

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 111.095276
Total Fund NAV (in Php Bn) Php 1.135627
Duration(Interest Rate Risk) Years 0.37

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: Valuation 0.01%
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 AUGUST 30, 2019

CUMULATIVE PERFORMANCE (%):

	1 Month	6 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Fund	0.362%	2.389%	3.197%	4.160%	7.611%	10.411%	11.095%
Benchmark	0.229%	1.945%	2.722%	3.985%	8.003%	11.055%	11.711%

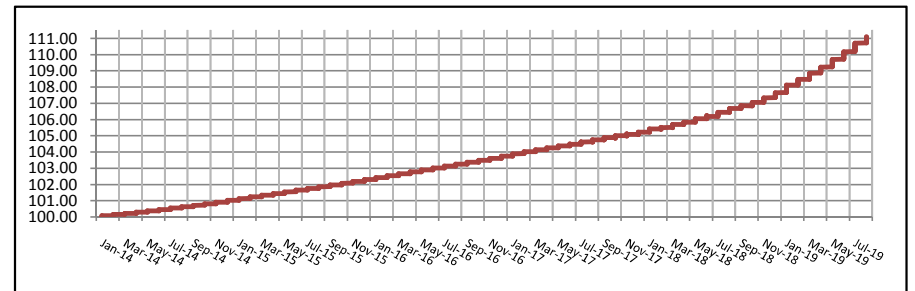
Note: Rates are net of tax

ANNUALIZED (%):

	1 Month	6 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Fund	5.429%	5.974%	5.944%	5.200%	9.514%	13.013%	13.869%
Benchmark	3.438%	4.862%	5.061%	4.981%	10.004%	13.819%	14.639%

Note: Rates are gross of tax

NAVPU GRAPH (SINCE INCEPTION):



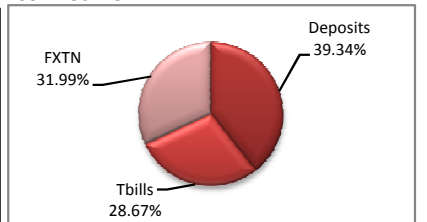
TOP HOLDINGS:

Name	% of Fund
FXTN	23.19%
Deposits-Other Bank	8.75%
TBILLS	8.49%
Deposits-Other Bank	8.14%
FXTN	6.98%
Deposits-Own Bank	5.25%

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 August was 1.7%, down from 2.4% in July and slightly lower than the consensus estimate of 1.8%. This brought the average headline inflation for Jan-August 2019 to 3.0%, within the BSP's full-year target range of 2.0%-4.0%. Core inflation for the month was down to 2.9% from 3.2% in July with year-to-date average core inflation at 3.6%.

The Monetary Board cut interest rates by 25 bps during its policy meeting due to easing food prices amid improved supply conditions and amid slower global growth prospects. It also adjusted lower its inflation forecast for 2019 to 2.6% from an earlier projection of 2.7% while the forecast for 2020 was reduced to 2.9% from 3.0% previously.

OFW remittances in June reached \$2.290 billion, down by 2.8% year-on-year and down 12.2% month-on-month from \$2.609 billion in May. Aggregate remittances for January-June 2019 totaled \$14.638 billion, up 3.2% year-on-year. For 2019, the government is targeting remittances growth of 3.0%.

During the 1st T-bill auction for the month last August 5, the 91-day T-bill fetched 3.398%, lower than the 3.769% it fetched at the July 22 auction. The 182-day T-bill's yield declined to 3.677% from 4.100% while the 364-day T-bill was down to 3.898% from 4.519%. Total tenders for the three tenors amounted to P87.13 billion and the BTR fully awarded the P15 billion offer size.

Finally, last August 19, the 91-day T-bill fetched 3.254%, lower than the 3.398% it fetched at the August 5 auction. The 182-day T-bill's yield declined to 3.471% from 3.677% while the 364-day T-bill was down to 3.636% from 3.898%. Total tenders for the three tenors amounted to P45.755 billion and the BTR fully awarded the P15 billion offer size.

OUTLOOK AND STRATEGY:

Yields on government securities were down by 44.82 bps on the average month-on-month with the 91 day T-bills closing at 3.319%, down by 51.90 bps, after the BSP cut its policy rate by 25 bps and amid lower inflation expectations for August. The Fund's 30-day and year-to-date absolute performance were at 0.362% and 3.197%, outperforming its benchmark by 13.3 bps and 47.5 bps respectively. The duration of the Fund increased to 0.37 from 0.34 the previous month after the Fund purchased 1-year FXTN to lock in higher yields. Given the statement of the BSP hinting at another policy rate cut and further reserve requirement cuts in the coming months, we expect rates to decline further. As such, we will continue to look for opportunities to maximize returns and reposition our portfolio.

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.