

PNB GLOBAL FILIPINO DOLLAR MONEY MARKET FUND*

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended August 31, 2020

FUND FACTS

Classification:	Money Market Fund	Net Asset Value per Unit (NAVPU):	1.292057
Launch Date:	December 23, 2005	Total Fund NAV:	USD 19.35
Minimum Investment:	USD 100	Dealing Day:	9:00 to 11:00 AM of any banking day
Additional Investment:	USD 100	Redemption Settlement:	T + 1
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	50% of income earned
Trust Fee:	0.50% p.a.	Valuation	Accrual

FEES**

Trustee Fees:	Taxation Fees:	Other Fees:	External Auditor Fees:
<u>0.0446%</u>	<u>0.0053%</u>	<u>0.0013%</u>	<u>0.0000%</u>
PNB Trust Banking Group	BIR	TOAP Annual Registration Fee	SGV and Co.

*The PNB Global Filipino Dollar Money Market Fund will be discontinued effective September 1, 2020.

**As a percentage of average daily NAV for the month valued at USD 1.25 Million.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund was specifically created to meet the investment needs of our Overseas Filipino Workers and their beneficiaries. It is invested in a portfolio of bank deposits with a maximum weighted average duration of one year. The Fund aims to exceed the moving average of the average one month time deposit rate quoted by 3 banks, net of taxes.

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 investment objectives 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 PNB Global Filipino Dollar Money Market Fund is suitable for investors who have conservative risk appetite.
- Participants are recommended to stay invested in the fund for at least one (1) year.

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.

- **Liquidity Risk** – The possibility for a Trustor to experience losses due to the Fund's inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.
- **Credit Risk** – The possibility for a Trustor to experience losses in the event the borrower/issuer defaults on his obligation or in the case of a counterparty, when it fails to deliver on the agreed trade.
- **Reinvestment Risk** – This is the risk associated with the possibility that the funds may not be invested at the same rate as it was invested previously.

The Fund's investment strategy and processes are in accordance with the Trustee's written Desk Manual. Regulatory exposure limits are monitored on a regular basis.

COOLING OFF PROVISION

Cooling Off Period - The participant of the Fund may avail of the cooling-off period of two (2) business days immediately following the approval of the participation to cancel his participation without penalty, subject to submission of a written notice during the cooling off period.

- ✓ THE UIT FUND 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/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

FUND PERFORMANCE AND STATISTICS AS OF AUGUST 31, 2020

Historical performance, when presented, is purely for reference purposes and is not a guarantee of future results.

NAVPU Graph



Cumulative Performance (%)

Period	1 mo	3 mos	6 mos	1 yr	3 yrs	S.I.*
Fund	0.39%	0.41%	0.56%	1.18%	3.77%	29.21%
Benchmark	0.01%	0.04%	0.13%	0.69%	2.86%	9.33%

*Since Inception

Top 10 Holdings (%)

Company Name	% of Portfolio
PNB SA	100.0%

NAVPU over the past 12 months

Highest	1.292084
Lowest	1.277041

Statistics

Weighted Ave. Duration	0.00
Volatility, Past 1 Year*	0.48%
Sharpe Ratio**	0.80
Information Ratio***	0.80

*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.

Portfolio Composition



MARKET OUTLOOK

ROP MARKET

Yields on US Treasuries went up 9 basis points almost across the curve due to increased debt supply and the US Fed's policy shift to average inflation targeting. Long-dated debts increased the most. The 2-year Treasury yield increased 3 basis points to 0.14% and the 10-year Treasury yield increased 17 basis points to 0.72%.

The US Treasury Department sold USD112 Billion of Treasury notes and bonds during the week of August 10. The 3-year and 10-year notes had strong demand, while the 30-year debt was met with modest demand. The US Treasury Department sold USD148 Billion of Treasury notes during the week of August 24. The 2-year, 5-year, and 7-year notes had strong demand.

US Fed announced a major policy shift to average inflation targeting which would allow inflation to run "moderately" above the 2% goal/target "for some time" following periods when inflation run below 2%. US Fed seeks to target an average 2% inflation over time. This is in contrast to previous policy of a strict target of 2% inflation.

IHS Markit PMI posted 53.1 in August, up from 50.9 in July. Reading above 50% indicates growth in the manufacturing sector. While, ISM PMI registered 56 in August from 54.2 in July. The US manufacturing sector grew 4 months in a row.

US Consumer spending, which accounts for more than two-thirds of US economic activity, marginally increased to 0.1% versus the 0.3% forecast and 0.5% July consumer spending.

We expect yields to move sideways with a downward bias given continued uncertainty in the economy.

By: Dennis Anthony L. Elayda
Head, Investment Management Division

OTHER DISCLOSURES

Prospective Investments

The following names are among the Fund's approved investment outlets where the Trustee intends to invest depending on its availability or other market driven circumstances:

Accredited Banks		
Banco De Oro Unibank, Inc.	Philippine Business Bank	UCPB Savings Bank
Bank of Commerce	Philippine National Bank	ANZ Bank
Bank of the Philippine Islands	PNB Savings Bank	Chinatrust Commercial Bank Corp.
China Banking Corp.	Philippine Savings Bank	Citigroup Inc.
China Bank Savings	Rizal Commercial Banking Corp.	Deutsche Bank
Development Bank of the Phil.	Robinsons Bank Corp.	HSBC Bank
East West Bank	Security Bank Corp.	ING Bank
Land Bank of the Philippines	Sterling Bank of Asia	JP Morgan
Metropolitan Bank and Trust Co.	Union Bank of the Philippines	Maybank
Philippine Bank of Communications	United Coconut Planters Bank	Standard Chartered Bank

Related Party Transactions

The Fund has deposits with the Bank Proper and outstanding investments with the following companies related to Philippine National Bank (PNB):

Company Name	Amount
Philippine National Bank	1,196.14

Investments in the said outlets were approved by the PNB Board of Directors. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.