



**NOTICE TO THE PARTICIPANTS OF THE
BDO DOLLAR BOND FUND**

July 15, 2019

Subject: Amendments to the Plan Rules of the BDO Dollar Bond Fund

Dear Valued Investors,

We are pleased to inform you that the BDO Trust Committee, on its meeting held last June 29, 2019, has approved the following amendments to the Plan Rules (Declaration of Trust) of the BDO Dollar Bond Fund (the "Fund"), effective **September 2, 2019**:

Amendments to the Plan Rules (*Details in Annex A*)

- a. Reduction in minimum investment amounts to USD 500;
- b. Change in benchmark index to Markit iBoxx Philippines USD 1-3 Index;
- a. Deletion of the reference to weighted average life in the Fund's investment objective; and
- b. Deletion of the specific provision on the basis of valuation of the Fund's investment in various asset classes.

We advise you to evaluate these changes carefully. If the Fund remains suitable to your investment profile, there is no need for you to do anything. Your decision to remain invested in the Fund will be deemed as your conformity with these amendments. If this is not the case or you are not in conformity with the above amendments, you may get in touch with your Trust Marketing Officer and/or servicing BDO branch **before September 2, 2019** to discuss other BDO UITFs/investment products that may better match your requirements.

For clarifications, please feel free to call us at the following numbers: 878-4265, 878-4035 or 878-4244. 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

For Easy Investment Plan (EIP) Participants of BDO Dollar Bond Fund

EIP accounts opened before September 2, 2019 will continue to be issued a Confirmation of Participation (COP) upon reaching a market value of at least USD 2,000, or such higher amount specified by the client at the time of EIP enrollment.

New EIP applications beginning September 2, 2019 will now follow the reduced minimum market value for issuance of COP of USD 500.

Summary Matrix on the Revisions in the Plan Rules of the BDO Dollar Bond Fund

AMENDMENTS	FROM	TO
<p>1. Reduction in minimum investment amounts</p> <p>(1) Minimum initial participation</p> <p>(2) Minimum maintaining participation</p> <p>(3) Minimum additional contribution</p> <p><i>(DOT Appendix 1, Sec. 4a)</i></p>	<p>USD 2,000</p>	<p>USD 500</p>
<p>2. Change in benchmark index</p> <p><i>(DOT Appendix 1, Sec. 1b)</i></p>	<p>“The Fund aims to provide absolute returns in excess of the return of the 1-3 Years ROP Weighted Price Index (based on FMPH prices).”</p>	<p>“The Fund aims to provide absolute returns in excess of the return of the Markit iBoxx Philippines USD 1-3 Index.”</p>
<p>3. Deletion of the reference to weighted average life in the Fund’s investment objective</p> <p><i>(DOT Appendix 1, Sec. 1a)</i></p>	<p>“The objective of this Fund is for capital preservation and income generation from higher yielding short to medium-term bond investments and other similar fixed income securities with a portfolio weighted average life of more than one (1) year.”</p>	<p>““The objective of this Fund is for capital preservation and income generation from higher yielding short to medium-term bond investments and other similar fixed income securities.”</p>
<p>4. Deletion of the specific provision on the basis of valuation of the Fund’s investment in various asset classes but retaining the general provision on adoption of BSP regulation on marking-to-market of assets</p> <p><i>(DOT Appendix 1, Sec. 5)</i></p>	<p>“All assets of the Fund shall be marked to market daily in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments.</p> <p>Below is the basis for the pricing/valuation per asset class/asset:</p> <ul style="list-style-type: none"> • Deposits – priced at par • Government Securities <ul style="list-style-type: none"> a. ROP – based on FMPH1 • Corporate Loans/Bonds – average price for the day as posted in the Bloomberg screen. • Other Sovereign Bonds - average price for the day as posted in the Bloomberg screen. • Derivatives – based on the valuation pattern appropriate for the type of 	<p>“All assets of the Fund shall be marked to market daily in accordance with existing BSP rules and regulations on marking to market valuation of investment instruments.” xxx</p>

	derivative used for hedging as provided under the Philippine Accounting Standards (PAS) 39, Financial Instruments: Recognition and Measurement.” xxx	
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