

PBCOM VALUE EQUITY FUND

FUND SPECIFICATIONS

1. Investment Objective (Sec. 4, Art. II)

(a) The investment objective of the PBCOM Value Equity Fund (the "Fund") is to provide Participant/s with income and long-term capital growth in a portfolio of stocks listed in the Philippine Stock Exchange (PSE). The mandate of the fund is to invest substantially in equities (more than 80%). However, if in the judgment of the fund manager a higher cash position is warranted, such as in instances when market volatility or an increase in redemptions is expected, the actual portion invested in equities may drop below 80% temporarily. Cash maybe kept for liquidity and portfolio rebalancing purposes.

(b) Return Objective (state the target/desired return on investment)

The Fund aims to outperform its benchmark which is the Philippine Stock Exchange Index (PSEi) or its equivalent benchmark approved by regulators.

2. Investment Policy (Sec. 4, Art. II)

(a) Pursuant to the foregoing objectives, the Fund may invest and reinvest in the following financial instruments:

- Equities listed in the Philippine Stock Exchange;
- Securities issued by or guaranteed by the Philippine government, or by the BSP;
- Marketable fixed income instruments that are traded in an organized exchange;
- Loans traded in an organized market;
- Bank Deposits; and
- Such other tradable investments outlets as may be approved by the relevant authority and allowed by the BSP

(b) The Fund may avail itself of financial derivatives instruments solely for the purpose of hedging risk exposures of the existing investments of the Fund, provided these are accounted for in accordance with the existing BSP hedging guidelines as well as the Trust Entity's risk management and hedging policies duly approved by the Trust Committee and disclosed to participants.

3. Qualified Participants: Requirements and Restrictions (Sec. 1, Art. III)

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 an aggressive risk profile who are aware of the potential for high yields in stock markets investments and are willing to take the corresponding risk of such investments. In order to minimize risks and maximize the earning potential of their investments, the participants/trustors are recommended to stay invested in the Fund for at least 5 years.

4. Admission and Redemption (Art. III)

(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 3 (banking) days after transaction date. The original copy of Confirmation of Participation must be surrendered by the Trustor upon redemption.

(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 0.25% 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.

5. NAVPU (Sec. 1 and 2, Art. V)

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. (State the basis and cut off time for pricing/valuation per asset class/asset)

Valuation Day shall mean at the close of business day.

The value of the NAVPU at the start of the Fund's operation shall be Php100.00

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 7:00 pm in the Trustee's website (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.

6. Fees (Sec. 3, Art. V)

The Trustee shall collect from the Fund trust fees in the amount equivalent to one and one half ($\frac{1}{2}$) percent per annum (1.50%) based on net asset value of the Fund which shall be accrued daily and shall be collectible from the Fund monthly.

7. Other Terms Conditions (Art. X)

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.

