

**SUBJECT: AMENDMENTS TO THE DECLARATION OF TRUST OF PBCOM BEST BALANCED FUND**

Dear Valued Clients,

This is to inform you that the Philippine Bank of Communications (PBCOM) Board of Directors and the Bangko Sentral ng Pilipinas (BSP) have recently approved the following amendments to the PBCOM Best Balanced Fund:

	Existing	Amended
<b>Investment Policy (Art. II Sec. 3)</b>	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 62 of Subsection X410.7 of the Manual of Regulation for Banks hereto attached as Appendix II.	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 II.
<b>Investment Objective (Art. II Sec. 3)</b>	<p>(a) The investment objective of the PBCOM Best Balanced Fund (the "Fund") is to provide Participant/s with medium to long term capital growth from a well-diversified portfolio of equity and fixed income securities. The Fund is a mixed portfolio of at least forty percent (40%) to sixty percent (60%) of the Fund invested in stocks listed in the Philippine Stock Exchange and a portfolio of short to long fixed-income deposits and securities. Cash maybe kept for liquidity and portfolio rebalancing purposes.</p> <p>(b) Return Objective (state the target/desired return on investment) The Fund aims to provide absolute returns in excess of the return of the composite benchmark, 50% Philippine Stock Exchange Index (PSEi) or its equivalent benchmark approved by regulators and 50% return of the One (1) year BVAL (net of tax) or its equivalent benchmark approved by regulators.</p>	<p>(a) The investment objective of the PBCOM Best Balanced Fund (the "Fund") is to provide participants with medium to long term capital growth from a well-diversified portfolio of equity and fixed income securities. The Fund is a mixed portfolio of at least five percent (5%) to twenty percent (20%) invested in stocks listed in the Philippine Stock Exchange and a portfolio of medium to long term deposits and fixed-income securities. Cash maybe kept for liquidity and portfolio rebalancing purposes.</p> <p>(b) Return Objective (state the target/desired return on investment) The Fund aims to provide absolute returns in excess of the return of the composite benchmark, 20% Philippine Stock Exchange Index (PSEi) or its equivalent benchmark approved by regulators and 80% return of the Markit iBoxx ALBI Philippines Liquid (Domestic) Index or its equivalent benchmark approved by regulators.</p>
<b>Qualified Participants: Requirement and Restrictions (Art. III Sec. 1)</b>	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.	<p>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.</p> <p>The Fund is suitable for investors with an aggressive risk profile with a medium to long term horizon who seek potentially higher returns through investments in stocks (5% to 20%) and bonds and deposits. 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 3 to 5 years.</p>

**SUBJECT: AMENDMENTS TO THE DECLARATION OF TRUST OF PBCOM BEST BALANCED FUND**

	Existing	Amended
<b>Admission and Redemption (Art. III)</b>	<p>(a) Policies of Admissions and Redemption.</p> <ul style="list-style-type: none"> <li>• Minimum Initial Participation. The minimum amount of initial participation/contribution is PHP10,000.00</li> <li>• Minimum Maintaining Participation. The minimum maintaining participation is PHP10,000.00</li> <li>• Minimum Additional Participation (if applicable). The minimum additional contribution is PHP10,000.00</li> <li>• Minimum Holding Period – The minimum holding period of the participation is 90 calendar days from the date of participation.</li> </ul> <p>(d) Participation Requirements and Condition.</p> <ul style="list-style-type: none"> <li>• Admission shall be in terms of units and shall be based on the offer price on the day of the transaction, which shall be equal to the NAVPU as determined at the close of business day.</li> </ul> <p>(e) Redemption Requirements and Conditions.</p> <ul style="list-style-type: none"> <li>• Redemption Notice Period. The participant in the Fund may redeem its participation on any banking day provided that prior notice of redemption, in any form acceptable to the TRUSTEE, is acknowledged/received by the TRUSTEE within one (1) banking day. Requests for redemption shall be dealt with by the TRUSTEE in chronological order according to the day that notice is received.</li> <li>• Redemption shall be in terms in units and shall be based on the offer price on the day of the transaction, which shall be equal to the NAVPU as determined at the close of business day.</li> </ul>	<p>(a) Policies of Admissions and Redemption.</p> <ul style="list-style-type: none"> <li>• Minimum Initial Participation. The minimum amount of initial participation/contribution is <b>PHP5,000.00</b></li> <li>• Minimum Maintaining Participation. The minimum maintaining participation is <b>PHP5,000.00</b></li> <li>• Minimum Additional Participation (if applicable). The minimum additional contribution is <b>PHP1,000.00</b></li> <li>• Minimum Holding Period – The minimum holding period of the participation is <b>30 calendar days</b> from the date of participation</li> </ul> <p>(d) Participation Requirements and Condition.</p> <ul style="list-style-type: none"> <li>• Admission shall be in terms of units and shall be based on the <b>prevailing End-of-Day market value of underlying investments of the Fund on the day of the transaction</b>, which shall be equal to the NAVPU as determined at the close of business day.</li> <li>• 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.</li> </ul> <p>(e) Redemption Requirements and Conditions.</p> <ul style="list-style-type: none"> <li>• 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 redemption purposes in the Confirmation of Participation or through submission of a Letter of Instruction based on existing form indicating the intention to redeem participation with minimum details such as but not limited to the following: date of redemption, name of Trustor, name of Fund, number of shares or amount to be redeemed, 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.</li> <li>• Redemption shall be in terms of units and shall be based on the <b>prevailing End-of-Day market value of underlying investments of the Fund on the day of the transaction</b>, which shall be equal to the NAVPU as determined at the close of business day.</li> </ul>

**SUBJECT: AMENDMENTS TO THE DECLARATION OF TRUST OF PBCOM BEST BALANCED FUND**

	Existing	Amended
<b>Distribution (Art. IV Sec. 2)</b>	The Fund shall be distributed exclusively in distribution channels duly authorized by the Trustee.	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.
<b>Valuation of the Participation Units (Art. V Sec. 2)</b>	The NAVPU of the Fund shall be computed daily at about 6:00 pm. This should allow the trust back room ample time to finish all the transactions for the day.	The NAVPU of the Fund shall be computed daily at about 6:00 pm. 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.  The Trustee may temporarily suspend the calculation of the NAV/NAVPU and the announcement thereof if it is unable to determine due to any fortuitous event, such as fire, natural calamity, public disorder, national emergency affecting the financial markets resulting in the suspension of trading, consequently, the absence of available market prices of securities/instruments, or system telecommunication breakdown.
<b>Trustee's Fees (Art. V Sec. 3)</b>	The Trustee shall collect from the Fund trust fees in the amount equivalent to one and one half 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.  Said fee may be increased or decreased in the future as may be warranted by circumstances then existing, subject to the requirements of Subsection UX410.6/U4410Q.6 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.	The Trustee shall collect from the Fund trust fees in the amount equivalent to one percent per annum (1.00%) based on net asset value of the Fund which shall be accrued daily and shall be collectible from the Fund monthly.  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. In the event the trust fees are changed, such change shall be charged prospectively.
<b>Powers of Trustee (Art. VI Sec. 2)</b>	(d) To deposit in any bank or financial institution, including its own bank, any portion of the Fund, subject to the requirement of Subsection UX410.8/ U4410Q.8 of the Manual of Regulations for Banks and the Manual of Regulations for Non-Bank Financial Institutions;	(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.

**SUBJECT: AMENDMENTS TO THE DECLARATION OF TRUST OF PBCOM BEST BALANCED FUND**

	Existing	Amended
<b>Disclosure of Investments (Art. VII Sec. 2)</b>	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 62 of Subsection UX410.7/ U4410Q.7 of the Manual of Regulations for Banks and the Manual of Regulations for Non-Bank Financial Institutions. Upon request, participants in the Fund shall be furnished a quarterly list of investments held by the Fund.	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.
<b>Amendments &amp; Termination (Art. IX Sec. 1)</b>	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 Bangko Sentral Ng Pilipinas 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.	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: <ul style="list-style-type: none"> <li>• Notification letter signed by the president or officer of equivalent rank indicating the amendments in the UITF;</li> <li>• 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;</li> <li>• 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</li> <li>• Amended Plan Rules and Appendices.</li> </ul> <p>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.</p>

**SUBJECT: AMENDMENTS TO THE DECLARATION OF TRUST OF PBCOM BEST BALANCED FUND**

These amendments were incorporated in the Fund's Plan Rules (Declaration of Trust) and shall take effect on **SEPTEMBER 20, 2021** to allow for the 30-day mandatory public notification requirement.

The amendments to PBCOM Best Balanced Fund aim to be consistent with current BSP regulations. We advise you to evaluate these amendments carefully.

Should you agree with the amendments, no further action from your part is required. Your decision to remain invested in the Fund will be deemed as your conformity with these amendments. If you are not in conformity with the above amendments, you may get in touch with your branch of account and/or Business Development Officers listed below before **SEPTEMBER 19, 2021** to discuss other PBCOM UITFs/investment products that may better match your requirements.

Please feel free to get in touch with us through our **PBCOM Trust** email address ([TRUSTGROUP@pbcom.com.ph](mailto:TRUSTGROUP@pbcom.com.ph)) or via the following Trust Personnel:

Trust Personnel	Telephone Number	Email Address
Ana Marie O. Perez	8830-7047	<a href="mailto:AMOPerez@pbcom.com.ph">AMOPerez@pbcom.com.ph</a>
Miguel F. Luy	8830-7042	<a href="mailto:MFLuy@pbcom.com.ph">MFLuy@pbcom.com.ph</a>
Jerranel E. Charcos	8830-7044	<a href="mailto:JECharcos@pbcom.com.ph">JECharcos@pbcom.com.ph</a>

Thank you.

Very truly yours,

PBCOM Trust and Wealth Management Group