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December 3, 2018

Circular 2018 No. 005

TO

ALL PARTICIPATING INSTITUTIONS

SUBJECT

CHANGE IN FUND VALUATION

Season's greetings to our PERAA members!

This holiday season, we take time to reflect upon the good things we have... like our partnership with you, most especially your continued trust in PERAA. Thank you for giving us the opportunity to serve you.

As we look back upon the past year, the year 2017 was a very good year for all of us. We received a Return on Investments (ROI) of 7.01% for Fiscal Year beginning May 1, 2016 ending April 30, 2017 and a ROI of 4.01% for the 8-month period covering May 1, 2017 ending December 31, 2017. With our new financial reporting of a Calendar Year beginning January ending December, we are anticipating the declaration of the 2018 ROI by June next year. As forecasted by most analyst, 2018 is a critically challenging financial year since the global financial crisis in 2008. PERAA will look forward and hurdle 2019 with utmost vigilance and buoyant optimism.

For the New Year beginning January, PERAA will incorporate the change in the Fund valuation. As ratified by the general membership during the 2016 Annual Meeting, we will be shifting from a declared annual ROI to end of month ROI. This means that earnings/losses will be credited to member's accounts every end of the month. The last annual or 12-month ROI will be December 31, 2018. This move will be equitable both for the remaining members of the Fund and for those who will be leaving the Fund. It will enable PERAA to reflect the marked-tomarket fund value of the member every month whether positive or negative ROI. For those leaving the Fund, the full Accumulated Value will immediately be computed. No additional check needed.

Henceforth, all applications for benefit will be computed using the most recent ROI. Our Member Services team, who processes the applications, will notify the concerned Participating Institutions (PI) of the applicable ROI. In case the ROI is negative, the PI may request processing of the application/s on the following month or until such time when the ROI is positive. A quick and efficient line of communication will help us with the exchange of confirmation. Please update your contact details with our Institutional Relations Services at (02) 8174531 locals 114 and 115.

Also, we would like to request for your full cooperation on the prompt submission of your Remittance List. Any contributions or loan payments not posted immediately will defer processing of the application for benefit claims.

Let us all work together to achieve the goal of building your Retirement Fund. On PERAA's part, we will continue to look for ways to make it easier and convenient for you to get your benefits. It has been another eventful year. May the joys of the season fill your homes with gladness and on this special time of year, we would like to express our sincerest appreciation by giving you the PERAA 2019 Desk Calendar.

On behalf of the PERAA Board of Trustees, I would like to wish you all a Merry Christmas and a Prosperous New Year 2019.

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