

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of February 28, 2025

### FUND FACTS

<b>Classification:</b>	Multi-Asset Fund	<b>Net Asset Value per Unit (NAVPu):</b>	1.700876
<b>Launch Date:</b>	February 18, 2011	<b>Total Fund Net Asset Value (NAV):</b>	Php258.33 Million
<b>Minimum Investment:</b>	Php5,000.00	<b>Dealing Day:</b>	Daily up to 12:00nn
<b>Additional Investment:</b>	At least Php1,000.00	<b>Redemption Settlement:</b>	3 banking days from date of notification
<b>Minimum Holding Period:</b>	30 calendar days	<b>Early Redemption Fee:</b>	1.00% of the proceeds

### FEES<sup>1</sup>

<b>Trustee Fees:</b>	0.0777%	<b>Custodianship Fees:</b>	0.0013%	<b>External Auditor:</b>	0.0020%	<b>Other Fees:</b>	None
China Bank – Trust and Asset Management Group	Deutsche Bank AG, Manila Branch	SGV & Co.					
	Philippine Depository & Trust Corp.						

<sup>1</sup>As a percentage of average daily NAV for the month valued at Php258.56 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 (BPBIL15 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.

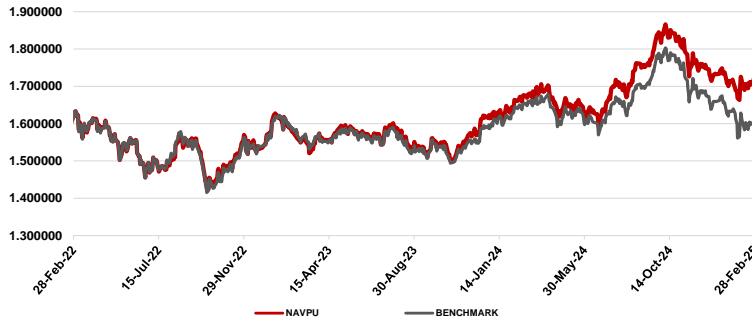
- **THE UITF IS A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED NOR GOVERNED BY THE PDIC.**
- **THE UITF IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUST ENTITY OR ITS AFFILIATES OR SUBSIDIARIES.**
- **DUE TO THE NATURE OF THE INVESTMENTS OF A UITF, THE RETURNS/YIELDS CANNOT 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.**

For more information, you may call us at (+632) 8885-5863, 8885-5857 and 8885-5875, or email us at [online@chinabank.ph](mailto:online@chinabank.ph), or visit our website at [www.chinabank.ph](http://www.chinabank.ph)

## FUND PERFORMANCE AND STATISTICS AS OF FEBRUARY 28, 2025

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

### NAVPU GRAPH



### CUMULATIVE PERFORMANCE (%)

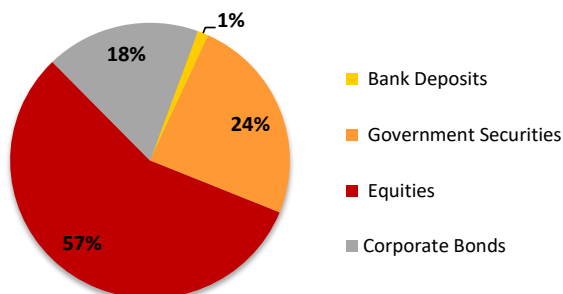
Period	1mo	3mos	6mos	1yr	3yrs
Fund	1.95%	-2.35%	-2.94%	1.47%	4.97%
Benchmark	1.58%	-4.89%	-6.36%	-4.42%	-2.45%

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](http://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	1.866254
Lowest	1.594338

### STATISTICS

Weighted Average Duration	4.68
Volatility, Past 1 year <sup>2</sup>	6.02%
Sharpe Ratio <sup>3</sup>	-0.50
Information Ratio <sup>4</sup>	3.63

<sup>2</sup>**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.

<sup>3</sup>**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.

<sup>4</sup>**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 25-07	7.1%
BDO	6.3%
ICT	5.9%
FXTN 25-06	5.8%
BPI	5.8%
SM	5.2%
FXTN 07-70	4.2%
TEL	4.1%
RLC 28 R26	3.9%
SMC 27 R25	3.7%

### SECTOR HOLDINGS (%)

Financial	26%
Services	22%
Property	19%
Industrial	17%
Holding	16%
Mining	0%

## OTHER DISCLOSURES

### RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper, amounting to Php773.29 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

There were plenty of market drivers during the month of February. Early in the month, the Congress passed the Capital Markets Efficiency Promotion Act bill. This bill includes a measure that seeks to reduce stock transaction tax from 0.6% to 0.1%, which aims to improve liquidity in the stock market. Separately, against consensus, the Bangko Sentral ng Pilipinas (BSP) surprised when they decided to hold policy rates steady at 5.75% during their first monetary board meeting, citing that uncertainties from global trade developments influenced the decision. Meanwhile, the Philippines was finally removed from the Financial Action Task Force's grey list, signaling improvements in the country's anti-money laundering and counter-terrorism financing measures. Later in the month, the BSP announced a 200bps reduction in reserve requirement ratios for banks to 5%, aiming to boost liquidity in the local economy. Overseas, US President Trump announced that the 25% tariffs on imports from Canada and Mexico, as well as the additional 10% tariff on China will take effect in March 4th after a month long suspension.

In the equities space, the Philippine Stock Exchange Index (PSEi) gained +135.38pts or +2.31% to close at the 5997.97 level. In terms of sector performance, Mining and Oil (+12.43%), Industrials (+6.10%), Financials (+4.68%), Holding Firms (+1.05%), and Services (+0.70%) advanced. On the other hand, Property (-2.42%) bucked the trend being the sole decliner. In terms of market activity the average daily traded volume was registered a Php6.10Bn, higher compared to the previous month's Php4.88Bn. The last day of trading was again dominated by rebalancing related flows, this time on the MSCI Index wherein JGS and URC were relegated from the standard to the small cap index. On the earnings front, 10 out of the 30 index members have already reported their full year 2024 figures. By our count, 6 were in line (BPI, GLO, MBT, SMPH, BDO, and CBC), 3 were ahead (ALI, AREIT, and MER), and 1 was behind (TEL) consensus earnings expectations. In the fixed income space, the Bureau of the Treasury (Btr) successfully raised at least their targeted weekly offering amounts of bonds. During the first week, a total of Php40Bn was raised from the reissuance of the FXTN 07-70 which fetched an average yield of 5.968%. The 5Y paper was met with strong demand, with bid to cover seen at 3.3x compared to the original Php30Bn target. In the following week, the reissuance of the FXTN 10-69 fetched an average yield of 5.973%. The bid to cover for the 7y paper was 2.3x, leading to a total of Php35Bn raised including the additional Php5Bn offered through the tap facility. Demand for the succeeding auctions were more muted. The Php30Bn offering of the 10Y FXTN 10-72 had a bid to cover of 2x, fetching an average yield of 6.118%. Finally, the similar sized 20Y FXTN 20-27 had a bid to cover of 1.6x, with the average yield coming in at 6.376%. In the coming month, the BTr is scheduled to auction off Php30Bn each of bonds with 5Y, 7Y, and 10Y remaining life, followed by a dual-tranche offering of 3Y and 25Y papers with an aggregate size of Php35Bn.

In the following month, the US Federal Reserve will be having their next meeting, and while the expectations is for no change in policy rates, their updated summary of economic projections warrants attention as it may influence how local policy shapes up. For the equities portion, with earnings generally supportive combined with attractive valuations, the Fund will keep its cash to a minimum. For the fixed income portion meanwhile, the Fund will stay opportunistic on acquisitions to gradually build-up the portfolio yield.

### INVESTMENT POLICY / PROSPECTIVE INVESTMENTS

The Fund may be invested or reinvested in the following:

- Equities listed in the PSE;
- Securities issued by or guaranteed by the Philippine government or the Bangko Sentral ng Pilipinas (BSP);
- 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;
- 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;
- 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
- Such other tradable investment outlets/categories as the BSP may allow.

### OTHER BASIC FUND FACTS

<b>Trust Fee:</b>	1.00% p.a.	<b>Minimum Maintaining Amount:</b>	Php5,000.00
<b>Initial NAVPu:</b>	P1.000000	<b>Minimum Redemption Amount:</b>	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](mailto:online@chinabank.ph).

Chinabank is regulated by the BSP with contact number (+632) 8708-7087 and email address: [consumeraffairs@bsp.gov.ph](mailto:consumeraffairs@bsp.gov.ph).