Overview

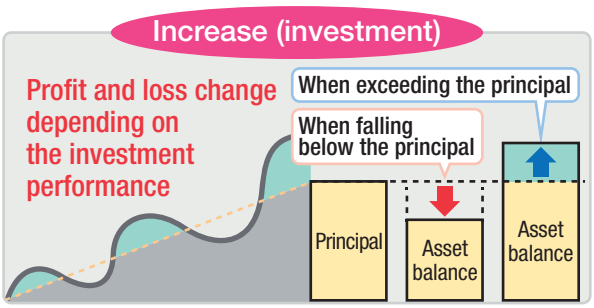
Types of Investment Products

Major Types of Investment Products available under DC Plan

Investment products that can be selected under DC plans can be classified into two main types:

Investment Trusts

These investment products invest in equities, bonds and other vehicles with price fluctuations. Therefore, the asset balance may fall below the principal, but high returns can be expected.



<Features>

1 Principal is not guaranteed.
There is a possibility of loss of principal invested as the price of the investment trust fluctuates.

2 There is no guarantee that you can profit at a fixed rate.
Unlike principal guaranteed investment products, there is no guarantee that you can profit at a fixed rate. The unit price of the investment trust fluctuates daily, depending on the performance of the securities held by the fund, thus either profits or losses are generated. It is important to understand the specific features and characteristics of each investment product.

3 There is no maturity.
Investment trusts have no maturity date which means the investment will remain in effect until you decide to redeem through switching.

* Trust Periods of Investment Trusts
As a general rule, the investment periods for investment trusts offered under the DC pension plan (called "maturity" for bank deposits) are indefinite. However, an investment trust may become terminated (i.e. advanced redemption) due to an unavoidable situation at the management company's discretion.

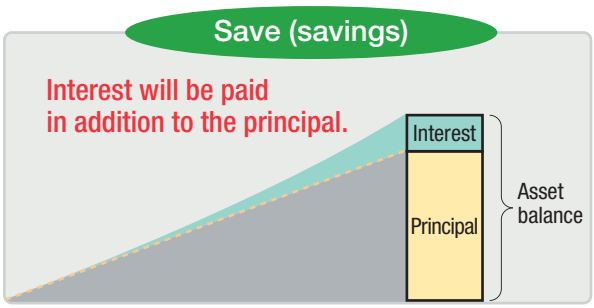
<Points to check in investment products>

- Asset classes: Equities/Bonds /REITs
- Management Style:
  Passive Management/Active Management
- Cost:
  Asset management fee, Partial redemption charge
- Investment performance: Return, Risk

See page P.41～

Principal Guaranteed Investment Products

These investment products add a certain interest to the principal, as with insurance and bank deposits. In principle, the principal is secured, but high returns cannot be expected. In the case of inflation, you may not be able to secure substantial purchasing power.



<Features>

1 Principal is protected.
The principal will be secured when held until maturity (a fixed period for a guaranteed interest rate, or a term of deposit).

* For some of the insurance products, an early redemption fee can be applied, which could result in reduction of the principal amount. Please see the Investment Product Guide for more details.

2 Interest will be paid in addition to the principal.
Calculated interest based on a predetermined rate will be paid in addition to the principal.

* In the case of early redemption, an interest rate lower than the predetermined guaranteed interest rate or interest rate may be applied.

3 Automatic renewal at maturity
Upon maturity, the initial principal and interest payment (the new principal) will be automatically reinvested. In such a case, the guaranteed interest rate or interest at the time of automatic renewal will apply.

<Points to check in investment products>

- Guaranteed interest rate, Interest rate
- Guarantee period with a guaranteed interest rate, term of Deposit
- Early redemption

See page P.55～

Investment trusts and Principal guaranteed investment products (Simulation based on long-term and diversified investment)

Investment trusts and principal guaranteed investment products are different in their characteristics of “increase” and “save,” respectively. To offer a concrete image, a long-term simulation based on past records is provided below. As for investment trusts, long-term and diversified investments were conducted to reduce risk.

See page P.15～18

[Investment trusts] Diversified investment in 4 asset classes of Japanese Equities, Foreign Equities, Japanese bonds and Foreign bonds.

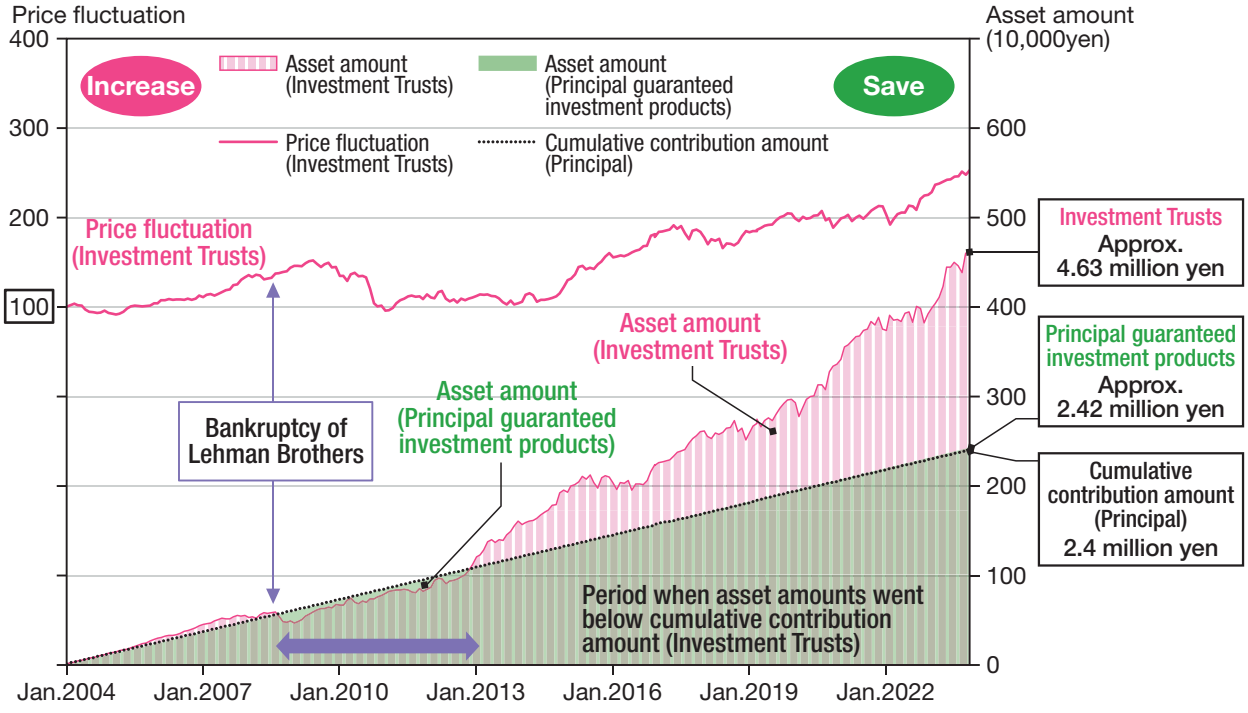
[Principal guaranteed investment products] Accumulated Accident Insurance.

* The calculation is based on indices and interest rates that show market price fluctuations rather than focusing on specific products, and does not take into consideration expenses and taxes related to investment.

[Long-term investment] Investment period of 20 years. The investment period includes the years around 2008, when a major market fluctuation took place as a result of the Lehman Brothers bankruptcy.

[Diversification of time (regular investment)] Reserve 10,000 yen every month.

- After the bankruptcy of Lehman Brothers, the asset amount of the investment trusts became lower than the principal for a period of time, but have exceeded the principal following the recovery of the market. On the other hand, the asset amount of the principal guaranteed investment product have never fallen below the principal.
- The asset amount of each investment product shows the different investment style to "increase" or "save".
- Under a DC plan, you will receive invested assets. Therefore, you should consider these differences when investing.



Investment period of 20 years (January 2004 to December 2023)
Left axis: Price fluctuation when the end of November 2004 is defined as “100”
Right axis: Changes in asset amount and cumulative contribution amount when 10,000 yen is reserved every month
<Source> The figures for the principal guaranteed investment product are calculated by our company using the guaranteed interest rate of the accumulated accident insurance.
The figures for the investment trusts are calculated under the assumption that 25% of the contributions is invested in each of the 4 asset classes: Japanese equities, foreign equities, Japanese bonds and foreign bonds, and rebalanced at the end of each month using the following indices:
Japanese Equities: TOPIX(dividend included), Foreign Equities: MSCI-Kokusai (in JPY, without dividends)
Japanese Bonds: Nomura BPI (Overall), Foreign Bonds: FTSE World Government Bond Index (ex Japan, in JPY)

◆This chart is created for informational purpose only by Sompo Asset Management Co., Ltd. and is not intended as a solicitation of an investment.

◆This chart is created based upon information that Sompo Asset Management Co., Ltd. considers to be reliable, but they do not guarantee its accuracy or thoroughness.

This information is prepared only to provide information for making investment decisions and is not intended as a recommendation of a specific investment style or product nor as a solicitation of an investment. Information contained here is valid at the time of creation and may be changed without prior notice. Furthermore, the information does not guarantee changes in future market conditions.

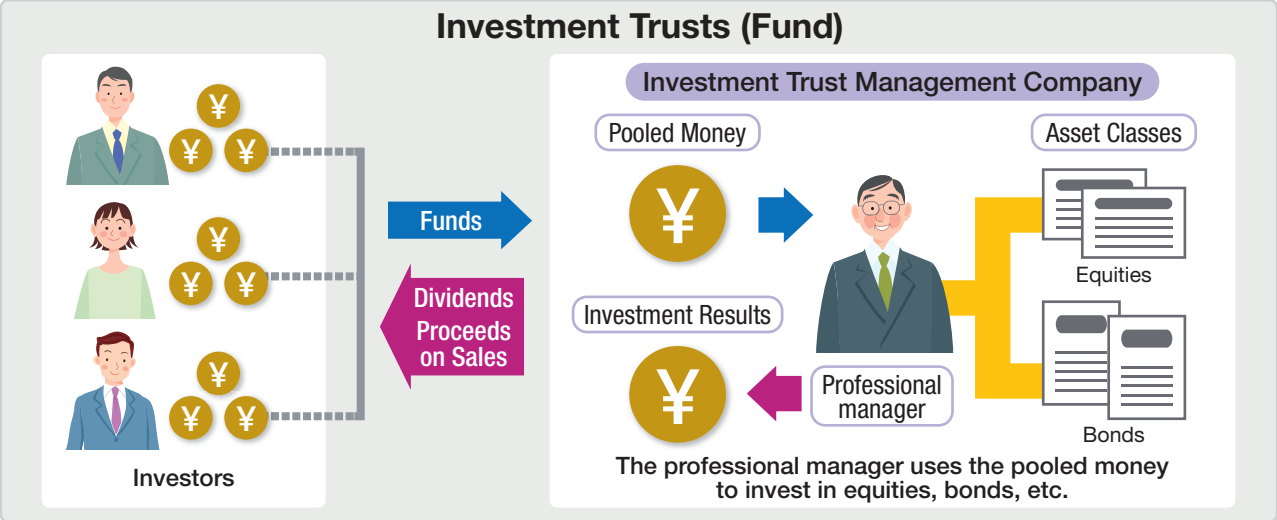
Investment Trusts

Structure and Features of Investment Trusts

Product Structure

An investment vehicle that is made up of a pool of funds collected from many investors. The professional manager (management company) uses the money to invest in equities, bonds, etc. An investment trust is also called a “fund.”

Image



For example, diversified investment through purchasing various equities requires a sizable sum of money. An investment trust invests a sum of money gathered from many investors, and thus can conduct diversified investment even though each individual’s invested amount is small.

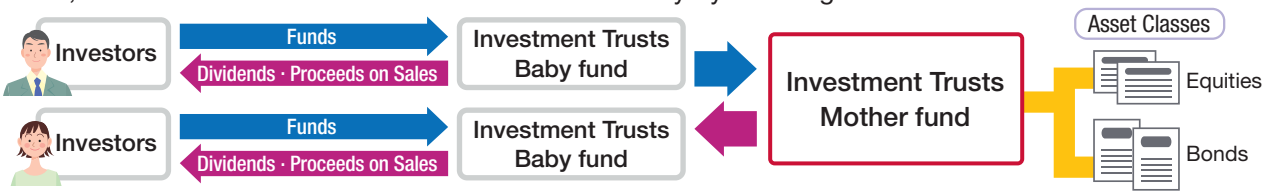
Expected return Dividends, profits/losses on sales

- **Definition of the term “dividend”:**
  Part of a profit derived from investing may be returned to the investors. This is called a “dividend”. When dividends are paid in a DC plan, they will be automatically reinvested in the same product (purchasing the same product).

Asset protection The roles of sales, investment and management of assets are clearly separated in an investment trust, and the management company (investment trust management company) does not hold assets.
The assets are managed as trust assets by a trustee (trust bank, etc.) separately from those of the trust bank, etc. Even if the trust bank goes bankrupt, the assets will be protected at market price. However, the amount of loss from investment is out of the scope of protection.

Family funds method

This method invests in an investment trust called the “mother fund,” rather than directly investing in equities, bonds and the like. As shown by the name of “mother,” this investment method collectively invests amounts gathered in investment trusts (baby funds) of the same management company. As a result, diversified investment can be conducted efficiently by reducing costs.



Fund of funds method

This is an investment method in which a fund invests in other types of funds.Under this method, an appropriate combination of a variety of funds offered, not only by the same management company but by different companies, are wrapped into one fund. The specialists choose and combine funds with different risk characteristics, therefore the effect of diversified investment can be expected. Asset management fees for the underlying funds will also be borne by the participant indirectly.

See page P.52

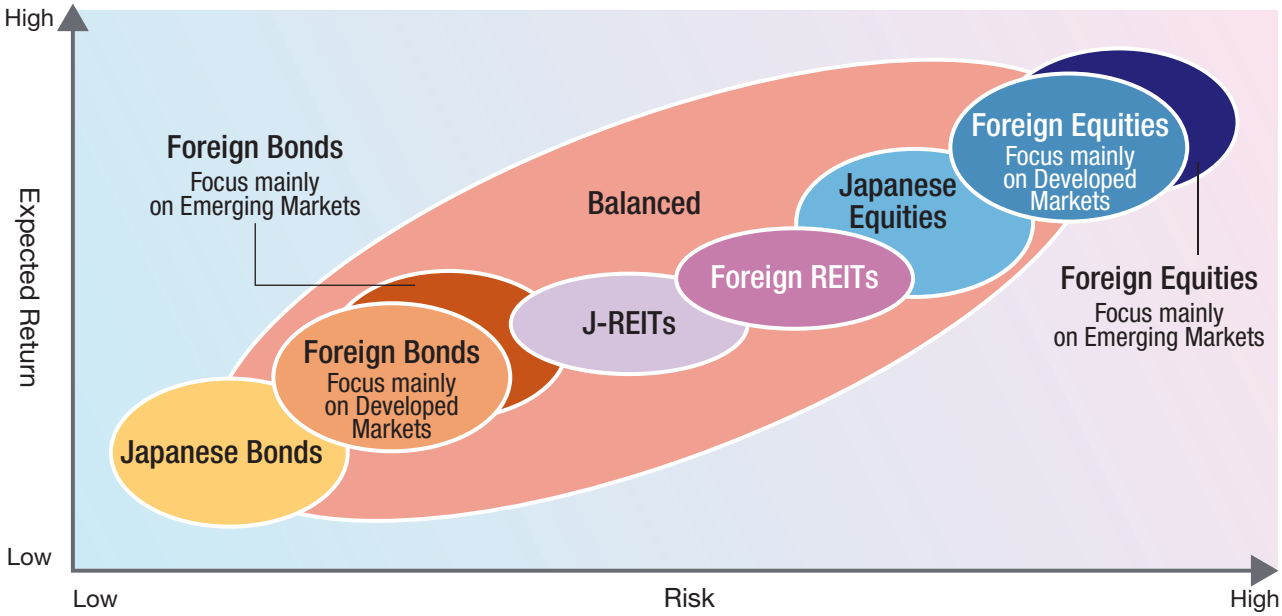
Investment Trusts

Types of Investment Trusts

Categories by Asset Class

Japanese Equities	Invests in Japanese equities Includes large-caps, mid-small caps, and small-caps
Foreign Equities	Invests in foreign equities Includes equities of developed countries and emerging markets
Japanese Bonds	Invests in Japanese bonds Includes the Japanese government bonds, municipal bonds and corporate bonds
Foreign Bonds	Invests in foreign bonds Includes bonds of developed markets and emerging markets
J-REITs	Invests in J-REITs (real estate investment trusts)
Foreign REITs	Invests in foreign REITs (real estate investment trusts)
Balanced	Invests mainly in both Japanese and foreign equities and bonds shown above The investment is conducted with a balanced combination of these asset classes.

Risk and Return in Asset Class



The risk/return profile varies depending on asset classes. For instance, regarding investment trusts investing in foreign equities, risk and return profile of funds investing in the developed countries differs from that of funds investing in emerging countries.

Types of Investment Trusts

What is a balanced product?

A balanced product incorporates multiple asset classes in a single product. This enables diversified investment with a combination of asset classes with different risk and return characteristics. A balanced product is managed by a professional manager through rebalancing and realocation.
Rebalancing means to adjust the asset allocation that has changed as a result of investment back to its original state.
Reallocation means to change the asset allocation itself due to the reasons such as the passage of time and changes in investment environment.

Types of balanced products

Balanced products are categorized into three main types:
❶Fixed Asset Allocation ❷Target Date ❸Risk-control

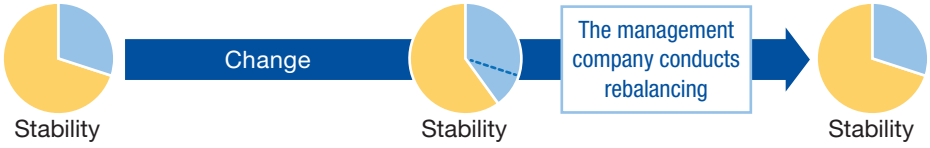
	❶Fixed Asset Allocation	❷Target Date	❸Risk-control
Asset Allocation	No change	Change over time	Change according to the market environment
Features	●A fixed asset allocation is maintained. ●You can select an asset allocation which suits your risk tolerance level. ●Multiple products with different asset allocation ratios are offered. 【Rebalancing】	●The date of retirement is assumed as the target date. Asset allocation is gradually shifted from aggressive investment to stable investment as it get closer to the target date. ●Multiple products with different target dates are offered. 【Rebalancing】 【Reallocation】	●Asset allocation is modified in order to limit the risk level to a certain range. 【Reallocation】
Tips for selection	●I want to select an asset allocation which suits my risk tolerance level.	●I want to have the asset allocation changed in accordance with my age. ●I want to confirm a target date which suits me.	●I want to reduce risk.

There are other balanced products that do not fall into the categories above.

❶Fixed Asset Allocation

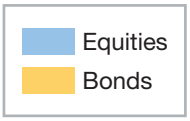
■Rebalancing is conducted regularly to retain a predetermined asset allocation.
Products with different asset allocation ratios (Aggressive Growth, Growth and Stability, etc.) are generally offered.

<Image of rebalancing>



■You can change your investment products over time on your own from aggressive growth to stable growth, and then to stability.

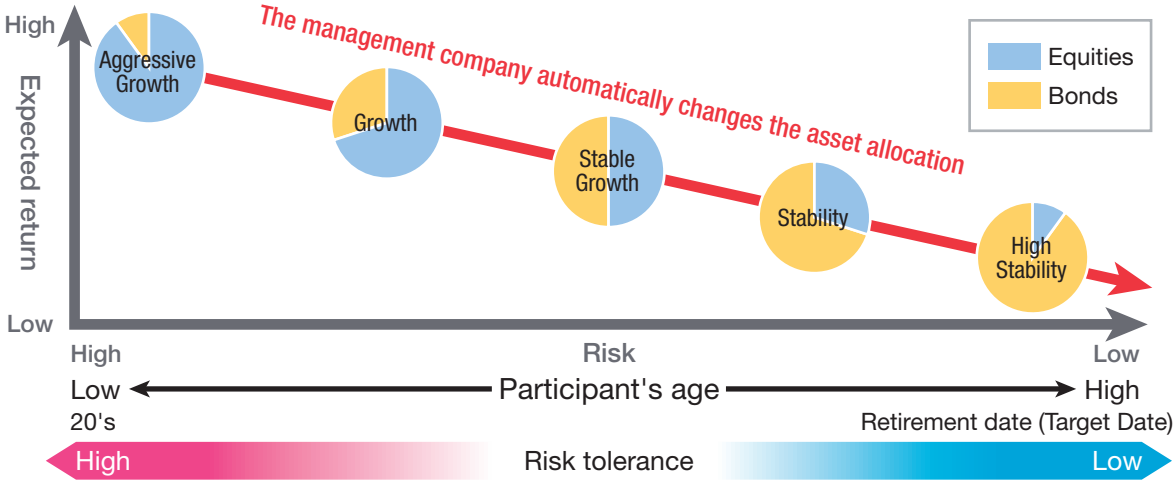
<Image of changes suitable for your risk tolerance level>



❷Target Date

With the retirement date set as Target Date, the management company automatically changes the asset allocation over time. As your risk tolerance level generally lowers with age, the asset allocation will be gradually changed to one that reduces risk. The product is offered in a series of products with different Target Dates (Target Years).

■Image

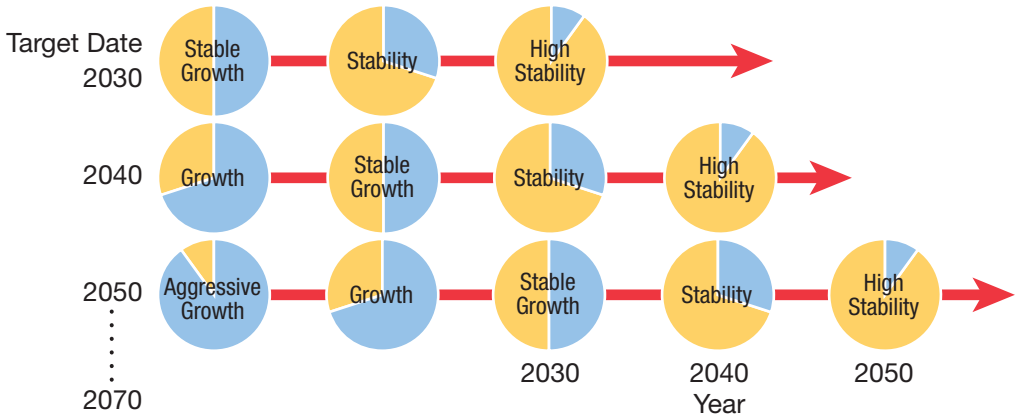


A target date investment trust has a target date (e.g. 2050) included in its product name.

■Image

Asset allocation is automatically changed

Examples of changes in asset allocation by target date

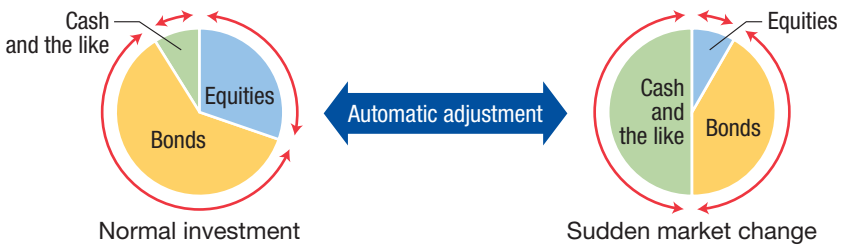


Products with new target dates (2060, 2070…) will continue to be added as time passes.

❸Risk-control

The management company adjusts the asset allocation automatically in accordance with changes in market environment in order to limit risk levels to a certain range. For instance, in the event of a sudden market change, the asset allocation is changed to reduce equities and increase cash and the like in order to control risk.

■Image

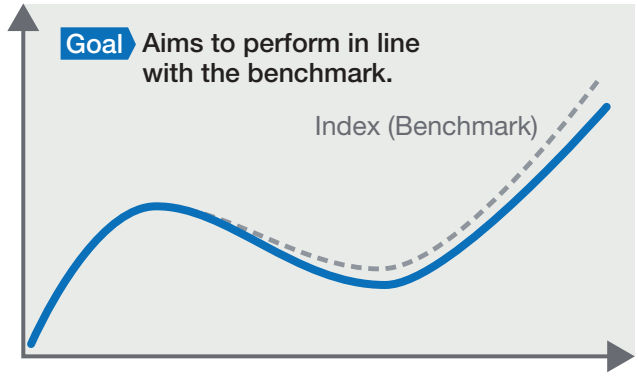


Investment Trusts

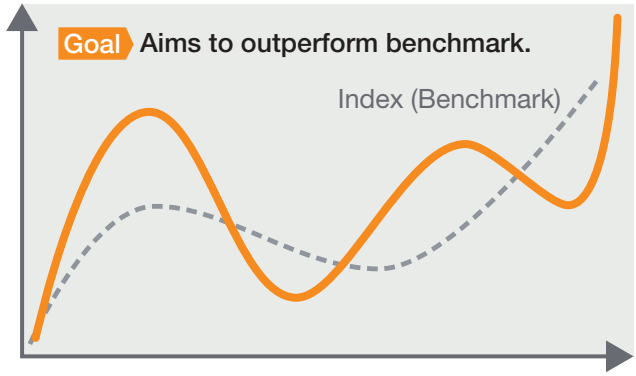
Types of Investment Trusts

Categories by Management Style

Passive Management



Active Management



Passive Management (Index Management)

- A style of management where a fund's performance is aimed to mirror a market index (benchmark).
- Portfolios composed of issues adopted from an index with similar asset class ratios.
- Investment performance depends on market trends.

<Characteristics>
If the benchmark is the same, performance tends to mirror the index.
Passive products tend to be generic and without unique features.

<Risk>
In general, it tends to be smaller than that of active management.

<Cost>
Research and analysis costs are not incurred, thus management fees tend to be lower than those for active funds.

Active Management

- A style of management where a fund aims to outperform a specific index (benchmark). There is a risk of underperformance.
- Specialists (fund managers) select stocks based on proprietary research and analysis.
- Performance depends on both market trends and the management ability of the investment management company.

<Characteristics>
Even when the benchmark is the same, actively managed funds tend to perform differently from one another. Actively managed products can vary in detail and possess unique characteristics.

<Risk>
In general, it tends to be larger than that of passive management.

<Cost>
Management fees tend to be more than those for passive products due to research and analysis cost incurred.

Investment Style of Active Management

The investment styles within this category include value investing and growth investing.

Value Investing

A strategy of investing in stocks that are judged to be undervalued upon evaluating the companies' earnings and financial position.

Growth Investing

A strategy of investing in stocks that are judged to have potential for growth while paying attention to their earnings and performance.

What is a benchmark?

A benchmark is a standard against which the performance of an investment trust can be measured. Generally, broad market indexes are identified as benchmarks. For example, if the asset classes is Japanese equities, the Nikkei Stock Average, TOPIX (Tokyo Stock Price Index), etc., are identified as benchmarks. Some investment trusts do not set a benchmark.

Major Benchmarks (As of April 2022)

Major indices identified as benchmarks are as follows.

Japanese Equities

TOPIX (Tokyo Stock Price Index)

An index released daily by the Tokyo Stock Exchange (TSE).
It is one of the major indices for Japanese equities.
It is a capitalization weighted index index which was set at the closing of January 4,1968 with a base value of 100.

Nikkei Stock Average

It is one of the major indices for Japanese equities and is calculated and released by Nihon Keizai Shimbun, Inc.
It is an average of 225 representative companies listed on the prime section of the TSE.

Foreign Equities

MSCI-Kokousai Index

A market cap-weighted index calculated and released by Morgan Stanley Capital International Inc. (MSCI). It consists of stocks from developed countries excluding Japan.

MSCI-World Index

A market cap-weighted index calculated and released by Morgan Stanley Capital International Inc. (MSCI). It consists of stocks from developed countries including Japan.

MSCI Emerging Markets Index

A market cap-weighted index calculated and released by Morgan Stanley Capital International Inc. (MSCI). It consists of stocks from emerging countries.

MSCI All Country World Index

A market cap-weighted index calculated and released by Morgan Stanley Capital International Inc. (MSCI). It consists of stocks from both developed and emerging countries.

Japanese Bonds

NOMURA-BPI (Overall)

A total return index developed by Nomura Securities representing all publicly offered bonds issued in Japan.

Foreign Bonds

FTSE World Government Bond Index

An index calculated and released by FTSE Russell. It is an index of the overall investment yield of government bonds from developed countries that is a weighted-average based on each market capitalization.

JP Morgan Emerging Market Bond index Plus

An index calculated and released by J.P. Morgan Securities. It is an index of market capitalization that tracks government bonds issued by emerging countries.

J-REIT

Tokyo Stock Exchange REIT Index

An index calculated and released by the Tokyo Stock Exchange.
A capitalization-weighted average of all J-REITs listed on the Tokyo Stock Exchange.

Foreign REIT

S&P Developed REIT Index

A capitalization-weighted average calculated and released by S&P Dow Jones Indics. It is a representative index that shows the trends of REITs in developed countries.

Balanced

Synthetic Benchmark

In the calculation, benchmarks set for individual assets are weighted-averages using the basic asset allocation of balanced products.

Investment Trusts

Asset Class: Equities, Bonds and REITs

Price fluctuation of an investment trust depends on that of its asset classes such as equities, bonds, and REITs (real estate investment trust). Let's take a look at the structures of asset classes.

Structure of equities

- Stocks or equities are issued by the company (stock corporation) to raise funds.
  Investing in equities means that you invest your money in companies, thereby becoming a shareholder
  If the company in which you have invested generates profits, you will be able to receive part of the company's profits as dividends.
  Moreover, if the stock price rises, you may obtain a capital gain.
- Unlike bonds, equities do not have fixed maturity dates. Therefore, they are bought/sold at the market price on stock exchanges.
  You can expect a high return from investments in equities as the growth of the company or overall economic growth will be reflected in the share price.
  However, investment in equities may involve a high risk as there is no guarantee that you will receive dividends or that the stock price will rise.

Expected Return	**Profits or Losses on sales, Dividends**
Major risks	**Risk of Stock Price Fluctuation, Credit Risk, Liquidity Risk**

Structure of bonds

- Bonds are issued by entities such as the government or corporations to borrow money from investors.
  The issuing entity promises to repay the principal at a certain time (maturity date) with interest payment at a specified rate.
  In the case where the investor decides to sell the bond before maturity, it will be sold at the market price at that time, which could be higher or lower than the principal.
- Bond prices are mainly affected by market interest rates and credit quality of issuers.
  There is a possibility that the principal and interest may not be paid due to credit deterioration or bankruptcy of issuers.

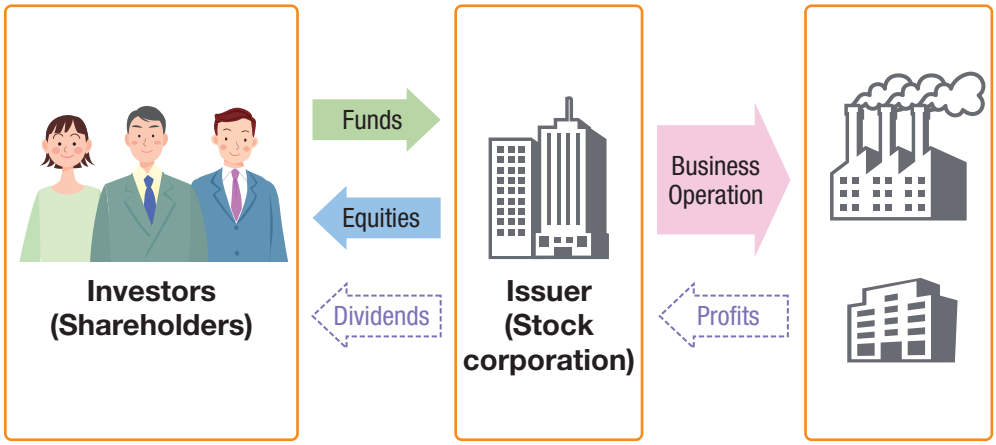
Expected Return	**Interest (coupons), Profits/Losses on sales, Profits/Losses on redemption at maturity**
Major risks	**Price Fluctuation Risk, Credit Risk, Risk of Interest Rate Fluctuation, Liquidity Risk**

Structure of REITs

- REITs invest in real estates.
  REIT is the abbreviation of "real estate investment trust."
- Money collected from many investors is invested in multiple real estates such as office buildings, apartment buildings and logistic facilities, and the rental income and trading profit are distributed to the investors.
- As REITs are traded on the market like equities, you can gain a profit if the price goes up but suffer a loss if the price goes down.

Expected Return	**Dividends, Profits/Losses on sales**
Major risks	**Risk of Real Estate Investment, Price Fluctuation Risk, Credit Risk, Liquidity Risk**

Image of equities



Price Fluctuation

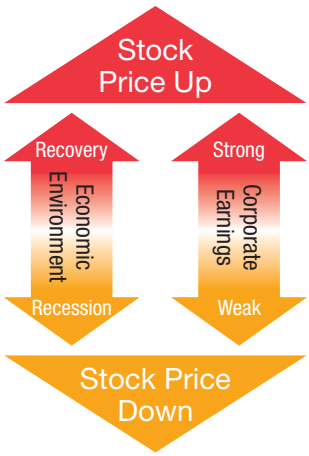
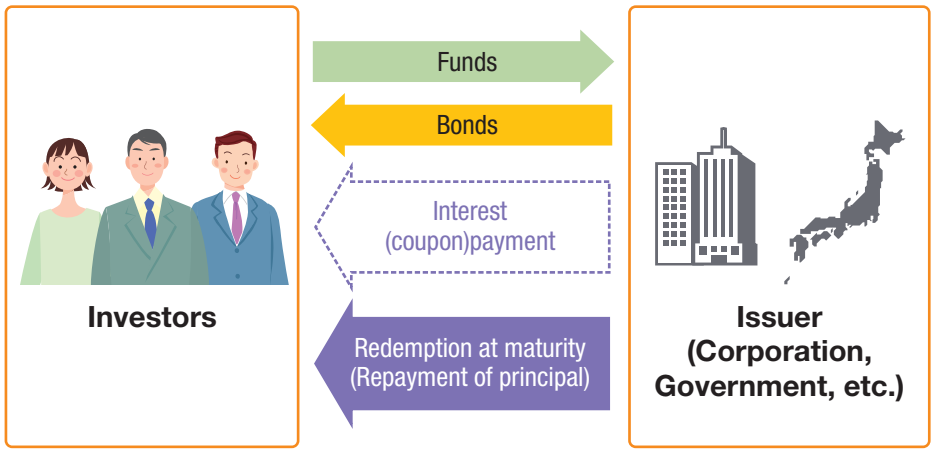


Image of bonds

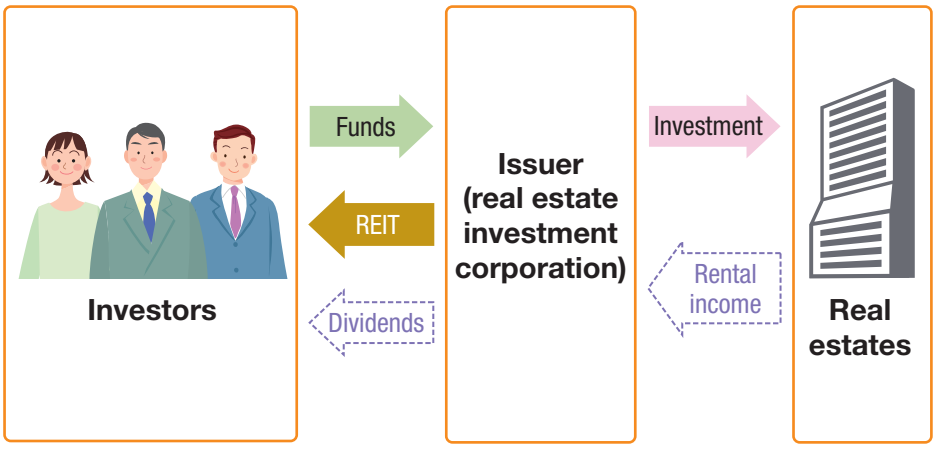


Price Fluctuation

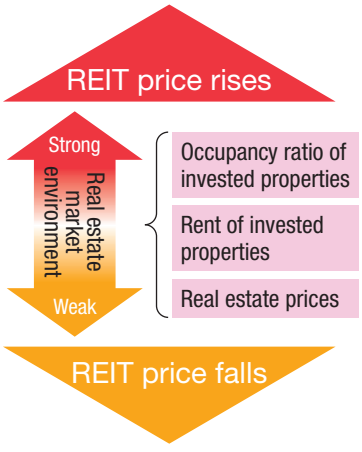
If the interest rate goes down, the price goes up.

If the interest rate goes up, he price goes down.

Image of REITs



Price Fluctuation

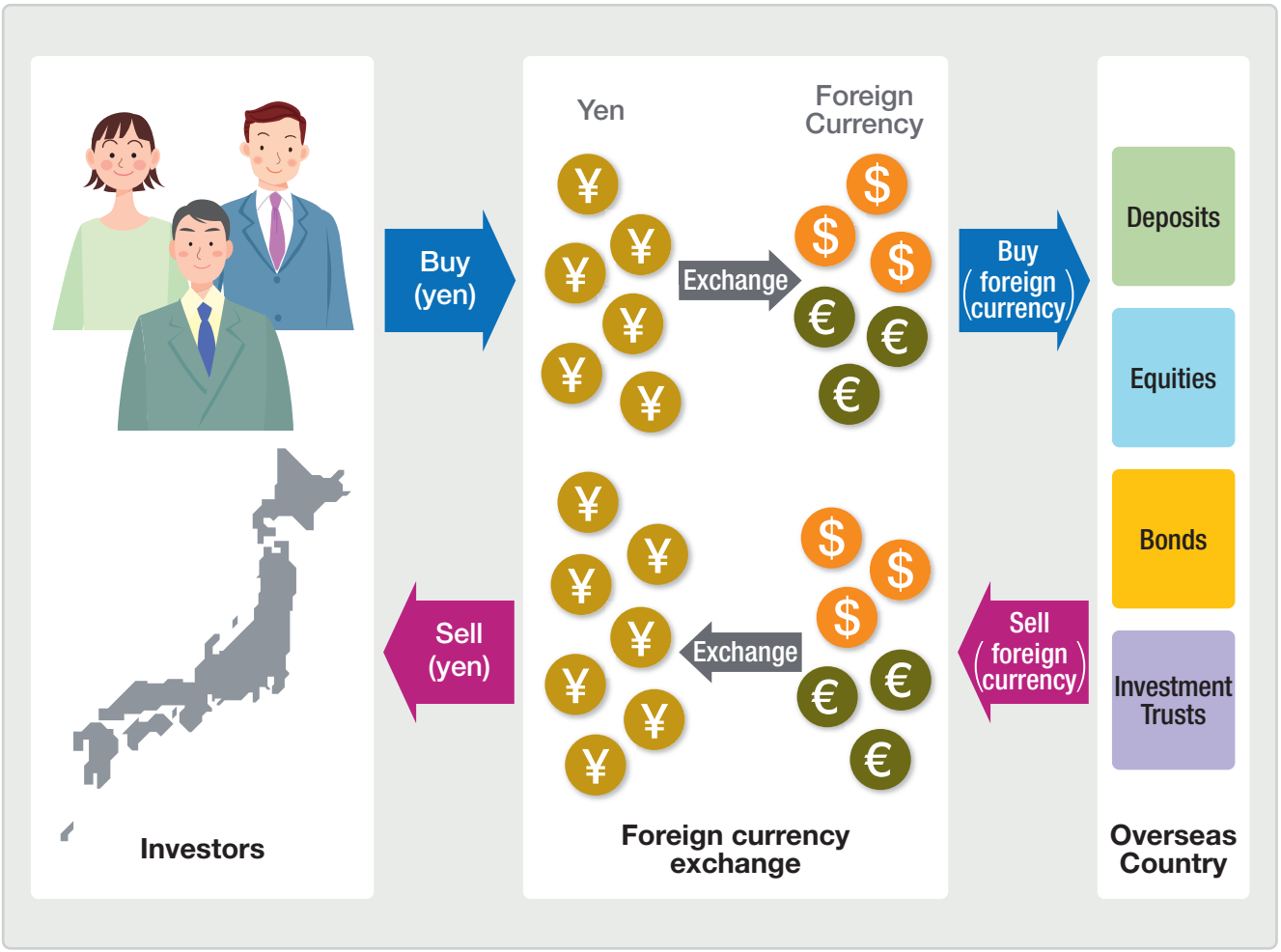


Investment Trusts

Asset Class: Foreign Assets

Some investment trusts invest in equities and bonds which are traded in foreign currencies. The most remarkable feature of foreign assets is that values of the assets fluctuate according to changes in exchange rates. “Currency exchange” means exchanges between currencies based on exchange rates for currency pairs (e.g. JPY for USD). Exchange rates fluctuate due to various factors such as changes in economic and political situations. Therefore, when investing in foreign assets, it is necessary to consider fluctuations in exchange rates as well.

■Image



When investing in foreign assets, investors exchange domestic currency for the foreign currency to buy foreign deposits, equities and bonds. Likewise, when selling such products, investors need to exchange the proceeds from the sale in the foreign currency for the domestic currency. Thus, investment in foreign assets can be affected not only by fluctuations unique to the investment product, but also those in exchange rates. Either a profit or a loss can be generated, depending on fluctuations in the exchange rate, which could result in higher risk.

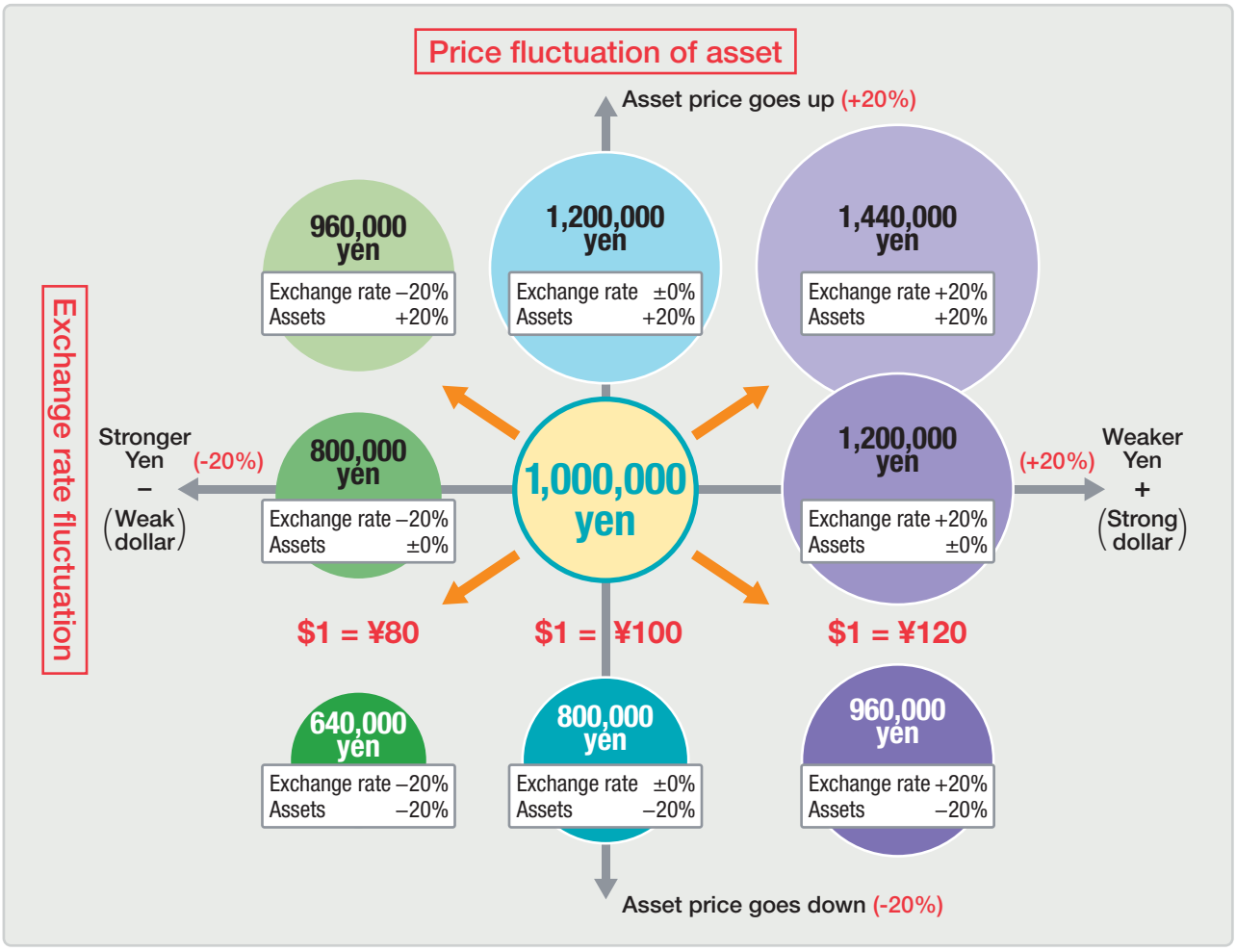
Main risks:
On top of the specific risks associated with foreign assets including equities and bonds, etc., exchange risk and country risk will come up when investing in foreign assets.

See page P.14

Fluctuations in asset price and exchange rate

Yen based value of foreign currency denominated assets fluctuates in response to the price fluctuations of the assets as well as the fluctuation of exchange rate.
Let's see how these fluctuations would affect results when 1 million yen is invested in dollar-denominated assets at 100 yen to the dollar (the circle in the center).

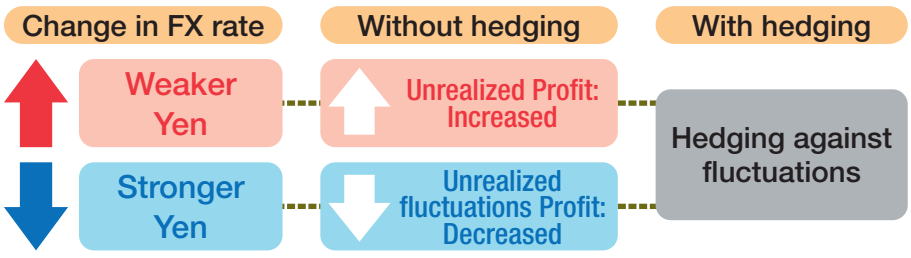
Image of fluctuation



Currency Hedging

Currency hedging is a technique used to hedge against price fluctuations caused by exchange rate movement when investing in foreign assets. Investment products which invest in foreign assets can be divided into two groups: one with currency hedging and the other without currency hedging. Currency hedging incurs extra transaction costs.

<Relationship between FX hedging and profit>



Investment Trusts

Net Asset Value Per Unit

Price of Investment Trusts (Net Asset Value Per Unit)

- **The price at which investors buy and sell units of investment trusts is called net asset value per unit.**
  Investment trusts invest pooled money into assets such as equities and bonds. As the value of the underlying securities of investment trusts fluctuates daily, the price or net asset value per unit of investment trusts also fluctuates.

Net Asset Value Per Unit

e.g.
Suppose "XY Equity Fund" invests in 3 stocks.

Investment portfolio of XY Equity Fund

A Motors Corp. | B Electronics Inc. | C Pharmacy Co., Ltd.

	Invested Amount	When the prices of all stocks have increased	When each stock has shown different price movement
A Motors Corp.	10 billion yen	12 billion yen Up	8 billion yen Down
B Electronics Inc	10 billion yen	12.5 billion yen Up	10.5 billion yen Up
C Pharmacy Co., Ltd.	10 billion yen	11.5 billion yen Up	7 billion yen Down
Total Assets	30 billion yen	36 billion yen Asset Amount	When summed up: 25.5 billion yen Asset Amount
Total Units	30 billion units	30 billion units	30 billion units
Net asset value per unit (per 10,000 units)	30 billion yen ÷ 30 billion units × 10,000 units = 10,000yen	36 billion yen ÷ 30 billion units × 10,000 units = 12,000yen Up	25.5 billion yen ÷ 30 billion units × 10,000 units = 8,500yen Down

The above explanation is based on the assumption that there was no change in the total amount of assets and total number of units.
In real-life situations the net asset value per unit is calculated by subtracting expenses such as a asset management fee from the asset value.

- **The net asset value per unit is calculated once a day.**
  For instance, the prices of the stocks held by the investment trust can change every second during the stock market trading hours. On the other hand, the net asset values per unit of general investment trusts are calculated, determined and released as the market value of the day after the trading hours.

Investment Trusts

Cost

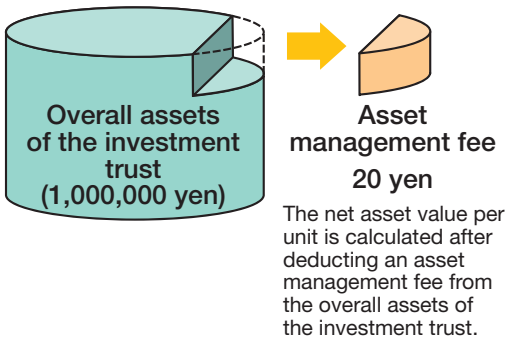
			If compared to a membership service:
Upon purchase	Sales charge	This is a charge paid to a distributor upon purchase of an investment trust. Sales charge for investment products does not incur in DC pension plans.	Entrance fee
During the holding period	Asset management fee	This is an expense for investment and management. This applies to all investment trusts. A certain percentage of the asset balance is automatically deducted every day during the holding period. Net asset values per unit and returns released to public are net of asset management fees.	Annual fee
	Other	●Commission for trading securities held in the trust (stocks, bonds and the like) ●Audit fees paid to audit corporations, etc.	
Upon sale of investment trusts	Partial redemption charge	This is the cost incurred upon the sale of investment trusts. When selling an investment trust, the equities/bonds held in the trust are sold. The seller bears the costs of selling such securities. This applies to some investment trusts. Some products charge this fee upon purchase.	Withdrawal fee

●How to calculate an asset management fee

Example: When an asset management fee is 0.72%

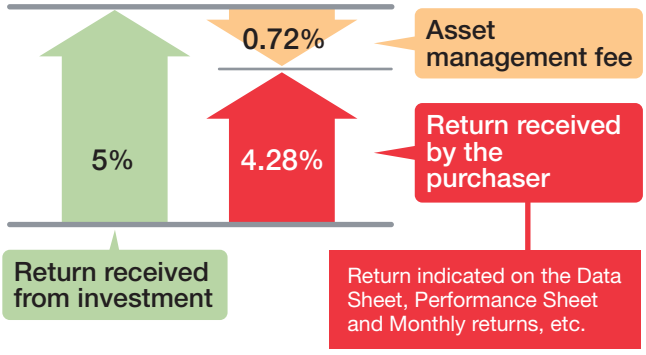
Asset management fee: 1 million yen × (0.72% ÷ 365 days) = 20 yen per day

■Image



The net asset value per unit is calculated after deducting an asset management fee from the overall assets of the investment trust.

Relation between the asset management fee and return



●How to calculate a partial redemption charge

Example: When a partial redemption charge is 0.3%

If 300,000 units are sold when the net asset value per unit is 10,000 yen:
(10,000 yen × 0.3%) × 300,000 units ÷ 10,000 = 900 yen

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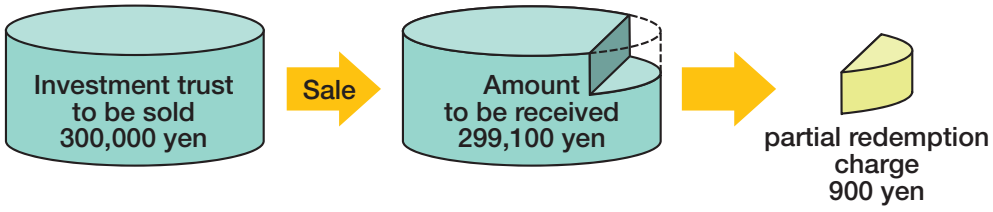


Profit and Loss (Return)

Concept of profit and loss

The difference between the net asset value per unit upon purchase (called "average weighted price") and the net asset value per unit upon sale will be profit or loss.

When you purchased the same investment trust multiple times, how is the average weighted price calculated?

If you purchased the same investment trust multiple times, the average weighted price can be calculated by obtaining the average based on the number of units purchased.

In the example below, the calculation will be as follows:

③ No. of Units purchased = ① Purchase amount ÷ ② Net Asset Value per unit at the time of purchase × 10,000

⑥ Average weighted price = ④ Cumulative purchase amount ÷ ⑤ Cumulative units purchased × 10,000

Purchase month	① Purchase amount	④ Cumulative total	② Net Asset Value per unit at the time of purchase (per 10,000 units)	③ No. of Units purchased	⑤ Cumulative total	⑥ Average weighted price
Jan.2022	20,000 yen	20,000 yen	10,000 yen	20,000 units	20,000 units	10,000 yen
Feb.2022	20,000 yen	40,000 yen	9,600 yen	20,833 units	40,833 units	9,795 yen
Mar.2022	20,000 yen	60,000 yen	10,200 yen	19,607 units	60,440 units	9,927 yen

If the net asset value per unit exceeds or falls below the average weighted price, a profit or a loss will be generated respectively.

Display on AnswerNet

Display on the AnswerNet (for computers) Display is different on smartphones.

As shown in the example below, a profit or loss to the current unit value is displayed daily on the AnswerNet. The current unit value is 10,800 yen exceeding the average weighted price of 9,927 yen, and as a result, a profit is generated. The displayed amount is an appraisal profit or loss, and an actual profit or loss will not be realized unless the product is sold.

Display example

The average weighted price is 9,927 yen in this case, but it is not displayed.

Asset Class	Product name	Net Realizable Value (per 10,000 units)	Amount	Asset Balance	Total Cost	Gain/Loss Investment Return	Dividends
Japanese Equity	●●fund	10,800 yen	60,440 units	65,275 yen	60,000 yen	5,275 yen 8.8%	0 yen

Calculation formula for the items

The current unit value = net asset value per unit − partial redemption charge

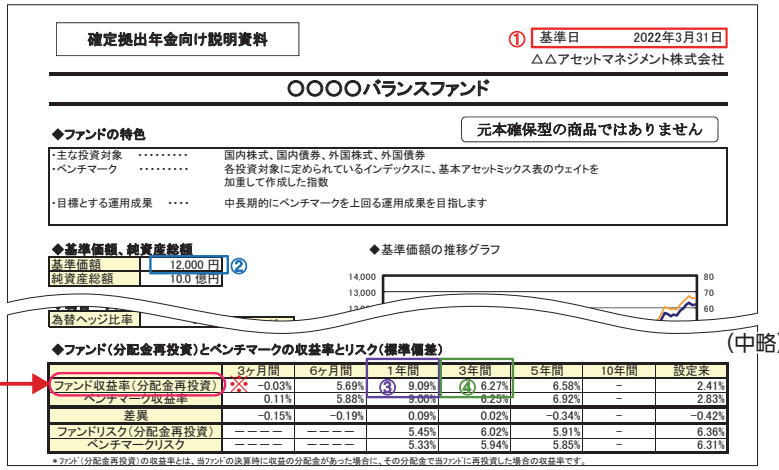
Asset balance = Current unit value × The no. of units held

Profit/Loss = Asset balance − Purchase amount

Profit and loss ratio = Prot/Loss ÷ Purchase amount

Information indicated on Data Sheet (Explanatory material for DC plans) * Provided in Japanese only.

The return is indicated as "Fund Return" for the periods ranging from three months to the entire investment period since investment starting date.



確定拠出年金向け説明資料

① 基準日 2022年3月31日

△△アセットマネジメント株式会社

○○○○バランスファンド

◆ファンドの特色

元本確保型の商品ではありません

・主な投資対象 …… 国内株式、国内債券、外国株式、外国債券
・ベンチマーク …… 各投資対象に定められているインデックスに、基本アセットミックス表のウェイトを加重して作成した指数
・目標とする運用成果 …… 中長期的にベンチマークを上回る運用成果を目指します

◆基準価額、純資産総額

基準価額	12,000 円 ②
純資産総額	10.0 億円
為替ヘッジ比率	

◆基準価額の推移グラフ

14,000 13,000 80 70 60

(中略)

◆ファンド(分配金再投資)とベンチマークの収益率とリスク(標準偏差)

	3ヶ月間	6ヶ月間	1年間	3年間	5年間	10年間	設定来
ファンド収益率(分配金再投資)	※ −0.03%	5.69%	③ 9.09%	④ 6.27%	6.58%	−	2.41%
ベンチマーク収益率	0.11%	5.88%	9.00%	6.25%	6.92%	−	2.83%
差異	−0.15%	−0.19%	0.09%	0.02%	−0.34%	−	−0.42%
ファンドリスク(分配金再投資)	ーーーー	ーーーー	5.45%	6.02%	5.91%	−	6.36%
ベンチマークリスク	ーーーー	ーーーー	5.33%	5.94%	5.85%	−	6.31%

* ファンド(分配金再投資)の収益率とは、当ファンドの決算時に収益の分配金があった場合に、その分配金で当ファンドに再投資した場合の収益率です。

For example:

- As shown in ③, the fund return for the one-year investment period is 9.09%. This indicates that a return is 9.09% for a product that is purchased one year ago on March 31, 2021 (investment starting date) and sold on the base date of March 31, 2022 shown in ①.
- In this way, you can see how much the price has increased (or decreased in case of a negative number) during the investment period.

* On the Data sheet return is indicated as "Fund Return" (dividends re-invested).

How to calculate return

A return is calculated as a percentage (%) of price fluctuation during the investment period by comparing the net asset value per unit on the investment starting date with that on the base date. If the investment period is one year or longer, the return is annualized.

Return = profit (or loss) obtained during the investment period ÷ Invested amount

Base Date: The date on which the investment return is calculated. It is often the last business day of each month.

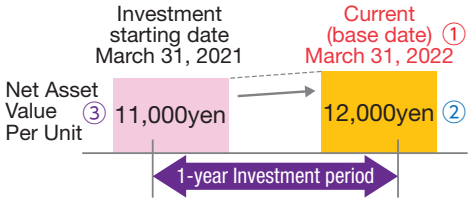
Annualized Rate: In order to compare returns of products for different length of periods, the rate is converted into an annualized rate. If the period is less than a year, the rate will not be annualized.

Benchmark: A standard against which the performance of investment trusts can be measured. See page P.46

See the two specific examples below. In both cases, the current net asset value per unit (on the base date) is 12,000 yen as shown in ②.

Return of the product with 1-year investment period — In the case of ③

The investment starting date is one year ago and the net asset value per unit at that point was 11,000 yen.



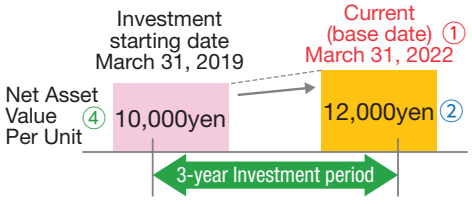
Profit obtained during the investment period
= 12,000 yen − 11,000 yen = 1,000 yen

Invested amount
= Net asset value per unit on the investment starting date (a year before the statement date) = 11,000 yen

Return for 1-year period = 1,000 yen ÷ 11,000 yen = 9.09% ③

Return of the product with 3-year investment period — In the case of ④

The investment starting date is three years ago and the net asset value per unit at that point was 10,000 yen.



Profit obtained during the investment period
= 12,000 yen − 10,000 yen = 2,000 yen

Invested amount
= Net asset value per unit on the investment starting date (3 years prior to the record date) = 10,000 yen

Return for 3 years = 2,000 yen ÷ 10,000 yen = 0.2 (20%)

If the investment period is one year or longer, the return will be annualized.

Return per year = $\sqrt[3]{1 + 20\%} - 1 = 6.27\%$ ④

* Costs incurred upon actual sale are not considered.

How to use Data Sheet

A return for each investment period helps you understand the current status of your investment and interpret whether it is in an upward or downward trend from the past on a long-term or short-term basis. However, as this is an observation based on only two points of time (investment starting date and base date), please refer to not only return but also various other information such as risk when selecting investment products.

Principal Guaranteed Investment Products

Structure and Features

Major Categories

Non-life Insurance	Life Insurance	Bank Deposits
(Accumulated accident insurance)	(Accumulated annuity insurance)	(Fixed deposits, etc.)

Structure of products

You pay (deposit) funds to an insurance company or a bank for a certain period of time. Once the defined period (a period during which a guaranteed interest rate applies, or a term of deposit) has passed (at maturity), the interest will be added calculated based on the guaranteed interest rate upon the payment or deposit. If you sell the product before maturity, this results in early redemption.

Non-life Insurance (Accumulated accident insurance)

Even if you redeem before maturity, this does not cause the asset balance to fall below the principal. In this case, the guaranteed interest rate is lowered. In the case of death due to injury caused by an accident during the investment period, the amount to be received will be increased more than the case of death due to a disease.

Expected Return Interest (principal × guaranteed interest rate)

Life Insurance (Accumulated annuity insurance)

If you redeem before maturity, an redemption charge can be applied which may cause the asset balance to fall below the principal. You can choose from multiple options to receive the benefit such as a “certain year annuity” or “life-time annuity”. If a “life-time annuity” is selected, the principal (accumulated capital) could be reduced depending on the length of the receiving period including the case of death during such period.

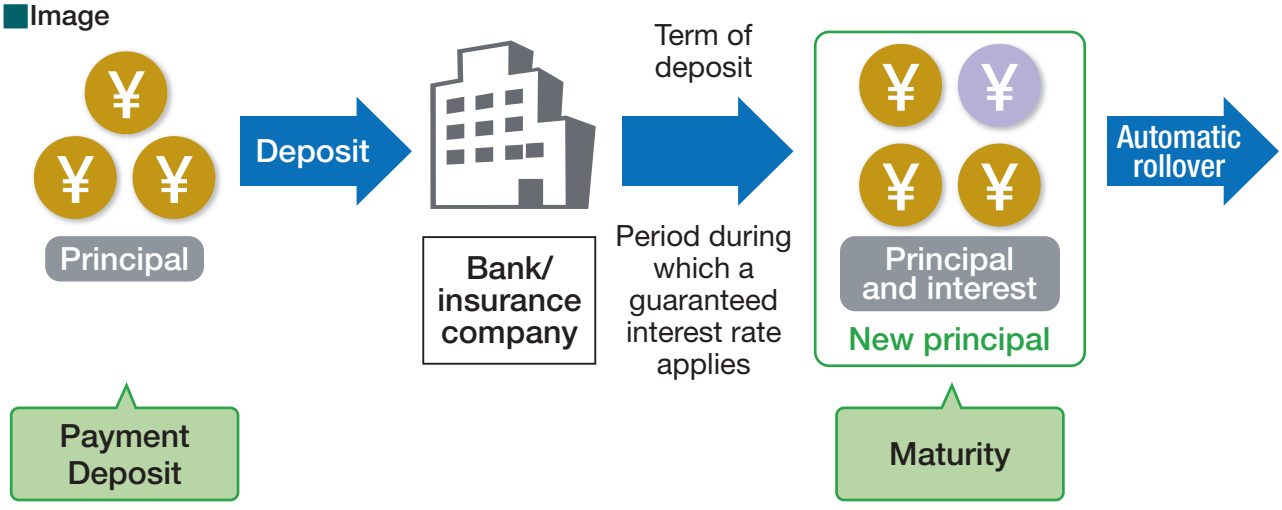
Expected Return Interest (principal × guaranteed interest rate)

Bank Deposits (Fixed deposits, etc.)

If you redeem before maturity, the applicable interest rate may be lowered.

Expected Return Interest (principal × applicable interest rate)

Image



The above shows general descriptions of investment products used in a DC pension plan. The structure of products can vary depending on the investment product. Please see the Investment Product Guide for more details.

Risk of principal guaranteed investment products

Inflation Risk

Principal guaranteed investment products have an inflation risk. Inflation means an increase in the price of goods. When inflation occurs, the value of money decreases. This is called “Inflation Risk”.

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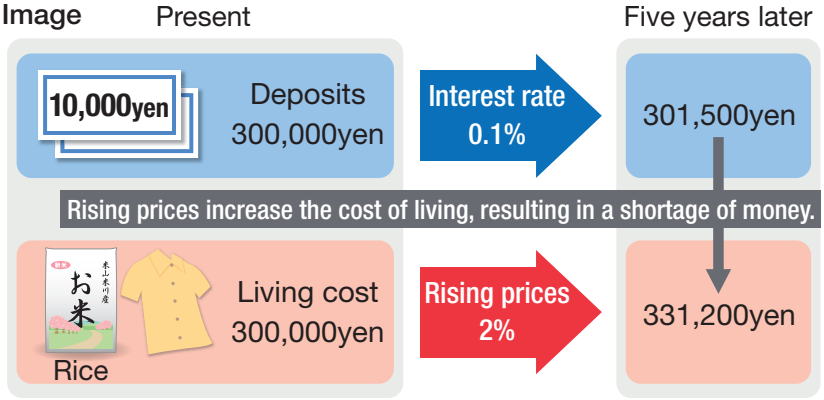

An amount prepared for your post-work living may no longer have the same value as it has today when you reach your post-work living.

* Taxes are not considered.

Credit Risk

For principal guaranteed investment products, you need to pay attention to a possible decrease in your assets due to credit risk (such as bankruptcy of financial institutions holding your deposits).

Early redemption and asset protection

Categories of products		Early redemption If you redeem before maturity, the predetermined guaranteed interest rate may not be applied.	Asset protection When an insurance company or a bank used for payment and deposit goes bankrupt, a certain amount of protection is provided.
Insurance	Non-life Insurance (Accumulated accident insurance)	The principal is protected. In this case, the guaranteed interest rate is lowered.	Up to 90% of liability reserve is covered under the non-life and life insurance policy-holder’s protection system. * The terms and conditions in the initial contract are subject to change depending on the financial condition of the insurance company.
	Life Insurance (Accumulated annuity insurance)	A redemption charge may be applied In this case, the principal may be reduced.	
Bank Deposits		Principal is protected. In this case, the applicable interest rate may be lowered.	The deposit insurance system protects up to 10 million yen in principal plus its interest per depositor per financial institution. * If you have deposits other than those under a DC plan in the same financial institution, they will be protected preferentially over those under the DC plan.

Display of interest and other information on the AnswerNet

The guaranteed interest rates are displayed on the AnswerNet. The interest of the products held is reflected in the asset balance, etc. as follows:

- ●Non-life Insurance — Interest is reflected in the asset balance as well as profit and loss.
- ●Life Insurance — Interest is reflected in the asset balance as well as profit and loss.
  Upper column: A value when the product is sold before maturity and a redemption charge is applied.
  Lower column: A value when the product is not sold before maturity and a redemption charge is not applied.
- ●Bank Deposits — Interest is not displayed until maturity, and interest is incorporated into the principal upon maturity. Interest is not reflected in profit and loss of each product (profit and loss is always displayed as 0 yen with a profit and loss rate of 0%). Upon maturity, interest is reflected in the overall asset balance as well as profit and loss.