CHINABANK FIXED INCOME FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of September 30, 2026

FUND FACTS

Classification:	Long-Term Fixed Income Fund	**Net Asset Value per Unit (NAVPu):**	2.049247
Launch Date:	March 24, 2006	**Total Fund Net Asset Value (NAV):**	Php334.68 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:	30 calendar days	**Early Redemption Fee:**	1.00% of the proceeds

FEES[1]

Trustee Fees: 0.0688%	**Custodianship Fees:** 0.0013%	**External Auditor:** 0.0014%	**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 Php335.96 Million.

INVESTMENT OBJECTIVE AND STRATEGY

The Chinabank Fixed Income Fund intends to achieve a steady stream of income by investing in a diversified portfolio of high-grade marketable fixed income securities such as government securities, tradable corporate bonds and notes of varying tenors as well as bank deposits, money market placements and BSP securities with a weighted average portfolio modified duration of not more than ten (10) years. The Fund aims to outperform its benchmark which is the Bloomberg Philippine Sovereign Bond Index 5+ Year (BPHIL5 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 Fixed Income Fund is suitable only for investors who:

- have a moderate risk appetite;
- are looking for higher yields;
- are willing to take the attendant risks that come with portfolios that may have investments with longer tenors; 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.
- **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.

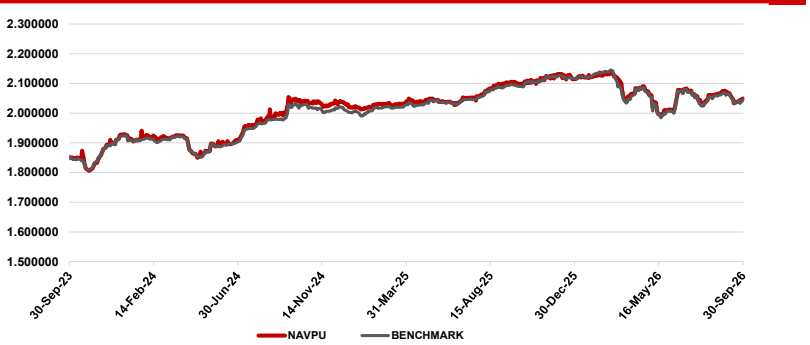
The Trustee only transacts with reputable counterparties and invests in debt securities which have undergone a rigorous accreditation and evaluation process. Internal and regulatory exposure limits as well as the Fund's average duration are monitored regularly to ensure that exposures are managed. The 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. 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 SEPTEMBER 30, 2026

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

NAVPU GRAPH



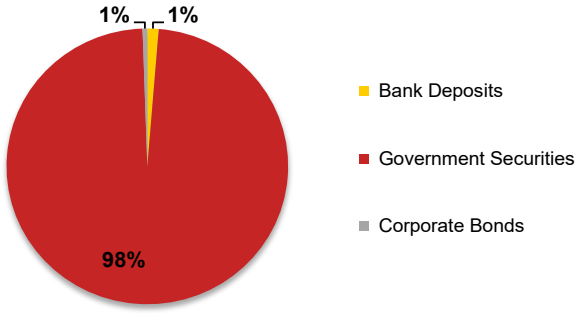
CUMULATIVE PERFORMANCE (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	-1.21%	-1.64%	-0.67%	-2.41%	10.81%
Benchmark	-1.02%	-1.64%	-0.18%	-2.14%	10.71%

The BPHIL5 Index is a systematically designed, rules-based, market value-weighted index that measures the performance of long-term, fixed-rate local currency securities that are publicly issued by the Philippines. It includes a diversified range of fixed income securities with different coupon rates, maturities of 5 years or more, 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 the benchmark 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 market or asset class the Fund represents. The benchmark reflects the performance of peso-denominated fixed income securities with maturities of 5 years or more. Additionally, its characteristics serve as reference point for the Fund's duration and credit positioning.

PORTFOLIO COMPOSITION



NAVPU OVER THE PAST 12 MONTHS

Highest	2.136810
Lowest	1.992736

STATISTICS

Weighted Average Duration	6.40
Volatility, Past 1 year[2]	2.79%
Sharpe Ratio[3]	-2.27
Information Ratio[4]	-0.50

[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 (%)

FXTN 10-71	23.2%
FXTN 10-72	18.6%
FXTN 20-27	10.9%
FXTN 20-17	9.1%
FXTN 20-22	7.1%
FXTN 25-07	6.2%
FXTN 20-23	5.7%
FXTN 13-01	5.3%
FXTN 10-67	4.0%
FXTN 25-06	3.3%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper, amounting to Php979.63 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

Brent crude futures increased by 14.41% in September to US$103.53 per barrel amid continued tensions in the Middle East, and the peso weakened by 0.61% against the US dollar to close at Php62.645. Both added to inflation worries, even as inflation eased for a fourth straight month in August to 6.1%, down from 6.2% in July and the 7.2% peak in April. The Asian Development Bank (ADB) lowered its 2026 Philippine GDP growth forecast to 3.3% from 3.8%, and S&P Global Ratings cut its forecast to 2.9% from 4.1%.

The Philippine government bond yield curve shifted higher across all tenors during the month. The 2-year yield increased by 37.3 bps to 6.706%, while the 5-year and 10-year yields rose by 31.4 bps and 38.0 bps to 7.383% and 7.666%, respectively. The long end outperformed, with the 20-year and 25-year yields rising by a smaller 16.9 bps and 17.2 bps, respectively, resulting in a flatter curve. Government bond auctions reflected the upward pressure on yields. Early in the month, the Bureau of the Treasury (BTr) partially awarded the reissued FXTN 20-17, with approximately five years remaining to maturity, at an average yield of 7.218%. The same security was fully

awarded later in the month at 7.438%, an increase of 22 bps. The BTr also partially awarded the reissued FXTN 10-71 and FXTN 10-74 at 7.352% and 7.525%, respectively, while bids for the reissued FXTN 07-70 were rejected. Towards the end of the month, the BTr launched the 2.5-year Retail Treasury Bond (RTB 32), setting the coupon at 6.875%. The rate-setting auction raised Php84.9 billion from Php188.6 billion in tenders, with the public offer period running until October 7. On the fiscal side, the National Government's year-to-date budget deficit reached Php1.05 trillion as of end-August, up 21.30% from a year ago but still within the Php1.66 trillion full-year program. Outstanding debt reached Php19.61 trillion as of end-August, increasing by 10.72% YTD. For Q4 2026, the BTr announced a borrowing calendar of up to Php892 billion, including Php430 billion in Treasury bonds.

Looking ahead, local bond yields are expected to remain sensitive to inflation developments, BSP policy, and government borrowing requirements. With the US Federal Reserve having raised rates in September, the market will be watching the BSP's policy meeting on October 22 for signs of further tightening. In this environment, the Funds remain selective in their bond purchases, seeking to enhance portfolio yields while carefully managing duration risk.

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:	0.75% 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.