

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 110.152301
Total Fund NAV (in Php Bn) Php 1.072602
Duration(Interest Rate Risk) Years 0.31

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 Redemption proceeds for all subscriptions 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 JUNE 28, 2019

CUMULATIVE PERFORMANCE (%):

	1 Month	6 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Fund	0.440%	2.331%	2.321%	3.735%	6.951%	9.671%	10.152%
Benchmark	0.322%	2.201%	2.189%	3.921%	7.715%	10.719%	11.185%

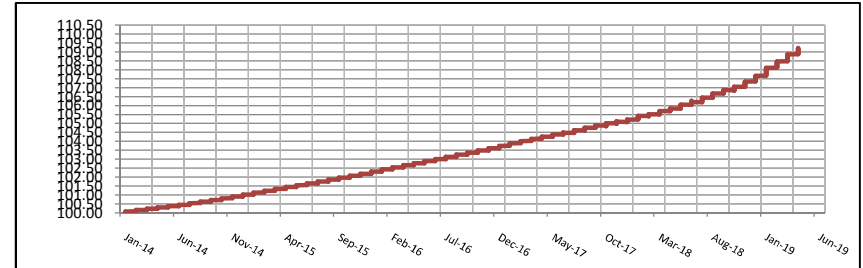
Note: Rates are net of tax

ANNUALIZED (%):

	1 Month	6 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Fund	6.603%	5.828%	5.835%	4.669%	8.689%	12.089%	12.690%
Benchmark	4.828%	5.504%	5.502%	4.901%	9.644%	13.398%	13.981%

Note: Rates are gross of tax

NAVPU GRAPH (SINCE INCEPTION):



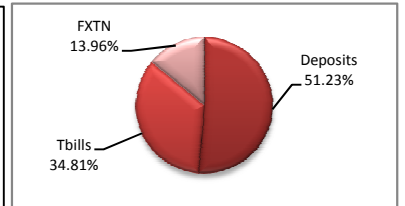
TOP HOLDINGS:

Name	% of Fund
FXTN	13.91%
Deposits-Other Bank	12.10%
TBILLS	8.87%
Deposits-Other Bank	6.51%
Deposits-Other Bank	6.05%
Deposits-Own Bank	5.58%

MATURITY PROFILE:

5 years and up	0.00%
1 year but not more than 5 years	0.00%
Cash and less than 1 year	100.00%

COMPOSITION:



FUND MANAGER'S REPORT

MARKET REVIEW:

Headline inflation in June was 2.7%, down from 3.2% in May and slightly lower than the consensus estimate of 2.8%. This brought the average headline inflation for Jan-June 2019 to 3.4%, within the BSP's full-year target range of 2.0%-4.0%. Core inflation for the month was down to 3.3% from 3.5% in May with year-to-date average core inflation at 3.7%. The Monetary Board kept its policy rates unchanged during its policy meeting in order to assess the impact of prior monetary adjustments and after inflation unexpectedly rose in May. It also adjusted lower its inflation forecast for 2019 to 2.7% from an earlier projection of 2.9% while the forecast for 2020 was cut to 3.0% from 3.1% previously.

OFW remittances in April reached \$2.441 billion, up by 4.0% year-on-year and down 2.9% month-on-month from \$2.514 billion in March. Aggregate remittances for January-April 2019 totaled \$9.739 billion, up 4.1% year-on-year. For 2019, the government is targeting remittances growth of 3.0%.

During the 1st T-bill auction for the month last June 3, the 91-day T-bill fetched 4.992%, lower than the 5.150% it fetched at the May 27 auction. The 182-day T-bill's yield declined to 5.400% from 5.590% while the 364-day T-bill was down to 5.498% from 5.683%. Total tenders for the three tenors amounted to P49.59 billion and the BTR fully awarded the P15 billion offer size.

Last June 10, the 91-day T-bill fetched 4.555%, lower than the 4.992% it fetched at the May 6 auction. The 182-day T-bill's yield declined to 4.923% from 5.400% while the 364-day T-bill was down to 5.069% from 5.498%. Total tenders for the three tenors amounted to P53.578 billion and the BTR fully awarded the P15 billion offer size.

In the June 17 auction, the 91-day T-bill fetched 4.453%, lower than the 4.555% it fetched at the June 10 auction. The 182-day T-bill's yield declined to 4.856% from 4.923% while the 364-day T-bill was down to 5.050% from 5.069%. Total tenders for the three tenors amounted to P43.064 billion and the BTR fully awarded the P15 billion offer size.

Finally, last June 25, the 91-day T-bill fetched 4.385%, lower than the 4.453% it fetched at the June 17 auction. The 182-day T-bill's yield declined to 4.723% from 4.856% while the 364-day T-bill was down to 4.986% from 5.050%. Total tenders for the three tenors amounted to P50.006 billion and the BTR fully awarded the P15 billion offer size.

OUTLOOK AND STRATEGY:

The fund increased its duration to 0.31 in June from 0.27 the previous month after the purchase of 1-yr treasury bills to lock in higher yields. As at end June 2019, the fund's absolute performance was as at 0.44% month-on-month and 2.32% year-to-date, outperforming its benchmark by 11.8 bps and 13.2 bps respectively. With the lower month-on-month inflation in June, the recent Reserve Requirement cuts, and the dovish statements of BSP Gov. Diokno, rates are expected to go down. Given this expectation, the fund will continue to opportunistically purchase treasury bills and seek higher yielding deposits.

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.