

CHINABANK HIGH DIVIDEND EQUITY FUND



KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of June 30, 2025

FUND FACTS

Classification:	Equity Fund	Net Asset Value per Unit (NAVPU):	1.261535
Launch Date:	June 26, 2015	Total Fund Net Asset Value (NAV):	Php486.23 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

FEES¹

Trustee Fees:	0.0860%	Custodianship Fees:	0.0010%	External Auditor:	0.0004%	Other Fees:	None
China Bank – Trust and Asset Management Group		Deutsche Bank AG, Manila Branch		SGV & Co.			
		Philippine Depository & Trust Corp.					

¹As a percentage of average daily NAV for the month valued at Php486.02 Million.

INVESTMENT OBJECTIVE AND STRATEGY

The Chinabank High Dividend Equity Fund intends to achieve long-term capital appreciation by investing in a diversified portfolio of choice common and preferred equity issues listed in the Philippine Stock Exchange (PSE) which have a regular dividend payment policy and/or dividend payment track record. Up to 100% of the Fund may be invested in equity issues at any point in time. The Fund aims to outperform its benchmark which is the Philippine Stock Exchange PSEi Total Return Index (PSEi TRI).

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 High Dividend Equity 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.

- **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 95% 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 equities issued by prime companies which have undergone a rigorous accreditation and evaluation process. Internal and regulatory exposure limits 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.

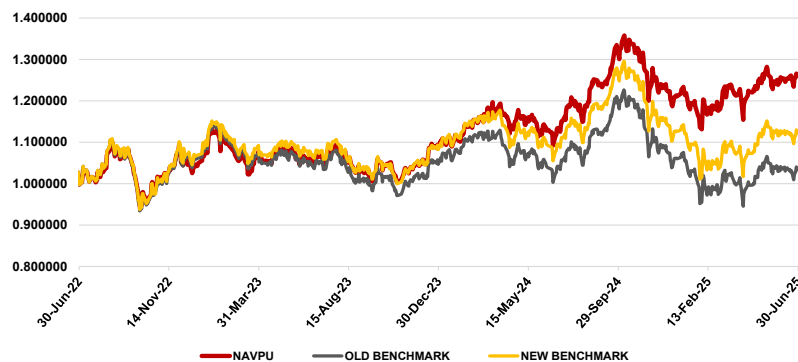
•THE UITF IS A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED NOR GOVERNED BY THE PDIC.
•THE UITF IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUST ENTITY OR ITS AFFILIATES OR SUBSIDIARIES.
•DUE TO THE NATURE OF THE INVESTMENTS OF A UITF, THE RETURNS/YIELDS CANNOT BE GUARANTEED. 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, or visit our website at www.chinabank.ph

FUND PERFORMANCE AND STATISTICS AS OF JUNE 30, 2025

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

NAVPU GRAPH



CUMULATIVE PERFORMANCE (%)

Period	1mo	3mos	6mos	1yr	3yrs
Fund	1.86%	3.63%	4.19%	11.18%	26.47%
Benchmark ^a	0.62%	4.04%	-0.31%	2.40%	12.52%
Benchmark ^b	0.37%	2.98%	-2.51%	-0.86%	3.59%

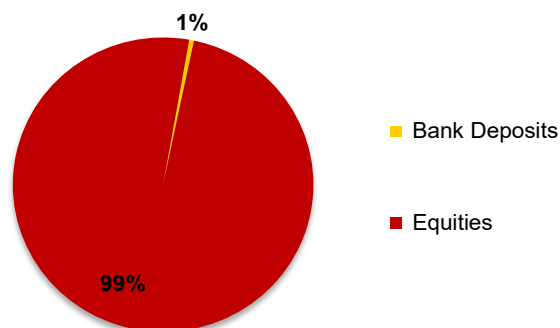
^a New Benchmark; ^b Old Benchmark

The Fund's benchmark was amended to 100% PSEi TRI effective August 1, 2024, which is more aligned with the investment objective and strategy of the Fund. Prior to this, the Fund's benchmark was amended to 95% PSEi TRI + 5% BPHILMM from 95% PSEi + 5% BPHILMM effective January 1, 2024, in compliance with BSP Circular No. 1178 (Guidelines on the Use of Benchmarks for Unit Investment Trust Funds) on the use of a total return benchmark that will more adequately represent the performance of the Fund.

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 benchmark provides a standard for evaluating the Fund's performance by helping investors/participants understand how the Fund is performing relative to the performance of the Philippine equities market as represented by the PSEi TRI. The benchmark's characteristics, including its composition and the corresponding weights of its constituents, serve as reference point for the Fund's allocation and security selection profile.

PORTFOLIO COMPOSITION



NAVPU OVER THE PAST 12 MONTHS

Highest	1.357789
Lowest	1.125454

STATISTICS

Weighted Average Duration	n/a
Volatility, Past 1 year ²	8.71%
Sharpe Ratio ³	0.78
Information Ratio ⁴	3.67

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 (%)

BDO	9.6%
ICT	9.5%
MER	9.1%
BPI	8.5%
TEL	7.5%
MBT	6.6%
RCR	5.8%
AP	5.2%
SM	5.2%
SMPH	5.0%

SECTOR HOLDINGS (%)

Financial	25%
Industrial	24%
Services	23%
Property	19%
Holding	9%
Mining	0%

OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Fund has deposits with the Bank Proper, amounting to Php4.30 million, 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

The conflict in the Middle East dominated news headlines in June. Israel launched a major attack on Iran's nuclear facilities, which Iran responded to with barrages of ballistic missiles and drones. The intense fighting lasted for days and escalated further when the United States attacked three nuclear sites in Iran. During this period, Brent Oil futures soared from \$63.90 to \$81.40 per barrel amid concerns about supply disruptions. The equity market's fear gauge, the VIX, also increased from 18.57 to 22.5. Since then, a ceasefire between Israel and Iran has held, causing Brent Oil and the VIX to retreat to \$67.51 per barrel and 16.73, respectively. Outside geopolitics, monetary policy developments also affected market movements. The US Federal Reserve decided to keep policy rates in the 4.25%-4.50% range, as widely expected. Meanwhile, in the local market, the Bangko Sentral ng Pilipinas (BSP) cut its policy rate by 25 basis points to 5.25%. BSP Governor Remolona stated that the central bank has room for at least one more cut this year.

The Philippine Stock Exchange Index (PSEi) rose by 23.41 points or 0.37% to close at 6364.94 in June. Sector-wise, Property (+8.20%) experienced the most significant gains, bringing its year-to-date performance into positive territory at +0.74%, as easing interest rates boosted sentiment. The PSEi was also supported by gains in Holding Firms (+2.70%), Industrials (+1.32%), and Services (+1.13%). Meanwhile, Financials (-4.90%) and Mining and Oil (-2.90%) underperformed relative to the broad market. Individually, BLOOM (+22.25%) stood out after launching its online gaming platform. Other top gainers included ALI (+17.39%), PGOLD (+16.13%), AGI (+8.15%), and EMI (+7.34%). Conversely, CBC (-10.12%) was the biggest drag after the Philippine Stock Exchange announced it is considering changes to the inclusion criteria for index membership. BPI (-5.13%), GLO (-4.97%), BDO (-4.43%), and CNVRG (-3.42%) rounded out the list of decliners. In terms of market activity, foreigners were net sellers of Php71.73 billion worth of positions, while the average daily traded value was Php6.175 billion.

June's gains helped reduce the PSEi's year-to-date losses to -2.51%. In terms of valuations, the index ended the month with a P/E ratio of 10.21x based on 2025 expected earnings. The consensus currently estimates earnings per share at 623, reflecting a 7-8% growth compared to 2024 levels. Next month, trading activity may increase as the stock transaction tax decreases from 0.60% to 0.10% following the implementation of the Capital Markets Efficiency Promotion Act. Additionally, market participants will be watching for updates on US President Donald Trump's reciprocal tariffs, as the 90-day truce is set to expire on July 9. Regarding earnings, Q2 figures from index members are expected to be released later in July, with BPI, BDO, and MER at the forefront. Given these developments, the Fund will maintain a selective approach to positioning, balancing between value and growth considerations.

INVESTMENT POLICY / PROSPECTIVE INVESTMENTS

The Fund may be invested or reinvested in the following:

- Equities listed in the PSE which have a regular dividend payment policy and/or track record or regular dividend payments;
- 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

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.