

Strategy Report

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Recommended Stock List for EIP

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The Stock List for EIP is a selection of Premium Growth Stocks and Securities that are carefully selected by the COL Research Team. These companies and securities are expected to continue generating shareholder value in the long-term.

EIP List of Companies

	COMPANY NAME	INCLUSION DATE	PRICE AS OF INCLUSION DATE	NOTES
BANKS				
BDO	Banco De Oro	18-Feb-11	Php 47.90	Currently the largest bank in the country, consistently delivering above average asset growth during the past few years. Major beneficiary of economic growth as demand for loans should grow.
BPI	Bank of Philippine Islands	01-Aug-08	Php 42.00	Identified as the 3 rd largest and consistently ranked as the most profitable bank in the Philippines. Major beneficiary of economic growth as demand for loans should grow.
MBT	Metropolitan Bank & Trust	18-Feb-11	Php 59.85	Identified as the 2 nd largest bank in the country with a strong balance sheet and improving earnings performance. Major beneficiary of economic growth as demand for loans should grow.
CONGLOMERATES				
AC	Ayala Corp.	18-Feb-11	Php 335.00	Founded in 1834, AC is one of the oldest and largest conglomerates operating in the Philippines with a reputation of excellence. It owns shares in Ayala Land, BPI, Manila Water and Globe, which are among the market leaders in their industries. Diversification into power and infrastructure should also help drive long term growth and increase AC's defensive sources of income and cash flow.

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GTCAP	GT Capital Holdings NEW	01-Oct-14	Php 1,035.00	<p>GTCAP is the holding company for the Ty family's investments in the banking, real estate, automotive, power and insurance industries through Metrobank, Federal Land, Toyota Motor Philippines, Global Business Power and AXA.</p> <p>The conglomerate is well positioned to benefit from the country's favorable growth outlook given its focus on less defensive but higher growth industries and the synergies that can be generated within the various subsidiaries.</p>
SM	SM Investments Corp.	18-Feb-11	Php 475.40	<p>SM is one of the largest conglomerates in the Philippines owning shares in the country's market leaders - SM Retail, SM Prime and BDO. Size provides it with numerous advantages over competitors, such as greater cost efficiency and stronger bargaining power.</p> <p>Despite its size, SM continues to grow all its businesses aggressively as it seeks to capitalize on the favorable outlook of the consumer segment.</p>
CONSUMER				
JFC	Jollibee Foods Corp.	01-Aug-08	Php 36.50	<p>Beneficiary of growing consumer spending locally being the dominant market leader in the fast food industry. Local brands include Jollibee, Chowking, Mang Inasal, Red Ribbon and Burger King.</p> <p>The company is also expanding in China, the US, Middle-East and Southeast Asia.</p>
URC	Universal Robina Corp.	18-Feb-11	Php 34.15	<p>Beneficiary of growing consumer spending locally being the market leader in numerous snack food categories.</p> <p>Successful entry into emerging Asian markets to help drive faster earnings growth in the future.</p>
INFRASTRUCTURE				
DMC	DMCI Holdings, Inc.	18-Feb-11	Php 34.00	<p>Beneficiary of the expected growth in infrastructure spending given the size of its construction subsidiary and reputation for quality.</p> <p>Company's strategy of shifting to higher value added businesses from pure construction should enhance profitability.</p>
MPI	Metro Pacific Investments	18-Feb-11	Php 3.63	<p>Beneficiary of the expected growth in infrastructure spending given its strategy of investing in infrastructure businesses that are suffering from underinvestment.</p>
MWC	Manila Water Company	01-Aug-08	Php 15.00	<p>One of the most efficient and profitable water distribution companies globally.</p> <p>Earnings growth will be driven by the growing population of its concession area and the company's strategy of looking for new concession areas.</p>

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ICT	Int'l Container Terminal Services	18-Feb-11	Php 42.00	Beneficiary of strong growth in emerging markets given location of existing ports and strategy of acquiring ports in emerging markets.
POWER				
AP	Aboitiz Power Corp.	18-Feb-11	Php 28.30	Largest power distributor in the Visayas and Mindanao region. Also has a growing power generation portfolio which includes several renewable energy plants, protecting it from rising fuel costs.
EDC	PNOC Energy Development Corp.	18-Feb-11	Php 5.72	A pure renewable energy power generation company, which protects the company against potential increases in fuel costs. Plans to expand its power generation portfolio should drive earnings growth.
PROPERTY				
ALI	Ayala Land, Inc.	01-Aug-08	Php 10.00	Major beneficiary of the secular uptrend of the property industry being one of the biggest property developers with a strong balance sheet, huge land bank and strong branding. Aside from residential developments, ALI has a huge leasing portfolio comprised of malls, offices and hotels, providing it with recurring cash flow.
SMPH	SM Prime Holdings	01-Aug-08	Php 10.78	SMPH is the property arm of the SM Group with exposure to retail, office, residential, and tourism properties. SMPH is also a good play on the Philippine consumer market as it is the biggest mall operator in the Philippines. Despite its diversified property holdings, SMPH gets more than 70% of its income from malls and other rental properties making it a highly defensive property company.
RLC	Robinsons Land Corp.** NEW	01-Oct-14	Php 24.00	RLC is the property arm of JG Summit largely focused on earning rental income from malls, offices, and hotels making it a highly defensive property company. It is currently the 2nd largest mall operator in the country. RLC is also engaged in residential developments, although this segment accounts for only 35% of revenues and around 22% of income.
TELECOM				
TEL	Philippine Long Distance Tel. Co.	01-Aug-08	Php 2,300.00	The dominant and most profitable telecommunications company in the country.
EXCHANGE TRADED FUND				
FMETF	First Metro Phil. Equity ETF** NEW	01-Oct-14	Php 117.40	A security issued by First Metro that is supposed to track the performance of the PSEi. This security allows small investors to enjoy the benefits of diversification at an affordable price.

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* **Criteria used for EIP Stock Selection** – Growing Industry / Earnings Visibility / Management Credibility / Superior Products or Services / and a Strong balance sheet.

** **NEW** – Indicates the companies recently added to our Easy Investment Program list.

ACTUAL PERFORMANCE OF EIP STOCKS

Period Covered: **From EIP launch date of 08/01/08 to 09/30/14 (74 months)**
 Monthly Investment: **Php 5,000 – assumes that you fully invested entire amount every month.**

	Price as of launch date 8/1/08	Price as of 9/30/2014	Average Purchase Price per Share under EIP	Total Investment	Current Market Value of EIP Portfolio	%Effective Annual Yield
ALI	PHP 9.80	PHP 34.95	PHP 18.79	PHP 370,000	PHP 922,157	29.5%
BPI	PHP 38.66	PHP 98.00	PHP 64.40	PHP 370,000	PHP 704,603	20.7%
JFC	PHP 37.00	PHP 196.00	PHP 97.78	PHP 370,000	PHP 1,005,179	32.5%
MWC	PHP 17.00	PHP 29.50	PHP 21.66	PHP 370,000	PHP 613,430	16.2%
SMPH	PHP 5.84	PHP 17.48	PHP 11.49	PHP 370,000	PHP 692,694	20.1%
TEL	PHP 2,500	PHP 3098.00	PHP 2594.37	PHP 370,000	PHP 559,766	13.2%
	Price as of launch date 3/1/11	Price as of 9/30/2014	Average Purchase Price per Share under EIP	Total Investment	Current Market Value of EIP Portfolio	%Effective Annual Yield
AC	PHP 320.67	PHP 740.00	PHP 488.82	PHP 215,000	PHP 365,905	30.9%
AP	PHP 30.00	PHP 40.75	PHP 34.13	PHP 215,000	PHP 280,537	15.0%
BDO	PHP 46.82	PHP 98.05	PHP 71.13	PHP 215,000	PHP 324,724	23.6%
DMC	PHP 37.35	PHP 78.95	PHP 54.64	PHP 215,000	PHP 354,477	28.9%
EDC	PHP 6.01	PHP 8.09	PHP 6.19	PHP 215,000	PHP 298,100	18.6%
ICT	PHP 41.70	PHP 110.40	PHP 79.38	PHP 215,000	PHP 340,398	26.4%
MBT	PHP 49.38	PHP 86.80	PHP 73.36	PHP 215,000	PHP 274,221	13.6%
MPI	PHP 3.26	PHP 4.90	PHP 4.42	PHP 215,000	PHP 251,854	8.7%
SM	PHP 415.20	PHP 803.50	PHP 652.85	PHP 215,000	PHP 295,614	18.0%
URC	PHP 33.80	PHP 187.00	PHP 92.28	PHP 215,000	PHP 601,893	63.6%

* **Definition of EFFECTIVE ANNUAL YIELD** – Annualized interest rate on an investment taking into account the effects of compounding.