



**PNB PRIME DOLLAR MONEY MARKET FUND**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
 Month Ended September 30, 2019

**FUND FACTS**

<b>Classification:</b>	Money Market Fund	<b>Net Asset Value per Unit (NAVPU):</b>	1.099633
<b>Launch Date:</b>	March 7, 2011	<b>Total Fund NAV:</b>	USD 8.98 Million
<b>Minimum Investment:</b>	USD 500	<b>Dealing Day:</b>	9:00 to 11:00 AM of any banking day
<b>Additional Investment:</b>	USD 500	<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>	0.50% p.a.	<b>Valuation</b>	Accrual

**FEES\***

<b>Trustee Fees:</b> <u>0.0432%</u> PNB Trust Banking Group	<b>Taxation Fees:</b> <u>0.0294%</u> BIR	<b>Other Fees:</b> <u>0.0002%</u> TOAP Annual Registration Fee	<b>External Auditor Fees:</b> <u>0.0000%</u> SGV and Co.
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\*As a percentage of average daily NAV for the month valued at USD 8.89 Million.

**INVESTMENT OBJECTIVE AND STRATEGY**

The PNB Prime Dollar Money Market Fund is invested in a portfolio of bank deposits 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**

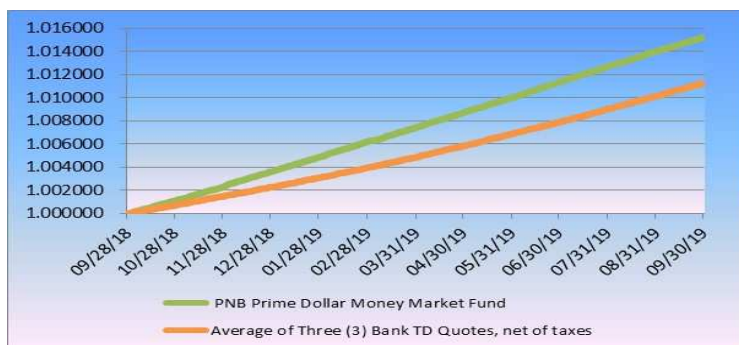
**Cooling Off Period** - The participant of the Fund may avail of the cooling-off period of two (2) business days immediately following the approval of the participation to cancel his participation without penalty, subject to submission of a written notice during the cooling off period.

- ✓ 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 AS OF SEPTEMBER 30, 2019

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

### NAVPU Graph



### NAVPU over the past 12 months

Highest	1.099633
Lowest	1.083158

### Statistics

Weighted Ave. Duration	0.27
Volatility, Past 1 Year*	0.02%
Sharpe Ratio**	0.71
Information Ratio***	2.44

\*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.

### Cumulative Performance (%)

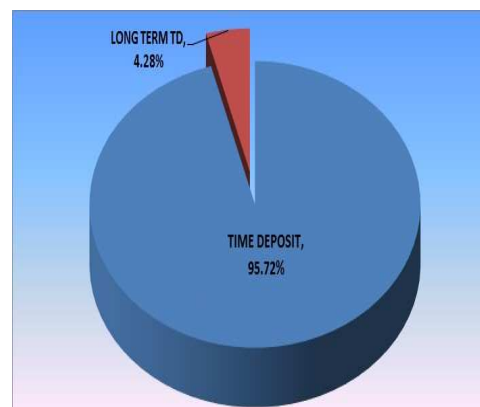
Period	1mo	3mos	6mos	1yr	3yrs	S.I.*
Fund	0.12%	0.39%	0.78%	1.52%	3.52%	9.96%
Benchmark	0.12%	0.38%	0.75%	1.35%	2.89%	6.11%

\*Since Inception

### Top 10 Holdings (%)

Company Name	% of Portfolio
Philippine National Bank Time Deposit	4.31%
PS Bank Time Deposit	2.44%
Union Bank Time Deposit	1.76%
Security Bank Time Deposit	1.71%
Philippine National Bank Time Deposit	1.64%
Robinsons Bank Time Deposit	1.53%
Sterling Bank Time Deposit	1.50%
Security Bank Time Deposit	1.45%
RCBC Time Deposit	1.45%
PS Bank Time Deposit	1.44%

### Portfolio Composition



## MARKET OUTLOOK

### ROP MARKET

The US-China trade war has been a consistent source of market volatility. It has been more than a year since it started to affected the financial markets - equities, bonds and currency market. News on geopolitical tensions and the impeachment proceedings versus US President Trump also contributed to market volatility.

Yield of the benchmark 10Y US Treasury bond ended higher by 16.86 basis point month-on-month from 1.4994% in August versus 1.6680% in September after it touched a low of 1.4590%

At the local front, BPI and RCBC issued dollar denominated bonds. Both issuances are qualified under the Green Finance Framework.

We expect sovereigns to keep tracking the movement of US Treasuries, the developments in the US-China trade war as well as geopolitical tensions happening around the globe.

**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:

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

<b>Company Name</b>	<b>Amount</b>
<b>Philippine National Bank</b>	<b>1, 082, 279.45</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.