

BPI INVEST US EQUITY INDEX FEEDER FUND “CLASS P”

Frequently Asked Questions (as of 11/11/2019)

1. What is the BPI Invest US Equity Index Feeder Fund?

The BPI Invest US Equity Index Feeder Fund is an equity fund, operating as a feeder fund. It invests in a target fund, the SPDR® S&P® 500 ETF Trust, which aims to achieve for its participants investment returns that closely track the total return of the S&P® 500 Index, before fees and expenses.

The BPI Invest US Equity Index Feeder Fund is the first multi-class fund from BPI Asset Management and Trust Corporation (BPI AMTC) where investors with both US Dollars and Philippine Peso are given convenient access to the US markets through this fund.

2. What is BPI Invest US Equity Index Feeder Fund “Class P”? Is it a different fund?

The Unit “Class P” of BPI Invest US Equity Index Feeder Fund is not a different fund. This unit class was introduced to allow investors with Philippine Peso to subscribe to the fund. Now, there is no need to buy US Dollars and create a US Dollar settlement account to subscribe.

As a multi-class fund, the BPI Invest US Equity Index Feeder Fund is allowed to have more than one class of units and remains invested in the same target fund and pool of securities, investment objectives, and policies.

3. What happens to the existing investors upon the fund’s conversion to a multi-class fund?

There will be no impact on the existing investors of the BPI Invest US Equity Index Feeder Fund. The same fees, cut-off time, and settlement schedule, among others, will apply. Said investors who subscribed into the fund using US Dollars (including new investors who subscribed using US Dollars) will now be

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classified as participants of the BPI Invest US Equity Index Feeder Fund Unit “Class A”.

4. Will the introduction of unit classes affect the Net Asset Value per Unit (NAVPU) of the existing investors of the fund?

Conversion of the BPI Invest US Equity Index Feeder Fund to a multi-class fund should have no impact on the NAVPU of existing investors. Any change in the NAVPU during/right after conversion is still reflective of the daily marking-to-market of the underlying investments of the target fund.

5. How will the price of each unit class be computed?

The proportionate share of the unit classes to the Net Asset Value of the fund is computed by dividing the number of outstanding units of a class to the total number of outstanding units of the Fund and then multiplying it to the Net Asset Value of the fund. The net assets of a class shall represent its proportionate share on the net assets of the multi-class fund less the trustee fee and expenses attributable to that class.

$$\begin{array}{l} \text{Proportionate Share} \\ \text{Of the Net Asset Value} = \\ \text{Of a Class} \end{array} = \frac{\text{Total Number of Outstanding units of a class}}{\text{Total number of Outstanding Units of the Fund}} \times \begin{array}{l} \text{NAV of} \\ \text{the} \\ \text{Fund} \end{array}$$

PROPORTIONATE SHARE OF THE NET ASSET VALUE OF A CLASS

- Accrued Trust Fee Payable of a class
- Other Accrued Expenses of a class
- Accounts Payable of a class
- All Other Liabilities of a class

NET ASSET VALUE OF A CLASS

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The NAVPu of a unit class is then calculated by dividing the proportionate NAV of that unit class by the number of Units outstanding of that particular unit class as of the date of valuation. The NAVPu of a unit class shall be computed up to two (2) decimal places as follows:

$$\text{NAVPu of a Unit Class} = \frac{\text{Total Net Asset Value of a Unit Class}}{\text{Total number of Outstanding Units of the same Unit Class}}$$

6. Upon subscription to and redemption from Unit “Class P”, at what Philippine Peso exchange rate will my investment be valued?

All subscriptions and redemptions will be valued based on the foreign exchange closing rate of each valuation day. The changes in exchange rate shall be embedded in the fund’s NAV and the NAVPU of the unit class.

7. If I invest in Unit “Class P” and the general consensus is stronger or weaker USD against major currencies, how will this affect me as an investor?

As a Unit “Class P” investor, should the US Dollar strengthen against the Philippine Peso, you stand to benefit on stronger US Dollar due to unrealized foreign exchange gains. On the other hand, should the US Dollar weaken against the Philippine Peso, you may experience additional volatility due to unrealized foreign exchange losses.

Note, however, that the NAVPU of the unit classes also reflects the daily marking-to-market of the underlying investments of the target fund. As such, we emphasize that clients are not encouraged to subscribe into the BPI Invest US Equity Index Feeder Fund Unit “Class P” to hedge foreign exchange risk. Unit “Class P” was designed primarily to provide convenient access to global outlets for investors with Philippine Peso.

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8. Can clients enroll the BPI Invest US Equity Index Feeder Fund Unit “Class P” in the Regular Subscription Plan (RSP)?

Yes, they can regularly invest in the fund through the Regular Subscription Plan (RSP) for PHP 10,000.00 every month or every quarter. Unfunded subsequent contributions under the RSP are not charged any penalty and will not affect the schedule or continuity of the RSP.

9. Is the BPI Invest US Equity Index Feeder Fund Unit “Class P” available in all BPI and BFB branches and your online/digital platforms?

BPI Invest US Equity Index Feeder Fund Unit “Class P” is currently available in BPI branches **ONLY**. It is also available to clients using BPI Online and BPI Mobile for viewing, subscription, and redemption. On the other hand, enrollment to the Regular Subscription Plan (RSP) may be done through BPI Online. Please watch out for further announcements on any additional functionalities to our digital platforms and any new channel where this product will be made available.

10. How do clients invest in the BPI Invest US Equity Index Feeder Fund Unit “Class P”?

a. If client has existing UITF investments with BPI AMTC

Depending on their risk profile, clients may readily subscribe to this new fund through any of our BPI branches or through BPI Online/BPI Mobile without the need to open a new account.

b. For existing BPI clients with no UITF account with BPI AMTC

Clients may open an investment account through any of our BPI branches and nominate their existing BPI deposit or savings account as settlement account for investment fund transactions. The Certified UITF Sales Personnel in the branch will assist clients through the UITF account opening process.

c. For non-BPI clients

Clients that are new to BPI are required to open a deposit account that shall serve as settlement account for investment fund transactions. They will be asked to take a client suitability assessment to determine their risk profile which shall

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serve as the basis of the Certified UITF Sales Personnel's recommendation. The Certified UITF Sales Personnel in the branch will assist clients through the UITF account opening process.

11. How much is the trust fee of the BPI Invest US Equity Index Feeder Fund Unit "Class P"?

The BPI Invest US Equity Index Feeder Fund Unit "Class P" will have a trust fee of 0.75% per annum, similar to the existing fee structure of Unit "Class A". The trust fee is already embedded in the daily calculation of the Net Asset Value/ Net Asset Value per Unit of the unit classes of the fund. Trust fees compensate BPI AMTC for the management of the fund.

As a feeder fund, it is primarily invested in another collective investment scheme that is subject to its own management fee and other expenses such as, but not limited to, operating expenses, license fees, among others, estimated to amount not more than 0.0945% (based on the target fund's fact sheet as of 09/30/2019). Note that the SPDR® S&P® 500 ETF TRUST is an exchange traded fund to be purchased and sold through the New York Stock Exchange at its prevailing market price, and not at its net asset value per unit/share. The market price may deviate from its net asset value per unit/share.

12. Is there a holding period or redemption penalty?

Both classes of the BPI Invest US Equity Index Feeder Fund have no minimum holding period and no redemption penalty. Clients may redeem their investments anytime, subject to the disclosed cut-off time and settlement schedule.

13. Is the process for subscribing and redeeming units into the BPI Invest US Equity Index Feeder Fund Unit "Class P" the same as the current process for the other BPI AMTC funds/other BPI Invest US Equity Index Feeder Fund class/es?

Yes, the same process and procedures already existing for the other BPI AMTC UITFs should apply. If clients have an existing BPI AMTC UITF account, then it's just a matter of buying into a new fund. No new account opening is required.

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14. What is the cut-off time for subscribing/ redeeming units in the BPI Invest US Equity Index Feeder Fund?

The cut-off time for subscribing to and redeeming from both classes is 2:30 PM. Orders done after the cut-off time will be considered for the next valuation day's transaction.

15. When do I expect the crediting of my redemption proceeds?

Proceeds of redemption orders within the cut-off time will be credited to the client's nominated settlement account on Day 6 end-of-day.

16. What reports shall I receive?

Investors of the both unit classes of the fund shall receive a Transaction Advice for every subscription or redemption transaction. This is the only official document evidencing/ confirming their subscription to/redemption from the any of the unit classes. They will also receive a Statement of Account after every calendar quarter.

17. What institution provides and manages BPI Invest US Equity Index Feeder Fund's target fund, SPDR® S&P 500® ETF Trust?

The fund is managed by State Street Global Advisors, the investment management arm of State Street Corporation. They have been in operation for nearly four decades, partnering with many of the world's largest, most sophisticated investors and financial intermediaries. Asset under management as of June 30, 2019 is approximately USD 35.96 billion.

18. What comprises the SPDR® S&P 500® ETF Trust as the target fund of BPI Invest US Equity Index Feeder Fund?

The SPDR® S&P 500® ETF Trust seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P500® Index

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As of September 30, 2019, the following are the portfolio characteristics of the SPDR® S&P 500® ETF Trust:

Top 10 Holdings†	Weight (%)
Microsoft Corporation	4.30
Apple Inc.	3.85
Amazon.com Inc.	2.92
Facebook Inc. Class A	1.73
Berkshire Hathaway Inc. Class B	1.65
JPMorgan Chase & Co.	1.52
Alphabet Inc. Class C	1.49
Alphabet Inc. Class A	1.48
Johnson & Johnson	1.38
Procter & Gamble Company	1.26

Top Sectors	Weight (%)
Information Technology	21.94
Health Care	13.65
Financials	12.95
Communication Services	10.36
Consumer Discretionary	10.12
Industrials	9.35
Consumer Staples	7.60
Energy	4.52
Utilities	3.58
Real Estate	3.21

For more information, please visit www.spdrs.com.

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