



**AMENDED DECLARATION OF TRUST**

**BDO DEVELOPED MARKETS PROPERTY INDEX FEEDER FUND  
An Equity Unit Investment Trust Fund Structured as a Multi-Class\* Feeder Fund**

KNOW ALL MEN BY THESE PRESENTS:

This Amended Declaration of Trust (also referred to as "Plan") is executed by **BDO UNIBANK, INC.** ("**BDO**"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal offices at the BDO Corporate Center, 7899 Makati Ave., Makati City, with authority to perform trust and other fiduciary functions, acting herein through its **TRUST AND INVESTMENTS GROUP** (herein referred to as the "Trustee");

**WITNESSETH:**

Article I  
**CREATION OF THE TRUST**

That for the purpose of providing investment opportunities to its trust clients pursuant to investment objectives and policies herein stipulated, the Trustee hereby establishes and declares itself as trustee of an equity unit investment trust fund structured as a multi-class feeder fund for the collective investment of funds held by it in the capacity of trustee under the terms and conditions herein-below set forth.

Article II  
**NATURE AND INVESTMENT OBJECTIVES**

Sec. 1 Title of the Fund – The pooled fund shall be known as the BDO Developed Markets Property Index Feeder Fund (herein referred to as the "Fund").

Sec. 2 Nature of the Fund –The Fund is a unit investment trust fund structured as a multi-class feeder fund established in accordance with and shall be operated subject to the stipulations of this declaration and as the same may be amended from time to time in accordance with the regulations issued by the Bangko Sentral ng Pilipinas (the "BSP") and to existing laws.

As a multi-class feeder fund, the Fund has more than one (1) class of units and is invested in the same pool of securities and portfolio which has the same investment objectives and policies. The Fund shall be composed of two (2) Unit Classes\*, namely: (1) Accumulating Unit Class (A); and (2) Distributing Unit Class (D).

The Fund shall have a unit paying class with income distribution feature whereby the pro-rata income of the unit class is distributed in the form of units called unit income.

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.

*\*The Multi-Class structure and Distributing Unit Class have not been implemented. Participants will be notified once these features are available.*

As a feeder fund, at least ninety percent (90%) of the Fund is invested in a single foreign collective investment scheme called the Target Fund. Furthermore, the Fund's investment in the Target Fund shall not exceed ten percent (10%) of the total net asset value of the Target Fund.

Title to Assets of the Fund - All assets of the Fund shall, at all times, be considered as assets held by the Trustee vested solely in the Trustee.

Nature of Participant's Interest in the Fund - No Participant shall have or be deemed to have any ownership or interest in any particular account, investment or asset of the Fund but shall have only its proportionate and undivided beneficial interest in the Fund as a whole.

Description of the Fund - The features of the US dollar-denominated equity multi-class feeder fund shall be described in **Appendix I** which is attached hereto and made an integral part hereof. The features of the Target Fund are likewise described in **Appendix I**.

- Sec. 3 Investment Objectives and Policy - The Fund shall be invested in the Target Fund and other investment outlets specified in **Appendix I** hereof and shall be held and disposed of in accordance with such investment objectives and policies as likewise specified in **Appendix I**.

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 prescribed under Appendix 56 of Section 414 of the Manual of Regulations for Banks.

### Article III

#### **PARTICIPATION: ADMISSION & REDEMPTION**

- Sec. 1 Qualified Participants (Requirements and Restrictions) - Prior to acceptance of the initial participation in the Fund, the Trustee shall perform a Client Suitability Assessment (CSA) for the purpose of profiling the risk return orientation and suitability of the client to the Fund.

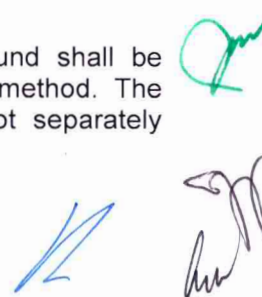
Participation in the Fund shall be open to Participants with legal capacity to contract and subject to the other conditions, rules or procedures stipulated in **Appendix I** hereto and those established by the Trustee which it deems to be advantageous or to the best interest of the Fund.

- Sec. 2 Participation Units - Participation in the Fund shall always be through units of participation in a Class of the Fund and each unit shall have uniform rights or privileges as any other unit of the same Class. The beneficial interest of each participation unit shall be determined under the net asset value per unit (NAVpu) valuation methodology defined herein. The admission or redemption of units of participation in any Class of the Fund may be made only on the basis of such valuation and in such frequency as indicated in **Appendix I** hereto.

### Article IV

#### **MANNER OF OPERATION**

- Sec. 1 Pooled Fund Accounting - The total assets and accountabilities of the Fund shall be accounted for as a single account referred to as pooled-fund accounting method. The investments of the multi-class Fund shall remain as one pool and are not separately allocated to classes.



Sec 2 Distribution - The Fund shall be distributed exclusively in distribution channels duly authorized by the Trustee.

Sec 3. Allocation and Income Distribution – In line with the unit-paying feature of the Distributing Unit Class (D), the Trustee may distribute to qualified Distributing Unit Class (D) participants the collected income distribution received from the Target Fund less applicable taxes, fees and expenses. The details of the unit paying distribution are specified in Appendix I.

Article V  
**VALUATION OF THE FUND AND PARTICIPATION UNITS**

Sec. 1 Valuation of the Fund – The valuation of the Fund and the Classes of the Fund shall be subject to the following rules:

- (a) The Trustee shall, on a daily basis, determine the net asset value (herein referred to as the “NAV”) of the Fund, the pro-rata NAV of each Class and the value of each unit of participation in a Class (herein referred to as the “NAVpu”).
- (b) The NAV shall be the summation of the market value of each investment of the Fund less fees, applicable taxes, and other qualified expenses that are applicable to all Classes of the Fund, as defined herein. The determination of market value of the investments of the Fund shall be in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments more specifically described in **Appendix I** hereof.

Sec. 2 Valuation of Participation Units – The valuation of participation units shall be subject to the following rules:

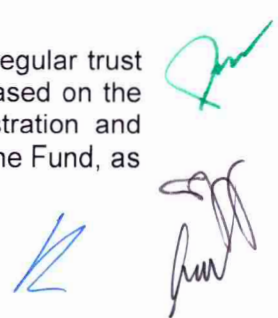
- (a) The beneficial interest of each Participant shall be determined under a unitized NAVpu valuation methodology and no participation shall be admitted to, or redeemed from, a Unit Class of the Fund, except on the basis of such valuation.

The NAVpu of each Unit Class shall be computed by dividing the total net assets of a class by the total outstanding units of such Unit Class; where, the net assets of each class shall represent its proportionate share on the net assets of the Fund less the trustee fee and expenses attributable to that class. The net assets of the Fund is the summation of the market value of each investment less fees, taxes, and other qualified expenses, but gross of trustee fees and expenses attributable to a particular Unit Class.

- (b) The NAVPu at the start of the Fund/Unit Class's operation, or the Fund/Unit Class's par value, shall be as indicated in **Appendix I** hereof.
- (c) The NAVpu of each Class shall be computed daily at the time specified in **Appendix I** hereof.

Sec. 3 Fees and Expenses of the Fund –

- (a) Trustee's Fees - The Trustee shall charge against each Class of the Fund regular trust fees in the percentage indicated in **Appendix I** hereto on a per annum basis based on the NAV of the relevant Class of the Fund as its compensation for the administration and management of the Fund. These fees shall accrue and shall be collectible from the Fund, as



and when the same becomes due, at such times as indicated in **Appendix I**. The trust fees shall be uniformly applied to all Participants in a Class of 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 of the Manual of Regulations for Banks. In the event the trust fees are changed, such change shall be charged prospectively.

The Target Fund charges fees are set forth in **Appendix I**.

(b) Special Expenses - The Trustee may charge the Fund for special expenses if the same is necessary to preserve or enhance the value of the Fund. Such special expenses shall be payable to pertinent third party or parties covered by separate contract/s, and disclosed to the Participants. The Trustee shall equitably allocate any costs, charges and expenses payable out of the Fund which are not attributable to any particular Class.

Article VI  
**TRUSTEES POWERS & LIABILITIES**

Sec. 1 Management of the Fund - The Trustee shall have the exclusive management, administration, operation and control of the Fund, and the sole right at any time to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets comprising the Fund taking into consideration the investment objective and investment policy of the Fund.

However, if the Trustee deems it proper and beneficial for the Fund, the Trustee may engage the services of third party/ies as investment advisor or manager of a portion of the Fund; provided that the said arrangement shall be covered by a written agreement/contract and such third party/ies is/are disclosed in the quarterly reports to the Participants of the Fund.

Sec. 2 Powers of Trustee – In addition to powers stipulated in **Appendix I**, the Trustee shall have the following powers:

- a. To hold legal title over the assets comprising the Fund for the benefit of the Participants;
- b. To choose the Target Fund and to switch target funds as the circumstances warrant in accordance with Article VI, Section 3 hereof and Sections 4(g) and 5 of **Appendix I**;
- c. To have exclusive management and control of the Fund, full discretion in respect of investments, and the sole right, at any time to sell, convert, reinvest, exchange, transfer or otherwise change or dispose of the assets comprising the Fund taking into consideration the investment objective and investment policy of the Fund;
- d. To hold, place, invest and reinvest the Fund with full discretionary powers, and without distinction, as to principal and income in investments stipulated in Article II, Section 3 hereto and in such investments it may deem sound and appropriate, subject only to the limitations of the investment objectives and policies of the Fund stated in Article II, Section 3 hereof;
- e. To deposit in any bank or financial institution, including its own bank, such portion of the Fund as allowed under this Amended Declaration of Trust, subject to the requirement of Section 414 of the Manual of Regulations for Banks;
- f. To register or cause to be registered any securities of the Fund in nominee or bearer form;
- g. To appoint and retain the services of qualified and reputable local or foreign investment 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 shall be directly responsible to the Trustee for any investment actions and decisions undertaken for the Fund;

h. To hire and compensate legal counsel/s, certified public accountant/s and other specialist/s in connection with administration and management of the Fund and the protection or advancement of its legal and other interests;

i. 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;

j. To collect, receive and receipt for income, dividends, interest, profits, increments and such other sums accruing or due to the Fund;

k. 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; and

l. To perform such acts which are necessary or desirable for the proper administration and management of the Fund.

Sec. 3 Duties and Responsibilities of Trustee with Respect to the Target Fund – The Trustee has the discretionary authority in choosing the target fund including the switching of target fund/s thereafter.

Switching of target funds can be made with or without change in the Fund's investment objective. Switching of target fund due to a change in the Target Fund's investment objectives shall be accompanied by a change in the Fund's Declaration of Trust (DOT). The switching of Target Fund shall be conducted with due diligence with the approval of the Trustee's Trust Committee.

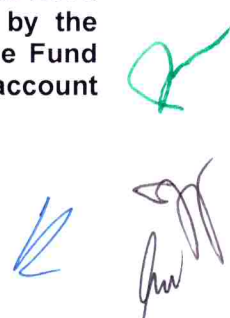
The Trustee, in the normal course of business, may decide to switch the Target Fund as the circumstances warrant including for reasons cited in Section 4 (g) in **Appendix I** as well as when, in the opinion of the Trustee, the Target Fund has been consistently underperforming vis-à-vis expectations. In case of such switching, the Trustee shall notify the Participants in the same manner as in Section 4 (h) in **Appendix I**.

Frequency of monitoring of the underlying investments of the Target Fund shall be on a quarterly basis.

The grounds for switching Target Fund, as well as the estimated costs to be incurred by the Fund for the switching, shall be fully disclosed to the Participants by way of direct written notice or through the form of notices in Sec. 4(h) of Appendix I.

Sec. 4 Liability of Trustee – **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.**

Sec. 5 Non-Coverage By PDIC – **Participation in this Fund is a trust arrangement and is not a deposit account. As such, the participation in the Fund is not covered by the Philippine Deposit Insurance Corporation (PDIC). Any income or loss of the Fund (whether realized or unrealized) will impact the NAVpu and shall be for the account and risk of the Participants.**



Article VII  
**RIGHTS OF PARTICIPANTS**

- Sec. 1 Right to Inspect Declaration - A copy of this Amended 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 Amended Declaration of Trust shall be furnished such interested person.
- Sec. 2 Disclosure of Investments - A list of existing and prospective investments of the Fund shall be made available to Participants. Such disclosure shall be substantially in the form as provided under Appendix 56 of Section 414 of the Manual of Regulations for Banks. Upon request, Participants in the Fund shall be furnished a quarterly list of investments held by the Fund.
- Sec. 3 Disclosure of Risks – Participants shall be informed of the risks attendant to this type of Fund through a “Risk Disclosure Statement.”
- Sec. 4 Rights Upon Termination of Plan – In case of termination of the Plan, the Participants shall have (a) the right to be notified of such termination in accordance with Article IX, Section 2 hereof and, (b) upon demand, the right to inspect or be provided a copy of the financial statement used as the basis for the distribution of the Fund.

In respect of the Fund, the rights of the remaining Participants of each Class as against each other shall be pari passu and pro-rata.

Article VIII  
**ANNUAL AUDIT AND REPORT**

- Sec. 1 Aside from the regular audit requirement applicable to all trust accounts of the Trustee, an external audit of the Fund shall be conducted annually after the close of each fiscal year by an independent auditor acceptable to BSP. The external audit shall be conducted by the same external auditor engaged for the audit of the Trustee. The result of this audit shall be the basis of the Trustee's annual report which shall be made available to all the Participants. The audited financial statement (AFS) of the Fund shall be PFRS/PAS-compliant in all respects. A copy of the AFS shall be made available at the Trustee's place of business, posted on the Trustee's website, and upon the request of participants, transmitted to them in printed or electronic format.

Article IX  
**AMENDMENTS & TERMINATION**

- Sec. 1 Amendments - This Plan may be amended from time to time by resolution of the Board of Directors of the Trustee or by the Trustee's Trust Committee as delegated by its Board of Directors, subject to the requirements under Section 414 of the Manual of Regulations for Banks: Provided, however, that Participants in the Fund shall be notified in writing (either in electronic or printed form), through publication of announcement in the Trustee's own website or through the posting of notices in the premises of the head office and branches of the Trustee of such amendments. Those who are not in conformity with the amendments shall be given at least thirty (30) calendar days prior to the implementation of any amendment to withdraw their participations. Amendments to the Plan requiring a written

notification to the BSP shall be submitted to the appropriate supervising department of the BSP within ten (10) banking days from the approval of the amendments by the Board of Directors of the Trustee or by the Trustee's Trust Committee as delegated by its Board of Directors. All other amendments to the Plan that do not involve the aspects requiring a written notification to the BSP, as enumerated in Section 414 of the Manual of Regulations for Banks, shall only require approval by the Board of Directors of the Trustee or by the Trustee's Trust Committee as delegated by its Board of Directors.

Sec. 2 Termination - This Plan may be terminated by a resolution of the Board of Directors of the Trustee when, in the sole judgment of the Trustee, continued operation thereof is no longer viable or by reason of a change in the Trustee's business strategy. The resolution shall specify the effective date of such termination. A copy of the resolution shall be submitted to the appropriate department of the BSP. At the discretion of the Trustee's Board of Directors, it may engage the services of a reputable accounting firm to look into the books and record of the Fund maintained by the Trustee and to certify to the financial condition of the Fund. Upon approval of the termination of the Plan, the Trustee shall notify the Participants accordingly.

Following the approval of the termination of the Plan but at least thirty (30) banking 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 (either in electronic or printed form), publication of announcement in the Trustee's own website or through the posting of notices in the premises of the head office and branches, as well as in the corporate website, of the Trustee. Upon termination, the Trustee shall prepare a financial statement of the Fund which shall be made the basis for distribution to the Participants.

Article X  
**OTHER TERMS AND CONDITIONS**

This Amended Declaration of Trust is further subject to the other terms and conditions set forth in **Appendix I** (Fund Specifications).

**IN WITNESS WHEREOF**, BDO has caused this Amended Declaration of Trust to be signed on \_\_\_\_\_ at Makati City, Metro Manila.

**BDO UNIBANK, INC.-  
TRUST AND INVESTMENTS GROUP**

By:

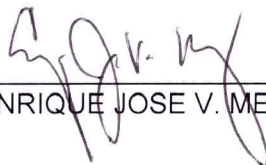


**RAFAEL G. AYUSTE, JR.**  
Senior Vice President



**JOEL M. ESCALA**  
First Vice President

SIGNED IN THE PRESENCE OF:



ENRIQUE JOSE V. MENDOZA



CRISTINA B.V. CONCEPCION

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) S.S.


BEFORE ME, a Notary Public for and in the above jurisdiction, on this day of AUG 23 2023 at MAKATI CITY, personally appeared the following, exhibiting to me the following described Competent Evidence of Identity (CEI) in accordance with the 2004 Rules on Notarial Practice:

Name	CEI/CTC
BDO Unibank, Inc.- Trust and Investments Group	
By:	
RAFAEL G. AYUSTE, JR.	Driver's License NO4-89-110764/expires on 20 Jan 2024
JOEL M. ESCALA	Driver's License DO1-89-041483/expires on 13 Dec 2027

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

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

Doc. No. 4  
Page No. 2  
Book No. LXV  
Series of 2023.

  
**ATTY. SYLVIA M. MARFIL-CADAPAN**  
 Appointment No. M-323/Makati City  
 Notary Public until December 31, 2024  
 11<sup>th</sup> Floor, BDO Towers Valero, Salcedo Village  
 Makati City  
 IBP No. 258933, 01/03/23; Laguna  
 PTR No. 9565130; 01/03/23; Makati City/ Roll No. 43222  
 MCLE Compliance No. VII-0014613; until 04/14/2025

BDO Developed Markets Property Index Feeder Fund DOT 6.26.2023




**BDO DEVELOPED MARKETS PROPERTY INDEX FEEDER FUND**  
An Equity Unit Investment Trust Fund Structured as a Multi-Class Feeder Fund

**FUND SPECIFICATIONS**

**1. Description of the Fund**

The Fund is a US Dollar-denominated equity UITF structured as a multi-class feeder fund. As such feeder fund, at least 90% of its assets shall be invested in a Target Fund. The Fund's investment in the Target Fund should not comprise more than 10% of the Target Fund's Net Asset Value. The Target Fund is not a mortgage or hybrid REIT.

The Fund shall have a unit paying class, the Distributing Class (Class D), that shall distribute income received from cash dividends on a quarterly basis to eligible participants in the form of units which shall be automatically redeemed.

Real Estate Investment Trust (REIT) is a stock corporation established principally for the purpose of owning income - generating real estate assets. For purposes of clarity, a REIT, although designated as a "trust", does not have the same technical meaning as "trust" under internationally accepted description of the company in accordance with global best practices.

**2. Investment Objective** (Sec. 3, Art. II)

(a) Being an equity UITF structured as a feeder fund, the objective of the Fund is to provide investment returns by investing in a single collective investment scheme, called the Target Fund, which is invested in a diversified portfolio of globally listed real estate companies and REITs.

At the inception of the Fund, the Fund's Target Fund will be the "**iShares Developed Markets Property Yield UCITS ETF**", one of the index-tracker funds belonging an umbrella investment company, the iShares II Public Limited Company (iShares II PLC). The iShares II PLC is an investment company with variable capital and having segregated liability between its funds incorporated with limited liability in Ireland under registration number 317171 and authorized by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities or UCITS) Regulations issued in 2011.

(b) Benchmark. The benchmark of the Fund shall be the same as the benchmark of the Target Fund. The benchmark shall be disclosed in the Fund's Key Information and Investment Disclosure Statement (KIIDS). The stated benchmark is a measure that is used to compare the performance of the Fund.

The FTSE EPRA NAREIT Developed Index is designed to track the performance of listed real estate companies and REITS worldwide. By making the index constituents free-float adjusted, liquidity, size and revenue screened, the series is suitable for use as the basis for investment products, such as derivatives and Exchange Traded Funds (ETFs). (<https://research.ftserussell.com>)

**3. Investment Policy** (Sec. 3, Art. II)

**(a) Allowable Investments**

As a feeder fund, the Fund shall invest at least 90% of its assets in a single collective investment scheme called the Target Fund. The Target Fund is registered/authorized/approved by a regulatory

authority that is a member of the International Organization of Securities Commissions (IOSCO) and managed by reputable fund manager/s, the investment objectives and policies of which are generally consistent with those of the Fund. The Target Fund must neither be structured nor similarly structured as a feeder fund or fund-of-funds. The Target Fund may invest in units/shares of other open-ended collective investment schemes (CIS) if allowed by its regulatory authority.

The remaining portion of the assets (maximum of 10%) will be invested and reinvested by the Trustee, with full discretionary powers, in deposits in the Trustee's bank or in other banks.

The Fund may invest in bank deposits beyond the 10% limit during the transitory period while the Fund switches target fund.

The Fund may avail itself of financial derivatives instruments solely for the purpose of hedging risk exposures of its existing investments of the Fund while the Target Fund may avail itself of financial derivative 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 remains consistent with the objective and risk profile of the Fund; provided further that, the use of financial derivatives are disclosed to Participants, are accounted for in accordance with existing BSP hedging guidelines as well as the Trustee's risk management and hedging policies duly approved by the Trust Committee and all the requirements for hedging transactions under Philippine Accounting Standards (PAS) are observed. The risk exposures include those enumerated in the Risk Disclosure Statement of the Trustee's UITFs.

(b) 15% Single Exposure Limit of the Target Fund's Underlying Investments or Applicable Actual Benchmark Weights for Tracker Funds

Since the Target Fund is an index-tracker fund, the applicable exposure limit for a single entity is the actual benchmark weight of that particular issue in the relevant index or 15%, whichever is higher. As a feeder fund, the exposure limit shall be applied on the Target Fund's underlying investments. Notwithstanding said limit, if the Target Fund is allowed by its regulatory authority to invest in units/shares of other open-ended CIS, the exposure limit prescribed by said regulatory authority shall instead apply.

(c) 10% Exposure Limit to Target Fund's Net Asset Value

The Fund's investment in the Target Fund shall not exceed 10% of the Target Fund's Net Asset Value.

(d) Frequency of Monitoring Limit

Frequency of monitoring of the above limits shall be synchronized with the reporting frequency of the Target Fund. Any breach should be cured within thirty (30) calendar days from the end of the period under review.

#### 4. Description of the Target Fund

**General Notice:** For more information on the Target Fund, the iShares Developed Markets Property Yield UCITS ETF (ISIN: IE00B1FZS350), please see its Prospectus and Fund Fact Sheet, which are attached hereto and made integral part hereof. The Prospectus and the Fund Fact Sheet are also available at [www.ishares.com](http://www.ishares.com).

(a) Target Fund Investment Objective and Principal Investment Strategy

The Target Fund, **iShares Developed Markets Property Yield UCITS ETF**, is an exchange traded fund (ETF) that aims to provide investors with total return, taking into account both capital and income returns, which reflects the return of FTSE/NAREIT Developed Dividend+ Index as closely as possible.

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The Target Fund aims to invest as far as possible and practicable in the physical equity securities (e.g. shares of listed real estate companies and Real Estate Investment Trusts (REITs) that make up the benchmark index. REITs are closed-ended investment vehicles that invest in, manage and own, real estate.

The benchmark index measures the performance of listed real estate companies and REITs from developed countries worldwide (excluding Greece) which are constituents of the FTSE EPRA/NAREIT Developed Dividend+ Index, and pay above average or a high level of income as a dividend. The benchmark index offers exposure to listed real estate companies and REITs from developed countries worldwide, excluding Greece, and capture those equities securities which have a forecasted yield of equal to, or greater than, 2%. Companies are included in the benchmark index based on the proportion of their shares in issue that are available for purchase by international investors. The index is free-float market capitalization weighted.

The Target Fund intends to replicate the benchmark index by holding the equity securities, which make up the benchmark index, in similar proportions to it. It does not hold physical real estate property, but invests indirectly in property-related assets (i.e. the shares of listed real estate companies and REITs).

The Target Fund's base currency is US Dollar. It is managed by BlackRock, Inc. It is transparent, cost-efficient, liquid vehicle that trade on various exchanges like normal securities. It offers flexible and easy indirect access to the real estate assets in developed markets.

(b) Specific and Peculiar Risks of investing in the Target Fund

The following are the principal risks of investing in the Target Fund:

**1. Secondary Trading Risk**

The Target Fund shares may be listed or traded on one or more stock exchanges. There can be no certainty that there will be liquidity in the shares on any one or more of the stock exchanges or that the market price at which shares may be traded on a stock exchange will be the same as the Net Asset Value per Share. There can be no guarantee that once the shares are listed or traded on a stock exchange they will remain listed or traded on that stock exchange.

**2. Currency Risk**

The base currency of a fund is usually chosen to match the base currency of the benchmark index of the fund. However, the investments of the Target Fund may be acquired in currencies which are not the base currency of the Target Fund, in circumstances where the benchmark index comprises multi-currency underlying assets or when the benchmark index provider has decided to value the benchmark index in a currency different from the currency of the underlying assets of such benchmark index.

**3. Real Estate Sector and Concentration Risk**

Property securities are subject to some of the same risks associated with the direct ownership of property including, but not limited to: adverse changes of the conditions of the real estate markets, obsolescence of properties, changes in availability, costs and terms of mortgage funds and the impact of environmental laws. However, investing in property securities is not equivalent to investing directly in property and the performance of property securities may be more heavily dependent on the general performance of stock markets than the general performance of the property sector.

**4. Market risk**

The value of equity securities fluctuate daily and a fund investing in equities could incur significant losses. The prices of equities can be influenced by factors affecting the performance of the individual companies issuing the equities, as well as by daily stock market movements, and broader economic and

political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and natural disasters.

### **5. Liquidity Risk**

The Target Fund's investments may be subject to liquidity constraints, which means they may trade less frequently and in small volumes. Securities of certain types may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the price at which it has been valued for the purposes of calculating the Net Asset Value of the Target Fund or at a value considered to be fairest. Reduced liquidity of a Target Fund's investments may result in a loss to the value of your investment.

### **6. Dealing Day Risk**

As foreign exchanges can be open on days when the Target Fund may have suspended calculation of its Net Asset Value and the subscription and redemption of shares and, therefore, shares in the Target Fund are not priced, the value of the securities in the Target Fund's portfolio may change on days when shareholders will not be able to purchase or sell the Target Fund's shares.

### **7. Index Tracking Risk**

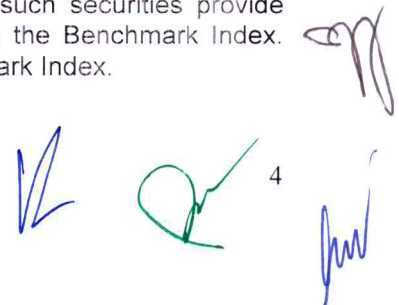
In case the Target Fund seeks to track the performance of the Index, whether through a replication or optimizing strategy, there is no guarantee that it will achieve perfect tracking and the Target Fund may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of the Index, from time to time. This tracking error may result from an inability to hold the exact constituents of the Index, for example where there are local market trading restrictions, small illiquid components and/or where the regulations limit exposure to the constituents of the Index.

### **8. Index-Related Risk**

In order to meet its investment objective, an index-tracker Target Fund will seek to achieve a return which reflects the return of the Index as published by the relevant index provider. While index providers do provide descriptions of what each benchmark index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used. During a period where a benchmark index contains incorrect constituents, the funds tracking such published benchmark index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the Target Fund and, by extension, impact its shareholders.

#### **(c) Authorized Investments/Investment Policy of the Target Fund.**

In order to achieve its investment objective, the Target Fund invests in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the FTSE EPRA/NAREIT Developed Dividend+ Index, the Target Fund's Benchmark Index. The Target Fund intends to use optimization techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Target Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Target Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Target Fund may hold all constituents of the Benchmark Index.



The Trustee shall make available to all participants for review the latest performance report/fund profile sheet of the Target Fund which shall be updated quarterly.

(d) Foreign Jurisdiction where Target Fund Originates

The Target Fund is an open-ended investment company and is one of the sub-funds of iShares II Public Limited Company (iShares II PLC). The iShares II PLC is an umbrella open-ended investment company with variable capital and having segregated liability between the participating funds **organized under the laws of the Republic of Ireland as a public limited company under Registration Number 317171.**

Under Irish law, iShares II PLC has segregated liability among its sub-funds (i.e. the Target Fund's assets will not be used to discharge the liabilities of other sub-funds within iShares II PLC). In addition, the Target Fund's assets are held separately from the assets of other sub-funds.

(e) Regulator and Applicable Legislation.

The Target Fund has been authorized by the **Central Bank of Ireland** pursuant to the **European Communities Undertakings for Collective Investment in Transferable Securities (UCITS) Regulations of 2011.**

The shares of the Target Fund are primarily listed and admitted for trading on the London Stock Exchange (LSE). The shares of the Target Fund denominated in GBP and USD are traded on LSE. It is also listed on Borsa Italiana, Deutsche Borse, MYSE Euronext Amsterdam, NYSE Euronext Paris, and SIX Swiss Exchange. **The Fund will invest in the USD-denominated shares listed in the London Stock exchange.**

(f) Target Fund Information.

As an index tracker fund, the single exposure limit of the Target Fund is the actual benchmark weight of a particular issue in the relevant index or fifteen percent (15%) whichever is higher.

Based on historical records of the Target Fund, it has observed of portfolio diversification with holdings of over 200 companies and REITs. The end-November 2013 portfolio holdings report of the Target Fund indicate that the highest exposure to a single entity is 5.20%. These are consistent with the investment policy of the Target Fund to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the FTSE EPRA/NAREIT Developed Dividend+ Index.

Additional information on the Target Fund can be found in its Prospectus and Fund Fact Sheet.

The Trustee shall make available to the Participants all relevant information regarding the Target Fund. Information on the Target Fund, including its official web site, will be incorporated in the product brochure, the Quarterly Investment Disclosure Statement and in the Fund's features in the BDO Corporate Web Site ([www.bdo.com.ph](http://www.bdo.com.ph)). The information shall include:

- (1) The Target Fund's Fund Manager;
- (2) Latest Available Outstanding Investments of the Target Fund;
- (3) Top 10 Portfolio Holdings as a percentage of NAV;
- (4) Sector Allocation as a percentage of NAV;
- (5) Currency Allocation as a percentage of NAV;
- (6) Country Allocation as a percentage of NAV;
- (7) Target Fund's Objectives;
- (8) NAV/NAVpu;
- (9) Historical Performance;
- (10) Total Expense Ratio.

(g) Notification to Participants.

The Participants will be notified of the following occurrences within ten (10) banking days after the Trustee has knowledge of such occurrence.

1. Change in the objective, investment style or risk profile of the current Target Fund;
2. Resignation of fund managers or portfolio management team of the Target Fund;
3. Closure of the Target Fund or its maximum asset under management capacity has been reached;
4. Prolonged suspension of subscription/redemption to/from the Target Fund;
5. Change in the Target Fund's fees that will significantly affect the total expense ratio of the Fund;
6. Regulatory change in the jurisdiction where the Target Fund is domiciled that would significantly affect the Target Fund's operations;
7. Significant legal disputes;
8. Market Conditions which, in the reasonable opinion of the Trustee, warrant a change in Target Fund;
9. Investment by the Target Fund in another collective investment scheme.

(h) Form of Notices

Notices shall be in any of the following forms:

1. electronic mail
2. notices posted in the premises of the Trustee and its branches;
3. notification in the Trustee's website.

In the event of the following changes in the Target Fund: Specific and Peculiar Risks of investing in the Target Fund, Permitted/Authorized Investment of the Target Fund, Regulator and Applicable Legislation, notices will be given to the Participants and the changes will be indicated in the Quarterly Investment Disclosure Statement as well as in the BDO website when available. The Declaration of Trust will not be amended in case of such changes.

**5. Material and Non-Material Changes in the Target Fund's Structure**

(a) Definition of Material Changes

Material changes in the Target Fund can broadly be described as a change, with all else being unchanged, that a reasonable investor would consider important in his investment decision to buy, hold or sell. Such changes may include, but are not limited to, the occurrences enumerated in Section 4 (g) above.

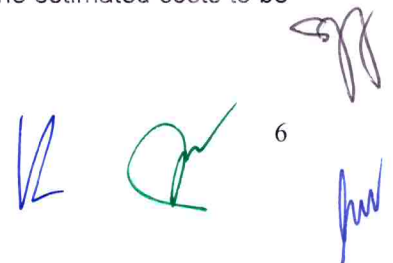
(b) Handling of Material and Non-Material Changes

The Trustee has the discretion to switch target funds upon the occurrence of a material change in the Target Fund. Non-material changes will be noted and reviewed by the Trustee.

**6. Switching of the Target Funds**

The Trustee shall have the authority to switch Target Fund in the event of a material change in the Target Fund and as the circumstances warrant including reasons cited in Section 4 (g) above as well as when, in the opinion of the Trustee, the Target Fund has been consistently underperforming vis-à-vis expectations. In case of such switching, the Trustee shall notify the Participants by way of direct written notice and through the form of notices in Section 4(h) above. Such notice shall include the ground for the switching as well as the estimated costs to be incurred by the Fund for the switching.

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Switching of a target fund due to a change in the Target Fund's investment objectives shall be accompanied by a change in the Fund's Declaration of Trust (DOT).

No change shall be implemented within thirty (30) calendar days from initial notification.

The switching of the Target Fund will be conducted with due diligence and with the approval of the Trust Committee.

**7. Qualified Participants: Requirements and Restrictions (Sec. 1, Art. III)**

As a multi-class fund, the Fund will have two (2) Classes: (1) Accumulating Unit Class (A) and (2) Distributing Unit Class (D). The Fund, regardless of class, is suitable for individual and corporate investors with **balanced risk appetite** and who seek potentially higher returns through foreign stock market investments but are also aware of the possibility of capital losses that such investments may entail.

Outstanding participants of the Fund (prior to the Fund's conversion to a multi-class feeder and unit paying fund) shall be considered as participants of the Accumulating Unit Class (A) upon the Fund's conversion.

The Distributing Unit Class (D) shall be made available to qualified participants, as stated above, seeking income distribution, provided they have a nominated BDO settlement account for the credit of the unit income.

**In order to minimize risks and maximize earning potential, Participants are recommended to stay invested in the Fund for more than three (3) years. The Fund may not be appropriate for short-term investment.**

Participation in the Fund shall be open to Philippine residents and domestic corporations with capacity to contract and who are not considered US Persons under the US securities and tax laws.

It is also recommended that prospective investors should have facility for internet access in order to view not just the features and daily NAVPUs of the Fund, but also the features, prospectus, fact sheet and net asset value of the Target Fund.

**8. Admission and Redemption (Art. III)**

(a) Policies of Admission and Redemption

1. **Minimum Initial/Additional Participation** - The minimum amount of initial/additional participation is **US DOLLARS: FIVE HUNDRED (USD500.00)**. Such minimum amount may be subsequently changed to apply on a prospective basis subject to a resolution of the Board of Directors of the Trustee or by the Trustee's Trust Committee as delegated by its Board of Directors..

2. **Minimum Maintaining Participation** – The minimum maintaining participation amount is **US DOLLARS: FIVE HUNDRED (USD500.00)**.

3. **Minimum Holding Period** - The minimum holding period of each Class are the following:

Accumulating Unit Class (A)	Distributing Unit Class (D)
None	30 calendar days

4. **Early Redemption Fee** - In case of redemptions prior to the lapse of the minimum holding period, the following early redemption fee which accrue to the benefit of the Fund shall apply:

Accumulating Unit Class (A)	Distributing Unit Class (D)
None	1% of the original participation amount

5. **Easy Investment Plan Feature\*** – The Fund is also available through the BDO Easy Investment Plan (EIP). The BDO EIP is an investment build-up plan that enables investors to attain their financial goals and financial wellness through the twin habits of regularly saving and investing via selected BDO UITFs. The features, terms and conditions of the EIP are found in the BDO EIP Joining Terms and Conditions made available to the participants, and is available in the office and the corporate website of the Trustee. The BDO EIP Joining Terms and Conditions is likewise printed at the back portion of the BDO EIP Additional Application/Change Request Form.

This feature is subject to a non-completion fee as detailed in the BDO EIP Joining Terms and Conditions. Such fee shall accrue to the benefit of the Fund.

(b) Admission and Redemption Orders Cut-off Time. Both Admission and Redemption Orders are subject to a one (1) day advance notice requirement (Order Date). The cut-off time for Admission and Redemption Orders is **2:30 pm**. Admission and/or Redemption Orders received by the Trustee after the order cut-off time shall be considered as order for the next applicable banking day.

Actual Admission/Redemption Date is the banking day after the Order Date. This is called the Valuation Date.

Settlement of admission is on the Valuation Date using the end-of-day Net Asset Value per Unit (NAVpU) of the Valuation Date. Proceeds of redemption shall be paid out of the Fund five (5) banking days from Valuation Date.

On account opening date, the Omnibus Participating Trust Agreement shall be made available to the Participants. A Confirmation of Transaction shall be generated and provided to the Participants after the admission/redemption has been settled.

(c) Admission and Redemption Prices. Admission and redemption prices shall be based on the end of day NAVpu of the Fund computed after the cut-off time for Fund participation and redemption for the Valuation Date, in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments.

(d) Participation Requirements and Conditions. Participation shall also be subject to the submission of all documents required for account opening under the Anti-Money Laundering Act, as amended and the Trustee's policies.

(e) Redemption Requirements and Conditions. Redemption shall also be subject to the following requirements/conditions.

1. Redemption Notice Period. The Participant in a Fund may redeem his/its participation on any banking day provided that a notice of redemption, in any form acceptable to the Trustee, is received by the Trustee before the order cut-off period referred to in Sec. 8(b) above and printed in the Fund's Key Information and Investment Disclosure Statement (KIIDS). However, when in the opinion of the Trustee, the interest of the Fund/Participants so requires, the right is reserved to require a five (5) banking day written notice in advance of any redemption of participation in the Fund. If the Trust Officer approves the exercise of such right, the Trustee shall duly notify the Participants of the Fund of said five (5) banking day advanced written notice for redemptions through notices posted in the bank's website and branches.

2. Partial Redemption\*. Partial redemption is allowed provided that the remaining participation shall be subject to the minimum maintaining participation amount; otherwise, the Participant shall have to make a full redemption. A Confirmation of Transaction shall be generated and provided to the Participants which shall indicate the remaining number of units, if any.

In any case, the Omnibus Participating Trust Agreement between the Trustee and Trustor/Participant shall be terminated upon pay-out of the full participation of the Trustor in the BDO UITFs.

\*The Easy Investment Plan and Partial Redemption (for Branch and Invest Online accounts) features have not been implemented. Participants will be notified once these features are available.



(f) Suspension of Admission and Redemptions. The Trustee may temporarily suspend the calculation of the NAV/NAVpu of the Fund as well as the admission and redemption from the Fund, if it is unable to determine the NAVpu of the Fund due to any fortuitous event such as fire, natural calamity, public disorder or national emergency affecting the financial market resulting in the suspension of trading and consequently, the absence of available market prices of securities/instruments or the suspension of the admission/trading/redemption of the Target Fund. In case there is national/special holiday and there is a suspension of trading where the Target Fund is, there will be no admissions and redemptions on said day/s.

9. **NAVpu** (Secs. 1 and 2, Article V)

All assets of the Fund shall be marked to market daily in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments.

On a daily basis, the Trustee shall determine the net asset value of the Fund, the pro-rata NAV of each Class and the market value per unit of each Class of the Fund, in accordance with Article V of this Amended Declaration of Trust. Such dates shall be known as Valuation Dates.

The value of the NAVpu at the start of the Fund's operation shall be US DOLLARS: ONE HUNDRED (USD100.00). The initial NAVpu at the start of operation of subsequent unit classes shall also be US DOLLARS: ONE HUNDRED (USD100.00).

The NAVpu of all the Classes of the Fund shall be published at 4:00 pm on each banking day or as close thereto as possible after all relevant information necessary for calculating the same shall have been collected.

10. **Cash/Bank Deposits Level**

The Fund may temporarily hold bank deposits beyond the 10% of its net asset value (NAV) or the level allowed by the BSP for the following reasons:

1. Transitory period while the Fund switches Target Fund;
2. Transitory period when the limit on the 10% exposure limit to the Target Fund has been breached and the Trustee is in the process of divesting the excess exposure.

11. **Currency**

Participation and redemption shall be paid in US Dollars.

12. **Fees and Expenses** (Sec.3 Art V)

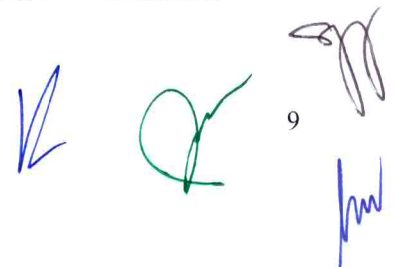
The Trustee shall collect from the Fund trust fees of **0.50% per annum** based on the net asset value of the Fund as its compensation for the administration and management of the Fund.

These fees shall be accrued daily and shall be payable quarterly in arrears.

The total expense ratio (TER) of the Target Fund each year as specified in its Prospectus and Fund Fact Sheet is 0.59% p.a. Expenses paid out of the TER include, but are not limited to, fees and expenses paid to the fund manager, regulators and auditors and certain legal expenses of the Target Fund.

- (a) Illustration on Impact of fees and charges imposed by the Target Fund on the cost of investing in the Fund

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The Participant shall **directly** be facing the following fees and charges for his investment in the Fund on a pro-rata basis:

1. Trustee's Fees – 0.50% p.a.
2. Special Reimbursable Expenses – maximum of 0.1% p.a. of the NAVPU
3. Applicable Taxes

The Participant shall indirectly be facing the following fees and charges for his investment in the Fund on a pro-rata basis:

Target Fund's total expense ratio of 0.59% p.a. as specified in the Target Fund's Prospectus and Fund Fact Sheet.

(b) Overall Impact of fees and charges imposed by the Target Fund on the cost of investing in the Fund

The 0.59% p.a. charge imposed by the Target Fund on cost of investing increases the effective expense ratio due the layered investment structure.

**WARNING: POTENTIAL INVESTORS ARE ADVISED THAT THEY WILL BE SUBJECTED TO HIGHER FEES ARISING FROM THE LAYERED INVESTMENT STRUCTURE.**

**PARTICIPANTS SHALL ONLY BE DIRECTLY AND INDIRECTLY SUBJECT TO THE EXPENSES LISTED IN (a) AND (b) AND PARTICIPANTS WILL NOT BE SUBJECT TO OTHER EXPENSES.**

13. Unit Paying Distribution Policy – the following shall apply only to participations in the Distributing Unit Class (D):

13.1 Eligibility – All participants of record in the Distributing Unit Class (D) two (2) business days before distribution date shall be entitled to receive their pro-rata share of income through units.

13.2 Distribution Frequency – Distribution of unit income shall be on a quarterly basis every 2nd week of the calendar quarter (March, June, September, and December) of each year. ("Distribution Date")

13.3. Unit Income Distribution Settlement – Units received by the Participants shall be automatically redeemed on distribution date and credited to the Participant's nominated BDO settlement account following the regular redemption settlement schedule of the Fund.

13.4. Allocation of Income to be Distributed – The units to be distributed to all entitled Participants shall be paid out from the collected dividends received since last distribution date, less applicable taxes, fees, and expenses. Since the Fund is managed as one pool and the assets are not separately allocated to classes, the Distributing Unit Class (D) may benefit from the income to be generated by the undistributed income portion of the other class/es.

13.5. Notice of Distribution – Where a distribution is made, a notice to participants via email, or announcement in the website of the Trustee, or the Key Information and Investment Disclosure Statement (KIIDS) or a combination of these, shall be made available containing detailed information on the distribution, including unit income. Unit income refers to the number of units for every unit held by the Participant entitled for distribution.

14. Tax Considerations

Except when specifically required by law, the Trustee shall have no responsibility to withhold income or other taxes on revenues from the Fund.

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Each prospective participant should consult its own tax advisor as to the specific tax consequences of the acquisition, ownership and redemption of units of participation in the Fund, including the applicability and effect of local and national tax laws of the Philippines, as well as the consequences arising under the laws of any other taxing jurisdiction.

**15. Other Terms And Conditions (Art. X)**

**15.1 Custody of Securities/Investments**

Investments in the Target Fund shall be held for safekeeping by the Target Fund Custodian, an institution registered/authorized/approved by a relevant regulatory authority in its home jurisdiction to act as third party custodian. Other assets of the Fund which are not invested in the Target Fund shall be held for safekeeping by Standard Chartered Bank, Deutsche Bank, Citibank, Philippine Depository & Trust Corp. and/or other BSP accredited third party custodians which shall perform independent marking-to-market of such securities.

**15.2 Advice of Counsel**

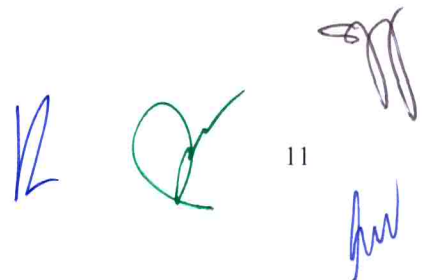
The Trustee may consult its legal counsel with respect to the meaning, construction and operation of any provision of this Amended Declaration of Trust, or concerning its powers or obligations hereunder and may act on the advice of such legal counsel without incurring liability on account of any such action.

**15.3 Change of Trustee**

The Trustee may resign by nominating a successor Trustee whose appointment shall be approved by the Board of Directors of the Trustee. The Trustee may resign for reasons such as change in business strategies, impending dissolution and the occurrence of an event which renders it incapable of discharging its functions as Trustee. Upon such approval by the Trustee's Board of Directors, the Trustee shall provide a written notice to the Participants and the BSP of the change of Trustee. Such resignation shall take effect after thirty (30) calendar days from the issuance of such notice. The Trustee shall assign, transfer and pay over to such successor Trustee all cash, securities, credits and other properties in its possession then comprising the Fund, shall turn over the records of the Participants; and render a written account setting forth a listing of the outstanding securities and other properties held by it at the end of such period, at their cost and current market values. The successor Trustee shall approve such accounting through written notice delivered to the Trustee and whereupon such accounting shall be deemed approved in all matters, items and things set forth therein. The successor Trustee shall likewise execute the necessary amendments to the Declaration of Trust in accordance with applicable rules and regulations.

**15.4 Fund Administrator**

The Trustee may appoint a Fund Administrator, the name of which shall be disclosed in the Key Information and Investment Disclosure Statement. Appointment of the Fund Administrator shall comply with the outsourcing requirements under existing BSP regulations.



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