

DECLARATION OF TRUST

EASTWEST PERA PESO LONG TERM BOND FUND

A Fixed Income Unit Investment Trust Fund

Qualified as a PERA Investment Product

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 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 (1) establishing an investment product qualified to be an investment outlet for the funds of individuals who have opened a personal equity retirement account, a voluntary retirement account, pursuant to and in accordance with Republic Act No. 9505 also known as the "Personal Equity and Retirement Account (PERA) Act of 2008" (the PERA Act) and its implementing rules and regulations and (2) 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 qualified as a PERA Investment Product, as defined under the PERA Act, 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 **EASTWEST PERA PESO LONG TERM BOND FUND** (herein referred to as the "Fund").

Sec. 2. Nature of the Fund –The Fund is a unit investment trust fund, qualified as a PERA Investment Product, established in accordance with and shall be operated subject to the stipulations of this declaration 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 to existing laws.

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

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 Fixed Income 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 or through their PERA Administrators, as defined in the PERA Act (the "PERA Administrator"), as authorized by the participants for review a list of prospective and outstanding investment outlets which shall be updated quarterly. Such disclosure shall be substantially in the form Sec. 414 on Allowable Investments and Valuation of the Manual of Regulation for Banks (MORB) hereto attached as **Appendix II**.

Article III

PARTICIPATION: ADMISSION & 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.

Participation in the Fund shall be open to participants who are (1) individuals; (2) have legal capacity to contract; (3) who have a Philippine Tax Identification Number (TIN); and (4) whose funds are in a PERA or as provided in the PERA Act and its implementing rules and regulations. Participants shall also be 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.

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 and consistent with the PERA Act and its implementing rules and regulations.

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 (herein referred to as the "NAVpU")
- b. The NAV shall be the summation of the market value of each investment of the Fund less fees, qualified 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 at the time 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, accredited third-party custodian fees and external audit fees in the amounts indicated in **Appendix I** hereto 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 Manual of Regulations for Banks. 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 include costs payable to pertinent third party or parties covered by separate contract/s and disclosed to the Participants through the Key Information and Investment Disclosure Statement (KIIDS).

Article VI
TRUSTEE POWERS & LIABILITIES

Sec. 1. Management of the Fund - The Trustee shall have the exclusive management, administration, operation and control of the Fund, 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 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. Powers of 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 have exclusive management and control of the Fund, 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;
- c. 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, Section 3 hereto;
- d. 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.
- 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 and other specialist/s in connection with 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, receive and receipt for income, dividends, interest, profits, increments and such other sums accruing or due to the Fund; and
- j. 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.
- k. To perform such acts which are necessary and desirable for the proper administration and management of the Fund.

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 acts 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 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 or through their PERA Administrators as authorized by the participants. Such disclosure shall be substantially in the form as provided under Section 414 of the Manual of Regulations for Banks. Upon request, participants in the Fund or their PERA Administrators, as authorized by the participants 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 Declaration of Trust** - In case of termination of the Declaration of Trust, the Participants or through their PERA Administrators, as authorized by the participants shall have (a) the right to be notified of such termination in accordance with Section 2 of 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* and *pro-rata*.

- Sec. 5. Cooling-Off Period.** Subject to the exemptions under BSP regulations, the Participant/Trustor shall be entitled to cancel his/his 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 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 through their respective PERA Administrators, as authorized by the participants.

The audited financial statement (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 & TERMINATION

- Sec. 1. Amendments** - This Declaration of Trust may be amended from time to time by resolution of the Board of Directors of the Trustee and notice to the Bangko Sentral ng Pilipinas, as required under regulations: *Provided, however* that participants in the Fund or through their PERA Administrators, as authorized by the participants shall be immediately notified of such amendment/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 shall be given at least thirty (30) calendar days prior to the implementation of the amendments to withdraw their participations.

Provided further that amendments requiring a written notification shall be submitted to the BSP within the period required under relevant regulation under relevant regulations.

Sec. 2 Termination - This Declaration of Trust may be terminated by a resolution of the Board of Directors of the Trustee and upon written notice to the Bangko Sentral ng Pilipinas, 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. 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 to the financial condition of the Fund. Upon approval of the termination of the Declaration of Trust, the Trustee shall notify the Trustors or through their PERA Administrators, as authorized by the participants accordingly.

Following the approval of the termination of the Declaration of Trust but at least thirty (30) business 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, either in electronic or printed form, to each participant or through their PERA Administrators, as authorized by the participants, or through the posting of notices in the TRUSTEE's own website or the premises of the Head Office and branches of the TRUSTEE. Upon termination of the Declaration of Trust, the TRUSTEE shall prepare a financial statement of the FUND which shall be made the basis for distribution to the participating bank branches.


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 _____

EAST WEST BANKING CORPORATION – TRUST AND ASSET MANAGEMENT GROUP
Trustee

By:


Bede Lovell S. Gomez
Vice-President
Chief Investment Officer


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


RAYA SOFIA A. RESTON

Signed in the presence of:


Kingsley B. Pascual

ACKNOWLEDGEMENT

Republic of the Philippines)
Taguig City, Metro Manila) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction, this _____, personally appeared the following:
JUL 08 2025

Name	Govt. Identification	Date/Place issued
East West Banking Corp-Trust Asset and Management Group	TIN 003-921-057-000	
Raul Victor M. De Guzman	DL N 01-91-127640	
Bede Lovell S. Gomez	DL N 01-94-167116	

known to me and to me known to be the same persons who executed the foregoing DECLARATION OF TRUST for the EASTWEST PERA PESO LONG TERM BOND FUND consisting of _____ () pages including 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.

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Page No. 32
Book No. 601
Series of 2025

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(IGOR SERIAL NUMBER) (DATE OF PAYMENT)


ATTY. MA. ANKA LOURDES DIMASICO-PANFILO
NOTARY PUBLIC FOR TAGUIG CITY
Appointment No. 01 (2025-2030) until December 31, 2026
MCLE Compliance No. VII-0023412 valid until April 14, 2025
Office Address: 6th Floor, The Beaufort, 5th Ave. corner
3rd Street, Bonifacio Global City, Taguig, MM
Rol No. 3826V (BP Lifetime No. 73056
PTR No. 10465200, January 2, 2025, Makati City

APPENDIX I

EASTWEST PERA PESO LONG TERM BOND FUND
FUND SPECIFICATIONS

I. Investment Objective

The **EASTWEST PERA PESO LONG TERM BOND FUND** (the "Fund") is a peso-denominated fixed income fund that intends to provide its participants the potential to earn higher long-term returns by investing in a diversified portfolio of deposits and tradable debt securities issued by the Philippine government, its agencies and private corporations. The Fund has a weighted average portfolio life of a maximum of ten (10) years. Outside of the context of a portfolio, it is suitable for investors seeking long-term capital growth over an investment horizon of at least ten (10) years through a managed portfolio of fixed-income instruments. The Fund aims to outperform its benchmark.

Return Objective: The Fund aims to outperform the **Bloomberg Philippine Sovereign Bond Index AI (BPHILR)**.

- Description of the Benchmark and Key Characteristic of the Benchmark
 - o The Bloomberg Philippine Sovereign Bond Index AI (BPHILR) is a rules-based market-value weighted index engineered to measure the fixed-rate 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 PHP3 billion. (Source: Bloomberg).
 - o The BPHILR tracks the performance of peso-denominated bonds issued by the Philippine government, and/or government-guaranteed entities.
- Use of the Benchmark
 - o The fund is designed for Aggressive Risk appetite investors looking for higher returns on their investment through capital appreciation with a long-term investment time horizon. The fund will invest in peso-denominated long-term securities. The benchmark would give be a comparable metric given the fixed income assets of the portfolio.
 - o **There are immaterial misalignments between the benchmark and the Fund, as the benchmark is total returns in nature and not net of taxes. In contrast, the Fund is taxable and applicable taxes on secondary market transactions deducted from the Fund affect its Net Asset Value.**
- Sources for more detailed information
 - o PDS Group (<https://www.pds.com.ph/>)
 - 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 may be invested and reinvested in the following investment outlets as accredited by the Trustee's Trust Committee:
 1. Fixed income securities issued by or guaranteed by the Philippine government, or the Bangko Sentral ng Pilipinas (BSP) and other non-risk fixed income assets as defined by the BSP in the MORB ;
 2. Marketable fixed income securities issued or guaranteed by corporations and traded in an organized exchange;
 3. Special savings deposit accounts, time deposits and other deposit products of private, foreign or government banks accredited by the TRUSTEE'S Trust Committee, including EastWest Bank, as allowed under the PERA Act and related rules and regulations.
- B. The exposure of the Fund to any entity and its related parties shall not exceed fifteen percent (15%) of its market value, pursuant to Section 414 of the MORB. This exposure limit, however, shall not apply to non-risk assets as defined by the 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.
- C. The Fixed Income component shall have a weighted average portfolio life of a maximum of ten (10) years.

III. Qualified Participants: Requirements and Restrictions

- A. Participation in the Fund shall be open to participants who are (1) individuals; (2) have legal capacity to contract; (3) who have a Philippine tax Identification Number (TIN); and (4) whose funds are in a PERA account which shares the general investment objective of the Fund; and (5) those who have satisfied the Trustee's Client Suitability Assessment with a long-term investment horizon.
- B. ***It is ideal for clients with an Aggressive risk profile.*** Such participant wants a portfolio which may provide capital appreciation over time and are willing to accept higher risks involving volatility of returns and even possible loss of investment in exchange for potential higher long-term results. Such participant wants a portfolio which may provide capital appreciation over time and is willing to accept higher risks involving volatility of returns and even possible loss of investment in exchange for potential higher long-term results.

C. Risk Factors

Prospective investors need to consider certain risks prior to participation in the Fund. The market 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. **Investments 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.**

Participation in this peso-denominated long-term fixed income fund carry the following risks:

- **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 that interest earnings, or the proceeds from the sale or maturity of a bond investment, is reinvested at a rate lower than its original investment, thus reducing the investor's periodic income.
- **Credit Risk.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner. 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.
- **Market Risk.** Market Risk is the possibility for an investor to experience losses due to changes in market prices of securities. It is the risk of a UITF to lose value due to a decline in the prices of securities, which may sometimes happen rapidly or unexpectedly. There are market factors affecting all securities that cannot be controlled by diversification, such as the sentiment of investors as a whole which is unpredictable. Market downturns can come swiftly and last a long time.
- **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. Liquidity risk is minimized by investing in marketable securities.
- **Inflation Risk.** Inflation is the general upward price movement of goods or services in an economy, resulting to a reduction in the purchasing power of money. Inflation affects all investments. An investor would want the value of his investment to keep pace or exceed the rate by which the prices of goods and services go up. Historically, inflation risk is greatest for short-term guaranteed securities like time deposits and treasury bills.
- **Country 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, tax increases, and other changes in regulations.
- **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. **Initial Investment and Minimum Succeeding Participation.** If the account is opened over-the-counter in any of the accredited PERA Administrators' bank branches, the minimum initial investment/participation in the Fund is PHILIPPINE PESO: FIVE THOUSAND (Php5,000.00). If the account is opened through the accredited PERA Administrators' digital or online platforms (e.g. mobile application, website, etc.), the minimum initial investment/participation is

PHILIPPINE PESO: TWO THOUSAND (Php2,000.00). There is a minimum additional participation of at least PHILIPPINE PESO: ONE THOUSAND (Php1,000.00) for succeeding investments.

2. **Minimum Maintaining Balance.** If the account is opened over-the-counter in any of the accredited PERA Administrators' bank branches, the minimum maintaining balance in the Fund is PHILIPPINE PESO: FIVE THOUSAND (Php5,000.00). If the account is opened through any of the accredited PERA Administrators' digital or online platforms (e.g. mobile application, website, etc.), the minimum maintaining balance is PHILIPPINE PESO: TWO THOUSAND (Php2,000.00). 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. **Minimum Holding Period.** The minimum holding period of the participation is ONE HUNDRED EIGHTY (180) calendar days from the date of participation.
4. **Early Redemption Fee.** An early redemption fee of PHILIPPINE PESO: FIVE HUNDRED (Php 500.00) or 0.25% of the redemption proceeds whichever is higher shall be charged to the concerned Participant in case of redemption prior to the completion or lapse of the minimum holding period. Such fee shall form part of the Fund.
5. **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 the Declaration of Trust and subject to BSP notification, upon which all branches distributing the said UITF will be advised. Any admission/notice of redemption received after the cut-off time shall be considered as transaction for the next applicable banking day.
6. **Admission and Redemption Prices.** The minimum redemption amount is one (1) unit . 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. Other Participation and Redemption Conditions.

1. **Participation Conditions:** Application to purchase is subject to confirmation as to the amount of units and the applicable NAVpu. When admitted, the Participating Trust Agreement and/or the Confirmation Notice shall be made available to the participant or to their respective PERA Administrator, if authorized by the Participant, within twelve (12) banking days after the transaction date.
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, through the participant's PERA Administrator, 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.

However, the Trustee reserves the right to require from the Trustor/s a five (5) banking day advanced written notice of redemption from the Fund. This required notice may be shortened or extended at the 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, through their PERA Administrators and publication of announcement in the Trustee's own website or posting of notices in the premises of the Trustee or posting/sending of notices in the approved platforms of all duly accredited distribution channels, with at least three (3) banking days prior notice before any change is implemented.

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 without need of prior notice to the Participant. Said balance shall be paid through by crediting the Trustor's PERA Account based on the applicable NAVpU of the day and the number of remaining unit holdings. However, if the balance falls below the minimum maintaining balance due to market movements or price fluctuations, the automatic withdrawal shall not be triggered.
6. **Early Withdrawal.** Early withdrawal from the Fund shall be subject to penalties in accordance with the PERA Act and related implementing rules and regulations. Early Withdrawal shall mean a withdrawal from the Fund (1) prior to the participant reaching the age of fifty-five (55) years; or (2) after the participant reaches the age of fifty-five (55) years if he or she has not made contributions to his PERA account for at least five (5) years.

Early Withdrawal penalty shall, however, not apply to the following:

- a. Termination of the participation upon the death of the participant.
 - b. If the entire proceeds of the withdrawal shall be transferred to another eligible PERA Investment Product and/or another PERA Administrator within the period prescribed under relevant laws, rules and regulations;
 - c. Withdrawal for payment of accident or illness related hospitalization in excess of thirty (30) calendar days, provided that there is a notarized doctor's certificate attesting to said event;
 - d. Withdrawal by a participant who has been subsequently rendered permanently totally disabled as defined and certified under the Employees Compensation Law, Social Security Law, and Government Service Insurance System Law.
 - e. Other cases pursuant to the PERA Act and related rules and regulations.
- C. **Suspension of Admission and Redemption.** 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. 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.
 1. Government Securities – Valuation of peso-denominated government securities and shall follow the prescribed valuation methodology stipulated in Section 414 of the MORB, and any future related amendments to said regulations.
 2. Private Debt Securities – The basis for marking to market peso denominated debt securities traded in an organized market shall be the same as those used in Peso- Denominated Government Securities as prescribed in Section 414 of the MORB.
- B. Valuation Day shall mean any day in which banks are open for business in Manila.
- C. The value of the NAVpU at the start of Fund's operation shall be: PHILIPPINE PESO: ONE THOUSAND (Php1,000.00).
- D. The NAVPU of the fund shall be computed daily after cut-off time and be made available to the investors by 8:00PM of the same day, or immediately after determination should there be any delay in obtaining the mark-to-market price/s for the Trust Fund's investment/s.

VI. Fees

- A. The Trustee shall collect from the Fund a trust fee of one percent (1.00%) per annum based on NAV of the Fund which shall be accrued daily and shall be collectible from the Fund at the end of each month.
- B. Other fees such as accredited third-party custodian fees and external audit fees may change and are disclosed in the quarterly KIIDS of the Fund.

Audit Fee – A base fee of PHILIPPINE PESO: FIFTY THOUSAND (Php50,000.00) per annum is currently charged by the external auditor. However, the final billed amount may differ from the initial quote depending on the scope of the audit, out-of-pocket expenses, and any additional fees incurred during the performance of audit services. The actual fee shall be based on the final billing submitted by the external auditor.

Custodianship Fee – The Fund is currently charged a custodianship fee of 2.5 basis points per annum, computed based on the Face Value of Fixed Income Assets held by the Fund under a custodianship arrangement with an accredited third-party custodian.

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.

VII. Other Terms Conditions

- A. **Custody of Securities.** Investments in securities of the Fund shall be held for safekeeping by any BSP-accredited and Trust Committee accredited third-party custodian. The third-party custodian shall perform independent marking-to-market of such securities.
- B. **Taxes.** The Fund is exempt from income tax in accordance with, and subject to, the provisions of RA 9505, the PERA Act.
- C. **Other Fees**
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 *Bangko Sentral ng Pilipinas (BSP)* and other regulations.

EASTWEST BANKING CORPORATION


**EASTWEST PERA PESO LONG TERM BOND FUND
KEY INFORMATION AND INVESTMENT DISCLOSURE
STATEMENT**

<Reporting Period>

FUND FACTS

Classification:	Fixed Income Fund	Net Asset Value per Unit (NAVPU):	
Launch Date:		Total Fund NAV:	
Min. Initial Investment:		Dealing Day:	
Min. Additional Investment:		Redemption Settlement:	
Min. Holding Period:		Early Redemption Charge:	
Applicable Tax:		Valuation:	

FEES

Trustee Fee: ____% p.a. TRUSTEE	Custodianship Fee: ____%* CUSTODIAN	External Audit Fee: ____% EXTERNAL AUDITOR
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*Ratio of expense to the quarter's average daily net asset value.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to provide for its participants the potential to earn higher long-term returns by investing in a diversified portfolio of deposits and tradable debt securities issued by Philippine corporations, government and its agencies. The Fund maintains a weighted average portfolio life of a maximum of ten (10) years. It aims to outperform the **Bloomberg Philippine Sovereign Bond Index AI (BPHILR)**.

Description and Key Characteristics of the Benchmark

- o The Bloomberg Philippine Sovereign Bond Index AI (BPHILR) is a rules-based market-value weighted index engineered to measure the fixed-rate 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 PHP3 billion. (Source: Bloomberg) The BPHILR tracks the performance of peso-denominated bonds issued by the Philippine government, and/or government-guaranteed entities.

Use of the Benchmark

- o The fund is designed for Aggressive Risk appetite investors looking for Higher returns on their investment through capital appreciation. The fund will invest in peso-denominated long-term securities. The BPHILR is not net of taxes.
- o **The benchmark is total returns in nature. However, it is not net of applicable taxes. However, there is a minor misalignment between the returns of fund and benchmark. This is due to the Taxable nature of the fund's secondary market transactions, which can create immaterial differences.**

Sources for more detailed information

- o PDS Group (<https://www.pds.com.ph/>)
- 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.

- THE UIT FUND IS A TRUST PRODUCT, NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED BY NOR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- DUE TO THE NATURE OF THE INVESTMENTS, THE RETURNS/YIELDS CANNOT BE GUARANTEED AND 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 UITF, EVEN IF INVESTED IN GOVERNMENT SECURITIES, ARE FOR THE ACCOUNT OF THE CLIENT.
- AS SUCH, THE UNITS OF PARTICIPATION OF THE CLIENT IN THE UITF, WHEN REDEEMED, MAY BE WORTH MORE OR WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTION.
- THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.
- THE UIT FUND IS NOT AN OBLIGATION OF, NOR GUARANTEED, NOR INSURED BY THE TRUSTEE, ITS AFFILIATES OR SUBSIDIARIES.
- THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE UITF'S DECLARATION OF TRUST, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, SEEK AN INDEPENDENT/ PROFESSIONAL OPINION BEFORE MAKING AN INVESTMENT.

CLIENT SUITABILITY

A client profiling process shall be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Declaration of Trust Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The Fund is suitable for investors who:

- Have an aggressive risk appetite
- Are looking for long-term capital growth over an investment time horizon of at least ten (10) years

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

- Investors may not get back the value of their original investment upon redemption.
- The value of the Fund may rise or fall. You may lose some or all of your investment depending on the performance of the underlying securities. Factors that may affect the performance of these securities include, without limitation, market risks, fluctuations in interest rates, political instability, exchange controls, changes in taxation and foreign investment policies. Some of the key risks associated with the Fund are described below:
 - **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 that interest earnings, or the proceeds from the sale or maturity of a bond investment, is reinvested at a rate lower than its original investment, thus reducing the investor's periodic income.
 - **Credit Risk.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner. 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.
 - **Market Risk.** Market Risk is the possibility for an investor to experience losses due to changes in market prices of securities. It is the risk of a UITF to lose value due to a decline in the prices of securities, which may sometimes happen rapidly or unexpectedly. There are market factors affecting all securities that cannot be controlled by diversification, such as the sentiment of investors as a whole which is unpredictable. Market downturns can come swiftly and last a long time.
 - **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. Liquidity risk is minimized by investing in marketable securities.
 - **Inflation Risk.** Inflation is the general upward price movement of goods or services in an economy, resulting to a reduction in the purchasing power of money. Inflation affects all investments. An investor would want the value of his investment to keep pace or exceed the rate by which the prices of goods and services go up. Historically, inflation risk is greatest for short-term guaranteed securities like time deposits and treasury bills.

- o **Country 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, tax increases, and other changes in regulations.
- o **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 EastWest Bank Trust and Asset Management Group.

These are the principal risk factors which may affect the performance of the Fund. If you would like more information before you invest, please consult the most recent Declaration of Trust (DOT). The rights and duties of the investor are in the DOT.

The Fund employs a risk management policy based on duration. Duration measures the sensitivity of NAVpU to interest rate movements. As interest rates rise, bond prices fall. The higher the duration, the more the NAVpU will fluctuate in relation to changes in interest rates.

FUND PERFORMANCE AND STATISTICS AS OF <Reporting Period>**(Purely for reference purposes and is not a guarantee of future results)**

NAVPu Graph

NAVPu Over the past 12 months

Highest	Pxx
Lowest	Pxx

Portfolio Holdings/Composition

SDA	xx
Deposits in EWB and EWRB	xx
Government Securities	xx
Total	100%

Cumulative Performance

Key Statistics

Weighted Ave. Duration	xx
Volatility, Past 1 Year*	xx
Weighted Ave. Yield	xx

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

OTHER DISCLOSURES

- RELATED PARTY TRANSACTIONS
- OUTLOOK AND STRATEGY
- PROSPECTIVE INVESTMENTS