


**BDO PESO MULTI-ASSET FUND (Formerly BDO PESO BALANCED FUND)**
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

Month Ended September 30, 2024

**FUND FACTS**

<b>Classification:</b> Multi-Asset Fund	<b>Net Asset Value per Unit (NAVPU):</b> PHP3,798.0315
<b>Launch Date:</b> July 3, 2003	<b>Total Fund NAV:</b> PHP2.275 Billion
<b>Minimum Investment:</b> PHP10,000.00	<b>Dealing Period:</b> Up to 2:30pm of any banking day
<b>Minimum Additional Investment / Maintaining Participation:</b> PHP10,000.00	<b>Redemption Settlement:</b> Three (3) banking days after the notice of redemption is received
<b>Minimum Holding Period:</b> 30 calendar days	<b>Early Redemption Fee:</b> 0.50% of Original Participation Amount

**FEES\***

Trustee Fees: <u>0.0835%</u>	Custodianship Fees: <u>0.0005%</u>	External Auditor Fees: <u>0.0001%</u>	Other Fees: <u>0.0000%</u>
BDO Trust and Investments Group	Standard Chartered Bank, PDBC	Punongbayan & Araullo	None

\*As a percentage of average daily NAV for the month valued at PHP 2.249 Billion.

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to achieve capital appreciation by investing in a diversified portfolio of peso denominated short to long-term fixed income securities, equity securities, and other allowable investments for UITFs. The allocation for equity securities shall not exceed 80% of the total portfolio of the Fund. The Fund's benchmark is 50% Philippine Stock Exchange Composite Index (PSEi) and 50% Markit iBoxx ALBI Philippines 1-5 (Domestic) Index (IBXXPH15).

**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 Peso Multi-Asset Fund is primarily suitable for individual and corporate investors with balanced risk appetite and who are aware of the opportunity for high yields that portfolios with stock market investments may provide but are also knowledgeable of the possibility of capital losses that such investments may entail.
- ♦Participants/trustors are recommended to stay invested in the Fund for more than three (3) years.

**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.

**Liquidity Risk.** This is the possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.

**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.

For the Fixed Income portfolio, 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.

**BDO UNIBANK, INC. – TRUST AND INVESTMENTS GROUP**  
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**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 2)**

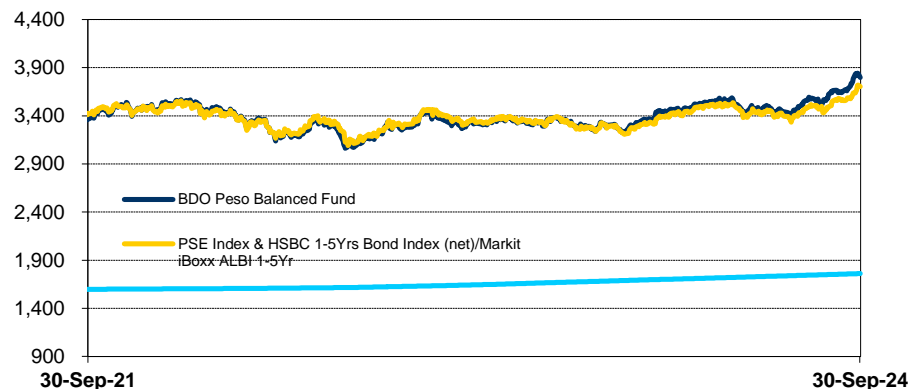
Month Ended September 30, 2024

**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**



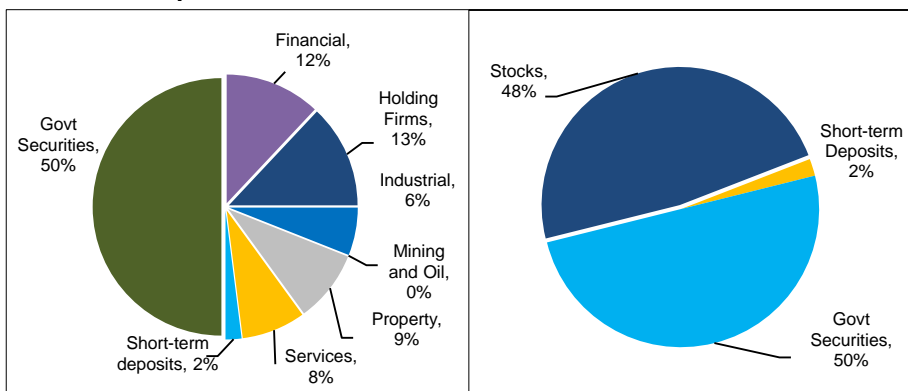
**Cumulative Performance (%)**

Period	1 mo	3 mos	6 mos	1 yr	3 yrs
BDO Peso Balanced Fund	4.30%	9.76%	6.74%	14.37%	12.73%
Benchmark <sup>1/2</sup>	3.46%	8.18%	4.78%	11.23%	7.52%

<sup>1</sup> The Fund's benchmark is 50% PSEi and 50% HSBC Local Currency Bond Index (HSLI) 1-5Yrs (net).

<sup>2</sup> The Fund's benchmark is 50% PSEi and 50% Markit iBoxx ALBI Philippines 1-5 (Domestic) Index (IBXXPH15) commencing April 29, 2016.

**Portfolio Composition**



**NAVPU over the past 12 months**

Highest	PHP 3,842.4599
Lowest	PHP 3,230.1816

**Statistics**

Modified Duration (Fixed Income)	3.72
Volatility, Past 1 Year <sup>3</sup>	7.55%
Sharpe Ratio <sup>4</sup>	1.27
Information Ratio <sup>5</sup>	1.86
Weighted Ave. Yield (net) <sup>6</sup>	3.37%

<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> (%)**

**Equities**

Company Name	% of Portfolio
SM Investments	7.55%
ICTSI	5.52%
BDO Unibank	5.30%
BPI Bank	4.81%
SM Prime	4.65%

**Fixed Income**

Issue	% of Portfolio
FXTN 8.625% 9/6/2027	11.48%
RTB 5.75% 3/7/2028	9.90%
FXTN 6.25% 1/25/2034	6.86%
RTB 6.125% 8/22/2028	5.36%
FXTN 8% 7/19/2031	5.18%
Total	66.60%

<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	3.16
	Investment in Common Shares	120.67
<b>SM Group</b>		
	SM Investments Corp.	Investment in Common Shares
SM Prime Holdings	Investment in Common Shares	105.93

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.

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**BDO PESO MULTI-ASSET FUND (Formerly BDO PESO BALANCED FUND)**  
**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 3)**  
 Month Ended September 30, 2024

**OTHER DISCLOSURES**

**OUTLOOK AND STRATEGY**

The market continued to rally in September with the PSEi finally crossing over the 7,000 psychological-mark. The PSEi Index soared 375 points, or 5.44% m/m largely on strong foreign buying. Total net foreign buying for the month was registered at \$346M, driving YTD net flows to positive territory. A handful of good news gave investors the confidence to load up on stocks which pushed share prices to higher ground. Data showed the continued downtrend in inflation, reflecting a 1.9% CPI print in September from 3.3% in August. The announcement of BSP to lower the reserve requirement ratio (RRR) to 7% from 9.5% effective October 25, 2024 was also a welcome development. Investors bought into bank stocks, making financials (+8.86% m/m) the best performing sector for the month. In addition, market sentiment was boosted by a relatively strong Peso which traded below Php56 as well as the strong rally in the US markets after the US Fed's decision to lower its key policy rate by 50 basis points. Moving forward, the expectation of further monetary easing should help support the equities market in the coming months. Local bond yields on a downtrend amid softer inflation expectations. The headline inflation in September came in better than market consensus at 1.9% on account of slower food and transportation costs. Supporting the yield decline was BSP Governor Eli Remolona's remark of a possible two more rate cuts at its next Monetary Board meetings in October and December. Given the disinflation outlook, we expect further monetary easing by the BSP in 4Q24.

**INVESTMENT POLICY / PROSPECTIVE INVESTMENTS**

The Fund may invest in exchange-listed equities and fixed income securities, deposits in the trustee's bank or in other banks, securities issued or guaranteed by the Philippine Government or the BSP and tradable securities issued by any supranational entity. 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> 1.0% p.a.	<b>Bloomberg Ticker:</b> <BDOPBAL PM>
<b>Initial NAVPU:</b> PHP1,000.00	<b>NAVPU Availability:</b> Every trading day at 7:30 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	10.52%	8.87%	3.54%
Five Years Ago	11.00%	8.21%	13.53%
Since Inception	279.80%	268.44%	76.13%
CAGR <sup>9</sup> Since Inception	6.48%	6.33%	2.70%

<sup>8</sup> Refers to 91-day 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.

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**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 4)**  
Month Ended September 30, 2024

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**OTHER DISCLOSURES**

The Fund aims to provide absolute returns in excess of the return of the composite benchmark, 50% Philippine Stock Exchange index (PSEi) and 50% Markit iBoxx Philippines 1-5 (Domestic) Index (IBXXPH15). The stated benchmark is a measure that is used to compare the performance of the Fund. The benchmark also represents the Fund's portfolio as well as the movements in interest rates and stock market prices affecting the Fund's investments.

The Philippine Stock Exchange index (PSEi) measures the performance of the Philippine Stock Market. The PSEi is made up of the top 30 largest and most active listed companies, chosen to represent the general movement of the stock market. For more information, visit <https://www.pse.com.ph/composite-sector-indices/>. The iBoxx Asian Local Bond Index family ("iBoxx ALBI") Philippines is designed to reflect the performance of local currency bonds with duration between 1-5 from the Philippine local currency bond markets whilst upholding minimum standards of investability and liquidity. For more info, visit <https://www.markit.com/Company/Files/DownloadFiles?CMSID=65e492c01c0b41f7b02826405970c075>.

The PSEi is a price return benchmark (gross of taxes) while the Markit iBoxx ALBI Philippines 1-5 (Domestic) Index 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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