



BPI



2025 FUND PERFORMANCE REPORT

BPI AIA Life Assurance Corp. (BPI AIA)
Variable Unit-Linked Funds Annual Report
and Statement of Assets and Liabilities
(BPI AIA-ALAI)



MESSAGE FROM THE CEO

Dear Policyholder,

2025 unfolded against a backdrop of uncertainty, yet markets displayed notable resilience. Global sentiment began on unstable footing as trade tensions resurfaced, yet the broader investment environment gradually strengthened as inflation eased and central banks moved toward more accommodative policy.

Philippine inflation was a notable point of stability. Price pressures stayed below the BSP's 2-4% target band for most of the year, allowing policymakers to implement a total 1.25% reduction in interest rates. These cuts provided much-needed support against external headwinds. The Philippine Peso experienced steady depreciation, ending at 58.79 per dollar. Local equities slipped by 4.1%, with improving economic indicators limiting its downside.

Global markets told a different story. Equity indices across major regions benefited from declining inflation and easing policy rates. US equities ended the year up 17.9%, and the broader global equity benchmark advanced 21.9%.

Despite a challenging environment, our funds remained resilient. Dollar funds were positive across the board, with global equities leading the way. For Peso funds, fixed income and high dividend equities outperformed local equity funds.

Peso Funds	2025 Return	AUM (in '000)
ALFM Peso Bond Fund	4.22%	23,654
Philippine Stock Index Fund	-4.56%	2,713
Dollar Funds		
ALFM Dollar Bond Fund	-4.56%	119

Looking ahead, we are cautiously optimistic for 2026 and remain committed to managing your investments with discipline, flexibility, and a long-term perspective.

Thank you for choosing BPI AIA as your partner in financial security.

Sincerely,



Karen Custodia
Chief Executive Officer





MARKET REVIEW



GENERAL MARKET OVERVIEW

2025 was driven by opposing market forces. Despite volatility arising from geopolitical issues and global trade tensions, intact market fundamentals bolstered sentiment for the year.

In the Philippines, below-target inflation and monetary policy easing favored fixed income assets. Meanwhile, equities were weighed down by governance concerns and foreign outflows. Toward the end of the year, bargain hunting lifted Philippine equities above the 6,000 level to end the year down by 4.1%.

Global markets had a more constructive 2025. US equities continued on its growth trend from previous years while global equity gains broadened overall.



LOCAL MARKETS: REVIEW & OUTLOOK

Philippine equities struggled for much of the year due to global trade concerns and local governance issues. The local equity bourse hit lows mid-year before recovering on bargain buying toward year-end.

Following a weak start, the bond market recovered to deliver positive returns for 2025. Bond prices were supported by manageable inflation year-round. This allowed the BSP the room to maintain its path of easing interest rates.

Looking ahead to 2026, local bonds remain attractive as further rate cuts are expected. However, risks still persist in the form of inflation surprises and geopolitical tensions. Meanwhile, current equity valuations offer attractive entry points. Economic growth is expected to recover to around 5.5% in 2026, driven by lower interest rates, stable inflation, and improving consumer spending.

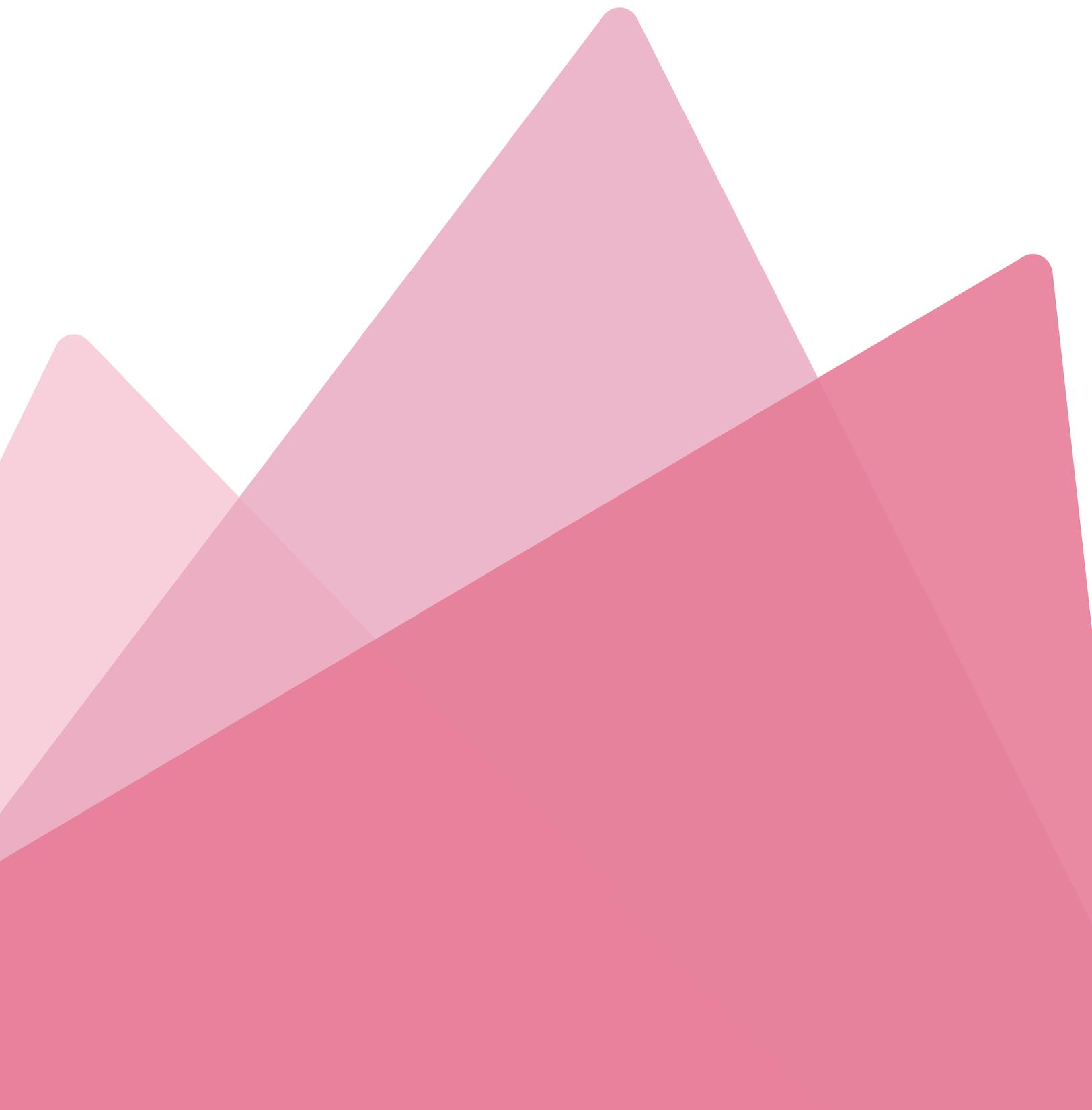
GLOBAL MARKETS: REVIEW & OUTLOOK

Global equities performed strongly in 2025, led by the US equity market and continued growth in technology and AI. Global equities posted strong returns of over 20% despite early market turmoil from the US' trade policy announcements last April 2025.

Global bond markets experienced volatility throughout the year due to shifting trade policies and changing inflation expectations. Central bank efforts were somewhat held back by higher-than-expected prices.

In 2026, economic growth is expected to remain resilient with inflation remaining broadly under control. Global markets are expected to benefit from this backdrop as accommodative monetary policy provides support. That said, ongoing trade tensions and geopolitical risks may still affect investor sentiment. As markets mature, volatility may increase, making diversification and active management important.

BPI AIA-ALAI FUNDS



STATEMENT OF ASSETS AND LIABILITIES

as of December 31, 2025

BPI AIA (FORMERLY AYALA LIFE) PESO VARIABLE FUNDS

In PHP Equivalent

	Philippine Stock Index Fund	ALFM Peso Bond Fund
ASSETS		
Cash and cash equivalents	-	-
Financial assets at FVPL*	2,782,710	24,283,870
Loans and receivables	5,789	98,270
Accrued income	-	-
Total Assets	2,788,499	24,382,140
LIABILITIES		
Accounts payable and accrued expenses	75,375	728,305
Total Liabilities	75,375	728,305
Net Asset Value (NAV)	2,713,124	23,653,835

BPI AIA (FORMERLY AYALA LIFE) DOLLAR VARIABLE FUND

in USD Equivalent

		ALFM Dollar Bond Fund
ASSETS		
Cash and cash equivalents		-
Financial assets at FVPL*	\$	121,663
Loans and receivables	\$	1,845
Accrued income		-
Total Assets	\$	123,508
LIABILITIES		
Accounts payable and accrued expenses	\$	4,581
Total Liabilities	\$	4,581
Net Asset Value (NAV)	\$	118,927

*Fair Value through Profit or Loss

Based on 2025 unaudited financial statements

ALFM PESO BOND FUND



BPI AIA Life Assurance Corp. (formerly known as Ayala Life Assurance, Inc.) has established two (2) separate variable accounts under its peso denominated variable life insurance products, namely Wealth Link Peso and Express Unit Link Peso.

One of the separate variable accounts, whose fund inception date is July 15, 2008, is invested primarily in the ALFM Peso Bond Fund, Inc. (ALFM Peso), an open-end investment company duly registered with the SEC. The ALFM Peso aims to generate a steady stream of income through investments in a diversified portfolio of Philippine Peso denominated, high-grade fixed income instruments.

FUND REVIEW

The Fund returned 0.29% for the month of December 2025, outperforming its benchmark by 5 basis points. Year-to-date, return amounted to 4.22%, underperforming its benchmark by 44 basis points. The Fund looks to gradually increase its duration position as interest rates are expected to fall over the next few months. Local inflation has settled within the BSP's target in the past months and is expected to be manageable. After easing its policy rates by a total of 125 basis points in 2025, the BSP remains vigilant in monitoring inflation figures before considering further rate cuts. Volatility may persist in the near term driven by global factors, and the portfolio will be actively managed to take advantage of this. Investors in the bond fund must be prepared to withstand volatility as higher investment value is normally achieved over the medium to long term horizon.

FUND PERFORMANCE OF THE SEPARATE VARIABLE ACCOUNT INVESTED IN THE ALFM PESO ^a

2025 Return	4.22%
2024 Return	3.18%
2023 Return	3.38%
2022 Return	0.91%
2021 Return	0.88%
2020 Return	3.71%
3 Year Return (annualized)	3.59%
5 Year Return (annualized)	2.51%
Return since Inception	85.90%

- a** Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS

Net Asset Value (NAV in PHP thousands) ^b	23,654 ^c
Net Asset Value per Unit	419.94

- b** NAV is net of 0.175% fund management charge
c Based on Dec 31, 2025 Unaudited Financial Statement

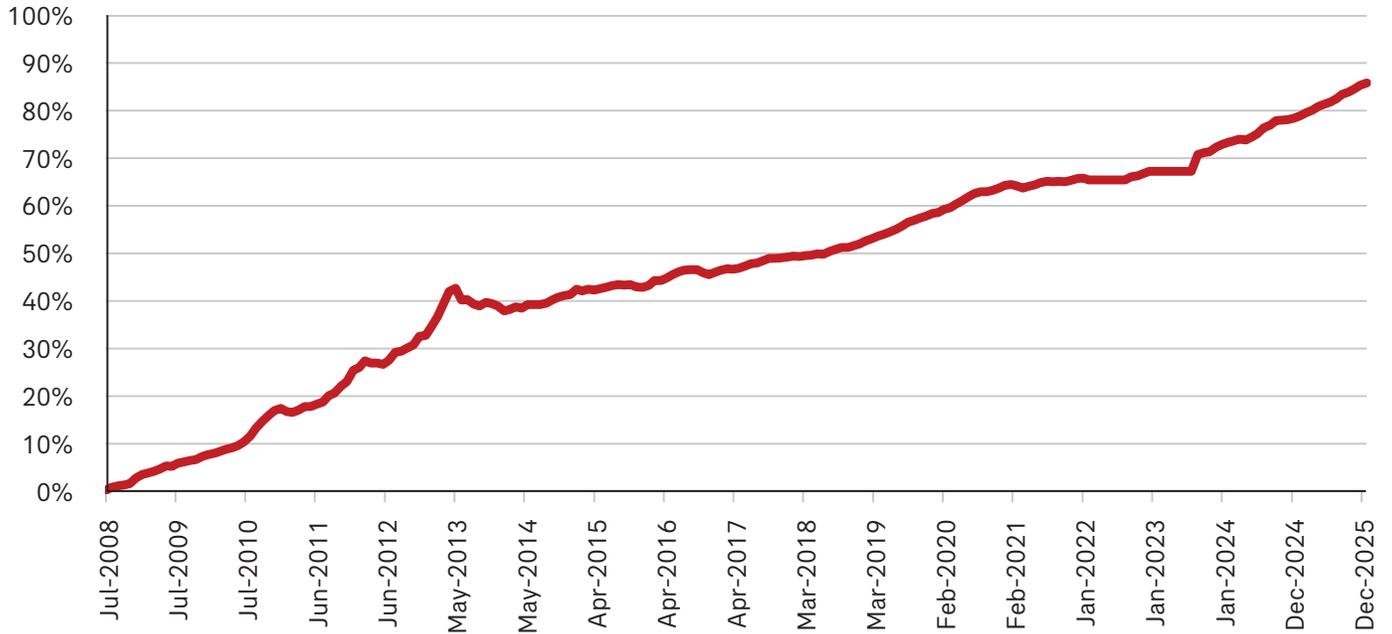
PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	45.27
Corporates	52.60
Cash, Time Deposits, and Other Receivables - Net of Liabilities	1.07
Preferreds	1.06

TOP HOLDINGS - ALFM PESO BOND FUND

Names	Maturity	%
Retail Treasury Bond	2030	11.88
Fixed Rate Treasury Bond	2032	4.34
Retail Treasury Bond	2029	3.82
Fixed Rate Treasury Bond	2035	3.53
Fixed Rate Treasury Bond	2031	3.49

**ALFM PESO BOND FUND
Return Since Inception ^d**



d Fund returns are calculated based on Net Asset Value per Unit

PHILIPPINE STOCK INDEX FUND



BPI AIA Life Assurance Corp. (formerly known as Ayala Life Assurance, Inc.) has established two (2) separate variable accounts under its peso denominated variable life insurance products, namely Wealth Link Peso and Express Unit Link Peso.

The other separate variable account, whose fund inception date is July 15, 2008, is invested primarily in the Philippine Stock Index Fund Corporation (PSIF), an open-end investment company duly registered with the SEC. The PSIF aims to achieve investment returns that track the performance of the Philippine Stock Exchange Composite Index (PSEi).

FUND REVIEW

The Fund returned 0.72% for the month of December 2025, outperforming its benchmark by 21 basis points. Year-to-date, return amounted to -4.56%, outperforming its benchmark by 273 basis points. The Fund will continue to track the Philippine Stock Exchange Index (PSEi).

FUND PERFORMANCE OF THE SEPARATE VARIABLE ACCOUNT INVESTED IN PSIF ^a

2025 Return	-4.56%
2024 Return	2.61%
2023 Return	0.21%
2022 Return	-6.93%
2021 Return	0.38%
2020 Return	-8.08%
3 Year Return (annualized)	-0.63%
5 Year Return (annualized)	-1.72%
Return since Inception	179.04%

a Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS

Net Asset Value (NAV in PHP thousands) ^b	2,713 ^c
Net Asset Value per Unit	735

b NAV is net of 0.175% fund management charge

c Based on Dec 31, 2025 Unaudited Financial Statement

PORTFOLIO COMPOSITION

Allocation	% of Fund
Equities	98.93
Cash, Time Deposits, and Other Receivables - Net of Liabilities	1.07

TOP HOLDINGS - PHILIPPINE STOCK INDEX FUND

Names	% of Fund
Int'l Container Terminal Services, Inc.	16.33
SM Investments Corporation	11.24
BDO Unibank, Inc.	8.84
Bank of the Philippine Islands	8.41
SM Prime Holdings, Inc.	6.79

**PHILIPPINE STOCK INDEX FUND
Return Since Inception ^d**



^d Fund returns are calculated based on Net Asset Value per Unit

ALFM DOLLAR BOND FUND



BPI AIA Life Assurance Corp. (formerly known as Ayala Life Assurance, Inc.) has established a separate variable account under its dollar denominated variable life insurance products, namely Wealth Link Dollar and Express Unit Link Dollar.

The separate variable account, whose fund inception date is July 15, 2008, is invested primarily in the ALFM Dollar Bond Fund, Inc. (ALFM Dollar), an open-end investment company duly registered with the SEC. The ALFM Dollar aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

FUND REVIEW

The Fund returned 0.26% for the month of December 2025, underperforming its benchmark by 13 basis points. Year-to-date return amounted to 3.69%, underperforming its benchmark by 149 basis points. The fund manager looks to maintain portfolio duration in consideration of continued volatility in the global space. Though policy rates are expected to come down, inflationary pressures are seen to persist. Investors in a bond fund must be prepared to withstand short-term volatility as higher investment value is normally achieved over the medium to long term.

FUND PERFORMANCE OF THE SEPARATE VARIABLE ACCOUNT INVESTED IN ALFM DOLLAR^a

2025 Return	3.69%
2024 Return	3.01%
2023 Return	3.17%
2022 Return	-1.96%
2021 Return	1.19%
2020 Return	3.34%
3 Year Return (annualized)	3.29%
5 Year Return (annualized)	1.80%
Return since Inception	70.37%

a Fund returns are calculated based on Net Asset Value per Unit
Past performance is not indicative of future performance.

PORTFOLIO STATISTICS

Net Asset Value (NAV in USD thousands) ^b	119 ^c
Net Asset Value per Unit	528.97

b NAV is net of 0.175% fund management charge

c Based on Dec 31, 2025 Unaudited Financial Statement

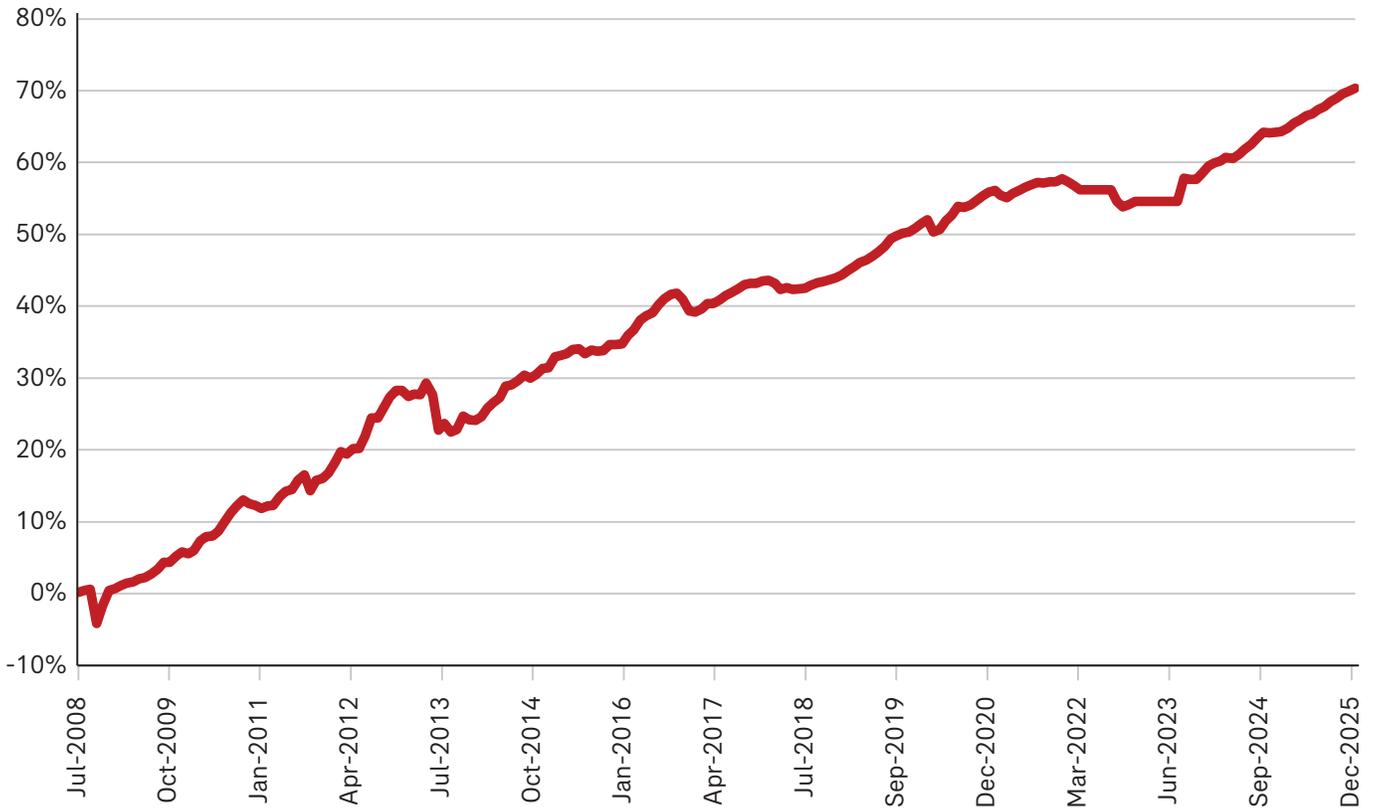
PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	31.25
Corporates	59.16
Fixed Income Funds	5.15
Cash, Time Deposits, and Other Receivables - Net of Liabilities	4.44

TOP HOLDINGS - ALFM DOLLAR BOND FUND

Names	Maturity	%
Ayala Corporation	PERP	8.55
Aboitiz Equity Ventures, Inc.	2030	7.20
First Pacific	2027	6.08
Ayala Corporation	PERP	5.22
Manila Water Company, Inc.	2030	4.74

ALFM DOLLAR BOND FUND
Return Since Inception ^d



^d Fund returns are calculated based on Net Asset Value per Unit

DISCLOSURE STATEMENT

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ABOUT BPI AIA

BPI AIA LIFE ASSURANCE CORPORATION is a strategic alliance between two leading companies in the country – Bank of the Philippine Islands (BPI) and AIA Philippines Life and General Insurance Company Inc. (formerly Philam Life). BPI is a leading universal bank with over 170 years of experience in the local banking industry and an extensive branch network of more than 850 branches and 2,500 ATMs and CAMs. AIA Philippines is the premier life insurance company in the country and the market leader for over 70 years.

BPI AIA's professional and expertly trained Bancassurance Sales Executives are assigned in BPI branches nationwide to render financial advisory services that address customers' financial and protection needs.

With the combined expertise and resources of these two trusted companies, BPI AIA policyholders are assured that their insurance is backed by financial strength and stability.



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