

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statement of SLIMTC PHP Medium-Term Multi-Class Fixed Income Bond 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 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



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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 MEDIUM-TERM MULTI-CLASS FIXED
INCOME BOND 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 MEDIUM-TERM MULTI-CLASS FIXED INCOME FUND
 OPERATED BY SUN LIFE INVESTMENT MANAGEMENT AND TRUST CORPORATION**

**STATEMENT OF NET ASSETS
 AS AT DECEMBER 31, 2024**

	Notes	
ASSETS		
Deposits in banks	6	P32,432
Financial assets at fair value through profit or loss	7	19,690,235
Receivables	8	80,395
		19,803,062
ACCOUNTABILITIES		
Accrued expenses	9	58,514
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	14	P19,744,548
NET ASSET VALUE PER UNIT		
Unit Class A	14	0.9969
Unit Class C	14	1.0265

See accompanying Notes to Financial Statements.

**SLIMTC PHP MEDIUM-TERM MULTI-CLASS FIXED INCOME FUND
OPERATED BY SUN LIFE INVESTMENT MANAGEMENT AND TRUST CORPORATION**

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

	Notes	
INCOME		
Trading and securities gains	7	P227,002
Interest income	6,7	505,548
		732,550
EXPENSES		
Audit fees		58,240
Custody fees		2,378
Trust fees	10	274
		60,892
INCOME BEFORE FINAL TAX		671,658
Final tax expense		101,110
NET INCOME FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		P570,548

See accompanying Notes to Financial Statements.

**SLIMTC PHP MEDIUM-TERM MULTI-CLASS FIXED INCOME FUND
OPERATED BY SUN LIFE INVESTMENT MANAGEMENT AND TRUST CORPORATION**

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

	Principal	Accumulated Income	Total
Balances at January 1, 2024	P-	P-	P-
Contributions	31,324,000	-	31,324,000
Withdrawals	(12,150,000)	-	(12,150,000)
Net Income for the Year	-	570,548	570,548
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	P19,174,000	P570,548	P19,744,548

See accompanying Notes to Financial Statements.

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

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 Medium-Term Multi-Class Fixed Income 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 (MORNBFI), 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 at December 31, 2024 is as follows:

Unit Class	NAV per Unit in Php
A	0.9969
C	1.0265

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 Fund 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 Fund 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.

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

Financial assets at FVTPL

As at December 31, 2024, the financial assets at FVTPL of the Fund include fixed-income securities composed of government bonds, which are all held for trading.

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 'Trading and securities gains' account in the statement of comprehensive income.

Interest recognized earned from these investments is reported in the statements of comprehensive income under 'Interest income'.

Derecognition

The Fund 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 Fund neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognize its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retain substantially all the risks and rewards of ownership of a transferred financial asset, the Fund 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 Income

This refers to the accumulated profits 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.

Taxation

Income tax expense represents the final tax 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 cash in banks amounting to P32,432.

Interest income from deposits in banks amounted to P3,857 as at December 31, 2024 presented as part of "Interest income" in statement of total comprehensive income.

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

As at December 31, 2024, financial assets measured at FVTPL pertains to investments in fixed-income securities which are composed of government bonds amounting to P19,690,235.

Average effective interest rates of FVTPL securities during the year is 5.35%.

Net income from financial assets at fair value through profit or loss is shown below:

Trading and securities gain	P227,002
Interest income	501,691
	P728,693

The outstanding balances of accrued interest receivable as at December 31, 2024 is P80,395.

Trading and securities gain on FVTPL investments are as follows:

Realized gains on investments	P173,006
Unrealized gains on investments	53,996
Trading and securities gains on investments	P227,002

8. RECEIVABLES

This account is composed of accrued interest receivable from fixed-income securities amounting to P80,395 as disclosed in Note 7. These are normally received within one to three months.

9. ACCRUED EXPENSES

This account consists of:

Audit fee	P58,240
Trustee fee	274
	P58,514

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 rate:

Unit Class A	0.75% 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 interest rate risk. The objective and management of these risks are discussed below.

Equity price risk

As of December 31, 2024, the Fund is not exposed to equity price risk.

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Fund's interest rate risk relates to cash in banks and fixed-income securities. The Fund manages this risk by actively monitoring the prevailing interest rate environment.

The duration of the portfolio is reduced during periods of rising rates and widening credit spreads to maximize interest earning income potential. Conversely, the same is increased during periods of falling interest rates and narrowing credit spreads.

The following table details the increase or decrease in net profit after tax if interest rates had been 122 basis points higher or 121 basis points lower for December 31, 2024 with all other variables are held constant:

Change in interest rates	-121 bps	+122 bps
Increase (Decrease) in Net Profit or Loss/Equity	P39,228	(P39,451)

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

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 at 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	P32,432
Financial assets at FVTPL	19,690,235
Receivables	80,395
	P19,803,062

Deposits in banks and accounts 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.

Financial assets at FVTPL are considered as high-grade credit based on the Company's external estimates sourced from Standard & Poor's (S&P).

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 Managed 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 and liabilities of the Fund using undiscounted contractual maturities based on remaining contractual obligations.

	Up to 1 year	Over 1 year	Total
Financial assets			
Deposits in banks	P32,432	P-	P32,432
Financial assets at FVTPL	-	19,690,235	19,690,235
Receivables	80,395	-	80,395
Total financial assets	P112,827	P19,690,235	P19,803,062
Financial liabilities			
Accrued expenses	P58,514	P-	P58,514
Net exposure	P54,313	P19,690,235	P19,744,548

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 bank, 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
Financial Assets					
Deposits in banks	P32,432	P32,432	-	-	P32,432
Financial assets at FVTPL	19,690,235	19,690,235	-	-	19,690,235
Receivables	80,395	-	80,395	-	80,395
	P19,803,062	P19,722,667	P80,395	P-	P19,803,062
Financial Liabilities					
Accrued Expenses	P58,514	P-	P58,514	P-	P58,514

13. 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.

14. 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	P239,275
Outstanding Units	240,022
NAV per Unit	0.9969
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Unit Class C	
NAV	P19,505,273
Outstanding Units	19,001,592
NAV per Unit	1.0265