

**DECLARATION OF TRUST
LANDBANK CASH MANAGEMENT FUND**

KNOW ALL MEN BY THESE PRESENTS:

This Declaration of Trust was made and executed by:

LAND BANK OF THE PHILIPPINES, a government financial institution created and existing under and virtue of Republic Act No. 3844, as amended, and duly authorized to perform trust and other fiduciary functions through its Trust Banking Group (LBP-TBG), with principal office address at LANDBANK Plaza 1598 M. H. del Pilar cor. Dr. J. Quintos Streets, Malate, Manila, represented in this act by its authorized signatories hereinafter referred to as the **TRUSTEE**.

WITNESSETH:

CREATION OF TRUST

WHEREAS, in order to facilitate investments and portfolio management through the pooling of investible funds of various Participants in one common unitized fund, the Trustee, as approved under the Board Resolution/s found in **ANNEX A**, which is attached hereto and made an integral part hereof, establishes and declares itself as trustee of a Unit Investment Trust Fund for the collective investment of funds held by it in the capacity of a trustee under the terms and conditions herein-below set forth in this "Plan".

**ARTICLE I
FUND FEATURES AND INVESTMENT OBJECTIVES**

Sec. 1.1 Title of the Fund

The Fund shall be known as LANDBANK Cash Management Fund, herein referred to as the "Fund".

Sec. 1.2 Nature and Classification of the Fund

- a. The Fund is a unit investment trust fund (UITF) established in accordance with and shall be operated subject to the stipulations of this declaration of trust 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.
- b. The Fund shall be classified as stated in **ANNEX B**, which is attached hereto and made an integral part hereof, and maintained by the Trustee exclusively for the collective investment and reinvestment of certain monies received by it in its capacity as trustee.
- c. The Fund shall be treated as an entity separate and distinct from its constituent assets, the contributions of the Participants thereto, and the other trust accounts administered by the Trustee. All assets of the Fund shall, at all times, be considered as assets held by, and vested solely in, the Trustee.

Sec. 1.3 Investment Objectives

The Fund shall be invested and reinvested in such investment outlets and held and disposed of in accordance with such investment objectives and policies as specified in **ANNEX B**.

Sec. 1.4 Allowable Investment Outlets

- a. The Fund shall be invested and reinvested, without distinction as to principal or income, in any or all areas of investments as listed in **ANNEX B** hereto.
- b. Pursuant to X410.8 of the MORB, 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.

Provided, that, for UITFs invested, partially or substantially, in exchange-traded securities shall be subject to the 15% exposure limit to a single entity/issuer: provided further, that, in case of exchange-traded security which is included in an index and tracked by a UITF, the exposure of the UITF to a single entity shall be the actual benchmark weighting of the issuer or 15%, whichever is higher.

This limitation shall not apply to non-risk assets as defined by the BSP.

- c. In the case of a feeder fund/fund-of-funds, the exposure limit shall be applied to 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 CIS, the exposure limit prescribed by said regulatory authority shall instead apply.

Moreover, the investments in any one (1) target fund shall not exceed ten percent (10%) of the total net asset value of the target fund.

Further, in the process of switching from one Target Fund to another or in the case of breach of the 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.

- d. In case the limits prescribed above are breached due to the marking-to-market of certain investment/s or extraordinary circumstances, e.g. abnormal redemptions which are beyond the control of the trustee, the trustee shall be given thirty (30) days from the time the limit is breached or in the case of feeder funds/fund-of-funds, thirty (30) days from date of receipt of a report indicating the net asset value of the Target Fund, to correct the same.
- e. The Trustee shall be transparent at all times and maintain an audit trail for all transactions with related parties or entities. The Trustee shall observe the principle of best execution and no purchase/sale shall be made with related counterparties without considering at least two (2) competitive quotes from other sources.
- f. The Fund shall only invest with approved counterparties qualified in accordance with the policy duly approved by the Trustee's Trust Committee. Counterparties shall be subject to appropriate limits in accordance with sound risk management principles.
- g. Nothing herein shall be construed as prohibiting other investments as may be approved or allowed by the BSP in the future and to the extent deemed proper by the Trustee, having in mind the general purpose and objectives of the Fund.

Sec. 1.5 **Risk Disclosure**

The general risks and the risks specific to the fund are listed and explained in **ANNEX B**.

Sec. 1.6 **Minimum Disclosure**

A list of existing and prospective investment outlets of the Fund shall be made available to the Participants. The frequency of updating the said list is stated in **ANNEX B**. Such disclosures shall be substantially in the form as provided in Appendix 62/Q034 of the MORB or as amended by BSP Circular 852, Series of 2014.

Sec. 1.7 **Benchmark**

The performance of the fund can be measured by comparing it with the appropriate benchmark as stated in **ANNEX B**.

Sec. 1.8 **Trust Fees, Other Expenses, and Taxes**

- a. The Trustee shall be entitled to a fee as indicated in **ANNEX B**.
- b. The fee shall be uniformly applied to all Participants in the Fund. Change in the Trust Fee shall be subject to the terms and conditions stated in this Plan and shall be applied prospectively.
- c. Other qualified expenses such as custodianship expenses, special audit fees, and other special expenses payable to a third party and covered by a contract if the same is necessary to preserve or enhance the value of the Fund shall be charged against the Fund and shall be included in the disclosure as mentioned in this Plan.
- d. All allowable expenses incurred in the management of the Fund, including trust fees shall be charged against the Fund.
- e. In the case of a PERA UITF, under RA 9505, the Fund shall be tax-exempt provided that it has been recognized and approved by the Bangko Sentral ng Pilipinas (BSP) and the Bureau of Internal

Revenue (BIR). Provided further, that the ADMINISTRATOR shall ensure that the contributions are within the maximum allowed limits under PERA regulations.

Sec. 1.9 **Minimum Maintaining Balance**

- a. For the effective management of the FUND, the Trustee has set a required minimum maintaining balance in the FUND as stated in **ANNEX B**.
- b. Should a redemption result in the investment of a TRUSTOR/s in the FUND falling below the required minimum maintaining balance, the TRUSTEE shall automatically redeem the entire balance of the TRUSTOR's investment, without the need for prior notification to the TRUSTOR/s. Said balance shall be paid through credit to the TRUSTOR/s' Settlement Account based on the applicable NAVPU for the day multiplied by the number of remaining unit holdings.

Sec. 1.10 **Minimum Holding Period and Penalty for Early Redemption**

- a. For the effective management of the FUND, the participation of any Trustor is required to be held in the Fund for not less than the number of days as indicated in **ANNEX B**.
- b. Otherwise, a penalty for early redemption shall be charged to the Participant(s) concerned, the rate/amount of which is indicated in **ANNEX B**.

**ARTICLE II
POWERS AND AUTHORITIES OF THE TRUSTEE**

Sec. 2.1 **Management of the Fund**

The Trustee shall have the exclusive management, administration, operation, and control of the Fund and the sole right at any time to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets of the Fund, as it deems to be for the best interest of the Fund.

Sec. 2.2 **Powers of the Trustee**

- a. With respect to any or all assets at any time received or held by the Fund, the Trustee is authorized to do all acts, take all actions, take such proceedings, hire such agents, and exercise without any restrictions thereon all rights and privileges as could be done, performed, taken or exercised by the absolute owner thereof acting in a non-fiduciary capacity, including, without in any way limiting or impairing the generality of the foregoing, the following powers and authorities:
 1. to hold legal title over the assets comprising the Fund for the benefit of the Participants;
 2. to have exclusive management and control of the Fund, full discretion in respect of investments, and the sole right, at any time to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the qualified assets comprising the Fund;
 3. to hold, place, invest and reinvest the Fund with full discretionary powers, and without distinction, as to principal and income in investments in such investment objectives and policies of the Fund stated herein;
 4. to deposit in any bank or financial institution, including its own bank, any portion of the Fund, subject to the requirement of Subsection UX410.8 of the MORB;
 5. to register or cause to be registered any securities of the Fund in nominee or bearer form;
 6. to appoint and retain the services of qualified and reputable local advisor and/or fund manager/s; Provided, however, that the Trustee shall retain ownership and control of the Fund, and provided further, that the investment advisor/s and/or fund manager/s shall work within the investment parameters or guidelines set by the Trustee from time to time and be directly responsible to the Trustee for any investment actions and decisions undertaken for the Fund;
 7. to hire and compensate legal counsel/s, certified public accountants, 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;
 8. to make, execute, acknowledge and deliver any or all securities, agreements, contracts, deeds, documents, and instruments necessary in the management and reinvestment of the Fund, or in connection with the exercise of the powers herein conferred or the performance of acts herein authorized;

9. to collect, receive and issue a receipt for income, dividends, interest, profits, increments, and such other sums accruing or due to the Fund; and
 10. to pay out of the Fund all costs, expenses, and proper charges incurred in connection with the administration, preservation, maintenance, and protection of the Fund.
- b. The Trustee shall administer the Fund with the skill, care, prudence, and diligence that a prudent man, acting in like capacity and familiar with such matters, would exercise in the conduct of an enterprise of like character and with similar aims under the circumstances then prevailing.
 - c. The Trustee shall formulate and implement investment strategies and programs for the Fund, giving due consideration to available investments and the prevailing investment markets. Returns that shall redound to the benefit of the Participants as a result of investments made by the Trustee shall, at all times, be dependent on the actual performance of the Fund.
 - d. The Trustee shall designate clearly upon its records, the trust accounts owning participation in the Fund, and the extent of the interest of such accounts. No trust account holding a participation in the Fund shall have or be deemed to have any ownership or interest in any particular account or investment of the Fund but shall have only its proportionate beneficial interest in the Fund.

Sec. 2.3

Liability of the Trustee

- a. Participation in the Fund is a trust arrangement and is not a deposit. As such, the participation in the Fund is not covered by the Philippine Deposit Insurance Corporation (PDIC), nor is it insured by the trust entity or its affiliates or subsidiaries, and that losses (whether realized or unrealized), if any, shall be for the account of the Participant.
- b. Nothing in this Plan shall be construed as a guarantee of return or income, nor does it entitle the Participant to a fixed rate of return on the money invested in the Fund by the Trustee.
- c. Due to the nature of the investment, yields and potential yields cannot be guaranteed.
- d. Any loss/income arising from market fluctuations and price volatility of the securities held by the Fund, even if invested in government securities, is for the account of the client/participant. As such, the units of participation of the investor in the Fund, when redeemed, may be worth more or be worth less than his/her initial investment/contributions.
- e. The historical performance, when presented, is purely for reference purposes and is not a guarantee of similar future results.
- f. Save that attributable to the Trustee's fraud, wilful default, bad faith, or gross negligence, the Trustee shall not be liable for any loss or depreciation in the value of the Fund or the value of the Trustor's participation in the Fund.
- g. In the absence of fraud, bad faith, or gross negligence, the Trustee shall not be liable for any loss or depreciation in value or diminution in income resulting from investments made by the Trustee in accordance with the Plan.
- h. 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.
- i. The investor must read the complete details of the fund in the Plan Rules, make his/her own risk assessment, and when necessary, he/she must seek independent/professional opinion, before making an investment.

ARTICLE III
PARTICIPATION: ADMISSION AND REDEMPTION

Sec. 3.1 **Client Suitability Assessment (CSA)**

To ensure that a Participant's investment profile is matched against the investment parameters of the Fund, or to profile the risk-return orientation of a Participant, the Trustee shall, before its acceptance of a Participation in the Fund:

- a. perform a Client Suitability Assessment (CSA) on the Participant. For this purpose, a Participant shall be provided a CSA Form. The information about the Participant shall, at the minimum, include personal or institutional data, investment objective, investment horizon, investment experience, risk tolerance; and
- b. prepare, for acknowledgment by the Participant, a Risk Disclosure Statement (RDS), describing the attendant general risks that may arise from investing in the Fund.

Sec. 3.2 **Participation in the Fund**

- a. Participation in the FUND shall always be through participation in units of the FUND and each unit shall have uniform rights or privileges as any other unit.
- b. Units admitted for participation shall be paid for by the Participant in cash or debit/transfer from cleared funds.
- c. Participation in the FUND shall be allowed based on the net asset value of each participation unit and shall not be less than the Minimum Participation Amount as indicated in **ANNEX B**. The TRUSTOR's investment in the FUND shall be expressed in terms of the number of units of participation as appearing in the TRUSTOR's Confirmation of Participation / Transaction Advice.
- d. In the case of a PERA UITF, participation of a Contributor in the FUND shall always be coursed through and be remitted to the Trustee by a PERA Administrator.

Sec. 3.3 **Minimum Initial and Additional Contributions**

For the effective and efficient management of the FUND, the minimum amount for initial and additional contributions to the FUND has been set as stated in the **ANNEX B**. Subsequent contributions of the TRUSTOR/s in the FUND are subject to a Minimum Additional Participation Amount and shall result to the TRUSTOR/s' additional proportionate interest in the FUND.

Sec. 3.4 **Beneficial Interest and Frequency of Participation**

- a. The beneficial interest of each participation unit shall be determined under the net asset value per unit (NAVPU) valuation methodology.
- b. The admission or redemption of units of participation in the Fund may be made only based on such valuation and in such frequency as indicated in **ANNEX B**.

Sec. 3.5 **Evidence of Participation**

- a. Contributions of the TRUSTOR/s into the FUND shall be evidenced by a separate Confirmation of Participation (COP) or Transaction Advice issued by the TRUSTEE for this purpose.
- b. A Confirmation of Participation or Transaction Advice shall be provided to the Participant for all transactions
- c. The COP or Transaction Advice and redemption made to/from the fund shall contain the following information:
 1. NAVPU of the fund on the day of purchase/redemption;
 2. Number of units purchased/redeemed; and
 3. Absolute peso or foreign currency value.

- d. The COP or Transaction Advice may be in the form of an electronic document not manually signed by the trustee or its authorized representative. Provided, however, that the said electronic document shall be in accordance with R.A. 8792 or the Electronic Commerce Act of 2000 and its implementing rules and regulations. The TRUSTEE may formulate the manner of redemption in such cases.
- e. In the case of a PERA UITF, the Trustee shall provide either a Confirmation of Participation/Transaction Advice or an acknowledgment of the transaction, its settlement and details to the PERA Administrator, pursuant to the Administrator's responsibility to maintain a record of all investments of a Contributor including earnings and expenses relative to the PERA (item II.B.1.d. of Appendix 114 of the MORB).

Sec. 3.6 **Cooling-Off Period**

- a. As required under Section 1002 of the MORB, the customer shall be provided with a two (2) banking day cooling-off period immediately following the signing of this agreement.
- b. This cooling-off period shall only apply to a customer who is a natural person and to financial instruments whose remaining term is equal to or beyond one (1) year.
- c. Within the cooling period, the customer is permitted to cancel this agreement without penalty of any kind on his or her written notice to the trustee. The trustee may however collect or recover a reasonable amount of processing fees.

Sec. 3.7 **Redemption**

- a. Redemption from the FUND shall be computed based on the applicable NAVPU on the day the redemption is effected.
- b. Redemptions from the FUND shall result in the reduction of the TRUSTOR/s' proportionate interest in the FUND. Such reductions shall be expressed in units based on the NAVPU.
- c. Settlement of redemptions, including the number of settlement days, shall be in accordance with as stated in **ANNEX B**.
- d. Redemption requests shall be processed by the Trustee in chronological order according to the date and time the notice of redemption is received.
- e. The surrender of COP or Transaction Advice may not be required for redemptions, however, the TRUSTEE reserves the right to require the prior endorsement/surrender of any evidence of participation issued by the TRUSTEE upon full or partial redemption of units. Notwithstanding the requirement for endorsement/surrender, mere possession of the evidence of participation shall not be presumed or deemed as proof of non-payment of the redemption. For any dispute regarding non-payment, the TRUSTOR/s should submit evidence that the Settlement Account was not credited.
- f. Redemptions shall be in accordance with the existing guidelines/policies and shall be subject to the requirements/conditions set by the TRUSTEE.
- g. The TRUSTEE reserves the right to require from the TRUSTOR/s an advanced written notice of redemption from the FUND within the number of days specified ANNEX B. This required notice may be shortened or extended at the sole discretion of the TRUSTEE depending on the investment and liquidity position of the FUND and the frequency and volume of requests for redemptions received by the TRUSTEE at any given time.
- h. The full redemption of the TRUSTOR/s in one of the FUNDS shall *not* automatically terminate/close the TRUSTOR/s' UITF account.
- i. In case of partial redemption, the NAVPU to be used in the valuation of the remaining unredeemed units shall be the original NAVPU. The remaining unredeemed units shall be computed as follows:

$$\text{Remaining Unredeemed Units} = [\text{Original No. of Units}] - \left[\frac{\text{Amount Redeemed}}{\text{NAVPU on Redemption Date}} \right]$$

A new COP shall be issued reflecting the remaining unredeemed units as computed and the equivalent remaining amount of participation based on the said original NAVPU.

- j. TRUSTORs shall be entitled to income, profits, and losses with respect to their participation in the Fund on a pro-rata and pari passu basis depending upon the number of units held by each TRUSTOR. The actual distribution or realization of income shall take place every time a redemption of units is made, to the extent of the number of units redeemed.

In cases wherein the TRUSTOR/s' wishes to realize the full income of his UITF investment, and re-invest the principal amount, the whole investment shall be realized. The principal amount is reinvested using the end-of-day NAVPU on the day of the withdrawal. Any income withdrawn shall be credited to the client's settlement account following the UITF's settlement period for withdrawals.

The income and the new no. of units shall be computed as follows:

A. Computation for Total Amount of Investment on Income Withdrawal Date

$$\text{Investment Amount on Income Withdrawal Date} = [\text{Original No. of Units}] \times \text{NAVPU on Income Withdrawal Date}$$

B. Computation of Income

$$\text{Income} = \text{Investment Amount on Income Withdrawal Date} - \text{The initial amount of Investment (Principal)}$$

C. Computation on New No. of Units

$$\text{New No. of Units} = \frac{\text{The initial amount of Investment (Principal)}}{\text{NAVPU on Income Redemption Date}}$$

A COP or Transaction Advice shall be issued which shall reflect the new no. of units as computed and the amount of participation based on the end-of-day NAVPU.

- k. Settlement of the redeemed amount, whether partial or income withdrawal, shall be subject to the redemption terms and conditions of the FUND.

Sec. 3.8 **Fund Switching**

A Participant is allowed to fund switch among LANDBANK's existing UITFs in accordance with the Trustee's guidelines on fund switching.

The terms and conditions of the UITF fund switching shall be made available on LANDBANK's corporate website. The UITF switching *Terms and Conditions* shall also be printed at the back portion of the LANDBANK UITF Switching Form.

Any change in the UITF Switching Terms and Conditions requires prior approval of LANDBANK's Trust Committee and the BSP.

Sec. 3.9 Closure/Termination of a Trustor/s' UITF Account

- a. A UITF Account shall be closed/terminated upon submission by the TRUSTOR/s of a written notice to the TRUSTEE.
- b. Subject to the existing policies and guidelines of the TRUSTEE on closure/termination of a UITF account, the TRUSTEE reserves the right to terminate/close a UITF account without any balance and no transactions for a specified period, without prior notice to the TRUSTOR/s.

Sec. 3.10 Suspension of Admission and Redemption

The Trustee may temporarily suspend admission and/or redemption of participation if it is unable to determine the NAVPU of the Fund due to any fortuitous event, such as fire, natural calamity, public disorder, or national emergency affecting the financial markets resulting in the suspension of trading and consequently, the absence of available market prices of securities/instruments.

Sec. 3.11 Distribution Channels

The Trustee may distribute the Fund exclusively through duly authorized distribution channels which will be provided and updated by the Trustee.

In the case of PERA UITF, the Trustee may distribute the Fund exclusively through PERA administrators pursuant to Item I.A.2.b.iii. of Appendix 114 of the Manual of Regulations for Banks (MORB). The list of PERA Administrators offering the fund will be provided and updated by the Trustee.

ARTICLE IV VALUATION OF THE FUND

Sec. 4.1 Accounting Method

- a. The Trustee shall determine the Net Asset Value of the Fund on each banking day using the pooled-fund accounting method.
- b. The Net Asset Value (NAV) of the Fund shall be determined by adding the current value of the outstanding investments and cash in bank of the Fund less fees, taxes (if any), and other qualified expenses as defined herein, using pooled-fund accounting. Pricing/valuation of assets shall be based and shall be in accordance with existing industry standards and/or existing applicable BSP regulations.
- c. In the case of a multi-class fund the *net assets* are the summation of the market value of each investment less fees, taxes (if any), and other qualified expenses, but gross of trustee fees and expenses attributable to a particular class.

For a multi-class fund that has different levels of trustee fees and expenses, the Trustee shall ensure that costs, charges, and expenses payable out of the multi-class fund which is not attributable to any particular class shall be equitably allocated among its classes.

- d. In the case of a feeder fund/fund of funds, the end-of-day net asset value per unit (NAVpU) or Net Asset Value per Share (NAVpS) of the target fund/s shall be used in determining the marked-to-market value of the feeder fund/fund of funds. The trustee shall calculate the NAVpU upon receipt of the target fund's NAVpS/NAVpU which shall be made available to unitholders not later than 8:00 pm. In the event that the target fund/s is/are unable to send the NAVpS/NAVpU before 7:00 pm, the feeder fund's/fund of funds NAVpu shall be made available to participants not later than 9:30 am the following business day

Sec. 4.2 **Suspension of NAV/NAVPU Calculation**

The Trustee may temporarily suspend the calculation of the NAV/NAVPU and the announcement thereof if it is unable to determine due to any fortuitous event, such as fire, natural calamity, public disorder, or national emergency affecting the financial markets resulting in the suspension of trading and consequently, the absence of available market prices of securities/instruments.

**ARTICLE V
VALUATION OF UNITS**

Sec. 5.1 The Trustee shall utilize the current mark-to-market value of outstanding investments for the day based on existing BSP regulations.

Sec. 5.2 The NAVPU at the start of the Fund's operation, or the Fund's par value, shall be as indicated in **ANNEX B** hereof.

Sec. 5.3 The frequency and time of NAVPU computation are specified in **ANNEX B** hereof.

Sec. 5.4 **NAVPU Computation**

- a. The value of each unit of participation or the unit value shall be determined by dividing the Net Asset Value (NAV) of the Fund by the number of units then outstanding.
- b. In the case of a Multi-Class Fund, the NAVPU of each class shall be computed by dividing the total net assets of a class by the total outstanding units of such class; where the net assets of each class shall represent its proportionate share of the net assets of the multi-class fund less the trustee fee and expenses attributable to that class.
- c. In the case of funds with unit/income paying feature, the income of the Fund may be distributed by the Trustee subject to the minimum conditions enumerated hereunder:
 1. Distribution of income shall be made only from the cash received from interest income earned and cash dividends;
 2. Distribution of income shall be made after the trustee has taken into consideration the following:
 - Income for the period; and
 - The investment objective and distribution policy of the fund
 3. Distribution of income to participants shall be after deduction of taxes (if any) and expenses (net distribution);
 4. Distribution of income shall be effected through conversion of the income for distribution into its equivalent units based on the NAVPU as of the first business day when units in the fund are quoted ex-distribution.
 5. Participants shall be entitled to their pro-rata share of said units which, on the distribution date, shall be automatically considered redeemed;
 6. Sources of income to be distributed and the intended frequency of distribution is contained in **ANNEX B**;
 7. For monitoring purposes, the trustee shall separately account for the fund's income due for distribution;
 8. Where a distribution is made, a notice to each participant on his/her unit income shall be made available containing information on the total amount of income for distribution by the trustee, NAVPU ex-distribution and its basis, the total number of units for distribution, and unit income. Unit income refers to the number of units for every unit held by the participant entitled to distribution.

**ARTICLE VI
BOOKS OF ACCOUNTS**

The Trustee shall keep the proper books of accounts of the Fund as may be necessary to record all transactions pertaining to the Fund.

**ARTICLE VII
AUDIT AND REPORT**

- Sec. 7.1 At the end of each calendar year, the Trustee shall cause an external audit of the Fund by an independent auditor and, from said audit, cause the preparation of an Annual Report.
- Sec. 7.2 The external audit shall be conducted by an independent auditor acceptable to the BSP who is engaged in the audit of the other operations of the Trustee. A copy of the report shall be made available upon request without cost to the Participants.

**ARTICLE VIII
CUSTODY OF SECURITIES**

- Sec. 8.1 Investment in securities of the Fund shall be held for custodianship by a BSP-accredited third-party custodian appointed by the Trustee. The third-party custodian shall perform independent marking-to-market of such securities.
- Sec. 8.2 In the case of Feeder Fund/Fund of Funds, investment/securities of the target fund shall be held for safekeeping by an institution registered/authorized/approved by a relevant regulatory authority in its home jurisdiction to act as a third-party custodian.

**ARTICLE IX
AMENDMENTS**

- Sec. 9.1 The Plan may be amended by a resolution of the Board of Directors of the Trustee. Provided, however, that Participants in the Fund shall immediately be notified of such amendments and those who are not in conformity with the amendments shall be allowed to redeem their participation within a reasonable time but in no case, less than thirty (30) calendar days after the amendments are approved.
- Sec. 9.2 Provided, further, that amendments to the Plan shall be submitted to BSP within ten (10) banking days from approval of the amendments by the Board of Directors of the Trustee. For purposes of imposing monetary penalties provided under Subsections X162.2 of the MORB, respectively, for delayed submission of reports, the amendments to the Plan shall be considered as a "Category A-3" report. The amendments shall be deemed approved by the BSP after thirty (30) banking days from the date of completion of requirements.

**ARTICLE X
TERMINATION**

- Sec. 10.1 The 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.
- Sec. 10.2 At the discretion of the Trustee's Board of Directors, the Trustee may engage the services of a reputable accounting firm to look into the books and records of the Fund maintained by the Trustee and to certify the financial condition of the Fund.
- Sec. 10.3 Upon approval of the termination of the Plan, the Trustee shall notify the Participants at least 30 banking days before the actual termination of the fund. Such notice shall be made by way of written notice to each Participant or through the posting of notices on the premises of the principal office address as well as the branches of the Trustee. After the date of the approval of the resolution, no further admission to, or redemption from the Fund shall be allowed; Provided, however, that if the Trustee receives, before the approval of the resolution, a notice of redemption which is to be made on a day after the approval of the resolution but before the effective date of the termination, the Participant shall be permitted to complete the redemption.
- Sec. 10.4 Upon termination of the Fund, the Trustee shall prepare a financial statement which shall be the basis for distribution to the Participants. Upon demand, the Participants may inspect or be provided with a copy of the financial statement used as the basis for the distribution of the Fund. In respect of the Fund, the rights of the remaining Participants as against each other shall be *pari passu* and *pro-rata*.

Sec. 10.5 A copy of the Termination Plan shall be submitted to the BSP within ten (10) banking days from the approval of the same by the Board of Directors of the Trustee.

**ARTICLE XI
MISCELLANEOUS PROVISIONS**

Sec. 11.1 Whenever it is provided in the Plan that any power may be exercised by the Trustee or any act or thing done by the Trustee involving the exercise of discretion, the discretion of the Trustee when exercised with reasonable care under circumstances then prevailing shall be final and conclusive and its determination, when so made to act or refrain from acting or to exercise such power or to refrain from so doing, shall be binding upon the Participant and all persons having or claiming any interest therein.

Sec. 11.2 The Trustee may select and consult with qualified legal counsel in regard to the construction and meaning of this Plan and shall not be liable to the Participant or any person for any action taken or omitted by it in good faith pursuant to the advice of such counsel.

Sec. 11.3 No mistake made in good faith and in the exercise of due care in connection with the administration of the Fund shall be deemed a violation of this Plan or any applicable law, regulation, or rule if promptly after the discovery of the mistake, the Trustee takes whatever action is practicable in the circumstance to remedy the mistake.

Sec. 11.4 The provisions of the Plan shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

Sec. 11.5 Unless the context otherwise requires, words denoting the singular number shall be construed as denoting the plural number, and words of the plural number as denoting the singular number.

Sec. 11.6 The Plan and all the provisions hereof shall be binding upon and shall inure to the benefit of the Participants as Trustors and their successors, executors, administrators, and assigns having or claiming to have any interest in participation in the Fund. Without prejudice to the provisions hereof, a Participant may designate in writing his beneficiary or beneficiaries who shall be entitled to claim all the benefits or be bound to the responsibilities under this Plan.

Sec. 11.7 No person other than the Participant or his authorized representative may inquire into or require any information as to the authority of the Trustee concerning the payment, application, or disposition of the Fund or any part thereof.

Sec. 11.8 A copy of the Plan shall be available at the principal office of the Trustee during regular office hours for inspection by the Participants or by his authorized representative and a copy of the Plan shall be furnished to such person(s).

(This portion was intentionally left blank. Signing pages follow.)

IN WITNESS WHEREOF, the Trustee has caused this instrument to be executed this _____ day of _____, 20_____.

LANDBANK TRUST BANKING GROUP

By:

Head, Trust Portfolio Management Department

Trust Officer

SIGNED IN THE PRESENCE OF:

**RESOLUTIONS OF APPROVAL
CREATION AND FEATURES
OF THE
LANDBANK CASH MANAGEMENT FUND
UNIT INVESTMENT TRUST FUND (UITF)**

The Plan and any amendments have been approved by a resolution of the Board of Directors of the Land Bank of the Philippines by:

- Board Resolution No. 22-851 approved on 21 November 2022

SPECIFIC FEATURES OF THE FUND

A. Title of the Fund	: LANDBANK Cash Management Fund
B. Currency	: PhP
C. Fund Structure	: Regular UITF
D. Fund Classification	: Money Market Fund
E. Recommended Investment Horizon	: One (1) to three (3) years
F. Unit Paying (Income Distribution)	: No
<i>Distribution Policy</i>	
• Source of Income for Distribution	: n/a
• Frequency	: n/a
• Unit Entitlement (Number of units for every unit held by a participant)	: n/a
G. Description of the Fund	: A fund that is ideal for investors who have an investment perspective that is short-term in nature and are looking for safe and liquid investments with yields that are relatively modest but are potentially higher than the returns on savings accounts or time deposits, due to lower risk exposures.
H. Investment Objectives	: The fund aims to achieve capital preservation and income generation by investing in low-risk fixed-income instruments.
I. Risk Profile Suitability	: Moderate and above.
J. Allowable Investment Outlets/Underlying Assets	: a. Cash, Short-term, and Long-term Deposits Current, savings, special savings deposit accounts (SSDA), including those offered by LANDBANK (e.g., high-yield savings account (HYSA)), time deposits, other interest-bearing deposits, and deposit substitutes of private, foreign, or government banks accredited by LANDBANK's Financial Institution Department and LANDBANK Trust Banking Group; b. Fixed-income instruments issued or guaranteed by the Bangko Sentral ng Pilipinas (BSP) (if allowed); c. Fixed-Income Securities <ul style="list-style-type: none"> ▪ bonds, securities or other evidence of indebtedness issued or fully guaranteed by the Republic of the Philippines or any of its subdivisions or instrumentalities such as, but not limited to treasury bills, fixed-rate treasury notes, retail treasury bonds, small denominated treasury bonds, treasury zero-coupon bonds; ▪ fixed-income instruments such as but not limited to bonds, commercial papers, notes, debentures, issued by the government or private entities that are traded in an organized exchange; ▪ securities and deposit substitutes traded in an organized exchange of private, foreign or government banks accredited by LANDBANK's Financial Institution Department and LANDBANK Trust Banking Group; ▪ securities issued, underwritten, or otherwise dealt by LANDBANK and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Fund; and d. Such other marketable and/or liquid investment outlets/ categories and/or any acceptable security/outlet as the Trust Committee and the BSP

	<p>may allow for open-ended marked-to-market pooled trust funds, provided that the investment is consistent with the objective and investment horizon of the fund.</p> <p>Provided that underlying assets of the fund shall have a remaining term to maturity of not more than three (3) years.</p> <p>Provided further that the weighted average portfolio life of the fund and its investments shall be consistent with the weighted average portfolio life and the investment horizon indicated in this document.</p>
K. Weighted Average Portfolio Life	<p>: • Shall not exceed one (1) year.</p> <p>The weighted average portfolio life is computed by weighting the remaining term to maturity of each underlying asset by its market value.</p>
L. General and Specific Risks	<p>: • Credit Risk/Default Risk The possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest on time on instruments such as bonds, loans, or other forms of security that the borrower issued.</p> <p>• Reinvestment Risk The risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.</p> <p>• Interest Rate/Market Risk This is the possibility for an investor to experience losses due to changes in interest rates.</p> <p>• Inflation Risk The risk that the value of an investment is lower than the rate by which the prices of goods and services go up.</p>
M. Frequency of Minimum Disclosure	<p>: Quarterly - Key Information & Investment Disclosure Statement (KIIDS)</p>
N. Benchmark	<p>: Percentage change in the Bloomberg Philippine Sovereign Bond Index Money Market or, in its absence, any relevant and industry-accepted benchmark.</p> <p>However, this should not be construed as a guarantee of yield.</p> <p><u>Description of the Benchmark</u></p> <p>Bloomberg's BVAL Evaluated Pricing Service provides transparent and highly defensible prices for fixed-income securities across the liquidity spectrum. The key to BVAL's methodology is its real-time access to market observations from a wealth of contributed sources. This accumulated mass of market data is the main driver of an innovative and quantitative approach that first corroborates market levels on actively traded bonds and then derives a comparable relative value price for those securities that are less liquid. This methodology aligns with Bloomberg's trusted capabilities as the financial industry's leading analytics platform and source of fixed-income information. In addition to sophisticated algorithms that generate evaluated prices, the BVAL methodology assigns a BVAL Score based on the amount and consistency of market data used in Bloomberg models.</p> <p><u>Key characteristics of the Benchmark</u></p> <p>The Bloomberg Philippine Sovereign Bond Index Money Market is a rules-based market-value weighted index engineered to measure the fixed rate and zero-coupon local currency local securities publicly issued by the Philippines, including retail securities. To be included in the index, a security must have a minimum par amount of PhP3 billion and a credit quality of BBB.</p>

	<p><u>Relation of the Benchmark to the fund's objectives/investment strategies</u></p> <p>Designed for conservative investors with some risk appetite for a little extra yield, the fund is invested in a combination of deposit placements and short-term government securities. Investors of the fund can tolerate a little amount of volatility. As such, the Bloomberg Philippine Sovereign Bond Index Money Market (BPHILMM), dovetails the features, as well as the returns of the fund.</p> <p><u>References/sources of its detailed information</u></p> <p>Bloomberg Terminal</p>
O. Required Minimum Initial Participation / Minimum Maintaining Balance	: PhP1,000.00
P. Required Minimum Additional Participation	: PhP1,000.00
Q. Frequency of Participation (Admission/Redemption)	: Any banking day
R. NAVPU at launch/Par Value	: 1.000000
S. Cut-off Time	: Admission/notice of redemption received by the Trustee on or before 12:00nn shall be considered as a transaction for the day. Admission/notice of redemption received by the Trustee after the cut-off time shall be considered as a transaction for the next applicable business day
T. Time of NAVPU computation/calculation	The NAVPU of the Fund shall be computed daily after all transactions relating to the fund are processed but not earlier than the closing of the market or the availability of asset prices.
U. Redemption (Availability/Crediting of Proceeds)	: T+1 Units redeemed by the Participant, in whole or in part, shall be paid for by the Trustee, by credit to the LBP deposit account designated by the Participant, after one (1) banking day from the redemption date. A check payable to the Participant may be issued upon request of the client subject to the internal policies of the Trustee.
V. Prior Notice of Redemption	: May be required. At least three (3) banking days' notice before redemption. The period for required notice may be shortened or extended at the sole discretion of the TRUSTEE depending upon the investment and liquidity position of the FUND and the frequency and volume of requests for redemptions received by the TRUSTEE at any given time.
W. Trust Fee, Accrual, and Frequency of Fee Collection	: Fifty-hundredths percent (0.50%) per annum based on the gross portfolio value of the Fund. Accrued daily and paid within five (5) banking days after the end of each calendar month.
X. Holding Period	: Seven (7) calendar days
Y. Penalty for Early Redemption	: Equivalent to twenty-five percent (25%) of the net earnings of the redeemed principal amount (i.e., net of trust fee, final withholding tax, and other qualified expenses of the Fund). At no instance shall the penalty be less than FIVE HUNDRED PESOS (P500.00). The penalty collected shall accrue to the Fund.
Z. Custody of Securities	: Standard Chartered Bank, Land Bank of the Philippines, or any BSP-accredited custodian appointed by the Trustee.



CUSTOMER PROTECTION/SUPPORT

LANDBANK can be reached through the following facilities/channels regarding your concerns and complaints regarding your accounts:

1. Designated Trust Account Officer;
2. LANDBANK Website via www.landbank.com;
3. 24/7 LANDBANK Customer Service; and
4. LANDBANK Branches

For immediate concerns, you may contact the following:

- 24/7 LANDBANK Customer Care Hotline : (+632) 8-405-7000
- PLDT Domestic Toll-Free : 1-800-10-405-7000
- Email : customercare@mail.landbank.com

LANDBANK reserves the right to request the necessary information to be used for the investigation and resolution of reported requests and complaints. Once a complaint is filed, a prescribed turn-around time to resolve the complaint will be provided.

LANDBANK, from time to time, may change the official facilities and channels where you can file your requests and complaints.

In addition, it may also periodically post/announce in whatever manner advisories relating to its products and services. As such, clients are advised to keep themselves apprised and updated regarding the Bank's announcements.

LANDBANK is regulated by Bangko Sentral ng Pilipinas (BSP) whom you may contact through:

- Phone : (+632) 8708-7701 loc. 2584
- Email : consumeraffairs@bsp.gov.ph
- Webchat : <http://www.bsp.gov.ph/>
- SMS : 021582277 (for Globe subscribers only)
- Facebook : <https://www.facebook.com/BangkoSentralngPilipinas>