

PHILIPPINE SAVINGS BANK
 **PSBank**
Money Market Fund

KEY INFORMATION AND INVESTMENT DISCLOSURES STATEMENT

March 31, 2015

FUND FACTS

| | |
|---|---|
| Classification: Money Market | Net Asset Value per Unit (NAVPU)¹: 101.331298 |
| Launch Date: January 2, 2014 | Total Fund NAV (in Million) : Php 639.30827761 |
| Minimum Investment: Php 10,000.00 | Dealing Day: Banking day until 1:30 PM |
| Additional Subscription: Php 5,000.00 | Redemption Settlement: Next banking day from date of redemption |
| Minimum Redemption: Php 5,000.00 | |
| Minimum Holding Period: 30 calendar days | Early Redemption Charge: 1.00% for 1-15 days and 0.50% for 16-30 days of Redemption proceeds for all subscriptions held for less than thirty (30) days |

FEES*

| | | |
|--|--|--|
| Trustee Fees: 0.50% p.a. based on NAV Philippine Savings Bank | Custodianship Fee: Minimum monthly fee of \$250 or its peso equivalent HSBC | External Auditor Fees: 0.02 % SGV |
|--|--|--|

*As percentage of average daily NAV for the quarter valued at 639,308,277.61

INVESTMENT OBJECTIVE AND STRATEGY

To achieve liquidity and generate income for its participants by investing in a diversified portfolio of short-term Philippine peso denominated fixed income instruments with a portfolio duration of not more than one (1) year. The Fund aims to outperform its benchmark, the Philippine 91-day Treasury Bills.

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 Fund Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

- Suitable for individual and corporate investors with moderately conservative risk appetite.

KEY RISKS AND RISK MANAGEMENT

Investment in UITF exposes the investors to various types of risks including but not limited to:

- **Interest Rate Risk :** This is the possibility for an investor to experience losses due to changes in interest rates. 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 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.
- **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.
- **Credit Risk/Default Risk :** This is the possibility for an investor to experience losses due to a 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.
- **Reinvestment Risk :** This is the risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.
- **Other Risk :** Your participation in the UITFs may be further exposed to the risk of any actual or potential conflicts of interest in the handling of in-house or related party.
- PSBank Money Market Fund uses a defined Risk Management policy in identifying and measuring level of risks. The Fund uses weighted modified duration in evaluating market risk for investment in fixed income securities. Modified Duration measures the approximate sensitivity of the value of the security to changes in interest rates. Interest rates have an adverse relationship with fixed income security prices so that an increase in interest rates generally leads to decrease in fixed income prices and vice versa. The higher the duration of an instrument, the higher its risk (considering all other factors are equal).

-  **THE UITF FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
-  **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**

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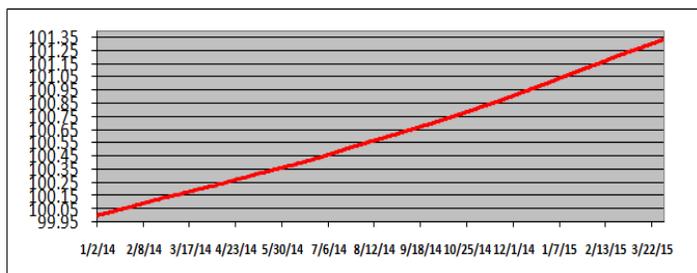
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FUND PERFORMANCE AND STATISTICS AS OF MAR. 31,2015
(Purely for reference purposes and is not a guarantee of future results)

NAVPu Graph



NAVPu1 over the past 1 year and 3 months

| | |
|---------|------------|
| Highest | 101.331298 |
| Lowest | 100.000000 |

Statistics

| | |
|------------------------------|------|
| Weighted Modified Duration * | 0.06 |
|------------------------------|------|

* Weighted Modified Duration measures the value of security in response to a change in interest rates.

Cumulative Performance (%)

| Period | YTD | YOY | 1mo | 6mos | Since Inception |
|-----------|--------|--------|--------|--------|-----------------|
| Fund | 0.315% | 1.112% | 0.100% | 0.611% | 1.664% |
| Benchmark | 0.407% | 1.288% | 0.132% | 0.742% | 1.204% |

TOP HOLDINGS:

| Name | % of Fund |
|---|-----------|
| Special Deposit Account - Bangko Sentral ng Pilipinas | 16.85% |
| Special Deposit Account - Bangko Sentral ng Pilipinas | 14.82% |
| Special Deposit Account - Bangko Sentral ng Pilipinas | 11.86% |
| Deposits-Other Bank | 8.85% |
| Deposits-Other Bank | 5.62% |
| Special Deposit Account - Bangko Sentral ng Pilipinas | 4.99% |

Portfolio Composition



OTHER DISCLOSURES

¹Net of fees and taxes.

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php 39,500,000.00, which were approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

Yields in the secondary market rose by an average of 18.1 bps month-on-month with the 91-day T-bill yielding 2.3039%, up by 39.14 bps. Given the stable inflation environment and a possible delay in the U.S. Fed rate hike, the BSP's Monetary Board (MB) will likely maintain its current monetary policy stance and keep interest rates unchanged at least for the first half of the year.

The fund will remain defensive and will continue to maintain a short portfolio duration.