

[BSP CIRCULAR NO. 853, October 21, 2014]

**CREATION OF MULTI-CLASS UNIT INVESTMENT TRUST FUND
(UITF)**

Adopted: 21 October 2014

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The Monetary Board in its Resolution No. 1526 dated 25 September 2014 approved the following amendments to Sections X410 and 4410Q of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), respectively, to allow for the offering of a multi-class UITF.

Section 1. Subsection X410.1 and 4410Q.1 are hereby amended to read as follows:

"Subsection X410.1/4410Q.1 Definitions

"a. Unit Investment Trust Funds. x x x

x x x

i. MULTI-CLASS FUND. A UIT FUND STRUCTURE WHICH HAS MORE THAN ONE CLASS OF UNITS IN THE FUND AND IS INVESTED IN THE SAME POOL OF SECURITIES AND THE SAME PORTFOLIO, INVESTMENT OBJECTIVES AND POLICIES".

Previous item i is renumbered as item j of this subsection.

Section 2. Subsection X410.2/4410Q.2 are hereby amended to read as follows:

"Subsection X410.2/4410Q.2 Establishment of a Unit Investment Trust Fund. Any trust entity authorized to perform trust functions may establish, administer and maintain one (1) or more UIT Funds subject to applicable provisions under this Section. A UIT Fund may be allowed to operate as a 1) feeder fund, 2) fund-of-funds AND/OR 3) MULTI-CLASS FUND; Provided, That the plan rules and related documents shall state that the UIT Fund is a feeder fund, fund-of-funds, AND/OR MULTI-CLASS FUND, and provide an explanation or illustration of such structures.

Section 3. Subsection X410.5/4410Q.5 are hereby amended to read as follows:

"Subsection X410.5/4410Q.5 Operating and accounting methodology. xxx

"a. The total assets and accountabilities of each fund shall be accounted for as a single account referred to as pooled-fund accounting method. THE INVESTMENTS OF A MULTI-CLASS FUND SHALL REMAIN AS ONE POOL AND ARE NOT SEPARATELY ALLOCATED TO CLASSES.