



## UCPB US\$ Bond Fund (US\$BF)

### KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter Ending June 30, 2019

#### FUND FACTS

Classification: Bond	Net Asset Value Per Unit (NAVPU): 1.043975212
Launch Date: December 8, 2015	Total Fund NAV: \$ 1,215,462.42
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: 0.1871% Trustee: UCPB Acting Through Its Trust Banking Group (TBG)	Custodian Fees: 0.0072% Custodian: Deutsche Bank AG Manila	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 \$1,194,245.73

#### INVESTMENT OBJECTIVE AND STRATEGY

US\$BF intends to achieve for its participants an alternative investment outlet through investments in high-quality and credit worthy US Dollar denominated fixed income instruments. It also aims to surpass its benchmark which is the Bloomberg Barclays EM USD Sovereign Bond 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 US\$BF is suitable only for investors who:
  - have a risk profile of moderate based on the results of the accomplished Client Suitability Form;
  - are willing to dedicate a small portion of their portfolio, preferably excess funds, for long term dollar-denominated investments and wish to achieve a balance between income and capital growth; 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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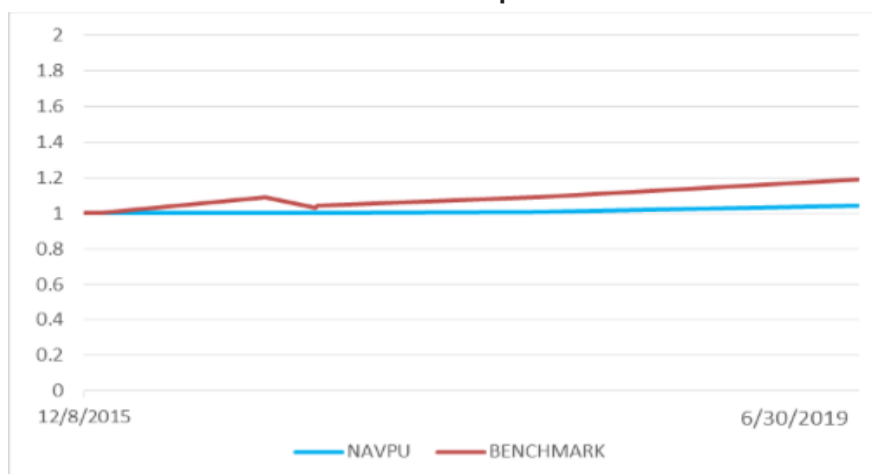
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## FUND PERFORMANCE AND STATISTICS AS OF JUNE 30, 2019

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

NAVPu Graph



### NAVPU OVER THE PAST 12 MONTHS

Highest	1.058353347
Lowest	1.001926244

### STATISTICS

Weighted Ave. Duration	9.58
Volatility, Past 1 Year*	2.53%
Sharpe Ratio**	-0.03%

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

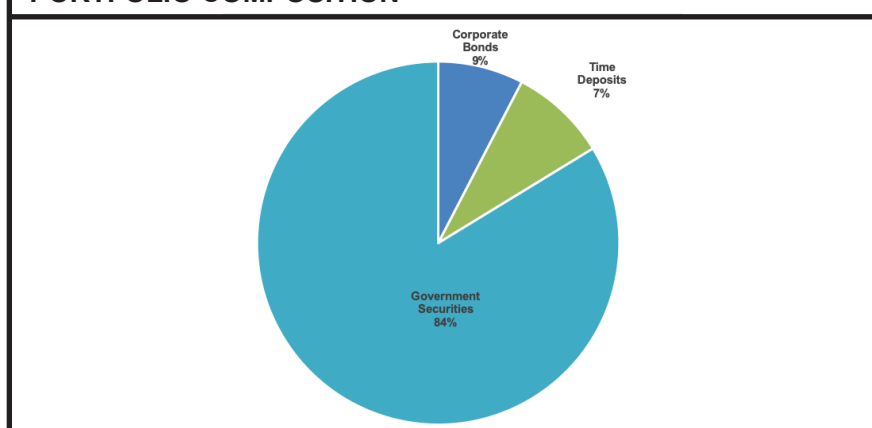
\*\* Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\* 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	1.35%	2.16%	2.97%	3.97%	4.31%	N/A	2.97%
Benchmark	2.85%	5.09%	11.18%	15.61%	N/A	N/A	11.18%

### PORTFOLIO COMPOSITION



### TOP TEN HOLDINGS (%)

ROP 28	33%
ROP 42	27%
ROP 24	24%
ICTSI Bond due 2020	9%
Time Deposit	7%
<b>Total</b>	<b>100%</b>

### OTHER DISCLOSURES

#### RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to \$35, which were approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

#### OUTLOOK AND STRATEGY

10yr US Treasury yield continued to decline from 2.133% in May, it settled at 2.007% in June. The decline in yields was supported by the inclination to cut rates to support the gradual slowdown of the US economy brought about by the trade war of US-China. The yields went to as low as 1.975%. Market players perceive 10yr US Treasuries as safe haven amid the trade war issues. Towards the end of June, US and China has made a trade truce. Trump said he would hold off imposing an additional \$300 billion in tariffs. Trump also said he would delay restrictions against Huawei Technologies letting US companies resume sales to China's largest telecommunications maker. The 1-year, 5-year, and 10-year USD Philippine Sovereign bonds yields decline by 0.16%, 0.31%, and approximately 0.33%, respectively for the month.