

STERLING BANK OF ASIA
STERLING MONEY MARKET FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
AS OF JUNE 30, 2015

FUND FACTS

| | | | |
|--------------------------------|-------------------|--|------------------------------|
| Classification: | Money Market Fund | Net Asset Value per Unit (NAVPU): | 1.11862 |
| Launch Date: | April 7, 2009 | Total Fund NAV: | PHP1,365,652.34 |
| Minimum Investment: | PHP10,000.00 | Dealing Day: | Daily up to 11:30 am |
| Additional Investment: | PHP5,000.00 | Redemption Settlement: | Next banking day (T+1) |
| Minimum Holding Period: | 30 calendar days | Early Redemption Charge: | 0.50% of redemption proceeds |

FEES

| | | |
|---|--|---|
| Trust Fee: 1.00% p.a. Sterling Bank of Asia - Trust Group | Custodianship Fee: 0.00% p.a. BTr - ROSS | External Auditor Fees: 0.00% p.a. Reyes Tacandong & Company |
|---|--|---|

INVESTMENT OBJECTIVE AND STRATEGY

The Fund is designed to provide investors a better option as a higher-yielding, liquid outlet for their short-term to medium term funds.

The Fund aims to generate a steady stream of income by investing in a diversified portfolio of short-term government securities, deposits, and other fixed-income instruments with an average duration of one year or less.

CLIENT SUSTAINABILITY

A client profiling should be performed prior to participating in the Fund to guide 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 **STERLING MONEY MARKET FUND** is suitable only for investors who:

- Have a moderate risk profile
- Have an investment horizon of at least one (1) year
- Are willing to be exposed to a certain level of risk in exchange for potentially higher returns
- Are looking for relatively safe and liquid investments with yields higher than savings and time deposits

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.

- **Interest Rate Risk** - This is the possibility for an investor to experience losses due to changes in interest rates.
- **Market/Price Risk** - This is the possibility for an investor to experience losses due to changes in market prices of securities.
- **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.
- **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.
- **Related Party Risk** - This is the possibility for an investor to experience losses due to potential conflict of interest in a related party transaction.

THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)

RETURNS CAN NOT 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

THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE

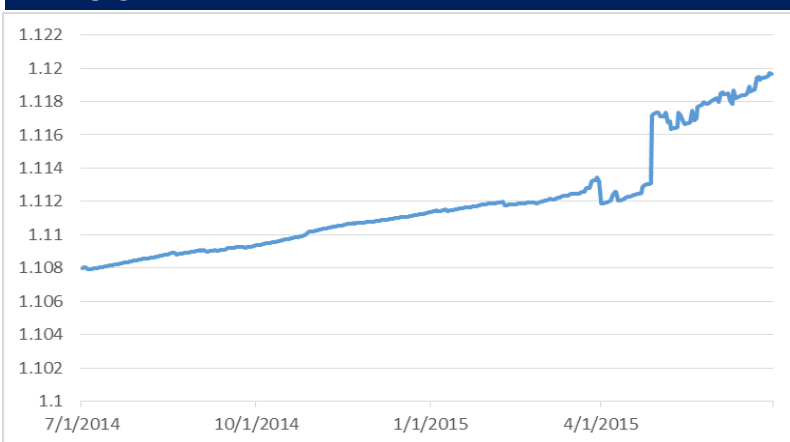
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FUND PERFORMANCE AND STATISTICS

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

NAVPU GRAPH



NAVPU OVER PAST 12 MONTHS

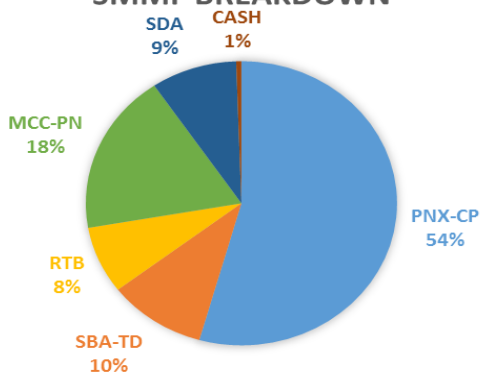
| | | |
|---------|---------------|---------|
| Highest | June 29, 2015 | 1.11974 |
| Lowest | July 4, 2014 | 1.10791 |

YIELD

| DATE | YTD | YOY |
|-----------|---------|---------|
| 30-Jun-15 | 0.7468% | 1.0533% |

PORTFOLIO COMPOSITION

SMMF BREAKDOWN



TOP HOLDINGS (% TO NAV)

| | |
|-----------------------------|-----|
| PNX Commercial Papers | 54% |
| MCC PN | 18% |
| SBA Time Deposit | 10% |
| BSP Special Deposit Account | 9% |
| RTB 7-1 | 8% |

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS. The Fund has deposits with the Bank Proper amounting to PHP139,714.87, which was approved by the Trust Committee. Likewise, all related parties transactions are conducted on an arm's length basis.

OUTLOOK AND STRATEGY. BSP maintained its policy rates, stating that the inflation outlook is well within target. Headline inflation for the first five months of the year was at 2.2% which is within the low-end of its target range. Sterling Bank of Asia - Trust Group will continue to be on the look out for securities with higher returns, and maintain a short term duration to mitigate volatility.