

**AMENDED DECLARATION OF TRUST**

**PBCOM MONEY MARKET FUND (formerly PBCOM Signature Trust Fund)**  
A Unit Investment Trust Fund

KNOW ALL MEN BY THESE PRESENTS: Philippine Bank of Communications, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 6795 Ayala Avenue corner V. A. Rufino Street, Makati City, with authority to perform trust and other fiduciary functions, acting herein through its PBCOM - Trust and Wealth Management Group (herein referred to as the "Trustee");

**WITNESSETH;**

Article I

**CREATION OF THE TRUST**

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

Article II

**NATURE AND INVESTMENT OBJECTIVES**

- Sec. 1 Title of the Fund – The pooled fund shall be known as PBCOM Money Market Fund (formerly PBCOM Signature Trust Fund) (herein referred to as the "Fund").
- Sec. 2 Nature of the Fund – The Fund is a unit investment trust 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 (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 Fund is classified as a money market fund consisting of investments in a portfolio of short-term, fixed income deposits and securities with a maximum modified duration of one (1) year.

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 below:

Investment Objectives – The investment objective of the Fund is to preserve capital and generate income from low risk investments. This is a money market fund invested principally in short-term, fixed-income deposits and securities with a modified duration of one (1) year or less.

Return Objective – The Fund aims to provide absolute returns in excess of the return of the prevailing 3-month Bureau of Treasury (BTR) Treasury Bills auction rates.

Investment Policy – Pursuant to the foregoing objectives, the Fund may be invested and reinvested in:

- Investments allowed under regulations issued by the BSP;
- Bank Deposits in the Trustee's own bank or in other banks;
- Securities issued by or guaranteed by the Philippine government, or by the BSP;
- Floating Rate Note (FRN) issued by the Bureau of Treasury;
- Such other tradable fixed income investment outlets as may be approved by the relevant authority and allowed by the BSP

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 Appendix 56 of Section 414 (Minimum disclosure requirements) of the Manual of Regulation for Banks hereto attached as **Appendix I**.

### 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 opened to any person, association, entity or firm who has a legal capacity to enter into a Trust Agreement. The Fund is suitable for investors with a conservative risk profile who seek safe and liquid investments with yields relatively higher than those of savings and time deposits. It is recommended that participants stay invested for at least three (3) months.

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 below:

(a) Policies of Admission and Redemption.

- Minimum Initial Participation. The minimum amount of initial participation/contribution is Php5,000.00
- Minimum Maintaining Participation. The minimum maintaining participation is Php5,000.00
- Minimum Additional Participation (if applicable). The minimum additional contribution is Php1,000.00
- Minimum Holding Period. The minimum holding period of the participation is 30 calendar days from the date of participation.

(b) Admission and Redemption Cut-off Time. Admission and/or notice of redemption received by the Trustee on or before the cut-off time of 11:00 a.m. shall be considered as transaction for the day. However, admission/notice of redemption received after the cut-off time shall be considered as transaction for the next applicable banking day. When admitted, the Participating Trust Agreement and/or Confirmation of Participation shall be made available to the Participant. Proceeds of redemption shall be paid out of the Fund on the redemption settlement date of one (1) banking day after transaction date.

(c) 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.

(d) Participation Requirements and Condition. Participation shall also be subject to the following requirements/conditions:

- Minimum initial amount of contribution and minimum fund balance to be maintained shall be set initially at PESOS: FIVE THOUSAND & 00/100 (Php5,000.00)
- Admission shall be in terms of units and shall be based on the prevailing End-of-Day market value of underlying investments of the Fund on the day of the transaction, which shall be equal to the NAVPU as determined at the close of business day.
- Admission shall be done during trading hours only at the office or branch where the UITF account was opened.
- The TRUSTEE shall have exclusive management of the Fund. The TRUSTEE, in its sole discretion, may accept or reject the opening of any account in accordance with the minimum participation policy requirements.
- The Confirmation of Participation may be in the form of an electronic document not manually signed by the Trustee or its authorized representative. Provided, however, that the said electronic document shall be in accordance with R.A. 8792 or the Electronic Commerce Act of 2000 and its implementing rules and regulations. The TRUSTEE may formulate the manner of redemption in such cases.

(e) Redemption Requirements and Conditions. Redemption shall also be subject to the following requirements/conditions:

- Redemption Notice Period. The participant in the Fund may redeem its participation on any banking day provided that prior notice of redemption, as signed in the provision provided for in the Certificate of Participation or any substitute or equivalent form of intent of redemption acceptable to the Trustee, is acknowledged / received by the Trustee within redemption cut-off time. Requests for redemption shall be dealt with by the TRUSTEE in chronological order according to the day that notice is received.
- Early Redemption Fee (if applicable). An early redemption fee of 0.125% based on the current net asset value of the contribution redeemed 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.
- No partial redemption is allowed.
- Redemption shall be in terms of units and shall be based on the prevailing End-of-Day market value of underlying investments of the Fund on the day of the transaction, which shall be equal to the NAVPU as determined at the close of business day.
- Redemption shall be done during trading hours only at the office or branch where the UITF account was opened.
- Other Requirements/Conditions

(f) Suspension of Admissions and Redemptions (if applicable). 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.

#### 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. These distribution channels are limited to those allowed under existing rules and regulation.

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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, taxes, and other qualified expenses as defined herein. The determination of the market value of the investments of the Fund shall be in accordance with the existing BSP rules and regulations on marking to market valuation of investment instruments with the basis for the pricing/valuation per asset class/asset specified below:
  - Deposits – valued at par plus accrued interest
  - Government Securities – the market prices provided by either a third party pricing service or calculating agent; Provided, that the pricing service or the calculation agent and its valuation methodology are recognized by the Securities and Exchange Commission (SEC) – licensed benchmark administrator.

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, of the Fund’s par value, was PHP100.00.
- (c) Valuation Date shall mean at the close of business day.
- (d) The NAVPU of the Fund shall be computed daily at about 6:00 pm or as soon as all trade transactions are recorded and end-of-day prices are available. The NAVPU of the Fund shall be published at 7:00pm in the Trustee’s website ([www.pbcom.com.ph](http://www.pbcom.com.ph)) on each banking day or as close thereto as possible after all relevant information necessary for calculating the same shall have been collected.

Sec. 3 Fees and Expenses of the Fund –

- (a) Trustee’s Fees – The Trustee shall charge against the Fund regular trust fees in the amount equivalent to one half (½) per annum (0.50%) basis based on the NAV of the Fund as its compensation for the administration and management of the Fund. These fees shall accrue daily and shall be collectible from the Fund monthly. 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) of the Manual of Regulations for Banks and the Manual of Regulations for Non-Bank Financial Institutions. 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.

Article VI

**TRUSTEES POWERS AND LIABILITIES**

Sec. 1 Management of the Fund - The Trustee shall have the exclusive management, administration, operation and control of the Fund, and 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 Trust 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 (Exposure Limits) of the Manual of Regulations for Banks;
- (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

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(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.

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 act or omission where such action or inaction, in the good faith judgment of the Trustee, was then necessary, reasonable or appropriate for the proper and advantageous administration and management of the Fund.

Sec. 4 Non-Coverage By PDIC – Participation in 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. Such disclosure shall be substantially in the form as provided under Appendix 56 of Section 414 (Minimum disclosure requirements) 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.

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

Sec. 4 Rights Upon Termination of Plan – In case of termination of the Plan, the Participants shall have (a) the right to be notified of such termination in accordance with Section 2 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.

#### 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 BSP. The external audit shall be conducted by the same

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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 IX  
**AMENDMENTS & TERMINATION**

Sec. 1 Amendments – The Plan may be amended by a resolution of the Board of Directors of the Trustee: Provided, however, that participants in the Fund shall be immediately notified of such amendments through a formal letter to client or posting of announcements in the Trustee's website, and shall be allowed to withdraw their participations within a reasonable time but in no case less than thirty (30) calendar days after the amendments are approved by the board, if they are not in conformity with the amendments made thereto: Provided, further, that amendments to the Plan may be allowed subject to notification to the Bangko Sentral and continuing compliance of the trust entity with the prudential criteria prescribed under Section 111 (Licensing). For this purpose, the trustee shall submit the following documents to the appropriate supervising department of the Bangko Sentral, within 10 banking days from the approval of the board of directors of the amendments:

1. Notification letter signed by the president or officer of equivalent rank indicating the amendments in the UITF;
2. Corporate secretary's certificate on the approval of the board of directors (or equivalent management committee in the case of foreign bank branches) of the amendments;
3. Certification signed by the president or officer of equivalent rank and the chief compliance officer, that the trust entity has complied with all the prudential criteria prescribed under Section 111 (Licensing) and other pertinent banking laws, rules and regulations; and
4. Amended Plan Rules and Appendices.

Provided, finally, that amendments to the Plan that involve change in the investment objective and/or strategy, and risk profile shall be subject to the approval of the Bangko Sentral.

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 Bangko Sentral Ng Pilipinas. 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 or posting of announcements in the Trustee's website. Upon



termination, the Trustee shall prepare a financial statement of the Fund which shall be made the basis for distribution to the participating Trustors.

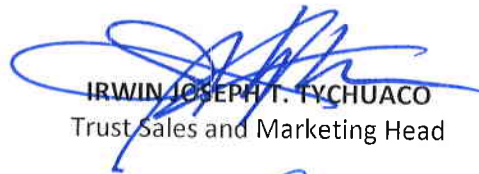
Article X  
**OTHER TERMS AND CONDITIONS**

Investment in securities of the Fund shall be held for safekeeping by the Deutsche Bank or other BSP accredited third party custodian that may be assigned by the Trustee in the future. The third party custodian shall perform independent marking-to-market of such securities.

IN WITNESS WHEREOF, PBCOM-Trust and Wealth Management Group has caused this Amended Declaration of Trust to be signed on January 27, 2021 at Makati City, Metro Manila.

**PHILIPPINE BANK OF COMMUNICATIONS  
TRUST AND WEALTH MANAGEMENT GROUP**

BY:

  
**IRWIN JOSEPH T. TYCHUACO**  
Trust Sales and Marketing Head

  
**JOSEPHINE G. CERVERO**  
Chief Trust Officer