

## DECLARATION OF TRUST

### **EASTWEST PERA PESO MONEY MARKET FUND**

A Money Market 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 the EastWest Corporate Center, 3<sup>rd</sup> Floor, The Beaufort, 5<sup>th</sup> Avenue corner 23<sup>rd</sup> 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 the **EASTWEST PERA PESO MONEY MARKET Fund** (herein referred to as the "**Fund**").

**Sec. 2. Nature of the Fund:** The Fund is a money market UITF, 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 (BSP)* and 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.

**Fund Classification:** The Fund shall be classified as a Money Market Fund. A money market fund invests in bank deposits and short-term fixed income securities with remaining terms to maturity of a maximum of three (3) years and has a maximum weighted average portfolio life of one (1) year.

**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 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 in the form prescribed under Sec. 414 on Allowable Investments and Valuation of the Manual of Regulation for Banks (MORB) hereto attached as **Appendix I**.

### **Article III ADMISSION AND REDEMPTION OF PARTICIPATION**

**Sec. 1. Qualified Participants (Requirements and Restrictions):** 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 whose funds are in a PERA account 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.

Prior to acceptance of the initial participation in the Fund, the Trustee shall perform a Client Suitability Assessment 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 IV, Sec. V** 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 (NAVpU) more specifically described in **Appendix I, Sec. VII** hereto.
- 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, Sec. VII** 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, Sec. VII** hereto.
- C. The NAVpU shall be computed daily in the manner specified in **Appendix I, Sec. VII** 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 amount 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 Sec. 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 be payable to pertinent third party or parties covered by separate contract/s, and disclosed to the Participants in the manner specified in **Appendix I** hereto.

## 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 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, Sec. 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, Sec. 3** hereto;
4. To deposit in any bank or financial institution, including its own bank, any portion of the Fund, subject to the requirement of Sec. 414- of the Manual of Regulations for Banks;
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/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;
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 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 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 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 to such interested person.
- Sec. 2. Disclosure of Investments:** A list of existing and prospective investments of the Fund shall be made available to the participants or through their PERA Administrators as authorized by the participants. Such disclosure shall be substantially in the form as provided under Sec. 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 Plan:** In case of termination of the Plan, 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 Sec. 2 of Article VII 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

- Sec. 1.** 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 the 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.
- Sec. 2.** 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 AND TERMINATION

- Sec. 1. Amendments:** This Plan may be amended from time to time by 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 or through their PERA Administrators, as authorized by the participants, 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*, that participants 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*, that amendments requiring a written notification to the BSP shall be submitted to the supervising department of the BSP within the period required under relevant regulations.


**Sec. 2. Termination:** This Plan 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. A copy of the resolution shall be submitted to the appropriate department of the BSP. 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 Plan, 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 Plan 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 Plan, 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 \_\_\_\_\_ at \_\_\_\_\_.

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

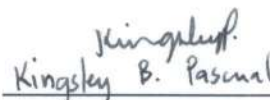
By:

  
Bede Lovell S. Gomez  
Vice-President  
Chief Investment Officer

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

Signed in the presence of:

  
\_\_\_\_\_

  
Kingsley B. Pasual

**ACKNOWLEDGEMENT**

Republic of the Philippines)  
  TAGUIG CITY   ) S.S.

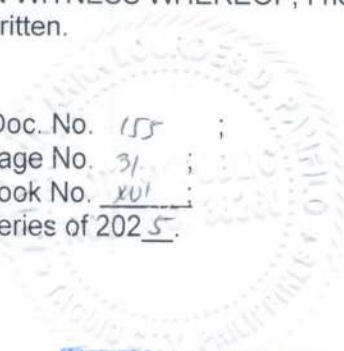
BEFORE ME, a Notary Public for and in the above jurisdiction, this   JUL 08 2025   personally appeared the following:

Name	Govt. Identification	Date/Place Issued
East West Banking Corp-Trust and Asset Management Corporation	TIN 003-921-057-000	
Raul Victor M. De Guzman	DL No 1-91-127640	
Bede Lovell S. Gomez	DL No 1-94-167116	

all known to me and to me known to be the same persons who executed the foregoing Declaration of Trust for the EASTWEST PERA PESO MONEY MARKET 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.

Doc. No.   155   ;  
Page No.   31   ;  
Book No.   XVI   ;  
Series of   2025  .



  
ATTY. MA. ANNA LOURDES DIMASANO-PAMFILO  
NOTARY PUBLIC FOR TAGUIG CITY  
Appointment No.91 (2025-2026) until December 31, 2026  
MCLE Compliance No. VII-0023162 valid until April 14, 2025  
Office Address: 6th Floor, The Beaufort, 5th Ave., corner  
23rd Street, Bonifacio Global City, Taguig, MM  
Roll No. 38260/ IBP Lifetime No. 730556  
PTR No. 10465200, January 2, 2025, Makati City



## APPENDIX I

**EASTWEST PERA PESO MONEY MARKET FUND**  
**FUND SPECIFICATIONS**

**I. Investment Objective**

The **EASTWEST PERA PESO MONEY MARKET Fund** (the "Fund") aims to provide its participants liquidity and stable income derived from diversified portfolio of bank deposits and short-term fixed income instruments with remaining terms to maturity of a maximum of three (3) years and has a maximum weighted average portfolio life of one (1) year. The fund will be managed by the EastWest Trust and Asset Management Group (TRUSTEE). It is ideal for investors with conservative risk profile with at least 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 (BPHILMM)**.

- Description of the Benchmark
  - 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.
- Key Characteristic of the Benchmark
  - The BPHILMM tracks the performance of peso-denominated securities issued by the Philippine government with tenors of a maximum of one year, comprising of fixed rate and zero-coupon securities.
  - **The benchmark is total return in nature, however, it is not net of applicable taxes.**
- Use of the Benchmark
  - The benchmark serves as a standard for evaluating the Fund's performance, offering a comparable metric that reflects the behavior of similar fixed income assets held in the portfolio. The Fund aims to outperform this benchmark.
  - **The benchmark is total returns in nature. There are immaterial misalignments between the benchmark and the Fund, as the benchmark is not net of taxes. It only tracks the price movements and accrued interest of its underlying securities. In contrast, applicable taxes on secondary market transactions and other fees deducted from the Fund affect its Net Asset Value.**
- Sources for more detailed information
  - Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net).
  - Additional information on the benchmark and/or its administrator can be made available to investors upon request.

**II. Investment Policy**

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

**B. Allowable Investments**

The Fund may invest in the following as allowed by the BSP and/or accredited by the Trust Committee:

1. Short-term tradable fixed-income instruments issued or guaranteed by:
  - a. the Philippine government;
  - b. Bangko Sentral ng Pilipinas; and
  - c. Other non-risk fixed income assets as defined by the BSP in the MORB.
2. 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.

C. The Fund shall be invested in a portfolio of short-term fixed income instruments with remaining terms

to maturity of a maximum of three (3) years. *Provided that* the portfolio's underlying assets have a maximum weighted average portfolio life of one (1) year .

- D. 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.
- E. Investments with related interests shall be in accordance with Sec. 414 on Allowable Investments and Valuation of the MORB.

### III. Qualified Participants: Requirements, Restrictions and Risk Profile

- 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 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: Conservative.** The Participant's investment horizon is short and prefers to take minimal risk. The Participant prefers an investment strategy where the primary goal is to prevent the loss of principal.

#### 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.

### IV. Admission and Redemption

- A. **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.
- B. **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 made 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.

- C. **Admission and Redemption Cut-off Time.** Admission and/or notice of redemption may be accepted on any banking day subject to a 10:30AM 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 a transaction for the next applicable banking day.
- D. **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.

#### V. Other Admission and Redemption Conditions.

- A. **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 or to their respective PERA Administrator, if authorized by the Participant, on the day of transaction (T+0) and/or the Confirmation Notice shall be made available to the participant within twelve (12) banking days after the transaction date.
- B. **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.
- C. **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.
- D. **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.
- E. **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, in cases where the balances fall below the maintaining balance due to market movements or price fluctuations, this shall not trigger an automatic withdrawal by the system.
- F. **Early Withdrawal.** Early Withdrawal from the Fund shall be subject to penalties in accordance with the PERA Act, relevant Bureau of Internal Revenue rules and regulations, 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:
  - 1. Termination of the participation upon the death of the participant;
  - 2. If the entire proceeds of the withdrawal shall be transferred within fifteen (15) banking days from withdrawal to another eligible PERA Investment Product and/or another PERA Administrator;
  - 3. 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;

4. 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.
5. Other cases pursuant to the PERA Act and related rules and regulations.

G. **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.

VI. **Allocation and Distribution of Income.** The investments of the Fund shall be entitled to tax privileges as stated in the PERA Act of 2008 and its implementing rules and regulations. Participants shall be entitled to income, profits, and losses with respect to their 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. The Trustee may distribute the Fund exclusively through PERA administrators pursuant to the MORB.

### VII. 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.

### VIII. 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. The Trustee reserves its right to amend its trust fee accordingly, in accordance with the Declaration of Trust, 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 those charged by accredited third-party service providers (e.g., custodians and external auditors), may vary and are disclosed in the quarterly Key Information and Investment Disclosure Statement (KIIDS) of the FUND. The following reflect the current arrangements but are subject to change:
  - **Audit Fee** – A base fee of PHP 50,000.00 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 applicable to the Fund may be revised over time, subject to the notice requirements under this Declaration of Trust and in accordance with the rules and regulations of the BSP and other applicable laws.

**IX. Other Terms and 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. 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.
- B. Taxes.** The Fund is exempt from income tax in accordance with, and subject to, the provisions of Republic Act No. 9505, the PERA Act.



**EASTWEST BANKING CORPORATION  
EASTWEST PERA PESO MONEY MARKET Fund  
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

## &lt;Reporting Period&gt;

**Fund FACTS**

Classification:		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 its participants with liquidity and stable income **through** a diversified portfolio of fixed income instruments. It is suitable for investors with a conservative risk profile. The Fund's objective is to outperform its benchmark, the Bloomberg Philippine Sovereign Bond Index Money Market (BPHILMM)

- Description of the Benchmark
  - The BPHILMM 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.
- Key Characteristics of the Benchmark
  - The BPHILMM tracks the performance of peso-denominated government securities **with** tenors of one year or less, including zero-coupon and fixed-rate instruments.
  - **The benchmark is total returns in nature. However, it is not net of applicable taxes.**
- Use of the Benchmark
  - The Fund will invest in peso-denominated short-term securities and interest-bearing deposits. The benchmark would give be a comparable metric given the fixed income assets of the portfolio.
  - **There is an immaterial misalignment between the returns of the Fund and the benchmark. This is due to the taxable nature of the Fund's secondary market transactions, which may result in slight differences in performance compared to the benchmark, which does not account for taxes.**
- Sources for more detailed information
  - Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net).
  - Additional information on the benchmark and/or its administrator can be made available to investors upon request.

**CLIENT SUITABILITY**

Client profiling process should 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 of the Fund, which may be obtained from the Trustee, before deciding to invest. The Fund is suitable for investors who:

- Have a conservative risk profile
- Have an investment time horizon of at least one year

**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.**

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- 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:
  - 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.
- 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 Plan Rules or 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 rate.

**PORTFOLIO STATISTICS & Fund PERFORMANCE**

*(Purely for reference purposes and is not a guarantee of future results)*

NAVpU Graph

NAVpU over the last 12 months

Highest over a period of time \$ XX

Lowest \$ XX

**Key Statistics**

Weighted Ave. Duration	X X X
Volatility, past 1 year*	X X X
Weighted Ave. Yield	X X X

Issue	% of FUND	Issue	% of FUND
	%		%
	%		%
	%		%
	%		%
	%		%

\*Volatility measures the degree to which the Fund fluctuates on a daily basis vis-à-vis its average return

**Fund Top 10 Holdings**

**Portfolio Holdings/Composition**

Deposits in EWB and EWRB	XXX%
Deposits in other banks	XXX%
Government Securities	XXX%
Corporate Bonds	XXX%
Total	XXX%

\* The benchmark is Total Returns in nature. But it is not Net of applicable taxes . This may cause some discrepancy in the comparable metric used to measure the Fund's performance.

**OTHER DISCLOSURES**

- RELATED PARTY TRANSACTIONS
- OUTLOOK AND STRATEGY
- PROSPECTIVE INVESTMENT