



BDO GS FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended April 30, 2020

FUND FACTS

Classification: Medium Term Bond Fund	Net Asset Value per Unit (NAVPU): PHP 217.7472
Launch Date: May 3, 2005	Total Fund NAV: PHP 0.668 Billion
Minimum Investment: PHP10,000.00	Dealing Period: Up to 2:30pm of any banking day
Minimum Additional Investment / Maintaining Participation: PHP10,000.00	Redemption Settlement: One (1) banking day after the notice of redemption is received
Minimum Holding Period: 30 calendar days	Early Redemption Fee: 0.50% of Original Participation Amount

FEES*

Trustee Fees: <u>0.0835%</u>	Custodianship Fees: <u>0.0014%</u>	External Auditor Fees: <u>0.0007%</u>	Other Fees: <u>0.0000%</u>
BDO Trust and Investments Group	Deutsche Bank AG, Manila; HSBC	Punongbayan & Araullo	None

*As a percentage of average daily NAV for the month valued at PHP 0.659 Billion

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims for capital preservation and income generation from investments in a diversified portfolio consisting of selected government securities that can provide higher yields. The Fund's benchmark is the 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 GS Fund is primarily suitable for individual and corporate investors with moderate risk appetite and who are looking for investments in government securities.
- ♦Participants/trustors are recommended to stay invested in the Fund for at least 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.

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 NOT A DEPOSIT 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 GS FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 2)

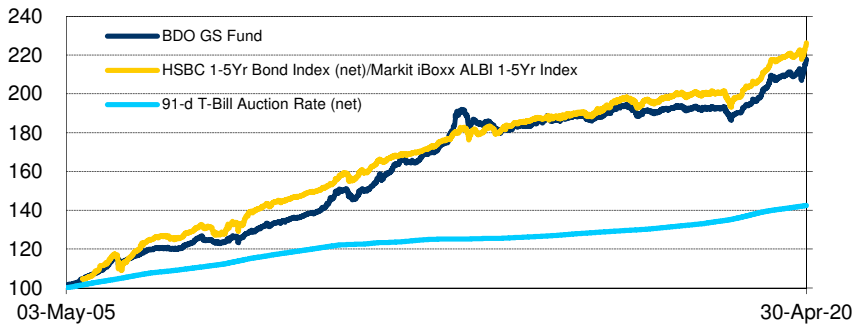
Month Ended April 30, 2020

FUND PERFORMANCE AND STATISTICS

AS OF April 30, 2020

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

Fund's NAVPu vs Benchmark & Risk Free Rate



Cumulative Performance (%)

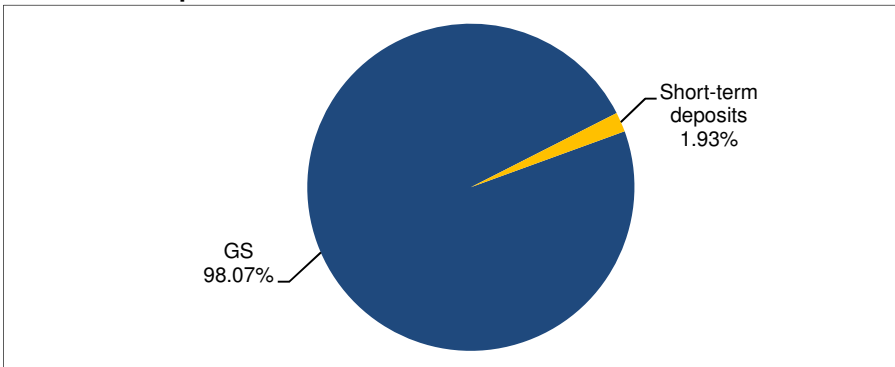
Period	1 mo	3 mos	6 mos	1 yr	3 yrs
Fund ¹	4.30%	3.94%	3.97%	10.67%	14.21%
Benchmark ^{2/3}	3.30%	3.18%	3.42%	9.95%	15.32%

¹ Past performance is not indicative of future performance.

² The Fund's benchmark is the HSBC Local Currency Bond Index (HSLI) 1-5Yrs (net), commencing August 31, 2005

³ The Fund's benchmark is the Markit iBoxx ALBI Philippines 1-5 (Domestic) Index (IBXXPH15) commencing April 29, 2016.

Portfolio Composition



NAVPU over the past 12 months

Highest	PHP 217.9067
Lowest	PHP 196.7554

Statistics

Weighted Ave. Duration	3.93
Volatility, Past 1 Year ⁴	2.67%
Sharpe Ratio ⁵	2.90
Information Ratio ⁶	0.27
Weighted Ave. Yield (net) ⁷	5.06%

⁴ Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

⁵ 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.

⁶ 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.

⁷ Net of taxes and trust fees

Top Ten Holdings⁸ (%)

Issue	% of Portfolio
RTB 5-12 3/12/2024 6.25%	13.2%
RTB 3-10 2/11/2023 4.375%	11.6%
FXTN 7-61 4/12/2025 5.75%	11.5%
FXTN 7-58 4/21/2023 3.5%	8.3%
FXTN 7-59 4/20/2024 4.5%	7.8%
FXTN 20-23 1/24/2039 6.75%	5.9%
FXTN 10-54 1/19/2022 6.375%	5.5%
FXTN 3-24 7/4/2022 4.625%	5.4%
RTB 10-4 8/15/2023 3.25%	5.3%
FXTN 20-17 7/19/2031 8%	5.1%
Total	79.6%

⁸ 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)
BDO Unibank, Inc.	Time Deposit Placement	-

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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KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 3)

Month Ended April 30, 2020

OTHER DISCLOSURES

OUTLOOK AND STRATEGY

Most cities around the world have been placed under lockdown since mid-March in response to the spread of the Covid-19 pandemic, severely affecting the global economy. The threat of the contagion is expected to linger over the coming months and will likely result in inflation numbers remaining soft in the near term. In response, the Bangko Sentral ng Pilipinas (BSP) undertook pre-emptive monetary easing measures including an off-cycle 50-basis point policy rate cut in mid-April to bring its key rate to a record-low of 2.75%. These moves are expected to release significant amounts of fresh liquidity into the system and keep interest rates low in the interim. Accordingly, yields across the curve fell by over 100 basis points over the month of April. In particular, the 5-year government bond yield (BVAL) has fallen from 4.614% at the end of March to 3.305% by April 30. Meanwhile, the Bureau of the Treasury (BTr) held two P30 billion auctions in April. The first was for a 1-year paper which fetched a yield of 3.675% on April 14 while the second was for a 2-year bond which was awarded at 3.052% on April 28. Market appetite was strong for these two auctions and in response, the BTr opened its tap facility to raise an additional P10 billion and P15 billion, respectively. Yields are expected to remain low in the coming months. However, increased borrowing requirements of the government later this year to fund its massive economic rehabilitation effort, as well as an eventual recovery in consumer demand will result in an upturn in inflation, and bond yields are expected to follow. The GS Fund's duration remains overweight that of its benchmark at 3.93 as of the end of April.

INVESTMENT POLICY / PROSPECTIVE INVESTMENTS

The Fund may invest in deposits in the trustee's bank or in other banks and in securities issued or guaranteed by the Philippine Government or the BSP. The Fund may also avail itself of financial derivative instruments solely for the purpose of hedging risk exposures, subject to the guidelines set by the BSP for such activities and likewise duly approved by the Trustee's Trust Committee.

OTHER BASIC FUND FACTS

Trust Fee: 1.0% p.a.	Bloomberg Ticker: <EPCIBGS PM>
Initial NAVPU: PHP100.00	NAVPU Availability: Every trading day at 7:30 p.m.
<ul style="list-style-type: none"> • Available via the Easy Investment Plan (EIP) effective November 17, 2017. The EIP is 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. • The availability via the Easy Redemption Plan (ERP), a redemption facility that allows participants to partially, automatically and regularly receive regular cash pay-outs from their investments in units of participation in the Fund, has not been implemented yet. Participants will be notified once this feature is available. • The availability of Fund's Switching Feature, a feature which allows an existing Participant to request that his UITF units of participation be redeemed and the proceeds thereof reinvested in the units of participation of one or several BDO UITF/s (up to a maximum of five UITFs) with the same or longer settlement period and the same currency without the need to wait for the usual settlement period for redemptions, has not been implemented yet. Participants will be notified once this feature is available. • The results of the latest annual audit are available to all participants upon request via email (investments@bdo.com.ph) 	
• Distribution Channels: Head Office, Invest Online and Local BDO Branches	

OTHER PERFORMANCE INDICATORS

Period	Fund	Benchmark	Risk-Free Rate ⁹
Year to Date	3.06%	2.46%	0.88%
Five Years Ago	17.04%	20.87%	11.88%
Since Inception	117.75%	119.69%	42.31%
CAGR ¹⁰ Since Inception	5.32%	5.39%	2.38%

⁹ Refers to 91-day T-Bill rates

¹⁰ 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 April 30, 2020

OTHER DISCLOSURES**Best Performance (Past Five Years)**

Inclusive Dates	Biggest Gain	No. of Days to Achieve
05/06/2015 - 04/29/2020	17.16%	1820 days

Maximum Drawdown and Recovery in NAVPUs¹¹ (Past Five Years)

Maximum Drawdown Period	Biggest Loss	Recovery Period (days)
09/05/2016 - 10/18/2018	-4.01%	111 Days

¹¹ *Maximum Drawdown is the maximum percentage loss that a fund incurs over a time period.*

Maximum Drawdown Period is the length of time the maximum drawdown occurs.

Recovery Period is the length of time taken by a fund to surmount its maximum drawdown.

RESIDENCY OF TARGET MARKET

Filipino Citizens, Philippine residents, and domestic corporations with capacity to contract and who are not considered US Persons under the US securities and tax laws.

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

BDO Unibank, Inc.-Trust and Investments Group is regulated by the Bangko Sentral ng Pilipinas (BSP). For any inquiries and complaints relating to our services and products you may 1) call 840-7000 locals 4265 / 4244 / 4035 / 7032; 2) send an email to trust.complaints@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. You may also file your complaints at BSP Financial Consumer Protection Department at (632) 708-7087 or consumeraffairs@bsp.gov.ph . To know your rights under BSP Circular No. 857 (Regulations on Financial Consumer Protection), please access a copy at the BSP website (www.bsp.gov.ph).



NOTICE TO THE PARTICIPANTS OF BDO GS FUND

8 April 2020

Subject: Deferment of the Consolidation of BDO GS Fund into BDO Peso Bond Fund

Dear Valued Investors,

This is in relation to our letter dated 27 February 2020 on the Consolidation of BDO GS Fund into BDO Peso Bond Fund.

We wish to inform all outstanding participants of BDO GS Fund that we are moving the schedule of the fund consolidation to **22 May 2020** from 17 April 2020.

If you are amenable to the fund consolidation, no action is required from you. For those who are not in conformity, you may still unsubscribe your Easy Investment Plan (EIP) for BDO GS Fund or redeem your participation in BDO GS Fund until 21 May 2020. The Fund remains closed for additional subscription in preparation for the fund consolidation.

The deferment of fund consolidation is in view of the ongoing Enhanced Community Quarantine (ECQ) which has affected our clients' mobility and has put the operations of BDO Trust under skeletal workforce. As soon as the ECQ is lifted, we shall prioritize establishing normal operations.

Thank you for your continued trust and business.

**BDO Unibank, Inc.-Trust and Investments Group
as Trustee of BDO GS Fund**



NOTICE TO THE PARTICIPANTS OF BDO GS FUND

27 February 2020

Subject: Consolidation of BDO GS Fund into BDO Peso Bond Fund

Dear Valued Investors,

In line with BDO Trust's continuing efforts to provide a distinctive array of Unit Investment Trust Funds (UITFs) responsive to clients' needs, we would like to inform you that the BDO Board of Directors, on its meeting held on 27 February 2020, has approved the consolidation of BDO GS Fund (GS Fund) into BDO Peso Bond Fund (PBF), effective **17 April 2020**. The GS Fund shall be closed for additional participation and Easy Investment Plan (EIP) subscription starting 2 March 2020 in order to prepare the Fund for a smooth consolidation process.

With the PBF as the surviving fund, you will get access to a more diversified investment strategy due to its flexibility to invest in corporate bonds for better return opportunities. Similar with the GS Fund, the PBF is a medium term bond fund suitable for investors with moderate risk appetite. Please refer to Annex A for the comparative key features of the Funds.

We advise you to carefully evaluate the foregoing. If you are amenable to this consolidation and that the PBF remains suitable to your investment profile, there is no need for you to do anything. Your decision to remain invested in the GS Fund by **17 April 2020** will be deemed as your conformity and your investments will be subject to the following:

1. Your outstanding units of participation in the GS Fund (including EIP contributions), which are evidenced by Confirmation/s of Participation (COP/s) shall be redeemed and the redemption proceeds will be invested in the PBF based on the applicable Net Asset Value per unit (NAVpu) on consolidation date.
2. As a result, your GS Fund COP/s shall be considered redeemed and will be replaced by PBF COP/s. You may obtain your PBF COP/s at your UITF servicing branch (i.e. the branch where you originally booked your UITF transaction) only upon surrender of the original GS Fund COP/s. For transactions booked via BDO Invest Online, your COP/s will be available for viewing online.
3. No transactions for the GS Fund will be allowed on the consolidation date of 17 April 2020. The GS Fund is deemed terminated effective 18 April 2020.

If you are not in conformity with the above, you may get in touch with your UITF servicing branch **before 17 April 2020** to discuss other BDO UITFs/investment products that may better match your requirements. Early redemption fees, if any, shall be waived.

For clarifications, please feel free to call us at the following numbers: 8840-7000 locals 34255, 33832, 34244, 34035, 33446, 37032. You may also email us at investments@bdo.com.ph and we will be glad to assist you.

Thank you for your continued patronage.

**BDO Unibank, Inc.-Trust and Investments Group
as Trustee of BDO GS Fund**

Additional Information for EIP Participants of BDO GS Fund

- Prior to consolidation date, you may unsubscribe from your GS Fund EIP and have the flexibility to enroll your preferred subscription details in PBF. EIP non-completion fees and/or early redemption fees, if any, shall be waived.
- EIP contributions in the GS Fund not yet covered by a COP will also be redeemed and the redemption proceeds will be invested in PBF based on the applicable NAVpu on consolidation date.
- **FOR CLIENTS WITH EIP SUBSCRIPTIONS IN BOTH GS FUND and PBF UNDER THE SAME EIP ACCOUNT:** Corresponding units of participation from the redemption of your GS Fund EIP contributions not yet covered by a COP will be added to your outstanding PBF units, if any. Your existing EIP details (e.g. amount, contribution date, frequency etc.) in PBF shall be retained, while your subscription details in GS Fund shall be discontinued.
- **FOR CLIENTS WITH EIP SUBSCRIPTION IN GS FUND ONLY:** An EIP schedule in PBF shall automatically be created under the same EIP account following the EIP details (e.g. amount, contribution date, frequency etc.) of your GS Fund EIP.

ANNEX A

Comparative Key Features of BDO GS Fund and BDO Peso Bond Fund

Features	BDO GS Fund	BDO Peso Bond Fund
Fund Classification	Medium Term Bond Fund	Medium Term Bond Fund
Risk Profile	Moderate	Moderate
Investment Objective and Strategy	The Fund aims for capital preservation and income generation from investments in a diversified portfolio consisting of selected government securities that can provide higher yields. The Fund's benchmark is the Markit iBoxx ALBI Philippines 1-5 (Domestic) Index (IBXXPH15).	The Fund aims to provide a high level of income with preservation of principal and maintenance of liquidity by investing in a combination of short to long-term fixed-income securities. The Fund's benchmark is the Markit iBoxx ALBI Philippines 1-5 (Domestic) Index (IBXXPH15).
Minimum Initial / Additional Investment	Php 10,000	Php 10,000
Minimum Holding Period	30 calendar days	30 calendar days
Early Redemption Fee	0.50% of original participation amount	0.50% of original participation amount
Management Fee	1.00% p.a.	1.00% p.a.
Dealing Period	Up to 2:30 p.m. of any banking day	Up to 2:30 p.m. of any banking day
Settlement Period	One (1) banking day after notice of redemption is received	One (1) banking day after notice of redemption is received
Historical Fund Performance (as of January 31, 2020)		
<ul style="list-style-type: none"> • Past 1 Year • Past 3 Years 	8.18% 9.44%	8.71% 10.17%

**Past performance is not indicative of future performance.*