

PHILIPPINE BUSINESS BANK
PBB DIAMOND FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT
For the period ending December 31, 2022

FUND FACTS

Classification	: Fixed Income Fund	Net Asset Value per Unit (NAVPU)	: 218.162409
Launch Date	: November 4, 2005	Total Fund NAV	: P21,394,576.66
Minimum Investment	: Php44,000.00	Dealing Day	: Banking Day
Additional Investment	: Php11,000.00	Redemption Settlement	: 2 Banking Days After Transaction Date
Minimum Holding Period	: 30 days	Early Redemption Charge	: 75% of earnings if redeemed within 15 days 50% of earnings if redeemed between 16th - 29th day

FEES*

Trust Fees: 0.5% p.a. PBB – Trust and Investment Group	Custodianship Fees: % Not Applicable	External Auditor Fees: 0.020% Punongbayan & Araullo
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*As a percentage of average daily NAV for the quarter valued at P21,281,470.18.

INVESTMENT OBJECTIVE AND STRATEGY

The Diamond Fund is a Peso-denominated medium-term Bond Fund and is wholly invested in fixed income instruments such as securities issued by the Republic of the Philippines; tradable securities issued by governments of foreign countries; exchange-listed securities, marketable instruments that are traded in an organized exchange, loans traded in an organized market, and such other tradable investment outlets as the Bangko Sentral ng Pilipinas (BSP) may allow.

CLIENT SUITABILITY

A client profiling should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives. 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 Diamond Fund is suitable only for investors:

- With Conservative to Balanced risk appetite.
- Are comfortable with volatility and risks of a medium-term bond.

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.

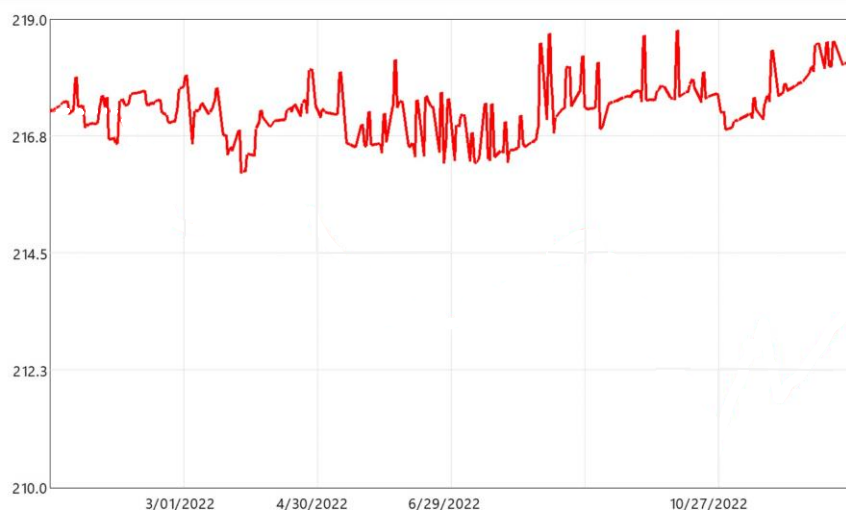
INTEREST RATE RISK	The possibility to experience losses due to changes in interest rates.
MARKET / PRICE RISK	The possibility to experience losses due to changes in market prices of securities (e.g. bonds)
LIQUIDITY RISK	The possibility to experience losses due to the inability to sell or convert assets into cash immediately or in instance where conversion to cash is possible but at a loss.
CREDIT / DEFAULT RISK	The possibility to experience losses due to borrower's failure to pay its obligation or when a counter party fails to deliver on the agreed trade.
REINVESTMENT RISK	The possibility of having lower returns or earnings when maturing funds or interest earnings of funds are reinvested.
OTHER RISKS	Risk of any actual potential conflict of interest in handling of in-house or related party transaction.

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

FOR MORE INFORMATION, YOU CAN CONTACT US AT 8363-3333 LOC. 4008 / 3020 / 3021/ 1089. EMAIL US AT PBBTRUST@PBB.COM.PH OR VISIT OUR WEBSITE, WWW.PBB.COM.PH.

FUND PERFORMANCE AND STATISTICS AS OF December 31, 2022

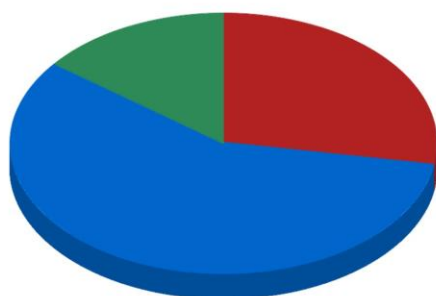
(Purely for reference purposes and is not a guarantee of future results)

NAVPu Graph

From January 1, 2022 to December 31, 2022

■ PBB DIAMOND FUND
 ■ Index
 ■ Benchmark
Cumulative Performance (%)

Period	1 mo.	3 mos.	6 mos.	1 yr.	3 yrs.
Fund	2.190%	1.320%	1.750%	0.440%	1.660%
Benchmark	0.790%	0.070%	0.080%	-1.260%	5.400%

Portfolio Composition
■ Dep/MM 28%
 ■ Corporate Bonds 58%
 ■ GS Bonds 15%
 ■ Equities 0%
 ■ Cash (Own Bank) 0%
NAVPu over the past 12 months

Highest	218.790156
Lowest	216.047526

Statistics

Weighted Ave. Duration	0.78 yrs
Volatility, Past 1 Year *	2.5931%
Sharpe Ratio **	0.08
Information Ratio ***	0.15

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

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

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

TOP 10 HOLDINGS (%)

Security	%
Fixed Rate Bonds-FVPL	53.9%
Treasury Bills-FVPL	18.1%
Time Certificates of Deposits- ¹	11.5%
RTB - FVPL	11.5%
FXTNs - FVPL	2.3%
TOTAL	97.4%

OTHER DISCLOSURES**RELATED PARTY TRANSACTIONS**

The Fund has deposit placements with Philippine Business Bank amounting to PHP 3,052,715.45. The investment outlets were approved by the Trust Committee. All related party transactions are conducted on a best execution and arm's length basis.

OUTLOOK AND STRATEGY

Headline inflation for the month of December 2022 reached to 8.1 percent crossing a year-to-date average of 5.8 percent. The higher inflation for the month was driven by food, supply chain constraints and fuel. The BSP Monetary Board raised the policy rate by 50 basis points, leading its overnight repurchase facility rate to 5.0%. Inflation could still push upwards due to trade restrictions, transport fare hikes as well as potential wage adjustments in 2023 through the TRAIN law. The BSP remains steadfast in taking aggressive monetary action to bring the headline inflation to be back within its target.

In reference to this, the fund will continue to maintain taking short positions, with macroeconomic data suggesting that further rate hikes will likely be more possible in 2023.