

PHILIPPINE SAVINGS BANK



KEY INFORMATION AND INVESTMENT DISCLOSURES STATEMENT

September 30, 2022

FUND FACTS

Classification: Money Market	Net Asset Value per Unit (NAVPU)¹: 115.454856
Launch Date: January 2, 2014	Total Fund NAV (in Php Bn): 0.86
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: 0.012% SGV	Other Fees: 0.00% <i>Other Fees:</i>
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*As percentage of average daily NAV for the quarter valued at (in Php Bns) 0.86

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 (net of taxes).

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.

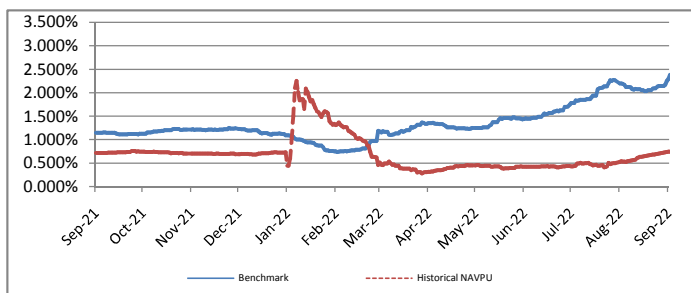
PSBank Money Market Fund uses a defined Risk Management policy in identifying and measuring level of risks. The Fund uses weighted modified duration in evaluating market risk for investment in fixed income securities. Modified Duration measures the approximate sensitivity of the value of the security 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

FUND PERFORMANCE AND STATISTICS AS OF September 30, 2022

(Purely for reference purposes and is not a guarantee of future results)

Graph

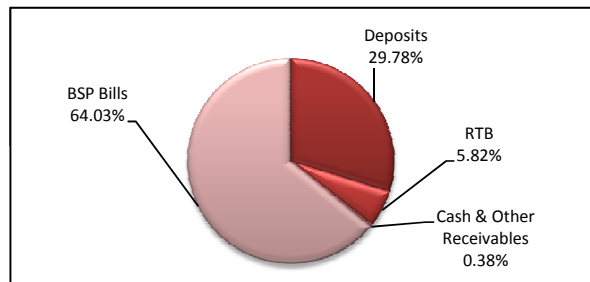


Cumulative Performance (%)

Period	1 Mo	6 Mos	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception
Fund	0.180%	0.512%	0.579%	0.721%	3.696%	10.085%	15.455%
Benchmark	0.173%	0.732%	0.940%	1.167%	4.184%	10.590%	16.147%

Note: Rates are net of tax

Portfolio Composition



NAVPU OVER THE PAST 12 MONTHS

Highest	115.454856
Lowest	114.627872

*Net of fees and taxes.

Statistics

Weighted Modified Duration	0.05
Volatility, Past 1 Year*	0.21%
Sharpe Ratio**	-5.69
Information Ratio***	-7.43

*Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

**Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

*** Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

TOP HOLDINGS:

Name	% of Fund
BSP Bills	34.94%
BSP Bills	17.46%
Deposits-Other Bank	11.70%
BSP Bills	11.63%
Deposits-Other Bank	5.83%
RTB	5.82%
Deposits-Other Bank	4.67%
Deposits-Other Bank	4.08%
Deposits-Own Bank	2.33%
Deposits-Other Bank	1.17%

OTHER DISCLOSURES

1) RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php22,350,900.71 which were approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

2) LIST OF PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets, wherein the Trustee intends to invest depending on strategy, availability, or other market-driven circumstances:

- Bank deposits and such other investments allowed under regulations issued by the BSP.
- Tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP.
- Tradable fixed-income instruments issued by financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and such other tradable investment outlets/categories as the BSP may allow.

OUTLOOK AND STRATEGY

Month-on-month, yields on government securities increased by 68 bps on the average with the 91-day T-bills closing at 3.153% UP by 90 bps for the same period, as most end users continued to pick up short-term paper particularly the RTB 5-11 with remaining tenor of 3 months, ahead of the inflation data for the month August. Meanwhile, the government plans to borrow P200 billion worth of T-bills and T-bonds in October, unchanged from last month's volume. The Fund's 30-day and year-to-date absolute performance was at 0.180% and 0.579% vs. benchmark of 0.173% and 0.940% respectively, while duration further declined to .05-year from .07-year the previous month, as maturities were re-invested in one-month BSP Bills and short-term time deposits. Inflation in September rose to 6.9% from 6.3% in August (in line with consensus forecast of 6.9%). This brought the average headline inflation for January-September 2022 to 5.1%, still higher than the BSP's target range for inflation of 2.0-4.0%. The higher inflation was due to faster increases in the following sectors: food and non-alcoholic beverages group and the housing, water, electricity, and gas group. The increases were mainly a result of higher electricity rates, higher food prices due to weather disturbances during the month, and the depreciation of the Peso. Meanwhile, the Monetary Board again raised interest rates by 50bps last September as inflationary pressures persisted.

Looking forward, the MB may raise rates again in November in order to anchor inflation expectations amid upside risks from transport fare increases and the continued depreciation of the Peso as well as the hawkish stance of the U.S. Federal Reserve. This may cause interest rates to rise in the short-term and lead to increased volatility. As such, the Fund will continue to maintain a short portfolio duration and will take advantage of higher interest rates for over the year time deposit in order to maximize return. We will also continue to monitor local and foreign economic developments to take advantage of any market opportunities.

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) 8845-8888; text (63) 998-8458888; e-mail at customerexperience@psbank.com.ph or call BSP Financial Consumer Department at Tel. No. 8708-7087.

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