

KEY ECONOMIC DEVELOPMENTS

Philippines

Recent Developments: Inflation dropping to 6.6% in April bolstered optimism that inflation is firmly on the downtrend. The BSP kept rates on hold at their Monetary Board meeting. Real GDP growth moderated to 6.4% in 1Q23, though fixed investments expanded sharply and discretionary consumption remained robust. Local yields fell amid easing inflation and the pause by the BSP, though local equities declined and wiped out the gains in April.

Fixed Income: Peso yields declined as inflation fell sharply to 6.6%, and the BSP kept rates on hold at 6.25% and revised their inflation forecast downward to 5.5% from 6.0% previously.

Equities: Local equities declined in May, wiping out gains in April despite easing inflation and a pause by the BSP as developments in the US continued to weigh on sentiment. MSCI's May rebalancing also resulted in outflows. GTCAP gained the most amid better-than-expected earnings, while JFC benefited from a more benign inflation outlook by the BSP.

Global

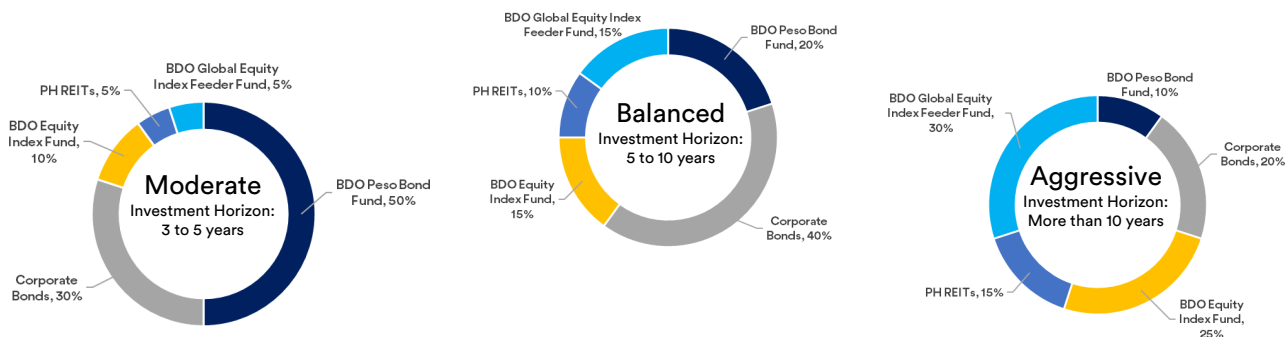
Recent Developments: The Fed hiked by another 25 bps, but noted that the path for policy tightening is more uncertain moving forward and opened the possibility of a pause in June. The debt ceiling and a potential default by the US rocked markets this month, but negotiators have reached an agreement to lift the debt ceiling for two years. US Equities gained this month, though other equity markets posted declines. US Treasury yields moved higher amid debt ceiling concerns and a strong April PCE inflation print.

Fixed Income: US Treasury yields rose this month amid debt ceiling concerns and a strong PCE inflation print for April.

Equities: US equities gained in May as negotiators reached a tentative agreement to lift the debt ceiling. European equities declined amid more rate hike comments from ECB officials and fears of slower global demand weighing on luxury goods sales.

CONSTRUCTING AN INVESTMENT PORTFOLIO

BDO Trust provides you with different types of investments to help you build a diversified investment portfolio. You can diversify through different asset classes, geographies and currencies. These portfolio models are designed to fit your risk profile and investment horizon with the objective of achieving your financial goals. Bonds provide a steady stream of income while equities provide opportunities to grow your capital.



Build your own personalized investment portfolio with BDO UITFs. Start investing in bond funds, equity funds, and global feeder funds for as low as P10,000 or USD500. You can open an account and invest via BDO Invest Online or through your BDO branch of account.

* These portfolio models express long term views of BDO Trust and Investments Group.

KEEP A PORTION IN CASH

Fund Name	YTD Returns	YoY Returns	Why Invest?
BDO Peso Money Market Fund	1.36%	2.45%	The BDO Peso Money Market Fund invests in a portfolio of time deposits and short term bonds, allowing you to keep your funds in a highly liquid and low volatility UITF as you wait for better investment opportunities. This Fund is an ideal investment alternative especially during periods of market volatility.
BDO Dollar Money Market Fund	1.12%	1.87%	The BDO Dollar Money Market Fund complements your US Dollar savings with better returns derived from short term dollar denominated fixed income securities.

Build a diversified investment portfolio through BDO Invest, an investment management account (IMA), starting at PHP 1 Million or USD 25,000. Every security that is available under BDO Invest has passed the stringent review and evaluation process of BDO Trust so you are ensured that you will be invested in high-quality instruments.

You may invest in bonds, which will allow you to preserve your capital and generate income through regular coupon payments. Bonds provide more stable returns compared to stocks, reducing the overall volatility and risks of your portfolio. For your short term investment needs, you may also consider investing in time deposits to take advantage of prevailing high interest rates. Bonds and time deposits are also available in different tenors and currencies, allowing you to fine tune your portfolio depending on your needs.

INVEST IN TDs AND BONDS

For updated rates and offers, visit the BDO branch nearest you.

Time Deposits

Currency	Bank	Term	Maturity Date	Gross Rate	Net Rate to Client (Net of Tax and Trust Fees)			
					Minimum Placement/Aggregate			
					Php 50 Mn	Php 10 Mn	Php 1 Mn	\$ 25K
PHP*	BDO	98 days	20 Sept 23	5.7500%	4.5000%	4.4000%	4.2000%	n/a
PHP*	BDO	181 days	12 Dec 23	5.7500%	4.5000%	4.4000%	4.2000%	n/a
USD**	BDO HK	156 days	17 Nov 23	4.1750%	n/a	n/a	n/a	3.9250%
USD**	BDO SG	366 days	14 Jun 24	4.3750%	n/a	n/a	n/a	4.1250%

*other bank TD special rate = 6.250% gross 57 days; minimum of P10M per certificate

**BDO SG/HK TD bookings cannot be pre-terminated

Bonds

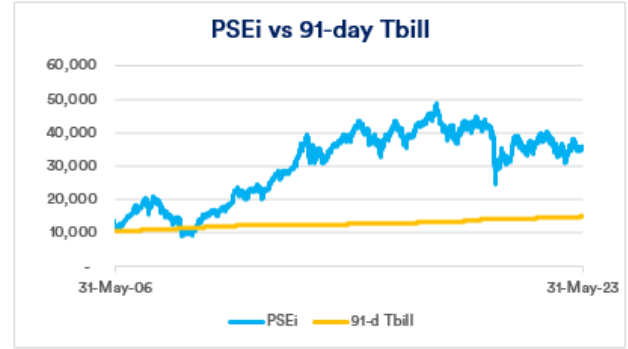
Currency	Bond Issuance	Term to Maturity	Maturity Date	Net Effective Yield to Maturity	Coupon Rate	Coupon Frequency	Gross Yield	Gross Price
PHP*	Tbills	362 days	11 Jun 24	4.5200%	NA	NA	5.9050%	94.4000
PHP*	RTB 05-13	2.16 yrs	12 Aug 25	4.5300%	2.6250%	4	5.7850%	93.6300
USD**	US Tbills 6Mos.	0.49 yrs	14 Dec 23	4.8900%	NA	NA	5.0250%	97.4735
USD***	ROP 28 3.0% 2/1/28	4.63 yrs	01 Feb 28	4.1800%	3.0000%	2	4.4489%	94.0000

*subject to minimum of PhP1.1M face value per certificate

**can accept 25K USD placement per certificate but subject to minimum of 100K USD aggregated order per tenor

***subject to minimum 200K USD aggregated order

Historically, stocks or equities have provided better long term returns compared to bonds or deposits. Having equities in your investment portfolio can help you maximize your income, build your savings and combat inflation. However, equity prices tend to rise and fall over time. As such, it is ideal to have a long-term perspective to smooth out these fluctuations over time.



FUND HIGHLIGHT OF THE MONTH

Fund Name	Past 3 Years Fund Return	Past 3 Years Benchmark Return	Why Invest?
BDO Dividend Fund	18.68%	10.94%	The BDO Dividend Fund invests in companies that have a history of high quality dividend payouts. The Fund grows from regular dividend income and price appreciation from its stock holdings. The Fund has outperformed the PSEi over the past 5 years.

LOOK INTO EQUITIES

Fund Name	Past 3 Years Fund Return	Past 3 Years Benchmark Return	Why Invest?
BDO ESG Equity Fund	15.64%	10.94%	The BDO ESG Equity Fund invests in listed companies exhibiting good environmental, social and governance (ESG) practices. The increasing emphasis on sustainable investing, coupled with the recent market correction, present good opportunities to enter the market. The Fund has outperformed the PSEi since its inception in 2015.
BDO Focused Equity Fund	16.59%	10.94%	The Fund invests in a concentrated portfolio of stocks that are selected based on their operational performance, valuation, and market sentiment that have high growth prospects over the long term.

DIVERSIFY INTO GLOBAL FEEDER FUNDS

Fund Name	Past 3 Years Fund Return	Past 3 Years Benchmark Return	Why Invest?
BDO Global Equity Index Feeder Fund	35.49%	38.02%	Gives access to the world's largest and most well-known corporations such as Apple and Microsoft by investing in a target fund that tracks the MSCI World Index. The Fund does not have exposure to Russian stocks.

CONTACT US

If you want to know more about creating your investment portfolio or other available investment outlets, email us at BDOInvest@bdo.com.ph and we shall contact you within the next three working days.

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