

## **DECLARATION OF TRUST**

### **BPI INVEST GLOBAL EQUITY FUND-OF-FUNDS A Global Equity Unit Investment Trust Fund**

#### **KNOW ALL MEN BY THESE PRESENTS:**

THE BPI ASSET MANAGEMENT AND TRUST CORPORATION (BPI AMTC), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 7/F BPI Buendia, Sen. Gil J. Puyat Avenue, Makati City, with authority to perform trust and other fiduciary functions, hereinafter referred to as the "Trustee";

#### **W I T N E S S E T H:**

#### **ARTICLE I CREATION OF THE TRUST**

That, for the purpose of providing its trust clients with investment returns derived from a diversified portfolio of primarily global equities denominated in major currencies, pursuant to investment objectives and policies herein stipulated, the Trustee hereby establishes and declares itself as Trustee, and has created and shall administer a multi-class Unit Investment Trust Fund-of-Funds (UITF), a trust product, for the collective investment of funds held by it in such capacity, upon the terms and conditions hereinafter set forth.

#### **ARTICLE II NATURE AND INVESTMENT OBJECTIVES**

Sec. 1 Title of the Fund – The UITF shall be known as BPI INVEST GLOBAL EQUITY FUND-OF-FUNDS (the "Fund").

Sec. 2 Nature of the Fund –The Fund is a foreign currency denominated equity UITF operating as a multi-class Fund-of-Funds established in accordance with, and shall be operated subject to the provisions of this Declaration of Trust/ Plan Rules and as the same may be amended from time to time, in accordance with the regulations issued by the Bangko Sentral ng Pilipinas (the "BSP") and existing laws.

Pursuant to existing BSP rules and regulations, as a Fund-of-Funds, this Fund is mandated to invest at least 90% of its assets in more than one collective investment scheme. Such underlying collective investment schemes are referred to as target funds and selected consistent with the provisions on investment objective and investment policy under Section 6 and the Appendix, following the Trustee's established investment process.

As a multi-class fund, this Fund has more than one class of units in the Fund and is invested in the same Target Fund/s and pool of securities, investment objectives and policies. Each unit class may settle in different currencies, have different minimum initial participation and/or minimum additional participation amounts, trust fees and expenses as indicated in the Appendix, Section 4 and 7. Each unit class shall also have a separate NAVPU as described in the Appendix, Section 5.

The Fund shall have a base currency of US Dollars (USD).

The Fund shall be treated as an entity separate and distinct from its constituent assets, contributions of the Participants thereto, and other trust accounts administered by the Trustee.

Sec. 3 Title to Assets of the Fund - All assets of the Fund shall, at all times, be considered as assets held by the Trustee, and title thereto shall be vested solely in the Trustee.

Sec. 4 Relationship of Trustee with the Fund – The Trustee shall not have any other relationship with the Fund except in its capacity as Trustee thereof. Provided, however, that the Trustee which simultaneously administers other trust, fiduciary, or investment management funds may invest such funds in the Fund, if allowed under a policy approved by its Board of Directors.

Sec.5 Nature of Participant's Interest in the Fund - No Participant shall have or be deemed to have any ownership or interest in any particular account, investment or asset of the Fund but shall have only its proportionate and undivided beneficial interest in the Fund as a whole.

Sec. 6 Investment Objectives and Policy – The Fund shall be invested and reinvested in such investment outlets, and held and disposed of in accordance with such investment objectives and policies as specified in the Appendix, Sections 1 and 2.

The Trustee shall make available to all Participants for review, a list of prospective and outstanding investment outlets, and in the case of fund-of-funds, all relevant information on the target fund/s, which shall be updated quarterly. Such disclosure shall be substantially in the form as prescribed by the Bangko Sentral ng Pilipinas.

### **ARTICLE III**

#### **PARTICIPATION: ADMISSION AND REDEMPTION**

Sec. 1 Qualified Participants (Requirements and Restrictions) - Prior to acceptance of the initial participation in the Fund, the Trustee shall perform a Client Suitability Assessment (CSA) for the purpose of profiling the risk return orientation of the client and establishing the suitability of the client to the Fund. The Fund is suitable for investors with at least the risk profile listed below.

	Unit "Class A"	Unit "Class P"
Risk Profile	Aggressive	Aggressive
Type	Individuals and Corporations	Individuals and Corporations

Qualified participants are more specifically defined in the Appendix, Section 4.

Sec. 2 Participation Units - Participation in the Fund shall always be through participation in units of the Fund, and each unit shall have uniform rights and privileges as any other participating unit in the Fund. The beneficial interest in the Fund shall be divided into units, each of which shall represent a pro rata interest in the aggregate market value of all instruments in the Fund.

The admission or redemption of units of participation in the Fund may be made only on the basis of the valuation methodology under Art. V hereof, and in such frequency as indicated in the Appendix, Section 7.

## **ARTICLE IV MANNER OF OPERATION**

Sec. 1 Pooled Fund Accounting - The total assets and accountabilities of the Fund shall be accounted for as a single account based on the pooled-fund accounting methodology. The investments of a multi-class fund shall remain as one pool and are not separately allocated to classes.

Sec.2 Distribution Channel - The Fund shall be distributed in channels duly accredited by the Trustee and allowed under existing regulations.

Sec.3 Expansion and Contraction of Fund – Participations to a unit class of the Fund shall serve to expand the total outstanding units of that particular class and of the Fund. Conversely, every redemption of participation/s from a unit class of the Fund shall serve to contract the total outstanding units of that particular unit class and of the Fund.

Every participation in any of the unit classes of the Fund shall be evidenced by a purchase of units arrived at by dividing the amount of investment by the prevailing net asset value per unit (NAVPU) of that particular class. On the other hand, every redemption of participation/s from any of the unit classes of the Fund shall be evidenced by a sale of units arrived at by dividing the amount of redemption by the prevailing NAVPU of that particular unit class.

Sec. 4 Allocation and Distribution of Income – The market value of the Fund's investments, net of taxes, fees and expenses which are chargeable against the Fund shall be reflected in every NAV computation. The income of the Fund, therefore, shall be allocated to the Participants on a pro rata and pari passu basis depending upon the number of units held by each Participant in the Fund. The unrealized income / loss of each Participant in the unit class of a Fund shall be the difference between the prevailing NAVPU of a unit class over the acquisition cost of the Participant's units of the same unit class, multiplied by the number of units of that particular unit class held by the Participant.

## **ARTICLE V VALUATION OF THE FUND AND PARTICIPATION UNITS**

Sec. 1 Valuation of the Fund – The Trustee shall compute the NAV of the Fund and the proportionate share of the NAV for each unit class of the Fund daily subject to the following rules:

- (a) On "Valuation Day" which shall mean a trading day where the Fund is made available for participation or redemption, the Trustee shall determine the NAV of the Fund and the proportionate share of the NAV for each unit class. Unit Class "A" shall be computed in U.S. Dollars (USD), while Unit Class "P" shall be computed in Philippine Pesos (PHP).
- (b) The NAV shall be the summation of the market value of each investment of the Fund, less taxes, fees and other qualified expenses as defined herein. The determination of the market value of the investments of the Fund shall be in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments. The rules related to Valuation are more specifically defined in the Appendix, Section 5.

Sec. 2 Valuation of Participation Units – The valuation of participation units shall be subject to the following rules:

- (a) The NAVPU of a unit class of the Fund shall be calculated daily by dividing the NAV of that particular unit class by the total number of units outstanding of the same unit class as of Valuation Date.
- (b) The Trustee shall consider the frequency of valuation and trading of the target funds when determining the Fund-of-Funds' own frequency of valuation and trading.
- (c) The Trustee shall cause the publication of the NAVPU of the Fund at least weekly in one or more newspaper of national circulation and in the Trustee's website on a daily basis.

Sec. 3 Fees and Expenses of the Fund

- (a) Trustee's Fees- The Trustee shall charge against the respective unit classes of the Fund trust fees in the amount indicated in the Appendix, Section 8 on a per annum basis based on the NAV of the respective unit classes of the Fund, net of taxes, as its compensation for the administration and management of the Fund. These fees shall accrue and be collected as and when the same become due, at such times as indicated in the Appendix, Section 8. The trust fees shall be uniformly applied to all Participants of that particular unit class in the Fund. Said fees may be increased or decreased in the future as may be warranted by circumstances then existing, subject to the requirements of Subsection 4410Q.6 of the Manual of Regulations for Non-Bank Financial Institutions. Amended trust fee structure shall be applied prospectively.
- (b) Special Expenses – Special expenses may be charged separately or in addition to the necessary trust fees if such are necessary to preserve or enhance the value of the Fund. Such special expenses shall be payable to pertinent third party or parties, provided that the same are covered by separate contract/s, and disclosed to the Participants in the Key Information and Investment Disclosure Statement.

The amount of, nature, and period covered of the special expenses, as well as the amount of regular trust fees for each quarter, shall be disclosed to the Participants. No fees and expenses other than the foregoing shall be charged to the Fund.

## **ARTICLE VI TRUSTEES POWERS & LIABILITIES**

Sec.1 Management of the Fund - The Trustee shall have the exclusive management, administration, operation and control of the Fund and full discretion in respect of investments, and the sole right, at any time, to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets comprising the Fund.

However, if the Trustee deems it proper and beneficial for the Fund, the Trustee may engage the services of third party/ies to manage a portion of the Fund; provided that, such arrangement is covered by separate contract/s; provided further that it is disclosed to the Participants and the BSP is duly notified thereof with the pertinent documents on the hiring of such third party/ies submitted thereto. The Trustee shall periodically review on an ongoing basis the performance by such third party/ies.

**Sec. 2 Powers of Trustee** – In addition to powers stipulated in the Appendix, the Trustee shall have the following powers:

- a. To hold legal title over the assets comprising the Fund for the benefit of the Participants;
- b. To hold, place, invest and reinvest the Fund, including the authority to switch underlying instruments/target funds, with full discretionary powers, and without distinction, as to principal and income in instruments stipulated in the Appendix, Section 2 including local and foreign collective investment schemes and in such investments it may deem sound and appropriate, subject only to the limitations, investment objectives, and policies of the Fund as stated in the Appendix, Sections 1 and 2;
- c. To deposit in any bank or financial institution, including its own bank, a portion of the Fund, subject to the requirement of Subsection 4410Q.8 of the Manual of Regulations for Non-Bank Financial Institutions.
- d. To hold cash in excess of the regulatory or the Fund's defined cash allocation limit during the transitory period while in the process of switching from one target fund to another or in the case of breach of the ten percent (10%) exposure limit to the target fund;
- e. To register or cause to be registered any securities of the Fund in nominee or bearer form;
- f. To appoint and retain the services of qualified and reputable local or foreign investment advisor and/or fund manager/s; provided, however, that the Trustee shall retain ownership and control of the Fund, and provided further, that the investment advisor/s and/or fund manager/s shall work within the investment parameters or guidelines set by the Trustee from time to time and shall be directly responsible to the Trustee for any investment actions and decisions undertaken for the Fund;
- g. To hire and compensate legal counsel/s, certified public accountant/s and other specialist/s in connection with the administration and management of the Fund and the protection or advancement of its legal and other interests;
- h. To make, execute, acknowledge, and deliver any or all securities, agreements, contracts, deeds, documents and instruments necessary in the management and reinvestment of the Fund, or in connection with the exercise of the powers herein conferred or the performance of acts herein authorized;
- i. To collect and receive income, dividends, interest, profits, increments and such other sums accruing or due the Fund; and
- j. To pay out of the Fund all costs, expenses, taxes, and other proper charges incurred in connection with the administration, preservation, maintenance and protection of the Fund.
- k. To adopt an external or internal risk management and hedging strategy and a more definitive policy guideline based on generally accepted risk management principles, and duly approved by the Board of Directors of the Trustee;
- l. To set the minimum amounts or number of units required for purchases or redemptions by a Participant of the Fund as defined in the Appendix, Section 7 (c);
- m. To set the admission and redemption cut-off time as defined in the Appendix, Section 7 (f); and,
- n. To collect from the Fund trust fees as defined in the Appendix, Section 8.

**Sec. 3 Liability of Trustee** – **Save that attributable to the Trustee's fraud, willful default, bad faith or gross negligence, the Trustee shall not be liable for any loss or depreciation or diminution in the value of the Fund or the Participant's interest in the Fund. The Trustee shall also be held free and harmless from any liability for any of its actions and omissions made in good faith, for which the Trustee believed to be authorized or falling within its discretion, rights or powers conferred under the Declaration of Trust.**

**Sec. 4 Non-Coverage By PDIC** – **Participation in the Fund creates a trust and not a deposit account. As such, the participation in the Fund is not covered by the Philippine Deposit Insurance Corporation (PDIC). Any income or loss of the Fund (whether realized or unrealized) will impact on the NAVPU and shall be for the account and risk of the Participant.**

## **ARTICLE VII RIGHTS OF PARTICIPANTS**

- Sec. 1 Declaration of Trust / Plan Rules - A copy of this Declaration of Trust / Plan Rules shall be available at the principal office of the Trustee for inspection by any person having an interest in the Fund, or by his authorized representative/s. Upon request, a copy of this Declaration of Trust / Plan Rules shall be furnished such interested person/s.
- Sec. 2 Disclosure of Investments - The Key Information and Investment Disclosure Statement (KIIDS) which shall be updated quarterly shall be made available to interested Participants. Such disclosure shall substantially be in the form as prescribed by BSP in accordance with Appendix "Q-34" of Subsection 4410Q.7 of the Manual of Regulations for Non-Bank Financial Institutions. Upon request, a copy of the quarterly list of investments shall be furnished to interested Participant/s. The Trustee shall also make available to Participant/s all relevant information on the Target Fund.
- Sec. 3 Disclosure of Risk – Participants shall be informed of the risks attendant to this type of Fund through a 'Risk Disclosure Statement.'
- Sec. 4 Disclosure of Amendments to the Plan Rules – A notice of amendments to Plan Rules / Declaration of Trust shall be furnished the Participants immediately. The Participants shall be allowed to redeem their participations in the Fund, subject to the procedure set forth in Art. IX, Sec.1 hereof.
- Sec. 5 Termination of the Fund – A written notice of the termination of the Fund shall be provided the remaining Participants at least thirty (30) business days prior to the actual termination of the Fund, pursuant to Art. IX, Sec. 2 hereof. The Participants shall have the right to inspect or be provided upon request with a copy of, the financial statement used as basis for the distribution of the Fund.

In respect of the Fund, the rights of the remaining Participants as against each other shall be *pari passu* and *pro-rata*.

## **ARTICLE VIII ANNUAL AUDIT AND REPORT BOOKS OF ACCOUNTS**

- Sec. 1 Annual External Audit - Aside from the regular audit requirement applicable to all trust accounts of the Trustee, an external audit of the Fund shall be conducted annually after the close of each fiscal year by an independent auditor acceptable to BSP. The external audit shall be conducted by the same external auditor engaged for the audit of the Trustee/Trust Entity. The result of this audit shall be the basis of the Trustee's annual report which shall be made available to all the Participants. A notice shall be sent to the Participants that the report is available, and upon request, a copy of such report shall be furnished such Participant/s, without charge.

The Trustee shall, likewise, prepare a quarterly performance review of the Fund and shall make the same available to the Participants not later than twenty (20) calendar days from end of the reference date / period.

## **ARTICLE IX AMENDMENTS & TERMINATION**

Sec. 1 Amendments – This Declaration of Trust / Plan Rules may be amended from time to time by resolution of the Board of Directors of the Trustee: Provided, however, that Participants in the Fund shall be immediately notified of such amendments and participants who are not in conformity with the amendments made shall be allowed to redeem their participations within (30) calendar days after the amendments are approved, or such longer period as may be fixed by the Trustee: Provided further, that amendments to the Plan shall be submitted to the BSP within ten (10) business days from approval of the amendments by the Board of Directors of the Trustee.

The amendments shall be deemed approved after thirty (30) business days from date of completion of requirements.

(a) Switching of Target Fund. The switching of the Target Fund may be deemed necessary, in case of any, but not limited to the following:

1. Performance vis-à-vis expectations
2. Change in the Target Fund's investment objective or risk profile
3. Resignation of fund manager/s
4. Closure of Target Fund or its maximum AUM capacity has been reached
5. Prolonged suspension of subscription/redemption to/from the Target Fund
6. Market conditions which in the reasonable opinion of the Investor Fund Trustee warrant a change in Target Fund
7. Change in the Investment Objective of the Investor Fund

Switching of the Target Fund is deemed as an amendment subject to the provisions of this section. In addition to a formal notice to Participants, prior disclosure may be supplemented by any of the following:

1. E-mail
2. Notification in Sales Premises
3. Announcement in the Trustee's official website

No change shall be implemented within thirty (30) days of initial notification of existing investors.

In case of switching of the Target Fund, the Trustee shall follow its defined internal process to ensure protection of investors' interest. This shall include processes and procedures relating to:

1. Termination of Subscription to Target Fund or Agreement
2. Temporary Holdings in Cash
3. Subscription to a New Target Fund
4. Information and Public Announcement of Target Fund Switch

(b) Material and Non-Material Changes in Target Fund's Structure

Material changes in a Target Fund shall require re-assessment and review by the Trustee of the suitability of the Target Fund. Material changes can be described as a change, with all else being unchanged, that a reasonable investor would consider important in the investor's decision to buy, hold or sell. Such changes may include but are not necessarily limited to:

1. A change in the portfolio management team of the Target Fund
2. A change in the objective or investment style of the Target Fund
3. A change in the Target Fund's fees that will significantly affect the total expense ratio of the Investor Fund
4. A regulatory change in the jurisdiction where the Target Fund is domiciled that would significantly affect the Target Fund's operations
5. Significant legal disputes

6. Any other change that would necessitate a change in the Investor Fund's Declaration of Trust

Should the Trustee decide to retain the Target Fund despite such material change, such change must be properly disclosed to the investors via a formal written notification. Investors shall be allowed to withdraw their participation within a reasonable period of time but in no case less than thirty (30) days. The Trustee shall not increase the Investor Fund's participation to that particular Target Fund within the notice period.

Non-Material Changes to the Target Fund, or any information that, which to the Trustee's best judgment, will not reasonably affect the investor's decision to buy, hold, or sell its investment in the Investor Fund, shall be disclosed via the Trustee's website.

Sec. 2 Termination - This Declaration of Trust / Plan Rules may be terminated by a resolution of the Board of Directors of the Trustee when, in the sole judgment of the Trustee, continued operation thereof is no longer viable, or not consistent with the Trustee's present or new business strategy. A copy of the resolution, which shall specify the effective date of such termination, shall be submitted to the appropriate department of the BSP. At the discretion of the Trustee's Board of Directors, the Trustee may engage the services of a reputable accounting firm to look into the books and record of the Fund maintained by the Trustee and to certify to the financial condition of the Fund. Upon approval of the termination of the Declaration of Trust / Plan Rules, the Trustee shall notify the Participants accordingly.

The Trustee shall provide written notice of the termination of the Fund to the remaining Participants at least thirty (30) business days prior to the actual termination of the Fund. Such notice may be made by the Trustee by way of direct written notice to each participant or through the posting of notices in the premises of the Head Office and branches of the Trustee. Upon termination, the Trustee shall prepare a financial statement of the Fund which shall be made the basis of distribution to the Participants.

**ARTICLE X  
OTHER TERMS AND CONDITIONS**

This plan was approved to be adopted by the Board of Directors of the Trustee (BPI AMTC) on June 19, 2019.

This Declaration of Trust is further subject to the other terms and conditions that may be stipulated in the Appendix.

IN WITNESS WHEREOF, BPI AMTC has caused this Declaration of Trust / Plan Rules to be signed and its corporate seal affixed thereto on August 20, 2019 at Makati City, Philippines.

**BPI ASSET MANAGEMENT & TRUST CORPORATION  
(Trustee)**



**SHEILA MARIE U. TAN  
President**



## **APPENDIX**

### **BPI INVEST GLOBAL EQUITY FUND-OF-FUNDS Unit Investment Trust Fund (UITF)**

#### **FUND SPECIFICATIONS**

1. Investment Objective -The Fund, operating as a multi-class Fund-of-Funds, intends to achieve for its Participants long-term capital growth by investing in a diversified portfolio of global equity collective investment schemes. The Fund aims to provide excess return over the Morgan Stanley Capital International (MSCI) World Index (USD).
2. Investment Policy - Pursuant to the foregoing objectives, the Fund may be invested and reinvested in the following, subject to the approval of the Board of Directors of the Trustee:
  - (a) Primarily in more than one collective investment schemes, that are approved or registered and supervised by regulatory authorities that is a member of the International Organization of Securities Commissions (IOSCO) and managed by reputable fund manager/s the investment objectives and policies of which are generally consistent with those of the Fund; provided further that such combined investment in collective investment schemes should not fall below ninety percent (90%) of the net asset value of the Fund. Such collective investment schemes must not have any investment exposure in other collective investment schemes.
  - (b) Shares of Stock of selected corporations which are already listed or being offered publicly and soon to be listed in major capital markets.
  - (c) Primarily short-term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable securities issued by the government of a foreign country, any political subdivision/agency of a foreign country or any supranational entity; tradable fixed-income instruments issued by foreign or local financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investments outlets/ categories as the BSP may allow. Provided, that, a financial instrument is regarded as tradable if two-way prices are quoted, readily available or regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.
  - (d) Primarily short-term tradable fixed-income instruments issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Fund; and, any such other instruments as may be allowed under BSP regulations. Investment with related interests shall be in accordance with Subsection 4410Q.12 (a) of the Manual of Regulations for Non-Bank Financial Institutions.
  - (e) The principal investments of the Fund will be in equity instruments denominated in, but are not limited to, the following major currencies: U.S. Dollar, Euro, British Pound, Canadian Dollar, Australian Dollar, Swiss Franc, Danish Kroner, and Japanese Yen.
  - (f) Bank deposit or tradable debt instruments issued by the BSP.
  - (g) Such other investments allowed under regulations issued by the BSP.

Provided further that, in the process of switching from one Target Fund to another or in the case of breach of the ten percent (10%) exposure limit to the Target Fund, investments in cash or cash equivalents for liquidity purposes and/or for funds awaiting disposition, may exceed the allowable limit

prescribed by the BSP, within the transitory period.

For all transactions with related parties or entities, the Trustee of the Fund shall be transparent at all times and maintain an audit trail. The Trustee shall observe the principle of best execution and no purchase/sale shall be made with related counterparties without considering at least two (2) competitive quotes from other sources.

3. **Diversification Policy** – The combined exposure of the UIT Fund to any entity and its related parties shall not exceed fifteen percent (15%) of the market value of the UIT Fund: PROVIDED, THAT, A UIT FUND INVESTED, PARTIALLY OR SUBSTANTIALLY, IN EXCHANGE TRADED SECURITIES SHALL BE SUBJECT TO THE 15% EXPOSURE LIMIT TO A SINGLE ENTITY/ISSUER: PROVIDED FURTHER, THAT, IN THE CASE OF AN EXCHANGE TRADED SECURITY WHICH IS INCLUDED IN AN INDEX AND TRACKED BY THE UIT FUND, THE EXPOSURE OF THE UIT FUND TO A SINGLE ENTITY SHALL BE THE ACTUAL BENCHMARK WEIGHTING OF THE ISSUER OR 15%, WHICHEVER IS HIGHER. THIS LIMITATION SHALL NOT APPLY TO NON-RISK ASSETS AS DEFINED BY THE BSP.

In the case of Fund-of-Funds, the fifteen percent (15%) exposure limit shall be applied on the target fund's underlying investments. Notwithstanding said limit, if the target fund is allowed by its respective regulatory authority to invest in units/shares of other open-ended CIS, the exposure limit prescribed by said regulatory authority shall instead apply. Furthermore, the investment in the Target Fund shall not exceed ten percent (10%) of the total net asset value of the Target Fund. The frequency of monitoring of the exposure limits may be synchronized with the reporting frequency of the Target Fund.

In case the exposure limits prescribed above are breached due to the marking-to-market of certain investment/s or extraordinary circumstances, e.g. abnormal redemptions which are beyond the control of the trustee, the trustee shall be given thirty (30) days from the time the limit is breached or in the case of fund-of-funds, thirty (30) days from date of receipt of report indicating the net asset value of the target fund, to correct the same.

<b>Investment</b>	<b>Allocation Range</b>
Equity Funds	Collectively up to 100%
Money Market Funds	Collectively up to 10%

4. **Qualified Participants** - Participation in the Fund shall be open to all persons with legal capacity to enter into contracts. Acceptance of Participants shall be subject to the rules or procedures established by the Trustee which it deems advantageous or to the best interest of the Fund. The Fund is suitable for investors with an aggressive risk profile.

	Unit "Class A"	Unit "Class P"
Risk Profile	Aggressive	Aggressive
Type	Individuals and Corporations	Individuals and Corporations

Participation in the Fund shall be open to Participants with legal capacity to contract and who are not considered US persons under the US securities and tax laws, subject to the other conditions, rules or provisions as stated herein and those established by the Trustee which it deems to be to the best interest of or advantageous to the Fund and its existing participants.

Participants may be required to declare that they are not a US person or US taxpayer and are neither acquiring units in the Fund in behalf of US persons or US taxpayers nor acquiring units with the intent to sell or transfer them to US persons or US taxpayers.

Prospective participants should also consult their own tax advisors as to the specific local or

international tax implications of acquiring, holding and redeeming of any units of the Fund.

No beneficial owner shall hold more than 10% of the Fund. Any investor who owns more than 10% shall be asked to redeem the amount (or its equivalent number of units) in excess of 10% within thirty (30) calendar days. Failure to do so will be subject to anti-money laundering (AML) reporting requirements in the jurisdiction of the Target Fund. The 10% ownership limit shall commence after one (1) year from the Fund's inception date.

5. Rules Related to Valuation - The matter of determining the value of the various instruments in the Fund shall be vested in the Trustee through its Board of Directors. Subject to pertinent BSP Implementing Rules and Regulations, the Trustee shall adopt a Marked-to-Market Valuation Methodology which, once adopted, shall herewith be consistently and strictly applied. The basis for pricing/valuation per asset class/asset shall follow existing BSP marking-to-market guidelines, such that for foreign-currency denominated collective investment schemes, reference shall be the latest available price in Bloomberg; for equity securities reference shall be the closing prices of the corresponding stock exchange where the stock is listed; for foreign currency-denominated government and corporate securities, reference shall be the latest available price as of end of day, Manila time, quoted in major information systems such as but not limited to Bloomberg. In the absence of a price, use of average quotes of at least 3 regular brokers/dealers/market makers.

- (a) The NAV shall be computed using the pooled-fund accounting methodology, or more specifically based on the following formula:

	Cash Deposits
+	Market Value of Investment
+	Accrued Interest on Cash Deposits
+	All other assets and receivables
	<hr/>
	GROSS ASSET VALUE
-	Accrued Taxes Payable
-	Accrued Trust Fee Payable
-	Other Accrued Expenses
-	Accounts Payable
-	All Other Liabilities
	<hr/>
	NET ASSET VALUE

- (b) In the case of a multi-class fund, the proportionate share of the unit classes to the Net Asset Value of the Fund shall be determined by dividing the number of outstanding units of a class to the total number of outstanding units of the Fund and then multiplying it to the Net Asset Value of the Fund. The net assets of a class shall represent its proportionate share on the net assets of the multi-class fund less the trustee fee and expenses attributable to that class.

$$\begin{array}{lcl}
 \text{Proportionate Share} & \text{Total Number of Outstanding units of a class} & \text{NAV of} \\
 \text{Of the Net Asset Value =} & \text{-----} & \text{the} \\
 \text{Of a Class} & \text{Total number of Outstanding Units of the Fund} & \text{Fund}
 \end{array}
 \times$$

#### PROPORTIONATE SHARE OF THE NET ASSET VALUE OF A CLASS

-	Accrued Trust Fee Payable of a class
-	Other Accrued Expenses of a class
-	Accounts Payable of a class
-	All Other Liabilities of a class
	<hr/>
	NET ASSET VALUE OF A CLASS

The NAVPU of a unit class shall be calculated by dividing the proportionate NAV of that unit class by the number of Units outstanding of that particular unit class as of the date of valuation. The NAVPU of a unit class shall be computed up to two (2) decimal places as follows:

$$\text{NAVPU of a Unit Class} = \frac{\text{Total Net Assets of a Unit Class}}{\text{Total number of outstanding Units of the same Unit Class}}$$

- (c) The NAVPU of the unit classes shall be calculated and published in their respective currencies:

Unit "Class A"	Unit "Class P"
US Dollars (USD)	Philippine Peso (PHP)

- (d) All contributions to Unit "Class P" shall form part of the total assets of the Fund based on the foreign exchange (FX) closing rate of each valuation day.
- (e) Target Funds value the underlying securities using the Marked-to-Marked Valuation Methodology. The market value of the underlying equity securities is determined on the basis of last reported sales price, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services. Securities initially valued in currencies other than the U.S. dollar are converted to U.S. dollars every business day using currency rates obtained from pricing services.
- (f) The NAVPU of the unit classes shall be computed earliest 12:00NN on the next day following each valuation day and made available not later than 6:00PM of the same day. The NAVPU shall be made available to Participants and published in the Trustee's website.
- (g) Suspension of Trading- The Trustee of the Fund may temporarily suspend calculation of the NAV/NAVPU of the unit classes, as well as admission to and redemption from the unit classes of the Fund, if it is unable to determine the NAVPU of the unit classes due to the suspension of trading of its target fund/s or any fortuitous event, such as fire, natural calamity, public disorder, or national emergency affecting the financial market resulting in the suspension of trading and consequently, the absence of available market prices of securities/instruments

The suspension of any of the target funds will mean the unavailability of a real-time NAVPU that is reflective of actual market movements if previous day NAVPU of the target fund would be used.

6. Risk Management and Hedging Policy– For the general and collective interest of the Fund's Participants, the Trustee is authorized to adopt an external or internal risk management and hedging strategy and a more definitive policy guideline based on generally accepted risk management principles, and duly approved by the Board of Directors of the Trustee.

The Fund and its target funds may avail itself of instruments solely for the purpose of hedging risk exposures of the existing investments of the Fund, provided, that, these are accounted for in accordance with existing BSP guidelines, as well as the Trustee's risk management and hedging policies duly approved by the Board of Directors of the Trustee, and disclosed to the Participants.

## 7. Admission and Redemption

- (a) Admission and Redemption Prices - Admission or redemption of units of participation in a unit class in the Fund, including fractions thereof, shall be based on the applicable NAVPU of the particular unit class for the day computed based on Item 5 (Rules Related to Valuation) of this Appendix.

- (b) The initial NAVPU of each unit class in the Fund is as follows:

Unit "Class A"	Unit "Class P"
USD100/unit	PhP100/unit

- (c) The Trustee shall set the minimum amount or number of units required for purchases or redemptions by a Participant in the unit classes of the Fund, which may be changed from time to time by the Trustee, as conditions warrant subject to the Trustee's compliance with Subsection 4410Q.6.k of the Manual of Regulations for Non-Bank Financial Institutions. Provisions related to amendment/s are more specifically defined in Article IX of the Plan Rules. Policies on Admission and Redemption are the following:

	Unit "Class A"	Unit "Class P"
Minimum amount of Initial Participation /Contribution	USD500.00	PHP50,000.00
Minimum Maintaining Participation	Same as the amount prescribed for minimum initial participation	
Minimum Additional Participation	USD200.00	PHP10,000.00
Minimum Redemption Amount	USD200.00	PHP10,000.00

- (d) Settlement of Contributions and Redemption. Contributions on any unit class received on or before the cut-off time are settled at the end of the next day following valuation day. Redemptions on any unit class received on or before the cut-off time are settled on the 5th business day after the valuation day using the NAVPU of that particular unit class on that valuation day as the basis for settlement. Valuation day is defined under Article V Section 1(a): Valuation of the Fund of the Plan Rules.
- (e) Partial redemption or redemption of unitholdings less than the outstanding units of any unit class is allowed and shall be based on the applicable NAVPU of that particular unit class for the day. On the next business day after the partial redemption, a transaction advice shall be sent to the Trustor indicating the remaining outstanding unitholdings of that particular unit class. Should a partial redemption result in the investment falling below the required minimum maintaining balance for that particular unit class, the Trustee shall automatically close the account with respect to that particular unit class, without need of prior notification to the participant, in which case, the entire balance of the account shall be paid through credit to the TRUSTOR/s' Settlement Account based on the applicable Net Asset Value per unit for the day of that particular unit class multiplied by the number of remaining unit holdings of the same unit class.
- (f) Admission and Redemption Cut-off Time. Admission and/or notice of redemption of any unit class received by the Trustee on or before the cut-off time of 2:30PM shall be considered as transaction for the day. However, admission/notice of redemption of any unit class received after the cut-off time shall be considered as transaction for the next applicable valuation day. Upon initial participation, the Participating Trust Agreement shall be made available to the Participant. A Confirmation of Participation or Transaction Advice shall be sent to the Participant on the next business day for subsequent transactions.
- (g) Redemption Requirements and Conditions. Redemption shall also be subject to the requirement/condition below:

**Redemption Notice Period.** The participant of the Fund may redeem its participation on any valuation day. Request for redemption, subject to the cut-off time specified in section 7(f) shall be dealt with by the Trustee in chronological order according to the day that notice is received. On the next business day after the redemption, a Transaction Advice shall be sent to the Participant. However, the Trustee reserves the right to require from the Trustor/s a five (5) business day advanced written notice of redemption from the Fund. This required notice may be shortened or extended at the sole discretion of the Trustee depending on the liquidity

position of the Fund and the frequency and volume of requests for redemption received by the Trustee at any given time. The Trustee shall communicate these by way of direct written correspondence to each participant or through the posting of announcements in the premises of the Head Office and the branches of the Trustee and through the Trustee's website not shorter than three (3) business days before any changes are implemented.

8. Fees and Expenses - The Trustee shall collect from the Fund trust fees in the amount equivalent to the following:

	Unit "Class A"	Unit "Class P"
Trust Fees	one and a half percent (1.50%) p.a. based on the Net Asset Value of the Fund, net of taxes	

The said fees shall accrue daily and shall be collectible from the Fund on a monthly basis.

For purchase and/or sale of the units of the Target Fund, including in the case of switching of the Target Fund, expenses such as but not limited to brokerage commission, early withdrawal charges, switching fees, sales load, or any other transaction costs payable to third party/ies shall be borne by the Fund. Such fees as well as fees and expenses charged by the Target Fund/s shall be reflected in every NAV computation of the Fund.

Any changes to the expenses charged to the Target Fund shall reflect in the returns of the Target Fund.

All rebates, waiver, and/or commissions collected by the Fund from the Target Fund/s shall redound back to the Fund.

9. Custody of Securities – Investments of the Fund shall be held for safekeeping by any BSP accredited third party custodian/s which shall perform independent marking-to-market of such investments, as well as other functions pursuant to the relevant Custodianship Agreement. The name of the third party custodian shall be indicated in the Fund's Key Information and Investment Disclosure Statement.

Investments of the target funds shall be held for safekeeping by an institution registered/authorized/approved by a relevant regulatory authority in its home jurisdiction to act as third party custodian.