

## BDO JAPAN EQUITY INDEX FEEDER FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of January 29, 2021

## FUND FACTS

<b>Classification:</b> Equity Feeder Fund	<b>Net Asset Value per Unit (NAVPU):</b> USD 119.1015
<b>Launch Date:</b> September 8, 2017	Total Fund NAV: JPY 143.8081 Million.
<b>Minimum Investment:</b> JPY200,000.00	<b>Dealing Period:</b> Up to 2:30pm of any banking day
<b>Minimum Additional Investment / Maintaining Participation:</b> JPY200,000.00	<b>Redemption Settlement:</b> Five (5) banking days after the Valuation Date
<b>Minimum Holding Period:</b> None	<b>Early Redemption Fee:</b> Not applicable

## FEES\*

Trustee Fees: 0.0402%	Custodianship Fees: 0.0000%	External Auditor Fees: 0.0000%	Other Fees: 0.0000%
BDO Trust and Investments Group	None	Punongbayan & Arullo	None

\*As a percentage of average daily NAV for the month valued at JPY 144.4315 Million.

## INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to achieve long term capital growth by investing in a single collective investment scheme, called the Target Fund, which is invested in a portfolio of Japanese equity securities that tracks the JPX-Nikkei Index 400. The Target Fund is the NEXT FUNDS JPX-Nikkei Index 400 Exchange Traded Fund (ISIN JP3047670009).

## 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 Japan Equity Index Feeder Fund is suitable only for individual and corporate investors who have aggressive risk appetite and who seek potentially higher returns through Japanese stock market investments but are also aware of the possibility of capital losses that such investments may entail.
- ♦Participation in the Fund shall be open to 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.
- ♦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.** Possibility to experience losses due to changes in market prices of securities.

**Liquidity Risk.** Possibility to experience losses due to the fund's inability to convert assets into cash immediately or in instances where conversion to cash is possible but a highly disadvantageous price.

**Foreign Exchange Risk.** Possibility to experience losses due to fluctuations in foreign exchange rates.

**Country Risk.** Possibility to experience losses arising from investments in securities issued by/in foreign countries due to political, economic and social structures of such countries.

See additional disclosures under **RISK FACTORS RELATED TO THE TARGET FUND.**

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 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 JAPAN EQUITY INDEX FEEDER FUND**

**KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 2)**

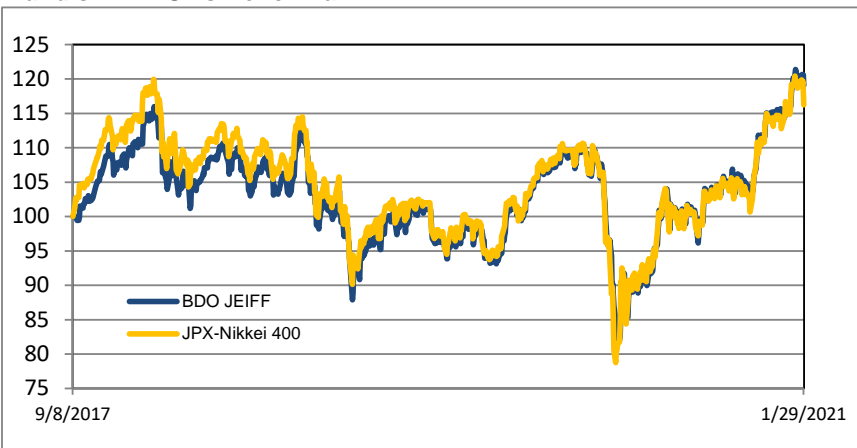
Month Ended January 29, 2021

**FUND PERFORMANCE AND STATISTICS**

As of January 29, 2021

(Purely for reference purposes and is not a guarantee of future results)

**Fund's NAVPU vs Benchmark**



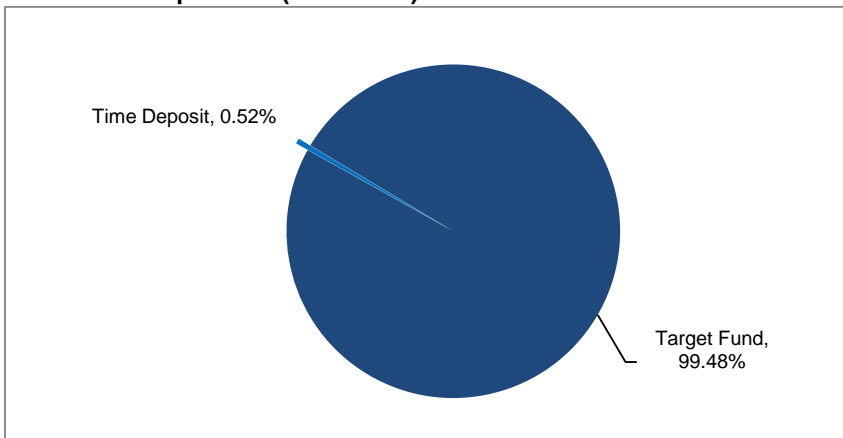
**Cumulative Performance (%)**

Period	1 mo	3 mos	6 mos	1 yr	3 yrs
Fund - BDO JEIFF <sup>1</sup>	3.28%	15.10%	19.81%	12.29%	na
Benchmark <sup>2</sup>	-0.39%	15.48%	18.25%	8.74%	na

<sup>1</sup> Past performance is not indicative of future performance.

<sup>2</sup> The Fund's benchmark is the JPX-Nikkei Index 400

**Portfolio Composition (% of Fund)**



**NAVPU over the past 12 months**

Highest JPY 121.3787  
 Lowest JPY 81.5183

**Statistics**

Volatility, Past 1 Year<sup>3</sup> 20.63%  
 Sharpe Ratio<sup>4</sup> 0.59  
 Information Ratio<sup>5</sup> 0.12

<sup>3</sup> Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>4</sup> 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.

<sup>5</sup> 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.

**OTHER BASIC FUND FACTS**

<b>Trust Fee:</b> 0.50% p.a.
<b>Bloomberg Ticker:</b> <BDOJEIF PM>
<b>Initial NAVPU:</b> JPY 100.00
<b>NAVPU Availability:</b> Every trading day at 4:00 p.m.
<b>Participation/Redemption Conditions:</b> Admission and Redemption orders are subject to a one (1) day advanced notice requirement ("Order Date"). Actual admission/redemption date is the date following the Order Date ("Valuation Date").
<ul style="list-style-type: none"> <li>The results of the latest annual audit are available to all participants upon request via email (investments@bdo.com.ph)</li> <li><b>Distribution Channels:</b> Head Office and Local BDO Branches</li> </ul>

• The availability via the Easy Investment Plan (EIP), an investment build-up plan that enables investors to attain their financial goals and financial wellness through the twin habits of regularly saving and investing via selected BDO UITFs, has not been implemented yet. Participants will be notified once this feature is available.

• The availability via the Easy Redemption Plan (ERP), a redemption facility that allows participants to partially, automatically and regularly receive regular cash pay-outs from their investments in units of participation in the Fund, has not been implemented yet. Participants will be notified once this feature is available.

• The availability of Fund's Switching Feature, a feature which allows an existing Participant to request that his UITF units of participation be redeemed and the proceeds thereof reinvested in the units of participation of one or several BDO UITF/s (up to a maximum of five UITFs) with the same or longer settlement period and the same currency without the need to wait for the usual settlement period for redemptions, has not been implemented yet. Participants will be notified once this feature is available.

## BDO JAPAN EQUITY INDEX FEEDER FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 3)

Month Ended January 29, 2021

## 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 (Mln)
<b>BDO Unibank, Inc.</b>	Time Deposit Placement	N/A

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.

## INVESTMENT POLICY / PROSPECTIVE INVESTMENTS

As a feeder fund, the Fund shall invest at least 90% of its assets in a single collective investment scheme called the Target Fund. The Target Fund is registered/authorized/approved by a regulatory authority that is a member of the International Organization of Securities Commissions (IOSCO) and managed by reputable fund manager/s, the investment objectives and policies of which are generally consistent with those of the Fund. The Target Fund must neither be structured nor similarly structured as a feeder fund or fund-of-funds. The remaining portion of the assets (maximum of 10%) will be invested and reinvested by the Trustee, with full discretionary powers, in deposits in the Trustee's bank or in other banks. The Fund may invest in bank deposits beyond the 10% limit during the transitory period while the Fund switches target fund.

## GENERAL INFORMATION ON THE TARGET FUND

The Target Fund (NEXT FUNDS JPX-Nikkei Index 400 Exchange Traded Fund) seeks to match the performance of the JPX-Nikkei Index 400, the Target Fund's Benchmark Index. The Target Fund will invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the Benchmark Index, in similar proportions to their weightings in the Benchmark Index. The Target Fund aims to replicate the composition of the Benchmark Index; however it may not always be possible or practicable to hold every security in their exact weighting as in the Benchmark Index. The Target Fund may also use financial derivative instruments for purposes indicated in its Prospectus.

<b>Management Company:</b> Nomura Asset Management Co., Ltd.	<b>Exposure to Target Fund's NAV monitoring:</b> 0.01%
<b>Trustee:</b> Nomura Trust and Banking Co., Ltd.	<b>Bloomberg ticker:</b> 1591 JP Equity
<b>Structure:</b> Exchange Traded Fund (ETF)	<b>ISIN:</b> JP3047670009
<b>Inception Date:</b> January 24, 2014	<b>Base Currency:</b> JPY
<b>Domicile:</b> Japan	<b>Total Expense Ratio:</b> 0.216% (as of June 30, 2017)
<b>Custodian:</b> Nomura Trust and Banking Co., Ltd.	

*The Fund Factsheet, Prospectus and relevant information related to the Target Fund are available through its official website at [www.nomura-am.co.jp/english/nextfunds/](http://www.nomura-am.co.jp/english/nextfunds/).*

## 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 JAPAN EQUITY INDEX FEEDER FUND

### KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT (Page 4)

Month Ended January 29, 2021

#### OTHER DISCLOSURES

##### RISK FACTORS RELATED TO THE TARGET FUND

The following are the principal risks of investing in the Target Fund:

**General Risk.** The performance of the Target Fund will depend on the performance of its underlying investments.

**Investment Risk.** All profits and losses arising from fund management are borne by the investors. Any principal invested in the Target Fund by investors is therefore not guaranteed. Investors may incur loss and the value of their investment may fall below par as the result of a decline in the NAV.

**Equity Risk.** The NAV of the Target Fund may be influenced by stock price fluctuations since it invests in stocks. The values of equities fluctuate daily and a Fund investing in equities could incur significant losses.

**Single Country Investment Risk.** The concentration of the Target Fund's investments in Japanese companies may result in greater volatility than portfolios which comprise broad-based global investments.

**Index-Related Risk.** During a period where a Benchmark Index contains incorrect constituents, the Fund tracking such published Benchmark Index would have market exposure to such constituents. As such, errors may potentially result in negative or positive performance impact to the Fund and, by extension, impact its shareholders.

**Tracking Error / Investment Risk.** It is not guaranteed that the Target Fund's investment performance will track or exceed the Benchmark Index.

**Counterparty Risk.** Transactions pertaining to the Target Fund may default because of bankruptcy, or other similar event, occurring to a counterparty.

**Currency Risk.** The Target Fund may invest in assets denominated in a currency other than the Base Currency of the Target Fund. Changes in exchange rates will cause the value of the asset expressed in the Base Currency to fall or rise.

**Other Risks.** Additional risk considerations include the following: 1) Management based upon the investment policy may not be achieved; 2) The interest/redemption payment from the issuers of the securities which are incorporated into the Target Fund may be delayed; 3) The NAV of the Target Fund is subject to fluctuations in the prices of the securities in which it invests; and 4) The Target Fund will be delisted and the trust will be terminated if the number of portions of beneficial interest falls below 100,000 for 20 successive business days.

##### SWITCHING OF THE TARGET FUNDS

♦The Trustee shall have the authority to switch Target Fund in the event of a material change in the Target Fund and as the circumstances warrant including reasons such as: 1) Change in the objective, investment style or risk profile of the current Target Fund; 2) Resignation of fund managers or portfolio management team of the Target Fund; 3) Closure of the Target Fund or its maximum AUM capacity has been reached; 4) Prolonged suspension of subscription/redemption to/from the Target Fund; 5) Change in the Target Fund's fees that will significantly affect the total expense ratio of the Fund; 6) Regulatory change in the jurisdiction where the Target Fund is domiciled that would significantly affect the Target Fund's operations; 7) Significant legal disputes; 8) Market Conditions which, in the reasonable opinion of the Trustee, warrant a change in Target Fund; 9) Investment by the Target Fund in another collective investment scheme; 10) as well as when, in the opinion of the Trustee, the Target Fund has been consistently underperforming vis-a-vis expectations. In case of such switching, the Trustee shall notify the Participants by way of direct written notice and through the form of notices such as: 1) electronic mail; 2) notices posted in the premises of the Trustee and its branches; 3) notification in the Trustee's website. Such notice shall include the ground for the switching as well as the estimated costs to be incurred by the Fund for the switching.

♦Switching of a target fund due to a change in the Target Fund's investment objectives shall be accompanied by a change in the Fund's Declaration of Trust (DOT). No change shall be implemented within thirty (30) calendar days from the initial notification. The switching of the Target Fund will be conducted with due diligence and with the approval of the Trust Committee.

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](mailto: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](http://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](mailto: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](http://www.bsp.gov.ph)).