

# PNB PRIME DOLLAR MONEY MARKET FUND



KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT  
Month Ended March 31, 2021



## FUND FACTS

Classification:	Money Market Fund	Net Asset Value per Unit (NAVPU):	1.108719
Launch Date:	March 7, 2011	Total Fund NAV:	USD 15.98 Million
Minimum / Additional Investment – Class I:	USD 500 (via any PNB branch)	Dealing Day:	9:00 to 11:00 AM of any banking day
Minimum / Additional Investment – Class II:	USD 100 (via PNB UITF Online)	Redemption Settlement:	T + 1
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	50% of income earned
Trust Fee:	0.25% p.a.	Valuation:	Marked-to-Market

## FEES\*

Trustee Fees:	Taxation Fees:	Other Fees**:	External Auditor Fees:
0.0215%	0.0036%	0.0001%	0.0000%
PNB Trust Banking Group	BIR	Others	SGV and Co.

\*As a percentage of average daily NAV for the month valued at USD 16.24 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

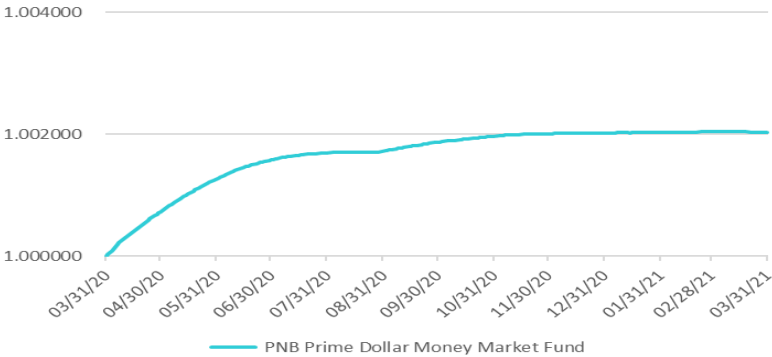
**Cooling Off Period** - The participant of the Fund may avail of the cooling-off period of two (2) business days immediately following the approval of the participation to cancel his participation without penalty, subject to submission of a written notice during the cooling off period.

- 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	-0.001%	0.001%	0.02%	0.20%	2.96%	10.87%
Benchmark	0.01%	0.02%	0.04%	0.12%	2.50%	6.74%

\*Since Inception

Top 10 Holdings (%)

Company Name	% of Portfolio
Robinsons Bank Corp. Time Deposit	1.30%
Philippine Bank of Communications Time Deposit	1.25%
China Bank Time Deposit	1.25%
PNB Time Deposit	1.25%
PNB Time Deposit	1.25%
PS Bank Time Deposit	1.19%
PNB Time Deposit	1.19%
Robinsons Bank Corp. Time Deposit	1.17%
PS Bank Time Deposit	1.16%
Robinsons Bank Corp. Time Deposit	1.09%

NAVPU over the past 12 months

Highest	1.108728
Lowest	1.106468

Statistics

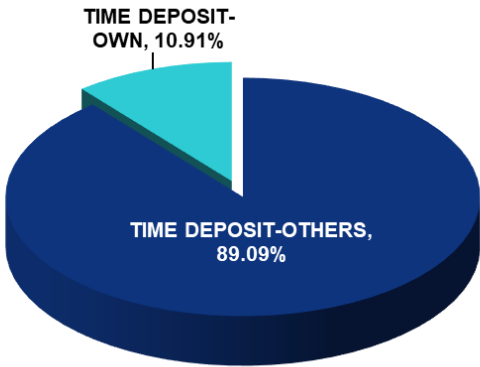
Weighted Ave. Duration	0.23
Volatility, Past 1 Year*	0.0004%
Sharpe Ratio**	-4.38
Information Ratio***	-13.63

\*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: **ROP MARKET**

Yields on US Treasuries were mostly higher month-on-month for March over inflation concerns and as market eyed key US jobs report (due last April 2) which could emphasize economy's health as vaccination rates fast-track. One year and less papers were down by an average of 2bps, while 2-, 3-, 5- and 7-year bonds higher by 3bps, 8bps, 21bps, and 28bps to yield at 0.16%, 0.35%, 0.92%, and 1.40%, respectively. Benchmark 10-yr, 20-yr, and 30-yr bonds were also up by 29bps, 20bps, and 18bps to end at 1.74%, 2.31%, and 2.41%, respectively.

The Institute for Supply Management (ISM) said its index of factory activity surged to a reading of 64.7 for March from 60.8 in February. This is driven by strong growth in new orders, the clearest sign yet that a much-anticipated economic growth was probably in progress. It is also the highest level since December 1983. This was followed by the news that nonfarm payrolls rose by 916,000 in March, ahead of the 660,000 estimates. Gains were strongest in leisure and hospitality which added 280,000 new jobs while construction soared by 110,000. Upbeat economic data in March shows a thriving economy that is boosted by increased vaccinations and massive fiscal stimulus.

US Pres. Biden unveiled a more than \$2 Trillion infrastructure and economic recovery package which will be spent over eight years and would raise corporate tax to 2.8% to fund it. Biden's plan included spending on transportation, broadband, and affordable housing. Biden hopes the package will create manufacturing jobs and rescue failing American infrastructure as the country tries to emerge from the shadow of COVID-19. Massive spending has raised fears that inflation will increase as the world's largest economy reopens, which sparked some sell-off in bonds.

Despite market concerns, Fed Chairman Jerome Powell has said the central bank will let inflation pick up faster if it helps achieve full employment. The Federal Reserve released minutes from its March 16-17 meeting and reiterated that their accommodative policy stance is here to stay and will only be changed once outcomes are achieved and won't be adjusted based on forecasts.

FUND PERFORMANCE AND STATISTICS

We expect yields to move rangebound with a downward bias on evident signs of US economic rebound and that low-interest rate environment will likely persist.

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
Philippine National Bank	1,746,852.74

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.