

DECLARATION OF TRUST

AIA PESO LONG-TERM BOND FUND

A Unit Investment Trust Fund
(As amended on February 28, 2024)

KNOW ALL MEN BY THESE PRESENTS:

AIA INVESTMENT MANAGEMENT AND TRUST CORPORATION PHILIPPINES, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, and authorized to perform trust and other fiduciary functions, with principal office address 17F AIA Philippines Tower, 8767 Paseo de Roxas, Makati City 1226, Metro Manila, Philippines (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 the AIA PESO LONG-TERM BOND 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 features of the fund, a peso-denominated passive long-term bond fund, shall be described in *Appendix 1* as amended 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 1* 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 *Appendix Q-33 of Section 414-Q of the Manual of Regulations for Nonbank Financial Institutions (the "MORNBFI")*.

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 and suitability of the client.

Participation in the Fund shall be open to participants with legal capacity to contract and subject to the rules or procedures stipulated in *Appendix 1* as amended and those established by the Trustee to be advantageous to the best interest of the Fund.

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 1* as amended 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 by distribution channels duly authorized by the Trustee and offered by duly certified UITF marketing personnel.

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 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 1* as amended 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 1* as amended hereof.
- c. The NAVpu shall be computed daily at the time specified in *Appendix 1* as amended hereof.

Sec. 3 *Fees and Expenses of the Fund* —

- a. **Trustee's Fees** - The Trustee shall charge against the Fund regular trust fees in the percentage indicated in *Appendix 1* hereof 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 1* 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 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.

Article VI TRUSTEES POWERS & 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 of the investment objectives and policies of the Fund stated in Article II, Section 3 hereto;
- d. To deposit in any bank or financial institution any portion of the Fund, subject to the requirement of the MORNBFI;
- 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, and other third-party service provider/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. Notwithstanding, the Trustees shall be responsible for the performance of the outsourced activity in the same manner and to the same extent as if it was performing directly the said activity. Further, to appoint and retain the services of qualified and reputable local or foreign broker/s, agent/s, counterparties, and in so doing, the Trustee shall use reasonable endeavors to assess the performance, reputation and credit worthiness of the same, provided however, that the Trustee shall not be held liable in guaranteeing the performance or creditworthiness nor the possible default of the obligations of the said parties;
- g. To hire and compensate legal counsel/s, certified public accountant/s 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 and receive for income, dividends, interest, profits, increments and such other sums accruing or due to the Fund; and
- 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 Other Powers and Authority of the Trustee — The Trustee shall also have the following additional powers and authority which it shall exercise according to its full discretion, supervision, and control:

- a. To open an exclusive trust account for the Fund and to maintain the same exclusively for the Fund;
- b. To open and maintain for the Fund savings/current accounts with any bank and to deposit therein all the funds coming to its possession pending action for any investment, and to make payments or withdrawal against such savings/current accounts as may be necessary in connection with the management of the Fund;
- c. To act as Attorney-in fact with full power and authority to ask, demand, sue for, recover, collect, and receive any and all sums of money, debts, interests, and other things of value of whatever nature and kind as may now be or may hereafter become due, owing, payable, or belonging to the Fund, and to have, sue, and take any and all lawful ways and means for the recovery thereof by suit, attachment, compromise, or otherwise; and
- d. To deduct any applicable tax required by law to be withheld from the income of the Fund and to remit the same to the appropriate taxing authority.

Sec. 4 Liability of Trustee — Save that attributable to the Trustee's fraud, willful default, evident 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 any act or omission where such action or inaction, in the good faith or judgment of the Trustee, was then necessary, reasonable, or appropriate for the proper and advantageous administration and management of the Fund.

Sec. 5 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 the 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 the pertinent provision of the MORNBF1. 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 pursuant to *Appendix 2* including the general risks as indicated in the "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 Article IX, Section 2 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*.

Sec. 5 Cooling-Off Period — Individual participants, who are natural persons except corporations, partnership, associations, and those specifically disqualified by law or regulations, shall have the right to cancel their subscriptions or contributions, without penalty, upon written notice to the Trustee within two (2) banking days immediately following the signing of agreement or contract evidencing their participation in the Fund. Further, the net amount of payment or delivery dues the Participant shall be based on the transaction day's NAVpu when notice of redemption, termination or cancellation was received.

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 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 — 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.

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 Participant s 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, as well as in the corporate website, of the Trustee. 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

Sec. 1 Tax on Income — The income earned by the Fund from the fixed income instruments shall be subject to all applicable taxes. Income earned from all other investments shall be subject to the applicable taxes under existing laws and regulations.

Sec. 2 Discretion of the Trustee to be Absolute — Wherever in this Declaration of Trust it is provided that any power may be exercised or any act of thing done by the Trustee, involving the exercise of discretion, said discretion when exercised in good faith or with reasonable care under circumstances then prevailing, shall be final and conclusive, and its determination when so made to act or refrain from acting or to exercise such power or to refrain from so doing, shall be binding upon the Participant(s) and all persons having or claiming interest therein.

Sec. 3 Advice of Counsel — The trustee may consult or employ a qualified legal counsel, including its own legal counsel, for advice as to the meaning and construction of this Declaration of Trust or any provisions hereto, or concerning its power or obligations hereunder, and shall not be liable for any consequence of any action taken or omitted by it in good faith pursuant to the opinion of such counsel.

Sec. 4 Representation by the Trustee in Judicial Proceedings — In any judicial proceeding affecting any property or security belonging to the Fund, if the Trustee shall be a party to such proceeding and is duly represented before the tribunal on which such proceeding shall be pending, each Participant and every person having or claiming to have any interest in or any Participation in the Fund shall be deemed to be fully represented by the Trustee for said purpose.

Sec. 5 Effect of Mistakes — No mistake made in good faith and in the exercise of due care in connection with the administration of the Fund shall be deemed to be a violation of this Declaration of Trust or of any applicable laws or regulations if, within a reasonable time after the discovery of the mistake, the Trustee shall take whatever action may be practicable under the circumstances to remedy it.

Sec. 6 Successors and Assignee — This Declaration of Trust and all provisions thereof shall be binding upon and shall inure to the benefit of the Participants and Trustors and their successors-in-interest, its executors, administrators, distributors, and assignees, having or claiming to have any interest in any Participation in the Fund.

Sec. 7 Rules of Construction — Unless the context otherwise requires, words importing the singular number shall include the plural number and the vice versa; and words importing the masculine gender shall include the feminine gender. The headings used herein are

incorporated for convenience or reference only and shall not be conclusive as to the construction or interpretation of any provision.

Sec. 8 Governing Law – The validity, effectivity, and interpretation of any of the provisions hereto, its annexes, and all supplementary deeds hereto shall be governed by and construed in accordance with the laws of the Republic of the Philippines and the rules and regulations from time to time promulgated by the Bangko Sentral ng Pilipinas and any other competent authority. In case one or more provisions of this Plan is declared invalid, illegal, or unenforceable in any respect under the law or regulation, the legality and enforceability of the other provisions not affected shall not in any way be affected or impaired thereby.

This Agreement and the dispositions hereunder shall be construed and regulated, and their validity and effect shall be determined by the laws of the Republic of the Philippines as such laws may from time to time exist. Venue of suits arising under this Agreement shall be in the proper courts of Taguig City.

Sec. 9 Resolution of Approval – This Declaration of Trust was duly approved by a Resolution of the Board of Directors of AIA Investment Management and Trust Corporation Philippines on the day of February 28, 2024, as evidenced by the Certificate issued by the Corporate Secretary attached hereto and marked as Annex "A".

IN WITNESS, AIA Investment Management and Trust Corporation Philippines has caused this Declaration of Trust to be signed and its corporate seal affixed thereto on _____ 2024 at _____, Philippines.

**AIA INVESTMENT MANAGEMENT AND TRUST CORPORATION PHILIPPINES
(TRUSTEE)**

By:



MARISSA P. ESCALA
Officer-in-Charge, AIAIMPH

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

MAR 12 2024 BEFORE ME, a Notary Public for and in the above jurisdiction, on this day of **MAKATI CITY** at _____, personally appeared the following, exhibiting to me the following described Competent Evidence of Identity (CEI) in accordance with the 2004 Rules on Notarial Practice:

NAME	CEI/CTC
MARISSA P. ESCALA	PRC NO. 0088164 Registered on 02/22/1993 Valid until 12/29/2026

known to me and by me known to be the same persons who executed the foregoing Declaration of Trust consisting of 15 pages including its annex documents and this page wherein this acknowledgment is written and who acknowledged to me that the same is their free and voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed on every page hereof my notarial seal at the place and on the date first above written.

Doc. No. 94
Page No. 82
Book No. Y11
Series of 2024.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
Appointment No. M-33 (2023-2024)
PTR No. 9563522 Jan. 3, 2023
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg
Brgy Pio Del Pilar, Makati City

APPENDIX 1

AIA PESO LONG-TERM BOND FUND

Fund Specifications

Fund Name	AIA PESO LONG-TERM BOND FUND
Fund Structure	Regular Fund
Fund Classification	Fixed Income Fund
Investment Objective	The Fund aims to achieve higher income and capital growth by investing in Philippine government bonds with an average portfolio duration of greater than five (5). The Fund aims to track the performance of the Markit iBoxx ALBI Philippines 5+ Total Return Index or IBXXPHP5 Index by replicating the characteristics of the benchmark. The Fund shall allow investment in government securities that have comparable duration and tenor to the constituent securities of the benchmark. This Fund is suited for moderately aggressive investors with an investment horizon of more than five (5).
Investment Policy	The Fund may be invested and reinvested in the following instruments: • Exchange-listed fixed income securities; • Fixed income securities issued or guaranteed by the Philippine government or BSP; • Such other tradable investments outlets/categories allowed for UITFs by the relevant regulations and determined by the Trustee as suitable for the Fund. The Fund's investment will be limited to securities issued and guaranteed by the Philippine government or by the BSP or any constituent of the Markit iBoxx ALBI Philippines 5+ Total Return Index or IBXXPHP5 Index.
Target Asset Allocation	The Fund shall be invested up to 100% in fixed income securities.
Base Currency	The Base Currency of the Fund is Philippine Peso.
Benchmark	100% Markit iBoxx ALBI Philippines 5+ Total Return Index. The IBXXPHP5 Index is maintained by IHS Markit. It reflects acceptable returns on a peso-denominated medium risk long-term fixed income portfolio comprising of Philippine Government bonds with remaining tenors of at least five (5) years. Benchmark composition is rebalanced monthly. The IBXXPHP5 Index price is calculated based on the market prices of its underlying securities, net of withholding taxes. Benchmark information can be found on www.spglobal.com/spdji/en/.
Qualified Participants	Participation in the Fund shall be exclusive only to AIA Group entities and related funds

Admission and Redemption	
Minimum Initial Participation	PHP 1,000.00
Minimum Maintaining Participation	PHP 1,000.00
Minimum Additional Participation	PHP 100.00
Minimum Holding Period	None
Minimum Redemption Amount	There will be no minimum redemption amount required. Partial redemptions shall be allowed provided that the amount redeemed will not result to a balance below the minimum maintaining amount; otherwise, the participant shall be required to redeem their entire holdings.
Admission and Redemption Cut-off Time	Admission and/or notice of redemption received by the Trustee on or before the cut-off-time of 12:00 NN shall be considered as transaction for the day. Admission/notice of redemption received after the cut-off time shall be considered as transaction for the next applicable business day. When admitted, the Participating Trust Agreement shall be made available to the participant. A Confirmation of Transaction (COT) shall be issued, either by physical or electronic copy, at the option of the client, for each initial and subsequent contribution.
Admission and Redemption Prices	Admission and redemption prices shall be based on the end of day NAVpu computed after the cut-off time for fund participation and redemption for that reference day, in accordance with existing BSP rules and regulations on making to market valuation of investment instruments.
Participation Requirements and Conditions	• Participation of the Fund. The moneys which may invested (by way of Participation to the Fund), may consist of any of the following: (1) moneys or cash denominated in Philippine Peso, (2) moneys transferred from other banks and financial institutions (3) moneys from trust or other investments, or deposit accounts maintained with the client's depositary banks. • Interest in the Fund. No participant in a UITF shall have or be deemed to have any ownership or interest in any particular account or investment in the UITF but shall have only its proportionate beneficial interest in the fund as a whole; and each unit shall have uniform rights or privileges as any other unit. • Lost, Stolen, Defaced, Mutilated, or Destroyed Confirmation of Transaction. In case the client opted for a physical copy of the COT and the COT issued and delivered to the Participant thereafter becomes mutilated, defaced, lost, stolen, or destroyed, the Trustee in its discretion may issue in the name of the Participant a new COT in substitution or replacement thereof, provided that the following conditions are first satisfied by the Participant:

	○ In case of defacement or mutilation: surrender to the Trustee the defaced or mutilated originally issued COT; ○ In case of loss, theft, or destruction: furnish documentary evidence to the Trustee such as, but not limited to, duly notarized affidavit of the loss, theft, or destruction of the originally issued COT, as the case may be; ○ When applicable, the Participant shall pay all reasonable expenses incurred in connection with the investigation of the facts; ○ If required by the Trustee, furnish such indemnity bond as the Trustee may require. • Re-issuance of Confirmation of Transaction. Every COT re-issued by the Trustee by virtue of defacement, mutilation, loss, theft, or destruction shall be in the name of the Participant as represented in the original COT. • Cancellation of Participation. Client's participation shall be ipso facto void and automatically cancelled if the check or other medium of payment is dishonored for whatsoever reason. • Confidentiality. Participants made to the Fund shall, in accordance with existing laws and regulations, be kept absolutely confidential.
Redemption Requirements and Conditions	• Redemption Notice Period. The participant in the Fund may redeem his participation on any business day provided that prior notice of redemption, in any form acceptable to the Trustee, is acknowledged/received by the Trustee according to the Admission and Redemption Cut-off time stipulated herein. Requests for redemption shall be dealt with by the Trustee in chronological order according to the day that notice is received. This applies to early, partial, or full redemption. • Early Redemption Fee. No early redemption fee shall be imposed. • Partial Redemption. Partial redemptions from the accumulated total holdings of the Participant in the Fund shall be allowed based on the end of day NAVpu. A Transaction Order Form shall be accomplished and submitted by the Participant to order the partial redemption transaction which shall be confirmed upon fulfillment by the COT containing the redemption details, the NAVpu, and the remaining units of the holdings. • Redemption Settlement. Proceeds of redemption shall be paid out of the Investor Fund on the redemption settlement date of not later than three (3) business days after

	day NAVpu when notice of redemption was received. This applies to early, partial, or full redemption.
Suspension and Limitation on Admission/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.
NAVpu	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 the investment instruments. Deposits shall be valued at cost. Valuation Day shall mean any business day when the Net Asset Value per Unit shall be calculated by the Trustee which is daily at 8pm. The value of the NAVpu at the start of Fund's operation shall be Php1.0000. The Fund's historical NAVpu shall be made available via AIA Investments website (https://investment.aia.com/).
Fees and Expenses of the Fund	The Trustee shall collect from the Fund trust fees in the amount equivalent to 0.2105% per annum based on Net Asset Value (NAV) of the Fund gross of trust fees for the day which shall be accrued daily and shall be collectible from the Fund monthly in arrears. The Trustee shall collect from the Fund custody fees in the amount equivalent to 0.005% per annum based on daily Face amount of Fixed Income Securities and audit fees which shall be accrued daily. The Trustee may charge the Fund special expenses that are (1) reasonable to preserve or enhance the value of the Fund, (2) payable to a third party covered by a separate contract, and (3) disclosed to participants. The Trustee shall secure prior BSP approval for outsourcing services provided under existing regulations (Sec.1.j, BSP Cir. 593).
Other Terms & Conditions	• BSP-Accredited Third-Party Custodian. Investment in fixed income securities shall be held for safekeeping by BSP Accredited Third-Party Custodian. The third-party custodian shall execute, acknowledge, keep in custody and deliver any or all securities necessary in the investment and reinvestment of the Fund as well as handle administration, valuation and perform independent marking to market of the Fund's securities. The Fund's Third-Party Custodian is Hongkong and Shanghai Banking Corporation Philippines (HSBC). • Dealing with Counterparties. Dealings by Trustee with related interest/bank proper/holding

	Hong Kong and Shanghai Banking Corporation Philippines (HSBC). • Dealing with Counterparties. Dealings by Trustee with related interest/bank proper/holding company/subsidiaries/affiliates and related parties shall be transparent at all times and supported by records. The Trustee shall adhere to the best execution principle and no buy/sell transaction shall be made with related counterparties without considering a minimum of two (2) competitive quotes from other sources.
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APPENDIX 2

AIA PESO LONG-TERM BOND FUND

Fund Specific Risks

Type of Risk	Description
Credit Risk	Refers to the risk of losses that an investor is exposed to due to a borrower's failure to pay the principal and/or interest on instruments such as bonds, loans, or other forms of securities. The borrower's inability to fulfil its financial obligations may be due to adverse changes in its financial condition thus, lowering the credit quality and/or price of the security.
Counterparty Risk	Refers to the risk of a counterparty defaulting on a contract to deliver its obligation in cash, securities or even services.
Liquidity Risk	Refers to the risk of losses that an investor is exposed to due to the inability to convert assets into cash immediately or when the conversion is possible but only at a lower price. Such may be caused by holding securities with small or few outstanding issues, inadequate buyers, infrequent trading activity or underdeveloped capital market.
Market Risk	Refers to the risk of losses that an investor is exposed to due to the unanticipated change in the prices of securities or macroeconomic variables that influence the financial markets.
Interest Rate Risk	Refers to the risk of loss that an investor is exposed to due to changes in interest rates. The purchase and sale of fixed income securities, for example, may result in a loss because the price of the security may decline if interest rates rise.
Reinvestment Risk	Refers to the risk that an investor is exposed to the possibility of getting lower returns or earnings upon reinvestment of maturing funds and/or interest earnings.