



AB CAPITAL & INVESTMENT CORPORATION
 AB CAPITAL EQUITY FUND
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
 As Of December 31, 2024

FUND FACTS

Classification:	Equity Fund	Net Asset Value per Unit (NAVPU):	3.5052
Launch Date:	December 04, 2006	Total Fund NAV:	3,606,635,686.95
Min. Investment:	Php25,000	Dealing:	Daily up to 12:00 noon
Add'l Investment:	Php10,000	Redemption Settlement:	T + 2 days
Min. Holding Period:	30 days	Early Redemption Charge:	1.00% of principal

FEES*

Trustee Fees: 0.324% AB Capital - Trust and Investments Division	Custodianship Fees: 0.003% Phil. Depository & Trust Corp.	External Auditors Fees: 0.001% SGV & Co.
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*As a percentage of average daily NAV for the quarter valued at Php 3,083,877,864.64.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund intends to achieve for its participants long-term capital growth via investments primarily in Philippine equities listed in the Philippine Stock Exchange (up to 95% of the portfolio). The Fund aims to surpass its benchmark (gross of fees) which is Philippine Stock Exchange Index (PSEI). The PSEI is the main index of the Philippine Stock Exchange. It is used to measure the performance of equity securities that represent the Philippine stock market. The Bloomberg and the PSE Website provide additional information on the benchmarks.

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 AB CAPITAL EQUITY FUND is suitable for individual and corporate investors who are at least classified as Aggressive based on their risk profile and who seek potentially higher returns through stock market investments but are also aware of the possibility of capital losses that such investments may entail.
- In order to minimize risks and maximize returns, the participants are recommended to stay invested in the Fund for more than three (3) years.

KEY RISKS 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	Possibility for an investor to experience losses due to the changes in interest rate. 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 the 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. It is the risk of the UITF to lose value due to a decline in securities prices, which may sometimes happen rapidly or unpredictably. The value of investments fluctuate over a given time period because of general market conditions, economic changes or other events that impact large portions of the market such as political events, natural calamities, etc. As a result, the Net Asset Value per Unit (NAVPU) may increase to make profit or decrease to incur loss.

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. Liquidity risk occurs when certain securities in the UITF portfolio may be difficult or impossible to sell at a particular time which may prevent the redemption of investment in UITF until assets can be converted to cash. Even government securities which are the most liquid of fixed income securities may be subjected to liquidity risk particularly if a sizeable volume is involved.
Credit/Default Risk	Possibility for an investor to experience losses due to borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued. Inability of the borrower to make good on its financial obligations may have resulted from adverse changes in its financial condition thus, lowering credit quality of the security, and consequently lowering the price (market/price risk) which contributes to the difficulty in selling such security. It also includes risk on a counterparty (a party the UITF Fund Manager trades with) defaulting on a contract to deliver its obligation either in cash or securities. This is the risk of losing value in the UITF portfolio in the event the borrower defaults on his obligation or in the case of a counterparty, when it fails to deliver on the agreed trade. This decline in the value of the UITF happens because the default/failure would make the price of the security go down and may make the security difficult to sell. As these happen, the UITF's NAVPU will be affected by a decline in value.

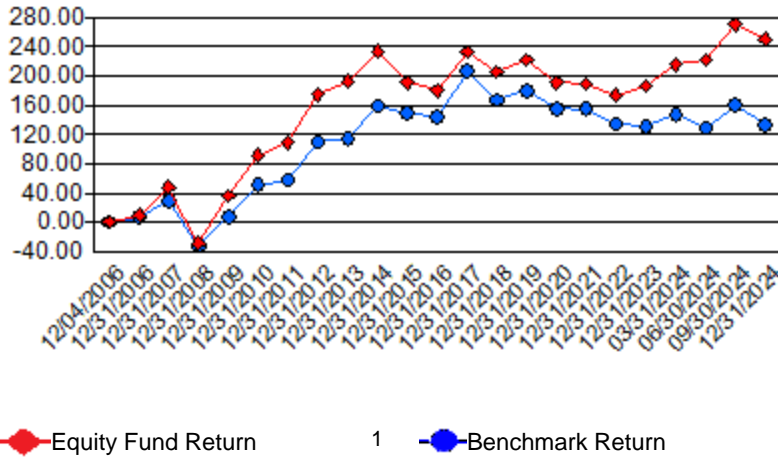
- * **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**
- * **IT IS A TRUST PRODUCT AND IS NOT AN OBLIGATION OF THE TRUSTEE, ITS AFFILIATES AND SUBSIDIARIES.**
- * **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/ FLUCTUATIONS ONLY.**
- * **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**
- * **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**
- * **THE TRUSTOR MUST READ THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT AND IF NEEDED, SEEK AN INDEPENDENT /PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.**

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

NAVPU GRAPH

NAVPU over the past 12 months

Equity Fund vs Benchmark ²



Source: Bloomberg and AB Capital & Investment Corporation

Highest	3.8213
Lowest	2.8622

STATISTICS	
Volatility, Past 1 Year (%) ³	14.05
Sharpe Ratio ⁴	1.2103
Information Ratio ⁵	3.3957

¹ Returns are net of fees
² Since Inception
³ Measures the degree to which the Fund fluctuates vis-a-vis its average return over a period of time
⁴ 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.
⁵ 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 PERFORMANCE						TOP TEN HOLDINGS (%)	
						BDO UNIBANK, INC.	11.85
	1 mo	3 mos	6 mos	1 yr	3 yrs	INTERNATIONAL CONTAINER TERMINA	11.84
Fund	-0.13	-5.39	8.94	22.46	21.13	BANK OF THE PHILIPPINE ISLANDS	7.82
Benchmark	-1.29	-10.23	1.82	1.22	-8.34	SM PRIME HOLDINGS, INC.	7.70
PORTFOLIO COMPOSITION						METROPOLITAN BANK & TRUST	6.49
Allocation			% Of Fund			MANILA WATER CO., INC.	6.24
Equities			94.41			CHINA BANKING CORPORATION	6.23
Time Deposits			5.12			MANILA ELECTRIC COMPANY	6.15
Cash and Other Receivables (Payables)			0.47			GT CAPITAL HOLDINGS, INC.	5.14
SECTOR HOLDING						CONVERGE INFORMATION & COMM. T	5.08
FINANCIALS			34.10				
SERVICES			25.97				
INDUSTRIAL			18.06				
PROPERTY			7.83				
HOLDING FIRMS			7.66				
MINING AND OIL			0.80				

RELATED PARTY TRANSACTIONS

The Fund has transactions and outstanding investments in shares of stocks with related parties of AB Capital & Investment Corporation - Trust and Investments Division (ABCIC-TID).

	Transaction	Market Value (Mln)
BLOOMBERRY RESORTS CORPORATION	Common Shares	18.03
INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.	Common Shares	427.50
MANILA WATER CO., INC.	Common Shares	225.18
UNIVERSAL ROBINA CORPORATION	Common Shares	54.33

Investments in the said outlets were approved by the Trust Committee. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

OUTLOOK AND STRATEGY

Stock Market

Local equities came under pressure in the fourth quarter as President Donald Trump's election triggered a capital flight from emerging markets back to the US. Trump's policies on trade, immigration, and tax cuts potentially have an inflationary impact on the US and may prompt the US Federal Reserve to scale back on its monetary policy easing which it began in 2024. As a result, interest rates in the US surged as investors anticipate higher inflation while the US Dollar strengthened on a favorable interest rate differential.

The Philippine Peso came under pressure, registered its weakest levels in history and triggered an exodus of foreign funds from the stock market. The stark reversal of foreign activity, from being net buyers amid the third quarter rally to heavy sellers in the fourth quarter pushed the index lower by 10.23% during the period and erased most of the gains of the index for the year.

Inflation continued to come in benign in the fourth quarter, staying below 3% and provided the BSP to cut interest rates down to 5.75%, lower by 0.75% for 2024. However, the cautious stance of the US Fed in the face of policy uncertainty from Trump has influenced the BSP to likewise telegraph a more measured approach to cutting rates in 2025. A scaling back of expectations of sustained interest cuts has been detrimental to equity market valuations with the market multiple compressing to 12x despite earnings on track to grow by double digits in 2024.

AB Capital Equity Fund Performance

The AB Capital Equity Fund posted a decline of 5.39% in the fourth quarter of 2024. The Net Asset Value Per Unit (NAVPU) decreased to 3.5052 as of December 31, 2024 from 3.7050 as of September 30, 2024.

Equity Fund Strategy

The Fund remains highly selective in positioning and has focused allocation in companies with clear competitive advantages, high earnings quality, and attractive valuations as these companies may benefit the most from the improving market conditions.

LIST OF PROSPECTIVE INVESTMENTS

Pursuant to the foregoing objectives, the Fund may be invested and reinvested in:

- a) Listed and soon to be listed (Initial Public Offering) common stocks, preferred stocks, and securities convertible into or exchangeable to common stocks;
- b) Fixed-income securities issued by the government and corporations such as but not limited to, commercial papers, bonds, non-convertible preferred shares exchange-traded equity securities, collective investment plans of the trustee/other trustees and other marketable securities that are traded in an organized exchange market;
- c) Other investments allowed under regulations issued by the BSP. which are applicable to the Fund.

The combined exposure of the Fund to any entity and its related parties shall not exceed fifteen percent (15%) of the market value of the Fund. Provided, that Fund investments, partially or substantially, in exchange traded equity securities shall be subject to the fifteen percent (15%) exposure limit to a single entity/issuer. This limit, however, shall not apply to non-risk assets

AB Capital is regulated by the Bangko Sentral ng Pilipinas (BSP). For any inquiries and concerns relating to our services and products you may call our hotline: 8898-7555, or send an email at trust@abcapitalonline.com or write a letter addressed to AB Capital-TID, Units 1210-1212, 12th Floor, PSE Tower, 5th Ave., cor. 28th St., Bonifacio Global City, Taguig City, Philippines 1634. You may also file your inquiries and concerns through the BSP's various Consumer Assistance Channels via this link <https://www.bsp.gov.ph/Pages/InclusiveFinance/ConsumerAssistanceChannelsChatbot.aspx>. To know your rights under BSP Circular No.857 and as revised by Circular 1048 (regulations on Financial Consumer Protection), and under Circular 1169 (Rules of Procedure for the Consumer Assistance Mechanism, Mediation and Adjudication of Cases in the Bangko Sentral ng Pilipinas) , please access copies of these issuances at the BSP website(www.bsp.gov.ph).