

Philequity Feeder Fund

Provision	Current Provisions	Amendments
<b>Title</b>	A Unit Investment Trust Fund	An <b>Equity Feeder</b> Unit Investment Trust Fund
<b>ART. II NATURE AND INVESTMENT OBJECTIVES</b> <b>Declaration of Trust</b>	<b>Sec. 2. Nature of the FUND:</b> The EASTWEST PHILEQUITY FEEDER FUND is a feeder 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. A feeder fund is a unit investment trust fund (UITF) structure that mandates the fund to invest at least ninety percent (90%) of its assets in a single collective investment scheme. 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.	<b>Sec. 2. Nature of the FUND:</b> The <b>Fund</b> is a feeder 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. A feeder fund is a unit investment trust fund (UITF) structure that mandates the fund to invest at least ninety percent (90%) of its assets in a single collective investment scheme. 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.
<b>ART. V. VALUATION OF THE FUND AND PARTICIPATION UNITS</b> <b>Declaration of Trust</b>	<b>Section 3. Fees and Expenses of the FUND:</b>  A. <b>TRUSTEE's Fees:</b> 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 ( <i>Subsection UX410.6 for EW Dollar Intermediate Bond</i> ). In the event the trust fees are changed, such change shall be charged prospectively.  B. <b>Expenses:</b> 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.	<b>Sec. 3. Fees and Expenses of the FUND:</b>  A. <b>TRUSTEE's Fees:</b> The Trustee shall charge against the Fund regular trust fees in the amounts indicated in <b>Appendix I</b> hereto and <b>accredited third-party custodian fees and external audit fees</b> 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. 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 <b>Section 414 of the Manual of Regulations for Banks</b> . In the event the trust fees are changed, such change shall be charged prospectively.  B. <b>Expenses:</b> 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 <b>in the Key Information and Investment Disclosure Statement (KIIDS)</b> .  <b>Other fees such as accredited third-party custodian fees and external audit fees shall also be collected from the fund which shall be disclosed quarterly in the KIIDS.</b>  <b>The interest, fees, charges, and penalties of this Fund may change over time, subject to the notice requirements under this Plan and other requirements, as prescribed by the Bangko Sentral ng Pilipinas and other regulations.</b>
<b>ARTICLE VI. TRUSTEE'S POWERS AND LIABILITIES</b> <b>Article VI to the Declaration of Trust</b>	<b>B. Powers of the TRUSTEE</b>  l) To suspend the trading of the feeder fund as necessary due to suspension of its target fund, which will mean the unavailability of an end-of-day NAVpu that is reflective of actual market movements.	<b>Sec. 2. Powers of the Trustee</b>  <b>12.</b> To suspend the trading of the feeder fund as necessary due to suspension of its target fund, which will mean the unavailability of an end-of-day NAVpu that is reflective of actual market movements. <b>13. To perform such acts which are necessary and desirable for the proper administration and management of the Fund.</b>
	<b>Section 3. Liability of TRUSTEE</b>	<b>Section 3. Liability of TRUSTEE</b>

	<p>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.</p>	<p>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.</p> <p><b><u>Due to the nature of the investments of unit investment trust fund, the returns/yields cannot be guaranteed. Historical performance when presented is purely for reference purposes and is not a guarantee of similar future performance.</u></b></p> <p><b><u>Any losses and income arising from market fluctuations and price volatility of the securities held by the Fund, even if invested in government securities, are for the account of the client. As such, the units of participation of the Trustor in the Fund, when redeemed, may be worth more or worth less than the Trustor's initial investment or contribution.</u></b></p>
	<p>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.</p>	<p><b><u>Emphasis provided 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.</u></b></p>
<p><b>ARTICLE VII. RIGHTS OF PARTICIPANTS, Declaration of Trust</b></p>	<p><b>Section 5. Cooling-Off Period:</b> N/A</p>	<p><b><u>Section 5. Cooling-Off Period. Subject to the exemptions under BSP regulations, the Participant/Trustor shall be entitled to cancel his/its initial subscription or contribution, without penalty, upon written notice to the Trustee within two (2) banking days immediately following the signing of the agreement or contract evidencing their participation in the Fund.</u></b></p> <p><b><u>The Trustee may collect or recover reasonable amount of processing fees, which would be in addition to any reasonable administrative fees associated with the redemption, termination or cancellation of the subscriptions or contributions.</u></b></p>
<p><b>ART. VIII ANNUAL AUDIT AND REPORT Declaration of Trust</b></p>	<p>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.</p>	<p>Aside from the regular audit requirement applicable to all trust accounts of the Trustee, an external audit of the <b><u>financial statements of the</u></b> Fund shall be conducted annually after the close of each fiscal year by the external auditor engaged for the financial audit of the Trustee. <b><u>The Audited Financial Sheet (AFS) for the Fund shall be PFRS/PAS-compliant in all respects. The AFS of the Fund shall be made available at the Trustee's place of business, posted on the Trustee's website and upon request of participants, transmitted to them in printed or electronic format.</u></b></p>
<p><b>ART. IX. AMENDMENTS AND TERMINATION, Declaration of Trust</b></p>	<p><b>Section 1. Amendments:</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 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.</p>	<p><b>Sec. 1. Amendments:</b> This <b><u>Declaration of Trust</u></b> may be amended from time to time by resolution of the Board of Directors of the Trustee <b><u>and/or notice to the Bangko Sentral ng Pilipinas, as required under regulations.</u></b> 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 thirty (30) calendar days <b><u>prior to the implementation of any amendments to withdraw their participations. Complementary individual notices to participants shall also be sent if the amendments pertain to or will result in fees to be paid or charged for the account of the client. Provided further that amendments to the Plan shall be</u></b></p>

		<u>submitted to the BSP within ten (10) banking days from approval of the amendments by the Board of Directors of the Trustee, as per Section 414 of the MORB. The amendments shall be deemed approved after thirty (30) calendar days from the date of the completion of the requirements provided by relevant rules and regulations.</u>
	<p><b>Section 2. Termination:</b> 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.</p> <p>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.</p>	<p><b>Section 2. Termination:</b> This <u>Declaration of Trust</u> 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. <u>The Bangko Sentral ng Pilipinas shall be notified prior to the termination of a Fund, as required under relevant rules and regulations.</u> 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.</p> <p>Following the approval of the termination of the Plan but at least thirty (30) <u>banking</u> 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.</p>

#### APPENDIX I

Provision	Current Provisions	Amendments
<b>I. INVESTMENT OBJECTIVE</b> <b>Appendix I to the Declaration of Trust</b>	<p>[...] Return Objective. The Fund aims to match or exceed the return of the Philippine Stock Exchange Composite Index (PSEi).</p>	<p>[...] Return Objective. The Fund aims to match or exceed the return of the Philippine Stock Exchange Composite Index (PSEi).</p> <ul style="list-style-type: none"> <li>- <b>Description of the Benchmark</b> <ul style="list-style-type: none"> <li>o <u>The Philippine Stock Exchange (PSE) Index measures the relative changes in the free float-adjusted market capitalization of the 30 largest and most active common stocks listed at the PSE. (Source: Philippine Stock Exchange, Inc.)</u></li> </ul> </li> <li>- <b>Key Characteristic of the Benchmark</b> <ul style="list-style-type: none"> <li>o <u>The PSEi's bucket of the top thirty (30) common stocks are based on a fixed set of rules that allow it to represent the general movement of the Philippine stock market.</u></li> </ul> </li> <li>- <b>Use of the Benchmark</b> <ul style="list-style-type: none"> <li>o <u>The fund is designed for high-risk appetite investors looking for returns on their investments through capital appreciation. The fund will invest in Equities listed in the Philippine Stock Exchange.</u></li> <li>o <u>However, there is some misalignment between the fund and benchmark due to the Total Returns and taxable nature of the Fund which can create differences in returns. The PSEi is not a Total Returns Index, nor is it net of taxes.</u></li> </ul> </li> <li>- <b>Sources for more detailed information</b> <ul style="list-style-type: none"> <li>o <u>Philippine Stock Exchange (pse.com.ph)</u></li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ <a href="#">Bloomberg. For additional information on the benchmark, investors may send an email to Bloomberg via indexhelp@bloomberg.net.</a></li> <li>○ <a href="#">Additional information on the benchmark and/or its administrator can be made available to the investors upon request.</a></li> </ul>
<b>II. INVESTMENT POLICY</b> <b>Appendix I to the Declaration of Trust</b>	<p>A. Pursuant to the foregoing objectives, the Fund is structured as a feeder fund in compliance with BSP Circular No. 767, Series of 2012 and shall invest at least ninety percent (90%) of its assets in PhilEquity Fund, Inc., the target fund, which is an open-end mutual fund invested primarily in equity securities of listed Philippine corporations.</p> <p>[...]</p> <p>D. N/A</p>	<p>A. Pursuant to the foregoing objectives, the Fund is structured as a feeder fund in compliance with <a href="#">Sections 403 and 414 of the Manual of Regulations for Banks (MORB)</a> and shall invest at least ninety percent (90%) of its assets in PhilEquity Fund, Inc., the target fund, which is an open-end mutual fund invested primarily in equity securities of listed Philippine corporations.</p> <p>[...]</p> <p><a href="#">D. Pursuant to Section 414 of the MORB, the combined exposure of the UITF to any entity and its related parties shall not exceed fifteen percent (15%) of the market value of the UITF: Provided, that, a UITF invested, partially or substantially, in exchange traded equity securities shall be subject to the fifteen percent (15%) exposure limit to a single entity/issuer.</a></p>
<b>VI. ADMISSION AND REDEMPTION,</b> <b>Appendix I to the Declaration of Trust</b>	<p>V. Admission and Redemption (Art. III)</p> <p><b>A. Policies of Admission and Redemption</b></p> <ol style="list-style-type: none"> <li>1. <b>Minimum initial participation...</b></li> <li>2. <b>Minimum holding period...</b></li> <li>3. <b>Admission and contribution to the Fund...</b></li> <li>4. <b>Admission and Redemption Prices...</b></li> <li>5. <b>Admission and Redemption Conditions...</b></li> </ol> <p>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 (Appendix X) shall be made available to the participant on the day of transaction (T+0) and/or the Confirmation Notice (Appendix VI) shall be made available to the participant within five (5) banking days after the transaction date (T+5).</p> <p><b>6. Suspension of Admission and Redemptions...</b></p>	<p><b>VI.</b> Admission and Redemption</p> <p><b>A. Policies of Admission and Redemption</b></p> <ol style="list-style-type: none"> <li>1. <b>Minimum initial participation...</b></li> <li>2. <b>Minimum holding period...</b></li> <li>3. <b>Admission and contribution to the Fund...</b></li> <li>4. <b>Admission and Redemption Cut-off time</b></li> <li>5. <b>Admission and Redemption Prices...</b></li> </ol> <p><b>B. Admission and Redemption Conditions</b></p> <p><b>1. Participation Conditions: Application to purchase are subject to confirmation as to the amount of units and the applicable NAVpu. 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 (Appendix VI) shall be made available to the participant within five (5) banking days after the transaction date (T+5).</b></p> <p><i>...(changed from bullet points to numbers)</i></p> <p>[...]</p>

**APPENDIX II**

<b>Provision</b>	<b>Current Provisions</b>	<b>Amendments</b>
<b>RISK FACTORS, Appendix II</b>	<p><b>Risk Factors</b></p> <p>1. <i>Market Risk</i> is the risk that the value of the investment will be adversely affected by the fluctuations in the price level or volatility of one or more of the underlying instruments of the mutual fund. This consists of 2 main components</p> <p>a. <i>Systematic Risk</i> – the variability in price caused by factors that affect all securities across all markets (e.g. significant economic or political events)</p> <p>b. <i>Unsystematic Risk</i> – the variability in price caused by factors which are specific to the particular issuer (corporation) of the shares of stock. Through proper portfolio diversification, the risk can be minimized as losses on one particular stock may be off-set by gains in another.</p>	<p><b>Risk Factors</b></p> <p>1. <i>Market Risk</i> is the risk that the value of the investment will be adversely affected by the fluctuations in the price level or volatility of one or more of the underlying instruments of the mutual fund. This consists of 2 main components</p> <p>a. <i>Systematic Risk</i> – the variability in price caused by factors that affect all securities across all markets (e.g. significant economic or political events)</p> <p>b. <i>Unsystematic Risk</i> – the variability in price caused by factors which are specific to the particular issuer (corporation) of the shares of stock. Through proper portfolio diversification, the risk can be minimized as losses on one particular stock may be off-set by gains in another.</p>

	<p>The are two types of market risk:</p> <ul style="list-style-type: none"> <li>- Interest Rate Risk – This refers to the change in the bond price due to factors affecting the market such a interest rates.</li> <li>- Equity Price Risk – This refers to the changes in prices of equity investments held by the fund.</li> </ul> <p>2. <i>Liquidity Risk</i> is the risk that an investment may not find a ready buyer. This is minimized by the fact that the fund only invests in listed, marketable equities.</p>	<p>The are two types of market risk:</p> <ul style="list-style-type: none"> <li>- Interest Rate Risk – This refers to the change in the bond price due to factors affecting the market such a interest rates.</li> <li>- Equity Price Risk – This refers to the changes in prices of equity investments held by the fund.</li> </ul> <p><b>2. Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.</b></p> <p><b>3. Liquidity Risk is the risk that an investment may not find a ready buyer. This is minimized by the fact that the fund only invests in listed, marketable equities.</b></p> <p><b>4. Operational Risk is the risk to earning or capital arising from problems with service or product delivery.</b></p> <p><b>5. Country Risk The success of the fund may be influenced by the general political situation in, and the state of the economy of, the Philippines</b></p> <p><b>6. Others Additional risks that are not quantifiable</b></p> <p><b>a. Regulatory Risk - The Fund's investment and operations are subject to government regulation, which are subject to change from time to time.</b></p> <p><b>b. Non-Guarantee – Investments made in Mutual Funds which the Fund is classified as, is not guaranteed by the Philippine Depository Insurance Corporation (PDIC).</b></p> <p><b>c. Dilution Risk – Being an open – ended mutual fund shares are continuously subscribed and redeemed, which may dilute its current shareholders as more shares are being subscribed.</b></p> <p><b>d. Fund Manager Risk – In general, the performance of a mutual fund is dependent on the expertise and experience of the Fund Manager.</b></p>
--	--	---