

PHILIPPINE SAVINGS BANK



KEY INFORMATION AND INVESTMENT DISCLOSURES STATEMENT  
October 31, 2024

FUND FACTS

Classification: Money Market	Net Asset Value per Unit (NAVPU) <sup>1</sup> : 126.415613
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: 0.011% 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

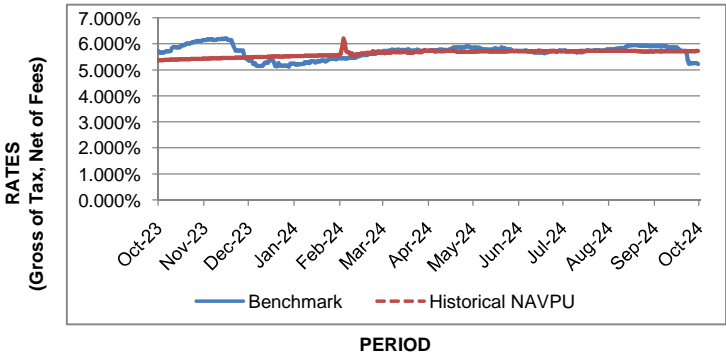
COOLING-OFF PERIOD

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 OCTOBER 31, 2024

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

Graph

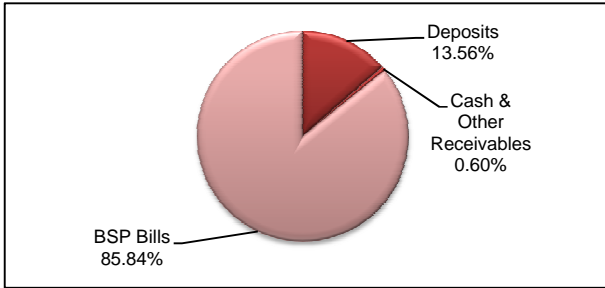


Cumulative Performance (%)

Period	1 Mo	6 Mos	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception
Fund	0.351%	2.246%	3.869%	4.680%	10.257%	13.286%	26.416%
Benchmark	0.344%	2.263%	3.823%	4.508%	9.992%	12.854%	25.054%

Note: Rates are net of tax

Portfolio Composition



NAVPU OVER THE PAST 12 MONTHS

Highest	126.415613
Lowest	120.763774
*Net of fees and taxes.	
Statistics	
Weighted Modified Duration	0.09
Volatility, Past 1 Year*	0.09%
Sharpe Ratio**	2.32
Information Ratio***	2.11

\*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	12/26/2024	35.38%
BSP Bills	11/12/2024	19.07%
BSP Bills	11/26/2024	16.54%
BSP Bills	12/10/2024	14.85%
TD - China Banking Corporation	11/15/2024	3.41%
TD - China Banking Corporation	12/13/2024	3.32%
TD - PSBank	11/5/2024	1.83%
TD - China Banking Corporation	11/27/2024	1.67%
TD - China Banking Corporation	11/20/2024	1.66%
TD - China Banking Corporation	11/7/2024	1.66%

OTHER DISCLOSURES

1) RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to Php13,735,735.72 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 increased by 15 bps on average month-on-month with the 91-day T-bills closing at 5.33% up by 10 bps from last month. Meanwhile, the 5-yr, 7-yr and 10-yr papers were up by 19 bps, 18 bps and 14 bps respectively as market players reduce their inventories ahead of the US election results. The Fund's 30-day and year-to-date absolute performance were 0.351% and 3.869% vs. benchmark of 0.344% and 3.823% respectively, while the Fund's duration stood at .09 years. Headline inflation in October rose to 2.3% from 1.9% in September. This is in line with consensus forecast of 2.3% and within the BSP's target range for inflation of 2.0-4.0%. This brings the average headline inflation from Jan-Oct 2024 to 3.3%. Meanwhile, core inflation in October was unchanged at 2.4%. The higher headline inflation figure was mainly due to faster growth in prices of food and non-alcoholic beverages sector and food supply issues due to weather disturbances.

The US Federal Reserve is expected to cut interest rates by 25bps during its policy meeting this November as it remains confident that inflation is moving sustainably toward its 2.0% target. Fed Chair Powell said the economy remains in good shape and that the Fed had made progress in lowering inflation without a sharp rise in joblessness. However, Fed Chair Powell cautioned that the Fed is not in a rush to cut rates quickly and will make decisions meeting by meeting.

Meanwhile, last October, the Monetary Board cut rates by 25bps for a second straight meeting. BSP Gov. Remolona said, "The within-target inflation outlook and well-anchored inflation expectations continue to support the BSP's shift toward a less restrictive monetary policy,.". He also signaled the possibility of another 25bps cut during the MB's final meeting in December. However, BSP Gov. Remolona cautioned that risks to the inflation outlook for 2025 and 2026 remain from higher oil prices due to geopolitical conflicts in the Middle East, food supply issues due to weather disturbances, higher utility rates, and minimum wage adjustments. Looking ahead, a shift to a looser monetary policy 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 seek high yielding deposit/ fixed income securities to provide greater accruals to the Fund. We will continue to monitor foreign and local 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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