PESO GLOBAL MULTI-ASSET INCOME-PAYING FUND

As of January 31, 2023

Key Information and Investment Disclosure

FUND INFORMATION

Launch Date	November 12, 2021	Net Asset Value per Unit (NAVPU)	PHP 0.930648
		Total Fund NAV (Mn)	PHP 5,376.08

INVESTMENT OBJECTIVE AND STRATEGY

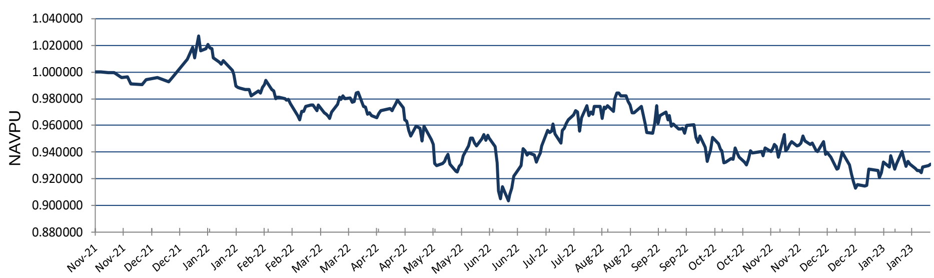
The Peso Global Multi-Asset Income-Paying Fund seeks to achieve income and long-term capital growth by investing majority of its assets in a fund that invests primarily in global debt securities and equities. Income payout of the Peso Global Multi-Asset Income-Paying Fund is in Philippine pesos. Income 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

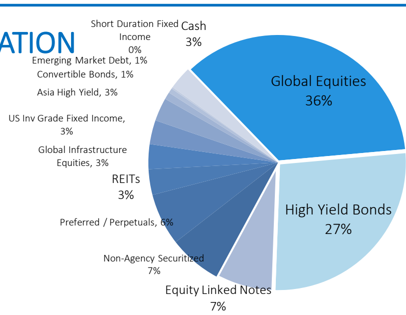
Purely for reference purposes and is not a guarantee of future results



YTD	0.35%
YOY	-5.69%
Since Inception	-6.94%

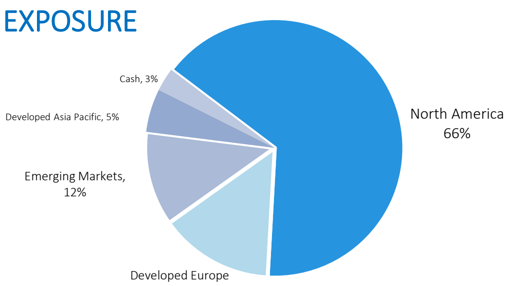
ASSET ALLOCATION

(Target Fund)



GEOGRAPHIC EXPOSURE

(Target Fund)



TARGET FUND'S TOP HOLDINGS

Taiwan Semiconductor Manufacturing Co., Ltd.

Abbvie, Inc.

Samsung Electronics Co., Ltd.

Prologis, Inc.

Johnson & Johnson

Coca-Cola Company

Bristol-Myers Squibb Company

Merck & Co., Inc.

Rio Tinto Limited

Procter & Gamble Company

MARKET REVIEW

While 2022 was a challenging year for markets, 2023 is starting on a more optimistic note, with the MSCI World Index up 6.4% in local currency over the month. Both Government Bonds and US High yields were also up, on the back of positive investor sentiment around the improved global economic outlook, fading recession risk in Europe, the fast re-opening of China's economy, and market hopes of an imminent end to the Central Bank's tightening cycle.

Helped - Global equity, emerging markets equity, US high yield
Hurt - None

Month in review
December 2022's inflation readings in the US and Europe showed signs of slowing inflation, which strengthened market hopes of rate hiking cycles ending soon. In the US, inflation fell from 7.1% in November to 6.4% in December, falling for the first time since May 2020.

China re-opening theme increased throughout the month with the sudden end of the zero-COVID policy in China. Expectations are that the Chinese economy will experience a strong recovery in the first half of 2023, following December's real GDP decline and cyclical indicators deteriorating as inflation peaked after relaxed lockdown measures.

Equity allocations have been maintained over the month as markets moved higher. The Fund Manager continues to utilize covered calls to take advantage of elevated volatility in global markets. Within fixed income, they continue to hold a reasonable allocation to US high yield where fundamentals are supportive. However, there remains a risk that spreads widen from current levels and so they continue to diversify into higher quality investment grade credit.

Positive returns in January have been driven predominantly by the Fund Manager's allocations to equities and high yield. All the equity asset classes provided positive returns and thereby contributed to the performance. Investment grade allocations and duration were also positive as interest rates pulled back from their highs in 2022.

The Target Fund Manager's high dividend style was a headwind for their equity exposure in January, though their active equity managers (Global, Europe, EM) performed well within their respective income-oriented markets.

FUND POSITONING With policy rates have moved up sharply in 2022, the Target Fund Manager expects most central banks to wrap up their tightening cycles in the next few months, as the run-rate of inflation is slowing. They anticipate the Fed to slow its pace of hikes to 25bps per meeting as it is their conviction that US inflation has peaked, and that the ECB will remain longer in its tightening mode with a 50bps hike at the next meeting.

The Target Fund Manager also continues to think that high-quality fixed-income carry should work well now as the central bank interest-rate hiking cycles are nearly complete and that it will be a good hedge in times of market stress.