

**EASTWEST PESO MONEY MARKET FUND  
A 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, 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 DIVISION** (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**

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

**Section 2. Nature of the FUND:** The EASTWEST PESO MONEY MARKET FUND is a money market fund 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.

**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.

**Section 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 in the form prescribed under

Section 414-Allowable Investments and Valuation of the Manual of Regulation for Banks hereto attached as **Appendix II**.

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

**Section 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 for the purpose of profiling the risk-return orientation of the client.

**Section 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, Section V** hereto.

### **Article IV MANNER OF OPERATION**

**Section 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.

**Section 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**

**Section 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, Section X** 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, Section X** hereof.

**Section 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, Section X** hereto.

**C.** The NAVpu shall be computed daily in the manner specified in **Appendix I, Section X** hereto.

### **Section 3. Fees and Expenses of the FUND:**

**A. TRUSTEE's Fees:** The TRUSTEE shall charge against the FUND regular trust fees in the amount indicated in **Appendix I, Section XI** 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, Section XI** hereto. 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-Plan Rules- Amount of Fees/Commissions 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 II** hereto.

### **Section 4. Trustee's Powers and Liabilities**

**A. 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.

**B. Powers 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 any time 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, Section 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 Section 414-Exposure Limits 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/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; and
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 short 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.

**Section 5. 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 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.

**Section 6. 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 VI RIGHTS OF PARTICIPANTS**

**Section 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.

**Section 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 Section 414-I Allowable Investments and Valuation of the Manual of Regulations for Banks. Upon request, participants in the FUND shall be furnished a quarterly list of investments held by the FUND.

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

**Section 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 of Article VIII 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.

**Article VII**  
**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 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. A copy of the report, or a notice that the report is available and that a copy thereof will be furnished upon request, without charge, shall be sent to each Participant.

**Article VIII**  
**AMENDMENTS AND TERMINATION**

**Section 1. Amendments:** This Plan may be amended from time to time by resolution of the Board of Directors of the TRUSTEE: *Provided, however,* that participants in the FUND shall be immediately notified of such amendments and those who are not in conformity with the amendments made shall be allowed to withdraw their participations within (30) calendar days after the amendments are approved or such longer period as may be fixed by the TRUSTEE: *Provided further,* That amendments to the Plan shall be submitted to the BSP within ten (10) business days from approval of the amendments by the Board of Directors of the TRUSTEE. The amendments shall be deemed approved after thirty (30) business days from date of completion of requirements.

**Section 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 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 to each participant 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 \_\_\_\_\_, 2015 at Taguig City.

**EAST WEST BANKING CORPORATION – TRUST DEPARTMENT**  
TRUSTEE

By:

**Raul Victor M. De Guzman**  
Trust Officer

**Karen B. Bitagun**  
Trust Investments Officer

Signed in the Presence of:

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**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:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date/Place Issued</u>
EASTWEST BANKING CORP.	TIN 003-921-057-000	
RAUL VICTOR M. DE GUZMAN		
KAREN B. BITAGUN		

all known to me and to me known to be the same persons who executed the foregoing DECLARATION OF TRUST for the EASTWEST PESO SHORT TERM FUND, consisting of six (6) 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.

NOTARY PUBLIC

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2021.

**EASTWEST PESO MONEY MARKET FUND  
FUND SPECIFICATIONS**

**I. Investment Objective (Art. II, Sec. 3)**

The EASTWEST PESO MONEY MARKET Fund (the "Fund") aims to provide its participants liquidity and stable income derived from diversified portfolio of fixed income instruments. The fund will be managed by EW Trust Division. It is ideal for investors with moderate risk profile.

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

**II. Investment Policy (Art. II, Sec. 3)**

**A.** Pursuant to the foregoing objectives, the Fund is structured as a money market fund in compliance with **Section 414 -Allowable Investments and Valuation of the Manual of Regulations for Banks**.

**B.** Allowable Investments

EastWest PESO MONEY MARKET 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-Allowable Investments and Valuation of the Manual of Regulations for Banks and Other Financial Institutions (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.

**C.** The Fund shall be primarily invested in a portfolio of short term fixed income securities with a portfolio modified duration of not more than 1.

**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.

**III. Qualified Participants: Requirements, Restrictions and Risk Profile (Art. III, Sec. 1)**

**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.

### IV. Admission and Redemption (Art. III)

- A. The minimum initial investment/participation in the Fund is Php10,000.00.
- B. Minimum Maintaining Balance is Php10,000.00 for participants to maintain in the Fund. Any redemption to the participant's fund which triggers the balance to fall below the minimum maintaining balance of Php10,000.00 shall be subject to the redemption policy stated below.
- C. There is a minimum additional participation of at least Php1,000.00 for succeeding investments.

### V. Admission and Redemption Cut-off Time.

Admission and/or notice of redemption may be accepted on any banking day subject to a 12:00 noon cut-off time. The cut-off time may be amended by the Trustee, in accordance with Article VIII Section 1 of the Declaration of Trust and subject to BSP approval, 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.

### VI. 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.

### VII. 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. The Trustee reserves the right to accept or reduce the amount of units indicated in the Application Form at its sole discretion. 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).
- 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, 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 of Php10,000.00.** The required maintaining participation to stay in the Fund is Php10,000.00. Any redemptions made by the participant that shall result in the account falling below the required maintaining balance of Php10,000.00 shall trigger an automatic withdrawal of the entire account of the participant from the Fund. However, maintaining balance that fall below Php10,000.00 which is caused by market movements or price fluctuations shall not trigger an automatic withdrawal by the system.

### **VIII. 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.

### **IX. 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.

### **X. Net Asset Value Per Unit (Art. V, Secs. 1 and 2)**

- 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.

### **XI. Trust Fee (Art. V, Sec. 3)**

- 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 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.

## **XII. 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 BSP18 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.



## APPENDIX II

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

<Reporting Period>

**FUND FACTS**

Classification:	Peso Money Market	Net Asset Value per Unit (NAVpU):	
Launch Date:	1 June 2016	Total Fund NAV:	
Min. Initial Investment:	P10,000	Dealing Day:	Daily, up to 12 noon
Min. Additional Investment:	P1,000	Redemption Settlement:	Next banking day from date of redemption
Min. Holding Period:	None	Early Redemption Charge:	Not Applicable
Applicable Tax:	20% Final Tax	Valuation:	Marked-to-Market

**FEES**

Trustee Fee: ____% p.a. [EastWest Bank - TAMG]	Custodianship Fee: ____%* [LAND BANK]	External Audit Fee: ____% [SGV]	Other Fees: ____%
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\*As percentage of average daily NAV for the quarter valued at \_\_\_\_\_.

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to provide its participants liquidity and stable income derived from diversified portfolio of fixed income instruments. It is ideal for investors with moderate risk profile.

**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/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest. The Fund is suitable for investors who:

- Have a moderate risk profile

**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:
  - Market risk – Potential or actual losses arising from adverse changes in market prices of securities
  - Inflation risk – Potential or actual loss of purchasing power arising from the inability of the Fund's return to keep in pace with the rate of increase of the prices of goods and services.
  - Liquidity Risk – Potential or actual losses arising from the Fund's inability to convert its assets into cash immediately at minimal cost
  - Credit risk – Potential or actual losses arising from inability of borrower to pay principal and/or interest in a timely manner on loans, bonds and other debt securities
  - Reinvestment risk – Potential or actual losses from reinvesting interest earnings at a rate lower than the original investment.
- 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.

EastWest Bank – Trust Division, 3F EastWest Corporate Center, 5<sup>th</sup> Ave. cor. 23<sup>rd</sup> St., Bonifacio Global City Taguig. Telephone Numbers: (+632) 8575-3037/8575-3020/8575-3022 Website: [www.eastwestbanker.com](http://www.eastwestbanker.com).

- ❖ THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- ❖ THE RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS / FLUCTUATIONS ONLY.
- ❖ WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.
- ❖ THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

**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
Lowest

Portfolio Holdings/Composition

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

**Key Statistics**

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

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

**Philequity Fund Top 10 Holdings**

Issue	% of Fund	Issue	% of Fund
	%		%
	%		%
	%		%
	%		%

**OTHER DISCLOSURES**

- RELATED PARTY TRANSACTIONS.
- OUTLOOK AND STRATEGY.
- PROSPECTIVE INVESTMENT.