

DECLARATION OF TRUST

BPI INVEST PREMIUM BOND FUND A Bond Unit Investment Trust Fund

KNOW ALL MEN BY THESE PRESENTS:

BPI ASSET MANAGEMENT AND TRUST CORPORATION, a trust 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 Center, Sen. Gil J. Puyat Avenue, Makati City, with authority to perform trust and other fiduciary functions hereinafter referred to as “BPI AMTC” or the “Trustee”;

WITNESSETH:

ARTICLE I CREATION OF THE TRUST

That, for the purpose of providing its trust clients with investment returns derived from a diversified portfolio of medium-term fixed-income instruments, 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 (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 the BPI INVEST PREMIUM BOND FUND (herein referred to as the “Fund”).

Sec. 2 Nature of the Fund –The Fund is an intermediate bond UITF operating as a multi-class fund established in accordance with, and shall be operated subject to, the provisions of this Declaration of Trust/ Plan Rules, as the same may be amended from time to time, in accordance with the laws and regulations issued by the Bangko Sentral ng Pilipinas (“BSP”). The Appendix provides a detailed description of the fund specifications.

Pursuant to existing BSP rules and regulations, as a multi-class fund, this Fund has more than one class of units in the Fund and is invested in the same pool of securities and the same portfolio, investment objectives and policies. Each unit class may have different minimum initial participation and/or minimum additional participation amounts, trust fees and expenses, as indicated in the Appendix, Section 4, 7 and 8. Each unit class shall have a separate Net Asset Value Per Unit (NAVPU) as described in the Appendix, Section 5.

The Fund shall have a base currency of Philippine Peso (PHP).

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 the 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, which shall be updated quarterly. Such disclosure shall be substantially in the form prescribed by the BSP.

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.

	"Class A"	"Class B"	"Class S"
Risk Profile	Moderately Conservative		
Type	Individuals and Corporations	Individuals Only	Segregated Accounts and UITFs managed by the Trustee

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. In the case of a multi-class fund, units shall be issued as units in a class of a Fund. The beneficial interest in the Fund shall be divided into units, each of which shall represent a pro rata interest, determined under the net asset value per unit valuation methodology, in the aggregate market value of all instruments in the Fund.

The participation or redemption of units in the Fund may be made only on the basis of the valuation methodology under Article 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 Channels - The Fund shall be distributed exclusively in distribution 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 unit 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 NAVPU of that particular unit class. On the other hand, redemption of participations from any 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 net asset value ("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. The actual distribution or realization of income shall take place every time a redemption of units from the Fund is made, to the extent of the number of units redeemed.

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 in Philippine Pesos (PHP), 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.
- (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.
- (c) When there is a different fee structure for each unit class, the NAVPU of each unit class shall be computed by dividing the total net assets of a unit class by the total outstanding units of such unit class; where, the net assets of each unit class shall represent its proportionate share on the net assets of the multi-class Fund less the trustee fee and expenses attributable to that unit class. The net assets of the multi-class Fund are the summation of the market value of each investment less fees, taxes, and other qualified expenses, but gross of trustee fees and expenses attributable to the unit classes, as 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 the particular unit class by the total number of units outstanding of the same unit class as of Valuation Date.

- (b) 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. Historical NAVPUs may also be accessed in the Trustee's website.

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 of 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 Section 414-Q of the Manual of Regulations for Non-Bank Financial Institutions ("MORNBFI"). 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 ("KIIDS").

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.

- (c) In the case of a multi-class Fund that have different level of Trustee Fees and Expenses, there shall be a policy on the equitable allocation of any costs, charges, and expenses payable out of the multi-class Fund, which are not attributable to any particular unit class.

ARTICLE VI TRUSTEES POWERS AND 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 the Trustee – 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 with full discretionary powers, and without distinction, as to principal and income in instruments stipulated in the Appendix, Section 2 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 the parent or affiliate bank of the Trustee, a portion of the Fund, subject to the requirement of Section 414-Q of the MORNBFI;
- d. To register or cause to be registered any securities of the Fund in nominee or bearer form;

- e. 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;
- f. 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;
- g. 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;
- h. To collect and receive income, dividends, interest, profits, increments and such other sums accruing or due the Fund;
- i. 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;
- j. 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;
- k. 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);
- l. To set the participation and redemption cut-off time as defined in the Appendix, Section 7 (f);
- m. To collect from the Fund the trust fees as defined in the Appendix, Section 8; and,
- n. To temporarily suspend trading, calculation of the NAV/NAVPU of the unit classes, as well as participation to and redemption from the unit classes of the Fund as further defined in the Appendix, Section 5 (c) and Section 7 (h).

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 in the value of the Fund or in the value of the Trustor’s participation in the Fund. The Trustee shall not be liable for any act or omission where such action or inaction, in the good faith judgment of the Trustee, was then necessary, reasonable or appropriate for the proper and advantageous administration and management of the Fund.

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.

Sec. 5 The Trustee does not and shall not guarantee a fixed rate of return or income to the participants. Losses, if any, shall be for the account and risk of the participants. Historical performance, when presented, is purely for reference purposes and is not a guarantee of similar future results.

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 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-33 of Section 414-Q of the MORNBF. Upon request, a copy of the quarterly list of investments shall be furnished to interested Participant/s.

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 Declaration of Trust / Plan Rules 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 Article IX, Section 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 Article IX, Section 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. 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 AND 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 thirty (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 Declaration of Trust / Plan Rules may be allowed subject to notification to the BSP and continuing compliance of the Trustee with the prudential criteria prescribed under Section 111-Q of the MORNBF. Provided, finally, that amendments to the Declaration of Trust / Plan Rules that involve change in the investment objective and/or strategy, and risk profile shall be subject to the approval of the BSP.

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, publication of announcement in the Trustee's own website, posting of notices in the premises of the Trustee, or posting/sending of notices in the approved platforms of all duly accredited distribution channels. 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 on 18 May 2022.

This Declaration of Trust / Plan Rules 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 01 June 2022 at Makati City, Philippines.

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


YVETTE MARI V. DE PERALTA
Officer-in-Charge

APPENDIX
BPI INVEST PREMIUM BOND FUND
Unit Investment Trust Fund (UITF)

FUND SPECIFICATIONS

1. Investment Objective - The Fund, operating as a multi-class, intends to achieve for its Participants capital appreciation and income derived from a diversified portfolio of primarily medium-term fixed income instruments. The Fund aims to provide absolute returns in excess of the return of the BPI Philippine Government Bond 1-3 Year Index.
2. Investment Policy - Pursuant to the foregoing objectives, the Fund may be invested and reinvested in the following:
 - a) Primarily medium-term tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income 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.
 - b) Primarily medium-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 Section 414-Q of the MORNBF.1.
 - c) Money market instruments.
 - d) Deposit products.
 - e) Such other investments suitable to the nature, classification, and strategy of the Fund, as allowed by prevailing regulations.

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.

Modified Duration Policy - the modified duration of the Fund shall not be more than three (3) years. Modified duration is used to determine the effect of a 1% or 100 basis points change in interest rates on the price of the fixed income security. The Trustee is authorized to adopt internal guidelines in relation to the Fund's modified duration policy, as duly approved by its Board of Directors of the Trustee. The modified duration of the Fund shall be disclosed in the KIIDS.

3. Diversification Policy – The combined exposure of the Fund to any entity and its related parties shall not exceed fifteen percent (15%) of the market value of the Fund. The limitation shall not apply to non-risk assets as defined by the BSP.

In case the limit is breached due to the marking-to-market of certain investment/s or any 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 to correct the same.

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 at least the risk profile listed below.

	"Class A"	"Class B"	"Class S"
Risk Profile	Moderately Conservative		
Type	Individuals and Corporations	Individuals Only	Segregated Accounts and UITFs managed by the Trustee

Participation in the Unit "Class S" shall only be open to any participants with existing investment management accounts ("IMA") or trust and other fiduciary accounts with the Trustee. Unit "Class S" shall also be available as target funds for Funds managed by the Trustee. Unit "Class B" shall be available only through the principal office or booking branch of the Trustee. All other interested participants may subscribe to the Fund through the Unit "Class A".

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 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.

- (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
GROSS ASSET VALUE
- Accrued Taxes Payable
- Accrued Trust Fee Payable
- Other Accrued Expenses
- Accounts Payable
- All Other Liabilities
NET ASSET VALUE OF THE FUND

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.

$$\text{Proportionate Share Of the Net Asset Value = Of a Class} = \frac{\text{Total Number of Outstanding units of a class}}{\text{Total number of Outstanding Units of the Fund}} \times \text{NAV of the Fund}$$

**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

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:

$$\text{NAVPu of a Unit Class} = \frac{\text{Total Net Asset Value of a Unit Class}}{\text{Total number of Outstanding Units of the same Unit Class}}$$

- (b) The NAVPU of the unit classes of the Fund shall be computed earliest 7:00PM on each valuation day and made available not later than 12:00NN the following day. The NAVPU shall be made available to Participants and published in the Trustee's website.
- (c) Suspension of Trading – The Trustee of the Fund may temporarily suspend calculation of the NAV/NAVPu of the unit classes of the Fund, as well as participation to and redemption from the unit classes of the Fund, if it is unable to determine the NAVPu of the Fund due to any fortuitous event, such as but not limited to 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.
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 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. Participation and Redemption

- (a) Participation and Redemption Prices - Participation or redemption of units in the Fund, including fractions thereof, shall be based on the applicable NAVPU for the day computed based on Section 5 (Rules Related to Valuation) of this Appendix.
- (b) The initial NAVPU of each unit class in the Fund is as follows:

"Class A"	"Class B"	"Class S"
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 Trustee's compliance with Section 414-Q of the MORNBF. Provisions related to amendment/s are more specifically defined in Article IX, Section 1 of the Plan Rules. Policies on Participation and Redemption are the following:

	“Class A”	“Class B”	“Class S”	
			Discretionary Segregated	Directional Segregated
Minimum Initial Participation:	PhP10,000	PhP1,000	PhP 1,000,000	PhP50,000,000
Minimum Maintaining Participation:				
Minimum Additional Participation:	PhP1,000		PhP 100,000	
Minimum Redemption Amount:				
Minimum Holding Period:	None			

- (d) Settlement of Participations and Redemptions. Participations and redemptions of any unit class received on or before the cut-off time are settled at the end of valuation day using the NAVPU of the 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 Declaration of Trust / 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 the particular unit class for the day. On the next valuation day after the partial redemption, a transaction advice shall be sent to the trustor indicating the remaining outstanding unitholdings of the particular unit class. Should a partial redemption result in the investment falling below the required minimum maintaining balance of the particular unit class, the Trustee shall automatically close the account with respect to the 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 Participant's Settlement Account based on the applicable NAVPU for the day of the particular unit class multiplied by the number of remaining unit holdings of the same unit class.
- (f) Participation and Redemption Cut-off Time. Participation 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, participation/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 provided to the Participant for subsequent transactions.
- (g) Redemption Requirements and Conditions. Redemption shall also be subject to the following requirements or conditions 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 valuation 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, publication of announcement in the Trustee's own website, posting of notices in the premises of the Trustee, or posting/sending of notices in the approved platforms of all duly accredited distribution channels, not shorter than three (3) business days before any change is implemented.

- (h) Suspension of Participations and Redemptions - Conditions for the suspension of participations to, and redemptions from the Fund are specified in Section 5 (c): Suspension of Trading of the Appendix.
8. Fees – The Trustee shall collect from the Fund trust fees in the amount equivalent to the listed rates below per annum (p.a.). based on the NAV of the unit class of the Fund, net of taxes. The said fees shall accrue daily and shall be collectible from the Fund on a monthly basis.

	"Class A"	"Class B"
Trust Fees per annum	1.50%	

There shall be no trust fees collected from participants of Unit "Class S". The Fund will be used as an investment outlet for the existing IMA or trust and other fiduciary accounts of the Trustee, the fees under such accounts will apply.

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/s of the third-party custodian/s shall be indicated in the KIIDS.