

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of March 27, 2024

FUND FACTS

Classification:	Money Market Fund	Net Asset Value per Unit (NAVPu):	1.434443
Launch Date:	February 20, 2009	Total Fund Net Asset Value (NAV):	Php22,172.78 million
Minimum Investment:	Php5,000.00	Dealing Day:	Daily up to 12:00nn
Additional Investment:	At least Php1,000.00	Redemption Settlement:	Next banking day from date of notification
Minimum Holding Period:	3 banking days	Early Redemption Fee:	1.00% of the proceeds

FEES ¹			
Trustee Fees: 0.0187%	Custodianship Fees: 0.0012%	External Auditor: 0.0000%	Other Fees: None
China Bank – Trust and Asset Management Group	Deutsche Bank AG, Manila Branch Philippine Depository & Trust Corp.	SGV & Co.	

¹As a percentage of average daily NAV for the month valued at Php21,911.84 million.

INVESTMENT OBJECTIVE AND STRATEGY

The Chinabank Money Market Fund intends to achieve a high level of liquidity and better earnings potential than those offered by regular savings and short-term time deposit accounts by investing in a diversified portfolio of marketable fixed income securities comprised of deposits, tradable money market instruments, government securities and corporate bonds and notes with a weighted average portfolio modified duration of not more than one (1) year. The Fund aims to outperform its benchmark which is the Bloomberg Philippine Sovereign Bond Index Money Market (BPHILMM Index).

CLIENT SUITABILITY

A client profiling process shall 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. Before deciding to invest, clients are advised to read the Declaration of Trust, a copy of which is available at the Trustee’s principal office.

The Chinabank Money Market Fund is suitable only for investors who:

- have a moderate risk appetite;
- are willing to assume a certain level of risk in consideration for higher returns; and
- have an investment horizon of at least one (1) year.

KEY RISKS AND RISK MANAGEMENT

The client should not invest in this Fund if the client does not understand or is not comfortable with the accompanying risks.

- **Interest Rate Risk.** This is the possibility for an investor to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.
- **Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in the market price of securities. It is the exposure to the uncertain market value of a portfolio due to price fluctuations.
- **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.
- **Credit/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. It also includes risk on a counterparty (a party the Trustee trades with) defaulting on a contract to deliver its obligation either in cash or securities.
- **Reinvestment Risk.** This is the possibility for an investor to have lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.

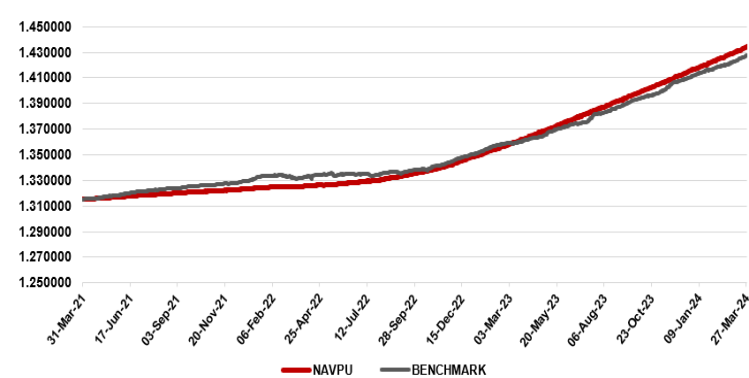
The Trustee only transacts with reputable counterparties and invests in debt securities issued by prime corporate borrowers which have undergone a rigorous accreditation and evaluation process. Regulatory exposure limits as well as the Fund’s average duration are monitored regularly to ensure that exposures are managed. The Fund also undergoes an annual review to ensure that it is equipped to fund any redemption requirement in a timely manner and at a reasonable cost during times of financial stress.

- THE UITF IS A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED NOR GOVERNED BY THE PDIC.
- THE UITF IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUST ENTITY OR ITS AFFILIATES OR SUBSIDIARIES.
- DUE TO THE NATURE OF THE INVESTMENTS OF A UITF, THE RETURNS/YIELDS CANNOT BE GUARANTEED. HISTORICAL PERFORMANCE, WHEN PRESENTED, IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.
- ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT. AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.
- THE TRUSTEE IS NOT LIABLE FOR LOSSES UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.
- THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF’S PLAN, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.

FUND PERFORMANCE AND STATISTICS AS OF MARCH 27, 2024

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

NAVPU GRAPH



NAVPU OVER THE PAST 12 MONTHS

Highest	1.434443
Lowest	1.362739

STATISTICS

Weighted Average Duration	0.06
Volatility, Past 1 year ²	0.69%
Sharpe Ratio ³	0.96
Information Ratio ⁴	2.17

²**Volatility** measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time. This is computed by getting the standard deviation of the yearly returns for the past 12 mos.

³**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. This is computed by dividing the excess return of the fund against the risk-free rate over the fund's volatility.

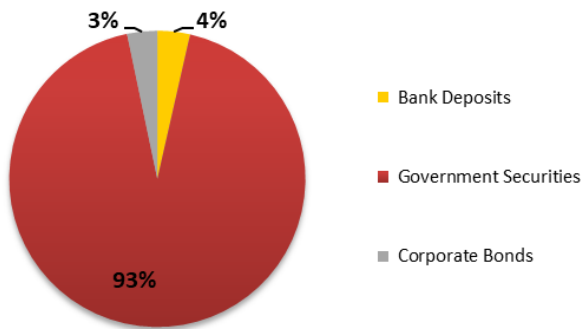
⁴**Information Ratio** measures the reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk. This is computed by dividing the excess return of the fund against the benchmark over the fund's volatility.

CUMULATIVE PERFORMANCE (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	0.42%	1.27%	2.61%	5.22%	9.06%
Benchmark	0.43%	1.12%	2.46%	4.86%	8.62%

The BPHILMM Index is a systematically designed, rules-based, market value-weighted index that measures the performance of short-term, fixed-rate and zero-coupon local currency securities that are publicly issued by the Philippines. It includes liquid money market instruments such as treasury bills with maturities of less than one year and minimum par amounts of Php3.0Bn. The Index is adjusted for tax by the Trustee. Additional information on the benchmark and/or its administrator can be found on Bloomberg, and be made available to investors upon request.

PORTFOLIO COMPOSITION



TOP HOLDINGS (%)

BSPL 04.16.24	58.88%
BSPL 04.02.24	21.44%
BSPL 04.23.24	8.02%
BSPL 04.10.24	4.91%
Deposit - Other Banks	3.45%
RCB 05-24	2.19%
SM 02-25	1.10%
Cash on Hand	0.01%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper, amounting to Php3.18 million, which were approved by the Board of Directors/Trust Investment Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY

In March, the peso yield curve slightly bull flattened as Bangko Sentral ng Pilipinas (BSP) Governor Remolona signaled expectations of rate cuts in the future despite the central bank's hawkishness. Yields across the curve went down by 3 basis points (bps) on average, with both the belly and the long-end falling by 4 bps on average. The 2-year benchmark, however, outperformed, falling by 7 bps to end at 6.0425%. The 10-year rate meanwhile went down by 1 bp to fetch 6.2322%. Total traded volume for March was Php545.285 billion, which was a 14% increase versus February's Php477.668 billion volume. The Bangko Sentral ng Pilipinas' (BSP) bills remained to be the major contributor to the volume, accounting for 31% or Php168.289 billion. This was followed by FXTNs and RTBs accounting for 25% each or Php136.070 billion and Php136.074 billion, respectively.

Data release in March saw the Philippines' inflation rate rebounding to 3.4% in February, after four consecutive months of decline, falling within the BSP's expected range of 2.8% to 3.6%. The rise was mainly driven by a surge in food prices, particularly rice, reaching a 15-year high of 23.7% due to tight supply and global price increases. Transport costs also contributed, growing from 0.3% to 1.2%. Housing, gas, and utilities saw a slight increase from 0.7% to 0.9%. Core inflation, which excludes volatile items like food and energy, eased to 3.6% from 3.8% in January. Year-to-date, inflation stood at

3.1%, below the BSP's full-year forecast of 3.6%. With this, the BSP suggested that maintaining current monetary policy settings is appropriate for the near future.

Meanwhile, economic data released in the month was mixed. The unemployment rate rose sharply in January to 4.5% from December's low of 3.1%, with 2.15 million people unemployed, which may be attributed to a dip in jobs coming from the peak holiday season. Major job losses occurred in wholesale and retail trade, agriculture and forestry, public administration and defense, and manufacturing. Despite this, the services sector remained the largest employer at 60.2%, followed by agriculture at 21.4% and industry at 18.4%. Additionally, 6.39 million people sought more work hours in January, leading to an increase in underemployment to 13.9% from December's 11.9%. Also affected by the seasonal dip was cash remittances from Filipinos abroad, which declined in January to USD2.836 billion, from the record-high USD3.28 billion in December of last year. Despite the decrease, cash remittances grew by 2.7% compared to January 2023, with the United States remaining the largest contributor, accounting for 41.8% of the total.

Conversely, bank lending accelerated in January. The outstanding loans of universal and commercial banks surged by 7.8% to Php11.54 trillion, compared to the 7.1% growth in December. Loans for production activities rose by 5.9%, attributed to increased lending to key sectors like real estate and wholesale and retail trade. Moreover, consumer loans displayed strength despite elevated interest rates, climbing by 25.2% driven by strong demand for credit cards, motor vehicle loans, and salary-based loans.

In the local bond space, the Bureau of Treasury (BTr) auctioned off a total of Php120 billion in bonds and Php60 billion in bills for the month as programmed. Its four bond auctions for 7-, 10-, 20-, and 7-year tenors were met with strong demand averaging 2.11 times bid-to-cover ratio as rates were more or less flat versus previous auctions of the same tenor earlier in the year. Similarly, the treasury bill auctions generated robust demand averaging 3.1 times bid-to-cover ratio. The month ended with the 91-day bill rate flat at 5.71% versus end-February, while the 182- and 364-day bills fell by 9 bps and 10 bps, respectively.

In the coming month, we expect the market to take its cue from the March inflation print, which the BSP expects to quicken due to base effects. The BTr also released its borrowing program for the second quarter, which shows the usual weekly auction of bills and bonds totaling Php15 billion and Php30 billion, respectively, per issuance. Bond auctions will be in the 7-, 10-, 15- and 20-year tenors, which are expected to add some supply overhang in the long-end part of the local bond yield curve.

INVESTMENT POLICY / PROSPECTIVE INVESTMENTS

The Fund may be invested or reinvested in the following:

- a) Securities issued by or guaranteed by the Philippine government or the Bangko Sentral ng Pilipinas (BSP);
- b) Tradable fixed income securities issued by private and public corporations which are listed and traded in an organized exchange/market such as bonds, notes and preferred shares which are classified as debt securities under appropriate accounting standards;
- c) Deposits and tradable money market instruments issued by local banks, including those of the Trustee's own bank, and foreign banks or their Philippine branches or any financial institution in any foreign country;
- d) Financial derivatives instruments solely for the purpose of hedging risk exposures of the existing investments of the Fund, provided that these are accounted for in accordance with existing BSP hedging guidelines as well as the Trustee's risk management and hedging policies duly approved by the Trust Investment Committee and disclosed to participants; and
- e) Such other tradable investment outlets/categories as the BSP may allow.

OTHER BASIC FUND FACTS

Trust Fee:	0.25% p.a.	Minimum Maintaining Amount:	Php5,000.00
Initial NAVPu:	P1.000000	Minimum Redemption Amount:	None. Partial redemptions shall be allowed provided that the amount redeemed will not result to a balance below the minimum maintaining amount.

IMPORTANT NOTICE

China Banking Corporation (Chinabank) may receive customer complaints, inquiries or any concern about its products and services through Customer Contact Center 24/7 Hotline: (+632) 8885-5888 or email: online@chinabank.ph. Chinabank is regulated by the BSP with contact number (+632) 8708-7087 and email address: consumeraffairs@bsp.gov.ph.