



**UCPB Cash Management Fund (UCMF)**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
 For the Quarter Ended December 31, 2015

**FUND FACTS**

Classification: Money Market	Net Asset Value Per Unit (NAVPU): 1.25719282
Launch Date: November 17, 2006	Total Fund NAV: Php 1,895,849,382.77
Minimum Investment: Php 10,000.00	Dealing Day: On any banking day up to 1:30 p.m.
Additional Investment: Php 5,000.00 and in multiples of Php 1,000.00	Redemption Settlement: One (1) banking day after receipt by TBG of redemption notice
Minimum Holding Period: 30 Calendar Days	Early Redemption Charge: 5% of the total amount redeemed

**FEES\***

Trustee Fees: 0.2500% p.a Trustee: UCPB Acting Through Its Trust Banking Group (TBG)	Custodian Fees: 0.00% Custodian: Deutsche Bank AG Manila & Philippine Depository & Trust Corp.	External Auditor Fees: 0.0029% External Auditor: Manabat Sanagustin & Company	Other Fees: None
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\*As a percentage of average daily NAV for the month valued at PhP 2,115,019,932.26

**INVESTMENT OBJECTIVE AND STRATEGY**

UCMF seeks to prevent loss of principal at all times by investing in deposits in local banks. It also aims to surpass its benchmark which is the HSBC Money Market Index. This should not be construed, however, as a guarantee of yield.

**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/their investment objective 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 UCMF is suitable only for investors who:
  - have a risk profile of conservative based on the results of the accomplished Client Suitability Assessment Form;
  - has an investment perspective which is short term in nature and willing to put all his/her/their money only in time deposits;
  - are willing to forego the higher long term returns generated by riskier investment; and
  - understands the risks of investing in products which are non-deposit, non-bank and with no recourse to the Bank.

**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.

- Credit Risk/Default Risk. This is the possibility for an investor to experience losses due to a deposit issuer's failure to pay principal and/or interest in a timely manner on deposit instruments.
- 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.
- Reinvestment Risk. This is associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of the funds are reinvested.

TBG strictly adheres to the investment outlets as stated in the Fund's Declaration of Trust. Exposure limits and asset allocation is closely monitored on a regular basis. All counterparties and investment outlets underwent thorough evaluation and accreditation in accordance with the Trust Manual of Operations, Policies and Guidelines.

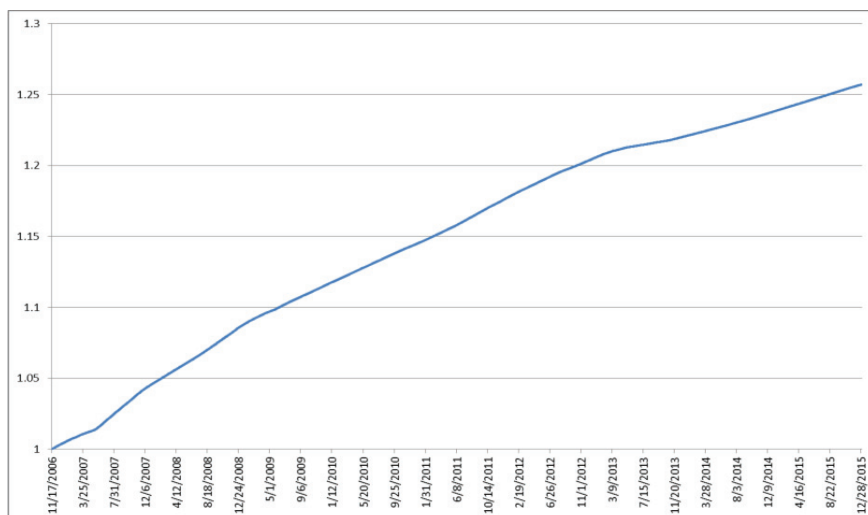
- **THE UITF IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS AND FLUCTUATIONS ONLY**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT 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**

	Talin Cruz (02) 811-9214	Rica Calderon (02) 811-9520	Elena Hong (02) 811-9597
	Marilyn Pabustan-Perion (02) 811-9512	Nadia Gaetos (02) 811-9515	Cristine Lim (082) 227-4941

## FUND PERFORMANCE AND STATISTICS AS OF DECEMBER 31, 2015

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

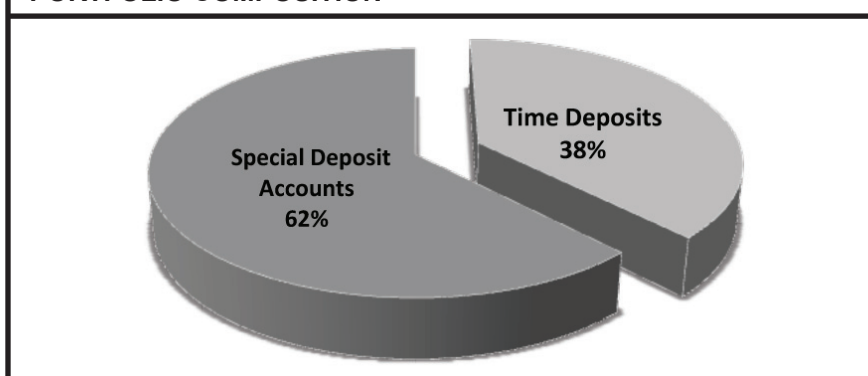
NAVPU Graph



### CUMULATIVE PERFORMANCE (%)

Period	1 Mo	3 Mos	6 Mos	1 Yr	3 Yrs	5 Yrs	YTD
Fund	0.13%	0.38%	0.77%	1.55%	1.41%	1.89%	1.55%
Benchmark	0.29%	0.23%	0.21%	1.60%	1.01%	1.46%	1.60%

### PORTFOLIO COMPOSITION



### NAVPU OVER THE PAST 12 MONTHS

Highest	1.25719282
Lowest	1.23636335

### STATISTICS

Weighted Ave. Duration	N/A
Volatility, Past 1 Year*	0.07%
Sharpe Ratio**	0.01%
Information Ratio***	N/A

\* 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 TEN HOLDINGS (%)

BSP - SDA Placements	62%
Time Deposits	38%
Total	100%

## OTHER DISCLOSURES

### RELATED PARTY TRANSACTION

The Fund has deposits with the Bank Proper and with UCPB Savings Bank, a wholly-owned subsidiary of the Bank, amounting to P14.60mn and P237.68mn, respectively, which were approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

### OUTLOOK AND STRATEGY

The country's economy expanded by 6.0% in 3Q 2015 compared to the revised 5.8% growth in 2Q of this year. It was the strongest performance in the last three quarters. Govt. consumption and public investments were the key drivers for the quarter.

November inflation came in at 1.1%, from a record of 0.4% in October on higher food prices. Inflation averaged 1.4% for 11M 2015. OFW remittances reached USD22.8 bn for the 1st 10 months or a 3.5% increase year-on-year.

During its last policy meeting for 2015, the Monetary Board of the BSP maintained its key rates at 4.0% for overnight borrowing, 6.0% overnight lending and 2.5% for the Special Deposit Account (SDA) rate.

As expected, the US Federal Reserve finally raised its federal funds target rate to 0.25%- 0.5% from zero -0.25% previously. The Federal Open Market Committee (FOMC) noted that further rate increases will be gradual and will follow the pace of the economy. The FOMC expects the fed funds target rate to rise toward 1.5% and 2.5% by the end of 2016 and 2017, respectively.

Financial markets continue to face strong headwinds from rising U.S. interest rates, strong US dollar, global slowdown and the May Presidential elections. These could create continued volatility and uncertainty in the near term.

The UCMF continues to provide attractive returns to investors. As of end December, its annual net return is 1.55%- better compared to the return of an ordinary time deposit.