

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the Shareholders  
SUN LIFE INVESTMENT MANAGEMENT AND TRUST CORPORATION (Trust Corporation)  
[A Wholly Owned Subsidiary of Sun Life Financial Philippine Holding Company, Inc.]  
Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive  
Bonifacio Global City, Taguig City

### *Opinion*

We have audited the financial statement SLIMTC PHP Multi-Class Equity Index Fund (the "Fund") operated by Sun Life Investment Management And Trust Corporation (Trust Corporation), which comprises the statement of net assets as at December 31, 2024 and the statement of comprehensive income and statement of changes in net assets for the period June 24, 2024 (Fund launch date) to December 31, 2024 and notes to the financial statement, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2024 and its financial performance for the period ended June 24, 2024 to December 31, 2024 in accordance with Regulatory Accounting Principles of the Bangko Sentral ng Pilipinas (BSP).

### *Basis for Opinion*

We conducted our audit 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 Fund 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.

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### *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 the Regulatory Accounting Principles of the BSP, which differ from Philippine Financial Reporting Standards (PFRS) Accounting Standards in some respects. These were prepared to assist the Fund in meeting the requirements of the BSP. 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 BSP, and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 Fund'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 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 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 Fund'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.

**Navarro Amper & Co.**

BOA/PRC ACR. No. 0004, valid until September 22, 2027

BSP ACR. No. 0004-BSP (Group A), September 21, 2020, valid to audit 2020 to 2024  
financial statements



Nina Cecilia S. Felismino

Partner

CPA Certificate No. 0103737

TIN 218-720-328

BIR ACR. No. 08-002552-046-2022, June 8, 2022; effective until June 7, 2025

BOA/PRC ACR. No. 0004/P-003, valid until September 22, 2027

BSP ACR. No. 103737-BSP (Group A), March 26, 2020, valid to audit 2019 to 2024  
financial statements

PTR No. A-6396507, January 4, 2025, Taguig City

Taguig City, Philippines

March 21, 2025



**SLIMTC PHP MULTI-CLASS EQUITY INDEX FUND  
OPERATED BY SUN LIFE INVESTMENT MANAGEMENT  
AND TRUST CORPORATION**

**Financial Statements  
December 31, 2024  
And  
Independent Auditor's Report**

11/F Sun Life Centre, Block 16, Lot 1-A, Bonifacio South District, 5th Avenue cor. Rizal  
Drive, Bonifacio Global City, 1634 Taguig City

**SLIMTC PHP MULTI-CLASS EQUITY INDEX FUND**  
**OPERATED BY SUN LIFE INVESTMENT MANAGEMENT AND TRUST CORPORATION**  
**STATEMENT OF NET ASSETS**  
**AS AT DECEMBER 31, 2024**

	<b>Notes</b>	
<b>ASSETS</b>		
Deposits in banks	6	<b>P131,566</b>
Financial assets at fair value through profit or loss	7	<b>16,700,988</b>
Receivables	8	<b>7,394</b>
		<b>16,839,948</b>
<b>ACCOUNTABILITIES</b>		
Accrued expenses	9	<b>66,232</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	15	<b>P16,773,716</b>
<b>NET ASSET VALUE PER UNIT</b>		
Unit Class A	15	<b>0.9129</b>
Unit Class C	15	<b>0.9848</b>

*See accompanying Notes to Financial Statements.*

**SLIMTC PHP MULTI-CLASS EQUITY INDEX FUND  
OPERATED BY SUN LIFE INVESTMENT MANAGEMENT AND TRUST CORPORATION**  


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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Notes</b>	
<b>INCOME</b>		
Dividend income	7	<b>P169,816</b>
<b>EXPENSES</b>		
Trading and securities loss	7	<b>519,591</b>
Audit fees		<b>58,240</b>
Custody fees		<b>48,468</b>
Brokerage fees		<b>20,812</b>
Trust fees	10	<b>58</b>
Other expenses	13	<b>29,204</b>
		<b>676,373</b>
<b>LOSS BEFORE FINAL TAX</b>		<b>(506,557)</b>
Final tax expense		<b>1,564</b>
<b>NET LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b>(P508,121)</b>

*See accompanying Notes to Financial Statements.*

**SLIMTC PHP MULTI-CLASS EQUITY INDEX FUND  
OPERATED BY SUN LIFE INVESTMENT MANAGEMENT AND TRUST CORPORATION**  


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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Principal</b>	<b>Accumulated Losses</b>	<b>Total</b>
Balances at January 1, 2024	<b>P-</b>	<b>P-</b>	<b>P-</b>
Contributions	<b>19,787,837</b>	<b>-</b>	<b>19,787,837</b>
Withdrawals	<b>(2,506,000)</b>	<b>-</b>	<b>(2,506,000)</b>
Net Loss for the Year	<b>-</b>	<b>(508,121)</b>	<b>(508,121)</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>P17,281,837</b>	<b>(P508,121)</b>	<b>P16,773,716</b>

*See accompanying Notes to Financial Statements.*

**SLIMTC PHP MULTI-CLASS EQUITY INDEX FUND  
OPERATED BY SUN LIFE INVESTMENT MANAGEMENT AND TRUST CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024**

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**1. GENERAL INFORMATION**

**Corporate Information**

Sun Life Investment Management and Trust Corporation (the "Company" or "SLIMTC") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 28, 2020 primarily to carry and engage in the business of trust, other fiduciary business and investment management activities, to have and exercise all authority and powers, to do and perform all acts, and to transact all business which may legally be had or done by trust corporations organized under and in accordance with Republic Act No. 8791 (The General Banking Law of 2000) and its implementing regulations as it exists or may be amended and to do all other things incidental thereto and necessary and proper in connection with said purposes within such territory, as may be determined by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP). The corresponding Certificate of Authority to Operate was issued by the BSP to the Company on November 6, 2020.

The Company is a wholly-owned subsidiary of Sun Life Financial Philippine Holding Company, Inc., a holding company incorporated and with principal place of business in the Philippines. The Company's ultimate parent is Sun Life Financial, Inc., an entity incorporated under the laws of Canada. The Company officially started its operations on July 26, 2021.

The registered office address and principal place of business of the Company is at the 11/F Sun Life Centre, Block 16, Lot 1-A, Bonifacio South District, 5th Avenue cor. Rizal Drive, Bonifacio Global City, 1634 Taguig City.

**Fund Information**

The SLIMTC PHP Multi-Class Equity Index Fund (the "Fund") was launched to the public on June 24, 2024.

The financial statements of the Fund managed by the Company are issued in compliance with Section 181-T Audited Financial Statement of Trust Corporations (TCs); Financial Audit under the Manual of Regulations for Non-Bank Financial Institutions (MORNBFIs), requiring the trust corporation's operation to be subject to financial audit by an external auditor acceptable to the BSP in accordance with generally accepted auditing standards in the Philippines.

The net asset value (NAV) per unit of the Fund as of December 31, 2024 is as follows:

Unit Class	NAV per Unit in Php
A	0.9129
C	0.9848

### **Approval of the Financial Statements of the Fund**

The Board of Directors approved the issuance of the financial statement of the Fund on March 21, 2025.

## **2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION**

### **Statement of Compliance**

The financial statements of the Fund are prepared in compliance with Regulatory Accounting Principles (RAP) of the BSP as indicated in BSP Circular No. 653, which differ from Philippine Financial Reporting Standards (PFRS) Accounting Standards in some respects, as follows:

- The provisions of PFRS Accounting Standards are only applied to accounts outstanding as of December 31, 2008 and thereafter;
- No presentation of the statement of cash flows in the financial statements;
- Only a general description on risk management for financial instruments is disclosed in the financial statements;
- Mandatory adoption of PFRS 9, *Financial Instruments* by trust entities is on January 1, 2019 with early application permitted;
- Investments in unquoted equity securities as of December 31, 2018 were allowed to be carried at cost, which are their deemed fair values.
- Philippine peso-denominated credit exposures to the Philippine National Government shall not be covered by the impairment requirements of PFRS 9.

### **Basis of Preparation**

The accompanying financial statements of the Fund are prepared in compliance with the following BSP guidelines:

- BSP Circular No. 609, dated May 26, 2008;
- BSP Circular No. 653, dated May 5, 2009;
- BSP Circular No. 494, dated September 20, 2009;
- BSP Circular No. 813, dated September 17, 2013;
- BSP Circular No. 967, dated July 27, 2017;
- BSP Circular No. 999, dated March 14, 2018;
- BSP Circular No. 1011, dated August 11, 2018;
- BSP Circular No. 1021, dated November 15, 2018;
- BSP Circular No. 1023, dated December 4, 2018; and
- BSP Circular No. 1075, dated February 7, 2020.

The financial statements of the Fund have been prepared on the historical cost basis, except for certain financial instruments measured at amortized cost and fair value.

### **Presentation of Financial Statements**

The statement of net assets of the Fund operated by SLIMTC is presented in order of liquidity.

### **Functional and Presentation Currency**

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Funds operates. All amounts are recorded to the nearest peso, except when otherwise indicated.

## **3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

### **Adoption of Amended Accounting Standards Effective in 2024**

The Fund has applied all amendments to PFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after January 1, 2024. Their adoption has not had a material impact on the disclosures or the amounts reported in these financial statements.

### **New and Amended Accounting Standards Effective after the Reporting Period Ended December 31, 2024**

The new standards and amendments to standards that are issued, but not yet effective, up to the date of authorization of the Fund's financial statements are listed below.

The Fund intends to adopt these when they become effective. The Fund anticipates that the application of the new and amended standards will not have a material impact on the Fund's financial statements in future periods.

#### *Effective for annual period beginning or after January 1, 2025*

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability*

#### *Effective for annual period beginning or after January 1, 2026*

- Amendments to PFRS 9, *Financial Instruments* and PFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
- *Amendments to PFRS 9, Financial Instruments and PFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*

*Effective for annual period beginning or after January 1, 2027*

- PFRS 17, *Insurance Contracts*
- Amendments to PFRS 17, *Insurance Contracts*
- Amendment to PFRS 17, *Insurance Contracts - Initial Application and PFRS 9, Financial Instruments – Comparative Information*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

*Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

#### **4. MATERIAL ACCOUNTING POLICY INFORMATION**

##### **Financial Instruments**

Financial assets and financial liabilities are recognized in the financial statements when the Funds become a party to the contractual provisions of the instrument.

##### **Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period established by regulation or convention in the marketplace.

##### Initial recognition

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of the financial assets and financial liabilities, except for investments classified at fair value through profit or loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss.

##### Classification and subsequent measurement

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets are subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

### *Amortized cost and effective interest method*

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

For financial instruments, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (ECL), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost.

These accounting policies on amortized cost apply to deposits in banks, and receivables.

### *Financial assets at FVTPL*

Financial assets at FVTPL pertains to equity investments.

Financial assets at FVTPL are measured at fair value. Related transaction costs are recognized directly as expense in the statement of comprehensive income under 'Trust fees'. Gains and losses arising from changes (mark-to-market) in the fair value of the financial assets at FVTPL and gains or losses arising from disposals of these instruments are included in the statement of comprehensive income.

### Derecognition

The Funds derecognize a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Funds neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Funds recognize its retained interest in the asset and an associated liability for amounts it may have to pay. If the Funds retain substantially all the risks and rewards of ownership of a transferred financial asset, the Funds continue to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

## **Financial Liabilities and Equity Instruments**

### Financial liabilities

All financial liabilities are measured subsequently at amortized cost.

The Fund's financial liabilities classified under this includes accrued expenses.

### *Derecognition of financial liabilities*

The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### Equity instruments

Equity instruments issued by the Fund are recognized at the proceeds received, net of direct issue costs.

### *Principal*

Principal refers to funds and/or property that have been set aside by the owner or the person legally empowered, which are held in a trust, fiduciary or investment management capacity eventually to be delivered to a person entitled to such principal and the accumulated income derived therefrom. Principal is adjusted for the amount of contributions and withdrawals. Contributions are additional investments from trustors or principals and are recorded upon receipt, while withdrawals are redemptions from the fund made by trustors or principals and are recorded upon notice of redemption.

### *Accumulated Losses*

This refers to the accumulated losses arising from the use of the principal.

## **Revenue Recognition**

### Trading securities gains and losses

Gains or losses arising on the disposal of investments are determined as the difference between the sales proceeds and the carrying amount of the investments and is recognized in profit or loss.

The account also includes fair value gains or losses arising from mark-to-market valuation of the securities at the end of the reporting period.

## **Expense Recognition**

Expenses are recognized in profit or loss when incurred.

Expenses in the statement of comprehensive income are presented using the nature of expense method.

### Trust fees and other expenses

Trust fees and other expenses are charges for the services rendered by third parties in executing transactions (e.g., trades, safekeeping, etc.) of the Funds.

## **Taxation**

Income tax expense represents final taxes withheld on interest income from cash in banks, time deposits and fixed-income securities.

## **Events after the Reporting Period**

The Fund identifies events after the end of each reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Fund are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

## **5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Fund's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical Judgments in Applying Accounting Policies**

There are no critical judgments that Management has made in the process of applying the entity's accounting policies on the amounts recognized in the financial statements.

### **Key Sources of Estimation Uncertainty**

There are no key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **6. DEPOSITS IN BANKS**

The account as at December 31, 2024 consists of deposits in banks amounting to P131,566.

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

As at December 31, 2024, financial assets measured at FVTPL pertains to investment in listed equity securities which are composed of ordinary shares amounting to P16,700,988.

Equity securities are excluded on the maturity profile analysis as these investments do not have maturities.

Trading and securities gain on FVTPL investments are as follows:

Realized trading and securities loss	<b>(P97,516)</b>
Unrealized trading and securities loss	<b>(422,075)</b>
	<b>(P519,591)</b>

Dividends earned amounted to P169,816 as presented in the statement of comprehensive income.

The outstanding balances of dividends receivable as at December 31, 2024 is P7,394.

**8. RECEIVABLES**

This account is composed of dividends receivable from investment in equity securities amounting to P7,394 as disclosed in Note 7.

**9. ACCRUED EXPENSES**

This account consists of:

Audit fee	<b>P58,240</b>
License fee	<b>7,934</b>
Trust fees	<b>58</b>
	<b>P66,232</b>

**10. TRUST FEES**

This account represents fee determined and computed based on the average daily balance of the Fund's net assets managed by SLIMTC using the following rates:

Unit Class A	1.00% per annum
Unit Class B	0.60% per annum
Unit Class C	0.00% per annum

## 11. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, which includes equity price risk, interest rate risk and foreign currency risk; credit risk; and liquidity risk. Management exerts best efforts to anticipate events that would negatively affect the value of the Fund's assets and takes appropriate actions to counter these risks. However, there is no guarantee that the strategies will work as intended. The policies for managing specific risks are summarized below.

### Market risk

Market risk refers to the possibility that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Fund's profit or the value of its holdings of financial instruments. The Fund focuses on market risk areas such as equity price risk. The objective and management of these risks are discussed below.

### *Equity price risk*

Equity price risk is the risk of loss arising from the adverse movement in equity prices. Equity prices fluctuate based on systematic and non-systematic risk. Non-systematic risk is unique to an asset class or security, which can be reduced through diversification. Systematic risk, on the other hand, relates to variables that affect the general economy such as inflation, economic growth, exchange rate movements, etc. that trickle down to interest rates and company-specific fundamentals and eventually affect equity prices. Unlike non-systematic risk, systematic risk cannot be diversified away.

The sensitivity of the Funds to a change in equity prices by +21% and -22% is shown in the table below:

	<b>Impact on income before tax</b>
<b>Effect of reasonable possible shift</b>	
-22%	<b>(P3,674,217)</b>
+21%	<b>3,507,207</b>

### *Interest rate risk*

As at December 31, 2024, the Fund is not exposed to interest rate risk.

### *Foreign Currency Risk*

As at December 31, 2024, the Fund is not exposed to foreign currency risk.

### Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund has adopted a policy of dealing only with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults and transacts only with entities that are rated with equivalent of investment grade of "High" down to

“Satisfactory”. This information is supplied by independent rating agencies, when available. If the information is not available, the Fund uses other publicly available financial information and its own trading records to rate its major counterparties. The Fund’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Generally, the maximum credit risk exposure of financial assets as of December 31, 2024 is the carrying amount of the financial assets as shown in the statement of net assets, as summarized below:

Deposits in banks	<b>P131,566</b>
Receivables	<b>7,394</b>
	<b>P138,960</b>

Deposits in banks and receivables are short-term high-grade credit as these are receivables from reputable commercial banks that are subject to the Fund’s rules that provide adequate remedies to the Fund’s credit exposures. As at December 31, 2024, Management believes that the Fund’s deposits in banks and receivables are fully recoverable. Accordingly, no allowance for credit loss was recognized.

#### Liquidity risk

The Fund aims to maintain an appropriate level of liquidity which means having sufficient liquidity to be able to meet all obligations promptly under foreseeable adverse circumstances, whilst not having excessive liquidity.

The Fund manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Fund maintains adequate highly liquid assets in the form of cash in bank to assure necessary liquidity.

The tables below summarize the maturity profile of financial assets of the Fund using undiscounted contractual maturities based on remaining contractual obligations.

	Up to 1 year
Financial assets	
Deposits in banks	<b>P131,566</b>
Receivables	<b>7,394</b>
<b>Total financial assets</b>	<b>138,960</b>
Financial liabilities	
Accrued expenses	<b>P66,232</b>
<b>Net exposure</b>	<b>P72,728</b>

#### *Net assets attributable to unitholders*

As of December 31, 2024, the NAV attributable to unitholders are redeemable on demand.

## 12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer in orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique.

Deposits in banks, receivables, and accrued expenses have short-term maturities, hence, their carrying amounts approximate their fair values.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

This hierarchy requires the use of observable market data when available. The Fund considers relevant and observable market prices in its valuations where possible.

The table below summarizes the carrying amount and fair value of those significant financial assets and liabilities at December 31:

	2024				
	Carrying amount	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial Assets</b>					
Deposits in banks	P131,566	P131,566	P-	P-	P131,566
Financial Assets at FVTPL	16,700,988	16,700,988	-	-	16,700,988
Equity securities					
Receivables	7,394	-	7,394	-	7,394
	<b>P16,839,948</b>	<b>P16,832,554</b>	<b>P7,394</b>	<b>P-</b>	<b>P16,839,948</b>
<b>Financial Liabilities</b>					
Accrued Expenses	P66,232	P-	P66,232	P-	P66,232

## 13. OTHER EXPENSES

This account consists of other transaction costs amounting to P21,270 and license fee amounting to P7,934.

## 14. TRUST RESERVES

BSP Circular No. 447, Regulations Governing the Creation, Administration and Instrument/s of Unit Investment Trust Funds, states that unit investment trust funds shall be exempted from the provisions of statutory and liquidity reserves of the Manual of Regulations applicable to trust funds in general.

**15. NET ASSET VALUE PER UNIT**

The NAV per unit of the Fund as at December 31, 2024 is computed as follows:

Unit Class A	
NAV	<b>P36,592</b>
Outstanding Units	<b>40,084</b>
NAV per Unit	<b>0.9129</b>

Unit Class C	
NAV	<b>P16,737,124</b>
Outstanding Units	<b>16,994,775</b>
NAV per Unit	<b>0.9848</b>