



Saving and Investing in the Philippines

Guidebook for migrant domestic workers

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Introduction

Migrant domestic workers (MDWs) continue to choose to grow their money in the Philippines. This is partly because their families live there, it's relatively affordable and it's their ultimate home. While Filipinos who are Hong Kong residents can access local Hong Kong banks and enjoy opportunities to save and invest here, Filipino domestic workers often find it difficult to even open a savings account, let alone access investment options.

Enrich continues to encourage migrant women to have bank accounts in both Hong Kong and their home countries to ensure secure deposit options for their earnings and to tap into the other benefits of an accessible bank account.

Enrich's 2015 baseline survey of 523 Filipino domestic workers found that 51% have bank accounts in their home country. However only 19% have bank accounts in both Hong Kong and the Philippines, and 9% only have an account in Hong Kong. The remaining 21% responded that they have an account in neither country. Another area of concern is the prevalence of investment scams. In just the span of March to August 2016, 183 reports were made to the police by people who believed they were deceived on their investments.¹ The number of victims of fraudulent schemes is highly likely to be underreported. Enrich has been informed that approximately 300 Indonesian victims have also filed complaints regarding an alleged investment scam. Similar reports have been received regarding Filipino victims. Despite persistent warnings from the Philippine and Indonesian Consulates, pyramid schemes continue to victimise members of the migrant domestic worker community in Hong Kong. The attractive promise of high returns within a relatively short time frame proves tempting to both Filipino and Indonesian migrant workers.

These events and findings prompted Enrich to organise a lecture series, through the Enrich Lunch and Learn programme, to instigate discussions on savings and investments with migrant domestic workers. The six-Sunday sessions delved into identifying and differentiating: savings accounts, time deposits, stocks investing and trading, government bonds, mutual funds, UITFs, and business investments. As each Sunday progressed with the introduction of exciting information, interesting questions also emerged, enquiring about possibilities in the Philippines – due to most of our participants being from the Philippines. At the conclusion of the series, Enrich identified the need to collect concrete information about the different Philippine bank products available to migrant domestic workers.

We hope to develop this resource soon for Indonesian workers as well. Mindful of maintaining our integrity as an education providing charity, Enrich continues to maintain independence from any financial institutions and refrains from endorsing, selling or promoting any financial products. We also emphasise that this handbook serves as reference only and we still advise that before making a decision, please make sure you double check with the said financial institution.

¹ <http://www.scmp.com/news/hong-kong/law-crime/article/2014036/life-plans-hold-no-money-send-home-indonesian-domestic>

Growing Your Savings

I. Savings Accounts

What are savings?

- Savings are accounts maintained in banks
- They allow you to store excess cash in a secure location while earning interest
- Savings are liquid: You can access your funds at any time
- You can check your savings account using ATM, passbook, or online

Why should I keep my savings in a bank?

- Your money will earn interest and grow
- Your money is safer since it is usually insured by the bank (up to P500,000)
- You will be able to keep track of your finances, since you can see how much goes in and how much goes out of your account

How do I pick the right bank to open a savings account?

Before opening an account, here are some important terms to know:

- **Interest Rate:** The interest rate is a percentage of your total savings that the bank gives you for depositing with them. The interest rate is usually calculated monthly or yearly. Since you are saving in a bank to earn interest, it would make sense to choose the bank that gives the highest interest rate.
- **Minimum Balance:** Some savings accounts require you to deposit a minimum amount in order to maintain the account or to earn interest. A high maintaining balance is burdensome if you do not have a lot of money and might need to withdraw from your account during emergencies. Also, many banks impose a penalty if you fall below the minimum balance. This is why you should choose a bank with a low minimum balance (or at least doesn't impose a penalty).
- **Initial Deposit:** A lower initial deposit means it's easier to open an account. However, it is not as important as the minimum balance since no matter what, you still need to meet the minimum balance.
- **Account type:** Sometimes you might have to choose either an ATM or Passbook account. Most people choose an ATM account so they have easier access to their money. But a Passbook account is good if you want to make it harder to withdraw and spend our savings.
- **Ease of access:** When picking a bank, it is important to consider whether it will be convenient for you to withdraw or deposit your money. If your bank has branches just a few steps away from your house, place of work, and even places where you spend your free time, then it is very convenient to just drop in from time to time and deposit your money.

All banks will have different rates and terms, so in the end it is really a personal choice on which bank offers the best combination of factors for you. To help you, here is a table of some of the largest banks in the Philippines and their rates:

Table 1: ATM Savings Accounts

Bank	Initial Deposit	Maintaining Balance	Balance to Earn Interest	Interest Rate (<i>per annum/year</i>)
BDO	2000	2000	5000	0.25%
BPI	500	3000	500	0.25%
BPI Family Saving Bank	500	1000	3000	0.50%
East West Bank	2000	2000	10000	0.25%
Landbank	500	500	500	0.25%
Metrobank	2000	2000	10000	0.25%
PNB	5000	5000	10000	0.10%
RCBC	3000	3000	10000	0.25%

Table 2: Passbook Saving Account

Bank	Initial Deposit	Maintaining Balance	Balance to Earn Interest	Interest Rate (<i>per annum/year</i>)
BDO	5000	10000	10000	0.25%
BPI	10000	10000	25000	0.25%
BPI Family Savings Bank	10000	10000	25000	0.50%
East West Bank	5000	5000	10000	0.25%
Landbank	10000	10000	10000	0.25%
Metrobank	10000	10000	10000	0.25%
PNB	10000	10000	15000	0.13%
RCBC	10000	10000	10000	0.25%

II. Time deposits and special savings accounts

Besides savings accounts, there are some other ways to save your money in a bank.

What are time deposits?

- A type of money deposit in a financial institution that cannot be withdrawn for a certain period of time (not as liquid as savings)
- Because it is less liquid, it pays higher interest than savings accounts
- When the term is over, you can choose to withdraw your money or roll over one more term. Some banks may require a notice period before withdrawal
- Your money is still safe as most time deposits are insured by the bank (up to P500,000)

Why should I invest in time deposits?

- Time deposits are one of the safest investments you can make, and are suitable for conservative or beginner investors
- If you can afford to put away an amount of money for at least more than a month, it offers better returns than just keeping it in a savings account
- Time deposits are basically forced savings, as you cannot spend the money since it is locked in

How do I choose the right type of time deposit?

Here are some factors you should consider when making a time deposit:

- **Initial Deposit:** Banks require a certain amount if you would like to open a time deposit account. Depending on the bank, this can be as low as 1,000 pesos.
- **Term:** The length of time the money will be held by the bank. It can be anywhere from 30 days to 365 days. If the money is withdrawn before the end of the term (or before it has matured), not only will the interest not be paid, but penalties may also be imposed.
- **Interest Rate:** The interest rate for time deposits depends on the length of term, the amount of your deposit, and the bank. The higher the amount or the longer the term, the higher the interest rate will be. The interest is paid at the end of the term, although in some cases it is paid monthly. Time deposit interest rates are usually 1% annually or more.
 - Keep in mind that the interest rate is usually quoted per annum (per year), so if your term is 30 days, the actual interest rate is only $(30 \div 365)$ of the annual rate.
- **Floating/Market interest rate:** Some banks do not offer a fixed interest rate for time deposits, but instead update their interest rate based on rates set by the Philippine Central Bank.
- **Withholding tax:** This is a very important factor to consider, as interest earned on time deposits is subject to a final tax of 20%. These are usually charged every month when an interest is earned on your account. Only deposits with maturity more than 5 years are not subject to the withholding tax. Therefore, if it is possible, you should deposit your money for 5 years or more to avoid paying the

withholding tax.

Here is an example of how interest rate changes depending on your initial deposit and term:

Table 3: BDO Peso Time Deposit Rates

Initial Deposit	30 Days	60 Days	90 Days	180 Days	360 Days
1,000 to below 10,000	0.25%	0.25%	0.25%	0.50%	0.50%
1,000 to below 10,000	0.25%	0.25%	0.25%	0.50%	0.50%
10,000 to below 50,000	0.375%	0.375%	0.375%	0.625%	0.625%
50,000 to below 100,000	0.50%	0.50%	0.50%	0.75%	0.75%
100,000 to below 200,000	0.50%	0.50%	0.50%	0.75%	0.75%
200,000 to below 500,000	0.625%	0.625%	0.625%	0.875%	0.875%
500,000 to below 1 million	0.75%	0.75%	0.75%	1.00%	1.00%

Note: Interest rates are subject to change without notice. Please confirm with your bank and branch before making placements

What are special savings accounts?

- Special (high-yield) savings accounts are a combination of savings accounts and time deposits. The initial deposit, maintaining balance, as well as the interest rate is higher than savings accounts but lower than time deposits.
- Like a savings account, you may withdraw your money anytime without penalty. However, if you withdraw more than is allowed (usually 2-3 withdrawals per month) you won't earn interest on your money(similar to time deposits).
- If you are not ready to lock away your money for a fixed period of time, a special savings account allows you more flexibility while still earning higher interest rates than a regular savings account.

Special savings accounts & time deposits offered by Philippine banks

Most of the large banks in the Philippines offer different types of time deposits and/or

special savings accounts. Here are some of the products offered, along with additional details about the term, initial deposit, and interest rates.

Table 4: BDO Unibank

Name	Description	Initial Deposit	Term	Interest Rate
Peso Time Deposit	Regular time deposit	P1,000	30, 60, 90, 180, 360 days	0.25% - 1.125% p.a.
Premium Flexi Earner	Time deposit; Tax exempt if the placement is held until maturity. If pre terminated, interest earned is subject to withholding tax	P10,000	5 years	Monthly repricing
Optimum Peso Savings Account- Personal	Higher interest rate than regular savings account	P30,000 (P300 charge if balance falls below for 2 consecutive months)	n.a.	Priced and updated by BDO
Prime Savers		P2,000	n.a.	0.25% p.a.

Table 5: BPI (Bank of the Philippine Islands)

Name	Description	Initial Deposit	Term	Interest Rate
Plan Ahead Time Deposit (Lump Sum)	Interest earnings are paid at end of 5 year term	P100,000	5 years	3.25%
Plan Ahead Time Deposit (Monthly Income)	Interest earnings are paid monthly via deposits to ATM account	P100,000	5 years	3.25%
Regular Time Deposit (Pesos)	Regular time deposit with interest	P50,000	35, 63, 91, 182, or 364 days	0.5-1.125%
BPI Advanced Savings Account with Passbook	Savings account for OFWs that offers higher interest rate	P100,000	n/a	0.75-1.50%
Maxi-Saver Savings with ATM	Savings account for OFWs that offers higher interest rate	P50,000	n/a	0.23-1.00% with 0.5% p.a. Bonus if no withdrawal within a month

Table 6: East West Bank

Name	Description	Initial Deposit	Term	Interest Rate
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SuperSaver Account	Special savings account with an extra 0.75% p.a. interest every month that you don't withdraw.	P500,000	n/a	0.25%- 0.75% p.a.
Peso Time Deposit	An interest-bearing term deposit evidenced by a Certificate of Time Deposit with a 30- up to 360-day term.	P10,000	30-360 days	Based on prevailing market rates.

Table 7: Landbank

Name	Description	Initial Deposit	Term	Interest Rate
Easy Savings Plus	A premium savings account which offers higher interest rates versus a regular savings account and are tiered based on ADB levels.	P20,000	n/a	Market rate
Regular Peso Time Deposit	A premium savings account which offers higher interest rates versus a regular savings account and are tiered based on ADB levels.	P2,000	Min. 30 days	Based on weekly posted rate; varies depending on term and amount

Table 8: Metrobank

Name	Description	Initial Deposit	Term	Interest Rate
Peso Regular Time Deposit	Time deposit with automatic roll-over	P10,000	30 days to 1 year	0.25% - 1.25%
OFW Peso Savings Account	A basic savings account that ensures your money is accessible and earns interest. Your foreign currency remittance is converted into Philippine pesos, saving your family the hassle of having to change money into local currency. You can also opt to track your balance through a passbook.	P10,000 (to earn interest)		0.25%

Table 9: Philippine National Bank (PNB)

Name	Description	Initial Deposit	Term	Interest Rate
Regular Time Deposit	Time deposit with a term of 1 year or less. Interest is earned at the end of the term.	P10,000	30-360 days	As quoted by the Treasury
PNBIG Savings Account	Time deposit with a term of less than or equal to 1 year. Interest is earned at the end of the term.	P25,000	30-360 days	As quoted by the Treasury
Wealth Multiplier	Time deposit with terms of 2, 3 and 4-years. Interest is credited to a designated CA/SA account on a monthly basis.	P500,000/ P100,000 for OFWs	2, 3, 4 years	As quoted by the Treasury
PNB Treasury Nego	Time deposit with negotiable interest rate	P1,000,000	1-360 days	1.0% - 4.25%

Table 10: RCBC

Name	Description	Initial Deposit	Term	Interest Rate
Dragon Peso Savings Account	The Dragon Peso Savings Account is a tiered interest rate* savings account that maximises returns to your deposits. You can withdraw funds from your account an unlimited number of times and still earn high rates.	P25,000	n/a	0.15%- 0.5625% depending on amount
Super Earner Savings Account	Super Earner takes you one step higher to optimising returns to your liquid funds, just by limiting your withdrawals to one per month. It is a tiered rate interest-earning savings account product of RCBC with withdrawal limitation.	P25,000	n/a	0.15%- 0.2% depending on amount
RCBC iSave	RCBC iSave is a savings account that is funded automatically through regular transfers from your payroll and/or other RCBC accounts. You get interest rates higher than regular savings, and free insurance and hospitalisation benefit from Malayan Insurance.	P5,000	n/a	0.15%- 0.2% depending on amount
Peso Time Deposit (Regular)	A risk-free investment account that still earns higher interest rates compared to regular deposit account	P5,000	30 days	0.375%- 1% depending on term and amount
Peso Time Deposit (Special)	A risk-free investment account that still earns higher interest rates compared to regular deposit account	P100,000	30 days	0.375%-1% depending on term and amount

Investing in Bonds

What are bonds?

- Bonds, or fixed-income securities, are debt instruments with fixed amounts of interest paid to the investor according to a fixed schedule. The principal (amount loaned) is repaid to the investor at the end of the stated maturity date.
- The two main types of bonds are government bonds and private (corporate) bonds. Bonds are used by governments and companies to raise money and finance a variety of projects and activities. Owners of bonds are debtholders, or creditors, of the issuer. In addition, government bonds can be broken down into 4 types:
 - a. **Peso Treasury Bills (T-Bills)**: short-term (up to 1 year) debt securities issued by the Philippine government
 - b. **Peso Fixed-Rate Treasury Notes (FXTNs)**: long-term investments with terms from 2 to 25 years. Interest is paid semi-annually based on a fixed rate.
 - c. **Peso Retail Treasury Bonds (RTBs)**: similar to FXTNs, but with retail investors as target holders, with terms of 3 to 25 years. Interest is paid quarterly (4 times a year), based on a fixed coupon rate.
 - d. **Foreign Currency-Denominated Bonds (ROPs)**: denominated in US Dollar or Euro, issued by the Republic of the Philippines with terms up to 25 years. Interest is paid semi-annually based on a fixed rate.

Should I invest in bonds?

- Bonds are more stable and less risky than stocks as interest payment is regular (usually every 3 or 6 months) and you will get back your principal as long as the issuer is not bankrupt. However, they are still not risk free as you are lending money to the government or firm, so there is now a risk of default (risk of the bond issuer declaring bankruptcy and thus cannot pay back debts).
- Even though bonds have terms of up to 25 years, they are still liquid--if you need your money before your bond matures, you can sell your bond on the secondary fixed-income market through your bank/broker.
- Compared to time deposits and unit investment trust funds, investing directly in bonds requires a much higher minimum investment (usually starting at P200,000).

Table 11 shows the minimum amount required to **invest in government bonds through Metrobank**, along with other important factors. As you can see, due to the higher entry barrier for bond investment (higher minimum amount + more documentation required), it is recommended to invest indirectly in bonds through a bond fund, which has lower minimum investment and higher liquidity.

Table 11: Invest in Government bonds through Metrobank

Investment in Government Bonds	T-Bills	FXTNs	RTBs	ROPs
Minimum Amount Required	P500,000	P500,000	P500,000	US\$50,000
Rate	Based on market rates	Based on market rates	Based on market rates	Based on market rates
Interest Payment	Paid in advance	Semi-annual	Quarterly or semi-annual	Semi-annual
Term	Up to 1 year	Up to 25 years	Up to 25 years	Up to 25 years
Tax	20% final withholding tax on interest	20% final withholding tax on interest	20% final withholding tax on interest	Not subject to withholding tax

How can I invest in bonds?

If you do decide to buy bonds, you can buy through many major banks in the Philippines (PNB, BPI, Metrobank, etc.), as they are also registered broker-dealers of fixed-income securities. More information can be found on their websites or by calling their investment marketing divisions (available on website). For your reference, here is a list of documentation that they might require from you before you can open a bond account:

1. Application to purchase.
2. Client Information Sheet/Specimen Signature Form
3. Special Power of Attorney (SPA) to open custody account
4. Investors Undertaking
5. Signed Bond Order Form
6. Anti Money Laundering Act Required Information Sheet.
7. Treasury Settlement Account Form
8. Suitability Assessment Form (SAF)
9. Other documents that may be required by the issuing corporation.

Investing in Bonds: Important terms to know

Minimum Placement: Minimum amount required to invest in a bond.

Tenor: The length of time until the maturity date is often referred to as the term or tenor or maturity of a bond.

Principal: The amount of money the bond-issuer owes to the bondholder upon maturity (excluding interest payments).

Coupon: The annual interest rate paid on a bond, expressed as a percentage of the principal.

Broker's Commission: the fees that you agree to pay a broker to buy or sell bonds on your behalf. Most brokers charge a broker's commission for each transaction done through them, usually as a percentage of the transaction value (~0.1%-0.5%).

Investing in Stocks

What are stocks?

- Stock (or equity) is a share in the ownership of a company.
- Holding a company's stock means that you are one of the many owners (or shareholders) of a company, and that you have a claim (usually very small) to the company's assets and earnings.
- The more shares you own, the larger the portion of the profits you get. Profits are sometimes paid out in the form of dividends, although companies are not required to pay regular dividends
- Compared to owning bonds of a company, owning stock is a lot riskier as 1) there are no regular interest payments and guaranteed return of principal, and 2) if a company goes bankrupt, shareholders don't get any money until banks and bondholders are paid.
- However, because of the higher risk, stocks have historically had higher returns compared to bonds or savings accounts.

Should I invest in stocks?

- Investing in stocks requires a lot of research, regular monitoring of your stocks, high risk appetite, and a long term investment horizon (as your stock might change a lot in value in the short term).
- Because of this, we do not recommend stock investment as the main source of your savings or investment income. Especially if your goal is to grow your savings, start a business, or fund your children's education, we recommend a stable, low-risk investment plan such as time deposits or bonds.
- It is a better time to invest in stocks when you have already met your main financial goals and have extra money you want to put away for riskier investments.

How can I invest in stocks?

- If you decide to invest in stocks, you will need to open an account with a licensed stockbroker. Many brokers offer online trading platforms that will allow you to buy and sell stocks listed on the Philippines Stock Exchange online.
- For your reference, here's a list of online stockbrokers licensed by the Philippine Stock Exchange:
 - AB Capital Securities Inc., Abacus Securities Corp., Accord Capital Equities Corp., Angping & Associates Securities Inc., BPI Securities Corp., COL Financial Group Inc., Yap Securities Inc., First Metro Securities Brokerage Corporation, RCBC Securities Inc., and Wealth Securities Inc.
- Opening a trading account requires more documentation than opening a savings account. Here are some documents that you might be asked to provide:
 - Application Forms and Questionnaires

- TIN (Tax Identification Number)
- SSS or GSIS number
- A regular savings or checking account number
- Valid picture IDs
- Some brokers do not require a minimum investment to open a trading account. However, keep in mind that before you buy stocks, you still need to first deposit funds into your trading account, and many brokers will require an average daily balance for the trading account.

Investing in Stocks: Important terms to know

Trading Hours: Each country's stock market has different opening and closing hours. In the Philippines, trading is open from 9:30AM--11:59AM and 1:30PM--3:30PM on weekdays.

Broker's Commission: Similar to bonds, a commission is charged for every buy or sell transaction. The commission is usually charged as a % of the transaction value (usually around 0.25%).

Value Added Tax: There is an additional 12% tax on the commission charge due to value added tax. Sales tax is also charged if you sell stocks (0.5% of gross value).

Trade Date: This is the date that your order is executed in the stock market.

Settlement Date: This is the date that the shares are officially transferred from one account to another, and payment is debited from the buyer to the seller. The settlement date is 3 trading days after the trade date.

Investing in Funds

What are investment funds?

- In an investment fund, your money is pooled together with the money of other people to invest in different types of stocks, bonds, or government securities
- Individual investors make specific investment decisions of the fund. They simply choose which fund to invest in based on its goals, risk, fees and other factors.
- Investment funds are managed by a fund manager who decides which products it should hold and when they should be bought and sold. This is why investment funds include a management fee.
- In the Philippines, the most common and accessible type of investment fund is called the unit investment trust fund (UITF).

Why should I invest in UITFs?

- UITFs are usually more affordable than other investment products, and require a lower minimum investment amount than other securities.
- By pooling investors' money together, UITFs can invest in products that are otherwise only available to people with large amounts of money to invest.
- Investing in UITFs requires less effort than stocks or bonds as your money is managed by fund managers. Their job will be to grow the money you invested, without you having to monitor it constantly.
- After the minimum holding period, you can redeem your investment money at any time, so UITFs are more liquid than stocks and government securities.
- UITFs are more diversified than stocks or bonds, and spreads out the investment risk by investing in different products.
- However, UITFs are not deposits. Your money is not guaranteed and there is still a risk that you will lose up to 100% of your investment. Also, there are still minimum holding periods compared to savings deposits, and extra management fees.

How do I pick the right fund to invest in?

Here are some terms you should know before picking which UITF to invest in:

Minimum Investment: The minimum investment required to invest in the fund. It could be anywhere from P2,000 to P25,000 depending on the fund.

Minimum Investment Horizon: Minimum investment horizon is the minimum total length of time that the investor expects to hold his investment. In general, UITFs with higher risks will have longer minimum investment horizons, and UITFs with lower risk will have lower minimum investment horizons. If you do not intend to lock your money in a fund for more than a year, it is recommended to select funds with lower risk and shorter investment horizon.

Minimum Holding Period: This is the minimum number of days you need to keep your investment in the fund before redeeming your unit (usually 30 days). Redemption of your investment within the minimum holding period will lead to a fee.

Early Redemption Fee: The fee that will be deducted from your investment proceeds if you redeem your UITF within the minimum holding period. Early redemption fee is usually charged as a % of your redeemed amount.

Net Asset Value per unit (NAVPU): A participating unit has a daily "price" which is called the Net Asset Value per Unit. This is calculated once a day based on the closing market prices of all the securities in the fund's portfolio. You can compute the market value of your UITF investment by multiplying the number of units you own by the NAVPU for the day, which is available daily from the bank.

Example:

Number of units owned = 100. NAVPU for the day = P1.5.

Market Value of UITF Investment = $100 \times 1.5 = P150$

Trust Fee: To cover for the costs involved in managing a UITF, a trust fee, which may range between 0.50% and 2.50% is charged to the fund and is usually already accounted for in the daily NAVPU of the UITF.

Custodianship Fee: Custodianship fee is the fee charged by a custodian (usually a large financial institution) to hold customers' securities for safekeeping so as to minimise the risk of their theft or loss. This is usually 0% - 0.015% of NAVPU per year.

External Auditor Fee: External auditor fees are fees charged by accounting and audit firms that provide external audit services for the fund. This is usually low at 0.005% of NAVPU per year.

Withholding Tax: Investment proceeds from UITF are also subject to 20% withholding tax. However, different funds have different ways of charging the tax. You should check whether the fund automatically deducts the tax when computing NAVPU, or if it is deducted after NAVPU.

Table 12: Four Main Types of UITFs

There are four main types of UITFs from which an interested investor can choose from. They are listed below according to levels of risk, and recommended investment time horizon.

Type	Description	Risk	Recommended Investment Time Horizon
Money Market Fund	These funds are invested principally in short term, fixed income deposits and securities	Low	6 months
Bond Funds	These funds invest in a portfolio of bonds and other similar fixed income securities	Moderate	3 years
Balanced Fund	These funds invest in a diversified portfolio of bonds and stocks where investments in stocks shall be up to a maximum of 40% to 60% of the fund, with the rest invested in fixed income securities.	High	3-5 years
Equity Fund	These funds invest mostly in equities. Cash may be kept for liquidity and portfolio re-balancing purposes.	High	3-5 years

How do I monitor my funds?

- You can usually monitor the NAVPU of your investments from your bank website, from your online banking account, from phone banking, or even by text messaging (depends on the bank).
- The government also requires that investment funds publish public reports four times a year on the performance and investments of the funds. You can find these reports from the bank or on their websites. These reports give you more details on the monthly performance of the fund (compared to the overall stock market), the main holdings of the fund, and the fund's outlook and strategy for the next few months.

UITFs offered by Philippine Banks

Table 13: BDO Unibank

Name	Type	Min. Investment	Min. Holding Period	Trust Fee (as % of fund value)	Restrictions/ Other Requirements
BDO Peso Money Market Fund	Money Market	P100,000	None	0.5% p.a.	
BDO GS (Government Securities) Fund	Bond	P100,000	30 calendar days	1% p.a.	Early Redemption Fee: 0.50% of Original Participation Amount
BDO Peso Bond Fund	Bond	P10,000	30 calendar days	1% p.a.	Early Redemption Fee: 0.50% of Original Participation Amount
BDO Peso Fixed Income Fund	Bond	P10,000	30 calendar days	1% p.a.	Early Redemption Fee: 0.50% of Original Participation Amount
BDO Peso Balanced Fund	Balanced	P10,000	30 calendar days	1% p.a.	Early Redemption Fee: 0.50% of Original Participation Amount
BDO Equity Fund	Equity	P10,000	30 calendar days	1% p.a.	Early Redemption Fee: 1% of Original Participation Amount
BDO ESG Equity Fund <i>Invests in companies with good environmental, social, and governance practices</i>	Equity	P10,000	30 calendar days	1% p.a.	Early Redemption Fee: 1% of Original Participation Amount
BDO Sustainable Dividend Fund	Equity	P10,000	30 calendar days	1.25% p.a.	Early Redemption Fee: 1% of Original Participation Amount
BDO Focused Equity Fund	Equity	P10,000	30 calendar days	1.5% p.a.	Early Redemption Fee: 1% of Original Participation Amount

Table 14: BPI

Name	Type	Min. Investment	Min. Holding Period	Trust Fee (as % of fund value)	Restrictions/ Other Requirements
BPI Short Term Fund	Money Market/ Bond	P10,000	None	0.5% p.a.	Available to OFWs
BPI Premium Bond Fund	Bond	P10,000	None	1.5%	
ABP Philippines Bond Index Fund	Bond	P10,000	None	0.08% + 0.186% management fee	
BPI Philippine Equity Index Fund	Equity	P10,000	None	1.5% p.a.	Available to OFWs
BPI Equity Value Fund	Equity	P10,000	None	1.5% p.a.	
BPI Philippine High Dividend Equity Fund	Equity	P10,000	None	1.5% p.a.	
BPI Balanced Fund	Balanced	P10,000	None	1.5% p.a.	Available to OFWs

Table 15: EastWest Bank

Name	Type	Min. Investment	Min. Holding Period	Trust Fee (as % of fund value)	Restrictions/ Other Requirements
Peso Money Market Fund	Money Market	P100,000	None	0.25%p.a.	Subject to regular withholding tax of 20% on interest income
Peso Intermediate Term Bond Fund	Bond	P10,000	30 days	1.00% p.a.	Early redemption fee of Php 500 or 0.25% on redeemed amount, whichever is higher; Subject to regular withholding tax of 20% on interest income
Peso Long Term Bond Fund	Bond	P100,000	180 days	1.00% p.a.	Early redemption fee of Php 500 or 0.25% on redeemed amount, whichever is higher; Subject to regular withholding tax of 20% on interest income
PhilEquity Feeder Fund	Equity	P10,000	30 days	0.25% p.a.	Early redemption fee of Php 500 or 0.25% on redeemed amount, whichever is higher; Subject to regular withholding tax of 20% on interest income

Table 16: Landbank

Name	Type	Min. Investment	Min. Holding Period	Trust Fee (as % of fund value)	Restrictions/ Other Requirements
Money Market Fund	Money Market	P10,000	30 days	0.2% of total market value of fund assets	Early withdrawal penalty: 25% of earnings (net of final w/holding tax and trustee fee), but not less than PhP500.00
Government Securities Fixed Income Fund	Bond	P10,000	30 days	1% p.a. of total market value of fund; 0.015% custodianship fee	Early withdrawal penalty: 25% of earnings (net of final w/holding tax and trustee fee), but not less than PhP500.00
Growth Fund	Balanced	P10,000	30 days	1.25%p.a. based on total market value of assets of the Fund; 0.015% custodianship fee	Early withdrawal penalty: 25% of earnings (net of final w/holding tax and trustee fee), but not less than PhP500.00

Table 17: Metrobank

Name	Type	Min. Investment	Min. Holding Period	Trust Fee (as % of fund value)	Restrictions/ Other Requirements
Metro Aspire Bond Feeder Fund	Bond	P5,000	2 years	None (charged at Target Fund Level)	20% final withholding tax
Metro Aspire Balanced Feeder Fund	Balanced	P5,000	2 years	None (charged at Target Fund Level)	20% Final Tax on FI Investments
Metro Aspire Equity Feeder Fund	Equity	P5,000	2 years	None (charged at Target Fund Level)	20% Final Tax on FI Investments
Metro Money Market Fund	Money Market	P50,000	7 days	0.50% p.a. based on NAV of the Fund	0.015% p.a. Custodian fee; early redemption charge of 50% of income on redeemed amount; 20% final withholding tax
Metro Max-3 Fund <i>Bond Fund with 1 year investment horizon</i>	Bond	P50,000	30 days	1.0% p.a. based on NAV of the Fund	0.015%p.a. Custodian fee; early redemption charge of 50% of income on redeemed amount; 20% final withholding tax
Metro Wealth Builder Fund <i>Build-up fund clients who want to invest their money every month over at least 2 years</i>	Bond	P5,000; P1,500 min additional monthly participation	90 days	2.50% p.a. based on NAV of the Fund	0.015%p.a. Custodian fee; early redemption charge of 50% of income on redeemed amount; 20% final withholding tax
Metro Max-5 Fund <i>Bond Fund with 3 year investment horizon</i>	Bond	P50,000	30 days	1.5% p.a. based on NAV of the Fund	0.015% p.a. Custodian fee; early redemption charge of 50% of income on redeemed amount; 20% final withholding tax
Metro Balanced Fund	Balanced	P25,000	30 days	2.0% p.a. based on NAV of the Fund	0.015% p.a. Custodian fee; early redemption charge of 50% of

					income on redeemed amount; 20% final tax on FI investments
Metro Equity Fund	Equity	P25,000	30 days	2.0% p.a. based on NAV of the Fund	0.015%p.a. Custodian fee; early redemption charge of 50% of income on redeemed amount; 20% final tax on FI investments
Metro PSEi Tracker Fund	Equity	P25,000	30 days	1% p.a. based on NAV of the Fund	0.0175%p.a. + transaction charges Custodian fee; early redemption charge of 1% of redeemed amount; 20% final tax on FI investments
Metro High Dividend Yield Fund	Equity	P25,000	30 days	2% p.a. based on NAV of the Fund	0.0175%p.a. + transaction charges Custodian fee; early redemption charge of 1% of redeemed amount; 20% final tax on FI investments

Table 18: Philippine National Bank

Name	Type	Min. Investment	Min. Holding Period	Trust Fee (as % of fund value)	Restrictions/ Other Requirements
PNB Dream Builder Money Market Fund	Money Market	P2,000	30 calendar days	0.5% p.a.	Early redemption fee: 50% of income earned
PNB Prime Peso Money Market Fund	Money Market	P10,000	5 banking days	0.5% p.a.	Early redemption fee: 50% of income earned
PNB Global Filipino Peso Money Market Fund	Money Market	P5,000	5 banking days	0.5% p.a.	Targeting OFWs saving for future
PNB Prestige Balanced Fund	Balanced	P10,000	30 calendar days	1.25% p.a.	Early redemption fee: 50% of income earned
PNB High Dividend Fund	Equity	P10,000	30 calendar days	2% p.a.	Early redemption fee: 50% of income earned
Allied Unit Performance GS Fund	Equity	P50,000	30 calendar days	1% p.a.	Early redemption fee: 0.5% of amount of redemption

Table 19: RCBC

Name	Type	Min. Investment	Min. Holding Period	Trust Fee (as % of fund value)	Restrictions/ Other Requirements
Peso Money Market Fund	Money Market	P25,000	30 days	0.50% p.a.	PH residents only; Early redemption charge: 0.125% of redemption proceeds
Peso Cash Management Fund	Money Market	P5,000,000	14 days	0.25% p.a.	PH residents only; Early redemption charge: 0.125% of redemption proceeds
Peso Bond Fund	Bond	P50,000	30 days	0.25% p.a.	PH residents only; Early redemption charge: 0.125% of redemption proceeds
Balanced Fund	Balanced	P25,000	30 days	1.00% p.a.	Early redemption charge: 0.25% of redemption proceeds
Equity Fund	Equity	P25,000	30 days	1.00% p.a.	Early redemption charge: 0.25% of redemption proceeds

Investing in Pag-IBIG²

Regular Savings³

By law, every Filipino worker must be a member of Pag-IBIG and make monthly contributions (refer to **Table 20** for contribution details). These contributions serve as a Regular Savings account where each member's monthly savings are deposited. The Pag-IBIG Regular Savings Program is a government-guaranteed savings facility that provides convenience and offers high annual dividend earnings.

Table 20: Pag-IBIG Monthly Savings Rates for Mandatory Members

Type of Member	Employee's Share	Employer's Share
Employed Member (Private)	PhP 200.00	PhP 200.00
Employed Member (Government)	PhP 200.00	PhP 200.00
Self-Employed (Business owners and professionals such as doctors, engineers, architects, lawyers, among others)	PhP 400.00 Self-employed members shoulder shares of Employee and Employer.	
Self-Employed (Other earning groups: market vendors, transport sectors workers, tourism workers, service, providers, and informal sector workers)	1% of earnings. If earning PhP1,000 to PhP1,500 a month 2% of earnings. If earning above PhP1,500 a month	
Overseas Filipino Worker (OFW)	PhP 200.00	None
Overseas Filipino Seafarer (Employed by a Philippine manning agency)	PhP 200.00	PhP 200.00
Kasambahay Earning at least PhP5,000 per month	PhP 200.00	PhP 200.00
Earning less than PhP5,000 per month	The Kasambahay's Employer shall shoulder both shares. 3% of salary if monthly salary is PhP1,000 to PhP1,500 4% of salary if monthly salary is above PhP1,500 but not more than PhP5,000.	

Notes

- The 20% Employee Share and 2% Employer Share are based on Maximum Fund Salary (MFS) of PhP10,000 effective February 2024.
- For even bigger savings, dividends, and cash loans, members and private employers may save more than the required amount.

² The Home Development Mutual Fund (HDMF), commonly known as Pag-IBIG (Pagtutulungan sa Kinabukasan, Ikaw, Bangko, Industriya at Gobyerno) Fund, is a government-owned and controlled corporation under the Department of Human Settlements and Urban Development of the Philippines responsible for the administration of the national savings program and affordable shelter financing for Filipinos. <https://www.pagibigfund.gov.ph/>

³ https://www.pagibigfund.gov.ph/Membership_RegularSavings.html

MP2 (Modified Pag-IBIG 2) Savings⁴

The MP2 Savings is a special savings facility with a 5-year maturity, designed for Pag-IBIG Fund members who wish to save more and earn even higher dividends, in addition to their Pag-IBIG Regular Savings. The program is also open to pensioners and retirees who were former Pag-IBIG Fund members.

Pag-IBIG Fund allocates a minimum of 70% of its annual net income to members' Pag-IBIG Savings as dividends, based on their savings. This leads to higher dividends for members who have saved more. At least 70% of Pag-IBIG Fund's investible funds are invested in housing finance, as mandated by its Charter. Additionally, Pag-IBIG invests in government securities and corporate bonds.

The Pag-IBIG MP2 Savings program, which is voluntary, offers a higher dividend rate compared to the mandatory Pag-IBIG Regular Savings.

Table 21: MP2 Savings Dividend Rates from 2011 to 2022

Year	MP2 Savings Dividend Rate
2022	7.03%
2021	6.00%
2020	6.12%
2019	7.23%
2018	7.41%
2017	8.11%
2016	7.43%
2015	5.34%
2014	4.69%
2013	4.58%
2012	4.67%
2011	4.63%

⁴ https://www.pagibigfund.gov.ph/Membership_ModifiedPagIBIG2.html

Appendix I: Directory of Philippine Banks

BDO Unibank

Website: <https://www.bdo.com.ph/>

Contact: Metro Manila: (+632)631-8000; Domestic Toll-Free Nos: 1800-10-631-8000 (PLDT), 1800-3-631-8000 (Digitel), 1800-5-631-8000 (Bayantel), 1800-8-631-8000 (Globelines) International Toll-Free Nos.: IAC +800-8-631-8000

Email: callcenter@bdo.com.ph

Address:

BDO Corporate Center
7899 Makati Avenue
Makati City 0726, Philippines

BPI

Website: <https://www.bpiexpressonline.com/>

Contact: 89-100 for Metro Manila; 1-800-188-89100 for domestic toll-free calls (available to PLDT subscribers); and 63 + 2 + 89-10000 for mobile phone and international access.

Email: expressonline@bpi.com.ph

Address:

BPI Head Office
6768 Ayala Avenue,
Makati City 1226

EastWest Bank

Website: <https://www.eastwestbanker.com/>

Contact: (632) 888-1700 or 1-800-1888-8600 Domestic Toll-Free

Email: service@eastwestbanker.com

Address:

EastWest Bank Corporate Office
The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig 1634

Landbank

Website: <https://www.landbank.com/>

Contact: (632) 551-2200; (632) 522-0000; (632) 450-7001

Email: n/a

Address:

Landbank Plaza, 1598 M.H del Pilar cor. Dr. J. Quintos Sts.,
1004 Malate, Manila, Philippines

Metrobank

Website: <https://www.metrobank.com.ph/>

Contact: (632) 8700-700

Email: customercare@metrobank.com.ph

Address:

Head Office Metrobank
Plaza Sen. Gil J. Puyat Avenue,
Makati City, 1200

Philippine National Bank

Website: www.pnb.com.ph/

Contact: (632) 573-8888

Email: customercare@pnb.com.ph

Address:

Philippine National Bank Financial Center
Pres. Diosdado Macapagal Boulevard, Pasay City, Philippines 1300

RCBC

Website: <https://www.rcbc.com/>

Contact: +632 877 RCBC (877 7222); For Domestic Toll Free (PLDT only): 1 - 800 - 10000 - 7222; For International Toll Free: (Intl. Access Code) + 800 - 8888 - 7222

Email: customercontact@rcbc.com

Address:

RCBC Corporate Office
Yuchengco Tower, RCBC Plaza
6819 Ayala Avenue, Makati City
0727 Philippines