



UCPB US\$ Money Market Fund (US\$MMF)
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
 For the Quarter Ended September 30, 2018

FUND FACTS

Classification: Money Market	Net Asset Value Per Unit (NAVPU): 1.331821646
Launch Date: September 15, 2005	Total Fund NAV: \$ 3,022,873.67
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: 0.0630% Trustee: UCPB Acting Through Its Trust Banking Group (TBG)	Custodian Fees: 0.0000% Custodian: Deutsche Bank AG Manila	External Auditor Fees: 0.0040% External Auditor: Punongbayan & Araullo Company	Other Fees: None
---	---	---	------------------

*As a percentage of average daily NAV for the quarter valued \$3,016,338.00

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 HSBC USD Deposit Index. 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**



Talin Cruz
Marilyn Pabustan-Perion
Hannah Borromeo

(02) 811-9214
(02) 811-9512
(02) 811-9553

Nadia Gaetos
Catherine Amador
Elena Hong

(02) 811-9542
(02) 811-9538
(02) 811-9597

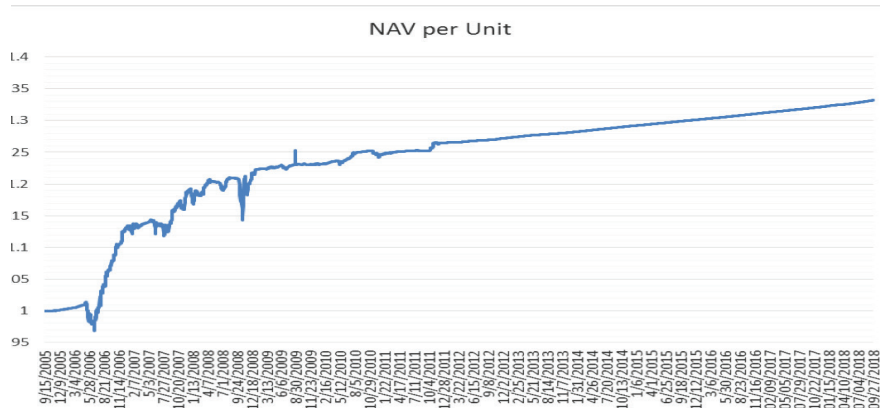
Rosemarie Omet
Alyssa Catapang
Jules Esteva

(02) 811-9522
(02) 811-9515
(02) 811-9544

FUND PERFORMANCE AND STATISTICS AS OF SEPTEMBER 30, 2018

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

NAVPu Graph



NAVPU OVER THE PAST 12 MONTHS

Highest	1.331821646
Lowest	1.318520713

STATISTICS

Volatility, Past 1 Year*	0.06%
Sharpe Ratio**	0.17
Information Ratio***	5.87

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

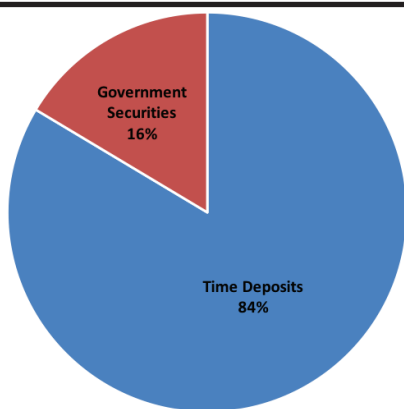
** Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

*** 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	0.08%	0.28%	0.53%	0.93%	2.51%	4.10%	0.70%
Benchmark	0.12%	0.39%	0.73%	1.20%	N/A	N/A	1.01%

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS (%)

Time Deposit	84%
US Treasury Bills due 12/27/18	6%
US Treasury Bills due 01/24/19	5%
US Treasury Bills due 02/28/19	5%
Total	100%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to \$174k, 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 U.S. economy remains strong. GDP rose by 4.2% in 2Q, the fastest since 3Q 2014. Unemployment has dropped to 3.9%, a level not seen since 2000, while hourly wages continue to move higher. Inevitably, inflation has started to rise. The latest reading is now at 2.3%. In response, the Federal Reserve hiked its benchmark rate for the third time this year by another 25 basis points. This pushed the Fed funds target rate to 2.25% from 1.5% at the start of the year. We still expect more rate hikes going forward as the latest Fed projections indicate that the "ideal" long run rate is still far at around 3%.

Undoubtedly, strong growth and higher rates enhances the attraction of the U.S. dollar. But the U.S. dollar's allure does not stop here. The relative advantage of the U.S. is also an added attraction. U.S. growth will be the fastest amongst G7 countries this year and in 2019. In addition, since the Federal Reserve is early into the tightening cycle, U.S. savings rate is the highest compared to other G7 economies. These conditions provide additional incentives for investors to hold U.S. dollar assets.