

FUND CLASSIFICATION: Money Market

CLIENT SUITABILITY:
Suitable for individual and corporate investors with moderately conservative risk appetite.

INVESTMENT OBJECTIVE:
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.

FUND SUMMARY:
Net Asset Value per Unit (NAVPU)¹ Php 109.695033
Total Fund NAV (in Php Bn) Php 1.085749
Duration(Interest Rate Risk) Years 0.27

GENERAL INFORMATION:
Base Currency Php
Minimum Initial Participation Php 10,000
Minimum Additional Participation Php 5,000
Minimum Holding Period 30 days
Early Redemption Fee 1.00% for 1-15 days and 0.50% for 16-30 days of Redemptions held for less than thirty (30) days
Trust Fee 0.50% p.a. based on NAV
Custodian Fee Minimum monthly fee of \$250 or its peso equivalent
Applicable Tax 20% Final tax for fixed income investments
External Auditor Fees: 0.01%
Valuation Marked-to-Market
Dealing Day Banking day until 1:30 PM
Redemption Settlement Next banking day from date of redemption
Fund Manager PSBank Trust Division
Custodian HSBC
Launch Date January 2, 2014

OTHER DISCLOSURES:
¹ Net of fees and taxes.

FIGURES AS OF MAY 31, 2019

CUMULATIVE PERFORMANCE (%):

	1 Month	6 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Fund	0.422%	2.178%	1.896%	3.447%	6.620%	9.294%	9.695%
Benchmark	0.367%	2.257%	1.890%	3.838%	7.527%	10.496%	10.891%

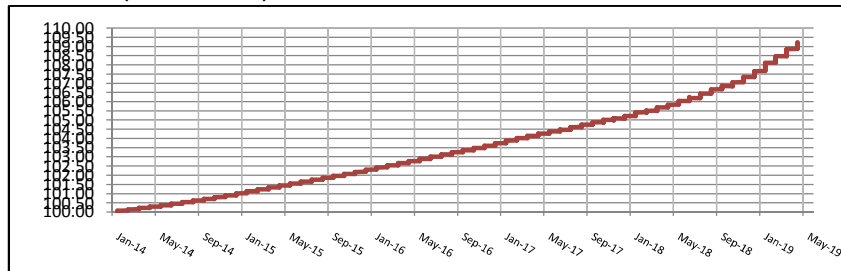
Note: Rates are net of tax

ANNUALIZED (%):

	1 Month	6 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Fund	6.328%	5.445%	5.651%	4.309%	8.275%	11.617%	12.119%
Benchmark	5.507%	5.643%	5.633%	4.798%	9.409%	13.120%	13.614%

Note: Rates are gross of tax

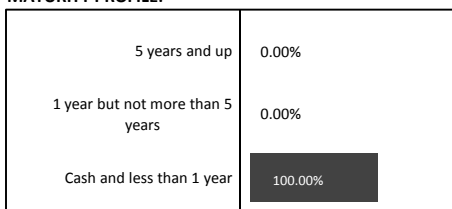
NAVPU GRAPH (SINCE INCEPTION):



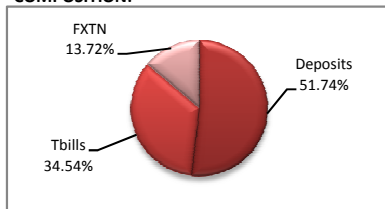
TOP HOLDINGS:

Name	% of Fund
FXTN	13.71%
Deposits-Other Bank	11.95%
TBILLS	9.16%
Deposits-Other Bank	6.45%
Deposits-Other Bank	6.44%
Deposits-Other Bank	5.98%

MATURITY PROFILE:



COMPOSITION:



FUND MANAGER'S REPORT

MARKET REVIEW:

Headline inflation in May was 3.2%, up from 3.0% in April and higher than the consensus estimate of 2.9%. This brought the average headline inflation for Jan-May 2019 to 3.6%, within the BSP's full-year target range of 2.0%-4.0%. Core inflation for the month was up to 3.5% from 3.4% in April with year-to-date average core inflation at 3.7%. The Monetary Board cut interest rates by 25 bps during its policy meeting due to easing food prices amid improved supply conditions. It also adjusted lower its inflation forecast for 2019 to 2.9% from an earlier projection of 3.0% while the forecast for 2020 was increased to 3.1% from 3.0% previously.

OFW remittances in March reached \$2.514 billion, up by 6.5% year-on-year and up 9.2% month-on-month from \$2.301 billion in February. Aggregate remittances for January-March 2019 totaled \$7.299 billion, up 4.2% year-on-year. For 2019, the government is targeting remittances growth of 3.0%.

During the 1st T-bill auction for the month last May 6, the 91-day T-bill fetched 5.438%, lower than the 5.563% it fetched at the April 29 auction. The 182-day T-bill's yield declined to 5.825% from 5.978% while the 364-day T-bill was down to 5.977% from 6.085%. Total tenders for the three tenors amounted to P51.182 billion and the BTr fully awarded the P15 billion offer size.

Last May 14, the 91-day T-bill fetched 5.389%, lower than the 5.438% it fetched at the May 6 auction. The 182-day T-bill's yield declined to 5.768% from 5.825% while the 364-day T-bill was down to 5.936% from 5.977%. Total tenders for the three tenors amounted to P54.648 billion and the BTr fully awarded the P15 billion offer size.

In the May 20 auction, the 91-day T-bill fetched 5.258%, lower than the 5.389% it fetched at the May 14 auction. The 182-day T-bill's yield declined to 5.700% from 5.768% while the 364-day T-bill was down to 5.869% from 5.936%. Total tenders for the three tenors amounted to P50.268 billion and the BTr fully awarded the P15 billion offer size.

Finally, last May 27, the 91-day T-bill fetched 5.150%, lower than the 5.258% it fetched at the May 20 auction. The 182-day T-bill's yield declined to 5.590% from 5.700% while the 364-day T-bill was down to 5.683% from 5.869%. Total tenders for the three tenors amounted to P47.876 billion and the BTr fully awarded the P15 billion offer size.

OUTLOOK AND STRATEGY:

Yields in the secondary market decreased by 38.04 bps on average month-on-month with the 91-day T-bills fetching 5.298%, down by 41.3 bps after the BSP announced a 2ppt cut on banks reserve requirement ratio to 16% which will take effect in batches. The first 1ppt reserve ratio cut will be effective on May 31 and will be followed by another 0.50ppt reserve ratio cut on June 28 with the last 0.50ppt reserve ratio cut to take effect on July 26.

With the 2ppt cut in banks reserve requirement ratio and with inflation in a downtrend, rates are expected to decline. As such, the Fund will take opportunities to invest in high yielding instruments such as one year T-bills to maximize the Fund's ROI and at the same time, maintaining a duration not exceeding 0.5.

To know more you may visit our website at www.psbank.com.ph or call us at Tel. nos. (63-2) 885-8287/8332; 944-1496; or email us at trustmarketing@psbank.com.ph. Participation in the Fund is NOT a DEPOSIT and not insured by the Philippine Deposit Insurance Corporation (PDIC). Due to the nature of the investments, yield and potential yields cannot be guaranteed. Any income and loss arising from market fluctuations and price volatility of the securities held by the fund, even if invested in government securities, is for the account of the investor. As such, units of participation of the investor in the fund, when redeemed, maybe worth more or be worth less than his/her initial investment/contributions. Historical performance when presented is purely for reference purposes and not a guarantee of future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence. The Declaration of Trust of the Fund is available at the principal office of the Trustee upon request. The investor must read the complete details of the fund in the Plan Rules, make his/her own risk assessment, and when necessary, he/she must seek independent/professional opinion, before making an investment.

Supervised by the Bangko Sentral ng Pilipinas. BSP contact details: (02) 708-7087 | consumeraffairs@bsp.gov.ph

Customer Complaints, Concerns and Other Queries - In case of complaints, concerns and other queries regarding PSBank Trust Division Products and Services, the Client may contact the Bank's 24/7 Customer Experience Hotline at (02) 845-8888; text (63 998-8458888; e-mail at customerexperience@psbank.com.ph or call BSP Financial Consumer Department at Tel. No. 708-7087.