



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

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

For the Quarter Ending June 30, 2020

FUND FACTS

Classification: Bond	Net Asset Value Per Unit (NAVPU): 1.111492274
Launch Date: December 8, 2015	Total Fund NAV: \$ 1,311,397.44
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: 0.1870% Trustee: UCPB Acting Through Its Trust Banking Group (TBG)	Custodian Fees: 0.0009% Custodian: Landbank of the Philippines and Deutsche Bank AG Manila	External Auditor Fees: 0.0087% External Auditor: Punongbayan & Araullo Company	Other Fees: None
*As a percentage of average daily NAV for the quarter valued		\$1,296,863.61	

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**



Amerjaphil Tan
Alyssa Catapang

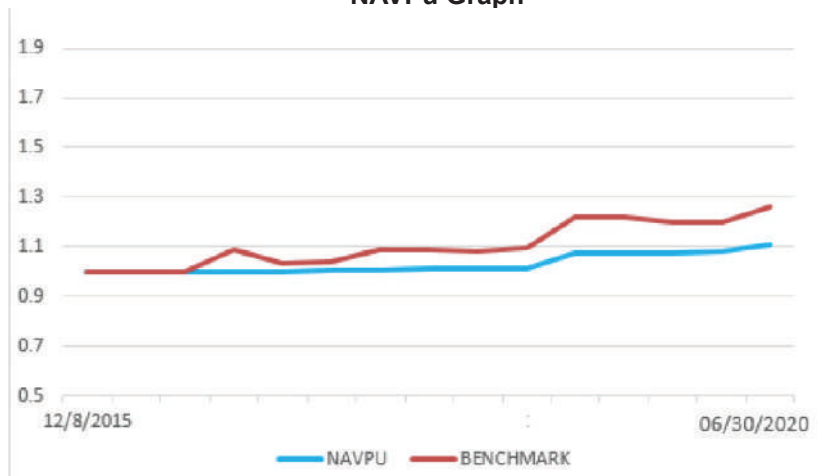
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For more information: Please email trust@ucpb.com

FUND PERFORMANCE AND STATISTICS AS OF JUNE 30, 2020

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

NAVPu Graph



NAVPu OVER THE PAST 12 MONTHS

Highest	1.115953425
Lowest	1.029112754

STATISTICS

Weighted Ave. Duration	4.25
Volatility, Past 1 Year*	5.48%
Sharpe Ratio**	-0.07
Information Ratio***	-0.01

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

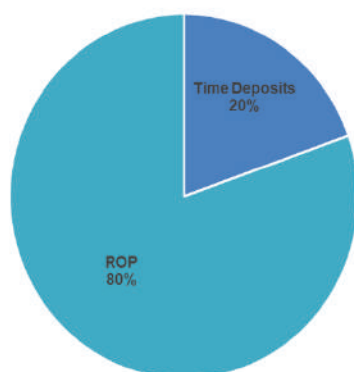
** Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

*** 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	0.39%	3.29%	3.40%	6.49%	10.93%	N/A	3.40%
Benchmark	0.13%	5.28%	2.77%	5.62%	16.37%	N/A	2.77%

PORTFOLIO COMPOSITION



TOP TEN HOLDINGS (%)

ROP 28	50%
Time Deposit	19%
ROP 21	16%
ROP 24	15%
Total	100%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper amounting to \$8K, which were approved by the Board of Directors. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

US Treasury yields continued its decline on the back of risk aversion due to high unemployment rate and sudden increase in daily new infection cases. Added to the downward pressure was the affirmation of US Fed to keep the interest rate near zero for a longer period of time. The central bank was also considering corporate bond buying and yield curve control as added monetary tools.

On the fiscal side, the US Treasury Department sold \$20 billion of new 20-year bond that has price to yield of 1.22%. The long-term bond issuance, which was the first time in 34 years, supported the restructuring of government borrowing to longer tenor and taking advantage of low interest rates. Also, US Pres. Trump promised a direct dole-out to American households via its second stimulus package while re-opening the economy to curb unemployment. Consequently, US Treasury BVAL rates fell by an average of 6.91 points, quarter on quarter, as global investors favored safer-assets. However, the issuance of the new 20 year treasury pushed 25 year and 30 year maturities up by 3.7bps and 5.1bps, respectively. In contrast, the 3year, 4year, 5year and 10 years rates went down significantly by 13.6 bps, 13.9 bps, 12bps and 10.2bps, respectively, on the back of risk-off sentiment prevailing the market.

On the other hand, ROP yield curve followed the downward movement of its US Treasury counterpart but on a faster pace. The USD Philippine Sovereign fell by 87.9 points across the curve as global investors went to quality high yielding assets. The decline was led by 1 year, 5 year and 10 year tenors decreasing by as much 156 points, 170 points and 131 points, respectively.