



**NOTICE TO THE PARTICIPANTS OF THE  
BDO INSTITUTIONAL CASH RESERVE FUND,  
BDO INSTITUTIONAL EQUITY FUND and  
BDO MERIT FUND**

July 15, 2019

**Subject: Amendment to the Plan Rules**

Dear Valued Investors,

Please be informed that the BDO Trust Committee, on its meeting held last June 29, 2019, has approved the following amendment to the Plan Rules (Declaration of Trust) of the subject Funds, effective **September 2, 2019**:

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 *(please refer to Annex A for details)*

We advise you to evaluate this change carefully. If the Fund/s remains suitable to your investment profile, there is no need for you to do anything. Your decision to remain invested in the Fund/s will be deemed as your conformity with this amendment. If this is not the case or you are not in conformity with the above amendment, you may get in touch with your Trust Account Officer **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](mailto: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**

**Summary Matrix on the Amendment in the Plan Rules of BDO Institutional Cash Reserve Fund, BDO Institutional Equity Fund and BDO MERIT Fund**

AMENDMENT	FROM	TO
<p>1. 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:  <i>(Enumeration of assets below shall depend on the Funds’ respective DOT appendices.)</i></p> <ul style="list-style-type: none"> <li>• Deposits – priced at par plus accrued interest</li> <li>• Government Securities               <ul style="list-style-type: none"> <li>a. T-bills- FXTN – in accordance with existing BSP rules and regulations on marking to market valuation of investment in government securities.</li> <li>b. RRP and other deposit instruments with BSP – priced at par plus accrued interest</li> </ul> </li> <li>• Corporate Loans/Bonds – in the absence of a pricing basis from the Fixed Income Exchange, market price is computed using the yield of a benchmark government security of a similar tenor plus a spread.</li> <li>• Equities – based on the closing price as released by the Philippine Stock Exchange.</li> <li>• Derivatives – based on the valuation pattern appropriate for the type of derivative used for hedging as provided under the Philippine Accounting Standards (PAS) 39, Financial Instruments: Recognition and Measurement.” xxx</li> </ul>	<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>