



BDO INSTITUTIONAL EQUITY FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

Month Ended December 29, 2020

FUND FACTS

Classification: Equity Fund	Net Asset Value per Unit (NAVPU): PHP4,469.9316
Launch Date: June 15, 2005	Total Fund NAV: PHP 11.828 Billion
Minimum Investment: PHP1,000.00	Dealing Period: Up to 2:30pm of any banking day
Minimum Additional Investment: PHP1,000.00	Redemption Settlement: Five (5) banking days after the notice of redemption is received
Minimum Maintaining Participation: None	
Minimum Holding Period: 30 calendar days	Early Redemption Fee: 0.50% of Original Participation Amount

FEES*

Trustee Fees: <u>0.0863%</u>	Custodianship Fees: <u>0.0007%</u>	External Auditor Fees: <u>0.0000%</u>	Other Fees: <u>0.0000%</u>
BDO Trust and Investments Group	Standard Chartered Bank, PDC	Punongbayan & Araullo	None

*As a percentage of average daily NAV for the month valued at PHP 12.034 Billion.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims primarily for capital growth over the medium to long term by investing substantially in a selection of exchange-listed equities. Investments in bank deposits and other short-term fixed income instruments may be kept for liquidity and portfolio re-balancing purposes. 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 Institutional Equity Fund is primarily suitable for entities with aggressive risk tolerance and with trust and fiduciary accounts and investment management accounts with the Trustee or its subsidiaries who are tax-exempt and whose tax-exemptions are supported by Bureau of Internal Revenue (BIR) tax-exemption certificates who seek potentially higher return through stock market investments 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. The Fund is not suitable for short-term investing.

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 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 INSTITUTIONAL EQUITY FUND

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 2)

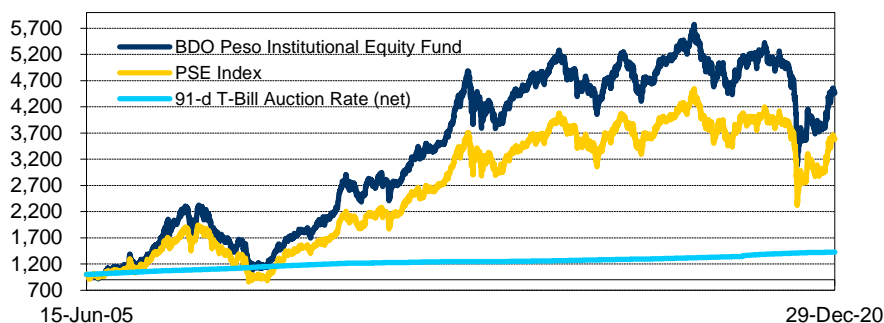
Month Ended December 29, 2020

FUND PERFORMANCE AND STATISTICS

As of December 29, 2020

(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 5,034.3017
Lowest	PHP 3,073.3939

Statistics

Volatility, Past 1 Year ¹	29.76%
Sharpe Ratio ²	-0.42
Information Ratio ³	-0.52

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

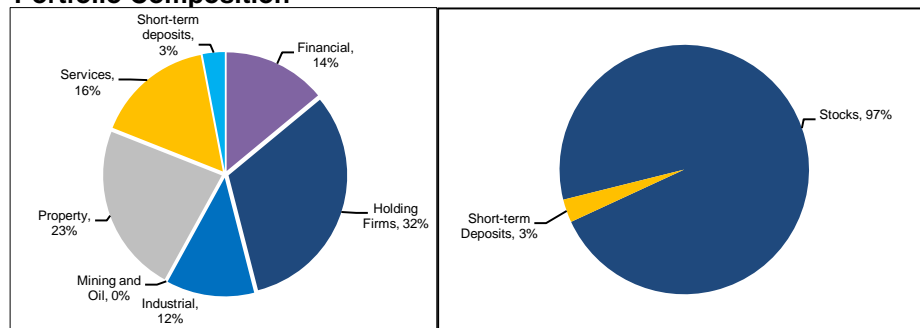
² Sharpe Ratio is used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

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 Institutional Equity Fund	4.66%	18.05%	12.88%	-11.00%	-18.29%
Benchmark - PSEi	5.13%	21.75%	15.01%	-8.64%	-16.58%

Portfolio Composition



Top Ten Holdings⁴ (%)

Company Name	% of Portfolio
SM Investments	13.43%
SM Prime	10.25%
Ayala Land	9.21%
Ayala Corp	6.64%
BDO Unibank	5.75%
ICTSI	5.64%
JG Summit	5.07%
Univ Robina	4.73%
PLDT Co	4.50%
BPI Bank	3.86%
Total	69.07%

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 (MIn)
BDO Unibank, Inc.	Time Deposit Placement	90.10
	Investment in Common Shares	692.81
SM Group	SM Investments Corp. Investment in Common Shares	1,619.32
	Premium Leisure Corp. Investment in Common Shares	18.31
	SM Prime Holdings Investment in Common Shares	1,235.73

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 PSEi continued to rally in December over the optimism on the vaccine roll-out. The equities market gained 5.1% for the month. The PSEi ended the year at 7,139, a decent improvement from the March low of 4,623 triggered by the Covid pandemic. The hard lockdown dragged the economy into a recession however easing quarantine measures mid-year gradually lifted market sentiment. Reopening the economy became the market theme as investors rotate to cyclical sectors like bank and property. Property names mostly gained in December led by Robinsons Land (+27.56% m/m) and Ayala Land (+7.63% m/m) while essential retailers Puregold (-2.73% m/m) and Robinsons Retail Holdings (-4.41% m/m) were sold down the most. The reopening theme is seen to further drive the market on the back of vaccine hopes. A proper and an earlier than expected vaccine roll-out is seen as a positive catalyst for the market.

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: 1.0% p.a.	Bloomberg Ticker: <BDOEQTY PM>
Initial NAVPU: PHP1,000.00	NAVPU Availability: Every trading day at 7:30 p.m.
<ul style="list-style-type: none"> The results of the latest annual audit are available to all participants upon request via email (investments@bdo.com.ph) Distribution Channels: Head Office Only 	

OTHER PERFORMANCE INDICATORS

Period	Fund	Benchmark	Risk-Free Rate ⁵
Year to Date	-11.00%	-8.64%	1.66%
Five Years Ago	-1.33%	2.70%	11.62%
Since Inception	346.99%	258.34%	42.59%
CAGR ⁶ Since Inception	10.11%	8.55%	2.31%

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.

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

Inclusive Dates 01/21/2016 - 1/29/2018	Biggest Gain 42.29%	No. of Days to Achieve 739 days
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Maximum Drawdown and Recovery in NAVPUs⁷ (Past Five Years)

Maximum Drawdown Period 01/29/2018 - 03/19/2020	Biggest Loss -46.76%	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.

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).