

## DECLARATION OF TRUST

### ODYSSEY ASIA PACIFIC HIGH DIVIDEND EQUITY FEEDER FUND An Equity Unit Investment Trust Feeder Fund

This Declaration of Trust is made and executed by BPI Asset Management and Trust Corporation, *doing business under the trade name and style of BPI WEALTH – A TRUST CORPORATION*, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 26/F & 27/F Ayala Triangle Gardens Tower 2, Paseo De Roxas Cor. Makati Avenue, Makati City, Philippines 1226, and duly licensed to operate and to perform trust and other fiduciary functions by the Bangko Sentral ng Pilipinas, herein referred to as “BPI Wealth” or the “Trustee”.

#### WITNESS THAT:

In order to provide a vehicle for the Trustee and other fiduciary clients who are interested in diversifying their investment, the Trustee hereby establishes and declares that it has created and shall administer a Unit Investment Trust Fund (the “UITF”), a trust product, for the collective investment of funds of its clients under the terms and conditions provided in this Plan Rules and Regulations (the “Plan”).

#### ARTICLE I: NAME, DEFINITIONS & PURPOSE

- 1.1 This UITF is an open-ended equity fund, operating as a feeder fund, established and administered by the Trustee as a medium through which investible funds are pooled together for collective investment and shall be known as **Odyssey Asia Pacific High Dividend Equity Feeder Fund** (the “Fund”). The features of this equity fund shall be described in Annex A hereto.

Pursuant to existing BSP rules and regulations, as a Feeder Fund, this Fund is mandated to invest at least 90% of its assets in a single collective investment scheme. This underlying collective investment scheme is referred to as the Target Fund and selected consistent with the provisions on investment objective and investment policy under Article II and Annex A, following the Trustee's established investment process.

- 1.2 The Fund is 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 law.

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.

- 1.3 In applying this Plan, the following shall have the meaning indicated below unless the context otherwise requires:
- a) “BSP” shall mean the Bangko Sentral ng Pilipinas.
  - b) “Business Day” means such day (other than a Saturday, Sunday, or declared holiday) on which the trust corporation is open for business in the City of Makati.
  - c) “Confirmation of Participation/Transaction Advice” means the instrument evidencing the extent of Participant’s proportionate interest in the Fund.
  - d) “Confirmation of Redemption/Transaction Advice” means the instrument confirming the partial or full redemption of units held by the Participant and evidencing the reduction of the Participant’s proportionate interest in the Fund.
  - e) “Initial NAVPU” means the initial NAVPU of the Fund as indicated in Annex A.
  - f) “Minimum Additional Participation Amount” means the minimum amount of subsequent participation of a Participant or Trustor in the Fund as indicated in Annex A.

- g) "Minimum Maintaining Participation" means the amount indicated in Annex A that must be maintained at the time when a partial redemption is made by a Participant or Trustor in the Fund.
  - h) "Minimum Participation Amount" means the minimum amount of initial participation of a Participant or Trustor in the Fund as indicated in Annex A.
  - i) "NAV" means Net Asset Value of the Fund.
  - j) "NAVPU" means Net Asset Value Per Unit or the value of each unit of participation in the Fund.
  - k) "Redemption Cut-Off Time" means the cut-off time for receiving redemption orders as indicated in Annex A.
  - l) "Redemption Notice Period" means the required number of days of prior notice in a form acceptable to the Trustee for any redemption from the Fund as indicated in Annex A.
  - m) "Subscription Cut-Off Time" means the cut-off time for receiving subscription orders as indicated in Annex A.
  - n) "Trade Date" means a Business Day when a redemption or subscription order is received before cut-off time.
  - o) "Trust Agreement" means the Participation Trust Agreement.
  - p) "Trust Fee" means the fee based on the NAV at day end payable by Participants to the Trustee for its services as indicated in Annex A.
  - q) "Trustor" or "Participant" means a person who participates in the Fund under a Trust Agreement.
  - r) "Trustee" means BPI Wealth acting in its capacity as trustee of the Fund.
  - s) "Total Net Assets" means the summation of the market value of each investment less Trust Fee, taxes, and other qualified expenses.
  - t) "Unit" means a unit of participation in the Fund.
  - u) "Valuation Day" means a trading day when the Fund is made available for participation or redemption and on which the Trustee determines the NAV of the Fund.
- 1.4 The Fund shall be established, maintained and administered exclusively for the collective investment and reinvestment of the funds held by the Trustee, which constitute the participation in the Fund. The rights and benefits of all parties in interest in the Fund shall be pursuant to the Plan.

## **ARTICLE II: INVESTMENT OBJECTIVE OF THE FUND**

The objective of the Fund is to achieve long-term capital appreciation by investing in a Target Fund with a diversified portfolio of attractively-priced stocks with high dividend yields in the Asia Pacific region. The Fund shall be invested and reinvested in such investment outlets and policies as specified in Article XI and Annex A 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 substantially in the form as prescribed by the BSP.

## **ARTICLE III: MANNER OF OPERATION**

- 3.1 BPI Wealth, acting as Trustee, shall have exclusive management and control of the Fund.
- 3.2 The Fund shall receive cash contributions from Participants or Trustors, which contributions shall be made through participation to be delivered to the Trustee. Participation in the Fund shall be pooled and invested as one account.
- 3.3 The Trustee shall designate clearly in its records the participation and extent of the interest of Participants in the Fund. The Trustee shall not negotiate or assign the Participant's beneficial interest in the Fund without prior written consent of the Participant. No Participant shall have or be deemed to have ownership or interest in any particular account or investment of the Fund but shall have only a proportionate beneficial interest in the Fund as a whole. All of the assets in the

Fund shall at all times be construed as assets held by the Trustee and title thereto shall be vested solely in the Trustee.

- 3.4 The interest of each Participant shall be determined by the unitized NAVPU valuation methodology explained in Article VIII hereof. No participation shall be admitted to or redeemed from the Fund except on the basis of such valuation.
- 3.5 The Fund shall be distributed exclusively in distribution channels duly authorized by the Trustee.

#### **ARTICLE IV: PURCHASE/ADMISSION OF UNITS OF PARTICIPATION IN THE FUND**

- 4.1 At the inception of the operation of the Fund, Units shall be issued, as they are purchased by the Participants, at the Initial NAVPU.
- 4.2 Participation in the Fund shall be open to any eligible person or entity with legal capacity to contract on the Valuation Day. Qualified participants are more specifically defined under Annex A hereof.
- 4.3 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 and establishing the suitability of the client to the Fund.
- 4.4 Investments in the Fund shall be made by purchasing Units at the prevailing NAVPU and shall not be less than the Minimum Participation Amount indicated in Annex A. Subsequent contributions by a Participant are subject to the Minimum Additional Participation Amount indicated in Annex A. Admission of participation shall commence upon execution by the Trustee and Participant of the Trust Agreement and the receipt by the Trustee of the cleared funds from the Participant.
- 4.5 The Trustee has sole discretion to accept a participation and expressly reserves its rights to reject or refuse any participation, investment, or contribution in the Fund by any person or entity for any reason whatsoever.
- 4.6 The participation of each Participant in the Fund shall be designated in terms of number of Units for which the corresponding Confirmation of Participation/Transaction Advice shall be issued indicating the amount of the participation and the equivalent number of Units or proportionate interest at the prevailing NAVPU. Each Unit shall have uniform rights and privileges as any other Units.
- 4.7 The NAVPU shall be adjusted according to the valuation of the Fund as provided in Article VIII hereof.

#### **ARTICLE V: REDEMPTION OF UNITS OF PARTICIPATION IN THE FUND**

Redemptions from the Fund shall be made on any Valuation Day. All redemption from the Fund shall be done through a notice to the Trustee within the Redemption Notice Period. No partial redemption from the Fund may be effected if the amount so redeemed reduces the Participant's proportionate interest in the Fund below the Minimum Maintaining Participation. (Annex A).

A Confirmation of Redemption/Transaction Advice shall be issued to the Participant for every redemption as evidence of the partial or full redemption of Units. The outstanding unredeemed Units, as well as subscription/ redemption transactions for the relevant period, shall be reflected in a quarterly statement to be sent to the Participant.

#### **ARTICLE VI: SUBSEQUENT PURCHASE/REDEMPTION OF UNITS OF PARTICIPATION IN THE FUND**

Subsequent purchases or redemption of Units will be based on the applicable NAVPU. Additional purchases of Units will expand the number of outstanding Units issued, while redemption of Units will contract the number of outstanding Units.

The Trustee is authorized to execute recorded telephone and faxed instructions from the Participant to purchase or redeem Units based on the Trustee's internal control procedures and policies to ensure

legitimacy. The Participant or Trustor waives any right under Republic Act No. 4200, otherwise known as The Anti-Wire Tapping Act and other similar laws or regulations and hereby releases the Trustee from any liability or responsibility under the aforesaid law as well as for any loss or damage incurred by the Participant, in connection with the Participant's telephone or faxed instructions and/or the recording thereof, except when it is occasioned by the Trustee's gross and willful negligence or evident bad faith.

## **ARTICLE VII: SURVIVORSHIP CLAUSE**

### **7.1 For Joint/"AND" Accounts**

The Fund or any balance thereof, shall be redeemed by the Trustors' joint signatures.

The available balance of the Fund at any time shall be subject to redemption or other disposal in whole or in part by the check or order of payment by all of the Trustors or the attorney(s)-in-fact duly authorized by all of the Trustors, all without inquiry or regard by the Trustee with respect to the use or disposition which may be made of the funds so redeemed or otherwise disbursed and shall release and discharge the Trustee from such redemption / disposal.

Should any or all of the Trustors die during the effectivity of the trust, the Trustee will be promptly notified in writing and the Fund at the time of such death shall be disposed in accordance with the laws on co-ownership. Unless a different sharing among the Trustor exist, each of the Trustor is presumed under the laws on co-ownership to own equal shares of the Fund and in case of the death of any of the Trustor, the deceased Trustor (s) shall be replaced by his / their estate(s). In this regard, the Trustor shall hold the Trustee free and harmless from all damages, costs and expenses to which the Trustee may be put in any suit or proceeding relating to the Fund, should the Trustee release the equal share to the estate of the deceased Trustor.

Should an administrator or executor of the estate or a legal representative of the deceased Trustor be appointed, the Trustee shall be informed accordingly and the Trustee shall be free to release any amount in the Fund upon the joint signatures of the surviving Trustor and the abovementioned administrator, executor or legal representative upon presentation to the Trustee of a certificate from the Commissioner of Internal Revenue that taxes have been paid on the share of the deceased Trustor and other documents submitted as the Trustee's rules and regulations may require as provided by law.

### **7.2 For Solidary/"OR" Accounts**

The Fund or any balance thereof may be redeemed by any one of the Trustor as joint and several Trustor. In case of conflict among the Trustor, the Trustee is hereby authorized to hold/freeze the Fund until the Trustee receives a court order authorizing the Trustee to release the Fund to the Trustor or anyone among the Trustor, and the Trustor, jointly and severally, shall hold the Trustee free and harmless from any and all damages, costs, expenses and attorney's fees that the Trustee may incur by virtue thereof.

The available balance of the Fund at any time shall be subject to redemption or other disposal in whole or in part by the check, draft or other written order signed by any one of the Trustor or that of the attorney(s)-in-fact of any one of the Trustor, all without inquiry or regard by the Trustee with respect to the use or disposition which may be made of the funds so redeemed or otherwise disbursed and shall release and discharge the Trustee from such redemption/ disposal.

Upon the death of any of the Trustor, the Fund or balance thereof, shall belong to the surviving Trustor and can be redeemed by any of the surviving Trustor without the necessity of obtaining the consent of the heirs of the deceased Trustor.

In case of death of the last surviving Trustor, the latter's estate shall be entitled to redeem and collect from the Fund. In case of simultaneous death of all the Trustor, the Fund shall be governed by the laws on co-ownership and shall be redeemed by the joint signatures of the executors, administrators, or legal representatives of all of Trustor upon presentation to the Trustee of a certificate from the Bureau of Internal Revenue that taxes have been paid and after compliance with such requirements as the Trustee may impose.

**ARTICLE VIII: VALUATION METHODOLOGY AND ALLOCATION AND DISTRIBUTION OF INCOME AND LOSSES**

8.1 The Trustee shall determine and calculate on every Valuation Day the NAV and the NAVPU in the manner provided in Article 8.3 and 8.4 hereof and such shall be made available to the Participants and prospective Participants and published in the Trustee’s website. The Trustee shall consider the frequency of valuation and trading of the Target Fund when determining the Feeder Fund’s own frequency of valuation and trading. The calculation and availability of the NAVPU shall be as prescribed under Annex A hereof.

8.2 The Trustee shall cause the publication of the NAVPU, as well as the moving return on investment (ROI) of the Fund on a year-to-date and year-on-year basis, in at least one (1) newspaper of national circulation, either by itself or by way of a pooled weekly publication of such NAVPU through the initiative of industry practitioners.

8.3 The NAV shall be computed using the pooled-fund accounting methodology, or more specifically based on the following formula:

	Cash Deposits		
+	Market Value of Investment		
+	Accrued Interest on Cash Deposits		
+	All other assets and receivables		
	<hr/>		
	GROSS ASSET VALUE		
-	Accrued Taxes Payable		
-	Accrued Trust Fee Payable		
-	Other Accrued Expenses		
-	Accounts Payable		
-	All Other Liabilities		
	<hr/>		
	Net Asset Value of the Fund		

8.4 The NAVPU shall be calculated by dividing the NAV by the number of Units outstanding as of the date of valuation. The NAVPU shall be computed up to two (2) decimal places as follows:

$$\text{NAVPU} = \frac{\text{Total Net Assets of the Fund}}{\text{Total number of outstanding Units in the Fund}}$$

8.5 All authorized investments of the Fund shall be marked to market regularly in accordance with the applicable rules and regulations of the BSP. The determination of the market value of the investments of the Fund shall be in accordance with existing BSP rules and regulations on marking to market of investment securities, more specifically described in Annex A hereof.

8.6 The Trustee of the Fund may temporarily suspend calculation of the NAV, NAVPU, as well as subscription and redemptions, in the following instances:

- a) When a stock exchange or another regulated market, functioning in a regular manner, recognized and open to the public, supplying listings for a significant portion of the assets of the Fund and its Target Fund, is closed for periods other than regular holidays, or when transactions thereat are suspended or subject to restrictions;
- b) When the means of communication or calculation used to determine the value of the assets of the Fund and its Target Fund are suspended, or when, for any reason whatsoever, the value of an investment of the Fund cannot be determined with the desirable speed and accuracy;
- c) When exchange-rate or capital transfer restrictions prevent execution of transactions for the account of the Fund and its Target Fund, or when purchase or sale transactions for the account of the same cannot be executed at normal rates of exchange;

- d) When factors due, *inter alia*, to the political, economic, military or monetary climate, which are outside the control, liability and operational scope of the Trustee shall prevent the same from having disposal in respect of the assets and from determining the net asset value thereof in a normal and reasonable manner;
- e) When the market of a currency in which a significant portion of the assets of the Fund and its Target Fund is invested shall be closed for periods other than normal holidays, or when transactions thereon are suspended or subject to restrictions.

Such suspension decision shall be communicated to the Participants requesting redemption of their Units.

- 8.7 A Participant shall be entitled to a pro-rata distribution of income, profits and losses in respect of their participation in the Fund, upon the redemption of, and corresponding to, its units of participation based on the NAVPU.

## **ARTICLE IX: TAXATION**

Taxation or tax exemption on income or other yield earned from the Fund shall be based on prevailing tax laws and regulations of the relevant tax authority.

Taxes, including assessments for deficiencies, penalties, surcharges, claims or cost for defense or counsel in appropriate proceedings arising from any change in the law or regulations or a change in the interpretation of the law or regulations and through no fault of the Trustee, shall be for the account of the Fund.

The Trustee recommends that prospective participants obtain independent advice on tax issues associated with an investment in the Fund.

## **ARTICLE X: INVESTMENT POWERS AND RIGHTS OF THE TRUSTEE**

10.1 The Trustee shall have the exclusive management, control and administration of the Fund and shall be vested with full and exclusive power and authority to hold, manage, administer, convert, sell, assign, invest, reinvest, exchange, transfer, dispose, or otherwise deal with the cash comprising the Fund, as well as with the assets of the Fund and additions thereto, and shall exercise every power with respect to each item in the property of the Fund to the same extent and effect as might legally be done by owners of like property. The Trustee shall have such additional powers and authority conferred by law or administrative regulation and such as may be necessary for the purpose of this Plan. Accordingly, pursuant to said rights and prerogatives, the Trustee is specifically authorized and empowered to:

- a) Hold legal title over the assets comprising the Fund for the benefit of the Participants;
- b) Retain or dispose any item of property in the Fund or any addition thereto;
- c) Hold, place, invest and reinvest the Fund, including the authority to switch underlying instruments/Target Fund, with full discretionary powers, and without distinction, as to principal and income in instruments stipulated in Article XI including other collective investment schemes and in such investments it may deem sound and appropriate, subject only to the limitations, investment objectives, and policies of the Fund as stated in the Article II, Article XI, and Annex A;
- d) Deposit in any bank or financial institution, including the parent and/ or affiliate bank/s of the Trustee, a portion of the Fund, subject to the requirement of Section 414-Q of the Manual of Regulations for Non-Bank Financial Institutions (“MORBNFI”);
- e) Hold cash in excess of the regulatory or the Fund’s defined cash allocation limit during the transitory period while in the process of switching from one target fund to another or in the case of breach of the ten percent (10%) exposure limit to the target fund;
- f) Buy, sell, exchange, convey, transfer or otherwise dispose of or grant options with respect to any property comprising the Fund by private contract or public auction as the Trustee shall in its discretion deem proper or necessary. No person dealing with the Trustee shall be bound

and required to see the application of the purchase price or to inquire into the validity, expediency or propriety of any such sale of other dispositions;

- g) Extend or modify the terms of any mortgage duly executed in favor of the Trustee for the Fund, to foreclose such mortgage or to protect or redeem the mortgaged property from forfeiture for non-payment of taxes or other liens;
- h) Consent to the reorganization, consolidation, merger or readjustment of the finances or sale of any corporation, any stock or security of which is held by the Fund, and to do any act with reference to such stock or security to enable the Fund to obtain the benefit of any such reorganization, consolidation, merger, readjustment or sale;
- i) Execute and deliver powers of attorney to any person or persons as the Trustee may deem proper, granting to such person such powers and authority with respect to any security, instrument or property at any time held by the Fund;
- j) Register any security, instrument or other assets belonging to the Fund in its own name or in the name of an appointed custodian/depository or in any manner appropriate for the security purchased;
- k) Renew or extend the time of payment of any obligation due or becoming due;
- l) Compromise, arbitrate or otherwise adjust or settle claims in favor of or against the Fund or any assets thereof and to deliver or accept any property in full or partial satisfaction of any indebtedness or obligation due the Fund and to continue to hold for such period of time as the Trustee may deem appropriate such property so received;
- m) Hire or retain the services of an investment manager or advisor as it sees fit, as approved by the relevant authority;
- n) Hire or retain the services of a custodian as it sees fit, as approved by the relevant authority;
- o) Hire and compensate legal counsel/s, certified public accountant/s and other specialist/s in connection with the administration and management of the Fund and the protection or advancement of its legal and other interests;
- p) Institute or defend actions or proceedings in connection with any and all assets, securities or property at any time received or held by the Fund and all costs and attorney's fees in connection therewith shall be charged against the Fund;
- q) Make, execute, acknowledge, keep in custody and deliver any and all securities, documents and credit agreements or contracts necessary for the management and reinvestment of the assets of the Fund in connection with the exercise of the powers conferred or the performance of the acts authorized under the trust agreements;
- r) Collect and receive all profits or income including interest and dividends arising from investment or reinvestment of the assets of the Fund;
- s) Pay out of the Fund taxes accruing on the income earned by the Fund as well as all costs, expenses and other charges incurred in the administration, management and investment of the Fund;
- t) Adopt an external or internal risk management and hedging strategy and a more definitive policy guideline based on generally accepted risk management principles, and duly approved by the Board of Directors of the Trustee;
- u) Set the minimum amounts or number of units required for purchases or redemptions by a Participant of the Fund as defined in the Annex A;
- v) Set the admission and redemption cut-off time as defined in the Annex A;
- w) Collect from the Fund trust fees as defined in the Annex A;
- x) Exercise any right or privilege inherent or incidental to ownership of securities, deposits, shares of stocks or properties comprising the assets of the Fund;
- y) Temporarily suspend trading, calculation of the NAV/NAVPU of the Fund, as well as participation to and redemption from the Fund as further defined in Article 8.6.

The foregoing provisions on the powers and authority of the Trustee shall also apply to the income of the Fund or any additions thereto.

#### 10.2 The Trustee shall be subject to the following limitations:

- a) The Trustee shall not have any interest in such Fund other than in its capacity as Trustee thereof. However, the Trustee may invest in the Fund its other trust funds or investment management funds that it simultaneously administers provided that it is allowed under a policy approved by the relevant authority.
- b) The Trustee shall maintain at all times the BSP prescribed percentage of the mark to market value of the Fund in liquid or readily marketable investments to cover any redemption.
- c) The combined exposure of the Fund to any entity and its related parties shall not exceed fifteen percent (15%) of the market value of the Fund. The limitation shall not apply to non-risk assets as defined by the BSP.
- d) In the case of Feeder Funds, the fifteen percent (15%) exposure limit shall be applied on the Target Fund's underlying investments. Notwithstanding said limit, if the target fund is allowed by its respective regulatory authority to invest in units/shares of other open-ended collective investment scheme, the exposure limit prescribed by said regulatory authority shall instead apply. Furthermore, the investment in the Target Fund shall not exceed ten percent (10%) of the total net asset value of the Target Fund. The frequency of monitoring of the exposure limits may be synchronized with the reporting frequency of the Target Fund.
- e) In cases where the limit is breached due to the marking to market of certain investment(s) or any such extraordinary circumstances e.g. abnormal redemption which are beyond the control of the Trustee, the Trustee shall correct the breach within the period prescribed by the BSP.
- f) The Trustee shall adopt adequate transparency and maintain an audit trail for all investment transactions, particularly for deals made with related parties, entities or counterparties of the Trustee. In this instance, the Trustee shall observe the principle of best execution.
- g) To effect a purchase or sale of a transaction involving investments in the Fund, the Trustee shall deal only with accredited counterparties in accordance with the policy duly approved by the relevant authority.

## ARTICLE XI: INVESTMENTS OF THE FUND

### 11.1 The Fund may invest in the following financial instruments:

- a) Single collective investment scheme whose investment objective is to achieve long-term capital appreciation by investing in attractively-priced stocks with high dividend yields in the Asia Pacific region; provided further that such CIS is approved or registered and supervised by a regulatory authority that is a member of the International Organization of Securities Commissions (IOSCO) and managed by reputable fund manager/s; provided further that the investment in the said collective investment scheme should at least be ninety percent (90%) of the total assets of the Fund. The Target Fund must be recognized as a collective investment scheme in its home jurisdiction by a regulatory authority or any regulatory authority acceptable to the BSP to supervise this CIS;
- b) Securities issued by or guaranteed by the Philippine government, or by the BSP;
- c) Tradable securities issued or guaranteed by multilateral institutions such as the Asian Development Bank (ADB), International Monetary Fund (IMF) and World Bank;
- d) Tradable securities issued by a government of a foreign country, any political subdivision of a foreign country or any supranational entity;
- e) Marketable instruments that are traded in an organized exchange;
- f) Loans traded in an organized market; and
- g) Money market instruments;
- h) Deposit products;
- i) Such other investments suitable to the nature, classification, and strategy of the Fund, as allowed by prevailing regulations.

The Fund will primarily feed into the following Target Fund:

Target Fund	JP Morgan Asia Equity Dividend Fund
Share Class	USD Class



Regulator	Hong Kong Securities and Futures Commission (SFC)
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Provided further that, in the process of switching from one Target Fund to another or in the case of breach of the ten percent (10%) exposure limit to the Target Fund, investments in cash or cash equivalents for liquidity purposes and/or for funds awaiting disposition, may exceed the allowable limit prescribed by the BSP, within the transitory period.

- 11.2 The Fund may invest in the allowed financial instruments identified above and denominated in any acceptable foreign exchange. The principal investments of the Fund will be denominated in but not limited to the U.S. Dollar. The target fund invests in securities denominated in other currencies.
- 11.3 The Fund may avail itself of instruments solely for the purpose of hedging risk exposures of the existing investments of the Fund while the Target Fund/s may avail itself of instruments for efficient portfolio management (EPM), provided, that the financial derivatives shall not be extensively or primarily used as an investment strategy of the Target Fund and that the risk level of the Target Fund remain consistent with the objective and risk profile of the Fund. Further, the use of financial derivatives must be in accordance with other existing BSP guidelines, as well as the Trustee's risk management and hedging policies duly approved by the Board of Directors of the Trustee, and disclosed to the Participants.
- 11.4 The Board of Directors of the Trustee may limit the type of investments that the Trustee may make with the Fund.
- 11.5 Investment of the Fund in securities shall be held for safekeeping by the custodian identified in Annex A hereto, or such other BSP accredited third party custodian that may be appointed by the Trustee in the future. The third party custodian shall perform independent marking-to-market of such securities.

## ARTICLE XII: LIABILITY CLAUSE OF THE TRUSTEE

- 12.1 The Trustee shall administer and manage the Fund with the skill, care, and prudence required of it by law and shall not be liable for any loss, damage or diminution of the Fund or in the value of the Participant's Unit arising from any act done by the Trustee pursuant to the terms hereof, except when it is occasioned by the Trustee's gross and willful negligence or evident bad faith.
- 12.2 The Trustee, including its authorized representatives, officers, directors, employees, and staff, shall be held free and harmless from any liability for any of its actions and omissions made in good faith, or for which the Trustee believed to be authorized or falling within its discretion, rights, or power conferred under this Plan, the Trust Agreement, or specific written authority from the Participant and the law.
- 12.3 Neither shall the Trustee be liable for refraining from doing any act when such inaction, in the judgment of the Trustee, is necessary and appropriate for the proper and advantageous administration and management of the Fund.
- 12.4 **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 any 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.**
- 12.5 **The Trustee does not and shall not guarantee a fixed rate of return or income to the participants. Losses, if any, shall be for the account and risk of the participants. Historical performance, when presented, is purely for reference purposes and is not a guarantee of similar future results.**

- 12.6 **Non-Coverage by PDIC – Participation in the Fund creates a trust and 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 on the NAVPU and shall be for the account and risk of the Participant.**

### **ARTICLE XIII: RIGHTS OF PARTICIPANTS**

13.1 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.

13.2 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 prescribed by BSP.

The Trustee shall also make available to Participant/s all relevant information on the Target Fund.

13.3 Participants shall be informed of the risks attendant to this type of Fund through a Risk Disclosure Statement. The Risk Disclosure Statement may be found in Annex B and is deemed incorporated in this Declaration of Trust/Plan Rules

13.4 In case of termination of the Plan, the Participants shall have:

- a. The right to be notified of such termination in accordance with Article XVI 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 XIV: AUDITING AND SETTLEMENT OF ACCOUNTS**

14.1 The Trustee shall cause an annual external audit of the accounts and records of the Fund separate from the regular audit requirement applicable to all trust accounts administered by it, by an independent auditor acceptable to the BSP. The external audit of the Fund shall be conducted by the same external auditor engaged for the audit of the Trustee. A copy of the report, or a notice that the report is available and that a copy thereof shall be furnished upon request, without charge, shall be sent to each Participant.

14.2 When an account is closed or a participation is redeemed, the Trustee shall furnish the Participant with a final computation of the amount to be paid to the Participant, in full settlement of the participation and the accountability of the Trustee as far as the interest of the participant of the Fund is concerned.

### **ARTICLE XV: ACCOUNTING AND REPORTORIAL REQUIREMENTS**

15.1 The Trustee shall keep separate books of account and accounting records for the Fund. Such books of accounts and accounting records shall be maintained and kept separate and segregate from the records and books of accounts of other businesses. The Trustee shall record the total assets and accountabilities of the Fund as a single account referred to as “pooled fund accounting method”.

15.2 The chart of accounts and booking of transactions shall conform with the BSP's Financial Reporting Package for Trust Institution, generally accepted accounting principles of practice, and the Rules and Regulations of Trust, Other Fiduciary Business and Investment Management Activities of Financial Institutions.

15.3 The Trustee shall periodically prepare a financial report of the Fund, which shall be made available for inspection by the Participants during business hours on any Business Day.

#### **ARTICLE XVI: TERMINATION OF THE PLAN**

16.1 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 for information. 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 Participants 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, publication of announcement in the Trustee's own website, posting of notices in the premises of the Trustee, or posting/sending of notices in the approved platforms of all duly accredited distribution channels. Upon termination, the Trustee shall prepare a financial statement of the Fund which shall be made the basis of distribution to the Participants.

16.2 After the resolution terminating the Plan is adopted, the Trustee shall no longer accept additions to, or allow redemptions from, the Fund. However, a notice of redemption received by the Trustee before the date of resolution of the Board of Directors of the Trustee terminating the Plan shall be completed if the date of the scheduled redemption is before the date of effectivity of the termination.

16.3 Within a reasonable time after the termination or discontinuance of this Plan and the Fund, the Trustee shall distribute to the Participants each Participant's proportionate interest in the net assets of the Fund after deducting therefrom all accrued taxes, expenses, and Trust Fee chargeable against the Fund. The Trustee shall be authorized to sell or dispose any asset of the Fund as may be necessary to fully implement the distribution to the Participants and finally liquidate or settle its accountabilities or obligations as Trustee.

16.4 Even after the termination of this Plan, the Trustee shall continue to exercise its powers and rights until all the assets of the Fund have been liquidated and distributed to all Participants.

#### **ARTICLE XVII: FEES AND COMMISSIONS**

17.1 The Trustee shall charge against the Fund regular trust fees in the amount indicated in Annex A 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 daily and shall be collectible from the Fund on a monthly basis. The trust fee 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-Q of the MORNBF. In the event the trust fees are changed, such changes shall be charged prospectively.

The Target Fund charges fees as set forth in the Target Fund Specifications, Section B. The impact of fees and expenses imposed by the Target Fund on the cost of investing in the Fund is further explained in Annex A.

17.2 The Trustee may charge the Fund for other qualified expenses incurred by it in the management of the Fund, including attorney's fees, cost of research, custody fees, external audit fees and other similar expenses as allowed by the BSP. 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 a pertinent third party or parties, covered by a separate contract/s, and disclosed to Participants.

## ARTICLE XVIII: AMENDMENTS TO THE PLAN

This Declaration of Trust / Plan Rules 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 Participants who are not in conformity with the amendments made shall be allowed to redeem their participations within thirty (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 Declaration of Trust/ Plan Rules may be allowed subject to notification to the BSP and continuing compliance of the Trustee with the prudential criteria prescribed under Section 111-T of the MORNBFIL.

- (a) Switching of Target Fund. The switching of the Target Fund may be deemed necessary, in case of any, but not limited to the following:
1. Performance vis-à-vis expectations
  2. Change in the Target Fund's investment objective or risk profile
  3. Resignation of fund manager/s
  4. Closure of Target Fund or its maximum AUM capacity has been reached
  5. Prolonged suspension of subscription/redemption to/from the Target Fund
  6. Market conditions which in the reasonable opinion of the Investor Fund Trustee warrant a change in Target Fund
  7. Change in the Investment Objective of the Investor Fund

Switching of the Target Fund is deemed as an amendment subject to the provisions of this section. In addition to a formal notice to Participants, prior disclosure may be supplemented by any of the following:

1. E-mail
2. Notification in Sales Premises
3. Announcement in the Trustee's official website

No change shall be implemented within thirty (30) days of initial notification of existing investors.

In case of switching of the Target Fund, the Trustee shall follow its defined internal process to ensure protection of investors' interest. This shall include processes and procedures relating to:

1. Termination of Subscription to Target Fund or Agreement
2. Temporary Holdings in Cash
3. Subscription to a New Target Fund
4. Information and Public Announcement of Target Fund Switch

- (b) Material and Non-Material Changes in Target Fund's Structure

Material changes in a Target Fund shall require re-assessment and review by the Trustee of the suitability of the Target Fund. Material changes can be described as a change, with all else being unchanged, that a reasonable investor would consider important in the investor's decision to buy, hold or sell. Such changes may include but are not necessarily limited to:

1. A change in the portfolio management team of the Target Fund
2. A change in the objective or investment style of the Target Fund
3. A change in the Target Fund's fees that will significantly affect the total expense ratio of the Investor Fund
4. A regulatory change in the jurisdiction where the Target Fund is domiciled that would significantly affect the Target Fund's operations
5. Significant legal disputes
6. Any other change that would necessitate a change in the Investor Fund's Declaration of Trust

Should the Trustee decide to retain the Target Fund despite such material change, such change must be properly disclosed to the investors via a formal written notification. Investors shall be allowed to withdraw their participation within a reasonable period of time but in no case less than thirty (30) days. The Trustee shall not increase the Investor Fund's participation to that particular Target Fund within the notice period.

Non-Material Changes to the Target Fund, or any information that, which to the Trustee's best judgment, will not reasonably affect the investor's decision to buy, hold, or sell its investment in the Investor Fund, shall be disclosed via the Trustee's website.

#### **ARTICLE XIX: TRUST AGREEMENT AND CONFIRMATION OF PARTICIPATION**

19.1 The provisions of the Trust Agreement and Confirmation of Participation/Transaction Advice shall be in accordance with this Plan and shall include other provisions as may be required by the BSP rules and regulations or as may be deemed necessary under the circumstances, provided, that, any such additional provisions are not inconsistent with this Plan. The provisions of this Plan shall prevail over those of the Trust Agreement or the Confirmation of Participation/Transaction Advice, in the event that there is an inconsistency between their provisions.

19.2 The Confirmation of Participation/Transaction Advice, to be effective, need not be manually signed by Trustee or its authorized representative. It may be in the form of an electronic document which shall be governed by R.A. No. 8792, otherwise known as the Electronic Commerce Act, and its implementing rules and regulations.

#### **ARTICLE X: APPROVAL OF THE PLAN**

This plan was approved to be adopted by the Board of Directors of BPI Wealth on December 13, 2023.

**IN WITNESS WHEREOF, BPI Wealth has caused this Declaration of Trust / Plan Rules to be signed and its corporate seal affixed thereto December 13, 2023 at Makati City, Philippines.**

**BPI WEALTH- A TRUST CORPORATION  
(Trustee)**



**MARIA THERESA D. MARCIAL  
PRESIDENT AND CHIEF EXECUTIVE OFFICER**

**Annex A**  
**ODYSSEY ASIA PACIFIC HIGH DIVIDEND EQUITY FEEDER FUND**  
**Fund Features**

Classification of Fund	:	Equity Feeder Fund
Currency	:	US Dollars
Investment Objective	:	The Fund, operating as a Feeder Fund, aims to achieve long-term capital appreciation by investing in a Target Fund with a diversified portfolio of attractively-priced stocks with high dividend yields in the Asia Pacific region.
Return Objective	:	The Fund aims to outperform its benchmark which is the MSCI AC Asia Pacific ex-Japan High Dividend Net Return USD Index.
Qualified Participants	:	<p>Acceptance of Participants shall be subject to the rules or procedures established by the Trustee which it deems advantageous or to the best interest of the Fund.</p> <p>The Fund is suitable for investors with at least an aggressive risk profile.</p> <p>Participation in the Fund shall be open to Participants with legal capacity to contract and who are not considered US persons under the US securities and tax laws, subject to the other conditions, rules or provisions as stated herein and those established by the Trustee which it deems to be to the best interest of or advantageous to the Fund and its existing participants.</p> <p>Participants may be required to declare that they are not a US person or US taxpayer and are neither acquiring units in the Fund on behalf of US persons or US taxpayers nor acquiring units with the intent to sell or transfer them to US persons or US taxpayers.</p> <p>Prospective participants should also consult their own tax advisors as to the specific local or international tax implications of acquiring, holding and redeeming of any units of the Fund.</p> <p>The Trustee undertakes to perform appropriate screening checks on all underlying investors. In the event any underlying investor holds 10% or more of the value of the Fund, the Trustee shall have the right to provide information of the underlying investor to its counterparties and regulators. Where it is deemed that the investment in the Fund by such underlying investor violates any applicable laws, regulations, or internal policies and guidelines, the Trustee shall procure redemption of the participating units on behalf of such underlying investor.</p>
Investment Policy	:	Please refer to Section XI.
Benchmark Name	:	MSCI AC Asia Pacific ex-Japan High Dividend Net Return USD Index

Benchmark Description and Key Characteristics	:	The MSCI AC Asia Pacific ex Japan High Dividend Yield (HDY) Index is based on the MSCI AC Asia Pacific ex Japan Index, its parent index, and includes large and mid cap stocks across 4 of 5 Developed Markets countries (excluding Japan) and 9 Emerging Markets countries in the Asia Pacific region. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends.
Benchmark Reference	:	Information about the benchmark may be accessed through MSCI <a href="https://www.msci.com/">https://www.msci.com/</a> .  Alternatively, participants may request information from BPI Wealth at <a href="http://bpiwealth.com.ph">bpiwealth.com.ph</a> .
Benchmark Relation to the Fund's Objective or Investment Strategy	:	The Fund operates as a Feeder Fund. The Target Fund is actively managed and will refer to MSCI AC Asia Pacific ex-Japan High Dividend Net Return USD Index when constructing the portfolio and managing its risk to ensure that the Fund remains aligned with its investment objectives. When selecting investments, the Target Trustee has discretion and is not restricted to the components or weighting of the Index. The Target Fund may invest in securities not included in the Index to take advantage of investment opportunities, subject to the asset class, regional, industry, sector and/or strategy requirements of its investment objectives. Investors may use the Index to measure the performance of the Fund.
Minimum Participation Amount	:	USD 100.00
Minimum Additional Participation	:	None
Minimum Maintaining Participation	:	The minimum maintaining participation is the same as the amount prescribed for minimum initial participation.
Initial NAVPU	:	USD 100.00
Trust Fee	:	1.50% p.a. based on the net asset value of the Fund, net of taxes, which shall be accrued daily and shall be collectible from the Fund on a monthly basis.
Explanation of Fees	:	The Participant shall <b>directly</b> be facing the following fees and expenses for his investment in the Fund on a pro-rata basis: <ul style="list-style-type: none"> <li>1. Trust fee of 1.50% p.a. as above</li> <li>2. External Audit Fee, Custody Fee, and other expenses as disclosed in the KIIDS</li> </ul> The Participant shall <b>indirectly</b> be facing fees and expenses from the Target Fund for his investment in the Fund on a pro-rata basis:

1.Target Fund's estimated expense ratio of 0.85% as of December 2022

The fees and expenses of the Target Fund are further detailed in Section B of the Target Fund Specifications.

**DUE TO FEEDER FUND STRUCTURE OR LAYERED INVESTMENT STRUCTURE OF THE FUND, PARTICIPANTS MAY BE SUBJECTED TO HIGHER FEES WITH THE ADDITION OF FEES AND EXPENSES IMPOSED BY THE TARGET FUND. PARTICIPANTS ARE ADVISED TO CONSIDER THESE FEES AND EXPENSES BEFORE INVESTING.**

For purchase and/or sale of the units of the Target Fund, including in the case of switching of the Target Fund, expenses such as but not limited to brokerage commission, early withdrawal charges, switching fees, sales load, or any other transaction costs payable to third party/ies shall be borne by the Fund. Such fees as well as fees and expenses charged by the Target Fund/s shall be reflected in every NAV computation of the Fund.

Any changes to these expenses charged to the Target Fund shall reflect in the returns of the Target Fund.

All rebates, waiver, and/or commissions collected by the Fund from the Target Fund/s shall redound back to the Fund.

Additional information on the Target Fund such as the Target Fund's Investment Manager, Investment Objectives, Historical Performance, Total Expense Ratio, among others, can be found in its Prospectus and Fund Fact Sheet.

Subscription Cut-Off Time : 2:00 PM on any Business Day. Subscription orders received on or before 2:00 PM shall be considered as a transaction of that day and shall receive that day's NAVPU, subject to receipt of clear funds. However, subscription orders received after the cut-off time shall be considered as transaction for the next applicable valuation day.

Redemption shall be subject to the following requirements/conditions:

Redemption Notice Period : The participant of the Fund may redeem its participation on any valuation day provided that prior notice of redemption, in any form acceptable to the Trustee is acknowledged/received by the Trustee within five (5) business days. Request for redemption, subject to the cut-off time, shall be dealt with by the Trustee in chronological order according to the day that notice is received. This required notice may be shortened or extended at the sole discretion of the Trustee depending on the liquidity position of the Fund and the frequency and volume of requests for redemption received by the Trustee at any given time. The Trustee shall communicate these by way of direct written correspondence to each participant, publication of announcement in the Trustee's own website, posting of



notices in the premises of the Trustee, or posting/sending of notices in the approved platforms of all duly accredited distribution channels, not shorter than three (3) business days before any change is implemented.

Partial Redemption	No partial redemption from the Fund may be effected if the amount so redeemed reduces the Participant's proportionate interest in the Fund below the Minimum Maintaining Participation. A Confirmation of Redemption/Transaction Advice shall be provided to the Participant for every redemption after settlement date.
Redemption Cut-Off Time	: Redemption orders received on or before 2:00 PM shall be considered as a transaction of that day and shall receive that day's NAVPU. However, redemption orders received after the cut-off time shall be considered as transaction for the next applicable business day.
Redemption Settlement Date	Proceeds of redemption shall be paid out of the Fund to the Trustor/Participant on settlement date of Trade Date + 6 business days.

The foregoing fund features may be changed by the Trustee from time to time, as conditions warrant subject to the Trustee's compliance with Section 414-Q of the MORNBF1.

NAVPU Calculation	: The Net Asset Value of the Fund shall be computed earliest 12:00 NN on the next day following each valuation day and made available not later than 6:00 PM of the same day using the marked to market method of valuation as stated in Article VIII of the Declaration of Trust. Subscriptions or redemptions received before the Fund's cut-off time will be included in the day's valuation. While those received after the cut-off time will be for value the next day. The Trustee shall determine the NAV of the Fund on every valuation day.
NAVPU Availability	: Information relating to the NAVPU of the preceding Trade Date shall be available by earliest 12:00 NN on the next day following each valuation day and not later than 6:00 PM of the same day using the marked to market method of valuation as stated in Article VIII of the Declaration of Trust.
Third Party Custodian	: Investments of the Fund shall be held for safekeeping by any BSP accredited third party custodian/s, as assigned by the Trustee. The name/s of the third party custodian/s shall be indicated in the Key Information and Investment Disclosure Statement.  Investments of the Target Funds shall be held for safekeeping by an institution registered/authorized/approved by a relevant regulatory authority in its home jurisdiction to act as third party custodian.

**TARGET FUND SPECIFICATIONS**  
**JP Morgan Asia Equity Dividend Fund**

**A. Fund Information**

<b>Target Fund</b>	<p><b>JP Morgan Asia Equity Dividend Fund</b></p> <p>The JP Morgan Asia Equity Dividend Fund is a Hong Kong-domiciled fund managed by JP Morgan Chase &amp; Co. group. It is an actively managed, bottom-up equity fund investing in equity securities of companies in the Asia Pacific region that pay above-market dividend rates. The objective of the fund is to generate income and long term capital growth.</p> <p>The Investment Manager, JP Morgan Chase &amp; Co. group, is a leading asset manager for individuals and institutions. With over US\$ 1.7 trillion in assets under management and investment professionals around the globe, it offers investment strategies that span the full spectrum of asset classes. JP Morgan's Asia investment management business was established in 1974 in Hong Kong. To this date, it remains its regional headquarters.</p> <p>The fund is managed by the Asia Pacific &amp; Global Emerging Markets Portfolio Team, comprised of 21 portfolio managers, 37 research analysts, 30 country specialists and 7 macro &amp; quantitative analysts.</p>
<b>Regulator</b>	Hong Kong Securities and Futures Commission (SFC)
<b>Investment Objective</b>	JP Morgan Asia Equity Dividend Fund aims to provide income and long term capital growth by investing primarily in equity securities of companies in the Asia Pacific region (excluding Japan) that the Investment Manager expects to pay dividends.
<b>Investment Strategy/ Allowable Investments</b>	<p>The Fund's holding of equity securities will be selected based on historical records and company announcements on dividends, in addition to their potential for long term capital appreciation. The value of the Fund's holding of equity securities of companies which are based in, listed on stock exchange of or operate principally in the Asia Pacific region (excluding Japan) and are expected to pay dividends shall not be less than 70% of its noncash assets in securities and other investments.</p> <p>The Fund may, on an ancillary basis, invest in Real Estate Investment Trusts ("REITs") domiciled or investing in the Asia Pacific region (excluding Japan).</p> <p>The Fund may also invest in derivatives as permitted by the SFC from time to time such as options, warrants and futures for investment purposes and may under limited circumstances (e.g. for cash management purpose) as considered appropriate by the Manager and the Investment Manager, hold substantial amounts of its portfolio in cash and cash based instruments.</p> <p>The Fund will not invest more than 10% of its net asset value in securities issued by or guaranteed by any single sovereign (including its government, public or local authority) with a credit rating below investment grade.</p> <p>The Fund will have limited Renminbi (RMB) denominated underlying investments.</p>
<b>Benchmark/ Reference Index</b>	The benchmark of the Fund is MSCI AC Asia Pacific ex-Japan Net Index

Valuation of Assets	The method of establishing the net asset value of each Class is set out in their respective Trust Deeds. The net asset value per unit of each Class is calculated by dividing the value of the assets of that Class, less liabilities of that Class, by the total number of units of that Class in issue as at 5:00 p.m. (Hong Kong time) on the immediately preceding dealing day or such other time agreed between the Manager and the Trustee, and naturally rounding the resultant sum to two decimal places or to the nearest unit of currency if the relevant Class is denominated in Japanese yen. Any rounding adjustment arising in respect thereof will be retained by the relevant Class. In general, quoted investments are valued at their official closing price or latest market quoted price and unquoted investments are valued at cost or in accordance with the most recent revaluation made by the Manager or a professional person engaged for this purpose. Interest and other income and liabilities are, where practicable, accrued from day to day. Such valuations will be expressed in the offering currency of the relevant Class. The Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the value of any investment if it considers that such adjustment is required to reflect more accurately the fair value of the relevant investment.	
Domicile/ Type	Hong Kong/ Unit Trust	
Parties	Investment Manager	JP Morgan Asset Management
	Trustee	HSBC Institutional Trust Services (Asia) Limited
	Registrar	HSBC Trustee (Cayman) Limited
	Auditor	PricewaterhouseCoopers Chartered Accountants
Other Important Information	Inception Date	May 31, 2013
	Country Registration	Hong Kong
	Share Class	USD Class

## B. Fees and Expenses

### Payable by the Target Fund to the Managers, the Trustee and Other Parties

Management Fee	Currently 0.75% of NAV p.a.
Trustee Fee	Currently 0.025%-0.06% of NAV p.a. (maximum of 0.2%, subject to the NAV)
Fiscal Charges	Maximum of 1% of NAVPU, under exceptional circumstances
Registrar Fee	0.015%-0.5% of NAV p.a.

## C. Investment Risks

### Emerging markets risk

Certain countries in the Asia Pacific region may be considered emerging markets countries. Accounting, auditing and financial reporting standards may be less rigorous than international standards. There is a possibility of nationalisation, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could affect adversely the economies of emerging markets or the value of the Fund's investments.

### Equity risk

Equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on the Fund's net asset value. When equity markets are extremely volatile, the Fund's net asset value may fluctuate substantially and the Fund could suffer substantial loss.

### Dividend-paying equity risk

There can be no guarantee that the companies that the Fund invests in and which have historically paid dividends will continue to pay dividends or to pay dividends at the current rates in the future. The reduction or discontinuation of dividend payments may have a negative impact on the value of the Fund's holdings and consequently, the Fund may be adversely impacted.

#### REITs risk

The Fund may invest in REITs which invest primarily in real estate and this may involve a higher level of risk as compared to a diversified fund and other securities and the Fund may be adversely impacted. The underlying REITs which the Fund may invest in may not necessarily be authorized by the SFC and their dividend or payout policies are not representative of the dividend policy of the Fund.

#### Diversification risk

The Fund is highly specialized in investments in the Asia Pacific region (excluding Japan). Although the portfolio is well diversified in terms of the number of holdings, investors should be aware that the Fund is likely to be more volatile than a broad-based fund, such as a global equity fund, and the Fund may be adversely impacted.

#### Currency risk

The assets in which the Fund is invested and the income from the assets will or may be quoted in currency which are different from the Fund's base currency. The performance of the Fund will therefore be affected by movements in the exchange rate between the currencies in which the assets are held and Fund's currency of denomination. Investors whose base currency is different (or not in a currency linked to the Fund's currency of denomination) may be exposed to additional currency risk.

#### Distribution risk

Except for the Classes with the suffix "(acc)" which are accumulation Classes and will not normally pay distributions, the Manager intends to distribute at least 85% of the income (net of expenses) attributable to each Class in respect of each accounting period. However, there is no assurance on such distribution or the distribution rate or dividend yield.

#### Hedging risk

The Manager, the Investment Manager and the Sub-Manager are permitted, in their absolute discretion, but not obliged, to use hedging techniques to attempt to reduce market and currency risks. There is no guarantee that hedging techniques if used, will achieve the desired result nor that hedging techniques will be used, in those cases, the Fund may be exposed to the existing market and currency risks and may be adversely impacted. The hedging, if any, against foreign exchange risks may or may not be up to 100% of assets of the Fund.

#### Class currency risk

The Class Currency of each Class may be different from the Fund's base currency, the currencies of which the Fund's assets are invested and/or investors' base currencies of investment. If an investor converts its base currency of investment to the Class Currency in order to invest in a particular Class and subsequently converts the redemption proceeds from that Class Currency back to its original base currency of investment, the investor may suffer a loss due to the depreciation of the Class Currency against the original currency.

#### Currency Hedged Classes risk

Each Currency Hedged Class may hedge the Fund's denominated currency back to its currency of denomination, with an aim to provide a return on investment which correlates with the return of the Class of unit which is denominated in the base currency of the Fund. The costs and resultant profit or loss on the hedging transactions will be reflected in the net asset value per unit for the units of the relevant Currency Hedged Classes. The costs relating to such hedging transactions which may be significant depending on prevailing market conditions shall be borne by that Currency Hedged Class only. The precise hedging strategy applied to a particular Currency Hedged Class may vary. In addition, there is no guarantee that the desired hedging instruments will be available or hedging strategy will achieve its desired result. In such circumstances, investors of the Currency Hedged Class may still be subject to the currency exchange risk on an unhedged basis.

Liquidity risk

The Fund may invest in instruments where the volume of transactions may fluctuate significantly depending on market sentiment. There is a risk that investments made by the Fund may become less liquid in response to market developments or adverse investor perceptions. The performance of the Fund may therefore be adversely affected.

**References:**

- JPMorgan Funds Explanatory Memoranda as of April 2023
- Portfolios Fact Sheet as of February 2023

## RISK DISCLOSURE STATEMENT

Prior to making an investment, BPI Wealth is hereby informing you of the nature of investments and the risks involved in investing therein. As investments generally carry different degrees of risk, it is necessary that before you make any investment, you should have:

- Fully understood the nature of investments and the extent of your exposure to risks;
- Read this Risk Disclosure Statement completely; and,
- Independently determined that the investment is appropriate for you.

Enumerated and defined below are the various risks you are normally exposed in investing depending on the type of the underlying assets of the portfolio. BPI Investment Funds do not provide guaranteed returns and are not covered by the Philippine Deposit Insurance Corporation (PDIC).

There are risks involved in investing in BPI Investment Funds because the value of your investment is based on the Net Asset Value per Unit (NAVPU) of the BPI Investment Fund which uses a marked-to-market valuation and therefore may fluctuate daily. The NAVPU is computed by dividing the Net Asset Value (NAV) of the BPI Investment Fund by the number of outstanding units. The NAV is derived from the summation of the market value of the underlying securities of the BPI Investment Fund plus accrued interest income less liabilities and qualified expenses.

**INVESTMENT IN BPI INVESTMENT FUNDS DOES NOT PROVIDE GUARANTEED RETURNS EVEN IF INVESTED IN GOVERNMENT SECURITIES AND HIGH-GRADE PRIME INVESTMENT OUTLETS. THE PRINCIPAL AND EARNINGS FROM YOUR INVESTMENT CAN BE LOST IN WHOLE OR IN PART WHEN THE NAVPU AT THE TIME OF REDEMPTION IS LOWER THAN THE NAVPU AT THE TIME OF PARTICIPATION. GAINS FROM THE INVESTMENT IS REALIZED WHEN THE NAVPU AT THE TIME OF REDEMPTION IS HIGHER THAN THE NAVPU AT THE TIME OF PARTICIPATION.**

*Your investment exposes you to the various types of risks enumerated and defined hereunder.*

### **Interest Rate Risk**

There is a possibility that an investor may experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in a profit or a loss because the value of a debt instrument changes inversely with prevailing interest rates.

The Fund's portfolio, being marked-to-market, is affected by changes in interest rates thereby affecting the value of fixed income investments such as bonds. Interest rate changes may affect the prices of fixed income securities inversely, i.e., as interest rates rise, bond prices fall and when interest rates decline, bond prices rise. As the prices of bonds in a Fund adjust to a rise in interest rate, the Fund's market value may decline.

### **Market/Price Risk**

There is a possibility that an investor may experience losses due to changes in market prices of securities (e.g., bonds and equities). The portfolio of a Fund is exposed to uncertain market values due to price fluctuations.

The Fund risks to lose value due to a decline in the prices of securities, which may sometimes happen rapidly or unpredictably. The value of investments fluctuates over a given time period because of general market conditions, economic changes or other events that impact large portions of the market such as political events, natural calamities, and other factors. As a result, the NAVPU may increase to make profit or decrease to incur a loss.

### **Liquidity Risk**

There is a possibility that an investor may experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is to be made at a loss. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or an underdeveloped capital market.

There is liquidity risk when certain securities in the Fund may be difficult or impossible to sell at a particular time which may prevent the withdrawal/redemption until the Fund's assets can be converted

to cash. Even government securities which are the most liquid of fixed income securities may be subjected to liquidity risk particularly if a sizeable volume is sought to be traded.

### **Credit Risk/Default Risk**

There is a possibility that an investor may experience losses due to a borrower's failure to pay the principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued. This inability of the borrower to fulfill its financial obligations may have resulted from adverse changes in its financial condition, thus, lowering credit quality of the security, and consequently lowering the price (market/price risk) which contributes to the difficulty in selling such security. It also includes risk of a counterparty (a party the Fund Manager trades with) defaulting on a contract to deliver its obligation either in cash or securities.

There is a risk that the Fund may experience a reduction in value in the securities which it has invested in, in the event the borrower defaults on its obligation or in the case of counterparty, when it fails to deliver on the agreed trade. This reduction in value of the Fund happens because the default/failure will cause the price of the security to decline and may make the security difficult to sell. As these happen, the Fund's NAVPU will be affected by a decline in value.

### **Reinvestment Risk**

There is a risk associated with the reinvestment of amounts in the Fund in view of the possibility of having lower returns or earnings when maturing funds or interest earnings are reinvested.

Investors who withdraw/redeem and realize their gains are exposed to the risk of generating lower returns if their funds are reinvested in an alternative investment outlet with lower yields. Similarly, BPI Wealth is faced with the risk of not being able to find alternative investments with equal or better yield as some of the securities in the Fund matures.

*In case of a foreign-currency denominated Fund or a peso-denominated Fund that is allowed to invest in securities denominated in currencies other than its base currency, the Fund is also exposed to the following risks.*

### **Foreign Exchange Risk**

There is a possibility that an investor may experience losses due to fluctuations in foreign exchange rates. The exchange rates depend upon a variety of global and local factors such as but not limited to interest rates, economic performance, and political developments.

The Fund is exposed to currency fluctuations when the value of investments in securities denominated in currencies other than the base currency of the Fund depreciates. Conversely, the Fund may lose value when the base currency of the Fund appreciates. The NAVPU of a Philippine Peso-denominated BPI Investment Fund invested in foreign currency-denominated securities may decrease when the Philippine Peso appreciates.

The returns of a foreign currency-denominated Fund invested in foreign currency-denominated securities may decrease when converted or translated in Philippine Pesos when the Philippine Peso appreciates.

### **Country Risk**

There is a possibility that an investor may experience losses arising from investments in securities issued by/in foreign countries due to the political, economic and social structures of such countries. There are risks in foreign investments due to the possible internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases of the foreign country involved which are difficult to predict but must be taken into account in making such investments.

Likewise, brokerage commissions and other fees may be higher in foreign securities.

Government supervision and regulation of foreign stock exchanges, currency markets, trading systems and brokers may be less than those in the Philippines. The procedures and rules governing foreign transactions and custody of securities may also involve delays in payment, delivery or recovery of investments.

For complex investment products, investment instruments can be subject to sudden and sharp falls in market value which may cause a TRUSTOR to lose the entire investment and extra funding may be required, as necessary.

**Index-Tracking Risk**

Specifically for index-tracker investments, there is a risk that the Fund's portfolio may not be the same as, and/or may not achieve a high degree of correlation with, the return of an index because of operating and other fund-management related expenses.

**Other Risks**

A Fund may be further exposed to the risk of any actual or potential conflicts of interest in the handling of in-house or related party transactions by BPI Wealth. These transactions may include parent/affiliate-bank deposits; purchase of own-institution or affiliate obligations (stocks, mortgages); purchase of assets from or sales to own institution, directors, officers, subsidiaries, affiliates or other related interests/parties; or purchases or sales between fiduciary/managed accounts.