

PHILIPPINE SAVINGS BANK



KEY INFORMATION AND INVESTMENT DISCLOSURES STATEMENT  
September 30, 2024

FUND FACTS

Classification: Money Market	Net Asset Value per Unit (NAVPU) <sup>1</sup> : 125.958652
Launch Date: January 2, 2014	Total Fund NAV (in Php Bn) : 0.60
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: 0.010% SGV	Other Fees: 0.00% Other Fees: NONE
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\*As percentage of average daily NAV for the quarter valued at (in Php Bns) 0.60

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 with no investment having a term exceeding three (3) years. The Fund aims to outperform its benchmark, the Philippine 91-day Treasury Bills (net of taxes).

BENCHMARK

The benchmark used for the PSBank Money Market Fund is the Philippine 91-day Treasury bills BVAL rate. The Bankers Association of the Philippines (BAP) is the benchmark administrator and owner of the PHP BVAL Reference Rates to be used as the Philippine Peso Government Securities benchmark in the GS market. The PHP BVAL Reference Rates are solely calculated by Bloomberg Finance Singapore L.P. and/or its affiliates (Bloomberg), under an agreement with the BAP. The BAP has engaged the Philippine Dealing System (PDS) to be its Benchmark Publication Agent and the BVAL rates for Government Securities are published on the PDS website daily at 5:00 p.m.

Additional information on the BVAL rates can be found on the PDS website ([www.pds.com.ph](http://www.pds.com.ph))  
PDS Website Homepage > PHP BVAL Reference Rates - Benchmark Tenors  
Home>Market Data>Government Securities> PHP BVAL Reference Rates- Benchmark Tenors

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).

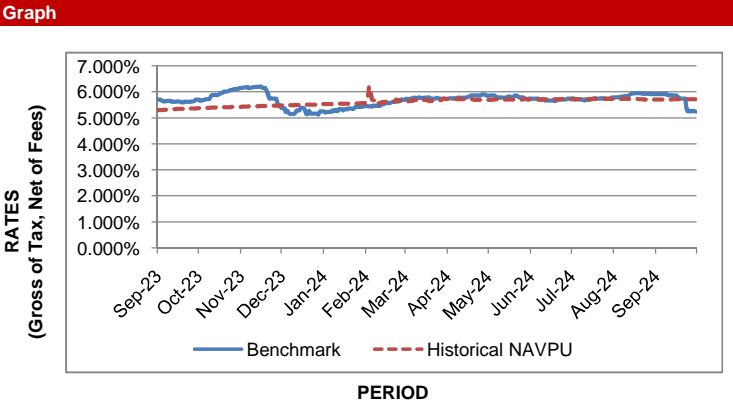
○THE UITF FUND IS NOT A DEPOSIT ACCOUNT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)  
○THAT DUE TO THE NATURE OF THE INVESTMENT OF A UITF, THE RETURNS/YIELDS CANNOT BE GUARANTEED, HISTORICAL PERFORMANCE WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE 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

COOLING-OFF PERIOD

Subject to exemptions under BSP regulations governing the mandatory cooling-off period, the TRUSTOR/s is/are entitled to a cooling off period of two (2) banking days from the date of initial participation (the "Cooling-Off Period") in the applicable FUND. Should the TRUSTOR/s decide(s) to avail of their right to Cooling-Off period, the TRUSTOR/s shall give the TRUSTEE/MANAGER a written notice to cancel within such 2-banking day period. In which case, the TRUSTEE/MANAGER shall refund or return to the TRUSTOR/s the amounts invested, including the documents submitted, without undue delay and within a maximum period of fifteen (15) banking days after receipt of such notice to cancel and shall charge and withhold from said refund such processing fees or charges that are not greater than the actual or reasonable approximation of administrative costs incurred by the TRUSTEE as recovery thereof. As a result of the cancellation, the TRUSTOR/s understand(s) that such a cancellation may also result in mark to market gain or loss depending on the prevailing NAVPU which shall be for the TRUSTOR/s' own account. Otherwise if the TRUSTOR/s fail to exercise such a right within the said Cooling-Off period, the cancellation of investment beyond which shall be treated as a normal redemption subject to the applicable early redemption penalty.

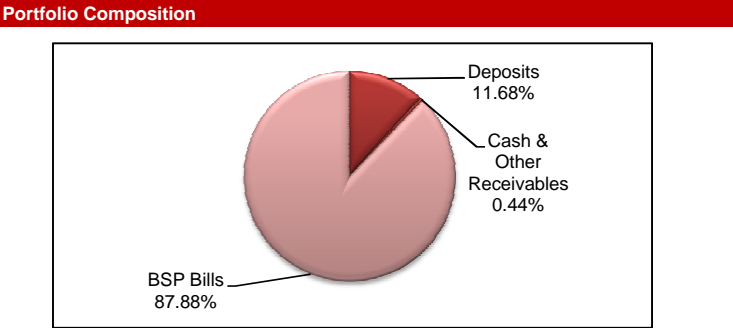
FUND PERFORMANCE AND STATISTICS AS OF SEPTEMBER 30, 2024

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



Cumulative Performance (%)							
Period	1 Mo	6 Mos	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception
Fund	0.378%	2.275%	3.493%	4.720%	9.887%	13.131%	25.959%
Benchmark	0.380%	2.309%	3.468%	4.559%	9.722%	12.735%	24.705%

Note: Rates are net of tax



NAVPU OVER THE PAST 12 MONTHS

Highest	125.958652
Lowest	120.281698

<sup>†</sup>Net of fees and taxes.

Statistics	
Weighted Modified Duration	0.06
Volatility, Past 1 Year*	0.09%
Sharpe Ratio**	1.92
Information Ratio***	2.45

\*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	10/29/2024	35.62%
BSP Bills	11/12/2024	19.01%
BSP Bills	10/1/2024	18.31%
BSP Bills	10/15/2024	14.95%
TD - BPI	10/17/2024	3.43%
TD - China Banking Corporation	11/15/2024	3.42%
TD - BPI	10/21/2024	1.67%
TD - China Banking Corporation	10/28/2024	1.66%
TD - PSBank	10/2/2024	1.50%

OTHER DISCLOSURES

1) RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php10,965,879.46 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

Yields on government securities declined by 48 bps on average month-on-month with the 91-day T-bills closing at 5.23% down by 68 bps from last month. Meanwhile, the 5-yr, 7-yr and 10-yr papers declined by 47 bps, 43 bps and 33 bps respectively amid anticipation for another rate cut in the coming months and ahead of the lower inflation expectation for September. The Fund's 30-day and year-to-date absolute performance were 0.378% and 3.493% vs. benchmark of 0.380% and 3.468% respectively, while the Fund's duration stood at .06 years. Headline inflation in September declined to 1.9% from 3.3% in August. This is lower than consensus forecast of 2.5% and lower than the BSP's target range for inflation of 2.0-4.0%. This brings the average headline inflation from Jan-Sep 2024 to 3.4%. Meanwhile, core inflation also declined to 2.4% from 2.6% in August. The lower headline inflation figure was mainly due to slower growth in prices of the following sectors: food and non-alcoholic beverages and transport.

Last month, the Federal Reserve cut interest rates by 50 bps stating that it has gained greater confidence that inflation is moving sustainably toward its 2.0% target. Fed Chair Powell said, "This recalibration of our policy stance will help maintain the strength of the economy and the labor market, and will continue to enable further progress on inflation as we begin the process of moving toward a more neutral stance." However, Fed Chair Powell later added that the Fed is not in a rush to cut rates quickly and emphasized that the recent 50 bps reduction should not be seen as a signal that future cuts will be as aggressive. The next Fed policy meeting will be held in November where the Fed is expected to cut rates by 25 bps. Meanwhile, after cutting rates by 25bps last August, BSP Gov. Remolona said that the Monetary Board could cut rates two more times by 25bps each during the remaining MB meetings in October and December. BSP Gov. Remolona said the balance of risks to inflation has tilted to the downside for 2024 and 2025 and that inflation is expected to stay within the government's 2-4% target range. However, upside risks to inflation remain from higher oil prices due to geopolitical conflicts in the Middle East, food supply issues due to weather disturbances, higher transport fares, and minimum wage adjustments. Looking ahead, a pivot to a looser monetary policy coupled with the recent 250 bps RRR cut may cause domestic interest rates to decline which, in turn, may lead to higher mark-to-market values in the short-term. As such, the Fund will continue to monitor foreign and local economic developments to take advantage of any uptick in yields and maximize returns. We will continue to seek high yielding deposits/fixed income securities to provide greater accruals to the Fund.

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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