCOME-PAYING FUND

As of October 31, 2022

Key Information and Investment Disclosure

FUND INFORMATION

Launch Date	November 12, 2021	Net Asset Value per Unit (NAVPU)	PHP 0.939445
		Total Fund NAV (Mn)	PHP 4,188.54

INVESTMENT OBJECTIVE AND STRATEGY

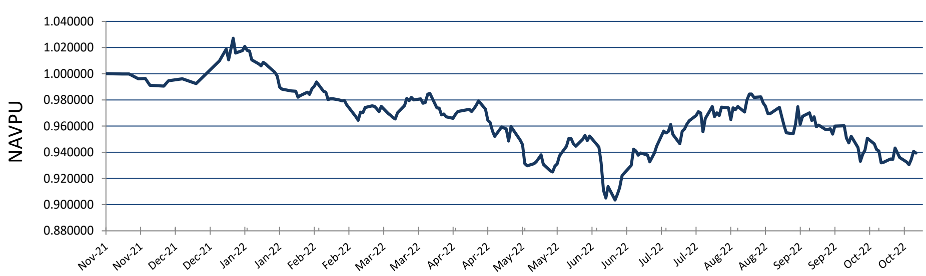
The Peso Global Multi-Asset Income-Paying Fund seeks to achieve income and long-term capital growth by investing majority of its assets in a fund that invests primarily in global debt securities and equities. Income payout of the Peso Global Multi-Asset Income-Paying Fund is in Philippine pesos. Income payouts are not guaranteed and are not paid out of the capital of the fund.

RISK PROFILE

The Peso Global Multi-Asset Income-Paying Fund is **moderately aggressive** as it seeks to invest in the income-producing ideas across different geographic regions and asset classes including both fixed income and equity securities. This fund is suitable for investors seeking regular income payouts and geographic and asset class diversification. The fund is unhedged and therefore, has currency risk exposure.

FUND PERFORMANCE AND STATISTICS

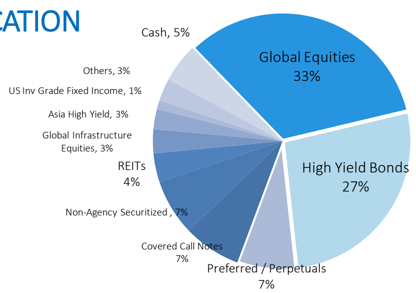
Purely for reference purposes and is not a guarantee of future results



YTD	-6.97%
Since Inception	-6.06%

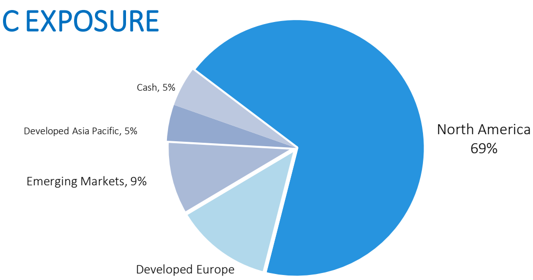
ASSET ALLOCATION

(Target Fund)



GEOGRAPHIC EXPOSURE

(Target Fund)



TARGET FUND'S TOP HOLDINGS

Equity Linked Notes

US Treasury N/B 0.125 31 Jan 2023

Johnson & Johnson

AbbVie Inc.

Coca-Cola Company

Bank of America Corp FRN 29 Dec 2099

Taiwan Semiconductor Mfg. Co. Ltd.

Bristol-Myers Squibb Company

Samsung Electronics Co Ltd

Prologis Inc.

MARKET REVIEW

After a bumpy start to the month, equities, in general, bounced back in October. Developed markets ended the month positively, while emerging market equities fell, with Chinese indices coming under pressure. Global fixed-income returns were negative in October, as interest rates climbed higher. At the end of October, the 10-yr U.S Treasury yield stood at 4.10%, up 27 bps from the end of September.

Helped - Global equity, US high yield
Hurt - US government bonds, emerging markets equity

Month in review
The US economy showed some signs of softening in October on account of elevated inflation and weakening demand. The US Federal Reserve (Fed) raised rates by 75 basis points (bps) to a target range of 3.75% - 4.00% on 2nd November. The Federal Open Market Committee's (FMC) tone remained hawkish and inflation-vigilant, and while new commentary suggested a smaller pace of rate hikes going forward, the expectation is that the terminal rate will be higher than previously thought.

In Europe, recessionary risks remain elevated as the economy continues to grapple with strong inflationary pressures, rising interest rates, and high energy prices. In the UK, Rishi Sunak was appointed as the new prime minister, while new chancellor Jeremy Hunt reversed many of the previous chancellor's tax cuts and vowed to deliver a much more restrained budget in mid-November.

Equity allocations contributed to overall performance over October. Global & European equity allocations contributed whilst EM equities detracted however the Target Fund Manager's lower beta approach within EM helped amid declining markets. The performance of their interest rate-sensitive sleeves such as their allocations to REITs and Preferred equity continued to be muted over the month as inflation remains elevated and global rates continue to rise. Their preference for fixed to floating rate securities within their preferred equity sleeve continues to be beneficial in the current environment as these securities exhibit less interest rate sensitivity than broad indices.

Within fixed income, the Fund Manager's allocation to US high yield was the largest overall contributor over the month. The US high yield market returned 2.85% in October, bringing the YTD return to -12.2% (ICE BofA US High Yield Constrained Index) with spreads tightening by 74bps to 478bps and yields increasing 0.5% to 9.1%. Their allocation to a European high yield also contributed to performance as fundamentals remained solid. They remain focused on higher quality names within high yield which have continued to benefit the portfolio over recent weeks. They continue to hold positions in US 10-year treasury futures as a source of diversification for the portfolio but as rates continued to move higher over the month, these positions detracted from returns. Elsewhere, their small allocation to emerging market debt delivered a positive return over the month.

FUND POSITONING The main driver of markets will be the path of global inflation and its apparent stickiness. Whilst the Fund Manager believes core inflation will fall to around 3% in Q3 2023, they note that such a level would still be above central bank targets, and the risks are tilted to inflation remaining high.

Looking ahead, the level of uncertainty about the outlook for the global economy remains elevated as the Target Fund Manager's base case sees sub-trend global growth in 2023