CHINABANK BALANCED FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of July 31, 2026

FUND FACTS

Classification:	Multi-Asset Fund	**Net Asset Value per Unit (NAVPu):**	1.838989
Launch Date:	February 18, 2011	**Total Fund Net Asset Value (NAV):**	Php268.67 Million
Minimum Investment:	Php5,000.00	**Dealing Day:**	Daily up to 12:00nn
Additional Investment:	At least Php1,000.00	**Redemption Settlement:**	3 banking days from date of notification
Minimum Holding Period:	30 calendar days	**Early Redemption Fee:**	1.00% of the proceeds

FEES[1]

Trustee Fees:	0.0862%	**Custodianship Fees:**	0.0014%	**External Auditor:**	0.0023%	**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 Php270.74 Million.

INVESTMENT OBJECTIVE AND STRATEGY

The Chinabank Balanced Fund intends to achieve capital appreciation as well as a steady income stream by investing in a diversified portfolio of high-grade tradable fixed income securities issued by the Philippine government and local corporations and choice equity issues listed in the Philippine Stock Exchange (PSE). Up to 60% of the Fund may be invested in equity issues at any point in time while the balance shall be in fixed income securities with a weighted average portfolio modified duration of not more than five (5) years. The Fund aims to outperform its benchmark which is 60% Philippine Stock Exchange PSEi Total Return Index (PSEi TRI) + 40% Bloomberg Philippine Sovereign Bond Index 1 to 5 Year (BPHIL15 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 Balanced Fund is suitable only for investors who:

- have an aggressive risk appetite;
- are willing to accept higher risks involving volatility of returns and possible erosion of principal in return for capital appreciation and potentially better long-term results; and,
- have an investment horizon of at least five (5) years.

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. Given that the Fund may be invested up to 60% in equity issues at any point in time, investors are deemed to be more exposed to this risk.
- **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.

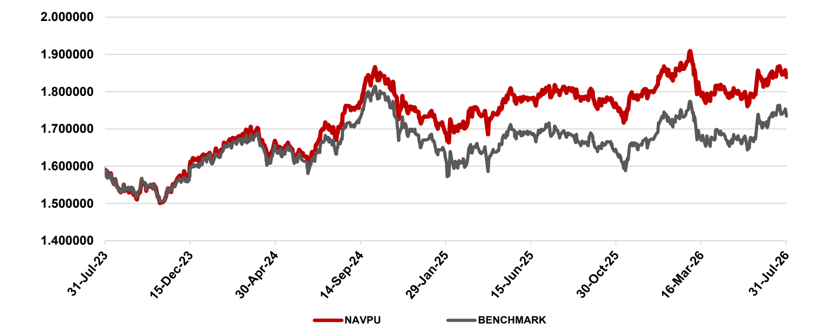
The Trustee only transacts with reputable counterparties and invests in debt securities issued by prime corporate borrowers which have undergone a rigorous accreditation and evaluation process. Internal and regulatory exposure limits as well as the Fund's average duration for its fixed-income investments are monitored regularly to ensure that exposures are managed. The Fund also employs risk management measures to monitor significant declines in the Fund's NAVPu and alert the Trustee to review current strategies and take corrective action as necessary. Furthermore, the Fund 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 JULY 31, 2026

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

NAVPU GRAPH



CUMULATIVE PERFORMANCE (%)

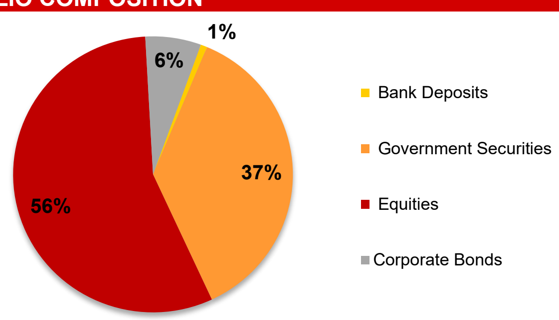
Period	1mo	3mos	6mos	1yr	3yrs
Fund	1.24%	3.14%	-0.27%	2.70%	15.80%
Benchmark	1.82%	4.87%	0.47%	3.18%	8.41%

The PSEi TRI tracks the performance and income from dividend payments of the PSEi constituents by reinvesting cash back to the index. The PSEi is a composite index that tracks the performance of the top 30 publicly listed companies in the Philippines based on market capitalization and is computed using a free-float, market capitalization-weighted methodology. It includes a diversified range of companies from various sectors of the economy including financials, property, industrials, services and holdings firms, among others. This Index is not adjusted for tax by the Trustee and does not reflect deductions for fees and expenses. Additional information on PSEi TRI and/or its administrator is available on www.pse.com.ph/indices.

The BPHIL15 Index is a systematically designed, rules-based, market value-weighted index that measures the performance of fixed-rate and zero-coupon local currency securities that are publicly issued in the Philippines. It includes a diversified range of fixed income securities with different coupon rates, maturities of between 1 to 5 years, minimum par amounts of Php3.0Bn, and are traded in the Philippine market. This Index is adjusted for tax by the Trustee, but does not reflect deductions for fees and expenses. Additional information on BPHIL15 Index and/or its administrator can be found on Bloomberg, and be made available to investors upon request.

The benchmark provides a standard for evaluating the Fund's performance by helping investors/participants understand how the Fund is performing relative to the markets or asset classes the Fund represents. In the case of PSEi TRI, its characteristics, including its composition and the corresponding weights of its constituents, serve as reference point for the Fund's allocation and security selection profile. Meanwhile, in the case of BPHIL15 Index, its characteristics serve as reference point for the Fund's duration and credit positioning.

PORTFOLIO COMPOSITION



NAVPU OVER THE PAST 12 MONTHS

Highest	1.909088
Lowest	1.716722

STATISTICS

Weighted Average Duration	4.11
Volatility, Past 1 year[2]	4.57%
Sharpe Ratio[3]	-0.27
Information Ratio[4]	-0.30

[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.

TOP HOLDINGS (%)

ICT	9.8%
FXTN 07-70	8.6%
FXTN 25-07	6.2%
RTB 05-19	5.4%
BDO	5.3%
TEL	5.2%
FXTN 25-06	5.1%
BPI	4.6%
SM	4.4%
FXTN 20-17	3.8%

SECTOR HOLDINGS (%)

Services	30%
Financial	23%
Industrial	20%
Property	15%
Holding	13%
Mining	0%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper, amounting to Php230.27 thousand, 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

Oil prices rose in July as renewed U.S.-Iran hostilities raised concerns over disruptions to global oil supply. Brent climbed from around US$73 per barrel at the end of June to above US$100 per barrel in the third week of the month, before easing toward US$90 at month-end as the U.S. paused strikes and hopes for renewed negotiations returned. Locally, market sentiment was initially supported by the June inflation print, which eased to 6.4% from 6.8% in May and came in below the 6.6% market consensus, although core inflation rose to 4.4% from 4.1%. President Marcos Jr. held his fifth SONA, with highlights including tax relief measures and reforms aimed at reducing electricity costs.

In the equities market, the Philippine Stock Exchange Index (PSEi) gained 199.27 points, or 3.30%. Sector performance was generally positive, with Services (+6.04%), Property (+3.82%), Holding Firms (+3.12%), and Financials (+3.12%) gaining, while Industrials (-3.32%) bucked the trend. Mining and Oil (+21.81%) was again an outlier. In terms of individual stock performance, ICT (+8.20%) remained the top net foreign-bought stock and became the first Philippine-listed company to reach a ₱2 trillion market capitalization. The stock was also supported by the 25-year extension of its Manila International Container Terminal concession to 2063. AC (+23.69%) gained during the month, supported by positive developments at its unlisted subsidiary ACMobility. ALI (+14.19%) gained as AC announced that it was earmarking Php5 billion to buy ALI shares as part of its expanded share buyback program, while AEV (+7.90%) gained following strong first-half results, with consolidated net income rising 63% to Php13.6 billion. Among the decliners, MER (-15.79%) was one of the biggest laggards, amid concerns over the potential removal of system-loss charges from consumer electricity bills following the SONA. The company also reported 1H26 core net income of Php26.5 billion, up 3.8% YoY, driven by higher contributions from its power generation business. However, it revised its 2026 energy sales growth guidance to 1%–2% from 3% previously, after consolidated energy sales declined 0.5% YoY to 26,593 GWh. SCC (-11.54%) also declined amid continued uncertainty over the rebidding of its coal operating contract. During the month, the company filed a petition against the DOE over its request for detailed information on mining assets and equipment, which the DOE intends to make available to other bidders. PLUS (-16.24%) declined amid continued regulatory concerns surrounding the online gaming industry, despite extending its Php5.36 billion share buyback program, while CBC (-7.26%) declined following broadly flat earnings from larger banking peers BDO, BPI, and MBT, as higher provisions offset strong loan growth and net interest income. Separately, the PSE also completed its semi-annual index review during the month, with MYNLD replacing CNVRG, and announced revisions to its index management policy that place greater emphasis on stock liquidity.

Meanwhile, in the fixed-income market, local bond yields rose by an average of 51bps during the month, with the 2Y ending at 6.694% and the 10Y at 7.451%. The curve remained relatively flat from the belly toward the long end, with only about 20bps separating the 5Y and 30Y. In the primary market, the Bureau of the Treasury raised a total of Php125 billion, below its original Php160 billion target. Demand was strong during the first two weeks, allowing the BTr to fully award the 3Y and 5Y offerings worth Php30 billion each. Demand weakened mid-month, with the 7Y offering receiving tepid demand, prompting the BTr to reject the bids as yields were deemed too high. This was followed by a 4Y offering that was partially awarded at Php25 billion versus the Php30 billion target. Toward the final week, as oil prices eased, demand reaccelerated, and the dual-tranche 3Y and 20Y offering was well received. The 3Y raised Php30 billion, while the 20Y raised Php20 billion, including the tap facility. Separately, the BTr reported that the National Government's outstanding debt reached Php19.07 trillion as of end-June 2026, up 10.41% from a year earlier. Domestic debt accounted for 67.33% of total debt, while external debt made up the remaining 32.67%. The National Government deficit reached Php786.8 billion in 1H26, up 2.79% YoY but broadly in line with the Php788.2 billion program. Revenue collections reached Php2.39 trillion, essentially in line with the midyear program, while expenditures were also broadly on target. Meanwhile, the SONA's proposed increase in the annual income tax exemption threshold from Php250,000 to Php350,000, along with the proposed exemption of micro and small enterprises from the minimum corporate income tax, could support household disposable income but may result in an estimated Php67 billion in foregone revenues. However, the government is looking at higher excise and health taxes, among other measures, to offset the revenue impact and limit the effect on the fiscal deficit.

Looking ahead, market sentiment is expected to remain sensitive to developments in the Middle East. Locally, investors will focus on the remainder of the Q2 2026 earnings season, with most PSEi members expected to report in August. Earnings reported so far have been broadly in line, although these are against downwardly revised expectations. Investors will also focus on the upcoming July inflation and Q2 GDP data ahead of the BSP's next policy meeting, where a further 25bps hike remains a key expectation. On the supply side, the BTr is scheduled to issue a total of Php130 billion across 3Y, 4Y, 5Y, 7Y, and 10Y tenors during the month. Against this backdrop, the Fund remains selective across asset classes. In equities, it maintains a balanced approach between value and growth opportunities to generate active returns over the long term. In fixed income, it seeks to enhance portfolio yield while carefully managing duration risk.

INVESTMENT POLICY / PROSPECTIVE INVESTMENTS

The Fund may be invested or reinvested in the following:

a) Equities listed in the PSE;

b) Securities issued by or guaranteed by the Philippine government or the Bangko Sentral ng Pilipinas (BSP);

c) Tradable fixed income securities issued by private and public corporations which are listed and traded in an organized exchange/market such as bonds and notes;

d) Deposits and tradable money market instruments issued by local banks, including those of the Trustee’s own bank, and foreign banks of their Philippine branches or any financial institution in any foreign country;

e) 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

f) Such other tradable investment outlets/categories as the BSP may allow.

OTHER BASIC FUND FACTS

Trust Fee:	1.00% 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.