

Operational Guidelines on the Distribution of Unit Income

In view of the increase in the frequency of the distribution of unit income from semi-annual to monthly and to minimize the impact of increased remittance fees to Participants with subscriptions to Distributing UITFs (“Participant” or “Participants”), the following operational guidelines will govern the distribution of unit income:

1. Minimum Amount of Unit Income Distribution. The distribution of unit income to be received in cash is subject to the following minimum amounts:

- Php 100.00 for PHP-denominated share classes of Distributing UITFs; and
- US\$ 20.00 for USD-denominated share classes of Distributing UITFs.

In cases where the amount of unit income falls below the aforementioned minimum amounts, the unit income shall automatically be reinvested as additional contribution to the same Distributing UITF¹ unless the client elected to receive their income via credit to their Money Market Fund and/or Global Money Market Feeder Fund (the “other eligible funds”).

2. Participants with Subscriptions to Multiple Distributing UITFs. For those Participants with subscriptions to more than one (1) Distributing UITF and who nominated the same bank settlement account for the receipt of the unit income across all Distributing UITFs, the unit income for distribution will be consolidated under each currency (PHP and USD). The total amounts of unit income for distribution under each currency will then be compared against the aforementioned minimum amounts in order to determine if the unit income will be paid in cash.

In cases where the consolidated amount of unit income falls below the aforementioned minimum amounts, the unit income shall automatically be reinvested as additional contribution across all the Participants’ Distributing UITFs.

For Participants who elected to receive their unit income across all Distributing UITFs via credit to other eligible funds, the unit income for distribution will be consolidated under each currency (PHP and USD) provided that the Participant has an outstanding balance in the other eligible funds that meets their respective minimum maintaining participation. Otherwise, the guidelines on unsuccessful crediting of unit income distribution shall apply.

3. Participants with Unsuccessful Crediting of Unit Income Distribution to their elected payout option. If the crediting of the unit income to the Participant’s elected payout option is unsuccessful,³ the Participant will receive an appropriate notice.

¹ The application of the minimum amounts for unit income distribution began on July 1, 2023, with the first monthly unit income distribution made in August 2023 for the July 2023 unit income entitlement.

³ Possible reasons for the unsuccessful crediting to the Participant’s elected payout options include invalid nominated bank settlement account (e.g. error in the bank settlement account number or the bank settlement account is already closed) or client has either no existing Money Market Fund and/or Global Money Market Feeder Fund or his/her account balance in these Money Market UITFs are below the minimum maintaining participation.

For Distributing UITFs with monthly distribution frequency, in the event of three (3) consecutive payout periods of unsuccessful crediting of the unit income to the Participant's elected payout option, the succeeding unit income distributions of the Participant will be reinvested to the respective Distributing UITFs. The unit income distributions for the previous three (3) payout periods that were unsuccessfully credited to the Participant's elected payout option will also be reinvested to the respective Distributing UITFs. The Participant will receive an appropriate notice in such an event.

For Distributing UITFs with semi-annual distribution frequency, in the event of one (1) unsuccessful crediting of the unit income to the Participant's elected payout option, the succeeding unit income distributions of the Participant will be reinvested to the respective Distributing UITFs. Any unit income distribution from prior payout periods that were unsuccessfully credited to the Participant's elected payout option will also be reinvested to the respective Distributing UITFs. The Participant will receive an appropriate notice in such an event. If the Participant meets the requirements of the elected payout option within sixty (60) days from the time of the unsuccessful crediting, all his/her pending unit income distributions will be settled through his/her elected payout option.