



March 26, 2021

Amendment to the Plan Rules of the PNB Balanced Fund

Dear Valued Investors,

We wish to inform you that we have amended the Plan Rules of the PNB Balanced Fund. These changes were approved by the Bangko Sentral ng Pilipinas (BSP) as communicated to PNB on March 19, 2021.

The investment policy of the fund will be amended in order to improve its overall performance. In addition, the benchmark will also be updated to ensure that it is aligned with the fund's amended investment policy.

Please find below the summary of revisions that will take effect on **May 12, 2021**.

Particulars	From	To
Investment Policy - Asset Allocation	The Portfolio Mix of the Fund will be maximum 60% equities (0 to 60%) and minimum 40% fixed income securities (40% to 100%) xxx.	The Portfolio Mix of the Fund will be as follows: • Equities - 41% to 60% • Fixed income - 40% to 59% ... xxx.

Philippine National Bank (PNB) is supervised by the Bangko Sentral ng Pilipinas (BSP).

The UITF is a Trust Product and not a deposit account or an obligation of, or guaranteed, or insured by the Trust entity or its affiliates or subsidiaries. It is not insured or governed by the PDIC. Due to the nature of the investment, yields and potential yields cannot be guaranteed. 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 UITF, when redeemed, may be worth more or be worth less than his/her initial investment/contributions. Historical performance, when presented, is purely for reference purposes and is not a guarantee of similar future result. The trustee is not liable for losses unless upon willful default, bad faith or gross negligence.

Particulars	From	To
Investment Policy - Investment in Fixed Income	<p>Investment in Fixed Income. The fixed income portion of the fund <u>will only be invested in highly liquid short-term fixed income instruments. Investments in fixed income instruments shall be limited to the following:</u></p> <ul style="list-style-type: none"> • Bank deposits • <u>Securities and deposit instruments issued by or guaranteed by the Philippine government or by the Bangko Sentral ng Pilipinas.</u> 	<p>Investment in Fixed Income. The fixed income portion of the fund <u>may be invested and reinvested in:</u></p> <ul style="list-style-type: none"> • <u>investments allowed under regulations issued by the Bangko Sentral ng Pilipinas such as:</u> <ul style="list-style-type: none"> ○ Bank deposits; ○ <u>Securities issued by or guaranteed by the Philippine government, or the Bangko Sentral ng Pilipinas;</u> ○ <u>Exchange-listed securities;</u> ○ <u>Marketable instruments that are traded in an organized exchange;</u> ○ <u>Loans traded in an organized market;</u> ○ <u>Such other tradable investment outlets/categories as the BSP may allow.</u>
Return Objective	<p>The Fund aims to outperform its benchmark, which is 50% Philippine Stock Exchange Index (PSEi) and <u>50% Bloomberg Philippine Sovereign Bond Index Money Market, Adjusted.</u></p>	<p>The Fund aims to outperform its benchmark, which is 50% Philippine Stock Exchange Index (PSEi) and <u>50% Bloomberg Philippine Sovereign Bond Index 1 to 3 Year, Adjusted.</u></p>

Your decision to participate or remain invested in the fund will signify conformity with the above-mentioned changes. You also have the option to switch your participation to any other PNB fund which you think would meet your current investment objectives on or before May 11, 2021.

For any further queries you may have, please feel free to get in touch with your PNB Branch of account or email PNB Trust Banking Group at trust_customercare@pnb.com.ph.

Thank you for banking with Philippine National Bank, the bank you can lean on.

Sincerely,

Philippine National Bank – Trust Banking Group

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