

**PBB PESO BOND FUND (FORMERLY PBB DIAMOND FUND)**  
**PHILIPPINE BUSINESS BANK – TRUST AND INVESTMENT CENTER**



**Key Information and Investment Disclosure Statement**

For the Period Ending 30 September 2025

| <b>FUND FACTS</b>                    |                                           |                                 |                           |
|--------------------------------------|-------------------------------------------|---------------------------------|---------------------------|
| <b>Classification</b>                | Fixed Income Fund                         | <b>Net Asset Value Per Unit</b> | PHP 246.246531            |
| <b>Launch Date</b>                   | November 04, 2005                         | <b>Total NAV</b>                | PHP 49,085,495.73         |
| <b>Minimum Investment</b>            | PHP 10,000.00                             | <b>Dealing Day</b>              | 8:30 AM to 12:00 NN       |
| <b>Minimum Additional Investment</b> | PHP 1,000.00 in multiples of PHP 1,000.00 | <b>Settlement Period</b>        | T+1 Banking Day           |
| <b>Minimum Holding Period</b>        | 30 Days                                   | <b>Early Redemption Charge</b>  | 1% of the amount redeemed |

| <b>FEES</b>                                                                              |                                                             |                                                                                     |                                                     |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------|
| <b>Trust Fees</b><br>1.00% p.a. <sup>1</sup><br><i>PBB – Trust and Investment Center</i> | <b>Custodianship Fees</b><br>0.00%<br><i>Not Applicable</i> | <b>External Auditor Fees:</b><br>PHP 288,668.04<br><i>Punongbayan &amp; Araullo</i> | <b>Other Fees</b><br>0.00%<br><i>Not Applicable</i> |

<sup>1</sup> As a percentage of average daily NAV for the quarter valued at PHP 49,085,495.73.

**INVESTMENT OBJECTIVE AND STRATEGY**

PBB Peso Bond Fund is a Peso-denominated medium term fixed income fund which aims to achieve income growth by investing in a mixed portfolio fixed income instruments. The Fund aims to surpass its benchmark which is the Bloomberg Philippine Sovereign Bond Index 1 to 5 Year (BPHIL15).

**CLIENT SUITABILITY**

A client profiling process shall be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objective and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

PBB Peso Bond Fund is suitable for investors who:

- Have at least moderate risk appetite
- Have an investment horizon of medium term (with tenors of 3 to 5 years)

**KEY RISKS AND RISK MANAGEMENT**

***You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.***

|                            |                                                                                                                                                                              |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Interest Rate Risk</b>  | The possibility to experience losses due to changes in interest rates.                                                                                                       |
| <b>Market/Price Risk</b>   | The possibility to experience losses due to changes in market prices of securities (e.g. bonds)                                                                              |
| <b>Liquidity Risk</b>      | The possibility to experience losses due to the inability to sell or convert assets into cash immediately or in instance where conversion to cash is possible but at a loss. |
| <b>Credit/Default Risk</b> | The possibility to experience losses due to borrower's failure to pay its obligation or when a counter party fails to deliver on the agreed trade.                           |
| <b>Reinvestment Risk</b>   | The possibility of having lower returns or earnings when maturing funds or interest earnings of funds are reinvested.                                                        |

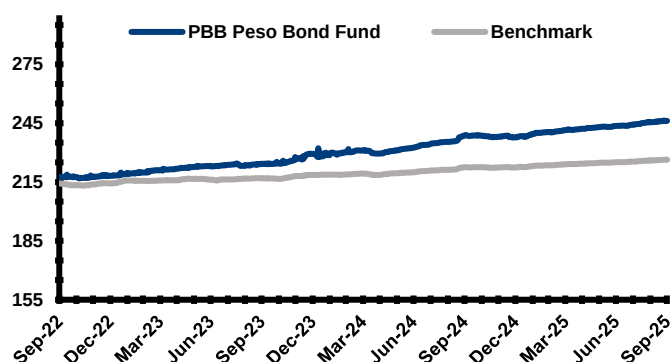
The Fund employs a risk management policy based on duration. Duration measures the sensitivity of NAVPu to interest rate movements. As interest rate rise, bond prices fall. The higher the duration, the more NAVPu will fluctuate in relation to changes in interest rates.

- THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.
- THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH, OR GROSS NEGLIGENCE.

## FUND PERFORMANCE AND STATISTICS AS OF September 30, 2025

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

### Fund's NAVPu vs Benchmark



### NAVPu over the last 12 months

|         |            |
|---------|------------|
| Highest | 246.295290 |
| Lowest  | 237.692679 |

### Statistics

|                                          |            |
|------------------------------------------|------------|
| Weighted Ave. Duration                   | 2.79 Years |
| Volatility, Past 1 Year (%) <sup>2</sup> | 0.4865%    |
| Sharpe Ratio <sup>3</sup>                | 1.00       |
| Information Ratio <sup>4</sup>           | (4.91)     |

<sup>2</sup> Volatility measures the degree to which Fund fluctuates vis-à-vis its average return over a period of time.

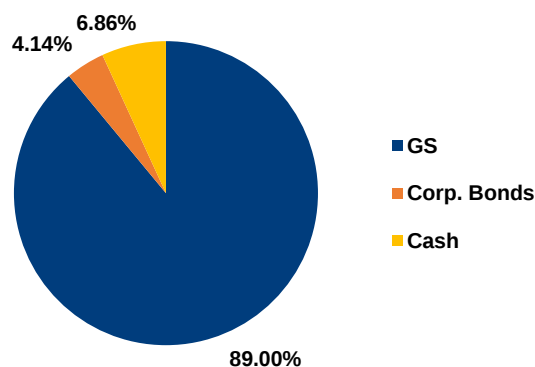
<sup>3</sup> Sharpe Ratio is used to characterize how well the return of the Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>4</sup> Information Ratio measures the reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of the risk.

### Cumulative Performance

| Period    | YTD  | 1 mo | 3 mos | 6 mos | 1YR  | 3YRS  |
|-----------|------|------|-------|-------|------|-------|
| Fund      | 3.57 | 1.03 | 1.31  | 1.98  | 3.13 | 13.24 |
| Benchmark | 5.56 | 0.44 | 1.70  | 3.24  | 5.44 | 19.61 |

### Portfolio Composition



### Top 10 Holdings (%)

| Security          | % to Portfolio |
|-------------------|----------------|
| RTB 05-18         | 20.67%         |
| RTB 05-16         | 19.59%         |
| FXTN 10-63        | 18.23%         |
| FXTN 07-67        | 12.09%         |
| FXTN 07-65        | 8.99%          |
| Cash <sup>5</sup> | 6.86%          |
| PCOR 07-30 R28    | 4.14%          |
| RTB 05-17         | 4.12%          |
| FXTN 07-70        | 3.11%          |
| FXTN 10-65        | 2.20%          |

<sup>5</sup> Cash consisted of savings in deposits, receivables, and payables.

## RELATED PARTY TRANSACTIONS

The Fund has deposits with Philippine Business Bank amounting to PHP 3,387,997.14. Investments in the said outlet were approved by the Trust Committee. All related party transactions were conducted on a best execution and arm's length basis.

## OTHER DISCLOSURES

1. Prospective Investments – The following are among the Fund's approved investment outlets, wherein the Trustee intends to invest depending on strategy, availability, or other market-driven circumstances:
  - a. Peso-denominated Securities issued by or guaranteed by the Philippine Government, or the Bangko Sentral ng Pilipinas;
  - b. Fixed Income Securities issued by corporations which are listed on an organized exchange;
  - c. Such other marketable and/or liquid investment outlets/categories and/or any acceptable security/outlet as the Trust Committee and the BSP may allow for open-ended marked-to-market pooled trust funds.
2. Change in Benchmark – Effective July 1, 2024, the benchmark is Bloomberg Philippine Sovereign Bond Index 1 to 5 Year (BPHIL15). BPHIL15 is a rules-based market value-weighted index engineered to measure the fixed rate local currency securities publicly issued by the Philippines.
3. Subscription and/or redemption cut-off time is 12:00 noon. Notices received beyond the cut-off time shall be considered as transactions for the next banking day.

## COOLING-OFF PERIOD

The Individual Participant is entitled to a cooling-off period of two (2) business days (the "Cooling-Off Period") from the date of initial subscription in the applicable FUND, without penalty, upon written notice to the Trustee to cancel within such period. As a result of the cancellation, the Individual Participant understands that such cancellation may result in a gain or loss depending on the prevailing NAVPU, and such marked-to-market gains or losses shall be for the Individual Participant's account.

## OUTLOOK AND STRATEGY

The Philippine economy is expected to gain momentum in the third quarter of 2025, with output projected to rise by about 5.8%, slightly faster than the 5.5% expansion in the second quarter. While corruption issues linked to flood control projects and recent storm damage have clouded the outlook, businesses remain guardedly optimistic. Public spending is seen as a key growth driver in the coming months, with large-scale infrastructure programs expected to move forward despite governance setbacks. For 2025 as a whole, the government targets growth of 5.5% to 6.5%, with a 5.6% expansion in the second half needed to meet the lower end of the range.

Meanwhile, inflation increased to 1.5% in August from July's 0.9% on the back of higher food costs, particularly vegetables, but this uptick is viewed as temporary. At the same time, the Bangko Sentral ng Pilipinas (BSP) is expected to keep policy rates steady at its upcoming meeting, preferring to wait for third-quarter GDP data before considering further moves. The BSP Governor has described the current level as a "Goldilocks rate," striking a balance between inflation and growth, though he noted that weaker demand could justify additional easing later this year.

For the fixed-income market, the current environment of low inflation and stable rates provides room for bond yields to ease further, while any prospect of additional BSP rate cuts enhances the appeal of longer-duration securities. With the government having already covered most of its funding needs for 2025, supply pressures on bond yields are expected to ease, creating a more favorable scenario for investors seeking opportunities in peso-denominated FI instruments.

In response, TIC plans to increase the modified duration of the Fund's portfolio by buying longer tenor bonds. Intermediate to long-tenor government securities shall form the core of the portfolio, providing both stability and opportunity from possible bond price appreciation as a result of opportunistic rate environment. To further enhance returns, selective exposure to high-quality corporate bonds offering attractive spreads shall also be maintained.

For more information about PBB Peso Bond Fund, you may contact us at 7720-0990 loc. 111, 118, 112, 114, 113, email us at [pbbtrust@pbb.com.ph](mailto:pbbtrust@pbb.com.ph), or visit our website, [www.pbb.com.ph](http://www.pbb.com.ph)

PHILIPPINE BUSINESS BANK IS AN ENTITY REGULATED BY THE BANGKO SENTRAL NG PILIPINAS.  
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