

Investment Fund Strategy

January 2020

Investment Considerations & Recommendations

<p>US Dollar Appreciation Against the Philippine Peso</p> <p>The Philippine peso is seen to depreciate against the US dollar in the coming months on account of expectations of a widening trade deficit as imports for capital spending increase. The latest escalation in geopolitical risk (i.e. US-Iran conflict) has also contributed to a higher demand for safe-haven assets, which include the US dollar and US Treasuries.</p>	<p>BDO Dollar Money Market Fund (DMMF)</p> <p>This dollar-denominated fund aims to invest in a mix of USD deposits and listed short- to long-term fixed-income securities for the purpose of providing its investors with income and capital preservation. This fund is ideal for those who are looking to take advantage of potential foreign exchange gains from the peso-dollar exchange rate and protect their capital value through the interest payments on the underlying securities.</p>	<p>+1.56% 2019 Return</p>
		<p>+4.23% 3-Year Return</p>
	<p>BDO Medium Term Dollar Bond Fund (MTDBF)</p> <p>This dollar-denominated fund is for investors who want to take a medium-term view while maintaining the investment objective of income and capital preservation. In comparison to the DMMF, the MTDBF invests in higher-yielding medium- to long-term USD bond investments. Investors are encouraged to stay invested in the fund for at least three (3) years.</p>	<p>+7.46% 2019 Return</p>
		<p>+8.45% 3-Year Return</p>
<p>PH Growth Recovery and an Accommodative BSP</p> <p>After falling below expectations in 2019, Philippine GDP growth is expected to accelerate in 2020, buoyed by consumption and government spending. The Bangko Sentral ng Pilipinas (BSP) is expected to maintain its easy stance to spur economic growth and business activity which could provide a boost to local equities overall.</p>	<p>BDO Equity Index Fund (EQIF)</p> <p>This is a passively-managed peso-denominated fund that is primarily invested in exchange-listed equities and aims to provide investors with a return reflective of the Philippine Stock Exchange Index (PSEi). This fund gives easy access to a diversified portfolio of blue-chip companies and is suitable for investors looking for capital appreciation but are aware of the possibility of losses when investing in equities.</p>	<p>4.77% 2019 Return</p>
		<p>3.75% Since Inception (9/5/2017)</p>
	<p>BDO ESG Equity Fund (ESGF)</p> <p>This is an actively-managed peso-denominated fund that invests in exchange-listed equities, which are seen to exhibit good environmental, social and governance (ESG) practices. "Sustainable investing" has been increasing in popularity as some investors prefer companies that not only maximize shareholder value but contribute to positive change as well. This fund is suitable for investors looking for exposure to the Philippine equity market but want to focus on companies that try to maintain ESG initiatives.</p>	<p>+5.54% 2019 Return</p>
		<p>+13.13% 3-Year Return</p>
<p>Low Interest Rates Amid Loose Global Financial Conditions</p> <p>Global equities could outperform in this environment of relatively-low bond yields, as investors search for higher-yielding assets such as equities. In addition, a resolution of the conflict in the Middle East could help investor sentiment and renew appetite for risky assets.</p>	<p>BDO Global Equity Index Feeder Fund (GEIFF)</p> <p>This dollar-denominated fund gives investors access to the world's 23 developed markets by investing in a target fund that tracks the MSCI World Index. The target fund's composition includes investments in some of the largest and most well-known corporations in the world such as Apple, Inc. and Microsoft Corporation. Investors who would like to spread their exposure to offshore markets and take advantage of the global growth story may participate in this UITF.</p>	<p>+29.49% 2019 Return</p>
		<p>+11.70% Since Inception (2/28/2018)</p>

*Return figures and yields as of December 27, 2019. All return figures reckoned in the funds' respective currencies.

How to Invest:

	Through BDO Online	Through a BDO Branch
Step 1	Log on to your BDO Invest Online account	Visit any BDO branch.
Step 2	Complete client suitability form	Speak to certified UITF marketing personnel
Step 3	Choose a fund and start investing!	Choose a fund and start investing!