



Market Update

Third Issue: July- August 2019

Investing in today's volatile market

In the heat of the U.S. and China trade war – where the global market is shaken with the growing tension between the two nations – both long-time and would-be investors wonder where to put their bets on. But is there really a cause for concern?

U.S. – China trade war heats up



The U.S. has imposed new tariffs on Chinese goods.



China has responded by weakening its currency, thereby propping up their exports. They have also ceased buying key agricultural goods from the United States.

MARKET UPDATES

Change in NAVPUs from July 31 to Aug 16, 2019

Global Advantage Fund	▼	-5.5%
Chinese Tycoon Fund	▼	-4.9%
Asia Growth	▼	-7.4 %
Wealth Equity Fund	▼	-3.9%
Global Dynamic Allocation Fund- Growth	▼	-5.4%

The uncertainties of this trade war have disrupted businesses and led to a decline in the global markets.



Government and Central Bank will react on the possible market movements.



BANKS ARE EASING

Central banks around the world are enacting policies such as **lowering interest rates to influence spending** and counter the trade war's effects.

These policies will eventually promote growth and produce a market comeback.



US Federal Reserve

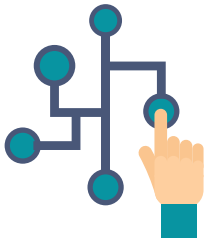
from **2.5%** to **2.25%** ▼
last July 2019



Bangko Sentral
ng Pilipinas

from **4.75%** to **4.5%** ▼
last May 2019

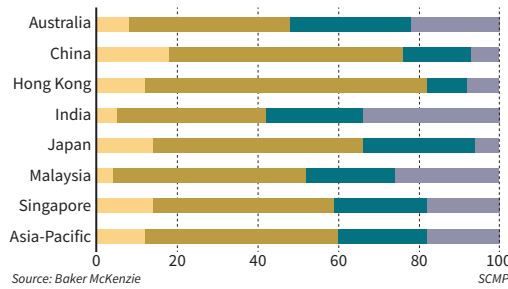
Looking ahead



INDUSTRIES ARE ADJUSTING

Companies are aware of the escalating trade war and is acting with that in mind. Due to the trade war, they are adjusting their supply chain and manufacturing facilities to continue to grow despite the current trade war concerns.

This might also mean that global trade might move into a more fragmented system allowing countries/companies to look for alternative sources beyond China and grow.



How different nations adjust supply chains due to the trade war

- Completely transforming the production and supply chain
- Making major changes in response
- Making small changes in response
- Do not see need to change at present

What should you do now as an investor?

You should rely on tried and tested investment principles.

Have a long-term outlook



It's important to remember that market volatility is the natural result of the relentless tug-of-war between buyers and sellers and that investing entails assuming some degree of risk.

So focus on your investment goals and don't let short-term volatility derail your long-term investment plans.

Studies show that keeping a long-term perspective will more likely give you better returns.

Have a diversified portfolio



Your wealth allocation plan serves as your roadmap and means of achieving your financial goals. This is based on your planned savings, investment horizon, risk tolerance, and financial objectives.

AXA has a robust portfolio of investment funds where you can diversify your investment and match it according to your risk profile.

Capitalize on market dips



Based on recent market data, now seems to be a good time to invest in stocks.

We buy stocks or equities because we want the earnings and its growth from the companies.

The Price to Earnings (P-E) Ratio or the amount of money needed to pay for each peso of earnings is relatively low now compared to last five years average.

AXA Funds you can consider to diversify your investment

Peso option:

WEALTH EQUITY FUND: Investing in the overall growth of the Philippine Economy

Average Annualized for 5Y Holding Period: +10.48%

Historical, since fund inception



One of the fastest growing economies in the world

Exposure to the top 30 companies in the Philippine Stock Exchange Index, this fund's performance is powered by the twin engines of economic growth in the Philippines: a strong consumer base & increased infrastructure spending.

Dollar option:

GLOBAL ADVANTAGE FUND: Investing in innovation

Average Annualized for 5Y Holding Period: +14.45%

Historical, since fund inception

The Global Advantage Fund's top 5 holdings domination of market share



Dollar Investment

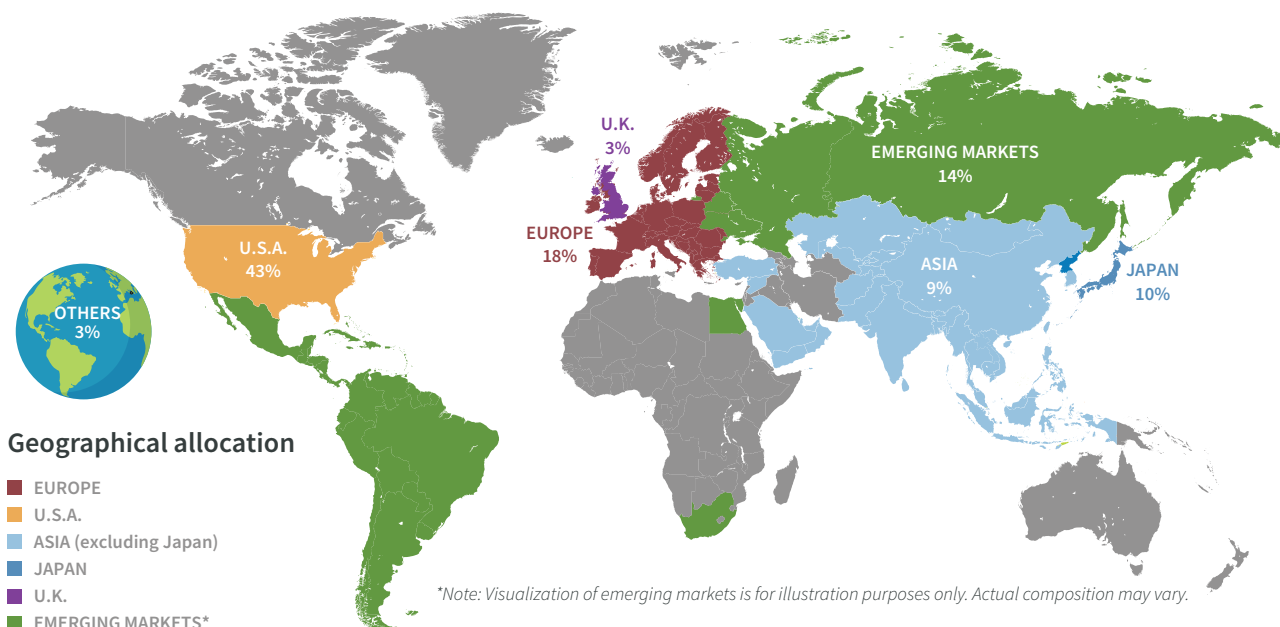
GLOBAL DYNAMIC ALLOCATION FUNDS: Investing across the globe.

Global Dynamic Allocation Fund: MULTI-ASSET

Key features:

- Focused on Balance of Global Fixed Income and Equities
- Investments are dynamically allocated across global asset classes to optimize returns
- Volatility strategy range designated at 7.5% – 15%

GDAF Multi-Asset is widely diversified across five major regions



**Now is the time to invest or diversify your investments.
Don't be afraid to take the risks. Learn more about the right investment for you.
Visit www.axa.com.ph and go to savings and investments.**

SOURCES:

<https://www.scmp.com/economy/china-economy/article/3007334/trade-war-forcing-93-cent-chinese-companies-transform-supply>

<https://www.invesco.com/portal/site/us/investors/etfs/product-detail?productId=QQQ&ticker=QQQ&title=invesco-qqq=portfolio#portfolio>