



## BDO CHINA EQUITY FEEDER FUND

## KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of June 30, 2023

## FUND FACTS

<b>Classification:</b> Equity Feeder Fund	<b>Net Asset Value per Unit (NAVPU):</b> USD 90.6509
<b>Launch Date:</b> October 29, 2015	<b>Total Fund NAV:</b> USD 10.3718 Million.
<b>Minimum Investment:</b> USD 500.00	<b>Dealing Period:</b> Up to 2:30pm of any banking day
<b>Minimum Additional Investment / Maintaining Participation:</b> USD 500.00	<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: 0.08360%	Custodianship Fees: 0%	External Auditor Fees: .0000%	Other Fees: 0.0000%
BDO Trust and Investments Group	None	Punongbayan & Araullo	None

\*As a percentage of average daily NAV for the month valued at USD 10.5969 Million.

## INVESTMENT OBJECTIVE AND STRATEGY

The Fund aims to provide long-term capital growth by investing in a single collective investment scheme called the Target Fund, which is invested in a portfolio of equities and equity-related instruments of China-related companies traded both onshore and offshore China. The Fund's Target Fund is the BlackRock Global Funds (BGF) China Fund (D2 USD Class with ISIN LU0359204475).

## 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 China Equity Feeder Fund is suitable only for individual and corporate investors who have balanced risk appetite and who seek potentially higher returns through Chinese 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 A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT, 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 CHINA EQUITY FEEDER FUND**

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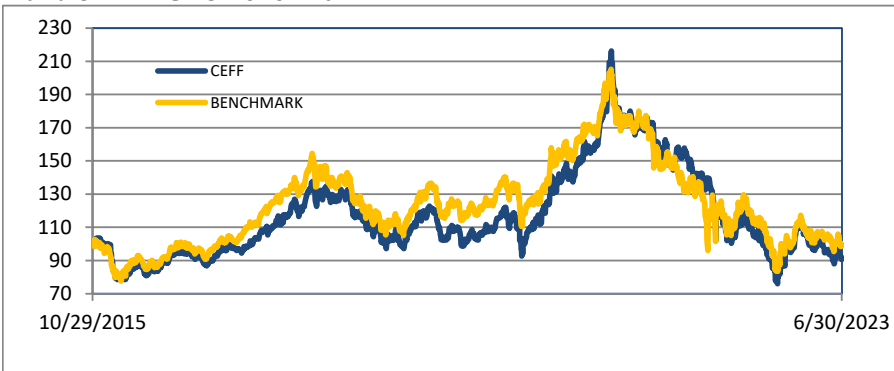
Month Ended June 30, 2023

**FUND PERFORMANCE AND STATISTICS**

**As of June 30, 2023**

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

**Fund's NAVPU vs Benchmark**



**NAVPU over the past 12 months**

Highest USD 118.1817  
Lowest USD 76.0341

**Statistics**

Volatility, Past 1 Year<sup>3</sup> 29.05%  
Sharpe Ratio<sup>4</sup> -0.91  
Information Ratio<sup>5</sup> -0.66

<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.

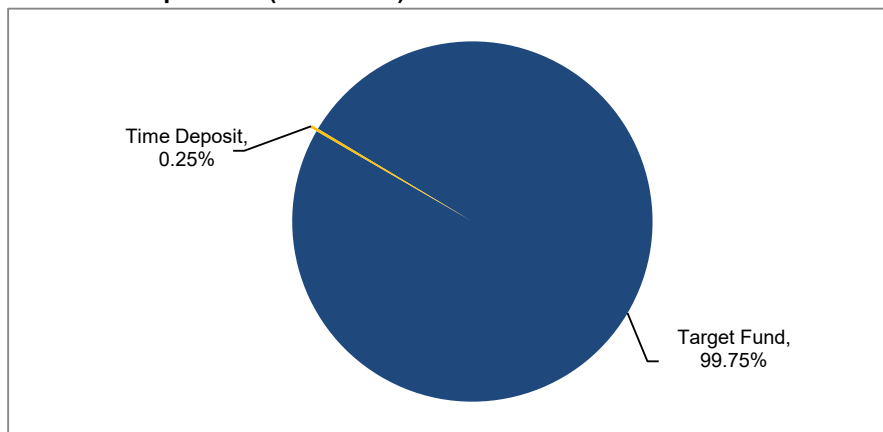
**Cumulative Performance (%)**

Period	1 mo	3 mos	6 mos	1 yr	3 yrs
Fund - BDO CEFF <sup>1</sup>	0.67%	-10.81%	-7.61%	-22.71%	-26.73%
Benchmark <sup>2</sup>	1.79%	-9.05%	-6.20%	-17.52%	-24.40%

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

<sup>2</sup> Benchmark of the Target Fund.

**Portfolio Composition (% of Fund)**



**OTHER BASIC FUND FACTS**

<b>Trust Fee:</b> 1.00% p.a.
<b>Bloomberg Ticker:</b> <BDOCEFF PM>
<b>Initial NAVPU:</b> USD 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, Invest Online 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 Pension Pay (EPP), 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 UNIBANK, INC. – TRUST AND INVESTMENTS GROUP

### BDO CHINA EQUITY FEEDER FUND

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Month Ended June 30, 2023

#### 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	0.0307

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 was switched from ChinaAMC China Focus Fund (formerly Citi China Select Fund) to BlackRock Global Funds (BGF) China Fund effective 20 March 2018. The Target Fund (BlackRock Global Funds (BGF) China Fund) seeks to maximize total return by investing at least 70% of the Fund's assets in stocks of companies based in, or with the majority of their business in, the People's Republic of China (the "PRC"). Subject to applicable regulatory restrictions and internal guidelines, the remaining 30% may be invested in financial instruments of companies or issuers of any size in any sector of the economy globally such as equity securities consistent with the Target Fund's objective and cash. The Target Fund may also use financial derivative instruments for purposes indicated in its Prospectus.

<b>Manager:</b> BlackRock (Luxembourg) S.A.	<b>Exposure to Target Fund's NAV monitoring:</b> 0.98%
<b>Administrator:</b> BlackRock Investment Management (UK) Limited	<b>Bloomberg Ticker:</b> BLKCHD2
<b>Structure:</b> UCITS	<b>ISIN:</b> LU0359204475
<b>Inception Date:</b> September 28, 2009	<b>Share Class:</b> D2
<b>Domicile:</b> Luxembourg	<b>Base Currency:</b> USD
<b>Custodian:</b> The Bank of New York Mellon (Intl.) Ltd, Luxembourg Branch	<b>Management Fee:</b> 0.75% p.a.

*The Prospectus, Fund Factsheet and relevant information related to the Target Fund are available through its official website at [www.blackrock.com](http://www.blackrock.com).*

- This Fund is available 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.
- 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 Unit Investment Trust Funds (UITFs) are not deposits but trust agreements. They are not obligations of, nor guaranteed, nor insured by BDO or its affiliates and subsidiaries, and are not insured by, nor governed by the PDIC. UITFs do not carry any guaranteed rates of return. Any income or loss arising from market fluctuations and price volatility of the securities held by the UITFs, including government securities, is for the account of the investor. The units of participation in the funds, when redeemed, may be worth more or worth less than the initial investment of the investor. Historical performance, when presented, is purely for reference purposes and not a guarantee of similar future results. BDO, as trustee, is not liable for losses unless there is fraud, willful default, bad faith or gross negligence. It is recommended that investors read the UITF's Plan Rules or seek an independent opinion before making an investment. For more information, visit our website at [www.bdo.com.ph/trust](http://www.bdo.com.ph/trust).

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Month Ended June 30, 2023

#### OTHER DISCLOSURES

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

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

**Investment Risk.** The Target Fund's investment portfolio may fall in value due to any of the risk factors below and therefore the Fund's investment in the Target Fund may suffer losses.

**Currency Risk.** Foreign currency exchange rate movements are likely to influence the returns to investors, hence investors may be exposed to exchange rate risks.

**Emerging Market Risk.** The Target Fund may invest in one or more emerging markets and may be subject to a higher than average volatility than investing in a more developed markets.

**Foreign Investment Restrictions Risk.** Some countries prohibit or restrict investment, or the repatriation of income, capital or the proceeds from sale of securities. Such restrictions may delay the investment or repatriation of capital of the Target Fund.

**Equity Risk.** The values of equities fluctuate daily and can be influenced by many factors including issuer-specific factors and broader economic and political developments.

**Liquidity Risk.** Trading volumes in the underlying investments of the Target Fund may fluctuate significantly, due to the factors including market development, market sentiment or regulatory/government intervention. An inability to readily sell investments at the desired time or

**Derivatives Risk.** The use of derivatives may expose the Target Fund to a higher degree of risk.

**Securities Lending Risk.** The Target Fund may engage in securities lending. As such, the Target Fund will have a credit risk exposure to the counterparties to any securities lending contract.

**Smaller Capitalization Companies Risk.** The Target Fund may invest in small cap companies. Such investments may have higher than average volatility and liquidity risks.

##### 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.

Cooling-Off Period – Subject to the exemptions under BSP regulations, a Participant/Trustor shall be entitled to cancel his/its initial subscription, without penalty, upon formal notice to the Trustee within a period of two (2) banking days immediately following the signing of the Omnibus Participating Trust Agreement of BDO UITFs. However, the Participant/Trustor shall bear the payment of all costs, expenses and early redemption fees arising from such termination, if any. If a Participant/Trustor wishes to exercise his/its rights under this provision, the Participant/Trustor should immediately call/send an email to/visit his/its assigned Trust Marketing Officer or the Branch Manager/Marketing Officer of the Participant's/Trustor's BDO Servicing Branch.

For inquiries or concerns relating to our products and services, you may 1) call BDO Contact Center at (+632) 8631-8000; 2) send an email [trustcustomercare@bdo.com.ph](mailto:trustcustomercare@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).

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