

BDO DIVIDEND FUND (Formerly BDO SUSTAINABLE DIVIDEND FUND)
KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended June 30, 2023

FUND FACTS

Classification: Equity Fund	Net Asset Value per Unit (NAVPU): PHP94.1492
Launch Date: October 18, 2013	Total Fund NAV: PHP 1.834 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: Four (4) banking days after the notice of redemption is received
Minimum Holding Period: 30 calendar days	Early Redemption Fee: 1.0% of Original Participation

FEES*

Trustee Fees: 0.1044%	Custodianship Fees: 0.0009%	External Auditor Fees: 0.0000%	Other Fees: <u>0.0000%</u>
BDO Trust and Investments Group	Deutsche Bank AG, Manila; PDTG	Punongbayan & Araullo	None

*As a percentage of average daily NAV for the month valued at PHP 1.847 Billion.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve long-term capital appreciation by investing in a diversified portfolio of attractively priced exchange-listed stocks with sustainable dividend yields. The Fund's benchmark is the Philippine Stock Exchange Composite Index (PSEI).

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 Dividend Fund is primarily suitable for individual and corporate investors with balanced risk appetite and who seek potentially higher income from dividends as well as from stock price appreciation but are also aware 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.

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.

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.

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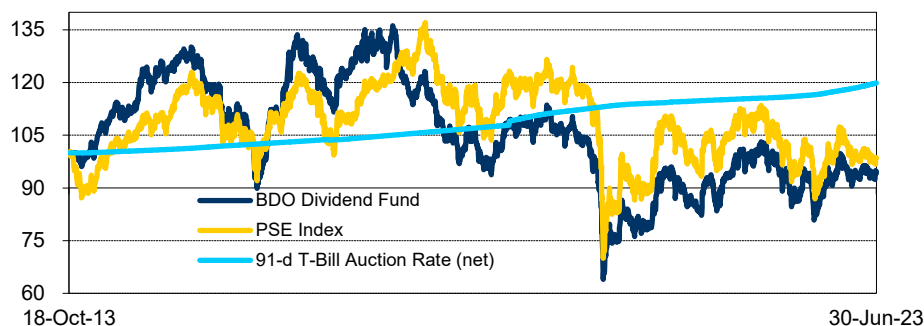
Month Ended June 30, 2023

FUND PERFORMANCE AND STATISTICS

As of June 30, 2023

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

Fund's NAVPU vs Benchmark & Risk-Free Rate



NAVPU over the past 12 months

Highest	PHP 99.8844
Lowest	PHP 80.8719

Statistics

Volatility, Past 1 Year ¹	18.15%
Sharpe Ratio ²	0.36
Information Ratio ³	2.32

¹ Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

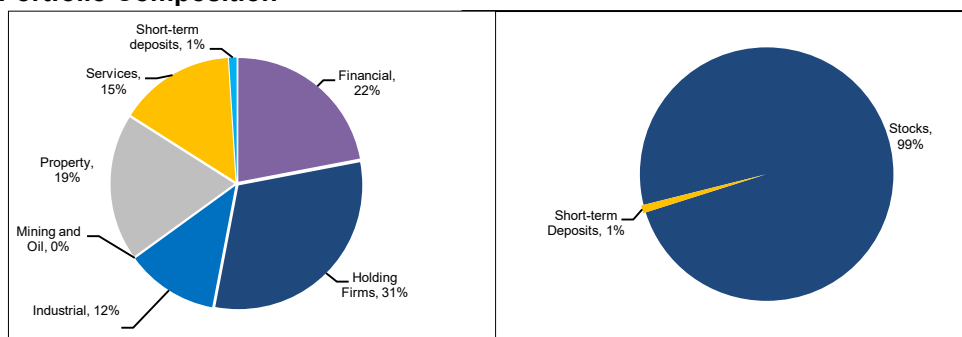
² Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

³ 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.

Cumulative Performance (%)

Period	1 mo	3 mos	6 mos	1 yr	3 yrs
BDO Dividend Fund	0.86%	1.19%	1.76%	9.83%	14.58%
Benchmark - PSEi	-0.14%	-0.49%	-1.50%	5.08%	4.19%

Portfolio Composition



Top Ten Holdings⁴ (%)

Company Name	% of Portfolio
SM Investments	15.07%
SM Prime	10.39%
BDO Unibank	9.79%
BPI Bank	7.77%
ICTSI	7.22%
Ayala Corp	6.35%
Ayala Land	6.34%
Univ Robina	4.70%
PLDT Co	3.98%
Metro Bank	3.71%
Total	75.32%

⁴ 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	0.10
	Investment in Common Shares	180.41
SM Group	Investment in Common Shares	277.54
	Investment in Common Shares	191.41

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.

OTHER DISCLOSURES

OUTLOOK AND STRATEGY

The stock market was generally quiet as investors remained on the sidelines due to lack of market moving news in June. The PSEi closed the month at 6,468.07 just 9 points lower from the May Index level. Trading volume was relatively low and foreign investors were net sellers in the amount of \$57.8m (ex-cross) for the period. The anticipation of more rate hikes by the Fed has continued to weigh on market sentiment. The month also saw some volatility in the consumer space in reaction to the proposed new taxes on “junk food” and sweetened beverages. URC and MONDE fell more than 5% when the news broke-out, however both stocks managed to recover by the end of the month. Foreign interest was limited to banks with foreign investors mostly buying BDO (+1.3% m/m) and BPI (+8.9% m/m). As for inflation, CPI continued to ease at 5.4% y/y in June versus previous print of 6.1% y/y.

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

Trust Fee: 1.25% p.a.	Bloomberg Ticker: <BDOTSDF 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 Pension Pay (EPP), 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 Unit-Paying Feature (Quarterly Income Payout Plan), a feature (subject to a subscription processing fee) that will provide non-guaranteed income stream and allows subscribing Participants to enjoy the fruits of their investments without the need to actually go to their servicing BDO branches to redeem units of their investment, 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 (trustcustomercare@bdo.com.ph) 	
<ul style="list-style-type: none"> • Distribution Channels: Head Office, Invest Online and Local BDO Branches 	

OTHER PERFORMANCE INDICATORS

Period	Fund	Benchmark	Risk-Free Rate ⁵
Year to Date	1.76%	-1.50%	2.08%
Five Years Ago	-4.95%	-10.09%	12.20%
Since Inception	-5.85%	-2.12%	19.75%
CAGR ⁶ Since Inception	-0.62%	-0.22%	1.88%

⁵ Refers to 91-day T-Bill rates

⁶ 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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OTHER DISCLOSURES

Best Performance (Past Five Years)

Inclusive Dates 03/19/2020 - 02/09/2022	Biggest Gain 61.27%	No. of Days to Achieve 692 days
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Maximum Drawdown and Recovery in NAVPUs⁷ (Past Five Years)

Maximum Drawdown Period 07/15/2019 - 03/19/2020	Biggest Loss -43.68%	Recovery Period (days) not yet recovered
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⁷ *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.

- 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. UITFs do not carry any guaranteed rates of return. 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. It is recommended that investors read the UITF's Plan Rules or seek an independent opinion before making an investment. For more information, visit our website at 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 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.

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