



**UCPB US\$ Money Market Fund (US\$MMF)**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**  
 For the Quarter Ended December 31, 2017

**FUND FACTS**

|  |   |
|--|---|
| Classification: Money Market                                 | Net Asset Value Per Unit (NAVPU): 1.32252605  |
| Launch Date: September 15, 2005                              | Total Fund NAV: \$ 2,833,150.76   |
| Minimum Investment: \$1,000.00                               | Dealing Day: On any banking day up to 1:30 p.m.   |
| Additional Investment: \$500.00 and in multiples of \$100.00 | Redemption Settlement: Three (3) banking days 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: 0.0618%<br>Trustee: UCPB Acting Through Its Trust Banking Group (TBG) | Custodian Fees: 0.00%<br>Custodian: Deutsche Bank AG Manila | External Auditor Fees: 0.0050%<br>External Auditor: Punongbayan & Araullo Company | Other Fees: None |
|---|---|---|------------------|

\*As a percentage of average daily NAV for the quarter valued \$2,793,694.00

**INVESTMENT OBJECTIVE AND STRATEGY**

US\$MMF intends to achieve for its participants a moderate alternative investment outlet through investments in high-quality and credit worthy fixed income instruments. It also aims to surpass its benchmark which is the average of 3-Month LIBOR. This should not be construed, however, as a guarantee of yields

**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 US\$MMF is suitable only for investors who:
  - have a risk profile of conservative based on the results of the accomplished Client Suitability Form;
  - are willing to dedicate a small portion of their portfolio, preferably excess funds, for short term dollar-denominated investments and wish to be able to preserve capital, generate current income and maximize the yields on their excess cash; and
  - understands the significance of fluctuating unit prices and that any income/loss arising from market volatilities and price fluctuations is for client's account.

**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**



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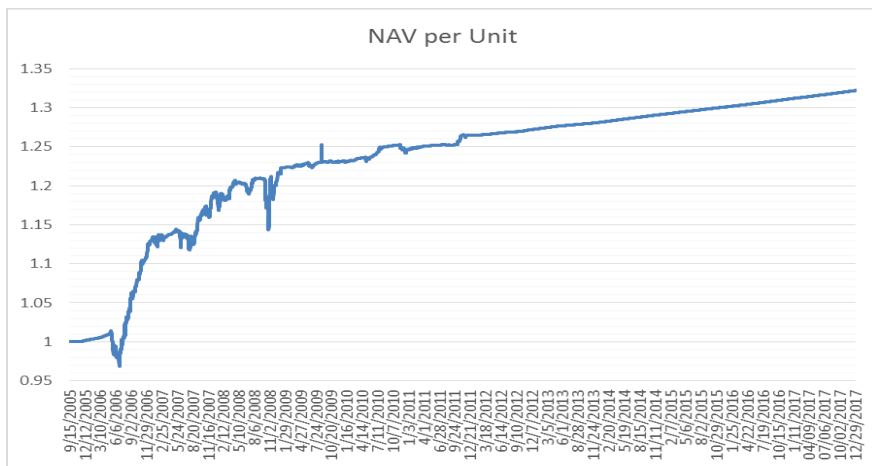
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# FUND PERFORMANCE AND STATISTICS AS OF DECEMBER 31, 2017

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

## NAVPu Graph



## NAVPU OVER THE PAST 12 MONTHS

|         |             |
|---------|-------------|
| Highest | 1.322526050 |
| Lowest  | 1.310835728 |

## STATISTICS

|                          |        |
|--------------------------|--------|
| Weighted Ave. Duration   | NA     |
| Volatility, Past 1 Year* | 0.05%  |
| Sharpe Ratio**           | 0.05%  |
| Information Ratio***     | -0.21% |

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

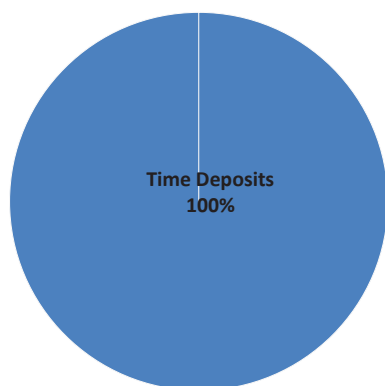
\*\* Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\* 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      | 0.10% | 0.23% | 0.44% | 0.82% | 2.38% | 3.92% | 0.82% |
| Benchmark | 0.10% | 0.25% | 0.49% | 0.49% | 1.26% | 1.33% | 0.99% |

## PORTFOLIO COMPOSITION



## TOP TEN HOLDINGS (%)

|               |             |
|---------------|-------------|
| Time Deposits | 100%        |
|               |             |
|               |             |
|               |             |
|               |             |
|               |             |
|               |             |
|               |             |
|               |             |
|               |             |
| <b>Total</b>  | <b>100%</b> |

## OTHER DISCLOSURES

### RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to \$366k which was approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

### OUTLOOK AND STRATEGY

As expected, the Federal Reserve hiked the Fed funds rate by 25 basis points to 1.5% during its December meeting, the third this year and only the fifth time after the global financial crisis. As U.S. economic recovery firms up, the Fed is now reversing the extraordinary measures it implemented to address the crisis. Aside from hiking its benchmark rate, the Fed shall continue to gradually reduce its balance sheet as earlier announced. Both actions are aimed to normalize U.S. monetary policy.

For next year, the Fed is expected to raise rates three times to 2.25%.

Despite an uptick in U.S. Treasury yields, USD denominated Philippine bonds were mostly flat during the month.