

DECLARATION OF TRUST

EASTWEST PESO MONEY MARKET FUND A Money Market Unit Investment Trust Fund

KNOW ALL MEN BY THESE PRESENTS:

East West Banking Corporation, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at the EastWest Corporate Center, 3rd floor The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, with authority to perform trust and other fiduciary functions, acting herein through its **Trust and Asset Management Group** (herein referred to as the “Trustee”);

WITNESSETH:

Article I

CREATION OF THE TRUST

That for the purpose of providing investment opportunities to its trust clients for higher investment yields and a diversified portfolio of investments pursuant to investment objectives and policies herein stipulated, the Trustee hereby establishes and declares itself as Trustee of a unit investment trust fund for the collective investment of funds held by it in the capacity of Trustee under the terms and conditions herein- below set forth:

Article II

NATURE AND INVESTMENT OBJECTIVES

Sec. 1. Title of the Fund: The pooled fund shall be known as the **EASTWEST PESO MONEY MARKET Fund** (herein referred to as the “Fund”).

Sec. 2. Nature of the FUND: The FUND is a money market fund established in accordance with Section 403 and Section 414 of the Manual of Regulation of Banks (the “MORB”) and shall be operated subject to the stipulations of this Declaration of Trust / Plan Rules (hereinafter referred to as the “Plan”) 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.

FUND Classification: The FUND shall be classified as a Money Market Fund.

Title to Assets of the FUND: All assets of the Fund shall, at all times, be considered as assets held by the Trustee vested solely in the Trustee.

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.

Description of the FUND: The features of the Fund and its accompanying risks shall be described in **Appendix I** hereto.

Sec. 3. 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 **Appendix I** hereto.

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 under Section 414 of the MORB.

Article III

ADMISSION AND REDEMPTION OF PARTICIPATION

Sec. 1. Qualified Participants (Requirements and Restrictions): Participation in the FUND shall be open to participants with legal capacity to contract subject to the rules or procedures

stipulated in **Appendix I** hereto and those established by the Trustee to be advantageous or to the best interest of the FUND.

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.

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 or privileges as any other unit. The beneficial interest of each participation unit shall be determined under the net asset value per unit (NAVpU) valuation methodology defined herein. The admission or redemption of units of participation in the Fund may be made only on the basis of such valuation and in such frequency as indicated in **Appendix I** hereto.

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 referred to as pooled-fund accounting method.

Sec. 2. Distribution: The FUND shall be distributed exclusively in distribution channels duly authorized by the Trustee.

Article V VALUATION OF THE FUND AND PARTICIPATION UNITS

Sec. 1. Valuation of the FUND: The valuation of the Fund shall be subject to the following rules:

- a. The Trustee shall on a daily basis determine the net asset value (herein referred to as the "NAV") of the Fund and the value of each unit of participation (NAVpU) more specifically described in **Appendix I** hereto.
- b. The NAV shall be the summation of the market value of each investment of the Fund less fees, taxes, and other qualified expenses as defined herein. The determination of 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 more specifically described in **Appendix I** hereof.

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

- a. The NAVpU shall be determined by dividing the NAV of the Fund by the total number of units outstanding as of Valuation Date.
- b. The NAVpU at the start of the Fund's operation, or the Fund's par value, shall be as indicated in **Appendix I** hereto.
- c. The NAVpU shall be computed daily in the manner specified in **Appendix I** hereto.

Sec. 3. Fees and Expenses of the FUND:

- a. **Trustee's Fees:** The Trustee shall charge against the Fund regular trust fees in the amounts indicated in **Appendix I** hereto and accredited third-party custodian fees and external audit fees on a per annum basis based on the NAV of the Fund as its compensation for the administration and management of the Fund. These fees shall accrue and shall be collectible from the Fund, as and when the same becomes due, at such times as indicated in **Appendix I**. The trust fees shall be uniformly applied to all participants in the Fund. Said fee may be increased or decreased in the future as may be warranted by circumstances then existing, subject to the requirements of Section 414 of the MORB. In the event the trust fees are changed, such change shall be charged prospectively.
- b. **Expenses:** The Trustee may charge the Fund for special expenses if the same is necessary to preserve or enhance the value of the Fund. Such special expenses shall be

payable to pertinent third party or parties covered by separate contract/s, and disclosed to the Participants in the Key Information and Investment Disclosure Statement (the "KIIDS").

Other fees such as accredited third-party custodian fees and external audit fees shall also be collected from the fund which shall be disclosed quarterly in the KIIDS.

The interest, fees, charges, and penalties of this Fund may change over time, subject to the notice requirements under this Plan and other requirements, as prescribed by the BSP and other regulations.

Article VI

TRUSTEE'S POWERS AND LIABILITIES

Sec. 1. Management of the Fund: The Trustee shall have the exclusive management, administration, operation, and control of the FUND. However, if the Trustee deems it proper and beneficial for the FUND, the Trustee may engage the services of third party/ies as investment advisor or manager of a portion of the Fund; provided that the said arrangement shall be covered by a written agreement/contract and such third party/ies is/are disclosed in the quarterly reports to the participants of the Fund.

Sec. 2. Power of the Trustee: The Trustee shall have the following powers:

1. To hold legal title over the assets comprising the FUND for the benefit of the Participants.
2. To have exclusive management and control of the FUND, full discretion in respect of investments, and the sole right, at anytime to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets comprising the Trust Fund;
3. To hold, place, invest and reinvest the FUND with full discretionary powers, and without distinction, as to principal and income in investments stipulated in Article II, Section 3 hereto and in such investments it may deem sound and appropriate, subject only to the limitations the investment objectives and policies of the Fund stated in Article II hereto;
4. To deposit in any bank or financial institution, including its own bank, any portion of the Fund, subject to the requirement of Section 414 of the MORB.
5. To register or cause to be registered any securities of the Fund in nominee or bearer form;
6. 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/sand/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;
7. To hire and compensate legal counsel/s, certified public accountant and other specialist/s in connection with administration and management of the Fund and the protection or advancement of its legal and other interests;
8. 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;
9. To collect, receive and receipt for income, dividends, interest, profits, increments and such other sums accruing or due to the Fund;
10. To pay out of the Fund all costs, expenses, and proper charges incurred in connection with the administration, preservation, maintenance and protection of the Fund;

11. To suspend the trading of the long-term fund as necessary due to suspension of the Philippine Dealing Exchange, which will mean the unavailability of an end-of-day NAVpU that is reflective of actual market movements; and
12. To perform such acts which are necessary and desirable for the proper administration and management of the Fund.

Sec. 3. Liability of Trustee: 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 unless upon its willful default, bad faith, or gross negligence. The Trustee shall not be liable for 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.

Due to the nature of the investments of unit investment trust fund, the returns/yields cannot be guaranteed. Historical performance when presented is purely for reference purposes and is not a guarantee of similar future performance.

Any losses and income arising from market fluctuations and price volatility of the securities held by the Fund, even if invested in government securities, are for the account of the client. As such, the units of participation of the Trustor in the FUND, when redeemed, may be worth more or worth less than the Trustor's initial investment or contribution.

Sec. 4. Non-Coverage by PDIC: Participation in this Fund is a trust arrangement and is 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 the NAVpU and shall be for the account and risk of the participant.

Article VII RIGHTS OF PARTICIPANTS

Sec. 1. Right to Inspect Declaration: 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. Upon request, a copy of the Declaration of Trust shall be furnished such interested person.

Sec. 2. Disclosure of Investments: A list of existing and prospective investments of the FUND shall be made available to participants. Such disclosure shall be substantially in the form as provided under Appendix 56 of the Section 414 of the MORB. Upon request, participants in the FUND shall be furnished a quarterly list of investments held by the Fund.

Sec. 3. Disclosure of Risks: Participants shall be informed of the risks attendant to this type of Fund through a Risk Disclosure Statement.

Sec. 4. Rights Upon Termination of Plan: In case of termination of the Plan, the Participants shall have:

- a. the right to be notified of such termination in accordance with Section 2 Article IX hereof and;
- b. upon demand, the right to inspect or be provided a copy of the financial statement used as the 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* in all respects and *pro-rata*.

Sec. 5. Cooling-Off Period: Subject to the exemptions under BSP regulations, the Participant/Trustor shall be entitled to cancel his/its initial subscription or contribution, without penalty, upon written notice to the Trustee within two (2) banking days immediately following the signing of the agreement or contract evidencing their participation in the Fund.

The Trustee may collect or recover reasonable amount of processing fees, which would be in addition to any reasonable administrative fees associated with the redemption, termination or cancellation of the subscriptions or contributions.

Article VIII **ANNUAL AUDIT AND REPORT**

Aside from the regular audit requirement applicable to all trust accounts of the TRUSTEE, an external audit of the financial statements of the FUND shall be conducted annually after the close of each fiscal year by the external auditor engaged for the financial audit of the TRUSTEE. The Audited Financial Sheet (AFS) for the FUND shall be PFRS/PAS-compliant in all respects. The AFS of the FUND shall be made available at the Trustee's place of business, posted on the Trustee's website and upon request of participants, transmitted to them in printed or electronic format.

Article IX **AMENDMENTS AND TERMINATION**

Sec. 1. Amendments: This Declaration of Trust may be amended from time to time by a resolution of the Board of Directors of the Trustee and/or notice to the BSP, as required under regulations: *Provided, however,* that participants in the FUND shall be immediately notified of such amendments/s in writing, either in electronic or printed form, through publication of announcement in the Trustee's own website or through the posting of notices in the premises of the head office and branches of the Trustee of such amendments. *Provided,* that those who are not in conformity with the amendments made shall be allowed to withdraw their participations within thirty (30) calendar days prior to the implementation of any amendment to the FUND. Complementary individual notices to a Client shall also be sent if the amendments pertain to or will result to fees to be paid or charged on the account of the Client. *Provided further* that amendments to the Plan shall be submitted to the BSP within ten (10) banking days from approval of the amendments by the Board of Directors of the Trustee, as per Section 414 of the MORB.

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 by reason of a change in the Trustee's business strategy. The resolution shall specify the effective date of such termination. The BSP shall be notified prior to the termination of a Fund, as required under relevant rules and regulations. At the discretion of the Trustee's Board of Directors, it 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 the financial condition of the Fund. Upon approval of the termination of the Plan, the Trustee shall notify the Trustors accordingly.

Following the approval of the termination of the Plan but at least thirty (30) banking days prior to the actual termination of the Fund, the Trustee shall provide notice of the termination of the Fund to the remaining participants. Such notice may be made by the Trustee by way of direct written notice to each participant (either in electronic or printed form), publication of announcement in the Trustee's own website or through the posting of notices in the premises of the Head Office and branches of the Trustee. Upon termination of the Plan, the Trustee shall prepare a financial statement of the Fund which shall be made the basis for distribution to the participating Trustors.

IN WITNESS WHEREOF, EAST WEST BANKING CORPORATION has caused this DECLARATION OF TRUST to be signed and its corporate seal affixed thereto on _____, 202__ at Taguig City.

**EAST WEST BANKING CORPORATION – TRUST AND ASSET MANAGEMENT GROUP
TRUSTEE**

By:

Jason Ohelle Q. Bibit
Assistant Vice-President
Head of Investments

Raul Victor M. De Guzman
First Vice-President
Trust Officer

Signed in the presence of:

ACKNOWLEDGEMENT

Republic of the Philippines)
_____) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction, this _____ personally appeared the following:

<u>Name</u>	<u>Govt. Identification</u>	<u>Date/Place Issued</u>
East West Banking Corp-Trust and Asset Management Group	TIN 003-921-057-000	
Raul Victor M. De Guzman		
Jason Ohelle Q. Bibit		

all known to me and to me known to be the same persons who executed the foregoing DECLARATION OF TRUST for the EASTWEST PESO MONEY MARKET Fund consisting of ___pages including its Annexes/Appendices and this page wherein this acknowledgement is written, and they acknowledge to me that the same is their true and voluntary act and deed as well as the true and voluntary act and deed of the corporation they represent.

IN WITNESS WHEREOF, I hereby set my hand and affix my notarial seal on the date and at the place above written.

Doc. No. _____
Page No. _____
Book No. _____
Series of 202__.

APPENDIX I

EASTWEST PESO MONEY MARKET FUND
FUND SPECIFICATIONS

I. Investment Objective

The **EASTWEST PESO MONEY MARKET Fund** (the “Fund”) aims to provide its participants liquidity and stable income derived from diversified portfolio of bank deposits and fixed income instruments with remaining terms to maturity of not more than three (3) years and has a weighted average portfolio life of one (1) year or less. The fund will be managed by EW Trust Division. It is ideal for investors with moderate risk profile with a one-year investment time horizon.

Return Objective: The FUND aims to exceed the return of the **Bloomberg Philippine Sovereign Bond Index Money Market, Adjusted**.

- Description of the Benchmark
 - o The BPHILMM Index is a rules-based market-value weighted index engineered to measure the fixed-rate and zero-coupon local currency securities publicly issued by the Philippines, including retail securities. To be included in the index a security must have a minimum par amount of PHP 3 billion. (Source: Bloomberg).
- Key Characteristic of the Benchmark
 - o The BPHILMM tracks the performance of peso-denominated bonds issued by the Philippine government. It comprises zero-coupon and fixed rate securities with tenors less than or equal to a year.
- Use of the Benchmark
 - o The benchmark provides a standard for evaluating the Fund’s performance by providing a comparable metric given the fixed income assets of the portfolio for investors/participants to understand how the Fund is performing. The fund’s goal is to outperform this benchmark.
 - o There are immaterial misalignments between the benchmark and the Fund since the benchmark is not net of taxes. The benchmark only tracks the price movements of its underlying securities. Taxes and other fees deducted from the Fund also affect the Net Asset Value.
- Sources for more detailed information
 - o Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via indexhelp@bloomberg.net.
 - o Additional information on the benchmark and/or its administrator can be made available to the investors upon request.

II. Investment Policy

- A. Pursuant to the foregoing objectives, the FUND is structured as a money market fund in compliance with Sections 403 and 414 of the Manual of Regulations for Banks (MORB).

The Fund may invest in the following:

1. Tradable fixed-income instruments, issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by financial institutions or private corporations; marketable instruments and loans that are traded in an organized exchange; and, such other investment outlets/ categories the BSP allow. Provided, that, a financial instrument is regarded as tradeable if quoted two-way prices are readily available and 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.
2. Tradable fixed income securities issued, underwritten, or otherwise dealt by East West Bank and/or any of its subsidiaries, affiliates, their successor-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 or any such instrument as may be allowed under BSP regulations. Investment with related interests shall be in accordance with Section 414 of the MORB.

3. Bank deposits and such other investments or tradable debt instruments issued by BSP.
 4. Such other investments allowed under regulations issued by the BSP.
- B. The FUND shall be primarily invested in a portfolio of bank deposits and fixed income instruments with remaining terms to maturity of not more than three (3) years and has a weighted average portfolio life of one (1) year or less.
- C. The combined exposure of a UITF to any entity and its related parties shall not exceed fifteen percent (15%) of the market value of the UITF. This limitation shall not apply to a non-risk asset as defined by BSP. In case of a breach in the regulatory limit due to marking-to-market of certain investments or unusual circumstances such as abnormal redemptions, the Trustee is given thirty (30) days to correct such breach.

III. Qualified Participants: Requirements, Restrictions and Risk Profile

- A. **Participation in the FUND** shall be open to all individuals of legal age and corporations that share the general investment objective of the Fund. 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.
- B. **Risk profile of participants suitable to invest in the Fund: Moderate.** Such client wants a portfolio which may provide higher income than traditional time deposits but requires short-term liquidity.
- C. **Risk Factors**

The value of the investment is based on the Net Asset Value per unit (NAVpU) of the Fund which uses a marked-to-market valuation and therefore may fluctuate daily. Investment in a UITF does not provide guaranteed returns. Principal and earnings from investment in the Fund can be lost in whole or in part when the NAVpU at the time of redemption is lower than the NAVpU at the time of participation.

The Fund is exposed to the following risks:

- **Country/ Political Risk.** Securities can be affected by the political, economic and social structures within the countries of their issuers, such as internal and external conflicts, currency devaluations, foreign ownership limitations, trading costs and tax increases.
- **Market Risk.** Market risk is the risk that the value of the fund investment will be negatively affected by the fluctuations in the price level of its underlying instruments.
- **Inflation Risk.** Affecting all investments, inflation reduces the purchasing power of money.
- **Liquidity Risk.** Liquidity is a measure of how easy it is for a security to be converted into cash. A liquid security is widely held and is frequently traded by many buyers and sellers every day. This is minimized by investing in marketable securities.
- **Interest Rate Risk.** The value of fixed-income investments such as notes and bonds generally fall when interest rates rise. The potential for loss is typically greater for securities that have a longer term to maturity, have a longer duration or have a lower yield or coupon rate.
- **Reinvestment Rate Risk.** This is the risk of reinvesting interest earnings at a rate lower than the original investment.
- **Credit Risk.** Bonds represent a loan made to the issuer of the bond. The credit worthiness of the bond issuer is the issuer's ability to pay interest and principal on time, which can change during the life of the bond. Issuers with a higher risk of defaulting pay the highest yields.

- **Other Risks.** Participation in the UITF may be further exposed to the risk of any actual or potential conflicts of interest relative to in-house transactions by the Trustee.

IV. Admission and Redemption

A. Policies of Admission and Redemption

1. **Minimum Initial Investment and Minimum Succeeding Participation.** If the account is opened through the stores or directly with the Trustee, the minimum initial investment/participation in the Fund is PHILIPPINE PESO: TEN THOUSAND (PHP 10,000.00). If the account is made through a digital or online platforms, the minimum initial investment/participation is PHILIPPINE PESO: FIVE THOUSAND (PHP 5,000.00). There is a minimum additional participation of at least PHILIPPINE PESO: ONE THOUSAND (PHP 1,000.00) for succeeding investments.
2. **Minimum Maintaining Balance.** If the account is opened through the stores or directly with the Trustee, the minimum maintaining Balance is PHILIPPINE PESO: TEN THOUSAND (PHP 10,000.00) for participants to maintain in the Fund. If the account is made through a digital or online platform, the minimum maintaining balance is PHILIPPINE PESO: FIVE THOUSAND (PHP 5,000.00). Any redemption to the participant's fund which triggers the balance to fall below the minimum maintaining balance shall be subject to the redemption policy stated below.
3. **Admission and Redemption Cut-off Time.** Admission and/or notice of redemption may be accepted on any banking day subject to a 10:30 AM cut-off time. The cut-off time may be amended by the Trustee, in accordance with Article IX Section 1 of the Plan upon which all branches distributing the said UITF will be advised. However, admission/notice of redemption received after the cut-off time shall be considered as transaction for the next applicable banking day.
4. **Admission and Redemption Prices.** Admission and redemption prices shall be based on the prevailing market value of underlying investments of the Fund at that time, in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments.

B. Admission and Redemption Conditions

1. **Participation Conditions:** Application to purchase are subject to confirmation as to the amount of units and the applicable NAVpU. When admitted, the Participating Trust Agreement shall be made available to the participant on the day of transaction (T+0) and/or the Confirmation Notice shall be made available to the participant within five (5) banking days after the transaction date (T+5).
2. **Redemption Notice Period.** When redeeming, the notice of redemption is also the transaction date (T+0). The participant in the Fund may redeem its participation on any banking day subject to the redemption cut-off procedure provided that notice of redemption, in any form acceptable to the Trustee, is acknowledged/received by the Trustee one (1) banking day prior to settlement date. Requests for redemption shall be dealt with by the Trustee in chronological order according to the day that notice is received. Such conditions are also applicable for partial redemptions. The surrender of Confirmation Notice is not required for redemptions.
3. **Redemption Proceeds.** Proceeds of full or partial redemption shall be paid out of the Fund on the redemption settlement date of one (1) banking day after transaction date (T+1). The NAVpU on the transaction date shall be used to compute the value of the redeemed units.
4. **Policy for Partial Redemption.** A new Confirmation Notice reflecting the NAVpU at the time of original contribution will be issued to the participant for the remaining unredeemed units. There is no need to compute for the NAVpU of the remaining unredeemed participation since it will not be affected by the partial redemption.

5. **Redemptions Resulting in the Account Falling Below the Required Maintaining balance.** Any redemptions made by the participant that shall result in the account falling below the required maintaining balance shall trigger an automatic withdrawal of the entire account of the participant from the FUND. However, if the balance falls below the minimum maintaining balance due market movements or price fluctuations, the automatic withdrawal shall not be triggered.

- C. **Suspension of Admission and Redemptions.** The Trustee of the FUND may temporarily suspend calculation of the NAV/NAVpU of the FUND, as well as admission to and redemption from the FUND, if it is unable to determine the NAVpU of the FUND due to 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.

V. Allocation and Distribution of Income

Participants shall be entitled to income, profits, and losses with respect to its participation in the Fund on a pro rata and pari passu basis depending upon the number of units held by each Participant. The actual distribution or realization of income shall take place every time a redemption of units is made, to the extent of the number of units redeemed.

VI. Net Asset Value Per Unit

- A. All assets of the Fund shall be marked to market daily in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments.
- B. Valuation Day shall mean any day in which banks are open for business in Metro Manila.
- C. The value of the NAVpU at the start of the Fund's operation shall be One Hundred Philippine Pesos (PHP 100.00).
- D. The NAVpU is computed by dividing the Net Asset Value (NAV) of the Fund by the number of outstanding units. The NAV is derived from the summation of the market value of the underlying securities of the Fund plus accrued interest income less liabilities and qualified expenses. Gains from investment is realized when the NAVpU at the time of redemption is higher than the NAVpU at the time of participation.
- E. The Trustee shall calculate the NAVpU which shall be made available daily to unit holders by 8:00pm.

VII. Fees

- A. The Trustee shall collect from the Fund a trust fee of 0.25% per annum based on the NAV of the Fund which shall be accrued daily and shall be collectible from the Fund at the end of each month. (Art. V, Sec. 3)

The Trustee reserves its right to amend its trust fee accordingly, in accordance with Article VIII Section 1 of the Plan, for reasons including but not limited to persistently adverse market conditions, or the need to attract investment to achieve a critical mass for optimum investing.

- B. Other fees such as accredited third-party custodian fees and external audit fees shall also be collected from the fund which shall be disclosed quarterly in the Key Information and Investment Disclosure Statement (KIIDS).
- C. The interest, fees, charges, and penalties of this Fund may change over time, subject to the notice requirements under this Plan and other requirements, as prescribed by the BSP and other regulations.

VIII. Other Terms and Conditions

Investments in securities of the Fund shall be held for safekeeping by the bank's third party custodian, HSBC or other BSP-accredited third party custodian that may be assigned by the Trustee in the future. The third party custodian shall perform independent marking-to-market of such securities.