

RSB PESO MONEY MARKET UITF

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of SEPTEMBER 30, 2018

FUND FACTS

Classification:	Peso Money Market Unit Investment Trust Fund	Net Asset Value per Unit (NAVPU):	1.4749
Launch Date:	April 25, 2005	Total Fund NAV:	PHP 2,846,319,969.04
Minimum Investment:	PHP 10,000.00	Dealing Day:	12:00 nn for check placements 2:00 p.m. for cleared funds on every banking day
Additional Investment:	PHP 5,000.00	Redemption Settlement:	T + 1
Minimum Holding Period:	30 Calendar Days	Early Redemption Charge:	0.125% or 1/8 of 1% based on the net asset value of the participation redeemed

FEES

Nature of Fees	Service Provider	Amount
Trustee Fees:	RCBC Savings Bank - Trust Services Division	0.25% p.a. as a percentage of average daily NAV for the quarter, as required under Appendix 62 of the Manual of Regulations of Banks (MORB)
Custodianship Fees:	Deutsche Bank	0.02% p.a. of Security Face Value
External Auditor Fees:	Punongbayan & Araullo	PHP 90,000.00 p.a. (indicative based on the engagement letter for FY2015)
Other Fees:	None	N/A

INVESTMENT OBJECTIVE AND STRATEGY

The RSB Peso Money Market UITF intends to surpass its benchmark, which is the 91-Day Treasury Bill Auction Rates, by investing in various securities with a maximum term of one year with premium rates. It is understood, however, that the objective return of the Fund is not a guaranteed rate of return for the investors of the RSB Peso Money Market UITF.

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 RSB Peso Money Market UITF is suitable for investors whose profile is at least a Moderate Growth Investor. A Moderate Growth Investor is described as:

- An investor who can accept moderate fluctuations in the value of his/her capital.
- An investor who wants a combination of modest income and growth resulting in higher earning potential.
- An investor who may keep his/her investment for at least 30 days.

KEY RISK AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks

• **Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities (e.g., bonds and equities). It is the exposure to the uncertain market value of a portfolio due to price fluctuations.

It is the risk of the UITF to lose value due to a decline in securities prices, which may sometimes happen rapidly or unpredictably. The value of investments fluctuates over a given time period because of general market conditions, economic changes or other events that impact large portions of the market such as political events, natural calamities, etc. As a result, the NAVPU may increase to make profit or decrease to incur loss.

• **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. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or underdeveloped capital market.

Liquidity risk occurs when certain securities in the UITF portfolio may be difficult or impossible to sell at a particular time which may prevent the redemption of investment in UITF until its assets can be converted to cash. Even government securities which are the most liquid of fixed income securities may be subjected to liquidity risk particularly if a sizeable volume is involved.

• **Credit Risk/Default Risk.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued. This inability of the borrower to make good on its financial obligations may have resulted from adverse changes in its financial condition thus, lowering credit quality of the security, and consequently lowering the price (market/price risk) which contributes to the difficulty in selling such security. It also includes risk on a counterparty (a party the UITF Manager trades with) defaulting on a contract to deliver its obligation either in cash or securities.

This is the risk of losing value in the UITF portfolio in the event the borrower defaults on his obligation or in the case of a counterparty, when it fails to deliver on the agreed trade. This decline in the value of the UITF happens because the default/failure would make the price of the security go down and may make the security difficult to sell. As these happen, the UITF's NAVPU will be affected by a decline in value.

• **Reinvestment Risks.** This is the risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.

Investors in the UITF who redeem and realize their gains run the risk of reinvesting their funds in an alternative investment outlet with lower yields. Similarly, the UITF manager is faced with the risk of not being able to find good or better alternative investment outlets as some of the securities in the fund matures.

In case of a foreign-currency denominated UITF or a peso denominated UITF allowed to invest in securities denominated in currencies other than its base currency, the UITF is also exposed to the following risks:

• **Country Risk.** This is the possibility for an investor to experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries. There are risks in foreign investments due to the possible internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases of the foreign country involved which are difficult to predict but must be taken into account in making such investments.

Likewise, brokerage commissions and other fees may be higher in foreign securities. Government supervision and regulation of foreign stock exchanges, currency markets, trading systems and brokers may be less than those in the Philippines. The procedures and rules governing foreign transactions and custody of securities may also involve delays in payment, delivery or recovery of investments.

• **Other Risks.** Your participation in the UITFs may be further exposed to the risk of any actual or potential conflicts of interest in the handling of in-house or related party transactions by RCBC Savings Bank. These transactions may include own-bank deposits; purchase of own-institution or affiliate obligations (stock, mortgages); purchase of assets from or sales to own institution, directors, officers, subsidiaries, affiliates or other related interests/parties; or purchases or sales between fiduciary/managed accounts.

- 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 LOSSES UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE

For queries, you may contact the following:

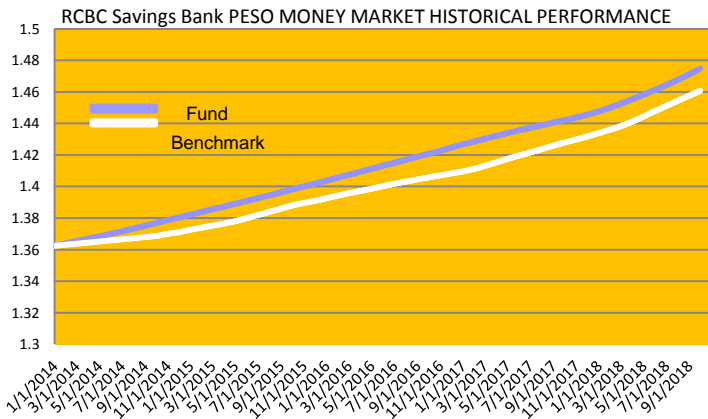
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FUND PERFORMANCE AND STATISTICS AS OF SEPTEMBER 30, 2018
(Purely for reference purposes and is not a guarantee of future results)

NAVPU Graph



NAVPU over the past 12 months

Highest	1.4749
Lowest	1.4421

Statistics

Weighted Ave. Duration	32.30 days
Volatility, Past 1 Year*	0.004%
Sharpe Ratio**	0.014
Information Ratio***	335.27

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

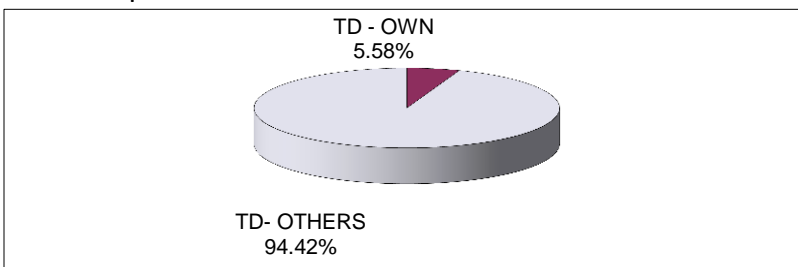
**Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

***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	SI
Fund	0.2515%	0.7101%	1.3259%	2.2745%	5.4932%	47.4900%
Benchmark	0.0482%	0.5907%	1.2204%	2.0934%	4.8535%	38.6497%

Portfolio Composition



Top 6 Holdings (%)

TD – Other Bank 1	12.67%
TD – Other Bank 2	12.18%
TD – Other Bank 3	11.98%
TD – Other Bank 4	11.61%
TD – Other Bank 5	10.30%
TD – Own Bank	5.58%
TOTAL	64.32%

RELATED PARTY TRANSACTIONS

The Fund has deposits with the RSB Bank Proper amounting to PHP 40,741,682.73 and RCBC Bank Proper amounting to PHP 118,000,000 which were within limits approved by the Board of Directors. Likewise, all related party transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY:

The Fund has been 100% invested in time deposit instruments. The Fund will continue this strategy to take advantage of the current increasing interest rate scenario, specially for funds crossing over the year. The following securities are among the Fund's approved investment outlets where the Trustee intends to invest in depending on its availability or other market-driven circumstances:

Outlet	% Exposure
TD Other Banks	94.42%
TD Own Bank	5.58%
TOTAL	100.00%