

APPENDIX I – Fund Specifications

1. Fund Name	Sun Life Investment Management (SLIMTC) PHP Long-Term Multi-Class Fixed Income Bond Fund
2. Fund Structure	Unit Investment Trust Fund. The Fund shall be treated as a “Multi-Class Fund” and will have more than one class of Participation Unit.
3. Investment Objective	<p>The objective of the strategy:</p> <ul style="list-style-type: none"> • Consistency of source of return whether from total return or accrual stability while taking into consideration mark to market volatility. • Mimic the Benchmark of Government Securities (GS) (i.e. Fixed Income Index Tracker)
4. Investment Policy	<p>The Fund aims to utilize the investability and familiarity of PHP denominated bond exposure. This strategy is suitable for clients aiming for a local diversified fixed income exposure.</p> <p>Underlying Assets: PHP-denominated cash and time deposit products Money Market Funds PHP-denominated securities issued or guaranteed by the Philippine government or by the Bangko Sentral ng Pilipinas (BSP) Derivatives* GOCC Other tradable investment outlets/categories as the BSP may allow</p> <p>Currency: PHP</p> <p>The Fund may avail itself of financial derivatives instruments solely for the purpose of hedging risk exposures of its existing investments provided these are disclosed to Participants, are accounted for in accordance with existing BSP hedging guideline as well as the Trustee’s risk management and hedging policies duly approved by the Board of Directors and all the requirements for hedging transactions under Philippine Accounting Standards (PAS) or Philippine Financial Reporting Standards (PFRS) are observed. The risk exposures include those enumerated in the Risk Disclosure Statement of the Trustee’s UITFs.</p> <p>The combined exposure limit of the Fund to any entity and its related parties shall not exceed 15% of the market value of the Fund or as may be prescribed by the BSP.</p> <p>This Limitation shall not apply to non-risk assets as defined by the BSP.</p> <p>In case the limits prescribed above are breached due to the marking-to-market of certain investment/s or any 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 case of investor funds thirty (30) days from date of receipt of report indicating the net asset value of the fund, to correct the same.</p> <p><i>*Limited to derivatives that are allowed by the BSP to be used by SLIMTC</i></p>

5. Target Asset Allocation	<table border="1" data-bbox="755 94 1510 346"> <thead> <tr> <th>Asset Allocation</th> <th>Strategic Allocation</th> <th>Tactical Range</th> </tr> </thead> <tbody> <tr> <td>Cash¹</td> <td>5%</td> <td>0% - 50%</td> </tr> <tr> <td>Equities</td> <td>-</td> <td>-</td> </tr> <tr> <td>Fixed Income</td> <td>95%</td> <td>50% - 100%</td> </tr> <tr> <td> Sovereigns</td> <td>95%</td> <td>50% - 100%</td> </tr> <tr> <td> Derivatives as hedge</td> <td>0%²</td> <td>0% - 10%</td> </tr> </tbody> </table> <p data-bbox="755 352 1510 409">¹ Cash consists of savings and time deposits with other banks, and money market funds.</p> <p data-bbox="755 441 1510 535">² Allocation for Derivatives as % of AUM measures the percentage of the marked to market exposure of the fund that is used in derivatives hedging. That is:</p> $\frac{\sum \text{absolute value (MTM of unfunded derivatives)}}{\text{Total Assets Under Management}}$	Asset Allocation	Strategic Allocation	Tactical Range	Cash ¹	5%	0% - 50%	Equities	-	-	Fixed Income	95%	50% - 100%	Sovereigns	95%	50% - 100%	Derivatives as hedge	0% ²	0% - 10%
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6. Risk Disclosures	<p data-bbox="755 661 1510 724">Investment to funds generally expose the investor to the following risks:</p> <ul data-bbox="795 724 1185 955" style="list-style-type: none"> • Market/Price Risk • Liquidity Risk • Credit Risk/Default Risk • Reinvestment Risks • Potential Conflict of Interest • Tax Risk • Other Risks 																		
7. Benchmark	<p data-bbox="755 982 1510 1039">Bloomberg Philippine Sovereign Bond Index 5+ years, net of tax (adjusted by Sun Life)</p> <p data-bbox="755 1071 1510 1249">The Bloomberg Philippine Sovereign Bond Index 5+ years, net of tax (adjusted by Sun Life) is a rules-based, market-value weighted index created to measure the fixed-rate local currency securities publicly issued by the Philippines, including retail securities. Minimum par amount for inclusion in the index is PHP3bn.</p> <p data-bbox="755 1281 1510 1333">Information on the index and its constituents can be taken from Bloomberg.</p>																		
8. Maximum Modified Duration	10 years																		
9. Qualified Participant	<p data-bbox="755 1381 1510 1470">Persons or entities with legal capacity to contract, subject to the account opening procedures established by the Trustee, divided into three classes:</p> <p data-bbox="844 1470 1437 1533">Class A – This Unit Class is only open to Retail Investors directly investing in the UITF.</p> <p data-bbox="844 1564 1469 1648">Class B – This Unit Class is only open to Institutions and High Net Worth Individuals directly investing in the UITF.</p> <p data-bbox="844 1680 1477 1774">Class C – This Unit Class is only open to Investment Management Agreements (IMA) and other Fiduciary Accounts with the Trustee.</p>																		
10. Recommended Investment Horizon	At least 5 years																		
11. Minimum Risk Profile of Qualified Participants	The Fund is suitable for investors with a long-term investment horizon, have at least a Moderate risk profile, and looking for a steady income stream, and willing to take on the pertinent risks.																		
12. Base Currency	Philippine Peso (PHP)																		
13. Initial NAVpu	Class A: PHP 1.0000																		

	Class B: PHP 1.0000 Class C: PHP 1.0000
14. Trading Frequency	Daily
15. Business Day Definition	shall mean any day except Saturday, Sunday, or any day which is a legal holiday or any day on which banking institutions are authorized or required by law or other governmental action to close.
16. Subscription Requirements and Conditions	
16.1. Minimum Initial Participation	Unit Class A: PHP 5,000 Unit Class B: PHP 5,000,000 Unit Class C: PHP 5,000
16.2. Minimum Maintaining Participation	Unit Class A: PHP 5,000 Unit Class B: PHP 5,000,000 Unit Class C: PHP 5,000
16.3. Minimum Additional Participation	Unit Class A: PHP 5,000 Unit Class B: PHP 500,000 Unit Class C: PHP 5,000
16.4. Subscription Cut-Off Time	Up to 12:00 NN of any business day
16.5. Subscription Settlement Date	On Trade Date, on or before the Subscription Cut-Off Time
16.6. Subscription Price	Applicable NAVpu on Trade Date
17. Redemption Requirements and Conditions	
17.1. Minimum Redemption Amount	Unit Class A: PHP 5,000 Unit Class B: PHP 5,000 Unit Class C: PHP 5,000
17.2. Redemption Cut-Off Time	Up to 12:00 NN of any business day
17.3. Redemption Settlement Date	Proceeds from redemption shall be paid out of the Fund to the Participant on Trade Date + 2 Business Days (end of business day).
17.4. Redemption Price	Applicable NAVpu on Trade Date
18. Trust Fees per Annum	Unit Class A: 1.00% per annum Unit Class B: 0.60% per annum Unit Class C: 0.00% per annum

19. Admission / Participation and Redemption

19.1. Policies of Admission and Redemption

Admission (whether new investment or additional investments) to and redemption (whether full redemption or partial redemption) from the Fund will be conducted on a Business Day, within the Subscription Cut-off Time and Redemption Cut-Off Time. Any instructions made after the Subscription Cut-Off Time and Redemption Cut-off Time shall be admitted the following Business Day using the Net Asset Value per Unit (NAVpu) for that said Business Day. These shall be subject to the account opening and closure policies of SLIMTC. Admission and/or redemption shall be executed in units and valued based on the Net Asset Value per Unit (NAVpu) of the Fund at the end of the trade date or the following trade date if beyond cut-off, in accordance with existing BSP Regulations on mark to market valuation of investment securities held by the Fund. Finally, only cleared funds shall be acceptable for investment.

19.2. Admission and Redemption

Admission and redemption prices shall be based on the end-of-day NAVPu, in accordance with existing BSP's Rules and Regulations on marking to market valuation of investment instruments.

19.3. Participating Trust Agreement

The client/participant shall sign on the Participating Trust Agreement only upon initial admission to the Fund, which Agreement provides the general terms and conditions of the Fund. Any subsequent contributions to the Fund shall no longer require execution of a new Trust Agreement.

19.4. Confirmation of Participation

Participation shall also be subject to the following requirements/conditions:

- a) A Confirmation of Participation (COP) shall be issued by the Trustee for any contribution made by the Participant or Trustor to the Fund and shall be in system-generated numbered electronic forms specific to each participation initially set in the design, format and text prescribed to the minimum requirements provided under Section 414-Q of the MORNBF1.
- b) The COP issued by the Trustee shall specify the name of the Participant or Trustor, the amount and date of the Contribution, the price at which the units in the Fund are purchased, with the price referring to the NAVpu and the total units purchased in the Fund.
- c) All system-generated COPs shall need no signature and shall not be required to be surrendered to the Trustee upon redemption of the investment. The “delivery” or “release” of the system-generated COP shall be through the Participant or Trustor’s e-mail.
- d) The Trustee shall deliver or release the COP to the Participant or Trustor two (2) Business Days after trade date after the Trustee’s receipt of actual payment of Contribution to the Fund within the Subscription Cut-Off Time, which payment is further defined in the succeeding sub-section on the Basis for Admission and Redemption.

19.5. Confirmation of Redemption

Redemption shall also be subject to the following requirements/conditions:

- 1. A Confirmation of Redemption (COR) shall be issued by the Trustee for any Redemption made by the Participant or Trustor from the Fund (the “Client Redemption Instruction”), duly acknowledged by the Trustee, and shall be in system-generated numbered electronic forms specific to each participation initially set in the design, format and text prescribed by the Trustee or in such other form as may be determined under Section 414-Q of the MORNBF1.
- 2. The COR issued by the Trustee shall substantially be in the form such that the Participant or Trustor shall be advised of the Redemption amount (on the basis of the Client Redemption Instruction) and the number of units being redeemed from the Fund and Redemption Settlement Date. The NAVpu to be applied on the Redemption amount shall be made available to the Trustor/Participant by the Trustee.
- 3. All system-generated CORs shall need no signature. The “delivery” or “release” of the system-generated COR shall be through the Participant or Trustor’s e-mail.
- 4. The Trustee shall deliver or release the COR to the Participant or Trustor two (2) Business Days after the Trustor or Participant’s Redemption Instruction and the release of the trustee of the Redemption Proceeds shall be governed by Section 1 herein and is further defined in the succeeding sub-section on the Basis for Admission and Redemption.

19.6. Currency and Interest in the Fund

- a) Participation in the Fund shall at all times be composed of units representing equal interest in the Fund, without interest priority of one over the other. The interest of each participant in the Fund shall be recorded by the Trustee in the Record of Participation.
- b) The Fund’s currency shall be in the Base Currency of the Fund and will have the Initial NAVpu as its initial value.
- c) Upon receiving the contribution/investment in the Fund, the Trustee shall divide the principal by the prevailing NAVpu on the date of investment to arrive at the equivalent number of units to be purchased by the participant. The resulting number of units shall be rounded off to three (3) decimal places.
- d) Initial investments in the Fund shall be in the Minimum Investment Amount, the equivalent of which in terms of units will vary depending on the prevailing NAVpu at any given time. Any additional investments shall be in the Minimum Additional Participation. Any amendments on the said minimum amount of participation shall be subject to the provisions of Section 414-Q of the MORNBF1.

19.7. Basis for Admission and Redemption

- a) Units of the participation in the Fund may be purchased within the Subscription Cut-Off Time or redeemed within the Redemption Cut-off Time of any Business Day. For partial redemption requests, the same shall be dealt with by the Trustee in chronological order according to the day that notice/request for redemption is received by it subject to the Minimum redemption Amount.
- b) The NAVpu shall be the basis for all purchases or redemption of units of participation. Units purchased by a participant shall be paid by the Trustor through the Subscription Settlement Mode on the Subscription Settlement Date. Units redeemed by the Trustor shall be paid through the Redemption Settlement Mode by the Trustee on the Redemption Settlement Date.
- c) The participant in the Fund may redeem its participation on any Business Day provided that prior notice of redemption, using the UITF Order Form, is acknowledged by the Trustee within the Redemption Cut-off.

20. Suspension of NAVpu Calculation

The Trustee may temporarily suspend the calculation of the Fund's NAVpu in any of the following circumstances:

- when the exchange or other regulated markets, functioning in a regular manner, recognized and open to the public, supplying listings for a significant portion of the assets of the Fund, is closed for periods other than regular holidays, or when transactions thereat are suspended or subject to restrictions;
- when the means of communications or calculation used to determine the value of a substantial portion of the assets of the Fund are suspended (e.g. no internet or phone service in Metro Manila), or when the value of a substantial portion of the investments of the Fund cannot be determined with the desirable speed and accuracy;
- when factors due, inter alia, to the political, economic, military or monetary climate, and force majeure, which are outside the control, liability and operational scope of the Trustee shall prevent the same from transacting assets on behalf of the Fund and from determining the NAV thereof in a normal and reasonable manner; or
- when the market for a currency in which a significant portion of the assets of the Fund is invested shall be closed for periods other than normal holidays, or when transactions thereon are suspended or subject to restrictions.

Should the Trustee suspend the calculation of the NAV and NAVpu, it shall also suspend acceptance of subscription and redemption orders. Such suspension shall promptly be communicated to the Participants and potential investors, and in particular to Participants requesting redemption of their Units. The Trustee shall endeavor to provide a notice to the Fund's participants prior to the suspension of the NAVpu calculation and acceptance of subscriptions or redemptions as the situation may allow. For urgent situations involving the suspension of NAVpu situation, a post-notification shall be submitted to the BSP within two (2) business days from occurrence of the suspension.

21. Trust Fee Computation

The Trust Fee shall be accrued daily and payable monthly or at such periodic intervals as the Trustee may determine.

The Trust Fee shall be computed daily based on the following formula:

	A Units	B Units	C Units	Fund Total
Opening Net Assets (ONA) for the day	ONA (A)	ONA (B)	ONA (C)	ONA (A) + ONA (B) + ONA (C) = ONA
Allocation Ratio	A%	B%	C%	A% + B% + C% = 100%
Add/(Deduct): Shared Income (INC) and Expenses before Trust Fee (EXP) for the day	(INC – EXP) x (A%)	(INC – EXP) x (B%)	(INC – EXP) x (C%)	(INC – EXP) x (A%) + (INC – EXP) x (B%) + EXP x (C%) = Total Shared Income and Expense of the Fund for the day
Net Assets (NA) before Trust Fee Payable (ONA + INC – EXP = NA)	XXX.XX = NA(A)	XXX.XX = NA(B)	XXX.XX = NA(C)	NA(A) + NA(B) + NA(C) = NA
Daily Trust Fee*	NA(A) x FEE RATE(A) % /360	NA(B) x FEE RATE(B) % /360	NA(C) x FEE RATE(C) % /360	Total Trust Fees of each class

*FEE RATE will vary per Unit Class. Please refer to Section 18 for Trust Fees per Annum of each Unit Class for the corresponding FEE RATE that will be used.

WHERE:

$$A\% = \frac{ONA (A)}{ONA (A) + ONA (B) + ONA (C) = ONA}$$

$$B\% = \frac{ONA (B)}{ONA (A) + ONA (B) + ONA (C) = ONA}$$

$$\text{ONA (A) + ONA (B) + ONA (C) = ONA}$$

$$C\% = \frac{\text{ONA (C)}}{\text{ONA (A) + ONA (B) + ONA (C) = ONA}}$$

22. Valuation of Participation Units

The NAVpu of each class of Participation Units shall be determined by dividing the total net assets of a class by the total number of units outstanding of such class as of Trade Date. The net assets of each class shall represent the opening net assets of such class plus its allocation from the shared income for all classes, less its allocation from the shared expenses for all classes, plus income specific to such class, less fees, taxes, and other qualified expenses. The allocation ratio shall be determined by the proportion of such class compared to the opening net assets of the Multi-Class Fund.

23. NAVpu Availability

Trade Date + 1 Business Day, on or before 11:30 a.m. To allow for instances when pricing of securities become available only after office hours and to standardize release of the fund valuation, NAVpus will be released on Trade + 1 Business Day.

Historical NAVpu is available on the Trustee's website.

24. Custodian

Investment in securities of the Fund shall be held for safekeeping by Citibank, N.A., Manila and/or BSP accredited third party custodians which shall perform independent marking-to-market of such securities.

25. Withholding Taxes

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

26. Definitions

“Applicable Law”	shall mean the laws of the Republic of the Philippines, including all rules, regulations, ordinances, codes, orders or other issuances of the national or local government in the Philippines, or of any other territory with jurisdiction over the Participant.
“Business Day”	shall mean any day except Saturday, Sunday, or any day which is a legal holiday or any day on which banking institutions are authorized or required by law or other governmental action to close.
“BSP”	shall mean the Bangko Sentral ng Pilipinas.
“Client Suitability Assessment”	shall mean the process by which the Trustee shall perform a client profiling for all UITF participants under the general principles on client suitability assessment to guide the client in choosing investment outlets that are best suited to his objectives, risk tolerance, preferences and experience.
“Manual of Regulations for Non-Bank Financial Institutions” (MORNBF)	Shall mean the principal source of banking regulations issued by the Monetary Board of the Bangko Sentral.
“Material Change”	shall mean a change in the investment objective, business structure, operations or commercial terms of the Fund that would be considered important by a reasonable investor in determining whether to invest or continue to hold units of the Fund. Examples of these would be the following:

- Change in Investment Objective
- Change in Fund Manager
- Change in Target Fund
- Change in Fees
- Change in frequency of subscriptions and redemptions
- Change in minimum holding period
- Change in tax treatments

Generally, material changes would result to an amendment of the Fund's Plan Rules. Non-material changes as opposed to material changes are those which would not have much impact on the decision of an investor to invest or remain invested in the Fund.

“Multi-Class Fund”	Shall mean a UITF Fund structure which has more than one class of units in the Fund and is investment in the same pool of securities and the same portfolio, under the same investments objectives and policies.
“Net Asset Value” (NAV)	shall mean the value of the Fund as a whole, which is derived from the summation of the market value of the underlying securities of the Fund plus accrued interest income and other receivables less liabilities and qualified expenses.
“Net Asset Value per Unit” (NAVpu)	shall mean the value of each Participation Unit in the Fund. The same is computed by dividing the NAV of the Fund by the number of outstanding units.
“Participating Trust Agreement”	shall refer to an instrument in writing covering the terms and conditions of the Trust.
“Participant”	shall mean a person or entity qualified to invest in the Fund, pursuant to the rules established by the Trustee, which owns units of participation in the Fund.
“Participation”	shall mean the investment of a Participant in the Fund through the purchase of Participation Units of the Fund.
“Participation Unit”	shall mean the interest of a Participant in the Fund wherein each unit shall have uniform rights or privileges, as any other unit.
“Pooled Fund Accounting”	shall mean the accounting method applied to UITFs wherein which the total assets and accountabilities of each fund shall be accounted for as a single account. The investments of a Multi-Class Fund shall remain as one pool and are not separately allocated to classes.
“Risk Return Orientation”	shall mean the risk tolerance of a client which is influenced by factors such as investment objective, cashflow requirement, investment time horizon and knowledge of investment markets and instruments.
“Trade Date”	shall mean a Business Day where the subscription and/or redemption order is executed.
“Unit Investment Trust Fund” (UITF)	shall mean an open-ended pooled trust fund which is operated and administered by a trust entity and made available by participation.
“U.S. Persons”	shall mean: <ul style="list-style-type: none"> a) a U.S. citizen b) any natural person resident in the United States; c) any partnership or corporation organized or incorporated under the laws of the United States; d) any estate of which any executor or administrator is a U.S. Person; e) any trust of which any trustee is a U.S. Person; f) any agency or branch of a foreign entity located in the U.S.; any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;

any partnership or corporation if (i) organized or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), unless it is organized or incorporated, and owned by accredited investors (as defined in Rule 501 (a) of the Securities Act) who are not natural persons, estates or trusts.