Metropolitan Bank & Trust Company

Financial Statements
of the Metro Aspire Equity Feeder Fund
Operated by the Trust Banking Group
December 31, 2024, and 2023

and

Independent Auditor's Report

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Metropolitan Bank & Trust Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Metro Aspire Equity Feeder Fund (the Fund) operated by the Trust Banking Group (the TBG) of Metropolitan Bank & Trust Company, which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income and statements of changes in net assets for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024 and 2023, and its financial performance for the years then ended in accordance with the Regulatory Accounting Principles of the Bangko Sentral ng Pilipinas.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the TBG in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements were prepared in accordance with Regulatory Accounting Principles of the Bangko Sentral ng Pilipinas, which differ from Philippine Financial Reporting Standards (PFRS) Accounting Standards in some respects. These were prepared to assist the TBG in meeting the requirements of the Bangko Sentral ng Pilipinas. As a result, the financial statements may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulatory Accounting Principles of the Bangko Sentral ng Pilipinas, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the TBG's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TBG's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SYCIP GORRES VELAYO & CO.

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PTR No. 10465266, January 2, 2025, Makati City

June 19, 2025

METROPOLITAN BANK & TRUST COMPANY

STATEMENTS OF FINANCIAL POSITION
OF METRO ASPIRE EQUITY FEEDER FUND
OPERATED BY THE TRUST BANKING GROUP

	December 31	
	2024	2023
ASSETS		
Deposits in a bank (Note 6)	**₱7,198,934**	₱17,311,815
Financial assets at fair value through profit or loss (FVTPL) (Note 7)	**235,967,754**	384,836,112
Receivables (Note 8)	**3,351**	4,890
	243,170,039	402,152,817
LIABILITIES		
Other accountabilities (Note 10)	**142,105**	560,145
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Note 13)	**₱243,027,934**	₱401,592,672
NET ASSET VALUE PER UNIT (Note 13)	**₱0.977525**	₱0.953240

See accompanying Notes to Financial Statements.

METROPOLITAN BANK & TRUST COMPANY

STATEMENTS OF COMPREHENSIVE INCOME
OF METRO ASPIRE EQUITY FEEDER FUND
OPERATED BY THE TRUST BANKING GROUP

	Years Ended December 31	
	2024	2023
INCOME		
Interest income on deposits in a bank (Note 6)	**₱312,755**	₱1,301,648
Trading and securities gains (losses) - net (Note 7)	**19,131,641**	1,245,462
	19,444,396	2,547,110
EXPENSES		
Miscellaneous expenses (Note 12)	**3,300**	1,530
	3,300	1,530
INCOME BEFORE INCOME TAX	**19,441,096**	2,545,580
PROVISION FOR INCOME TAX	**62,717**	260,330
TOTAL COMPREHENSIVE INCOME*	**₱19,378,379**	₱2,285,250

*There were no other comprehensive income items in 2024 and 2023.

See accompanying Notes to Financial Statements.

METROPOLITAN BANK & TRUST COMPANY

STATEMENTS OF CHANGES IN NET ASSETS OF METRO ASPIRE EQUITY FEEDER FUND OPERATED BY THE TRUST BANKING GROUP

	Years Ended December 31	
	2024	2023
PRINCIPAL (Note 9)		
Balance at beginning of year	**₱424,624,214**	₱424,546,914
Contributions	**65,871,840**	161,263,594
Withdrawals	**(234,458,381)**	(161,186,294)
Balance at end of year	**256,037,673**	424,624,214
ACCUMULATED LOSSES		
Balance at beginning of year	**(23,031,542)**	(26,208,738)
Total comprehensive income	**19,378,379**	2,285,250
Withdrawals	**(9,356,576)**	891,946
Balance at end of year	**(13,009,739)**	(23,031,542)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Note 13)	**₱243,027,934**	₱401,592,672

See accompanying Notes to Financial Statements.

METROPOLITAN BANK & TRUST COMPANY
NOTES TO FINANCIAL STATEMENTS
OF METRO ASPIRE EQUITY FEEDER FUND
OPERATED BY THE TRUST BANKING GROUP

1. General Information

Metropolitan Bank & Trust Company (the Bank) was granted license by the Monetary Board (MB) of the Bangko Sentral ng Pilipinas (BSP) to engage in trust services on May 30, 1967.

On August 27, 2015, the Bank, through its Trust Banking Group (TBG), launched the Metro Aspire Equity Feeder Fund (the Fund).

The TBG's principal place of business is at the 16th Floor, Metrobank Center, 35th Street corner 7th Avenue, Bonifacio Global City, Taguig City

2. Summary of Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements of the Fund operated by the TBG are issued in compliance with the following BSP guidelines:

a. BSP memorandum dated October 16, 1990, as amended;
b. Revised Manual of Accounts (MOA) for Trust, Other Fiduciary Business and Investment Management Activities dated February 14, 2002;
c. BSP Circular No. 494, dated September 20, 2005;
d. BSP Circular No. 609, dated May 26, 2008;
e. BSP Circular No. 653, dated May 5, 2009;
f. BSP Circular No. 813, dated September 27, 2013;
g. BSP Circular No. 967, dated July 27, 2017;
h. BSP Circular No. 1011, dated August 14, 2018;
i. BSP Circular No. 1021, dated November 15, 2018;
j. BSP Circular No. 1023, dated December 4, 2018; and
k. BSP Circular No. 1074, dated February 7, 2020.

The financial statements of the Fund have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) that have been measured at fair value.

The financial statements of the Fund are presented in Philippine peso (₱), the Fund's functional and presentation currency. All values are rounded to the nearest peso, unless otherwise stated.

Statement of Compliance

The financial statements of the Fund have been prepared in compliance with Regulatory Accounting Principles (RAP) of the BSP, which differ from Philippine Financial Reporting Standards (PFRS) Accounting Standards as follows:

a. No presentation of statement of cash flows;
b. The provisions of PFRSs are only applied to accounts outstanding as of December 31, 2008 and thereafter;
c. Trust institutions are allowed to prepare the financial statements on a single year basis in the initial year of PFRS adoption;

d. Only a general description on risk management for financial instruments may be disclosed in the financial statements; and
e. Mandatory adoption of PFRS 9, *Financial Instruments*, by trust entities is on January 1, 2019 with early application permitted.

On April 3, 2008, the MB, in its Resolution No. 527, approved the revised MOA for trust institutions to align the MOA with the provisions of PFRS and the Financial Reporting Package for Trust Institutions (FRPTI). The BSP issued the FRPTI through BSP Circular No. 609 dated May 26, 2008.

On April 23, 2009, the MB, in its Resolution No. 601, approved the guidelines (the Guidelines) in the preparation of audited combined financial statements of trust institutions for financial reporting period beginning January 1, 2008. On May 5, 2009, the BSP issued such guidelines through BSP Circular No. 653.

On November 15, 2018, the BSP issued BSP Circular No. 1021 setting out the guidelines for the market valuation of investments to align with the existing provisions of PFRS 13, *Fair Value Measurement*.

On December 4, 2018, the BSP issued BSP Circular No. 1023, setting out the guidelines on the adoption of PFRS 9 on financial instruments under management of trust entities. The guidelines expanded the recently issued BSP Circular No. 1011, dated August 14, 2018, providing an encompassing governance overlay on the adoption of PFRS 9 by BSP Supervised Financial Institutions. Under this circular, specific guidelines on the classification and measurement, and impairment of financial assets under the administration of trust entities were provided, taking into consideration the peculiarity of the trust operations. Subsequently, the BSP and the Trust Officers Association of the Philippines agreed that the mandatory adoption of PFRS 9 for trust institutions is on January 1, 2019 with restatement reflected in the January 1, 2019 accumulated earnings.

As allowed by the BSP, the Fund has opted to partially adopt the PFRS 9 by applying its classification and measurement requirements effective January 1, 2018. Full adoption was then made on January 1, 2019.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments to standards effective in 2024. The TBG, on behalf of the unitholders, has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these new standards did not have an impact on the financial statements of the Fund:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Material Accounting Policy Information

Fair Value Measurement
For measurement and disclosure purposes, the TBG, on behalf of the unitholders, determines the fair value of an asset or a liability at initial measurement date or at each reporting date. Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the TBG.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The TBG, on behalf of the unitholders, uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the TBG, on behalf of the unitholders, determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the TBG, on behalf of the unitholders, has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy (see Note 5).

Financial Instruments - Initial Recognition
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition
The TBG, on behalf of the unitholders, recognizes a financial asset or liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention are recognized on the trade date.

Trade date is the date that an entity commits itself to purchase or sell an asset. Trade date accounting refers to:

a. The recognition of an asset to be received and the liability to pay for it on the trade date; and
b. Derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Receivables are recognized when cash is advanced to the borrowers.

'Day 1' difference
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the TBG, on behalf of the unitholders, recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of comprehensive income under 'Interest income' and 'Interest expense' accounts, unless it qualifies for recognition as some other type of asset or liability. In cases where transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss in the statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the TBG, on behalf of the unitholders, determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Instruments - Classification and Measurement
Financial assets are measured at FVTPL, unless these are measured at fair value through other comprehensive income (FVOCI) or at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing the financial assets.

Subsequent to initial recognition, the TBG, on behalf of the unitholders, may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.

The TBG, on behalf of the unitholders, determines the business model at the level that best reflects how it manages groups of financial assets to achieve its investment objectives. The TBG's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the TBG's original expectations, the TBG, on behalf of the unitholders, does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

As a second step of its classification process, the TBG, on behalf of the unitholders, assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test ('Solely Payments of Principal and Interest (SPPI) test'). For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium or discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL.

Financial assets at FVTPL
Financial assets at FVTPL include investment in a unit investment trust fund (UITF). Investment in a UITF that neither meets the financial asset at FVOCI or amortized cost criteria, or that meets the criteria but the TBG, on behalf of the unitholders, has chosen to designate as at FVTPL at initial recognition is classified as financial assets at FVTPL.

A financial asset is considered as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;
- On initial recognition, it is part of a portfolio of identified financial instruments that the TBG, on behalf of the unitholders, manages together and has evidence of a recent actual pattern of short-term profit taking; or
- It is a derivative that is not designated and effective as a hedging instrument or financial guarantee.

Financial assets at amortized cost
Financial assets at amortized cost are debt financial assets that meet both of the following conditions:

- These are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount.

This accounting policy relates to the statement of financial position captions 'Deposits in a bank', and 'Receivables'.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest rate (EIR) method, less any allowance for credit losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in 'Interest income' in the statement of comprehensive income. Gains and losses are recognized in profit or loss in the statement of comprehensive income when these investments are derecognized or impaired, as well as through the amortization process. Losses are recognized in the statement of comprehensive income under 'Provision for credit and impairment losses'.

Financial liabilities at amortized cost
Issued financial instruments or their components, which are not designated at FVTPL, are classified as financial liabilities at amortized cost, where the substance of the contractual arrangement results in the TBG, on behalf of the unitholders, having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or

another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

This accounting policy primarily relates to 'Other accountabilities'.

After initial measurement, financial liabilities not qualified as and not designated at FVTPL, are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

Derecognition of Financial Assets and Liabilities
Financial assets
A financial asset or, when applicable, a part of a financial asset or part of a group of similar financial assets, is primarily derecognized when:

- The rights to receive cash flows from the asset have expired;
- The TBG, on behalf of the unitholders, has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a pass-through agreement; and either the TBG, on behalf of the unitholders, has:
    a. Transferred substantially all the risks and rewards of the asset; or
    b. Neither transferred nor retained the risks and rewards of the asset but has transferred control over the asset.

Where the TBG, on behalf of the unitholders, has transferred the unitholders' rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Fund's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the unitholders could be required to repay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss the statement of comprehensive income.

<u>Financial Instruments - Impairment of Financial Assets</u>
PFRS 9 requires the TBG, on behalf of the unitholders, recognizes an expected credit loss (ECL) for all debt instruments not held at FVPTL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the TBG, on behalf of the unitholders, expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The TBG, on behalf of the unitholders, assesses on a forward-looking basis the ECL associated with debt financial assets not measured at FVTPL.

The TBG, on behalf of the unitholders, considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the TBG, on behalf of the unitholders, may also consider a financial asset to be in default when internal or external information indicates that the TBG, on behalf of the unitholders, is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the TBG, on behalf of the unitholders. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The TBG, on behalf of the unitholders, assesses that the unitholders have a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, insolvency or bankruptcy of the Fund and all the counterparties.

Net Assets Attributable to Unitholders
The Fund's net assets attributable to its unitholders have the following features which qualify them as puttable instruments classified as equity instruments:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- It is in the class of instruments that is subordinate to all other classes of instruments;
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- It does not include any contractual obligation to deliver cash or another financial asset other than the holder's right to a pro rata share of the Fund's net assets; and
- The total expected cash flows attributable to the Fund's net assets over their life are based substantially on profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over their life.

Net Asset Value (NAV) per Unit
NAV per unit is computed by dividing net assets (total assets less total liabilities) by the total number of units outstanding as of the reporting date.

Income Taxes - Current Taxes
Current tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Taxes represent the final withholding tax of 20.00% on gross interest income earned by the Fund.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the unitholders and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Interest
For all financial instruments measured at amortized cost, interest income is recorded at the EIR. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the EIR, the TBG, on behalf of the unitholders, estimates cash flows from the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the EIR, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets carried at amortized cost has been written down as a result of an impairment loss, interest income is recognized thereafter using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Trading and securities gains (losses) - net
Trading and securities gains (losses) - net represents results arising from trading activities, including all gains and losses from changes in fair value of financial assets at FVTPL.

Expense Recognition
Expenses are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Trust fees
Trust fees are recognized when incurred.

Contingent Liabilities and Contingent Assets
Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Events after the Reporting Date
Post year-end events that provide additional information about the Fund's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

Standards and Interpretations Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the TBG, on behalf of the trustors, does not expect that the future adoption of the said pronouncements to have a significant impact on the financial statements of the Fund. The TBG, on behalf of the unitholders, intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
    - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with RAP of the BSP requires the TBG, on behalf of the unitholders, to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses, and disclosures of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any changes in estimates will be reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no significant judgments and estimates made by management in preparing the 2024 and 2023 financial statements.

4. Financial Risk Management Objectives and Policies

Introduction
Effective risk management ensures that risks taken are properly identified, assessed, measured and managed. The diligent monitoring and management of financial risks consisting of but not limited to credit, market, liquidity, and operational risks are built on the development of a risk culture that will cover daily business activities and decision making.

The TBG, on behalf of the unitholders, believes that effective risk management shall not only minimize potential or actual losses but will likewise optimize earnings. The risk mission and objectives target periodic, consistent and accurate measurement of risks for more effective management. It considers risk and return on all transactions and exposures in order to ensure adequate returns. Risk mitigation strategies form part of the TBG's risk management framework.

Risk Management Structure
The Board of Directors (BOD) of the Bank has an overall responsibility for the oversight on the Bank's risk management framework. It ensures an appropriate degree of independence between the activities of the Bank proper and the TBG. As an extension of the BOD, the Trust Committee (TC) oversees the TBG's fiduciary activities, its adherence to applicable laws, regulations and prudent

practices, as well as ensures that the objectives and risk tolerance of the BOD are translated in its policies, procedures and operating environment. The TC reviews the TBG's risk profile, including emerging financial risks and actions undertaken to identify, measure, monitor, and control risk exposures. The Risk Oversight Committee, as a Board-level committee of the Bank, oversees implementation and ensures that the TBG's appetite for credit, market, liquidity, and operational risks adhere to the enterprise-wide risk management.

Risk Management Process

The Trust Risk Management Department (TRSK) helps strengthen the TBG's risk management framework as it facilitates in the identification, analysis, measurement, monitoring, controlling, and reporting of risks in the trust business. Being under the Risk Management Group and within the umbrella of Enterprise Risk and Strategic Support Division, the TRSK maintains its independence while ensuring that the TBG's risk appetite is aligned with the institution's business strategy.

The TRSK initiates the limit-setting process, formulates guidelines, and implements policies relating to the TBG's credit, market, liquidity, and operational risk management. The factors considered in determining limits include, but are not limited to, market and industry trends, business targets and strategies, benchmark performances, regulatory requirements, and the TBG clients' financial goals and risk appetite.

Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to perform its obligations during the life of the transaction. This includes risk of non-payment by borrowers or issuers, failed settlement of transactions and default on contracts.

The portfolio and investment officers, being the first line of defense, are responsible for the credit quality of its managed portfolios and for monitoring and controlling corresponding credit risks. The TRSK provides the second line of defense in its regular monitoring of clients' specified restrictions and BOD-approved portfolio limits.

Management of credit risk

The unitholders face potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (that is, investment securities issued by either sovereign or corporate entities) or enter into either market-traded or over-the-counter derivatives, either through implied or actual contractual agreements (that is, on or off statement of financial position exposures). The TBG, on behalf of the unitholders, manages credit risk at various levels (that is, strategic level, portfolio level down to individual obligor) by adopting a credit risk management environment that has the following components:

- Formulating credit policies in consultation with business units, covering credit financial assessment, risk grading and reporting and compliance with regulatory requirements
- Use of internal and external credit ratings
- Monitoring compliance with defined exposure limits

Credit or counterparty risk management is crucial in the identification and determination of specific parties and the extent with which the TBG, on behalf of the unitholders, would be willing to conduct business or financial transactions. Counterparty risks consist of pre-settlement risk (PSR) and settlement risk (SR).

On delivery date, forward delivery transactions shall be earmarked against the SR line for full amount once the TBG, on behalf of the unitholders, has performed its obligation in the transaction.

PSR exposure is equivalent to the economic replacement cost of the defaulted contract plus a potential increase in that cost due to market fluctuation. The potential change in price from trade date up to the settlement date of transaction is estimated by PSR factors which are reviewed regularly and amended as appropriate. PSR factors are computed from the historical price volatility of the asset concerned.

SR occurs from the simultaneous exchange of value with a counterparty, where verification of payment from the counterparty is not received until after the TBG's own payment is already delivered. Should a non-delivery on the part of the counterparty occur, the TBG is exposed to direct credit risk. SR is set at 100% of the value of all maturing contracts with a counterparty on any given date and may last from one to several days (depending on the length of time needed to verify settlement).

SR is earmarked against the counterparty's SR line. Earmarking against the counterparty line covers all trading transactions and is carried as availments from settlement date up to clearance of payment or receipt of securities. SR exposure equals the full value of any cash flows or securities the Fund is supposed to have received.

The risk management structure consisting of policies, accountabilities and responsibilities, controls and senior management involvement is similarly in place for non-performing assets.

Maximum exposure to credit risk
As of December 31, 2024 and 2023, the TBG, on behalf of the unitholders, does not hold any collaterals and there are no other credit enhancements on the TBG's financial assets. The maximum exposure to credit risk represents the carrying value of the financial assets.

Concentration of risks of financial assets with credit risk exposure
An analysis of concentrations of credit risk at the reporting date based on the carrying amounts of the financial assets are all classified as financial intermediaries.

All credit exposures are kept within Bank-approved credit lines and portfolio exposures and are monitored to be within regulatory restrictions.

The credit risk management of the TBG is characterized by due diligence that is embedded throughout the credit process – from credit and financial assessments, accreditations and, continuing credit administration.

Credit evaluation is conducted on prospective and current investment exposures by a unit independent from the ones involved in investment management. It employs an internal risk rating system which classifies the exposure/investment into standard level of quality.

Credit rating systems
The TBG, on behalf of the unitholders, uses the Trust Credit Risk Rating System (TCRRS) to assess a company's fundamentals – financial condition, industry standing, and management quality – of its prospective and current exposures. The result of the evaluation using the TCRRS is a score attached to the credit exposure/issuer/counterparty. An investment/exposure must attain a passing rating of at least 'Acceptable' and a TC approval to be accredited in the TBG investment universe.

The internal ratings are supplemented by externally available/published credit ratings from reputable rating agencies (for example, Moody's, Standard & Poor's, Fitch).

Credit Quality	TCRRS Grade	External Rating
High grade	1, 2	Aaa, Aa1, Aa2, A1, A2, A3, Baa1, Baa2, Baa3
Standard grade	3, 4, 5	Ba1, Ba2, Ba3, B1, B2
Substandard grade	6	B3, Caa1, Caa2, Caa3, Ca, C
Impaired	7, 8, 9, 10	D

The following describes the levels of equivalent credit quality of internal and external ratings:

- *1 – Excellent*
  Counterparties with an 'excellent' rating exhibit a very low probability of going into default and with high degree of stability, substance and diversity. They have access to raise substantial amounts of funds through public market at any time; very strong debt service capacity and has conservative balance sheet ratios. Track record in profit terms is very good. Borrower exhibits highest quality under virtually all economic conditions.

- *2 – Strong*
  Counterparties that are rated 'strong' exhibit low probability of going into default in the coming year. Normally has a comfortable degree of stability, substance and diversity. Under normal market conditions, the counterparty has good access to public markets to raise funds. Have a strong market and financial position with a history of successful performance. Overall debt service capacity is deemed very strong; critical balance sheet ratios are conservative. Concerned multinationals or local corporations are well capitalized.

- *3 – Good*
  Counterparties with a rating of 'good' have low probability of default and bear characteristics of some degree of stability and substance. However, susceptibility to cyclical changes and more concentration of business risk, by product or market, may be present. Typical is the combination of comfortable asset protection and an acceptable balance sheet structure. Debt service capacity is strong.

- *4 – Satisfactory*
  Counterparties that are rated 'satisfactory' exhibit some risk elements and whose probability of default is somewhat greater. Volatility of earnings and overall performance: normally has limited access to public markets. Counterparty should be able to withstand normal business cycles, but any prolonged unfavorable economic period would create deterioration beyond acceptable levels. Combination of reasonable sound asset and cash flow protection: debt service capacity is adequate. Reported profits in the past year and is expected to report a profit in the current year.

- *5 – Acceptable*
  Counterparties that have 'acceptable' rating exhibit risk elements that are sufficiently pronounced although counterparty should still be able to withstand normal business cycles. Any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels. Risk is still acceptable as there is sufficient cash flow either historically or expected for the future; new business or projected finance transaction; an existing borrower where the nature of the exposure represents a higher risk because of extraordinary developments but for which a decreasing risk within an acceptable period can be expected.

- *6 – Watchlist*
  Counterparties that are rated as 'watchlist' belong to an unfavorable industry or has company-specific risk factors which represent a concern. Operating performance and financial strength may be marginal and it is uncertain if counterparty can attract alternative course of finance. The counterparty finds it hard to cope with any significant economic downturn and a default in such a case is more than a possibility. Companies which incur net losses and have salient financial weaknesses reflected on financial statements specifically in profitability. Credit exposure is not at risk of loss at the moment but performance has weakened and unless present trends are reversed, could lead to losses.

- *7 – Especially Mentioned*
  Counterparties that are 'especially mentioned' exhibit potential weaknesses that deserve the TBG's close attention. These potential weaknesses, if left uncorrected, may affect the repayment of the loan and thus, increase credit risk to the portfolio.

- *8 – Substandard*
  These are exposures which appear to involve a substantial and unreasonable degree of risk to the portfolio because of unfavorable record or unsatisfactory characteristics. There exists the possibility of future losses unless given closer supervision. The counterparty has well-defined weaknesses or weaknesses that jeopardize liquidation. Such well-defined weaknesses may include adverse trends or development of financial, managerial, economic or political nature, or a significant weakness in collateral.

- *9 – Doubtful*
  Counterparties that are rated as 'doubtful' are those that have non-performing loans or portions thereof and have the weaknesses inherent in those classified as Substandard, with the added characteristics that existing facts, conditions, and values make collection or liquidation in full highly improbable and in which substantial loss is probable.

- *10 – Loss*
  This rating is given to counterparties whose loans or portions thereof are considered uncollectible or worthless and of such little value that their continuance as bankable assets is not warranted although the exposure may have some recovery or salvage value. The amount of loss is difficult to measure and it is not practical or desirable to defer writing off these basically worthless assets even though partial recovery may be obtained in the future.

- *Unrated*
  This category may include securities, loans, or other receivables for which a credit rating system is not available.

Apart from credit accreditation, the rating systems are used in determining impairment provisions against specific credit exposures. In cases of split rating between internal and external ratings, the more conservative disposition takes precedence.

The internal risk rating systems are supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored with various categories and are derived in accordance with the TBG's rating policy. The risk ratings are assessed and updated regularly.

Credit quality per class of financial assets
The following tables show the credit quality by class of financial assets of the Fund:

	2024					
	High Grade	**Standard Grade**	**Substandard Grade**	**Unrated**	**Credit-impaired**	**Total**
Deposits in a bank	**₱7,198,934**	**₱–**	**₱–**	**₱–**	**₱–**	**₱7,198,934**
Receivables	**3,351**	**–**	**–**	**–**	**–**	**3,351**
	₱7,202,285	**₱–**	**₱–**	**₱–**	**₱–**	**₱7,202,285**

	2023					
	High Grade	Standard Grade	Substandard Grade	Unrated	Credit-impaired	Total
Deposits in a bank	₱17,311,815	₱–	₱–	₱–	₱–	₱17,311,815
Receivables	4,890	–	–	–	–	4,890
	₱17,316,705	₱–	₱–	₱–	₱–	₱17,316,705

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Deposits in a bank				
High grade	**₱7,198,934**	**₱–**	**₱–**	**₱7,198,934**
Receivables				
High grade	**3,351**	**–**	**–**	**3,351**
	₱7,202,285	**₱–**	**₱–**	**₱7,202,285**

	2023			
	Stage 1	Stage 2	Stage 3	Total
Deposits in a bank				
High grade	₱17,311,815	₱–	₱–	₱17,311,815
Receivables				
High grade	4,890	–	–	4,890
	₱17,316,705	₱–	₱–	₱17,316,705

Liquidity Risk
Liquidity risk is the current and prospective risk to clients' earnings or principal contribution arising from the TBG's inability to recognize or address unplanned changes in client's and/or beneficiary's needs thereby affecting the ability to liquidate assets quickly with minimal loss in value. Typically, market illiquidity manifests itself in the forms of (but not limited to) low market turnover, a relatively small number of traders at any time and significant bid-offer spreads. These factors translate to significant costs to liquidate positions - higher transaction costs, longer lead time to execute a deal or selling at a relatively disadvantageous price particularly if the need to sell is urgent.

The TBG, on behalf of the unitholders, in its prudent management of funds, maintains adequate level of liquidity in each account based on client-defined constraints/circumstances or product specifications.

Liquidity Risk Assessment
Volume turnover
Volume turnover is a clear measurement of liquidity in the market. Volume turnover is measured against its relative size in the market over a period of time. Companies that are highly capitalized but tightly held by a large block or family are generally considered illiquid.

Benchmark or index issues
The benchmark of the Fund is Philippine Stock Exchange Index (PSEi).

The Fund intends to achieve for its participants, market returns from a portfolio of stocks that tracks the PSEi through the Metro Philippine Equity Index Tracker Fund.

Benchmark or index issues are usually more liquid compared to non-benchmark or non-index issues. For domestically issued government securities, Fixed Rate Treasury Notes benchmark issues are larger in size and are usually subject to re-issuance, therefore liquidity is better. Issues that are part of the PSEi have higher capitalization and are dominant players in each sector. Such equities typically have better liquidity compared to some second and third liners. Second-liners generally refer to growth stocks. These are established companies which have lower capitalization and are generally more volatile than blue chip stocks.

Being in the growth stages, these companies are sensitive to profitability (and loss) announcements as well as news about their respective industries. Third-liners, on the other hand, are companies that have not yet established themselves in their respective industries. They are most volatile, as compared to blue chips and second-liners and normally have small operations. Liquidity is unpredictable, being very tradeable.

Analysis of financial assets and financial liabilities by remaining contractual maturities
The following tables show the maturity profile of the Fund's financial assets and financial liabilities based on contractual undiscounted cash flows:

	2024						
	On Demand	**Within 30 Days**	**31 to 60 Days**	**61 to 180 Days**	**181 to 360 Days**	**Over 360 Days**	**Total**
Financial assets							
Deposits in a bank	**₱103,934**	**₱7,096,340**	**₱–**	**₱–**	**₱–**	**₱–**	**₱7,200,274**
Financial assets at FVTPL	**–**	**235,967,754**	**–**	**–**	**–**	**–**	**235,967,754**
Receivables	**–**	**3,351**	**–**	**–**	**–**	**–**	**3,351**
	₱103,934	**₱243,067,445**	**₱–**	**₱–**	**₱–**	**₱–**	**₱243,171,379**
Financial liabilities							
UITF redemptions payable	**₱–**	**₱30,986**	**₱–**	**₱–**	**₱–**	**₱–**	**₱30,986**
Accrued expenses	**–**	**111,119**	**–**	**–**	**–**	**–**	**111,119**
	₱–	**₱142,105**	**₱–**	**₱–**	**₱–**	**₱–**	**₱142,105**

	2023						
	On Demand	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	Total
Financial assets							
Deposits in a bank	₱51,814	₱17,263,260	₱–	₱–	₱–	₱–	₱17,315,074
Financial assets at FVTPL	–	384,836,112	–	–	–	–	384,836,112
Receivables	–	4,890	–	–	–	–	4,890
	₱51,814	₱402,104,262	₱–	₱–	₱–	₱–	₱402,156,076
Financial liabilities							
UITF redemptions payable	₱–	₱444,780	₱–	₱–	₱–	₱–	₱444,780
Accrued expenses	–	115,365	–	–	–	–	115,365
	₱–	₱560,145	₱–	₱–	₱–	₱–	₱560,145

Financial assets
The analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier the expected date the assets will be realized.

Financial liabilities
The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

<u>Market Risk</u>
Market risk is the risk of loss to future earnings, to fair value or future cash flows of a financial instrument as a result of changes in its price arising from movements in interest rates, foreign currency exchange rates and other market factors. This risk applies to both the Fund's trading and accrual positions.

Individual investments are exposed to market risk to the extent that a security may have a market price different from the original acquisition price at any point in time until it reaches maturity, is sold or expires. Generally, all financial assets that are subject to mark-to-market valuation are exposed to market risk.

Market risk assessment
The TBG, on behalf of the unitholders, manages the market risk exposures of the Fund through various established structures, processes and measurement tools such as but not limited to duration, sensitivities, value-at-risk and scenario analyses. The investment process for fixed income securities is further guided by the accreditation process which includes evaluation of duration, market liquidity and volatility, among others.

The following table sets forth the sensitivity of the Fund's trading and securities gains (losses) – net in 2024 and 2023 to reasonably possible changes in PSEi with all other variables held constant:

	2024		2023	
Change in PSEi	**5.0%**	**-5.0%**	5.0%	-5.0%
Trading and securities gains (losses) - net	**₱11,246,695**	**(₱11,246,695)**	₱18,342,059	(₱18,342,059)

Foreign exchange risk
Foreign exchange risk is the risk of an investment's value changing due to an adverse movement in currency exchange rates. It arises due to mismatch in the investment and managed funds' foreign currency-denominated assets and liabilities. As of December 31, 2024 and 2023, the Fund is not exposed to foreign currency exchange risk as it only holds peso-denominated financial instruments.

5. Fair Value Measurement

The methods and assumptions used by the TBG, on behalf of the unitholders, in estimating the fair value of the financial instruments are:

Deposits in a bank and receivables
The carrying amounts approximate fair values considering that these accounts are short-term in nature. Fair values of long-term time deposits are estimated using the discounted cash flow methodology and the Fund's incremental lending rates for similar types of investments.

Investment in a UITF
The fair value is determined by reference to the NAV per share. If a discount or premium on the reported NAV is expected to be placed because of features, risk or other factors relating to the investment, fair value is adjusted considering those factors.

Other accountabilities
The carrying amounts approximate fair values considering that these are either due and demandable or with short-term maturities.

As of December 31, 2024, and 2023, all financial assets at FVTPL are based on NAV, which are measured under Level 2 of the fair value hierarchy. The Fund has no other financial instruments classified under Levels 1 and 3 and there were no transfers between levels in 2024 and 2023.

6. Deposits in a Bank

Deposits in a bank consist of:

	2024	2023
Savings account	**₱103,934**	₱51,815
Short-term time deposits	**7,095,000**	17,260,000
	₱7,198,934	₱17,311,815

Deposits in a bank earned interest at an annual rate ranging from 0.063% to 4.25% both in 2024 and 2023.

In 2024 and 2023, interest income on deposits in a bank amounted to ₱312,755 and ₱1,301,648, respectively.

7. Financial Assets at FVTPL

As of December 31, 2024, and 2023, this account consists of investment in a UITF amounting to ₱235.97 million and ₱384.84 million, respectively.

The related ‘Trading and securities gains (losses) - net’ recognized in the statements of comprehensive income amounted to ₱19.13 million and ₱1.25 million 2024 and 2023, respectively.

8. Receivables

This account consists of:

	2024	2023
Accrued interest receivable	**₱3,351**	₱4,890
	₱3,351	₱4,890

9. Principal

Movements in this account follow:

	2024		2023	
	Amount	**Units**	Amount	Units
Balance at beginning of year	**₱424,624,214**	**421,292,275**	₱424,546,914	418,853,615
Contributions	**65,871,840**	**65,295,740**	161,263,594	167,714,326
Withdrawals	**(234,458,381)**	**(237,972,500)**	(161,186,294)	(165,275,666)
Balance at end of year	**₱256,037,673**	**248,615,515**	₱424,624,214	421,292,275

10. Other Accountabilities

This account consists of:

	2024	2023
UITF redemptions payable	**₱30,986**	₱444,780
Accrued expenses	**111,119**	115,365
	₱142,105	₱560,145

11. Maturity Analysis of Assets and Liabilities

As of December 31, 2024, and 2023, all of the Fund's assets and liabilities are expected to be settled in less than one year from the reporting date.

12. Miscellaneous Expenses

Miscellaneous expenses represent professional fees and other expenses.

13. NAV per Unit

The NAV per unit is computed as follows:

	2024	2023
NAV	**₱243,027,934**	₱401,592,672
Outstanding units (Note 9)	**248,615,515**	421,292,276
	₱0.977525	₱0.953240

Participant contributions into and withdrawals from the Fund are valued based on present day's NAV per unit.

14. Trust Reserves

BSP Circular No. 447 states that Unit Investment Trust Funds shall be exempted from the provisions on statutory and liquidity reserves of the Manual of Regulations applicable to trust funds in general.

15. Approval for the Release of the Financial Statements

The accompanying financial statements of the Fund were approved and authorized for issue by the Trust Committee of the bank on June 19, 2025.