

# PHILIPPINE SAVINGS BANK



## KEY INFORMATION AND INVESTMENT DISCLOSURES STATEMENT

September 29, 2023

### FUND FACTS

<b>Classification:</b> Money Market	<b>Net Asset Value per Unit (NAVPU)<sup>1</sup>:</b> 120.26627
<b>Launch Date:</b> January 2, 2014	<b>Total Fund NAV (in Php Bn) :</b> 0.65
<b>Minimum Investment:</b> Php 10,000.00	<b>Dealing Day:</b> Banking day until 1:30 PM
<b>Additional Subscription:</b> Php 5,000.00	<b>Redemption Settlement:</b> Next banking day from date of redemption
<b>Minimum Redemption:</b> Php 5,000.00	
<b>Minimum Holding Period:</b> 30 calendar days	<b>Early Redemption Charge:</b> 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\*

<b>Trustee Fees:</b> 0.50% p.a. based on NAV <b>Philippine Savings Bank</b>	<b>Custodianship Fee: Minimum monthly fee</b> of \$250 or its peso equivalent <b>HSBC</b>	<b>External Auditor Fees:</b> 0.012% <b>SGV</b>	<b>Other Fees:</b> 0.00% <b>Other Fees: NONE</b>
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\*As percentage of average daily NAV for the quarter valued at (in Php Bns) 0.65

### 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.

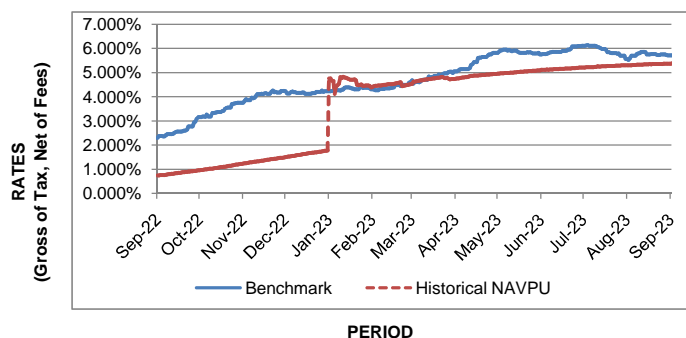
PSBank Money Market Fund uses a defined Risk Management policy in identifying and measuring level of risks. The Fund uses weighted modified duration in evaluating market risk for investment in fixed income securities. Modified Duration measures the approximate sensitivity of the value of the security 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 ACCOUNT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)
- THAT DUE TO THE NATURE OF THE INVESTMENT OF A UITF, THE RETURNS/YIELDS CANNOT BE GUARANTEED, HISTORICAL PERFORMANCE WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE
- THAT ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT. AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT CONTRIBUTION.
- THE TRUSTEE IS NOT LIABLE FOR LOSSES UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE
- THAT THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S PLAN, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/ PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT
- THE UITF FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE OR ITS AFFILIATES OR SUBSIDIARIES

## FUND PERFORMANCE AND STATISTICS AS OF SEPTEMBER 29, 2023

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

### Graph

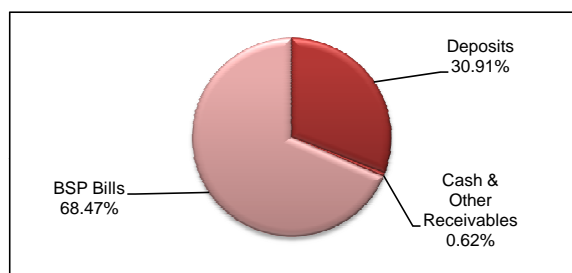


### Cumulative Performance (%)

Period	1 Mo	6 Mos	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception
Fund	0.381%	2.285%	3.280%	4.174%	5.622%	12.554%	20.266%
Benchmark	0.376%	2.306%	3.233%	3.981%	6.078%	12.118%	20.121%

Note: Rates are net of tax

### Portfolio Composition



### NAVPu OVER THE PAST 12 MONTHS

Highest	120.266270
Lowest	115.447836

<sup>1</sup>Net of fees and taxes.

### Statistics

Weighted Modified Duration	0.03
Volatility, Past 1 Year*	0.17%
Sharpe Ratio**	0.24
Information Ratio***	1.02

\*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	Maturity	% of Fund
BSP Bills	10/3/2023	45.67%
BSP Bills	10/10/2023	15.20%
TD - BPI	10/17/2023	7.65%
BSP Bills	10/17/2023	7.59%
TD - PSBank	10/16/2023	4.57%
TD - Chinabank	10/16/2023	3.21%
TD - BPI	10/23/2023	3.09%
TD - Chinabank	10/4/2023	3.07%
TD - PSBank	10/17/2023	3.05%
TD - PSBank	10/3/2023	1.68%

### OTHER DISCLOSURES

#### 1) RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php83,901,167.49 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 2.4 bps on the average with the 91-day T-bills closing at 5.70% down by 1 bp for the same period as most players remained on the sidelines and were seen servicing end user requirements across all tenors. Meanwhile, the government plans to borrow Php150 billion worth of T-bills and T-bonds in October, Php30Bn lower than the previous month's GS auction. The Fund's 30-day and year-to-date absolute performance was at 0.381% and 3.280% vs. benchmark of 0.376% and 3.233% respectively, while duration stood at 0.02-year as maturities were re-invested in short term fixed income instruments. Headline inflation in September rose to 6.1% from 5.3% in August (higher than consensus forecast of 5.3%). This is still higher than the BSP's target range for inflation of 2.0-4.0%. This brings the average headline inflation from Jan-September 2023 to 6.6%. Core inflation declined to 5.9% from 6.1% in August. The higher headline inflation figure was due to elevated prices of certain food products and higher gas and transportation prices during the month.

Last September, the Fed kept interest rates steady as expected but set a hawkish tone after hinting of at least one more rate hike in 2023 to bring down inflation. It also signaled its intent to hold policy rates at a higher for longer level until it is confident that inflation is moving sustainably down. Meanwhile, locally, the Monetary Board kept rates unchanged for a fourth straight meeting last September even as headline inflation increased after six months of decline. However, BSP Gov. Remolona said the MB is prepared to resume its tightening amid persistent risks to inflation from higher oil and transport prices, potential food supply issues from weather disturbances and petitions for wage hikes. Furthermore, a sharp depreciation of the Peso is also another factor to consider. The next MB meeting will be held in November but Gov. Remolona did not rule out the possibility of an off-cycle rate hike. These factors may contribute to increased market volatility and looking ahead, any potential rate hike may cause domestic interest rates to rise which, in turn, may lead to lower mark-to-market values in the short-term. As such, the Fund will continue to maintain a short portfolio duration to lessen the impact of market volatility and will remain to be invested in high yielding short-term fixed income instruments to maximize returns.

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](mailto:customerexperience@psbank.com.ph) or call BSP Financial Consumer Department at Tel. No. 8708-7087.

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