

# PNB PRIME DOLLAR MONEY MARKET FUND



## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended April 30, 2021



### FUND FACTS

<b>Classification:</b>	Money Market Fund	<b>Net Asset Value per Unit (NAVPU):</b>	1.108723
<b>Launch Date:</b>	March 7, 2011	<b>Total Fund NAV:</b>	USD 15.49 Million
<b>Minimum / Additional Investment – Class I:</b>	USD 500 (via any PNB branch)	<b>Dealing Day:</b>	9:00 to 11:00 AM of any banking day
<b>Minimum / Additional Investment – Class II:</b>	USD 100 (via PNB UITF Online)	<b>Redemption Settlement:</b>	T + 1
<b>Minimum Holding Period:</b>	30 calendar days	<b>Early Redemption Charge:</b>	50% of income earned
<b>Trust Fee:</b>	0.25% p.a.	<b>Valuation:</b>	Marked-to-Market

### FEES\*

Trustee Fees:	Taxation Fees:	Other Fees**:	External Auditor Fees:
<u>0.0208%</u>	<u>0.0033%</u>	<u>0.0003%</u>	<u>0.0000%</u>
PNB Trust Banking Group	BIR	Others	SGV and Co.

\*As a percentage of average daily NAV for the month valued at USD 15.75 Million.

\*\*Other Fees may include transaction, broker's, and TOAP website fees.

### INVESTMENT OBJECTIVE AND STRATEGY

The PNB Prime Dollar Money Market Fund is invested in a diversified portfolio of bank deposits and fixed income instruments issued by the Philippine government with a maximum weighted average duration of one year. The Fund aims to exceed the moving average of the average one-month time deposit rate quoted by 3 banks, 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/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

- The PNB Prime Dollar Money Market Fund is suitable for investors who have conservative risk appetite.
- Participants are recommended to stay invested in the fund for at least one (1) year.

### KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

- **Liquidity Risk** – The possibility for a Trustor to experience losses due to the Fund's inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.
- **Credit Risk** – The possibility for a Trustor to experience losses in the event the borrower/issuer defaults on his obligation or in the case of a counterparty, when it fails to deliver on the agreed trade.
- **Reinvestment Risk** – This is the risk associated with the possibility that the funds may not be invested at the same rate as it was invested previously.

The Fund's investment strategy and processes are in accordance with the Trustee's written Desk Manual. Regulatory exposure limits are monitored on a regular basis.

### COOLING OFF PROVISION

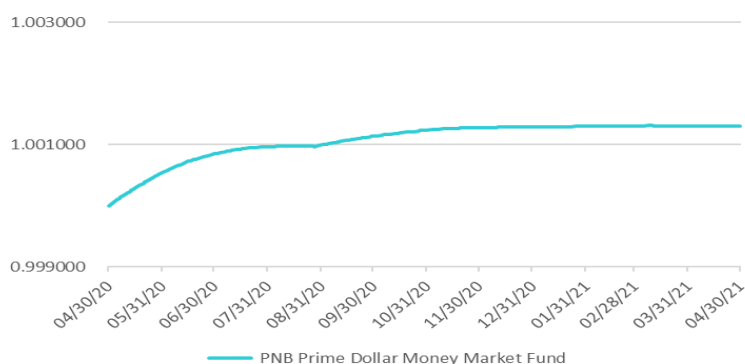
**Cooling Off Period** - The participant of the Fund may avail of the cooling-off period of two (2) business days immediately following the approval of the participation to cancel his participation without penalty, subject to submission of a written notice during the cooling off period.

- **THE UIT 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

Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results.

#### NAVPU Graph



#### Cumulative Performance (%)

Period	1 mo	3 mos	6 mos	1 yr	3 yrs	S.I.*
Fund	0.0004%	0.001%	0.01%	0.13%	2.86%	10.87%
Benchmark	0.01%	0.02%	0.04%	0.10%	2.44%	6.75%

\*Since Inception

#### Top 10 Holdings (%)

Company Name	% of Portfolio
SA Balance	1.48%
RCBC Time Deposit	1.45%
Robinsons Bank Corp. Time Deposit	1.34%
Sterling Bank of Asia Time Deposit	1.29%
Philippine Bank of Communications Time Deposit	1.29%
PNB Time Deposit	1.29%
PNB Time Deposit	1.29%
PNB Time Deposit	1.29%
PS Bank Time Deposit	1.23%
PNB Time Deposit	1.23%

#### NAVPU over the past 12 months

Highest	1.108728
Lowest	1.107276

#### Statistics

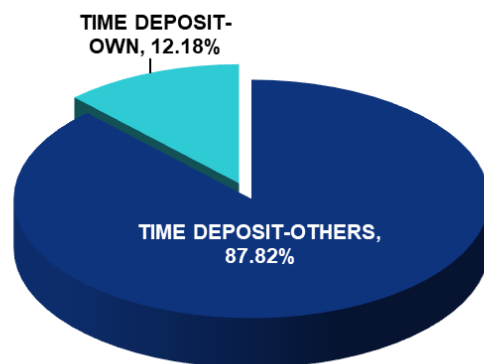
Weighted Ave. Duration	0.35
Volatility, Past 1 Year*	0.0004%
Sharpe Ratio**	-0.41
Information Ratio***	-7.38

\*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.

#### Portfolio Composition



### MARKET OUTLOOK: **RED MARKET**

Yields on US Treasuries were flat to lower month-on-month for April on month-end portfolio rebalancing demand and renewed concerns about the pandemic that drove some investors to safe-haven assets. Three-year and less papers were flat, while 5-, 7-, 10-, 20-, and 30-year bonds were lower by an average of 4bps to yield at 0.86%, 1.32%, 1.65%, 2.19%, and 2.30%, respectively.

World Health Organization warned that global coronavirus infections were edging toward their highest level in the pandemic. In the U.S., while the country is sustaining a pace of 3 million reported vaccinations per day, about 67,100 daily new infections are still being reported.

March US CPI came out at 0.6%, vs market consensus of 0.5%. This is the largest yearly jump since April 2018. Market players seemed to shrug off the inflation data as benchmark 10-year Treasury yield dropped to 1.56% on April 15, possibly due to fears in the upsurge of COVID-19 cases, issues on the pace of vaccination, and that this upward trend in inflation might be short-lived.

US Gross Domestic Product (GDP) flew to 6.4% in the first quarter, just a tad lower from expectations of 6.5%. The boost in GDP came across different areas, including increased personal consumption, fixed residential and nonresidential investment, and government spending. Declines in inventories and exports as well as an increase in imports subtracted from the gain. Retail sales for March also surged to 9.8%, marking the second-biggest monthly increase on record. The comeback in sales was widely expected after Washington approved a massive \$1.9 trillion stimulus in early March, equivalent to \$1,400 checks for consumers.

The Federal Reserve maintained its monetary policy at their latest FOMC meeting last month. It kept its interest

### FUND PERFORMANCE AND STATISTICS

rates near zero despite acknowledging that the economy is already accelerating. Fed Chair Powell said that the recovery is “uneven and far from complete.” He also cited possible upward pressures to inflation in the coming months but kept its stance that these are likely to have transitory effects only on inflation.

US President Joe Biden is eyeing to double the capital gains tax rate for those individuals earning \$1 million or more to 39.6%. This proposal could reverse a long-standing provision of the tax code that taxes returns on investment lower than on labor. Biden campaigned on leveling the capital gains and income tax rates for wealthy individuals, saying it’s unfair that many of them pay lower rates than middle-class workers.

**We expect yields to move rangebound with slight downward bias as market may be cautious on the recent surge in COVID-19 cases globally and bond players may continue to downplay inflation expectations in the coming months.**

### STRATEGY

The Fund will continue to invest in high yielding deposit instruments.

**By: Dennis Anthony L. Elayda**  
**Head, Investment Management Division**

### OTHER DISCLOSURES

#### *Prospective Investments*

The following names are among the Fund’s approved investment outlets where the Trustee intends to invest depending on its availability or other market driven circumstances:

Accredited Banks		
Banco De Oro Unibank, Inc.	Philippine Business Bank	ANZ Bank
Bank of Commerce	Philippine National Bank	Chinatrust Commercial Bank Corp.
Bank of the Philippine Islands	Philippine Savings Bank	Citigroup Inc.
China Banking Corp.	Rizal Commercial Banking Corp.	Deutsche Bank
China Bank Savings	Robinsons Bank Corp.	HSBC Bank
Development Bank of the Phil.	Security Bank Corp.	ING Bank
East West Bank	Sterling Bank of Asia	JP Morgan
Land Bank of the Philippines	Union Bank of the Philippines	Maybank
Metropolitan Bank and Trust Co.	United Coconut Planters Bank	Standard Chartered Bank
Philippine Bank of Communications	UCPB Savings Bank	

#### *Related Party Transactions*

The Fund has deposits with the Bank Proper and outstanding investments with the following companies related to Philippine National Bank (PNB):

Company Name	Amount
<b>Philippine National Bank</b>	<b>1,890,141.94</b>

Investments in the said outlets were approved by the PNB Board of Directors. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.