Isla Lipana & Co.

# BPI Philippine Dollar Bond Index Fund

**Financial Statements**
**As at and for the years ended December 31, 2025 and 2024**

# Independent Auditor's Report

To the Unitholders and Trustee of
**BPI Philippine Dollar Bond Index Fund**
26th and 27th Floor, Ayala Triangle Gardens 2
Paseo de Roxas corner Makati Avenue
Makati City

## Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BPI Philippine Dollar Bond Index Fund (the "Fund") as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### What we have audited

The financial statements of the Fund comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the statements of changes in net assets attributable to holders of redeemable units for the years ended December 31, 2025 and 2024;
- the statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

## Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### Other Matter - Restriction on Use

This report is intended solely for the information and use of the unitholders, the trustee of the Fund and the Bangko Sentral ng Pilipinas and is not intended for any other 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 PFRS Accounting Standards, 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.

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 PSA 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 PSA, 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 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.

**Isla Lipana & Co.**

Imelda dela Vega - Mangundaya
Partner
CPA Cert No. 0090670
PTR No. 0024586, issued on January 8, 2026, Makati City
SEC A.N. (individual) as general auditors 90670-SEC, Category A;
valid to audit 2019 to 2025 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
T.I.N. 152-015-124
BIR A.N. 08-000745-047-2024, issued on October 30, 2024; effective until October 29, 2027
BOA/PRC Reg. No. 0142/P-004, effective until November 14, 2028

Makati City
June 22, 2026

**BPI Philippine Dollar Bond Index Fund**

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in United States Dollar)

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **Assets** | | | |
| **CURRENT ASSETS** | | | |
| Deposits in banks | 2 | 345,784 | 228,774 |
| Financial assets at fair value through profit or loss | 3,9 | 25,974,994 | 29,483,076 |
| Receivables | 4 | 429,366 | 484,493 |
| **Total assets** | | 26,750,144 | 30,196,343 |
| **Liabilities and Net assets attributable to holders of redeemable units** | | | |
| **CURRENT LIABILITIES** | | | |
| Accounts payable and accrued expenses | 5 | 18,842 | 105,492 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS** | 6 | 26,731,302 | 30,090,851 |
| **Total liabilities and net assets attributable to holders of redeemable units** | | 26,750,144 | 30,196,343 |

The notes on pages 1 to 14 are an integral part of these financial statements.

**BPI Philippine Dollar Bond Index Fund**

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in United States Dollar)

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **INCOME (LOSS)** | | | |
| Net income (loss) on financial assets at fair value through profit or loss | | | |
| Fair value gain (loss) | 3 | 1,311,663 | (198,578) |
| Interest income | 3 | 1,416,357 | 1,959,422 |
| Realized loss on sale | 3 | (487,884) | (679,133) |
| Interest income on deposits in banks | 2 | 70 | 80 |
| Other income | | 58 | - |
| | | 2,240,264 | 1,081,791 |
| **EXPENSES** | | | |
| Trust fees | 8 | 139,533 | 152,424 |
| Other | 7 | 5,236 | 4,337 |
| | | 144,769 | 156,761 |
| **INCOME BEFORE TAX** | | 2,095,495 | 925,030 |
| FINAL WITHHOLDING TAX | | 21,405 | 369,274 |
| **NET INCOME FOR THE YEAR** | | 2,074,090 | 555,756 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 2,074,090 | 555,756 |

The notes on pages 1 to 14 are an integral part of these financial statements.

**BPI Philippine Dollar Bond Index Fund**

Statements of Changes in Net Assets
Attributable to Holders of Redeemable Units
For the years ended December 31, 2025 and 2024
(All amounts in United States Dollar)

| | 2025 | 2024 |
|---|---|---|
| **BALANCES AS AT JANUARY 1** | 30,090,851 | 35,710,316 |
| **Comprehensive income** | | |
| Net income for the year | 2,074,090 | 555,756 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 2,074,090 | 555,756 |
| **TRANSACTIONS WITH UNITHOLDERS** | | |
| Issuance of units | 3,210,735 | 2,967,293 |
| Redemption of units | (8,644,374) | (9,142,514) |
| Total transactions with unitholders | (5,433,639) | (6,175,221) |
| **BALANCES AS AT DECEMBER 31** | 26,731,302 | 30,090,851 |

The notes on pages 1 to 14 are an integral part of these financial statements.

**BPI Philippine Dollar Bond Index Fund**

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in United States Dollar)

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Income before tax | | 2,095,495 | 925,030 |
| Adjustments for: | | | |
| Net (income) loss on financial assets at fair value through profit or loss | | | |
| Realized loss on sale | 3 | 487,884 | 679,133 |
| Fair value (gain) loss | 3 | (1,311,663) | 198,578 |
| Interest income | 3 | (1,416,357) | (1,959,422) |
| Interest income on deposits in banks | 2 | (70) | (80) |
| Operating loss before changes in working capital | | (144,711) | (156,761) |
| (Decrease) increase in accounts payable and accrued expenses | | (1,165) | 4,969 |
| Net cash used in operations | | (145,876) | (151,792) |
| Proceeds from sale of securities | 3 | 10,992,379 | 14,533,779 |
| Payments on acquisition of securities | 3 | (6,660,518) | (10,153,638) |
| Interest received | 2,3,4 | 1,471,554 | 2,048,343 |
| Final taxes withheld | | (21,405) | (369,274) |
| Net cash from operating activities | | 5,636,134 | 5,907,418 |
| **CASH FLOWS USED IN FINANCING ACTIVITIES** | | | |
| Proceeds from issuance of redeemable units | 6 | 3,210,735 | 2,967,293 |
| Payments for redemption of redeemable units | 5,6 | (8,729,859) | (9,085,719) |
| Net cash used in financing activities | | (5,519,124) | (6,118,426) |
| **NET INCREASE (DECREASE) IN DEPOSITS IN BANKS** | | 117,010 | (211,008) |
| **DEPOSITS IN BANKS** | | | |
| At January 1 | 2 | 228,774 | 439,782 |
| At December 31 | | 345,784 | 228,774 |

The notes on pages 1 to 14 are an integral part of these financial statements.

**BPI Philippine Dollar Bond Index Fund**

Notes to the Financial Statements
As at and for the year ended December 31, 2025 and 2024
(All amounts are shown in United States Dollar, unless otherwise stated)

## 1 General information

BPI Philippine Dollar Bond Index Fund (the “Fund”) is a Unit Investment Trust Fund (UITF) established in accordance with, and operates subject to the provisions of, the Fund’s Plan Rules and regulations issued by the Bangko Sentral ng Pilipinas (BSP). UITFs are created by virtue of BSP Circular No. 447 which also governs the administration and investments of UITFs and requires that an external audit of the Fund be conducted annually.

The BSP approved the Fund’s Plan Rules on April 12, 2006. The Fund has formally commenced its operations on December 27, 2006.

The Fund was organized to engage in the sale of its units and investment of the proceeds thereof in Philippine sovereign and corporate securities which intends to achieve investment returns that closely track the return of a Dollar-denominated index, the JP Morgan Asia Credit Philippines Total Return Index. As an open-end pooled trust fund, the Fund stands ready at any time to redeem its outstanding units at a value defined under the Fund’s Plan Rules.

The Fund has no employees. The principal management and administration functions of the Fund are outsourced to BPI Wealth - A Trust Corporation (“BPI Wealth” or the “Fund Manager”).

The Fund Manager is a wholly-owned subsidiary of Bank of the Philippine Islands (“BPI” or “Parent Bank”), a domestic commercial bank with an expanded banking license in the Philippines.

The Fund’s proprietary assets and/or assets owned within and outside the Philippines are under the custody of Deutsche Bank AG Manila (DB) (2024 - Bank of New York) (Note 7).

*Approval of the financial statements*

These financial statements have been approved and authorized for issuance by the Fund’s Trustee on June 17, 2026. There are no material events that occurred from June 17 to 22, 2026.

## 2 Deposits in banks

The account at December 31 consists of:

| | 2025 | 2024 |
|---|---:|---:|
| Savings | 100,784 | 100,774 |
| Time | 245,000 | 128,000 |
| | 345,784 | 228,774 |

In 2025, deposits in banks earn interest at effective rates ranging from 0.40% to 2.26% (2024 - 0.38% to 5.40%).

For the year ended December 31, 2025, interest income earned from the above deposits amounts to USD70 (2024 - USD80), of which USD35 (2024 - USD50) represents interest receivable as at December 31, 2025.

## 3 Financial assets at fair value through profit or loss (FVTPL)

The account at December 31 consists of:

| | 2025 | 2024 |
|---|---|---|
| Philippine government debt securities | 18,089,714 | 20,313,840 |
| Philippine corporate debt securities | 7,885,280 | 9,169,236 |
| | 25,974,994 | 29,483,076 |

The detailed list of investments is presented in Note 9.

For the year ended December 31, 2025 and 2024, investments in Philippine government and Philippine corporate debt securities earn interest at annual rates ranging from 1.65% to 9.50%.

For the year ended December 31, 2025, interest income earned from the above securities amounts to USD1,416,357 (2024 - USD1,959,422), of which USD424,581 (2024 - USD479,693) represents interest receivable as at December 31, 2025.

Movements in the account for the years ended December 31 follow:

| | 2025 | 2024 |
|---|---|---|
| At January 1 | 29,483,076 | 34,740,928 |
| Additions | 6,660,518 | 10,153,638 |
| Disposals | (11,480,263) | (15,212,912) |
| Fair value adjustment, net | 1,311,663 | (198,578) |
| At December 31 | 25,974,994 | 29,483,076 |

For the year ended December 31, 2025, proceeds from disposals of financial assets at FVTPL amount to USD10,992,379 (2024 - USD14,533,779). Realized loss on sale of financial assets at FVTPL amounts to USD487,884 (2024 - USD679,133).

## 4 Receivables

The account at December 31 consists of:

| | 2025 | 2024 |
|---|---|---|
| Interest receivable | 424,616 | 479,743 |
| Other receivable | 4,750 | 4,750 |
| | 429,366 | 484,493 |

## 5 Accounts payable and accrued expenses

The account at December 31 consists of:

| | Note | 2025 | 2024 |
|---|---|---|---|
| Trust fees payable | 8 | 11,441 | 12,908 |
| Capital shares redeemed payable | | 5,724 | 91,209 |
| Others | | 1,677 | 1,375 |
| | | 18,842 | 105,492 |

Capital shares redeemed payable represents redemptions made by investors which are yet to be paid as at year-end.

Others represent accrued professional and custodian fees.

## 6 Net asset attributable to holders of redeemable units

The consideration received or paid for units issued or re-purchased is based on the value of Fund's net asset value (NAV) per redeemable unit at the date of transaction. The total equity as shown in the statement of financial position represents the Fund's NAV based on Philippine Financial Reporting Standards (PFRS) Accounting Standards (NAV).

NAV consists of principal and accumulated earnings.

As at December 31, 2025, the PFRS NAV is equal to the Fund's trading NAV amounting to USD26,731,097 (2024 - USD30,090,725) increased by adjustment on accrual of professional fees amounting to USD205 (2024 - USD126). This adjustment is due to timing differences only and does not materially affect the reported trading NAV of the Fund.

Details of the Fund's trading NAV per unit as December 31 follow:

| | 2025 | 2024 |
|---|---|---|
| Trading NAV | 26,731,097 | 30,090,725 |
| Outstanding units | 102,590 | 124,403 |
| Trading NAV per unit | 260.56 | 241.88 |

Proceeds from issuance and payments for redemption of units for the year ended December 31, 2025 amount to USD3,210,735 and USD8,729,859 (2024 - USD2,967,293 and USD 9,085,719), respectively.

The movements in the number of redeemable units of the Fund are as follows:

| | 2025 | 2024 |
|---|---|---|
| At January 1 | 124,403 | 150,699 |
| Issuances | 12,731 | 12,215 |
| Redemptions | (34,544) | (38,511) |
| At December 31 | 102,590 | 124,403 |

## 7 Other expenses

The account for the years ended December 31 consist of:

| | 2025 | 2024 |
|---|---|---|
| Custody fees | 4,250 | 3,067 |
| Professional fees | 986 | 1,270 |
| | 5,236 | 4,337 |

The Fund has an existing custodian agreement with DB for custodial services of the Fund's proprietary assets and/or assets owned in the Philippines. Relative to this, the Fund pays monthly custodian fees of not more than 0.0016% (2024 - 0.0012%) per annum of the average daily trading NAV of the Fund.

## 8 Related party transactions

As the Fund's Trustee, BPI Wealth shall have the exclusive management, administration, operation and control of the Fund and full discretion in respect of investments, and the sole right, at any time, to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets comprising the Fund.
In consideration for the above management, distribution and administration services, the Fund pays BPI Wealth a fee of not more than 0.50% per annum based on the Fund's trading NAV, net of applicable taxes.

Total trust fees for the year ended December 31, 2025 amount to USD139,533 (2024 - USD152,424), of which USD11,441 (2024 - USD12,908 ) remains unpaid and recorded under accounts payable and accrued expenses in the statement of financial position (Note 5).

The Fund's units are being distributed through BPI branches and online application platforms. BPI acts as the receiving bank for the subscriptions and redemptions related to the Fund.

There were no remunerations paid by the Fund to the members of the Trustee's Board of Directors.

**9 Breakdown of financial assets at FVTPL**

The details of the Fund's investments are as follows:

*As at December 31, 2025*

| Security description | Maturity date | Market value |
|---|---|---|
| *Philippine government debt securities* | | |
| ROP - 02022030 - 902 | February 2, 2030 | 1,201,490 |
| ROP - 10232034 - 902 | October 23, 2034 | 1,101,491 |
| ROP - 01142031 - 902 | January 14, 2031 | 944,153 |
| ROP - 01202040 - 902 | January 20, 2040 | 840,465 |
| ROP - 02012028 - 902 | February 1, 2028 | 782,944 |
| ROP - 01132037 - 902 | January 13, 2037 | 758,753 |
| ROP - 07062046 - 902 | July 6, 2046 | 747,698 |
| ROP - 02022042 - 902 | February 2, 2042 | 743,994 |
| ROP - 03012041 - 902 | March 1, 2041 | 736,446 |
| ROP - 07172033 - 902 | July 17, 2033 | 718,522 |
| ROP - 01142029 - 912 | January 14, 2029 | 671,507 |
| ROP - 03052035 - 902 | March 5, 2035 | 602,634 |
| ROP - 02042050 - 902 | February 4, 2050 | 580,431 |
| ROP - 05052030 - 902 | May 5, 2030 | 549,632 |
| ROP - 02042035 - 902 | February 4, 2035 | 529,260 |
| ROP - 05142034 - 902 | May 14, 2034 | 521,495 |
| ROP - 05142049 - 902 | May 14, 2049 | 505,960 |
| ROP - 06102031 - 902 | June 10, 2031 | 478,615 |
| ROP - 01172048 - 902 | January 17, 2048 | 470,216 |
| ROP - 06062029 - 902 | June 6, 2029 | 461,169 |
| ROP - 10132047 - 902 | October 13, 2047 | 422,000 |
| ROP - 05052045 - 902 | May 5, 2045 | 421,092 |
| ROP - 12102045 - 902 | December 10, 2045 | 410,204 |
| ROP - 01152032 - 902 | January 15, 2032 | 409,250 |
| ROP - 09052049 - 902 | September 5, 2049 | 382,436 |
| ROP - 03292047 - 902 | March 29, 2047 | 377,028 |
| ROP - 04132033 - 902 | April 13, 2033 | 318,759 |
| ROP - 09292032 - 902 | September 29, 2032 | 302,582 |
| ROP - 10132027 - 902 | October 13, 2027 | 254,898 |
| ROP - 01062032 - 902 | January 6, 2032 | 241,704 |
| ROP - 03052030 - 902 | March 5, 2030 | 202,644 |
| ROP - 07172028 - 902 | July 17, 2028 | 202,390 |
| ROP - 03292027 - 902 | March 29, 2027 | 197,852 |
| | | 18,089,714 |
| *Philippine corporate debt securities* | | |
| SMCGL - P - 12092026 - 902 - TX | December 9, 2026 | 394,740 |
| SMGP - PERP - 04242030 - 902 | April 24, 2030 | 362,628 |
| ICT - PERP - 02052026 - 902 | February 5, 2026 | 339,361 |
| MBT - NOTE - 03062029 - 902 | March 6, 2029 | 309,039 |
| ICT - BOND - 06172030 - 902 | June 17, 2030 | 303,327 |
| SMCGL - P - 12022029 - 902 | December 2, 2029 | 303,315 |
| GLO - PERP - 08022026 - 902 | August 2, 2026 | 298,176 |
| MWC - BOND - 07302030 - 902 | July 30, 2030 | 297,237 |
| AEV - BOND - 01162030 - 902 | January 16, 2030 | 295,629 |
| ICTSI - 11162031 - 902 - TX | November 16, 2031 | 282,960 |
| PCOR - PERP - 09222028 - 902 | September 22, 2028 | 256,100 |
| ACEN - PERP - 03082173 - 902 | March 8, 2173 | 231,924 |
| TEL - BOND - 06232050 - 902 | June 23, 2050 | 215,742 |
| GLO - BOND - 07232035 - 902 | July 23, 2035 | 211,435 |
| MBT - NOTE - 03062034 - 902 | March 6, 2034 | 208,158 |
| *(forwarded)* | | |

| | | |
|---|---|---|
| *(continued)* | | |
| SECB - NOTE - 05142029 - 902 | May 14, 2029 | 207,740 |
| JFC - $BOND - 04022030 - 902 | April 2, 2030 | 206,180 |
| RCBC - BOND - 01182029 - 902 | January 18, 2029 | 206,026 |
| RCB - $BOND - 01292030 - 902 | January 29, 2030 | 205,828 |
| SMCGL - P - 06122029 - 902 | June 12, 2029 | 205,538 |
| SMIC - $BND - 07242029 - 902 | July 24, 2029 | 205,274 |
| AC - PERP - 04302173 - 902 | April 30, 2173 | 202,905 |
| PNB - $BOND - 10232029 - 902 | October 23, 2029 | 202,758 |
| JFC - BOND - 06242030 - 902 | June 24, 2030 | 201,602 |
| TEL - BOND - 01232031 - 902 | January 23, 2031 | 200,864 |
| SMPH$BOND - 09162030 - 902 | September 16, 2030 | 199,756 |
| MEG - BOND - 07302027 - 902 | July 30, 2027 | 197,778 |
| JGS - BOND - 07092030 - 902 | July 9, 2030 | 196,942 |
| GLO - BOND - 07232030 - 902 | July 23, 2030 | 183,316 |
| DBP - BOND - 03112031 - 902 | March 11, 2031 | 181,262 |
| ACNRGY - P - 05252174 - 902 | May 25, 2174 | 167,320 |
| AC - PERP - 09232026 - 902 | September 23, 2026 | 165,890 |
| VLL - BOND - 07202027 - 902 | July 20, 2027 | 132,218 |
| VLL - $BOND - 07292029 - 902 | July 29, 2029 | 106,312 |
| | | 7,885,280 |
| | | 25,974,994 |

*As at December 31, 2024*

| Security description | Maturity date | Market value |
|---|---|---|
| *Philippine government debt securities* | | |
| ROP - 20341023 - 00902 | October 23, 2034 | 1,361,001 |
| ROP - 20280201 - 00902 | February 1, 2028 | 1,222,325 |
| ROP - 20300202 - 00902 | February 2, 2030 | 1,195,100 |
| ROP - 20310114 - 00902 | January 14, 2031 | 1,087,670 |
| ROP - 20400120 - 00902 | January 20, 2040 | 997,800 |
| ROP - 20460706 - 00902 | July 6, 2046 | 948,889 |
| ROP - 20420202 - 00902 | February 2, 2042 | 907,960 |
| ROP - 20410301 - 00902 | March 1, 2041 | 859,540 |
| ROP - 20290114 - 00902 | January 14, 2029 | 836,097 |
| ROP - 20370113 - 00902 | January 13, 2037 | 771,384 |
| ROP - 20480117 - 00902 | January 17, 2048 | 702,173 |
| ROP - 20330717 - 00902 | July 17, 2033 | 685,300 |
| ROP - 20290606 - 00902 | June 6, 2029 | 648,030 |
| ROP - 20260330 - 00902 | March 30, 2026 | 564,512 |
| ROP - 20490905 - 00902 | September 5, 2049 | 558,048 |
| ROP - 20451210 - 00902 | December 10, 2045 | 549,231 |
| ROP - 20450505 - 00902 | May 5, 2045 | 534,656 |
| ROP - 20330413 - 00902 | April 13, 2033 | 509,240 |
| ROP - 20340514 - 00902 | May 14, 2034 | 495,415 |
| ROP - 20490514 - 00902 | May 14, 2049 | 493,080 |
| ROP - 20320929 - 00902 | September 29, 2032 | 463,700 |
| ROP - 20320115 - 00902 | January 15, 2032 | 445,313 |
| ROP - 20310610 - 00902 | June 10, 2031 | 442,607 |
| ROP - 20300505 - 00902 | May 5, 2030 | 428,794 |
| ROP - 20471013 - 00902 | October 13, 2047 | 413,584 |
| ROP - 20280717 - 00902 | July 17, 2028 | 393,260 |
| ROP - 20270329 - 00902 | March 29, 2027 | 385,600 |
| ROP - 20350305 - 00902 | March 5, 2035 | 379,952 |
| ROP - 20470329 - 00902 | March 29, 2047 | 365,071 |
| ROP - 20271013 - 00902 | October 13, 2027 | 251,457 |
| ROP - 20320106 - 00902 | January 6, 2032 | 223,657 |
| ROP - 20300305 - 00902 | March 5, 2030 | 193,394 |
| | | 20,313,840 |
| *Philippine corporate debt securities* | | |
| San Miguel Global Power Holdings Corp. | December 9, 2026 | 384,212 |
| JG Summit Holdings, Inc. | July 9, 2030 | 378,036 |
| *(forwarded)* | | |

| | | |
|---|---|---|
| *(continued)* | | |
| San Miguel Global Power Holdings Corp. | January 21, 2026 | 343,507 |
| International Container Terminal Services, Inc | February 5, 2026 | 337,552 |
| Metropolitan Bank & Trust Company | March 6, 2029 | 302,036 |
| International Container Terminal Services, Inc. | September 17, 2025 | 301,496 |
| Jollibee Foods Corporation | January 23, 2025 | 298,857 |
| International Container Terminal Services, Inc. | June 17, 2030 | 293,655 |
| Globe Telecom, Inc. | August 2, 2026 | 291,897 |
| Manila Water Company, Inc. | July 30, 2030 | 286,524 |
| Aboitiz Equity Ventures, Inc. | January 16, 2030 | 284,814 |
| International Container Terminal Services, Inc. | November 16, 2031 | 268,230 |
| Rizal Commercial Banking | August 27, 2025 | 249,068 |
| Petron Corporation | April 19, 2026 | 248,723 |
| Union Bank of the Philippines | October 22, 2025 | 243,383 |
| ACEN CORPORATION | March 8, 2025 | 227,749 |
| PLDT Inc. | June 23, 2050 | 209,412 |
| San Miguel Global Power Holdings Corp. | June 12, 2029 | 207,316 |
| Security Bank Corp. | May 14, 2029 | 202,332 |
| Rizal Commercial Banking | January 18, 2029 | 201,714 |
| Vista Land & Lifescapes, Inc. | July 29, 2029 | 199,206 |
| Metropolitan Bank & Trust Company | March 6, 2034 | 199,084 |
| SM Investments Corporation | July 24, 2029 | 199,022 |
| Globe Telecom, Inc. | July 23, 2035 | 198,223 |
| Ayala Corporation | April 30, 2173 | 197,640 |
| San Miguel Corporation | July 29, 2025 | 197,534 |
| Jollibee Foods Corporation | January 24, 2026 | 196,846 |
| Vista Land & Lifescapes, Inc. | July 20, 2027 | 196,580 |
| Philippine National Bank | October 23, 2029 | 195,922 |
| Filinvest Development Corporation | September 17, 2025 | 195,158 |
| Jollibee Foods Corporation | June 24, 2030 | 194,630 |
| Metropolitan Bank & Trust Company | January 15, 2026 | 193,662 |
| BDO Unibank, Inc. | January 13, 2026 | 193,254 |
| Megaworld Corporation | July 30, 2027 | 192,924 |
| PLDT Inc. | January 23, 2031 | 188,206 |
| Globe Telecom, Inc. | July 23, 2030 | 173,148 |
| Development Bank Philippines | March 11, 2031 | 169,632 |
| AC Energy Corporation | November 25, 2025 | 166,992 |
| Ayala Corporation | September 23, 2026 | 161,060 |
| | | 9,169,236 |
| | | 29,483,076 |

## 10 Financial risk and capital management

### 10.1 Risk management process

The Fund’s activities expose it to financial risks: market risk (primarily interest rate risk), credit risk and liquidity risk. The Fund’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund’s financial performance.

The management of these risks is carried out by the Trustee under the policies approved by the Board of Directors. The Board of Directors approves written policies covering overall risk management. Any prospective investment shall be limited to the type of investments described in the Plan Rules of the Fund thereby limiting the risk exposure of the Fund to the risks inherent in investments approved by the investors.

The Fund aims to achieve investment returns that closely track the total return of a Dollar-denominated index, the JP Morgan Asia Credit Philippines Total Return Index, before fees and taxes, by investing in a diversified portfolio of Philippine sovereign and corporate fixed income instruments.

## 10.2 Market risk

The Fund trades in financial instruments comprising the tracked index. Investment positions are reported at estimated market value with changes reflected in profit or loss. Investment positions are subject to various risk factors, which primarily include exposures to interest rate risk. Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of the Fund’s financial assets and liabilities and future cash flows.

The Fund’s interest rate risk exposure primarily relates to debt securities, pertaining to financial assets at FVTPL and time deposits, whose market values fluctuate as a result of changes in interest rates or factors specific to their issuer. The Fund’s overall market positions is monitored on a daily basis by the Trustee and reviewed on a monthly basis by the Board of Directors. Compliance with the Fund’s investment policies is reported to the Board of Directors on a monthly basis.

Interest rate risk is measured using duration and contained through duration limits. In addition, tracking error is also computed for the Fund monthly to determine how closely the Fund is able to track the benchmark returns.

The sensitivity to a reasonable possible change in market interest rates on the Fund’s income (loss) before tax is approximated via the modified duration approach.

The following table demonstrates the sensitivity to reasonable possible shift of ±1% in interest rates for the years ended December 31 with all other variables held constant:

| | 2025 | 2024 |
|---|---|---|
| Increase/decrease on income before tax | 1,757,305 | 1,961,299 |

## 10.3 Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Fund’s main credit risk exposures are from investments in debt securities classified as financial assets at FVTPL. The Fund is also exposed to counterparty credit risk on deposits in banks and receivables.

Credit risk is minimized through diversification or by investing in a variety of investments belonging to different sectors or industries. The Fund manages credit risk by the selection and approval of counterparties and brokers with stable credit ratings.

In accordance with the Fund’s policy, the Fund’s overall credit position is monitored on a daily basis by the Trustee and is reviewed on a monthly basis by the Trustee’s Board of Directors.
All transactions in traded securities are coursed through approved counterparties. Pre-settlement and/or settlement risk exposures are earmarked against approved trading lines and lifted upon settlement of the transaction.

The maximum exposure to credit risk before any enhancements at December 31 is the carrying amount of the financial assets as set out below:

| | 2025 | 2024 |
|---|---|---|
| Deposits in banks | 345,784 | 228,774 |
| Financial assets at FVTPL | 25,974,994 | 29,483,076 |
| Receivables | 429,366 | 484,493 |
| | 26,750,144 | 30,196,343 |

For financial assets measured at amortized cost, the Fund measures credit risk and the expected credit loss (ECL) using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL. As a result, no loss allowance has been recognized based on 12-month ECL as any such impairment would be insignificant to the Fund.

As at December 31, 2025 and 2024, all of the Fund's financial assets are classified as Stage 1 accounts (performing). There are no financial assets classified under Stage 2 (underperforming) and Stage 3 (impaired).

The credit quality of the Fund's financial assets as at December 31, 2025 and 2024 follows:

a. *Deposits in banks*

As at December 31, 2025 and 2024, the Fund's deposit accounts are maintained with highly reputable universal banks in the Philippines, with an average credit rating of Baa2 by Moody's.

*b. Financial assets at FVTPL*

The Fund invests primarily in high yield investment instruments and securities. As at December 31, 2025 and 2024, the Fund's debt securities issued by the Philippine government and certain Philippine corporations have an average credit rating of Baa2 by Moody's. The unrated securities are investments in various medium and long-term corporate debt securities issued by the Philippine corporations with no history of default with the Fund.

| | 2025 | 2024 |
|---|---|---|
| Prime | 3,728,202 | 5,417,089 |
| Lower medium grade | 19,402,785 | 21,567,431 |
| Unrated | 2,844,007 | 2,498,556 |
| | 25,974,994 | 29,483,076 |

c. *Receivable*s

The Fund's receivables arise mainly from interest earned on bank deposits and investments in Philippine government and corporate debt securities classified as financial assets at FVTPL.

The receivables are considered fully collectible as at December 31, 2025 and 2024.

**10.4 Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions of redeemable units. It therefore invests the majority of its assets in investments that are regularly traded in an active market and can be readily disposed of. The Fund's investment portfolio consists mainly of deposit instruments and fixed income instruments that are regularly traded in active markets.

In accordance with the Fund's policy, the Trustee monitors the Fund's liquidity position on a daily basis and excess cash positions are invested in securities that are readily realizable to ensure that redemptions are funded within the prescribed period indicated in the Fund's Plan Rules.

The Trustee also has in place a liquidity contingency plan drawn up specifically for UITFs and other managed accounts. The liquidity contingency plan provides a framework for addressing potential liquidity crisis situations which consists of identifying early warning indicators of a potential liquidity problem, setting out response action plans and defining the roles and responsibilities of key units and personnel to effectively manage the liquidity situation and ensure that client's liquidity requirements are met in a timely and orderly manner.

The Fund's financial liabilities pertain to capital shares redeemed payable, trust fees payable, and other payables, which are all contractually due within twelve (12) months from the reporting date.

Overall, due to the Fund's structure and strong liquidity position, the liquidity risk exposure of the Fund is negligible.

### 10.5 Capital management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units as shown in the statement of financial position. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders of the Fund. Units are redeemed on demand at the holder's discretion.

As at reporting date, the Fund does not foresee any imminent significant redemptions as holders of these investments typically retain their holdings for the medium to long-term period.

The Fund is not subject to externally imposed minimum capital requirements.

### 10.6 Fair value of financial instruments

The Fund's financial assets at FVTPL representing government securities amounting to USD18,089,714 (2024 - USD20,313,840) as at December 31, 2025 are classified as Level 1. Corporate debt securities amounting to USD7,885,280 (2024 - USD9,169,236 ), which are designated at FVTPL, are classified under Level 2. There are no financial instruments measured at fair value which are classified under Level 3. There were no transfers between categories in the fair value hierarchy during the reporting periods.

The fair value of USD-denominated Philippine government and corporate debt securities which are traded in active markets is based on the prices from Bloomberg.

The carrying amounts of the Fund's other financial assets and financial liabilities carried at reporting period approximate their fair values considering that these have short-term maturities.

## 11 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

### 11.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- Philippine Accounting Standards (PAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee, Philippine Interpretations Committee, and Standing Interpretations Committee as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL.

There are currently no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Fund's financial statements.

**Changes in accounting policy and disclosures**

*(a) New standard and amendments to standards adopted by the Fund*

There are no new standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2025 that have a material effect on the financial statements of the Fund.

*(b) New standards and amendments to existing standards not yet adopted by the Fund*

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Fund. The Fund's assessment of the impact of these new standards and amendments is set out below:

i. Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after 1 January 2026)

   In May 2024, the International Accounting Standards Board (IASB) issued targeted amendments to International Financial Reporting Standard (IFRS) 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. In July 2024, the FSRSC adopted the targeted amendments to PFRS 9 and PFRS 7. These amendments:

   - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
   - clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion;
   - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
   - update the disclosures for equity instruments designated at FVOCI.

ii. Annual Improvements to PFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 1 January 2026)

   On 18 July 2024, the IASB has issued narrow amendments to PFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The amended Standards are:

   - PFRS 1 First-time Adoption of Philippine Financial Reporting Standards;
   - PFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing PFRS 7;
   - PFRS 9 Financial Instruments;
   - PFRS 10 Consolidated Financial Statements; and
   - PAS 7 Statement of Cash Flows.

iii. PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

   PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The amendments to PFRS 9, PFRS 7 and PFRS 18, as well as the annual improvements to PFRS Accounting Standards are not expected to have a material financial impact to the financial statements of the Fund.

There are no other standards, amendments to existing standards or interpretations effective subsequent to December 31, 2025 that are considered relevant or would be expected to have a material impact on the Fund's financial statements.

**11. 2 Financial instruments**

**11.2.1 Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Fund commits to purchase or sell the asset.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are recognized as expense in the statement of total comprehensive income. Immediately after initial recognition, ECL allowance, as applicable, is recognized for financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income (FVOCI), if any, as described in Notes 9.3 and 10.2.2.2.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Fund recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

**11.2.2 Financial assets**

*11.2.2.1 Classification and subsequent measurement*

The Fund applies PFRS 9 and classifies its financial assets as those held at amortized cost and at FVTPL.

The classification requirements for debt and equity instruments are described below:

*Debt instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on the Fund's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments into one of the following measurement categories:

- *Amortized cost*

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Amortized cost financial assets include receivables and deposits held at call with banks and short-term highly liquid investments with maturities of three months or less from the date of acquisition which are considered as cash equivalents.

- *FVTPL*

  Assets that do not meet the criteria for amortized cost or FVOCI and the collection of contractual cash flows is only incidental to achieving the Fund's business model objective are measured at FVTPL. A gain or loss on a debt security that is subsequently measured FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of total comprehensive income under 'Net income (loss) on financial assets at fair value through profit or loss' in the period in which it arises.

  The Fund's investments in debt securities are classified as FVTPL, as disclosed in Notes 3 and 9.

*Business model:* The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Fund in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

*SPPI:* Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent SPPI (the 'SPPI test'). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

*11.2.2.2 Impairment*

The Fund's financial assets at amortized cost are considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months' ECL. Other instruments are considered to have low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. Management has assessed the credit risk for these other financial assets to be low and the related impairment to be insignificant.

**11.2.3 Financial liabilities**

The Fund classifies its financial liabilities at amortized cost. The liabilities subsequently measured at amortized cost include accounts payable and accrued expenses.

**11.2.4 Derecognition**

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognized when they have been redeemed or otherwise extinguished (i.e., when the obligation is discharged or is cancelled or has expired).

### 11.3 Fair value measurement

The Fund classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The Fund has no financial assets and liabilities carried at fair value other than its investments in Philippine government and corporate debt securities classified as financial assets at FVTPL (Notes 3, 9 and 10.6).

### 11.4 Subscriptions and redemptions

Subscriptions and additional investments are recorded upon receipt of notice of subscription from unitholders. Redemptions are recorded upon receipt of notice of redemption.

### 11.5 Redeemable units

The Fund issues redeemable units, which are redeemable at the holder's option and are classified as equity in accordance with PAS 32, *Financial Instruments: Presentation*. The equity of the Fund is represented by the net assets attributable to holders of the redeemable units. Each unit has the following features which allow it to be classified as an equity:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- the unit has no priority over other claims to the assets of the entity on liquidation, and it does not need to be converted into another instrument before it is classified as such; and
- all units impose a contractual obligation on the Fund to deliver a pro rata share of its net assets on liquidation.

In addition, the Fund has no other financial instrument or contract that has:

- total cash flows 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 (excluding any effects of such instrument or contract); and
- the effect of substantially restricting or fixing the residual return to the unitholders.

Should the redeemable units' terms or conditions change such that they do not comply with the strict criteria as mentioned above, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognized in equity.

Redeemable units are issued and redeemed at prices based on the Fund's trading NAV per unit at the time of issue or redemption. The Fund's trading NAV per unit is calculated by dividing the net assets attributable to the holders of redeemable units with the total number of outstanding redeemable units. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the NAV per unit for subscriptions and redemptions.

Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's trading NAV calculated in accordance with the Fund's regulations.

### 11.6 Revenue and expense recognition

*Net income (loss) on financial assets at FVTPL*

Net income (loss) on financial assets at FVTPL includes all realized and unrealized fair value changes and interest income.

*Interest income on financial assets measured at amortized cost*

Interest is recognized on a time-proportion basis using the effective interest rate method. Interest income on financial assets measured at amortized cost includes interest from deposits in banks.

*Trust fees and other expenses*

Expenses are recognized in the period in which they are incurred.

### 11.7 Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Fund primarily earns interest income from cash deposits and fixed income securities which are subject to final withholding tax. Such income is presented at gross amount and the related final tax is presented in the statement of total comprehensive income as final withholding tax. Realized gain on sale of financial assets at FVTPL is recorded net of applicable taxes.

### 11.8 Functional and presentation currency

The subscriptions and redemptions of the Fund's redeemable units are denominated in USD.
The performance of the Fund is measured and reported to the investors in USD. The Fund's Trustee considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Fund's functional currency.

### 11.9 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or unitholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### 11.10 Subsequent events (or events after the reporting date)

Post period-end events that provide additional information about the Fund's position at the reporting date (adjusting events) are reflected in the financial statements. Post period-end events that are non-adjusting are also disclosed in the notes to financial statements when material.