



UCPB Cash Management Fund (UCMF)
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
 For the Quarter Ended December 31, 2017

FUND FACTS

Classification: Money Market	Net Asset Value Per Unit (NAVPU): 1.295289715
Launch Date: November 17, 2006	Total Fund NAV: Php 924,891,012.20
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: 7 calendar days	Early Redemption Charge: 5% of the total amount redeemed

FEES*

Trustee Fees: 0.0622% 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: Punongbayan & Araullo Company	Other Fees: None
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*As a percentage of average daily NAV for the quarter valued at Php 1,029,259,080.87

INVESTMENT OBJECTIVE AND STRATEGY

UCMF seeks to prevent loss of income 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
Marilyn Pabustan-Perion
Rica Calderon

(02) 811-9214
(02) 811-9512
(02) 811-9520

Nadia Gaetos
Catherine Amador
Cristine Lim - Mindanao Desk

(02) 811-9515
(02) 811-9538
(082) 227-4941

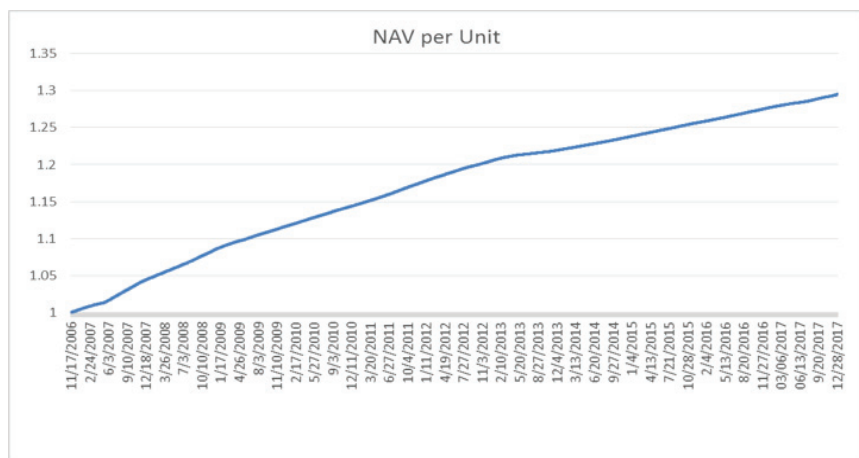
Rosemarie Omet
Alyssa Catapang

(02) 811-9598
(02) 811-9522

FUND PERFORMANCE AND STATISTICS AS OF DECEMBER 31, 2017

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

NAVPU Graph



NAVPU OVER THE PAST 12 MONTHS

Highest	1.295289715
Lowest	1.275046463

STATISTICS

Weighted Ave. Duration	0.07
Volatility, Past 1 Year*	0.16%
Sharpe Ratio**	0.07%
Information Ratio***	-0.09%

* Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

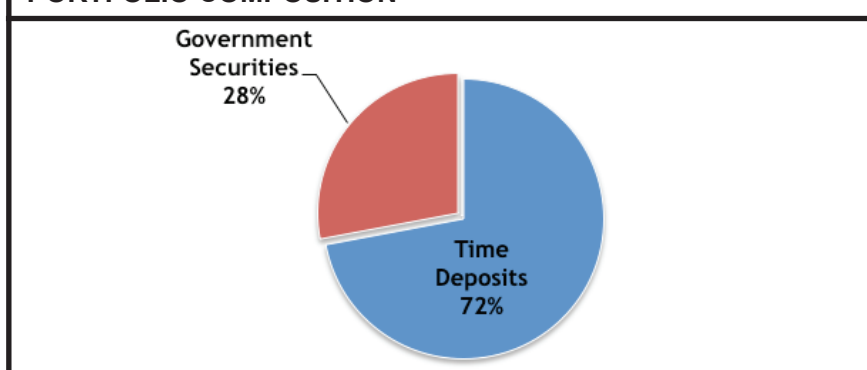
** Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

*** 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	1 Mo	3 Mos	6 Mos	1 Yr	3 Yrs	5 Yrs	YTD
Fund	0.20%	0.43%	0.83%	1.46%	4.63%	7.45%	1.44%
Benchmark	0.13%	0.44%	0.88%	1.24%	4.54%	6.57%	1.53%

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS (%)

Time Deposits	72%
FXTN 7-51 due 08/18/2018 5.00%	9%
FXTN 5-72 due 05/23/2018 2.125%	6%
Tbills due 10/24/2018	4%
Tbills due 08/29/2018	4%
Tbills due 04/11/2018	4%
FXTN 10-45 due 01/31/2018 5.875%	1%
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 P78k and P53mn, 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

Bond yields steadily climbed in December on the back of higher inflation expectation next year. Investors believe that this development should prompt the Bangko Sentral ng Pilipinas (BSP) to hike rates, at least, twice next year. Aside from higher inflation, the BSP may have to reckon with the narrowing interest rate differential between the Philippine peso (PHP) and the U.S. Dollar (USD). A narrower differential weakens the PHP which results to more expensive imported goods like petroleum products. This is what the BSP is concerned of.

Money market funds like the UCMF will be beneficiaries of higher interest rates.