

## BDO DOLLAR MONEY MARKET FUND

### KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended September 30, 2024

#### FUND FACTS

|   |   |
|---|---|
| <b>Classification:</b> Money Market Fund                                    | <b>Net Asset Value per Unit (NAVPU):</b> USD 155.7338   |
| <b>Launch Date:</b> April 29, 2005  | <b>Total Fund NAV:</b> USD 508.2 Million  |
| <b>Minimum Investment:</b> USD500.00  | <b>Dealing Period:</b> Up to 11:30am of any banking day   |
| <b>Minimum Additional Investment / Maintaining Participation:</b> USD500.00 | <b>Redemption Settlement:</b> After 4:00pm on same banking day the notice of redemption is received |
| <b>Minimum Holding Period:</b> None   | <b>Early Redemption Fee:</b> None   |

#### FEES\*

|                                 |                                    |                                       |                            |
|---------------------------------|------------------------------------|---------------------------------------|----------------------------|
| Trustee Fees: <u>0.0416%</u>    | Custodianship Fees: <u>0.0000%</u> | External Auditor Fees: <u>0.0001%</u> | Other Fees: <u>0.0000%</u> |
| BDO Trust and Investments Group | Standard Chartered Bank, Citibank  | Punongbayan & Araullo                 | None                       |

\*As a percentage of average daily NAV for the month valued at USD 496.74 Million

#### INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to preserve capital and generate income by investing in low-risk fixed income securities. The Fund's benchmark is the 1 year rolling USD Time Deposit average.

#### CLIENT SUITABILITY

A client profiling process should be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

- ♦ The BDO Dollar Money Market Fund is primarily suitable for individual and corporate investors with moderate risk appetite and who are looking for safe and liquid investments with yields relatively higher than those of US Dollar time deposit accounts.
- ♦ Participants/trustors are recommended to stay invested in the Fund for at least six (6) months.

#### KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

**Interest Rate Risk.** This is the possibility for an investor to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.

**Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities. It is the exposure to the uncertain market value of a portfolio due to price fluctuations.

**Credit Risk/Default Risk.** This is the possibility for an investor to experience losses due to a borrower's failure to pay the principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security, which the borrower issued.

**Reinvestment Risk.** This is the risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.

The Fund employs a risk management policy based on modified duration. Modified duration measures the sensitivity of bond prices to interest rate movements. As interest rates rise, bond prices fall. The higher the duration, the more the NAVPU will fluctuate in relation to changes in interest rates. All the Fund's investment outlets undergo evaluation in accordance with the Trustee's Investment Policy Manual. Regulatory exposure limits are monitored on a regular basis. The Fund may also use financial derivative instruments solely for the purpose of hedging risk exposures.

- ♦ THE UIT FUND IS A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT, AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC).
- ♦ RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENTS/FLUCTUATIONS ONLY.
- ♦ WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.
- ♦ THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

For more information, visit our website at [www.bdo.com.ph/trust](http://www.bdo.com.ph/trust) or call (+632) 8631 - 8000 or email us at [trustcustomercare@bdo.com.ph](mailto:trustcustomercare@bdo.com.ph)

**BDO DOLLAR MONEY MARKET FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 2)**

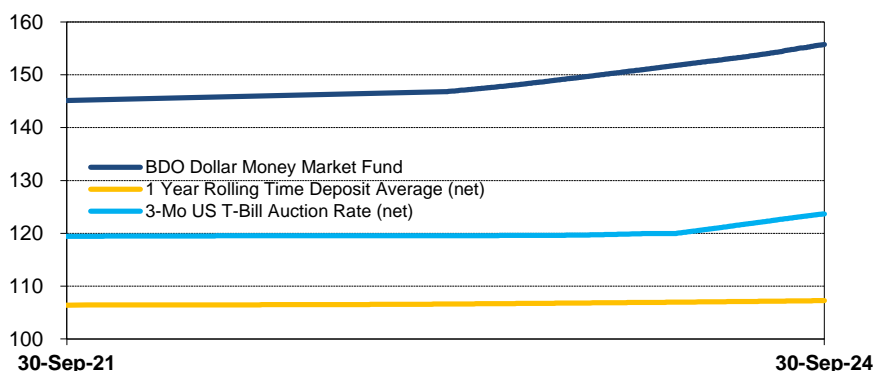
Month Ended September 30, 2024

**FUND PERFORMANCE AND STATISTICS**

**AS OF September 30, 2024**

(Purely for reference purposes and is not a guarantee of future results)

**Fund's NAVPu vs Benchmark & Risk-Free Rate**



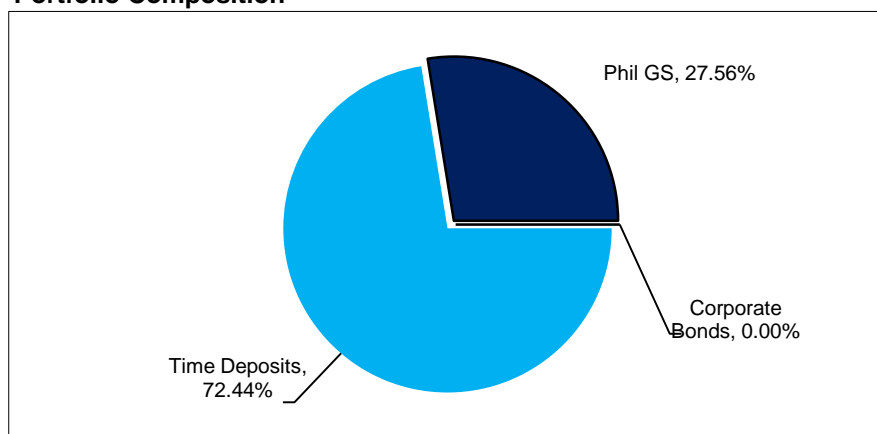
**Cumulative Performance (%)**

| Period                 | 1 mo  | 3 mos | 6 mos | 1 yr  | 3 yrs |
|------------------------|-------|-------|-------|-------|-------|
| Fund <sup>1</sup>      | 0.40% | 1.25% | 2.30% | 4.30% | 7.70% |
| Benchmark <sup>2</sup> | 0.36% | 1.07% | 2.12% | 3.92% | 5.31% |

<sup>1</sup> Past performance is not indicative of future performance.

<sup>2</sup> The Fund's benchmark is the 1 year rolling USD Time Deposit average.

**Portfolio Composition**



**NAVPU over the past 12 months**

|         |              |
|---------|--------------|
| Highest | USD 155.7338 |
| Lowest  | USD 149.3094 |

**Statistics**

|  |        |
|--|--------|
| Weighted Ave. Duration                 | 0.36   |
| Volatility, Past 1 Year <sup>3</sup>   | 0.21%  |
| Sharpe Ratio <sup>4</sup>              | (3.36) |
| Information Ratio <sup>5</sup>         | 4.14   |
| Weighted Ave. Yield (net) <sup>6</sup> | 4.00%  |

<sup>3</sup> Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>4</sup> Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>5</sup> Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>6</sup> Net of taxes and trust fees

**Top Ten Holdings<sup>7</sup> (%)**

| Issue                          | % of Portfolio |
|--------------------------------|----------------|
| ROP 25 10.625% 3/16/2025       | 17.04%         |
| ROP 26 5.5% 3/30/2026          | 5.22%          |
| ROP 24 9.5% 10/21/2024         | 2.95%          |
| ROP 27 3.229% 3/29/2027        | 2.34%          |
| TD Other Bank 5.25% 10/24/2024 | 1.38%          |
| TD Other Bank 5.4% 10/1/2024   | 1.19%          |
| TD Own Bank 5.5% 10/25/2024    | 1.19%          |
| TD Other Bank 5.6% 11/8/2024   | 1.19%          |
| TD Other Bank 5.4% 10/4/2024   | 0.99%          |
| TD Other Bank 5.4% 10/7/2024   | 0.99%          |
| <b>Total</b>                   | <b>34.47%</b>  |

<sup>7</sup> The complete list of portfolio holdings is available upon request

**OTHER DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The Fund has investments and trade transactions with BDO Unibank, Inc., its subsidiaries and related parties, as follows:

|                          | Transaction            | Market Value (Mln) |
|--------------------------|------------------------|--------------------|
| <b>BDO Unibank, Inc.</b> | Time Deposit Placement | 17.80              |
| <b>SM Group</b>          |                        |                    |
| China Bank               | Time Deposit Placement | 46.50              |

Investments in the said outlets were approved by the Trust Committee. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

## BDO DOLLAR MONEY MARKET FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 3)

Month Ended September 30, 2024

## OTHER DISCLOSURES

## OUTLOOK AND STRATEGY

The US Consumer Price Index (CPI) slowed for the fifth consecutive month to 2.5% in August, the lowest print since February 2021. This gave more room for the FED to start its easing cycle and cut its policy rates by 50bps to 4.75 – 5.00% during its FOMC meeting in September. Majority of DMMF's investments remain in time deposits and short tenor sovereign bonds as the fund continues to take advantage of the elevated interest rates. The fund's duration at the end of September remains within its mandate at 0.36 years.

## INVESTMENT POLICY / PROSPECTIVE INVESTMENTS

The Fund may invest in deposits in the trustee's bank or in other banks, securities issued or guaranteed by the Philippine Government or the BSP, tradable securities issued by any supranational entity and exchange-listed fixed income securities. Subject to BSP guidelines and the Trustee's Trust Committee approval, the Fund may also avail of financial derivative instruments solely for the purpose of hedging risk exposures, as well as invest in other tradable investment outlets/categories as may be deemed suitable for the Fund.

## OTHER BASIC FUND FACTS

|   |   |
|---|---|
| <b>Trust Fee:</b> 0.50% p.a.  | <b>Bloomberg Ticker:</b> <BDODMMF PM>                     |
| <b>Initial NAVPU:</b> USD100.00   | <b>NAVPU Availability:</b> Every trading day at 4:00 p.m. |
| <ul style="list-style-type: none"> <li>• Available via the Easy Investment Plan (EIP), an investment build-up plan that enables investors to attain their financial goals and financial wellness through the twin habits of regularly saving and investing via selected BDO UITFs; subject to a non-completion fee of 0.50% of original participation amount.</li> <li>• A copy of the latest Audited Financial Statement is available in the BDO website (<a href="https://www.bdo.com.ph">https://www.bdo.com.ph</a>)</li> <li>• <b>Distribution Channels:</b> Head Office, Invest Online and Local BDO Branches</li> </ul> |   |

## OTHER PERFORMANCE INDICATORS

| Period                            | Fund   | Benchmark | Risk-Free Rate <sup>8</sup> |
|-----------------------------------|--------|-----------|-----------------------------|
| Year to Date                      | 3.29%  | 3.06%     | 3.72%                       |
| Five Years Ago                    | 8.72%  | 5.73%     | 11.55%                      |
| Since Inception                   | 55.73% | 12.64%    | 32.15%                      |
| CAGR <sup>9</sup> Since Inception | 2.31%  | 0.61%     | 1.44%                       |

<sup>8</sup> Refers to the 3-mo US T-Bill rates.

<sup>9</sup> Compounded Annual Growth Rate (CAGR) measures how fast an investment would have grown over time if it grew at a steady rate instead of actual varying rates.

**BDO DOLLAR MONEY MARKET FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 4)**

Month Ended September 30, 2024

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**OTHER DISCLOSURES**

The fund aims to surpass the one (1) -year rolling USD Time Deposit average, the Fund's benchmark. The stated benchmark is a measure that is used to compare the performance of the Fund and reflects the one (1)-year rolling daily averages of US Dollar time deposit rates from select five (5) banks. The benchmark also represents the Fund's portfolio as well as the movements in interest rates affecting the Fund's investments. For more information, visit [https://www.bdo.com.ph/content/dam/bdounibank/en-ph/investments/files/foreign-denominated/dollar-money-market-fund/DMMF\\_Benchmark.pdf](https://www.bdo.com.ph/content/dam/bdounibank/en-ph/investments/files/foreign-denominated/dollar-money-market-fund/DMMF_Benchmark.pdf).

The Fund's benchmark is a total return benchmark (net of taxes).

- This Fund is available to Filipino Citizens, Philippine residents and domestic corporations, with capacity to contract.
- Prospective participants/clients should also consult their own tax advisors as to the specific Philippine tax consequences of acquiring, holding and redeeming of units of any Fund/investment outlet, as well as the consequences arising under the laws of any other taxing jurisdiction.

**Cooling-Off Period** – Subject to the exemptions under BSP regulations, a Participant/Trustor shall be entitled to cancel his/its initial subscription, without penalty, upon formal notice to the Trustee within a period of two (2) banking days immediately following the signing of the Omnibus Participating Trust Agreement of BDO UITFs. However, the Participant/Trustor shall bear the payment of all costs, expenses and early redemption fees arising from such termination, if any. If a Participant/Trustor wishes to exercise his/its rights under this provision, the Participant/Trustor should immediately call/send an email to/visit his/its assigned Trust Marketing Officer or the Branch Manager/ Marketing Officer of the Participant's/Trustor's BDO Servicing Branch.

BDO Unit Investment Trust Funds (UITFs) are not deposits but trust agreements. They are not obligations of, nor guaranteed, nor insured by BDO or its affiliates and subsidiaries, and are not insured by, nor governed by the PDIC. Due to the nature of the investments of a UITF, the returns/yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the UITFs, including government securities, is for the account of the investor. The units of participation in the funds, when redeemed, may be worth more or worth less than the initial investment of the investor. Historical performance, when presented, is purely for reference purposes and not a guarantee of similar future results. BDO, as trustee, is not liable for losses unless there is fraud, willful default, bad faith or gross negligence. Investors must read the complete details of the UITFs in its Plan Rules, make their own risk assessment, and when necessary, seek an independent/professional opinion before making an investment. For more information, visit our website at [www.bdo.com.ph/trust](http://www.bdo.com.ph/trust).

For inquiries or concerns relating to our products and services, you may 1) call BDO Contact Center at (+632) 8631-8000; 2) send an email to [trustcustomer@bdo.com.ph](mailto:trustcustomer@bdo.com.ph); or 3) visit/call/email your assigned Trust Marketing Officer or the Branch Manager/Marketing Officer of your servicing branch. For more details on BDO's complaints handling process, please visit: [www.bdo.com.ph/consumer-assistance](http://www.bdo.com.ph/consumer-assistance).

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