

**EAST WEST BANKING CORPORATION**
**EASTWEST DOLLAR INTERMEDIATE TERM BOND FUND  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

For the month ending 31 July 2024

**FUND FACTS**

Classification:	US Dollar Bond Fund	Net Asset Value per Unit (NAVPU):	USD 146.7664
Launch Date:	18 March 2005	Total Fund NAV:	USD 1.573 million
Minimum Initial Investment:	USD 2,000	Dealing Day:	Daily, up to 12 noon
Minimum Additional investment:	No minimum amount for succeeding investment	Redemption Settlement:	3 banking days from date of redemption
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	USD 10.00 or 0.25% of the amount withdrawn, whichever is higher
Applicable Tax:	15% Final Tax	Valuation:	Marked-to-Market

**FEES\***

Trustee Fee: 0.043122% <b>EastWest Bank – TAMG</b>	Custodianship Fee: 0.001961% <b>LAND BANK</b>	External Audit Fee: 0.005743% <b>SGV</b>	Other Fees: 0.000000%
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\*As a percentage of average daily NAV for the month valued at USD 1,574,452.28.

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to achieve for its participants the potential to enhanced intermediate term returns by investing in sovereign bonds issued by the Republic of the Philippines and other countries, corporate notes and bonds, term deposits and other tradable securities. The Fund maintains a total portfolio duration of more than one (1) year not more than three (3) years. The Fund aims to exceed its benchmark. Its benchmark is a blended between **25% Bloomberg USD Emerging Market Philippines Sovereign Bond Index and 75% Average Philippine US Dollar Savings Deposit Rate.**

- Description and Key Characteristics of the Benchmark
  - o The Bloomberg USD Emerging Market Philippines Sovereign Bond Index tracks dollar-denominated sovereign bonds issued by the Republic of the Philippines, including bonds with differing maturities. The aim of the benchmark is to represent the performance of the Philippine sovereign debt market in US dollars. The Average Philippine US Dollar Savings Deposit Rate tracks the average of the interest rates that different Philippine banks offer for their US Dollar savings accounts.
- Use of the Benchmark
  - o The fund is designed for moderate-risk appetite investors looking for returns on their investments through capital appreciation by investing in a managed dollar-denominated fund with an investment time horizon of at least three (3) years. The blended benchmark would be a comparable metric given it measures the performance of the same type of instruments that the fund plans to invest in.

❖ THE UIT FUND IS A TRUST PRODUCT, NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED BY NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).

❖ DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND HISTORICAL PERFORMANCE, WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.

❖ ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT.

❖ AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.

❖ THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

❖ THE UIT FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE, ITS AFFILIATES OR SUBSIDIARIES.

❖ THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/ PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.

- The Average Philippine US Dollar Savings Deposit Rate is not Total Returns Index nor is it net of taxes. The Bloomberg USD Emerging Market Philippines Sovereign Bond Index is not net of taxes. This can cause a difference between the returns of the funds.
- Relevant Sources for further benchmark information:
  - Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)
  - Additional information on the benchmark and/or its administrator can be made available to the investor upon request.
  - Bangko Sentral ng Pilipinas ([bsp.gov.ph](http://bsp.gov.ph))
  - PDS (<https://www.pds.com.ph/>)

## **CLIENT SUITABILITY**

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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 objectives 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.

The Fund is suitable for investors who:

- (a) have a moderate risk appetite and,
  - (b) are looking for capital growth over an investment time horizon of at least three (3) years.
  - (c) are willing to accept moderate risks involving volatility of return and possible erosion of principal for potentially better intermediate-term results
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## **KEY RISKS AND RISK MANAGEMENT**

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

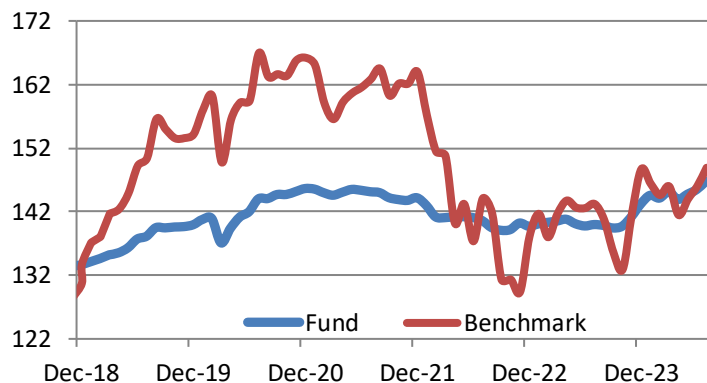
- Investors may not get back the value of their original investment.
- The value of the Fund may rise or fall. You may lose some or all of your investment depending on the performance of the underlying securities. Factors that may affect the performance of these securities include, without limitation, market risks, fluctuations in interest rates, political instability, exchange controls, changes in taxation and foreign investment policies. Some of the key risks associated with the Fund are described below:
- **Interest Rate Risk.** The value of fixed-income investments such as notes and bonds generally fall when interest rates rise. The potential for loss is typically greater for securities that have a longer term to maturity, have a longer duration or have a lower yield or coupon rate.
  - **Reinvestment Rate Risk.** This is the risk of reinvesting interest earnings at a rate lower than the original investment.
  - **Credit Risk.** Bonds represent a loan made to the issuer of the bond. The credit worthiness of the bond issuer is the issuer's ability to pay interest and principal on time, which can change during the life of the bond. Issuers with a higher risk of defaulting pay the highest yields.
  - **Foreign Exchange Risk.** Foreign exchange risk exists when investments are made in securities that are denominated in a currency that is different from the one spent. For example, the earnings of a USD-denominated bond investment could be reduced or even negated by an appreciation of the Philippine Peso vis-à-vis the US Dollar.
  - **Market Risk.** Market risk is the risk that the value of the fund investment will be negatively affected by the fluctuations in the price level of its underlying instruments.
  - **Inflation Risk.** Affecting all investments, inflation reduces the purchasing power of money.
  - **Liquidity Risk.** Liquidity is a measure of how easy it is for a security to be converted into cash. A liquid security is widely held and is frequently traded by many buyers and sellers every day. This is minimized by investing in marketable securities.
  - **Inflation Risk.** Inflation is the general upward price movement of goods or services in an economy, resulting in a reduction in the purchasing power of money. Inflation affects all investments. An investor would want the value of his investment to keep pace or exceed the rate by which the prices of goods and services go up. Historically, inflation risk is greatest for short-term guaranteed securities like time deposits and treasury bills.
  - **Country/ Political Risk.** Securities can be affected by the political, economic and social structures within the countries of their issuers, such as internal and external conflicts, currency devaluations, foreign ownership limitations, trading costs and tax increases.
  - **Other Risks.** Participation in the UITF may be further exposed to the risk of any actual or potential conflicts of interest relative to in-house transactions by EastWest Bank-Trust.

- These are the principal risk factors which may affect the performance of the Fund. If you would like more information before you invest, please consult the most recent Declaration of Trust (DOT). The rights and duties of the investor are in the DOT.
- The Fund employs a risk management policy based on duration. Duration measures the sensitivity of NAVPU to interest rate movements. As interest rates rise, bond prices fall. The higher the duration, the more the NAVPU will fluctuate in relation to changes in interest rates.

## FUND PERFORMANCE AND STATISTICS AS OF 31 JULY 2024

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

NAVPU Graph



NAVPU over the past 12 months

Highest	146.7664
Lowest	138.9682

Key Statistics

Weighted Ave. Duration	2.09
Volatility, Past 1 Year*	0.00138
Sharpe Ratio**	-1.75
Information Ratio***	0.60

Portfolio Composition (%)

Cash	30.86%
Government Securities	69.14%
Total	100.00%

Top Three Holdings (%)

ROP 27 N	32.06%
RDB 5.5-01	24.25%
Time Deposit (Other Bank)	19.78%

	Cumulative Return			Annualized Return	
	1Mo	YTD	1Yr	3Yrs	5Yrs
Fund	0.90%	2.52%	4.89%	0.38%	1.23%
Benchmark****	0.94%	0.40%	1.34%	-2.95%	-0.21%

\*Volatility measures the degree to which the Fund fluctuates on a daily basis vis-à-vis its average return over a period of time.

\*\*Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

\*\*\*\*Benchmark under review. The blended benchmark is not net of taxes nor is it total returns in nature. This may cause a discrepancy versus the fund.

## OTHER DISCLOSURES

**OUTLOOK AND STRATEGY.** Emerging market bonds rallied in July, tracking the rally on US Treasuries on expectations that the Federal Reserve is close to beginning its monetary easing cycle. The Federal Reserve's decision to keep its policy rate steady on July 31st was widely expected, but Chair Jerome Powell's statement that an interest rate cut could come as soon as September could set up a highly volatile period for both bonds and equities ahead of the next FOMC meeting.

**PROSPECTIVE INVESTMENTS.** The Fund's prospective investments include securities issued by or guaranteed by the Philippine government, marketable fixed income securities issued or guaranteed by corporations and traded in an organized exchange, securities issued or guaranteed by any government of foreign country or any political subdivision of foreign country, securities issued or guaranteed by any supranational entity, loans traded in an organized exchange, savings and time deposits in any bank of financial institution, and other tradable investment outlets categories as the BSP may allow.

**EASTWEST BANKING CORPORATION**
**EASTWEST S&P 500 INDEX FEEDER FUND  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**
**For the month ending 31 July 2024**
**FUND FACTS**

Classification:	Feeder Fund	Net Asset Value per Unit (NAVpU):	USD 192.4463
Launch Date:	April 23, 2020	Total Fund NAV:	USD 2.244 million
Minimum Initial Investment:	USD 500.00	Dealing Day:	Daily, up to 12 noon
Minimum Additional Investment:	USD 200.00	Redemption Settlement:	5 banking days from date of redemption
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	USD 10 or 0.25% of the redemption amount, whichever is higher
Applicable Tax:	15% final tax on interest income from fixed income, money market investments 30% withholding tax on target fund's dividends	Valuation:	Marked-to-Market

**FEES\***

Trustee Fee: 0.043032%	Custodianship Fee: 0.000000%	External Audit Fee: 0.005418%	Other Fees: 0.000000%
<b>EastWest Bank – Trust &amp; Asset Management Group</b>		<b>SGV</b>	

\*As a percentage of average daily NAV for the month valued at USD 2,218,150.86.

**INVESTMENT OBJECTIVE AND STRATEGY**

The fund is a US-Denominated Unit Investment Trust Fund that seeks to achieve investment returns that track the performance of its benchmark index, the S&P 500 Index (SPX Index). As a feeder fund, the fund is mandated to invest at least 90% of its assets into its target fund, the iShares Core S&P 500 Exchange Traded Fund. The target fund tracks the benchmark. Its target fund holds the same underlying securities at the same weightings as the benchmark. It is ideal for investors with a long-term investment horizon who understand the investment risks involved when investing with equities. To invest in these securities, the fund has EastWest Banking Corporation as Trustee.

- **THE UIT FUND IS A TRUST PRODUCT, NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED BY NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND HISTORICAL PERFORMANCE, WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.**
- **ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT.**
- **AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.**
- **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**
- **THE UIT FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE, ITS AFFILIATES OR SUBSIDIARIES.**
- **THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/ PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.**

EastWest Bank – Trust & Asset Management Group, 3F EastWest Corporate Center, 5<sup>th</sup> Ave. cor. 23<sup>rd</sup> St., Bonifacio Global City Taguig. | Telephone Numbers: (02) 8575-3888 local 3020 | Website: [www.eastwestbanker.com](http://www.eastwestbanker.com). For inquiries or complaints, you may contact EastWest Bank through our 24/7 Customer Service Hotline 8888-1700.

- Description and Key Characteristics of the Benchmark
  - o The S&P 500 is a stock market index tracking the performance of 500 large-cap companies listed on stock exchanges in the United States. It's considered a broad measure of the U.S. equity market and is often used as a benchmark for investment performance. The index is weighted by market capitalization, meaning companies with higher stock prices have a larger influence on the index's movement. It is not a Total Returns Benchmark nor is it net of taxes.
- Use of the Benchmark
  - o The fund is designed for high-risk appetite investors looking for returns on their investments that track the return of the Index Benchmark. As a feeder fund, this will be invested in another fund that tracks the S&P 500 index. The SPX Index benchmark would be the most appropriate as it aims to track its performance.
  - o However, there is a misalignment between the returns of fund and benchmark. This is due to the Total Returns and Taxable nature of the fund, which can create differences in their return.
- Relevant Sources for further benchmark information:
  - o S&P Dow Jones Indices (S&P 500® | S&P Dow Jones Indices (spglobal.com))
  - o Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)
  - o Additional information on the benchmark and/or its administrator can be made available to the investor upon request.

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## **CLIENT SUITABILITY**

Client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives 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.

The Fund is suitable for investors who:

- (a) have high risk appetite; and
  - (b) are looking for capital growth over an investment time horizon of at least five (5) years through a managed portfolio of equity securities.
  - (c) are willing to accept higher risks involving volatility of return and possible erosion of principal for potentially better long-term results
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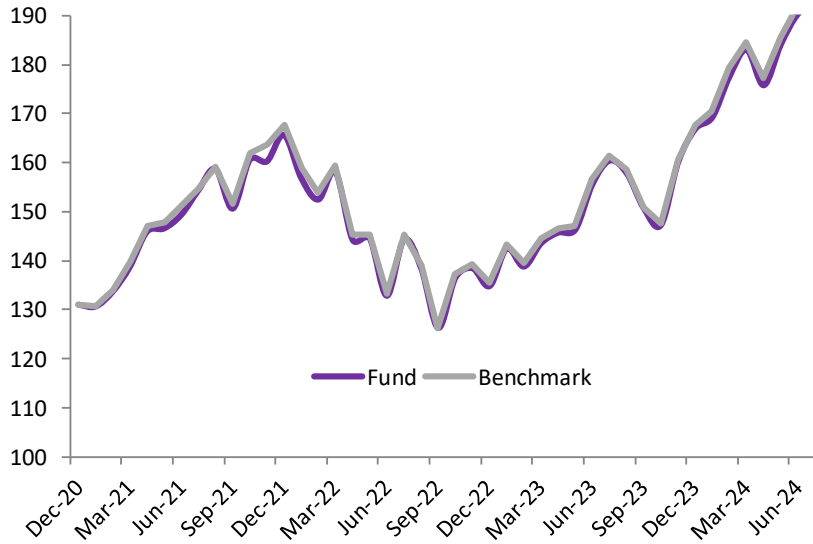
## **KEY RISKS AND RISK MANAGEMENT**

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

- The target fund, iShares Core S&P 500 Exchange Traded Fund, employs a risk management policy based on appropriate diversification of investments intended to generate long term appreciation of the Fund.
- Investors may not get back the value of their original investment upon redemption.
- The value of the Fund may rise or fall. You may lose some or all of your investment depending on the performance of the underlying securities. Factors that may affect the performance of these securities include, without limitation, market risks, fluctuations in interest rates, political instability, exchange controls, changes in taxation and foreign investment policies. Some of the key risks associated with the Fund are described below:
  - Counterparty risk – Potential or actual losses arising from risks particular to a feeder fund arrangement, as the fund is significantly dependent upon the target fund's communicated investment strategy including excessive concentration as well as timing of data transmittal.
  - Market risk – Potential or actual losses arising from adverse changes in market prices of securities.
  - Liquidity Risk – Potential or actual losses arising from the Fund's inability to convert its assets into cash immediately at minimal cost.
  - Foreign Exchange Risk - refers to the potential financial loss that can occur due to fluctuations in exchange rates between currencies.
  - Country refers to the uncertainty associated with investing in a specific country. It encompasses various factors, such as risks incurred by political, regulatory, or legal change.
- These are the principal risk factors which may affect the performance of the Fund. If you would like more information before you invest, please consult the most recent Declaration of Trust (DOT). The rights and duties of the investor are in the DOT.

**FUND PERFORMANCE AND STATISTICS AS OF 31 JULY 2024**  
**(Purely for reference purposes and is not a guarantee of future results)**

NAVPU Graph



NAVPU over the past 12 months

Highest	197.4600
Lowest	144.8900

Key Statistics

Volatility, Past 1 Year*	0.007480
Sharpe Ratio**	0.92
Information Ratio***	-0.0635

Portfolio Composition (%) (Feeder Fund)

Target Fund (IVV)	96.40
Cash	3.60
	100.0

Target Fund Top Holdings

Apple Inc	6.88%
Microsoft Corp	6.69%
Nvidia Corp	6.19%
Amazon.com, Inc.	3.68%
Meta Platforms Inc_Class A	2.24%
Alphabet Inc_Class A	2.17%
Alphabet Inc_Class C	1.82%
Berkshire Hathaway Inc_Class B	1.71%
Broadcom Inc	1.50%
Tesla Inc	1.38%

Cumulative Return

	1Mo	YTD	1Yr	3Yr
Fund	1.05%	15.26%	19.89%	24.58%
Benchmark	1.13%	15.78%	20.34%	25.64%

\*Volatility measures the degree to which the Fund fluctuates on a daily basis vis-à-vis its average return over a period of time.

\*\*Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

\*\*\*\* The benchmark is not net of taxes nor is it total returns in nature. This may cause a discrepancy between the benchmark and the fund.

**OTHER DISCLOSURES**

**OUTLOOK AND STRATEGY.** The S&P 500 gained 1.13% in July on expectations that the Federal Reserve is close to beginning its monetary easing cycle. This brought the broad market index YTD return to 16.69% including dividends. The rally in US stocks was led by interest-rate sensitive sectors real estate and utilities, which allowed the index to weather a 2.12% decline in tech stocks. In the FOMC meeting on July 31st, Fed chair Jerome Powell indicated that a rate cut is possible in the next FOMC meeting in September but reiterated that central bank officials need to see more data to confirm that the Fed is close to bringing inflation to its target range.

**PROSPECTIVE INVESTMENT.** The Fund's prospective investments, depending on availability and market development, may include but are not limited to, iShares Core S&P 500 ETF, Time Deposits, Government Securities and tradable fixed income securities issued by local financial institutions or private corporations. Investment in the iShares Core S&P 500 ETF may amount to 100% of total assets but shall not fall below 90% of total assets of the Fund.

**EASTWEST PESO INTERMEDIATE TERM BOND FUND  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

For the month ending 31 July 2024

**FUND FACTS**

Classification:	Peso Fixed Income Fund	Net Asset Value per Unit (NAVPU):	₱2,245.2988
Launch Date:	18 February 2005	Total Fund NAV:	₱104.211 million
Min. Initial Investment	₱10,000	Dealing Day:	Daily, up to 12 noon
Min. Additional Investment:	₱1,000	Redemption Settlement:	Next banking day from date of redemption
Min. Holding Period:	30 calendar days	Early Redemption Charge:	₱500 or 0.25% of the amount withdrawn, whichever is higher
Applicable Tax:	20% Final Tax	Valuation:	Marked-to-Market

**FEES\***

Trustee Fee: 0.086135% <b>EastWest Bank – TAMG</b>	Custodianship Fee: 0.001875% <b>LAND BANK</b>	External Audit Fee: 0.004346% <b>SGV</b>	Other Fees: 0.000000
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\*As a percentage of average daily NAV for the month valued at Php 104,014,329.38.

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to provide its participants with the potential to earn intermediate term returns higher than traditional bank deposits. The Fund maintains a total portfolio duration of more than one year to less than three years. It aims to outperform the **Bloomberg Philippine Sovereign Bond Index 1 to 3 Year**.

- Description and Key Characteristics of the Benchmark
  - o The Bloomberg Philippine Sovereign Bond Index 1 to 3 Year (BPHIL13) is a rules-based market-value weighted index engineered to measure the fixed-rate local currency securities publicly issued by the Philippines, including retail securities. To be included in the index a security must have a minimum par amount of PHP 3 billion. The BPHIL13 tracks the performance of peso-denominated bonds issued by the Philippine government. It comprises of peso-denominated fixed rate securities with tenors that are 1-3 years.

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- **DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND HISTORICAL PERFORMANCE, WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.**
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- Relation of the Benchmark's use to the fund's objectives/investment strategies
  - o The fund is designed for Moderate Risk appetite investors looking for Moderate returns on their investment through capital appreciation. The fund will invest in peso-denominated intermediate-term securities. The benchmark would give be a comparable metric given the fixed income assets of the portfolio.
  - o However, there is an immaterial misalignment between the returns of fund and benchmark. This is due to the Taxable nature of the fund, which can create immaterial differences.
- Relevant Sources for further benchmark information:
  - o PDS (<https://www.pds.com.ph/>)
  - o Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)
  - o Additional information on the benchmark and/or its administrator can be made available to the investor upon request.

## **CLIENT SUITABILITY**

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The Fund is suitable for investors who:

- Have a moderate risk appetite
  - Are looking for capital growth over an investment time horizon of at least three years
  - Are willing to accept moderate risks involving volatility of return and possible erosion of principal for potentially better intermediate-term results
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## **KEY RISKS AND RISK MANAGEMENT**

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

- Investors may not get back the value of their original investment.
- The value of the Fund may rise or fall. You may lose some or all of your investment depending on the performance of the underlying securities. Factors that may affect the performance of these securities include, without limitation, market risks, fluctuations in interest rates, political instability, exchange controls, changes in taxation and foreign investment policies. Some of the key risks associated with the Fund are described below:
  - o **Interest Rate Risk.** The value of fixed-income investments such as notes and bonds generally fall when interest rates rise. The potential for loss is typically greater for securities that have a longer term to maturity, have a longer duration or have a lower yield or coupon rate.
  - o **Reinvestment Rate Risk.** This is the risk that interest earnings, or the proceeds from the sale or maturity of a bond investment, is reinvested at a rate lower than its original investment, thus reducing the investor's periodic income.
  - o **Credit Risk.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner. Bonds represent a loan made to the issuer of the bond. The credit worthiness of the bond issuer is the issuer's ability to pay interest and principal on time, which can change during the life of the bond. Issuers with a higher risk of defaulting pay the highest yields.
  - o **Market Risk.** Market Risk is the possibility for an investor to experience losses due to changes in market prices of securities. It is the risk of a UITF to lose value due to a decline in the prices of securities, which may sometimes happen rapidly or unexpectedly. There are market factors affecting all securities that cannot be controlled by diversification, such as the sentiment of investors as a whole which is unpredictable. Market downturns can come swiftly and last a long time.
  - o **Liquidity Risk.** Liquidity is a measure of how easy it is for a security to be converted into cash. A liquid security is widely held and is frequently traded by many buyers and sellers every day. Liquidity risk is minimized by investing in marketable securities.
  - o **Inflation Risk.** Inflation is the general upward price movement of goods or services in an economy, resulting to a reduction in the purchasing power of money. Inflation affects all investments. An investor would want the value of his investment to keep pace or exceed the rate by which the prices of goods and services go up. Historically, inflation risk is greatest for short-term guaranteed securities like time deposits and treasury bills.

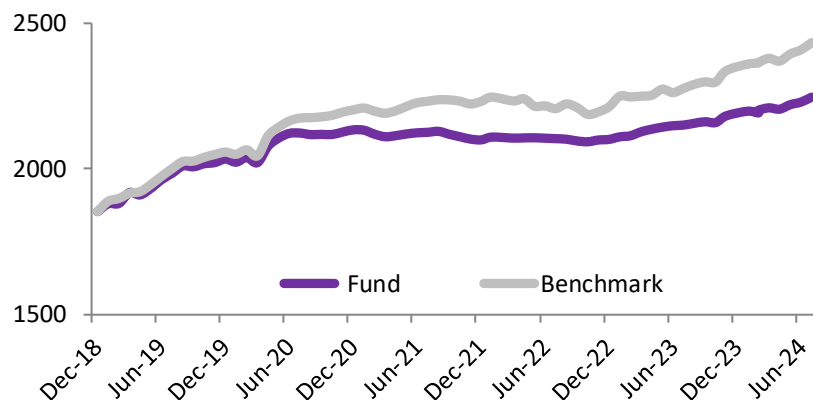


- **Country Risk.** Securities can be affected by the political, economic and social structures within the countries of their issuers, such as internal and external conflicts, currency devaluations, foreign ownership limitations, trading costs, tax increases, and other changes in regulations.”
- **Other Risks.** Participation in the UITF may be further exposed to the risk of any actual or potential conflicts of interest relative to in-house transactions by EastWest Bank-Trust.

## FUND PERFORMANCE AND STATISTICS AS OF 31 JULY 2024

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

NAVPU Graph



NAVPU over the past 12 months

Highest	2,245.2990
Lowest	2,149.1740

Key Statistics

Weighted Ave. Duration	2.03
Volatility, Past 1 Year*	0.000410
Sharpe Ratio**	-8.08
Information Ratio***	-4.18

Portfolio Composition (%)

Cash	15.13%
Government Securities	76.37%
Corporate Bonds	8.50%
Total	100.0%

Top Five Holdings (%)

RTB 05-13	28.08%
FXTN 07-67	19.45%
Time Deposit (Other Bank)	15.13%
FXTN 05-77	13.94%
RTB 05-18	6.27%

	Cumulative Return			Annualized Return	
	1Mo	YTD	1Yr	3Yrs	5Yrs
Fund	0.76%	2.48%	4.45%	1.86%	2.50%
Benchmark****	1.04%	3.61%	6.91%	2.92%	3.99%

\*Volatility measures the degree to which the Fund fluctuates on a daily basis vis-à-vis its average return over a period of time.

\*\*Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

\*\*\*\*New benchmark approved October 31, 2019

\*\*\*\*\*The benchmark is not net of taxes. This may cause a discrepancy between the benchmark and the fund.

## OTHER DISCLOSURES

**OUTLOOK AND STRATEGY.** Local bond yields declined MoM after BSP Governor Eli Remolona indicated that the central bank could cut interest rates by 25 bps in Q3 and another 25 bps in Q4. The Monetary Board is scheduled to convene just once in Q3, making the August meeting the obvious starting point to loosen monetary policy, especially if the July CPI and Q2 GDP prints support such a move. We reduced our positions in medium-term bonds to lock in profits and rotated to longer-term tenors in to increase portfolio duration on expectations that interest rates will decline by the end of the year.

**PROSPECTIVE INVESTMENTS.** The Fund’s prospective investments include securities issued by or guaranteed by the Philippine government, marketable fixed income securities issued by corporations and traded in an organized exchange, securities issued by or guaranteed by any government of a foreign country or any political subdivision of a foreign country, securities issued by any supranational entity, loans traded in an organized exchange, savings and time deposits in any bank or financial institution, and other tradable investment outlets categories as the BSP may allow.

**EAST WEST BANKING CORPORATION**
**EASTWEST PESO LONG TERM BOND FUND  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

For the month ending 31 July 2024

**FUND FACTS**

Classification:	Peso Fixed Income Fund	Net Asset Value per Unit (NAVPU):	₱ 1,648.3635
Launch Date:	1 March 2007	Total Fund NAV:	₱139.217 million
Min. Initial Investment:	₱50,000	Dealing Day:	Daily, up to 12 noon
Min. Additional Investment:	₱1,000	Redemption Settlement:	Next banking day from date of redemption
Min. Holding Period:	180 calendar days	Early Redemption Charge:	P500 or 0.25% of the amount withdrawn, whichever is higher.
Applicable Tax:	20% Final Tax	Valuation:	Marked-to-Market

**FEES\***

Trustee Fee: 0.086147% <b>EastWest Bank – TAMG</b>	Custodianship Fee: 0.001857% <b>LAND BANK</b>	External Audit Fee: 0.003271% <b>SGV</b>	Other Fees: 0.000000%
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\*As a percentage of average daily NAV for the month valued at Php 138,207,702.97.

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to provide for its participants the potential to earn higher long-term returns by investing in a diversified portfolio of deposits and tradable debt securities issued by Philippine corporations, government, and its agencies. The Fund has an average total portfolio duration of more than ten years. It aims to outperform the **Bloomberg Philippine Sovereign Bond Index AI (BPHILR)**.

## Description and Key Characteristics of the Benchmark

- The Bloomberg Philippine Sovereign Bond Index AI (BPHILR) is a rules-based market-value weighted index engineered to measure the fixed-rate local currency securities publicly issued by the Philippines, including retail securities. To be included in the index a security must have a minimum par amount of PHP3 billion. (Source: Bloomberg) The BPHILR tracks the performance of peso-denominated bonds issued by the Philippine government, government-guaranteed entities, and select blue-chip companies. It comprises of securities within the tenors of 2-10 years.
- The BPHILR is not net of taxes. Due to the taxable nature of the Fund, there are minor and immaterial misalignments between the Fund and the benchmark.

## Use of the Benchmark

- **THE UIT FUND IS A TRUST PRODUCT, NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED BY NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND HISTORICAL PERFORMANCE, WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.**
- **ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT.**
- **AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.**
- **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**
- **THE UIT FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE, ITS AFFILIATES OR SUBSIDIARIES.**
- **THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/ PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.**

- The fund is designed for Aggressive Risk appetite investors looking for Higher returns on their investment through capital appreciation. The fund will invest in peso-denominated long-term securities. The BPHILR is not net of taxes.
- However, there is an immaterial misalignment between the returns of fund and benchmark. This is due to the Taxable nature of the fund, which can create immaterial differences.

Relevant Sources for further benchmark information:

- PDS (<https://www.pds.com.ph/>)
- Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)
- Additional information on the benchmark and/or its administrator can be made available to the investor upon request.

## **CLIENT SUITABILITY**

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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 objectives 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.

The Fund is suitable for investors who:

- Have an aggressive risk appetite
  - Are looking for long-term capital growth over an investment time horizon of ten (10) years
  - Are willing to accept higher risks involving volatility of return and possible erosion of principal for potentially better long-term results
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## **KEY RISKS AND RISK MANAGEMENT**

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

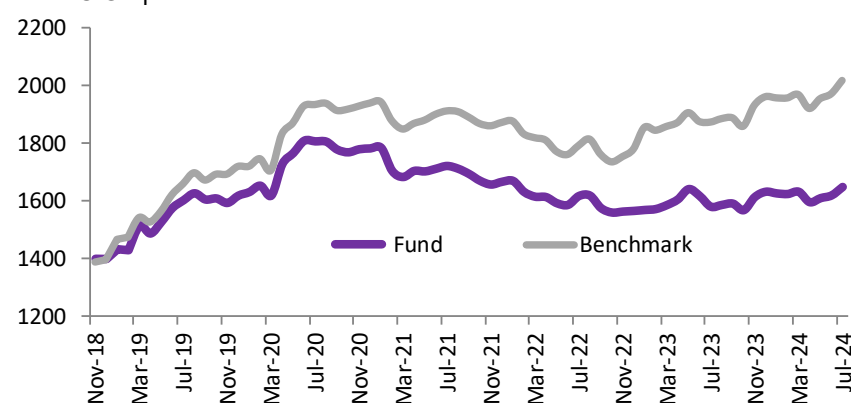
- Investors may not get back the value of their original investment upon redemption.
- The value of the Fund may rise or fall. You may lose some or all of your investment depending on the performance of the underlying securities. Factors that may affect the performance of these securities include, without limitation, market risks, fluctuations in interest rates, political instability, exchange controls, changes in taxation and foreign investment policies. Some of the key risks associated with the Fund are described below:
  - **Interest Rate Risk.** The value of fixed-income investments such as notes and bonds generally fall when interest rates rise. The potential for loss is typically greater for securities that have a longer term to maturity, have a longer duration or have a lower yield or coupon rate.
  - **Reinvestment Rate Risk.** This is the risk that interest earnings, or the proceeds from the sale or maturity of a bond investment, is reinvested at a rate lower than its original investment, thus reducing the investor's periodic income.
  - **Credit Risk.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner. Bonds represent a loan made to the issuer of the bond. The credit worthiness of the bond issuer is the issuer's ability to pay interest and principal on time, which can change during the life of the bond. Issuers with a higher risk of defaulting pay the highest yields.
  - **Market Risk.** Market Risk is the possibility for an investor to experience losses due to changes in market prices of securities. It is the risk of a UITF to lose value due to a decline in the prices of securities, which may sometimes happen rapidly and unexpectedly. There are market factors affecting all securities that cannot be controlled by diversification, such as the sentiment of investors as a whole which is unpredictable. Market downturns can come swiftly and last a long time.
  - **Liquidity Risk.** Liquidity is a measure of how easy it is for a security to be converted into cash. A liquid security is widely held and is frequently traded by many buyers and sellers every day. Liquidity risk is minimized by investing in marketable securities.
  - **Inflation Risk.** Inflation is the general upward price movement of goods or services in an economy, resulting to a reduction in the purchasing power of money. Inflation affects all investments. An investor would want the value of his investment to keep pace or exceed the rate by which the prices of goods and services go up. Historically, inflation risk is greatest for short-term guaranteed securities like time deposits and treasury bills.
  - **Country Risk.** Securities can be affected by the political, economic and social structures within the countries of their issuers, such as internal and external conflicts, currency devaluations, foreign ownership limitations, trading costs, tax increases, and other changes in regulations.

- **Other Risks.** Participation in the UITF may be further exposed to the risk of any actual or potential conflicts of interest relative to in-house transactions by EastWest Bank-Trust.
- These are the principal risk factors which may affect the performance of the Fund. If you would like more information before you invest, please consult the most recent Declaration of Trust (DOT). The rights and duties of the investor are in the DOT.
- The Fund employs a risk management policy based on duration. Duration measures the sensitivity of NAVpU to interest rate movements. As interest rates rise, bond prices fall. The higher the duration, the more the NAVpU will fluctuate in relation to changes in interest rates.

## FUND PERFORMANCE AND STATISTICS AS OF 31 JULY 2024

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

NAVPU Graph



	Cumulative Return			Annualized Return	
	1Mo	YTD	1Yr	3Yrs	5Yrs
Fund	1.81%	1.01%	4.35%	-1.44%	0.57%
Benchmark****	2.36%	2.88%	7.72%	1.81%	4.00%

NAVPU over the past 12 months

Highest	1,648.3640
Lowest	1,567.1380

Key Statistics

Weighted Ave. Duration	5.27
Volatility, Past 1 Year*	0.001459
Sharpe Ratio**	-2.32
Information Ratio***	-2.50

Portfolio Composition (%)

Cash	6.79%
Government Securities	85.01%
Corporate Bonds	8.20%
Total	100.0%

Top Five Holdings (%)

RTB 05-17	19.49%
FXTN 20-27	12.64%
Time Deposit - Own Bank	6.79%
FXTN 25-07	5.69%
FXTN 20-22	5.54%

\*Volatility measures the degree to which the Fund fluctuates on a daily basis vis-à-vis its average return over a period of time.

\*\*Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

\*\*\*\*New benchmark approved October 31, 2019

\*\*\*\*\* The benchmark is not net of taxes. This may cause a discrepancy between the benchmark and the fund.

## OTHER DISCLOSURES

**RELATED PARTY TRANSACTIONS.** The Fund has bond investments in Filinvest Land amounting to P1.200 million. The investment outlets were approved by the Board of Directors. All related party transactions are conducted on a best execution and arm's length basis.

**OUTLOOK AND STRATEGY.** Local bond yields declined MoM after BSP Governor Eli Remolona indicated that the central bank could cut interest rates by 25 bps in Q3 and another 25 bps in Q4. The Monetary Board is scheduled to convene just once in Q3, making the August meeting the obvious starting point to loosen monetary policy, especially if the July CPI and Q2 GDP prints support such a move. We reduced our positions in medium-term bonds to lock in profits and rotated to longer-term tenors in to increase portfolio duration on expectations that interest rates will decline by the end of the year.

**PROSPECTIVE INVESTMENTS.** The Fund's prospective investments include securities issued by or guaranteed by the Philippine government, marketable fixed income securities issued or guaranteed by corporations and traded in an organized exchange, securities issued or guaranteed by any government of a foreign country or any political subdivision of a foreign country, securities issued or guaranteed by any supranational entity, loans traded in an organized exchanged, savings and time deposits in any bank or financial institution, and other tradable investment outlets categories as the BSP may allow.

**EAST WEST BANKING CORPORATION**
**EASTWEST PESO MONEY MARKET FUND  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

For the month ending 31 July 2024

**FUND FACTS**

Classification:	Peso Money Market	Net Asset Value per Unit (NAVPU):	₱123.0937
Launch Date:	1 June 2016	Total Fund NAV:	₱288.204 Million
Min. Initial Investment:	₱10,000	Dealing Day:	Daily, up to 12 noon
Min. Additional Investment:	₱1,000	Redemption Settlement:	Next banking day from date of redemption
Min. Holding Period:	None	Early Redemption Charge:	Not Applicable
Applicable Tax:	20% Final Tax	Valuation:	Marked-to-Market

**FEES\***

Trustee Fee: 0.021514% <b>EastWest Bank – TAMG</b>	Custodianship Fee: 0.000253% <b>LAND BANK</b>	External Audit Fee: 0.001573% <b>SGV</b>	Other Fees: 0.000000%
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\*As a percentage of average daily NAV for the month valued at Php 287,433,649.37.

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to provide its participants with liquidity and stable income derived from diversified portfolio of fixed income instruments. It is ideal for investors with a moderate risk profile. The Fund's Objective is to beat its benchmark, the Bloomberg Philippine Sovereign Bond Index Money Market (BPHILMM)

**Description and Key Characteristics of the Benchmark**

- The BPHILMM is a rules-based market-value weighted index engineered to measure the fixed-rate and zero-coupon local currency securities publicly issued by the Philippines, including retail securities. To be included in the index, a security must have a minimum par amount of PHP 3 billion. (Source: Bloomberg)
- The BPHILMM tracks the performance of peso-denominated bonds issued by the Philippine government. It comprises zero-coupon and fixed rate securities with tenors less than or equal to a year. BPHILMM is not a Total Returns Index nor is it net of taxes.

**Use of the Benchmark**

- The fund will invest in peso-denominated short-term securities and interest-bearing deposits. The benchmark would give be a comparable metric given the fixed income assets of the portfolio. However, there is some misalignment between the returns of the fund and benchmark. The BPHILMM is not a Total Returns Index nor is it net of taxes.

- **THE UIT FUND IS A TRUST PRODUCT, NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED BY NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).**
- **DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND HISTORICAL PERFORMANCE, WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.**
- **ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT.**
- **AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.**
- **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**
- **THE UIT FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE, ITS AFFILIATES OR SUBSIDIARIES.**
- **THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/ PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.**

Relevant Sources for further benchmark information:

- PDS
- Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)
- Additional information on the benchmark and/or its administrator can be made available to the investor upon request.

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## CLIENT SUITABILITY

Client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives 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.

The Fund is suitable for investors who:

- Have a moderate risk appetite
  - Are looking for stable income over an investment time horizon of one year
  - Are willing to accept moderate risks involving volatility of return and possible erosion of principal for potentially better short-term results
- 

## KEY RISKS AND RISK MANAGEMENT

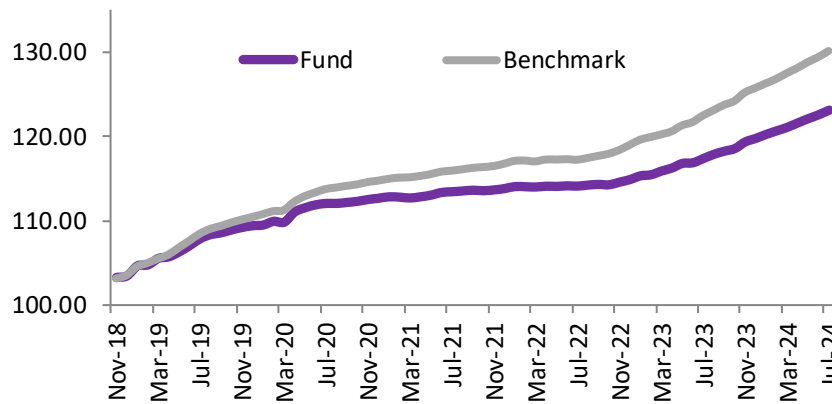
**You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.**

- Investors may not get back the value of their original investment upon redemption.
- The value of the Fund may rise or fall. You may lose some or all of your investment depending on the performance of the underlying securities. Factors that may affect the performance of these securities include, without limitation, market risks, fluctuations in interest rates, political instability, exchange controls, changes in taxation and foreign investment policies. Some of the key risks associated with the Fund are described below:
  - Country/ Political Risk. Securities can be affected by the political, economic and social structures within the countries of their issuers, such as internal and external conflicts, currency devaluations, foreign ownership limitations, trading costs and tax increases.
  - Market Risk. Market risk is the risk that the value of the fund investment will be negatively affected by the fluctuations in the price level of its underlying instruments.
  - Inflation Risk. Affecting all investments, inflation reduces the purchasing power of money.
  - Liquidity Risk. Liquidity is a measure of how easy it is for a security to be converted into cash. A liquid security is widely held and is frequently traded by many buyers and sellers every day. This is minimized by investing in marketable securities.
  - Interest Rate Risk. The value of fixed-income investments such as notes and bonds generally fall when interest rates rise. The potential for loss is typically greater for securities that have a longer term to maturity, have a longer duration or have a lower yield or coupon rate.
  - Reinvestment Rate Risk. This is the risk of reinvesting interest earnings at a rate lower than the original investment.
  - Credit Risk. Bonds represent a loan made to the issuer of the bond. The credit worthiness of the bond issuer is the issuer's ability to pay interest and principal on time, which can change during the life of the bond. Issuers with a higher risk of defaulting pay the highest yields.
- These are the principal risk factors which may affect the performance of the Fund. If you would like more information before you invest, please consult the most recent Plan Rules or Declaration of Trust (DOT). The rights and duties of the investor are in the DOT.
- The Fund employs a risk management policy based on duration. Duration measures the sensitivity of NAVpU to interest rate movements. As interest rates rise, bond prices fall. The higher the duration, the more the NAVpU will fluctuate in relation to changes in interest rates.

## FUND PERFORMANCE AND STATISTICS AS OF 31 JULY 2024

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

NAVPU Graph



NAVPU over the past 12 months

Highest	123.0940
Lowest	117.3740

Key Statistics

Weighted Ave. Duration	0.13
Volatility, Past 1 Year*	0.0003074
Sharpe Ratio**	-9.94
Information Ratio***	-2.94

Portfolio Composition (%)

Cash	20.80%
Government Securities	72.71%
Corporate Bonds	6.49%
Total	100%

Top Five Holdings (%)

BSP BILL 08/27/24	17.25%
Time Deposit - Other Bank	14.83%
BSP BILL 09/17/24	13.76%
BSP BILL 09/03/24	10.34%
BSP BILL 09/24/24	9.62%

	Cumulative Return			Annualized Return	
	1Mo	YTD	1Yr	3Yrs	5Yrs
Fund	0.44%	2.78%	4.87%	2.76%	2.67%
Benchmark****	0.57%	3.51%	6.29%	3.95%	3.73%

\*Volatility measures the degree to which the Fund fluctuates on a daily basis vis-à-vis its average return over a period of time.

\*\*Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

\*\*\*\*New benchmark approved in October 31, 2019

\*\*\*\*\*The benchmark is not net of taxes. This may cause a discrepancy between the benchmark and the fund.

## OTHER DISCLOSURES

**RELATED PARTY TRANSACTIONS.** The Fund has a bond investment in Filinvest Land Corp amounting to P13.780 million. The investment outlets were approved by the Board of Directors. All related party transactions are conducted on a best execution and arm's length basis.

**OUTLOOK AND STRATEGY.** Local bond yields declined MoM after BSP Governor Eli Remolona indicated that the central bank could cut interest rates by 25 bps in Q3 and another 25 bps in Q4. The Monetary Board is scheduled to convene just once in Q3, making the August meeting the obvious starting point to loosen monetary policy, especially if the July CPI and Q2 GDP prints support such a move. We reduced our positions in medium-term bonds to lock in profits and rotated to longer-term tenors in to increase portfolio duration on expectations that interest rates will decline by the end of the year.

**PROSPECTIVE INVESTMENTS.** The Fund's prospective investments may include securities issued or guaranteed by the Philippine government, tradable securities issued by financial institutions or private corporations, marketable instruments and loans that are traded in an organized exchange, bank deposits, similar collective investment vehicles subject to existing BSP regulations, and such other investment outlets/categories the BSP allow.

**EASTWEST BANKING CORPORATION**
**EASTWEST PHILEQUITY FEEDER FUND  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

For the month ending 31 July 2024

**FUND FACTS**

Classification:	Equity Feeder Fund	Net Asset Value per Unit (NAVpU)	Php 928.125
Launch Date:	October 29, 2014	Total Fund NAV:	Php 236.091 million
Minimum Initial Investment:	Php10,000.00	Dealing Day	Daily, up to 12 noon
Minimum Additional Investment:	Php1,000.00	Redemption Settlement:	4 banking days from date of redemption
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	Php500 or 0.25% of the redemption amount, whichever is higher
Applicable Tax:	20% final tax on interest income from fixed income, money market investments	Valuation:	Marked-to-Market

**FEES\***

Trustee Fee: 0.086311%	Custodianship Fee: 0.000000%	External Audit Fee: 0.001880%	Other Fees: 0.000000%
<b>EastWest Bank - Trust &amp; Asset Management Group</b>		<b>SGV</b>	

\*As a percentage of average daily NAV for the month valued at Php 240,412,003.11.

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund seeks to provide its participants long-term capital appreciation by participating in the growth of share values of corporations listed on the Philippine Stock Exchange (PSE). It is ideal for investors with a long-term investment horizon of ten years who want to have exposure in Philippine stocks and who understand the investment risks involved when investing in equity securities. As a feeder fund, this Fund is mandated to invest at least 90% of its assets in a single collective investment scheme or target fund. The target fund is the Philequity, Inc.. It is an actively managed equity mutual fund, by Philequity Management inc. Its investment objective is to exceed the returns of the PSEi, by investing in the same equities listed in the Philippine Stock Exchange.

The Feeder fund's aim is to match or exceed the return of the **Philippine Stock Exchange Composite Index (PSEi)**.

- ❖ THE UIT FUND IS A TRUST PRODUCT, NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED BY NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- ❖ DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND HISTORICAL PERFORMANCE, WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.
- ❖ ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT.
- ❖ AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.
- ❖ THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.
- ❖ THE UIT FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE, ITS AFFILIATES OR SUBSIDIARIES.
- ❖ THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.



#### Description and Key Characteristics of the PSEi

- The PSEi measures the relative changes in the free float-adjusted market capitalization of the 30 largest and most active common stocks listed at the PSE. The PSEi's fixed bucket of the top thirty (30) common stocks are based on a fixed set of rules that allow it to represent the general movement of the Philippine stock market.

#### Use of the Benchmark

- The fund is designed for high-risk appetite investors looking for returns on their investments through capital appreciation of their investment through Philippine Equities.
- However, there is a misalignment between the returns of fund and benchmark. This is due to the Total Returns and Taxable nature of the fund, which can create immaterial differences in their return.

#### Relevant Sources for further benchmark information:

- The Philippine Stock Exchange, Inc. — PSE
- Indices Composition – The Philippine Stock Exchange, Inc. — PSE
- Policy-on-Index-Management-Feb2018.pdf (pse.com.ph)
- Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)
- Additional information on the benchmark and/or its administrator can be made available to the investor upon request.

### **CLIENT SUITABILITY**

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Client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives 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.

The Fund is suitable for investors who:

- (a) have high risk appetite; and
  - (b) are looking for capital growth over an investment time horizon of ten (10) years through a managed portfolio of equity securities.
  - (c) Are willing to accept higher risks involving volatility of return and possible erosion of principal for potentially better long-term results
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### **KEY RISKS AND RISK MANAGEMENT**

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

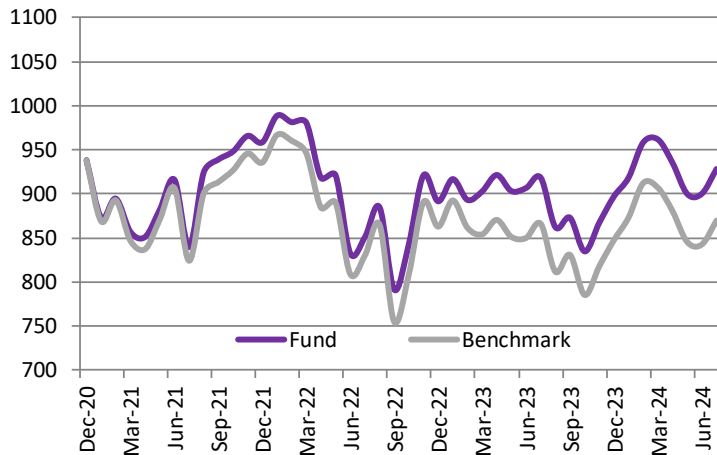
- The target fund, Philequity Fund Inc., employs a risk management policy based on appropriate diversification of investments intended to generate long-term appreciation of the Fund.
- Investors may not get back the value of their original investment upon redemption.
- The value of the Fund may rise or fall. You may lose some or all of your investment depending on the performance of the underlying securities. Factors that may affect the performance of these securities include, without limitation, market risks, fluctuations in interest rates, political instability, exchange controls, changes in taxation and foreign investment policies. Some of the key risks associated with the Fund are described below:
  - **Business Risk.** Stockholders as fractional owners of corporations share in the fortunes of the business. The rise and fall of stock prices often reflect the market's perception of the prospects of corporations and their management to reward stockholders for taking risks unique to each business. Business risk can be reduced through diversification.
  - **Country/ Political Risk.** Securities can be affected by the political, economic and social structures within the countries of their issuers, such as internal and external conflicts, currency devaluations, foreign ownership limitations, trading costs and tax increases.
  - **Market Risk.** Market risk is the risk that the value of the fund investment will be negatively affected by the fluctuations in the price level of its underlying instruments.
  - **Inflation Risk.** Affecting all investments, inflation reduces the purchasing power of money.
  - **Liquidity Risk.** Liquidity is a measure of how easy it is for a security to be converted into cash. A liquid security is widely held and is frequently traded by many buyers and sellers every day. This is minimized by investing in marketable securities.
  - **Interest Rate Risk.** The value of fixed-income investments such as notes and bonds generally falls when interest rates rise. The potential for loss is typically greater for securities that have a longer term to maturity, have a longer duration or have a lower yield or coupon rate.

- **Reinvestment Rate Risk.** This is the risk of reinvesting interest earnings at a rate lower than the original investment.
- **Credit Risk.** Bonds represent a loan made to the issuer of the bond. The credit worthiness of the bond issuer is the issuer's ability to pay interest and principal on time, which can change during the life of the bond. Issuers with a higher risk of defaulting pay the highest yields.  
These are the principal risk factors which may affect the performance of the Fund. If you would like more information before you invest, please consult the most recent Declaration of Trust (DOT). The rights and duties of the investor are in the DOT.

## FUND PERFORMANCE AND STATISTICS AS OF 31 JULY 2024

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

NAVPU Graph



NAVPU over the past 12 months

Highest	973.0470
Lowest	833.7020

### Key Statistics

Volatility, Past 1 Year*	0.008379
Sharpe Ratio**	-0.65
Information Ratio***	0.20

### Portfolio Composition (%) (Feeder Fund)

PhilEquity Fund	98.7%
Cash	1.3%
	100%

### PhilEquity Fund Top Ten Holdings (%)

SM Investments Corporation	13.4%
Int'l. Container Terminal Services Inc.	11.4%
Bank of the Philippine Islands	8.6%
BDO Unibank, Inc	8.4%
SM Prime Holdings, Inc	7.9%
Deposits	7.2%
Metropolitan Bank and Trust Company	4.5%
Jollibee Foods Corporation	4.4%
Ayala Land, Inc.	4.1%
Ayala Corporation	3.9%

### Cumulative Return

	1Mo	YTD	1Yr	3Yr
Fund	3.10%	3.45%	1.07%	10.53%
Benchmark	3.23%	2.62%	0.42%	5.56%

\*Volatility measures the degree to which the Fund fluctuates on a daily basis vis-à-vis its average return over a period of time.

\*\*Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

\*\*\*\*The benchmark is not net of taxes nor is it total returns in nature. This may cause a discrepancy between the benchmark and the fund.

## OTHER DISCLOSURES

**RELATED PARTY TRANSACTIONS.** The Fund's target fund (PhilEquity Fund, Inc.) has holdings of East West Banking Corporation common shares.

**OUTLOOK AND STRATEGY** Local equities rallied in July after BSP Governor Eli Remolona indicated that the central bank could cut interest rates by 25 bps in Q3 and another 25 bps in Q4. The Monetary Board is scheduled to convene just once in Q3, making the August 15 meeting the obvious starting point to loosen monetary policy, especially if the July CPI and Q2 GDP prints support such a move. August is typically a quiet month for equities, rate cut optimism could provide tailwinds. We remain bullish on local equities and expect the PSEi to end the year at 7,250.

**PROSPECTIVE INVESTMENT.** The Fund's prospective investments, depending on availability and market development, may include but are not limited to, PhilEquity Fund, Time Deposits, Government Securities and tradable fixed income securities issued by local financial institutions or private corporations. Investment in the PhilEquity Fund may amount up to 100% of total assets but shall not fall below 90% of total assets of the Fund.

**EASTWEST BANKING CORPORATION**
**EASTWEST PSEI TRACKER FUND  
 KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**
**For the month ending 31 July 2024**
**FUND FACTS**

Classification:	PSEi Tracker Fund	Net Asset Value per Unit (NAVpU):	Php 99.8607
Launch Date:	December 1, 2015	Total Fund NAV:	Php 8.523 Billion
Minimum Initial Investment:	Php10,000.00	Dealing Day:	Daily, up to 12 noon
Minimum Additional Investment:	Php1,000.00	Redemption Settlement:	4 banking days from date of redemption
Minimum Holding Period:	30 calendar days	Early Redemption Charge:	Php500 or 0.25% of the redemption amount, whichever is higher
Applicable Tax:	20% final tax on interest income from fixed income, money market investments	Valuation:	Marked-to-Market

**FEES\***

Trustee Fee: 0.064654% <b>EastWest Bank - Trust &amp; Asset Management Group</b>	Custodianship Fee: 0.002872% <b>LANBANK</b>	External Audit Fee: 0.000053% <b>SGV</b>	Other Fees: 0.000019%
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\*As a percentage of average daily NAV for the month valued at Php 8,462,162,181.23.

**INVESTMENT OBJECTIVE AND STRATEGY**

The fund seeks to achieve investment returns that track the performance of the Philippine Stock Exchange Index (PSEi) by investing in a diversified portfolio of stocks comprising the PSEi in the same weights as the index. The fund will be passively managed by EW Trust Division. It is ideal for investors with long-term investment horizon of at least 10 years. The fund aims to match the return of the Philippine Stock Exchange Composite Index (PSEi).

**Description of the Benchmark**

- o The Philippine Stock Exchange (PSE) Index measures the relative changes in the free float-adjusted market capitalization of the 30 largest and most active common stocks listed at the PSE. (Source: Philippine Stock

- ❖ THE UIT FUND IS A TRUST PRODUCT, NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED BY NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- ❖ DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND HISTORICAL PERFORMANCE, WHEN PRESENTED IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE PERFORMANCE.
- ❖ ANY LOSSES AND INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT.
- ❖ AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.
- ❖ THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.
- ❖ THE UIT FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE, ITS AFFILIATES OR SUBSIDIARIES.
- ❖ THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.

Exchange, Inc.) The PSEi's bucket of the top thirty (30) common stocks are based on a fixed set of rules that allow it to represent the general movement of the Philippine stock market.

Relation of the Benchmark's to the fund's objectives/investment strategies

- The fund is designed for high-risk appetite investors looking for returns on their investments through capital appreciation of their investment. The fund will invest in Equities listed in the Philippine Stock Exchange.
- However, there is a misalignment between the returns of fund and benchmark. This is due to the Total Returns and Taxable nature of the fund, which can create differences in their return.

Relevant Sources for further benchmark information:

- The Philippine Stock Exchange, Inc. — PSE
- Indices Composition – The Philippine Stock Exchange, Inc. — PSE
- Policy-on-Index-Management-Feb2018.pdf (pse.com.ph)
- Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)
- Additional information on the benchmark and/or its administrator can be made available to the investor upon request.

## **CLIENT SUITABILITY**

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Client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives 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.

The Fund is ideal for investors who:

- (a) have high risk appetite; and
  - (b) are looking for capital growth with a long-term investment horizon of at least ten (10) years.
  - (c) Are willing to accept higher risks involving volatility of return and possible erosion of principal for potentially better longer-term results
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## **KEY RISKS AND RISK MANAGEMENT**

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

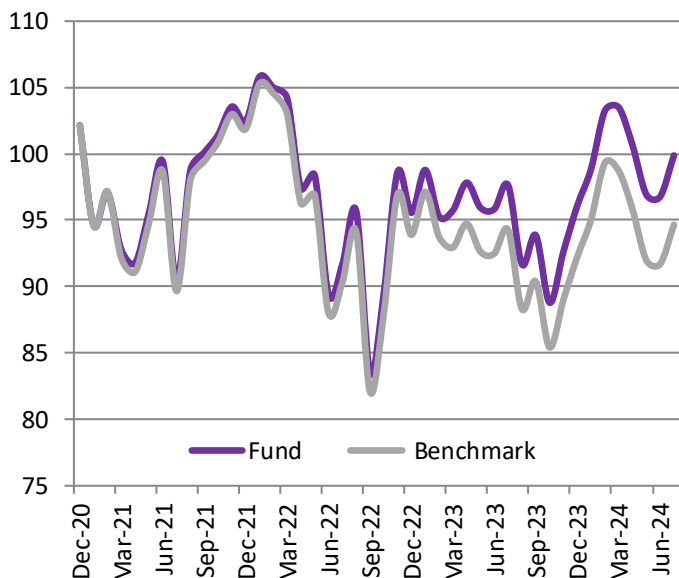
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- Investors may not get back the value of their original investment upon redemption.
- The value of the Fund may rise or fall. You may lose some or all of your investment depending on the performance of the underlying securities. Factors that may affect the performance of these securities include, without limitation, market risks, fluctuations in interest rates, political instability, exchange controls, changes in taxation and foreign investment policies. Some of the key risks associated with the Fund are described below:
  - Market risk – Potential or actual losses arising from adverse changes in market prices of securities.
  - Liquidity risk – Potential or actual losses arising from the Fund's inability to convert its assets into cash immediately at minimal cost.
  - Index Tracking risk – Potential or actual losses arising from not being able to achieve a level of return that matches the index being tracked by the fund.
- These are the principal risk factors which may affect the performance of the Fund. If you would like more information before you invest, please consult the most recent Declaration of Trust (DOT). The rights and duties of the investor are in the DOT.

## FUND PERFORMANCE AND STATISTICS AS OF 31 JULY 2024

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NAVPU Graph



NAVPU over the past 12 months

Highest	104.6185
Lowest	88.6027

Key Statistics

Volatility, Past 1 Year*	0.008844
Sharpe Ratio**	-0.52
Tracking Error***	0.0007

Portfolio Composition (%)

Equities	99.77%
Cash	0.23%
	100%

Top Ten Holdings (%)

SM Investments Corporation	14.5%
Int'l. Container Terminal Services Inc.	10.0%
Bank of the Philippine Islands	8.8%
BDO Unibank Inc	8.6%
SM Prime Holdings Inc	8.4%
Ayala Land	5.7%
Ayala Corp	5.0%
Metropolitan Bank & Trust	4.0%
PLDT Inc.	3.3%
Jollibee Foods Corp	3.2%

Cumulative Return

	1Mo	YTD	1Yr	3Yr
Fund	3.22%	3.96%	2.31%	10.54%
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\*\*Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

\*\*\*Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

\*\*\*Tracking error is a measure of the deviation of the Fund's returns from the benchmark. The lower the number, the better.

\*\*\*\*The benchmark is not net of taxes nor is it total returns in nature. This may cause a discrepancy between the benchmark and the fund.

## OTHER DISCLOSURES

**OUTLOOK AND STRATEGY.** Local equities rallied in July after BSP Governor Eli Remolona indicated that the central bank could cut interest rates by 25 bps in Q3 and another 25 bps in Q4. The Monetary Board is scheduled to convene just once in Q3, making the August 15 meeting the obvious starting point to loosen monetary policy, especially if the July CPI and Q2 GDP prints support such a move. August is typically a quiet month for equities, rate cut optimism could provide tailwinds. We remain bullish on local equities and expect the PSEi to end the year at 7,250.

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