

## **SuMi TRUST Investment Funds**

(an open-ended umbrella unit trust with segregated liability between its Sub-Funds established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

### **Annual Report and Audited Financial Statements**

#### **Japan Small Cap Fund**

**A Sub-Fund of SuMi TRUST Investment Funds**

For the year ended 31<sup>st</sup> March 2024

#### **Japan Small Cap II Fund**

**A Sub-Fund of SuMi TRUST Investment Funds**

For the year ended 31<sup>st</sup> March 2024

#### **Japan Quality Growth Fund**

**A Sub-Fund of SuMi TRUST Investment Funds**

For the year ended 31<sup>st</sup> March 2024

# SuMi TRUST Investment Funds

## Annual Report and Audited Financial Statements

For the year ended 31<sup>st</sup> March 2024

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# **SuMi TRUST Investment Funds**

## **Annual Report and Audited Financial Statements**

For the year ended 31<sup>st</sup> March 2024

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# **SuMi TRUST Investment Funds**

## **Fund Information**

### **MANAGER, ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT**

#### **SMT Fund Services (Ireland) Limited**

Block 5  
Harcourt Centre  
Harcourt Road  
Dublin 2  
Ireland

#### **DEPOSITARY**

#### **SMT Trustees (Ireland) Limited**

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Harcourt Centre  
Harcourt Road  
Dublin 2  
Ireland

#### **INVESTMENT MANAGER**

#### **Sumitomo Mitsui Trust Asset Management Co., Ltd.**

1-1-1 Shibakoen, Minato-ku  
Tokyo 105-0011  
Japan

#### **PROMOTER AND DISTRIBUTOR**

#### **Sumitomo Mitsui Trust International Limited**

155 Bishopgate  
London EC2M 3XU  
United Kingdom

#### **DISTRIBUTOR**

#### **Sumitomo Mitsui Trust (Hong Kong) Limited**

Suites 2506-9, AIA Central  
1 Connaught Road, Central  
Hong Kong

#### **CUSTODIAN**

#### **Sumitomo Mitsui Trust Bank, Limited (London Branch)**

155 Bishopgate  
London EC2M 3XU  
United Kingdom

# **SuMi TRUST Investment Funds**

## **Fund Information**

(Continued)

### **INDEPENDENT AUDITORS**

#### **KPMG**

Chartered Accountants  
1 Harbourmaster Place  
International Financial Services Centre  
Dublin 1  
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### **IRISH LEGAL AND TAX ADVISERS**

#### **Dillon Eustace**

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Dublin 2  
Ireland

### **FX MANAGER**

#### **IQ EQ Fund Management (Ireland) Limited**

Davy House  
49 Dawson Street  
Dublin 2  
Ireland

### **HEDGING RISK MANAGER**

#### **KROLL (Luxembourg) Management Company S.A.R.L.**

1 rue Jean Piret  
Luxembourg L-2350  
Grand-Duchy of Luxembourg

# SuMi TRUST Investment Funds

## Statement of Manager's Responsibilities

For the year ended 31<sup>st</sup> March 2024

SMT Fund Services (Ireland) Limited (the “Manager”) is responsible for preparing the Annual Report and financial statements of Japan Small Cap Fund, Japan Small Cap II Fund and Japan Quality Growth Fund (the “Sub-Funds”), Sub-Funds of SuMi TRUST Investment Funds (the “Fund”, or the “Trust”), in accordance with applicable law and regulations. Irish law requires the Manager of the Trust to prepare financial statements for each financial year. The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and applicable law.

These financial statements are for the Sub-Funds only. There is a separate set of financial statements for Nordic High Income Bond Fund and these are available free of charge on request from the Manager. The financial statements of each of the Sub-Funds’ of the Trust are required to give a true and fair view of the assets, liabilities and financial position of each Sub-Fund and of its changes in net assets attributable to holders of redeemable participating units for that year. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then applies them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU;
- assess the Sub-Funds’ ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Sub-Funds or to cease operations or have no realistic alternative but to do so.

The Manager is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Sub-Funds and enable it to ensure that the financial statements comply with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safe guard the assets of the Sub-Funds and to prevent and detect fraud and other irregularities.

The Sub-Funds do not have any soft commission arrangements.

### **Connected Persons**

Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 requires that any transaction carried out with a UCITS by a management company or depositary and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodian appointed by a depositary) and any associated and/or group companies of these (“connected persons”) must be carried out as if negotiated at arm’s length and must be in the best interest of the Unitholders. The Board of Directors of the Manager (the “Board”) is satisfied that transactions between connected persons entered into during the financial year complied with the obligations set out above and were carried out as if negotiated at arm’s length and in the best interest of Unitholders.

# SuMi TRUST Investment Funds

## Statement of Manager's Responsibilities

For the year ended 31<sup>st</sup> March 2024

(Continued)

### Connected Persons (continued)

The Board is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank (Supervision and Enforcement) Act 2013, (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 are applied to all transactions with connected parties entered into during the year complied with the obligations set out in Regulations 43(1) of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

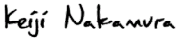
### Corporate Governance Statement

On 18<sup>th</sup> December 2012, the Corporate Governance Code for Collective Investment Schemes and Management Companies (the "Code") was adopted by the Sub-Funds on a continuing basis from 1<sup>st</sup> January 2013. The Board complies with all the provisions of the Code with the exception of the recommendation that the Board comprises of a majority of non-executive directors. Although the Board consists of a majority of non-executive directors, the full complement of these directors are not directly involved in the day-to-day operations of the Sub-Funds under management and therefore the Board is comfortable that the current composition allows for the effective oversight of the activities of the AIFM.

### Sustainable Finance Disclosure Regulation (the "SFDR") and Taxonomy Regulation


The Sub-Funds fall within the meaning of Article 8 under the SFDR, i.e. funds that promote environmental or social characteristics, but do not have as its objective, a sustainable investment. The Sub-Funds do not invest in sustainable investments as defined under Article 2(17) of the SFDR.

On behalf of SMT Fund Services (Ireland) Limited

DocuSigned by:  
  
 7845AA5E08E9490...

Director

Date: 24 July 2024

DocuSigned by:  
  
 5D95AC384A28479...

Director

# SuMi TRUST Investment Funds

## Statement of Depositary's Responsibilities For the year ended 31<sup>st</sup> March 2024

The European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Regulations"), requires the Depositary to take reasonable care so as to ensure that the Sub-Funds are managed by the Manager in accordance with the Regulations and the Trust Deed. In particular, the Depositary must:

- Satisfy itself on reasonable grounds and on a continuing basis that the Manager has managed the Sub-Funds in accordance with the limitations imposed on the investment and borrowing powers of the Manager and Depositary by the Trust Deed and the Regulations;
- Take into its custody or under its control, all the assets of the Sub-Funds and hold them in trust for the unitholders in accordance with the Regulations and the Trust Deed; and
- Satisfy itself that the valuation of the Units of the Sub-Funds and that the sale, issue, repurchase, redemption and cancellation of Units of the Sub-Funds are being carried out in accordance with the Regulations and the Trust Deed.

To enable the Depositary to fulfil its responsibilities under the Regulations and the Trust Deed, the Depositary is required to keep proper records.

## Depositary's Report For the year ended 31<sup>st</sup> March 2024

We have enquired into the conduct of the Sub-Funds for the year ended 31<sup>st</sup> March 2024 in our capacity as Depositary of the Sub-Funds.

In our opinion, the Manager of the Sub-Funds, SMT Fund Services (Ireland) Limited, has managed the Sub-Funds for the year ended 31<sup>st</sup> March 2024, in all material respects, in accordance with the provisions of the Trust Deed and the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, including specifically those provisions relating to the limitations imposed on the investment and borrowing powers of the Manager and Depositary.

On behalf of SMT Trustees (Ireland) Limited

DocuSigned by:  
*Malachy Keady*  
7D37E9ACCEF5452...

Signed by:  
*Mall. Whelan*  
797A4D7DA10A4EC...

Date: 24<sup>th</sup> July 2024



# SuMi TRUST Investment Funds

## Japan Small Cap Fund Investment Manager's Report For the year ended 31<sup>st</sup> March 2024

### Executive Summary

The return of the Sub-Fund was 12.37% and the Sub-Fund underperformed the Russell-Nomura Small Cap Index (“RNS Index”) by (16.77%\*) for the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

### Performance 1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024

	Sub-Fund	RNS Index	Underperformance
Japan Small Cap Fund (Class B JPY)	12.37%	29.14%	(16.77%)

### Comment on Performance

During the 12-month period from April 2023 to March 2024, the Sub-fund underperformed its reference benchmark, the Russell/Nomura Small Cap Index. The Tokyo Stock Exchange's call for improvement to companies with price-to-book ratios of less than 1, prospects of a U.S. interest rate cut, and speculation that the Bank of Japan might lift monetary easing led to continued buying of large-cap and value stocks, and selling of growth stocks.

Particularly in the July-September quarter of FY 2023, the style gap was the widest it has ever been, and growth stocks saw sluggish performance.

Although there was a phase during the January-March period when high-growth stocks were bought, the market continued to be dominated by large-cap and value stocks as the yen continued to depreciate even after the lifting of negative interest rates in March.

Under such a market environment, the Sub-fund focused on including stocks that could benefit from changes in business and social structures through technology and new services. This resulted in a particularly strong underperformance after 2Q FY 2023. With individual stock prices fluctuating widely, we have been selecting stocks from a broader perspective, taking into consideration future earnings prospects and current stock price levels. We believe that our holdings will contribute to medium-term returns.

There was a positive contribution from MICRONICS JAPAN, INSTITUTE FOR Q-SHU PIONEERS OF SPACE and PKSHA TECHNOLOGY. However, BUSHIROAD, TOSHO and TKP contributed negatively to the Sub-Fund performance.

### Top 3 Contributors to Excess Returns

Name	Excess Returns
MICRONICS JAPAN	+1.60%
INSTITUTE FOR Q-SHU PIONEERS OF SPACE	+1.57%
PKSHA TECHNOLOGY	+1.30%

### Bottom 3 Contributors to Excess Returns

Name	Excess Returns
BUSHIROAD	-1.57%
TOSHO	-1.35%
TKP	-1.35%

\* performance is net of fees

# **SuMi TRUST Investment Funds**

## **Japan Small Cap Fund Investment Manager's Report For the year ended 31<sup>st</sup> March 2024 (Continued)**

### **Comment on Outlook and Risk Factors for Fiscal Year 2024**

The yen has been weakening against the U.S. dollar on the outlook for monetary policy in Japan and the U.S. The market should continue to be dominated by large-cap and value stocks in the near term. In addition, uncertain factors such as global economic trends and geopolitical risks continue to be a concern.

However, the fundamentals of small- and mid-cap stocks are strong, and we expect more companies, not only value stocks but also growth stocks, to be impacted by structural reforms and other measures.

As we enter the earnings season, we expect to see more focus on the fundamentals of individual stocks which should drive the lagging small- and mid-cap growth stocks to catch up with the market.

We continue to believe that changes in a wide range of domestic factors, against a backdrop of changes in social structure and progress in technology development/adoption, will contribute to alpha gains in small- and mid-cap stocks over the medium term. We will continue to conduct thorough bottom-up research to identify and include stocks that have strong potential to contribute to solving social and industrial issues by linking productivity improvements to business growth, and achieve change and growth based on unique factors.

### **Assessment of the Fee Structure and Investor Base**

We believe that our fee structure is reasonable considering the risk return profile of the Sub-Fund. With respect to the fee difference between institutional and retail classes, the latter charges higher fees due to higher costs associated with the relatively high frequency of subscriptions and redemptions which have no minimum initial investment requirement.

Our target investors are those who have a long-term investment horizon in line with our investment objectives.

### **The Current AUM**

The current AUM continues to be adequate for the management of the Sub-Fund.

**Sumitomo Mitsui Trust Asset Management Co., Ltd.**

**Date: 24<sup>th</sup> April 2024**

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Investment Manager's Report For the year ended 31<sup>st</sup> March 2024

### Executive Summary

The return of the Sub-Fund was 11.66% and the Sub-Fund underperformed the Russell-Nomura Small Cap Index (“RNS Index”) by (17.48%\*) for the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

### Performance 1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024

	Sub-Fund	RNS Index	Underperformance
Japan Small Cap II Fund (Class B JPY)	11.66%	29.14%	(17.48%)

### Comment on Performance

During the 12-month period from April 2023 to March 2024, the Sub-fund underperformed its reference benchmark, the Russell/Nomura Small Cap Index. The Tokyo Stock Exchange's call for improvement to companies with price-to-book ratios of less than 1, prospects of a U.S. interest rate cut, and speculation that the Bank of Japan might lift monetary easing led to continued buying of large-cap and value stocks, and selling of growth stocks.

Particularly in the July-September quarter of FY 2023, the style gap was the widest it has ever been, and growth stocks saw sluggish performance.

Although there was a phase during the January-March period when high-growth stocks were bought, the market continued to be dominated by large-cap and value stocks as the yen continued to depreciate even after the lifting of negative interest rates in March.

Under such a market environment, the Sub-fund focused on including stocks that could benefit from changes in business and social structures through technology and new services. This resulted in a particularly strong underperformance after 2Q FY 2023. With individual stock prices fluctuating widely, we have been selecting stocks from a broader perspective, taking into consideration future earnings prospects and current stock price levels. We believe that our holdings will contribute to medium-term returns.

There was a positive contribution from INSTITUTE FOR Q-SHU PIONEERS OF SPACE, MICRONICS JAPAN and CHILLED & FROZEN LOGISTICS HOLDINGS. However, BUSHIROAD, TKP and BUYSELL TECHNOLOGIES contributed negatively to the Sub-Fund performance.

### Top 3 Contributors to Excess Returns

Name	Excess Returns
INSTITUTE FOR Q-SHU PIONEERS OF SPACE	+1.93%
MICRONICS JAPAN	+1.51%
CHILLED & FROZEN LOGISTICS HOLDINGS	+1.20%

### Bottom 3 Contributors to Excess Returns

Name	Excess Returns
BUSHIROAD	-1.82%
TKP	-1.63%
BUYSELL TECHNOLOGIES	-1.32%

\* performance is net of fees

# **SuMi TRUST Investment Funds**

## **Japan Small Cap II Fund Investment Manager's Report For the year ended 31<sup>st</sup> March 2024 (Continued)**

### **Comment on Outlook and Risk Factors for Fiscal Year 2024**

The yen has been weakening against the U.S. dollar on the outlook for monetary policy in Japan and the U.S. The market should continue to be dominated by large-cap and value stocks in the near term. In addition, uncertain factors such as global economic trends and geopolitical risks continue to be a concern.

However, the fundamentals of small and mid-cap stocks are strong, and we expect more companies, not only value stocks but also growth stocks, to be impacted by structural reforms and other measures.

As we enter the earnings season, we expect to see more focus on the fundamentals of individual stocks which should drive the lagging small and mid-cap growth stocks to catch up with the market.

We continue to believe that changes in a wide range of domestic factors, against a backdrop of changes in social structure and progress in technology development/adoption, will contribute to alpha gains in small and mid-cap stocks over the medium term. We will continue to conduct thorough bottom-up research to identify and include stocks that have strong potential to contribute to solving social and industrial issues by linking productivity improvements to business growth, and achieve change and growth based on unique factors.

### **Assessment of the Fee Structure and Investor Base**

We believe that our fee structure is reasonable considering the risk return profile of the Sub-Fund. With respect to the fee difference between institutional and retail classes, the latter charges higher fees due to higher costs associated with the relatively high frequency of subscriptions and redemptions which have no minimum initial investment requirement.

Our target investors are those who have a long investment horizon in line with our investment objectives.

### **The Current AUM**

The current AUM continues to be adequate for the management of the Sub-Fund.

**Sumitomo Mitsui Trust Asset Management Co., Ltd.**

**Date: 24<sup>th</sup> April 2024**

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund Investment Manager's Report For the year ended 31<sup>st</sup> March 2024

### Executive Summary

The return of the Sub-Fund was 23.56% and the Sub-Fund underperformed the TOPIX Total Return Index (“TOPIX”) by (16.87%\*) for the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024.

### Performance 1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024

	Sub-Fund	TOPIX	Underperformance
Japan Quality Growth Fund (Class A JPY)	23.56%	40.43%	(16.87%)

### Comment on Performance

During April 2023-March 2024, the TOPIX Total Return Index rose 40.43%. The Japanese stock market rallied on the back of rising expectations for an end to deflation, improving corporate management, strong earnings prospects for global semiconductor equipment companies, and yen depreciation. In an environment of continued tight monetary policy, particularly in Europe and the U.S., the market has been driven by value stocks. In contrast, the Sub-Fund, which invests in quality growth companies, failed to follow the market rise with a return of +23.56%, resulting in negative excess returns. DISCO and ADVANTEST contributed positively to the Sub-Fund performance on expectations of increased demand for semiconductor manufacturing and inspection equipment for generative AI. On the other hand, KOEI TECMO HOLDINGS, which did not have a major new hit game title this financial year, leading to further uncertainty of its FY2024 results; TOYOTA MOTOR (not held), which announced an upward revision to its corporate plan during the period, driven by a weaker yen; and DAIKIN INDUSTRIES, which saw its sales recovery in China fall short of expectations in the first half of the year, as well as weak sales in Europe and the U.S. in the second half, contributed negatively.

### Top 3 Contributors to Excess Returns

Name	Excess Returns
DISCO	+3.35%
ADVANTEST	+1.89%
TOKIO MARINE HOLDINGS	+1.24%

### Bottom 3 Contributors to Excess Returns

Name	Excess Returns
KOEI TECMO HOLDINGS	-2.64%
TOYOTA MOTOR	-2.35%
DAIKIN INDUSTRIES	-2.00%

\* performance is net of fees

# **SuMi TRUST Investment Funds**

## **Japan Quality Growth Fund Investment Manager's Report For the year ended 31<sup>st</sup> March 2024 (Continued)**

### **Comment on Outlook and Risk Factors for Fiscal Year 2024**

We see the evolution of corporate governance at Japanese companies, improved return on capital based on "measures to create a cost of capital and share price conscious management" (Tokyo Stock Exchange), and capturing medium- to long-term growth in India as factors to buy Japanese equities. On the other hand, renewed inflation, concerns over a recession due to monetary tightening in Europe and the U.S., and economic fragmentation due to the escalating conflict between the U.S. and China, may cap share prices. Although market volatility remains high due to monetary tightening, we will continue to search for new stocks taking into account time dispersion and diversification. We are confident about the stocks currently held in the portfolio achieving the assumed returns. There are no specific concerns. Going forward, we will continue to focus on companies that are enhancing corporate value stemming from higher customer value and sustainable growth. We will aim to achieve returns above the benchmark over the mid-to-long term by investing in companies that can achieve a higher return on equity (ROE) through solid earnings growth and higher profit margins.

### **Assessment of the Fee Structure and Investor Base**

We believe that our fee structure is reasonable considering the risk return profile of the Sub-Fund. With respect to the fee difference between institutional and retail classes, the latter charges higher fees due to higher costs associated with the relatively high frequency of subscriptions and redemptions which have no minimum initial investment requirement.

Our target investors are those who have a long investment horizon in line with our investment objectives.

### **The Current AUM**

The current AUM continues to be adequate for the management of the Sub-Fund.

**Sumitomo Mitsui Trust Asset Management Co., Ltd.**

**Date: 24<sup>th</sup> April 2024**



KPMG

Audit  
1 Harbourmaster Place  
IFSC  
Dublin 1  
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Ireland

## **Independent Auditor's Report to the Unitholders of SuMi TRUST Investment Funds**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Japan Small Cap Fund, Japan Small Cap II Fund and Japan Quality Growth Fund (collectively "the Sub-Funds") of SuMi TRUST Investment Funds ('the Trust') for the year ended 31 March 2024 set out on pages 18 to 72, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Units, Statement of Cash Flows for each Sub-Fund and related notes, including the material accounting policies set out in note 7.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements of each of the Sub-Funds of the Trust give a true and fair view of the assets, liabilities and financial position of each of the Sub-Funds as at 31 March 2024 and of its changes in net assets attributable to holders of redeemable participating units for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Sub-Funds in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Managers' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.



## **Independent Auditor's Report to the Unitholders of SuMi TRUST Investment Funds (continued)**

### **Report on the audit of the financial statements (continued)**

#### **Conclusions relating to going concern (continued)**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on any of the Sub-Fund's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Manager is responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Fund Information, Statement of Manager's Responsibilities, Statement of Depositary's Responsibilities, Depositary's Report, Investment Manager's Reports, Schedule of Investments, Schedule of Portfolio Movements and Appendices. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work undertaken during the course of the audit we have not identified material misstatements in the other information.

#### **Respective responsibilities and restrictions on use**

##### **Responsibilities of the Manager for the financial statements**

As explained more fully in the Managers' responsibilities statement set out on page 6 and 7, the Manager is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Sub-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Sub-Funds' of the Trust or to cease operations, or have no realistic alternative but to do so.





**Independent Auditor's Report to the Unitholders of SuMi TRUST Investment Funds  
(continued)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

**The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the unitholders of each Sub-Fund, as a body, in accordance with Regulation 93 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011. Our audit work has been undertaken so that we might state to the Sub-Funds' unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each of the Sub-Funds of the Trust and each of the Sub-Funds' unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Liam McNally**  
for and on behalf of  
**KPMG**  
Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5

**26 July 2024**

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Statement of Financial Position As at 31<sup>st</sup> March 2024

	Notes	2024 JPY	2023 JPY
<b>Assets</b>			
Cash and cash equivalents	11	414,054,505	474,633,894
Financial assets at fair value through profit or loss:			
Transferable securities	9	7,995,147,650	18,771,206,280
Financial derivative assets	9,10	41,930,803	1,338,918
Receivables	12	<u>118,780,406</u>	<u>119,934,914</u>
<b>Total Assets</b>		<b><u>8,569,913,364</u></b>	<b><u>19,367,114,006</u></b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss:			
Financial derivative liabilities	9,10	2,600,471	94,554,149
Payables	13,15	<u>106,020,517</u>	<u>100,057,578</u>
<b>Total Liabilities (excluding Net Assets attributable to Holders of Redeemable Participating Units)</b>		<b><u>108,620,988</u></b>	<b><u>194,611,727</u></b>
<b>Net Assets attributable to Holders of Redeemable Participating Units</b>		<b><u>8,461,292,376</u></b>	<b><u>19,172,502,279</u></b>

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Statement of Financial Position

As at 31<sup>st</sup> March 2024

(Continued)

	Notes	2024	2023
<b>Number of units in issue</b>			
- Class A JPY	14	205,732.304	790,010.196
- Class B JPY	14	46,480.508	46,480.508
- Class A USD Hedged	14	77,809.987	168,398.064
- Class C USD Hedged	14	3,834.878	3,834.878
- Class A EUR Hedged	14	765.000	765.000
- Class Retail EUR Hedged	14	930.000	1,030.000
- Class Retail JPY	14	34,016.000	66,357.000
- Class Retail USD Hedged	14	6,352.000	24,459.000
<b>Net Asset Value (“NAV”) per unit</b>			
- Class A JPY	21	JPY17,999.9488	JPY15,839.5981
- Class B JPY	21	JPY30,337.9192	JPY26,656.6756
- Class A USD Hedged	21	US\$231.4189	US\$193.3780
- Class C USD Hedged	21	US\$170.0243	US\$144.0176
- Class A EUR Hedged	21	EUR101.6772	EUR86.6116
- Class Retail EUR Hedged	21	EUR106.4478	EUR91.3692
- Class Retail JPY	21	JPY11,076.5473	JPY9,820.7107
- Class Retail USD Hedged	21	US\$123.1824	US\$103.7301

The accompanying notes form an integral part of these financial statements.

On behalf of SMT Fund Services (Ireland) Limited

DocuSigned by:  
Keiji Nakamura  
7845AA5E08E9490...

Director

DocuSigned by:  
Hideki Sasakawa  
5D95AC384A28479...

Director

Date: 24 July 2024

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Statement of Comprehensive Income For the year ended 31<sup>st</sup> March 2024

	Notes	2024 JPY	2023 JPY
<b>Income</b>			
Dividend income from financial assets and liabilities at fair value through profit or loss		200,348,820	324,471,141
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	16	<u>2,219,255,036</u>	<u>(100,397,367)</u>
<b>Total gain</b>		<b><u>2,419,603,856</u></b>	<b><u>224,073,774</u></b>
<b>Expenses</b>			
Investment Manager fees	15,17	(113,918,668)	(183,904,391)
FX Manager fees	15	(920,243)	(1,301,628)
Risk Management fees	15	(1,510,818)	(1,390,923)
Administration and Manager fees	15,17	(26,981,941)	(39,377,299)
Custodian fees	15,17	(8,830,716)	(14,333,187)
Depositary fees	15,17	(4,816,140)	(7,396,548)
Distributor fees	15,17	(15,825,854)	(52,572,619)
Audit fees	15	(4,365,984)	(3,344,290)
Negative yield expense		(1,893,808)	(2,849,019)
Other fees and expenses		<u>(2,655,705)</u>	<u>(4,564,992)</u>
<b>Total operating expenses</b>		<b><u>(181,719,877)</u></b>	<b><u>(311,034,896)</u></b>
<b>Profit/(loss) before taxes</b>		<b>2,237,883,979</b>	<b>(86,961,122)</b>
Withholding taxes		<u>(30,040,265)</u>	<u>(48,670,672)</u>
<b>Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units</b>		<b><u>2,207,843,714</u></b>	<b><u>(135,631,794)</u></b>

The accompanying notes form an integral part of these financial statements.

# SuMi TRUST Investment Funds

## Japan Small Cap Fund

### Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Units For the year ended 31<sup>st</sup> March 2024

	2024 JPY	2023 JPY
<b>Net Assets attributable to Holders of Redeemable Participating Units at beginning of the year</b>	<b>19,172,502,279</b>	<b>36,445,433,963</b>
Redeemable Participating Units issued	2,268,050,083	731,483,072
Redeemable Participating Units redeemed	(15,187,103,700)	(17,868,782,962)
Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units	<u>2,207,843,714</u>	<u>(135,631,794)</u>
<b>Net Assets attributable to Holders of Redeemable Participating Units at end of the year</b>	<b><u>8,461,292,376</u></b>	<b><u>19,172,502,279</u></b>

The accompanying notes form an integral part of these financial statements.

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Statement of Cash Flows

For the year ended 31<sup>st</sup> March 2024

	<b>2024</b> <b>JPY</b>	<b>2023</b> <b>JPY</b>
<b>Cash flows from operating activities</b>		
Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units	2,207,843,714	(135,631,794)
Changes in operating assets and liabilities:		
Decrease in transferable securities	10,776,058,630	16,713,444,020
(Increase)/decrease in financial derivative assets	(40,591,885)	400,921,167
Decrease in receivables	1,154,508	54,518,957
(Decrease)/increase in financial derivative liabilities	(91,953,678)	45,487,123
Increase/(decrease) in payables	5,962,939	(6,212,105)
Net cash provided by operating activities	<u>12,858,474,228</u>	<u>17,072,527,368</u>
<b>Cash flows from financing activities</b>		
Proceeds from Redeemable Participating Units issued	2,268,050,083	731,483,072
Payments for Redeemable Participating Units redeemed	<u>(15,187,103,700)</u>	<u>(18,145,403,454)</u>
Net cash used in financing activities	<u>(12,919,053,617)</u>	<u>(17,413,920,382)</u>
Net change in cash and cash equivalents	(60,579,389)	(341,393,014)
Cash and cash equivalents at beginning of the year	<u>474,633,894</u>	<u>816,026,908</u>
<b>Cash and cash equivalents at end of the year</b>	<b><u>414,054,505</u></b>	<b><u>474,633,894</u></b>
<b>Supplementary information:</b>		
Interest paid	(2,121,781)	(2,877,221)
Dividends received from financial assets and liabilities at fair value through profit or loss	219,025,610	348,507,862

The accompanying notes form an integral part of these financial statements.

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Statement of Financial Position As at 31<sup>st</sup> March 2024

	Notes	2024 JPY	2023 JPY
<b>Assets</b>			
Cash and cash equivalents	11	66,457,257	79,090,293
Financial assets at fair value through profit or loss:			
Transferable securities	9	1,972,660,450	1,715,956,600
Financial derivative assets	9,10	8,096,175	127,854
Receivables	12	61,316,044	16,892,958
<b>Total Assets</b>		<b><u>2,108,529,926</u></b>	<b><u>1,812,067,705</u></b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss:			
Financial derivative liabilities	9,10	363,624	9,480,093
Payables	13,15	44,375,270	21,210,254
<b>Total Liabilities (excluding Net Assets attributable to Holders of Redeemable Participating Units)</b>		<b><u>44,738,894</u></b>	<b><u>30,690,347</u></b>
<b>Net Assets attributable to Holders of Redeemable Participating Units</b>		<b><u>2,063,791,032</u></b>	<b><u>1,781,377,358</u></b>
<b>Number of units in issue</b>			
- Class A JPY	14	16,339.385	16,164.385
- Class B JPY	14	125,356.597	125,356.597
- Class A USD Hedged	14	10,602.110	10,602.110
- Class B USD Hedged	14	21,816.044	25,102.806
- Class A GBP Hedged	14	260.000	260.000
<b>NAV per unit</b>			
- Class A JPY	21	JPY10,353.868	JPY9,177.452
- Class B JPY	21	JPY10,519.451	JPY9,300.942
- Class A USD Hedged	21	US\$124.461	US\$104.858
- Class B USD Hedged	21	US\$112.160	US\$94.238
- Class A GBP Hedged	21	GBP118.725	GBP100.386

The accompanying notes form an integral part of these financial statements

On behalf of SMT Fund Services (Ireland) Limited

DocuSigned by:  
Keiji Nakamura  
7845AA5E08E9490

Director

DocuSigned by:  
Hideki Sasakawa  
5D95AC384A28479...

Director

Date: 24 July 2024

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Statement of Comprehensive Income For the year ended 31<sup>st</sup> March 2024

	Notes	2024 JPY	2023 JPY
<b>Income</b>			
Dividend income from financial assets and liabilities at fair value through profit or loss		29,348,031	24,040,190
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	16	<u>318,972,521</u>	<u>(182,071,263)</u>
<b>Total gain/(loss)</b>		<b><u>348,320,552</u></b>	<b><u>(158,031,073)</u></b>
<b>Expenses</b>			
Investment Manager fees	15,17	(8,303,911)	(9,010,400)
FX Manager fees	15	(365,160)	(248,113)
Risk Management fees	15	(181,961)	(185,820)
Administration and Manager fees	15,17	(21,253,190)	(19,472,798)
Custodian fees	15,17	(6,151,087)	(6,155,307)
Depositary fees	15,17	(4,031,195)	(3,701,890)
Distributor fees	15,17	(1,872,677)	(2,071,464)
Audit fees	15	(3,071,274)	(2,658,780)
Negative yield expense		(194,466)	(405,582)
Other fees and expenses		<u>(3,848,675)</u>	<u>(3,074,626)</u>
<b>Total operating expenses</b>		<b><u>(49,273,596)</u></b>	<b><u>(46,984,780)</u></b>
Fee waiver	15	<u>34,033,425</u>	<u>32,103,139</u>
<b>Profit/(loss) before taxes</b>		<b>333,080,381</b>	<b>(172,912,714)</b>
Withholding taxes		<u>(4,399,145)</u>	<u>(3,606,029)</u>
<b>Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units</b>		<b><u>328,681,236</u></b>	<b><u>(176,518,743)</u></b>

The accompanying notes form an integral part of these financial statements.



# SuMi TRUST Investment Funds

## Japan Small Cap II Fund

### Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Units For the year ended 31<sup>st</sup> March 2024

	2024 JPY	2023 JPY
<b>Net Assets attributable to Holders of Redeemable Participating Units at beginning of the year</b>	<b>1,781,377,358</b>	<b>3,730,794,362</b>
Redeemable Participating Units issued	1,659,078	1,097,697
Redeemable Participating Units redeemed	(47,926,640)	(1,773,995,958)
Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units	<u>328,681,236</u>	<u>(176,518,743)</u>
<b>Net Assets attributable to Holders of Redeemable Participating Units at end of the year</b>	<b><u>2,063,791,032</u></b>	<b><u>1,781,377,358</u></b>

The accompanying notes form an integral part of these financial statements.

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund

### Statement of Cash Flows

For the year ended 31<sup>st</sup> March 2024

	<b>2024</b>	<b>2023</b>
	<b>JPY</b>	<b>JPY</b>
<b>Cash flows from operating activities</b>		
Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units	328,681,236	(176,518,743)
Changes in operating assets and liabilities:		
(Increase)/decrease in transferable securities	(256,703,850)	1,903,802,900
(Increase)/decrease in financial derivative assets	(7,968,321)	22,277,378
(Increase)/decrease in receivables	(44,423,086)	395,228,962
(Decrease)/increase in financial derivative liabilities	(9,116,469)	6,613,061
Increase/(decrease) in payables	23,165,016	(1,370,656)
Net cash provided by operating activities	<u>33,634,526</u>	<u>2,150,032,902</u>
<b>Cash flows from financing activities</b>		
Proceeds from Redeemable Participating Units issued	1,659,078	1,097,697
Payments for Redeemable Participating Units redeemed	<u>(47,926,640)</u>	<u>(2,353,464,252)</u>
Net cash used in financing activities	<u>(46,267,562)</u>	<u>(2,352,366,555)</u>
Net change in cash and cash equivalents	(12,633,036)	(202,333,653)
Cash and cash equivalents at beginning of the year	<u>79,090,293</u>	<u>281,423,946</u>
<b>Cash and cash equivalents at end of the year</b>	<u><b>66,457,257</b></u>	<u><b>79,090,293</b></u>
<b>Supplementary information:</b>		
Interest paid	(194,466)	(405,582)
Dividends received from financial assets and liabilities at fair value through profit or loss	21,305,063	34,552,337

The accompanying notes form an integral part of these financial statements.

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund Statement of Financial Position As at 31<sup>st</sup> March 2024

	Notes	2024 JPY	2023 JPY
<b>Assets</b>			
Cash and cash equivalents	11	17,448,214	33,575,483
Financial assets at fair value through profit or loss:			
Transferable securities	9	1,508,368,347	1,185,773,141
Financial derivative assets	9,10	669,774	68,491
Receivables	12	91,520,768	30,281,981
<b>Total Assets</b>		<b>1,618,007,103</b>	<b>1,249,699,096</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss:			
Financial derivative liabilities	9,10	-	25,845
Payables	13,15	88,393,157	30,484,826
<b>Total Liabilities (excluding Net Assets attributable to Holders of Redeemable Participating Units)</b>		<b>88,393,157</b>	<b>30,510,671</b>
<b>Net Assets attributable to Holders of Redeemable Participating Units</b>		<b>1,529,613,946</b>	<b>1,219,188,425</b>
<b>Number of units in issue</b>			
- Class A JPY	14	78,196.510	78,196.510
- Class A EUR Hedged	14	4,000.001	4,000.001
<b>NAV per unit</b>			
- Class A JPY	21	JPY18,028.2321	JPY14,533.1708
- Class A EUR Hedged	21	EUR183.3401	EUR143.0633

The accompanying notes form an integral part of these financial statements.

On behalf of SMT Fund Services (Ireland) Limited

DocuSigned by:  
Keiji Nakamura  
7845AA5E08E9490...  
Director

DocuSigned by:  
Hideki Sasakawa  
5D95AC384A28479...  
Director

Date: 24 July 2024

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund Statement of Comprehensive Income For the year ended 31<sup>st</sup> March 2024

	Notes	2024 JPY	2023 JPY
<b>Income</b>			
Interest on cash and cash equivalents		100,726	-
Dividend income from financial assets and liabilities at fair value through profit or loss		19,017,622	47,755,292
Net gain from financial assets and liabilities at fair value through profit or loss	16	<u>306,115,110</u>	<u>659,194,072</u>
<b>Total gain</b>		<b><u>325,233,458</u></b>	<b><u>706,949,364</u></b>
<b>Expenses</b>			
Investment Manager fees	15,17	(8,248,609)	(19,687,659)
FX Manager fees	15	(46,806)	(433,709)
Risk Management fees	15	(36,390)	(442,393)
Administration and Manager fees	15,17	(15,154,414)	(14,800,143)
Custodian fees	15,17	(5,143,738)	(4,570,936)
Depository fees	15,17	(3,991,057)	(3,649,113)
Distributor fees	15,17	(1,373,522)	(27,308,036)
Audit fees	15	(3,071,446)	(2,658,693)
Negative yield expense		(72,881)	(380,562)
Other fees and expenses		<u>(1,870,406)</u>	<u>(2,524,055)</u>
<b>Total operating expenses</b>		<b><u>(39,009,269)</u></b>	<b><u>(76,455,299)</u></b>
Fee waiver	15	<u>27,053,978</u>	<u>7,173,649</u>
<b>Profit before taxes</b>		<b>313,278,167</b>	<b>637,667,714</b>
Withholding taxes		<u>(2,852,646)</u>	<u>(7,163,295)</u>
<b>Increase in Net Assets attributable to Holders of Redeemable Participating Units</b>		<b><u>310,425,521</u></b>	<b><u>630,504,419</u></b>

The accompanying notes form an integral part of these financial statements.

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund

### Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Units For the year ended 31<sup>st</sup> March 2024

	2024 JPY	2023 JPY
<b>Net Assets attributable to Holders of Redeemable Participating Units at beginning of the year</b>	<b>1,219,188,425</b>	<b>4,615,869,526</b>
Redeemable Participating Units redeemed	-	(4,027,185,520)
Increase in Net Assets attributable to Holders of Redeemable Participating Units	<u>310,425,521</u>	<u>630,504,419</u>
<b>Net Assets attributable to Holders of Redeemable Participating Units at end of the year</b>	<b><u>1,529,613,946</u></b>	<b><u>1,219,188,425</u></b>

The accompanying notes form an integral part of these financial statements.

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund

### Statement of Cash Flows

For the year ended 31<sup>st</sup> March 2024

	<b>2024</b>	<b>2023</b>
	<b>JPY</b>	<b>JPY</b>
<b>Cash flows from operating activities</b>		
Increase in Net Assets attributable to Holders of Redeemable Participating Units	310,425,521	630,504,419
Changes in operating assets and liabilities:		
(Increase)/decrease in transferable securities	(322,595,206)	3,247,511,929
(Increase)/decrease in financial derivative assets	(601,283)	173,034,946
Increase in receivables	(61,238,787)	(3,119,989)
Decrease in financial derivative liabilities	(25,845)	(12,093,294)
Increase/(decrease) in payables	57,908,331	(14,399,656)
Net cash provided by operating activities	<u>(16,127,269)</u>	<u>4,021,438,355</u>
<b>Cash flows from financing activities</b>		
Payments for Redeemable Participating Units redeemed	<u>-</u>	<u>(4,027,185,520)</u>
Net cash used in financing activities	<u>-</u>	<u>(4,027,185,520)</u>
Net change in cash and cash equivalents	(16,127,269)	(5,747,165)
Cash and cash equivalents at beginning of the year	<u>33,575,483</u>	<u>39,322,648</u>
<b>Cash and cash equivalents at end of the year</b>	<b><u>17,448,214</u></b>	<b><u>33,575,483</u></b>
<b>Supplementary information:</b>		
Interest paid	(72,881)	(393,327)
Bank interest received	100,726	-
Dividends received from financial assets and liabilities at fair value through profit or loss	15,551,840	59,811,720

The accompanying notes form an integral part of these financial statements.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

### 1. GENERAL INFORMATION

SuMi TRUST Investment Funds (the “Fund” or the “Trust”) is an open-ended umbrella unit trust established as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended. The Fund was established on 28<sup>th</sup> March 2013 and there are currently four sub-funds of the Fund in operation; Japan Small Cap Fund, Japan Small Cap II Fund, Japan Quality Growth Fund and Nordic High Income Bond Fund. Japan Small Cap Fund was authorised by the Central Bank of Ireland (the “Central Bank”) on 28<sup>th</sup> March 2013 and commenced operations on 4<sup>th</sup> April 2013. Japan Small Cap II Fund was authorised by the Central Bank on 20<sup>th</sup> April 2018 and commenced operations on 26<sup>th</sup> April 2018. Japan Quality Growth Fund was authorised by the Central Bank on 27<sup>th</sup> May 2015 and commenced operations on 2<sup>nd</sup> June 2015. Nordic High Income Bond Fund was authorised by the Central Bank on 18<sup>th</sup> March 2015 and commenced operations on 30<sup>th</sup> April 2015.

Japan Small Cap Fund, Japan Small Cap II Fund and Japan Quality Growth Fund are referred to individually or collectively as the “Sub-Funds”. These financial statements are for the Sub-Funds only. There is a separate set of financial statements for Nordic High Income Bond Fund and these are available free of charge on request from the Manager.

The investment objective of Japan Small Cap Fund is to provide investors with long term capital appreciation through investment in equities of small capitalisation companies listed on the recognised exchanges in Japan. There were eight classes of units in issue, Class A JPY, Class B JPY, Class A USD Hedged, Class C USD Hedged, Class A EUR Hedged, Class Retail EUR Hedged, Class Retail JPY and Class Retail USD Hedged as at 31<sup>st</sup> March 2024 and 2023.

The investment objective of Japan Small Cap II Fund is to provide investors with long term capital appreciation through investment in equities of small capitalisation companies listed on the recognised exchanges in Japan. There were five classes of units in issue, Class A JPY, Class B JPY, Class A USD Hedged, Class B USD Hedged and Class A GBP Hedged as at 31<sup>st</sup> March 2024 and 2023.

The investment objective of Japan Quality Growth Fund is to provide investors with long term capital appreciation through investment in equity securities listed on the recognised exchanges in Japan. There were two classes of units in issue, Class A JPY and Class A EUR Hedged as at 31<sup>st</sup> March 2024 and 2023.

None of the Sub-Funds are specifically tracking a benchmark as part of their investment objective.

All of the Sub-Funds’ financial assets and liabilities at fair value through profit or loss have been valued at market prices at the financial year end date.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 2. BASIS OF PREPARATION

#### Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The financial statements are presented in Japanese Yen (“JPY”).

“Functional currency” is the currency of the primary economic environment in which the Sub-Funds operate. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Sub-Funds’ investments and transactions are denominated in JPY. Investor subscriptions and redemptions are determined based on NAV, and received and paid in JPY, US Dollar and Euro. The major expenses (including Investment Manager fees and Distributor fees) are denominated and paid in JPY. Accordingly, management has determined that the functional currency of the Sub-Funds is JPY.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Judgements made by the management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Notes 9 and 10.

The financial statements have been prepared on a going concern basis.

Changes to material accounting policies are described in Note 4.

### 3. BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis, except for the following material items:

<u>Items</u>	<u>Measurement basis</u>
Derivative financial instruments	Fair value
Non-derivative financial instruments at fair value through profit or loss (“FVTPL”)	Fair value



# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 4. CHANGES IN MATERIAL ACCOUNTING POLICIES

The Sub-Funds adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1<sup>st</sup> April 2023. The amendments did not result in any changes to the accounting policies. The amendments require the disclosure of “material” rather than “significant” accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

### 5. STANDARDS ISSUED BUT NOT YET ADOPTED

A number of new standards are effective for annual periods beginning after 1<sup>st</sup> April 2023 and earlier application is permitted; however, the Sub-Funds have not early applied these new or amended standards in preparing these financial statements.

Of those standards that are not yet effective, none are expected to have a material impact on the Sub-Funds’ financial statements in the period of initial application.

### 6. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

#### **New standards, amendments and interpretations issued and effective for the financial year beginning 1<sup>st</sup> April 2023**

A number of amendments to IFRS are effective for the current financial year, but they do not have a material effect on the Sub-Funds’ financial statements.

### 7. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted by the Sub-Funds and consistently applied to all years presented in these financial statements are as follows:

#### **Financial assets and financial liabilities**

##### *(i) Recognition and initial measurement*

The Sub-Funds initially recognise financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Sub-Funds become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

##### *(ii) Classification and subsequent measurement*

###### *Classification of financial assets*

On initial recognition, the Sub-Funds classify financial assets as measured at amortised cost or FVTPL.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 7. MATERIAL ACCOUNTING POLICIES (continued)

#### Financial assets and financial liabilities (continued)

(ii) *Classification and subsequent measurement (continued)*

*Classification of financial assets (continued)*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”).

All other financial assets of the Sub-Funds are measured at FVTPL.

#### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Sub-Funds consider all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Sub-Funds’ management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the Investment Manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Sub-Funds’ continuing recognition of the assets.

The Sub-Funds have determined that they have two business models:

- Held-to-collect business model: this includes cash and cash equivalents and receivables. These financial assets are held to collect contractual cash flows;
- Other business model: this includes transferable securities and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

#### *Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 7. MATERIAL ACCOUNTING POLICIES (continued)

#### **Financial assets and financial liabilities (continued)**

*(ii) Classification and subsequent measurement (continued)*

*Assessment whether contractual cash flows are SPPI (continued)*

In assessing whether the contractual cash flows are SPPI, the Sub-Funds consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Sub-Funds consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Sub-Funds' claims to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

For a reconciliation of line items in the Statement of Financial Position to the categories of financial instruments, as defined by IFRS 9, see Note 8.

#### *Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Sub-Funds were to change their business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

#### *Subsequent measurement of financial assets*

##### *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognised in profit or loss in the Statement of Comprehensive Income. Transferable securities and financial derivative instruments are included in this category.

##### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Comprehensive Income. Any gain or loss on derecognition is also recognised in profit or loss. Cash and cash equivalents and receivables are included in this category.

#### *Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 7. MATERIAL ACCOUNTING POLICIES (continued)

#### **Financial assets and financial liabilities (continued)**

##### *(ii) Classification and subsequent measurement (continued)*

##### *Financial liabilities – Classification, subsequent measurement and gains and losses (continued)*

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Financial liabilities at FVTPL include financial derivative liabilities. Financial liabilities at amortised cost include payables.

##### *(iii) Fair value measurement*

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-Funds have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-Funds measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Sub-Funds measure instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price. If there is no quoted price in an active market, then the Sub-Funds use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-Funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

##### *(iv) Amortised cost measurement*

The “amortised cost” of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

##### *(v) Impairment*

The Sub-Funds recognise loss allowances for Expected Credit Losses (“ECLs”) on financial assets measured at amortised cost.

The Sub-Funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 7. MATERIAL ACCOUNTING POLICIES (continued)

#### Financial assets and financial liabilities (continued)

##### *(v) Impairment (continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-Funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-Funds' historical experience and informed credit assessment and including forward-looking information.

The Sub-Funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-Funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-Funds in full, without recourse by the Sub-Funds to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-Funds are exposed to credit risk.

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-Funds expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### *Credit-impaired financial assets*

At each reporting date, the Sub-Funds assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

##### *Presentation of allowance for ECLs in the Statement of Financial Position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 7. MATERIAL ACCOUNTING POLICIES (continued)

#### **Financial assets and financial liabilities (continued)**

*(v) Impairment (continued)*

*Credit-impaired financial assets (continued)*

*Write-off*

The gross carrying amount of a financial asset is written off when the Sub-Funds have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

*(vi) Derecognition*

The Sub-Funds derecognise regular-way sales of financial assets using trade date accounting. The Sub-Funds derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Sub-Funds neither transfer nor retain substantially all of the risks and rewards of ownership and do not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Sub-Funds is recognised as a separate asset or liability.

The Sub-Funds may enter into transactions whereby they transfer assets recognised on the Statement of Financial Position, but retain either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Sub-Funds derecognise a financial liability when their contractual obligations are discharged, cancelled or have expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

*(vii) Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements and the related assets and liabilities are presented gross in the Statement of Financial Position.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 7. MATERIAL ACCOUNTING POLICIES (continued)

#### **Derivative contracts**

The Sub-Funds use derivatives to manage their exposure to foreign currency. The instruments used are forward foreign currency contracts.

When entering into a forward foreign currency contract, the Sub-Funds agree to receive or deliver a fixed quantity of a foreign currency for an agreed price at an agreed future date. The Sub-Funds utilise forward foreign currency contracts to hedge non-base currency class exposures against JPY and the cost or benefits of so doing are allocated to the respective unit classes. The Sub-Funds do not use hedge accounting for these contracts and accordingly they are classified as being held for trading.

Forward currency contracts are marked to market at each valuation date, and the change in value is recorded by the Sub-Funds as an unrealised gain or loss in profit or loss in the Statement of Comprehensive Income. When a forward currency contract is extinguished through delivery, the Sub-Funds record a realised gain or loss on foreign currency related transactions equal to the difference between the contract value and the value of the contract at the time it was extinguished.

#### **Cash and cash equivalents**

Cash comprises cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are held with the Custodian, which has placed the balances with Brown Brothers Harriman & Co., (“BBH”) (the “Global Sub-Custodian”).

#### **Interest income on cash and cash equivalents/negative yield expense**

Interest income, including interest income from non-derivative assets at FVTPL, is recognised in profit or loss, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition. When calculating the effective interest rate, the Sub-Funds estimate future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Where the interest yield is negative the resulting expense is presented as negative yield expense within expenses in the Statement of Comprehensive Income. This expense is accounted for on an effective yield basis.

Interest received or receivable and interest paid or payable, are recognised in profit or loss as interest income and interest expense, respectively.

#### **Dividend income**

Dividend income is recognised when the right to receive income is established. This is normally the ex-dividend date for equity securities. It is recorded gross of any non-reclaimable withholding taxes suffered on an ex-date basis.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 7. MATERIAL ACCOUNTING POLICIES (continued)

#### Expenses

Expenses are accounted for on an accruals basis.

#### Taxation

The Sub-Funds qualify as investment undertakings as defined in Section 739B(1) of the Taxes Consolidation Act. Under current Irish law and practice, the Sub-Funds are not chargeable to Irish tax on their income and gains. As a result, no provision for taxes has been made in the financial statements. The Sub-Funds may be subject to foreign withholding taxes on certain interest, dividends and capital gains.

In determining the provision for taxes payable on income, the Sub-Funds provide for uncertain tax positions that are more likely than not to create a tax obligation assuming inspection by the relevant tax authorities. The amount provided is either the most likely amount payable or the expected value of the payable amount, whichever approach provides a better prediction in the specific circumstances.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible timing differences can be utilised. There was no deferred tax in the financial year.

#### Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset. An incremental cost is one that would not have been incurred if the Sub-Funds had not acquired, issued or disposed of the financial instrument.

Transaction costs on purchases and sales of equities are included in net gain/(loss) from financial assets and liabilities at FVTPL in the Statement of Comprehensive Income. Custody transactions costs are separately identifiable transaction costs and the total transaction costs on the purchase and sale of equities incurred by the Sub-Funds during the year are disclosed in Note 19.

#### Distribution policy

Income and capital gains will normally be accumulated and reinvested and the Sub-Funds will not ordinarily, but may at the discretion of the Manager, make distributions or pay dividends.

#### Redeemable Participating Units

The Redeemable Participating Units issued by the Sub-Funds are puttable instruments and are classified as financial liabilities as they do not meet the conditions for equity classification under the amendments to IAS 32: Financial Instruments Presentation, as there were different classes of units with different features in issue throughout the year (Note 14).

The NAV per unit is calculated by dividing the total Net Assets of each Sub-Fund attributable to each unit class by the number of units in issue, in each respective class. All units are issued and redeemed at this price.



# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 8. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

2024	Mandatorily at FVTPL JPY	Financial assets at amortised cost JPY	Financial liabilities at amortised cost JPY	Total JPY
<b>Japan Small Cap Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	-	414,054,505	-	414,054,505
Financial assets at FVTPL	8,037,078,453	-	-	8,037,078,453
Receivables	-	118,780,406	-	118,780,406
	<b>8,037,078,453</b>	<b>532,834,911</b>	<b>-</b>	<b>8,569,913,364</b>
<b>Liabilities</b>				
Financial liabilities at FVTPL	2,600,471	-	-	2,600,471
Payables	-	-	106,020,517	106,020,517
Net Assets attributable to Holders of Redeemable Participating Units	-	-	8,461,292,376	8,461,292,376
	<b>2,600,471</b>	<b>-</b>	<b>8,567,312,893</b>	<b>8,569,913,364</b>
<b>Japan Small Cap II Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	-	66,457,257	-	66,457,257
Financial assets at FVTPL	1,980,756,625	-	-	1,980,756,625
Receivables	-	61,316,044	-	61,316,044
	<b>1,980,756,625</b>	<b>127,773,301</b>	<b>-</b>	<b>2,108,529,926</b>
<b>Liabilities</b>				
Financial liabilities at FVTPL	363,624	-	-	363,624
Payables	-	-	44,375,270	44,375,270
Net Assets attributable to Holders of Redeemable Participating Units	-	-	2,063,791,032	2,063,791,032
	<b>363,624</b>	<b>-</b>	<b>2,108,166,302</b>	<b>2,108,529,926</b>
<b>Japan Quality Growth Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	-	17,448,214	-	17,448,214
Financial assets at FVTPL	1,509,038,121	-	-	1,509,038,121
Receivables	-	91,520,768	-	91,520,768
	<b>1,509,038,121</b>	<b>108,968,982</b>	<b>-</b>	<b>1,618,007,103</b>
<b>Liabilities</b>				
Payables	-	-	88,393,157	88,393,157
Net Assets attributable to Holders of Redeemable Participating Units	-	-	1,529,613,946	1,529,613,946
	<b>-</b>	<b>-</b>	<b>1,618,007,103</b>	<b>1,618,007,103</b>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 8. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

2023	Mandatorily at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Japan Small Cap Fund	JPY	JPY	JPY	JPY
<b>Assets</b>				
Cash and cash equivalents	-	474,633,894	-	474,633,894
Financial assets at FVTPL	18,772,545,198	-	-	18,772,545,198
Receivables	-	119,934,914	-	119,934,914
	<b>18,772,545,198</b>	<b>594,568,808</b>	<b>-</b>	<b>19,367,114,006</b>
<b>Liabilities</b>				
Financial liabilities at FVTPL	94,554,149	-	-	94,554,149
Payables	-	-	100,057,578	100,057,578
Net Assets attributable to Holders of Redeemable Participating Units	-	-	19,172,502,279	19,172,502,279
	<b>94,554,149</b>	<b>-</b>	<b>19,272,559,857</b>	<b>19,367,114,006</b>
<b>Japan Small Cap II Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	-	79,090,293	-	79,090,293
Financial assets at FVTPL	1,716,084,454	-	-	1,716,084,454
Receivables	-	16,892,958	-	16,892,958
	<b>1,716,084,454</b>	<b>95,983,251</b>	<b>-</b>	<b>1,812,067,705</b>
<b>Liabilities</b>				
Financial liabilities at FVTPL	9,480,093	-	-	9,480,093
Payables	-	-	21,210,254	21,210,254
Net Assets attributable to Holders of Redeemable Participating Units	-	-	1,781,377,358	1,781,377,358
	<b>9,480,093</b>	<b>-</b>	<b>1,802,587,612</b>	<b>1,812,067,705</b>
<b>Japan Quality Growth Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	-	33,575,483	-	33,575,483
Financial assets at FVTPL	1,185,841,632	-	-	1,185,841,632
Receivables	-	30,281,981	-	30,281,981
	<b>1,185,841,632</b>	<b>63,857,464</b>	<b>-</b>	<b>1,249,699,096</b>
<b>Liabilities</b>				
Financial liabilities at FVTPL	25,845	-	-	25,845
Payables	-	-	30,484,826	30,484,826
Net Assets attributable to Holders of Redeemable Participating Units	-	-	1,219,188,425	1,219,188,425
	<b>25,845</b>	<b>-</b>	<b>1,249,673,251</b>	<b>1,249,699,096</b>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The tables below and overleaf show financial instruments recognised at fair value analysed between those whose fair value is based on:

- Level 1: Quoted price (Unadjusted) in an active market for an identical instrument;
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data; and
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. The Sub-Funds did not hold any instruments in this category.

2024	Level 1 JPY	Level 2 JPY	Level 3 JPY	Total JPY
<b>Japan Small Cap Fund</b>				
<b>Financial assets at FVTPL</b>				
- Equities	7,995,147,650	-	-	7,995,147,650
- Forward currency contracts	-	41,930,803	-	41,930,803
	<u>7,995,147,650</u>	<u>41,930,803</u>	<u>-</u>	<u>8,037,078,453</u>
<b>Financial liabilities at FVTPL</b>				
- Forward currency contracts	-	2,600,471	-	2,600,471
	<u>-</u>	<u>2,600,471</u>	<u>-</u>	<u>2,600,471</u>
<b>Japan Small Cap II Fund</b>				
<b>Financial assets at FVTPL</b>				
- Equities	1,972,660,450	-	-	1,972,660,450
- Forward currency contracts	-	8,096,175	-	8,096,175
	<u>1,972,660,450</u>	<u>8,096,175</u>	<u>-</u>	<u>1,980,756,625</u>
<b>Financial liabilities at FVTPL</b>				
- Forward currency contracts	-	363,624	-	363,624
	<u>-</u>	<u>363,624</u>	<u>-</u>	<u>363,624</u>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 9. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

2024 (continued)	Level 1 JPY	Level 2 JPY	Level 3 JPY	Total JPY
<b>Japan Quality Growth Fund</b>				
<b>Financial assets at FVTPL</b>				
- Equities	1,508,368,347	-	-	1,508,368,347
- Forward currency contracts	-	669,774	-	669,774
	<u>1,508,368,347</u>	<u>669,774</u>	<u>-</u>	<u>1,509,038,121</u>
<b>2023</b>				
<b>Japan Small Cap Fund</b>				
<b>Financial assets at FVTPL</b>				
- Equities	18,417,288,280	353,918,000	-	18,771,206,280
- Forward currency contracts	-	1,338,918	-	1,338,918
	<u>18,417,288,280</u>	<u>355,256,918</u>	<u>-</u>	<u>18,772,545,198</u>
<b>Financial liabilities at FVTPL</b>				
- Forward currency contracts	-	94,554,149	-	94,554,149
	<u>-</u>	<u>94,554,149</u>	<u>-</u>	<u>94,554,149</u>
<b>Japan Small Cap II Fund</b>				
<b>Financial assets at FVTPL</b>				
- Equities	1,715,956,600	-	-	1,715,956,600
- Forward currency contracts	-	127,854	-	127,854
	<u>1,715,956,600</u>	<u>127,854</u>	<u>-</u>	<u>1,716,084,454</u>
<b>Financial liabilities at FVTPL</b>				
- Forward currency contracts	-	9,480,093	-	9,480,093
	<u>-</u>	<u>9,480,093</u>	<u>-</u>	<u>9,480,093</u>
<b>Japan Quality Growth Fund</b>				
<b>Financial assets at FVTPL</b>				
- Equities	1,185,773,141	-	-	1,185,773,141
- Forward currency contracts	-	68,491	-	68,491
	<u>1,185,773,141</u>	<u>68,491</u>	<u>-</u>	<u>1,185,841,632</u>
<b>Financial liabilities at FVTPL</b>				
- Forward currency contracts	-	25,845	-	25,845
	<u>-</u>	<u>25,845</u>	<u>-</u>	<u>25,845</u>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 9. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

When fair values of listed equity securities at the reporting date are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

All equities are listed or traded on a regulated market.

The Trust uses widely recognised valuation models for determining fair values of forward foreign currency contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates. For these financial instruments, inputs into models are market observable and are therefore included within Level 2.

In Japan Small Cap II Fund and Japan Quality Growth Fund there were no transfers between Levels during the years ended 31<sup>st</sup> March 2024 or 2023. In Japan Small Cap Fund there were transfers of JPY52,090,500 of equities from Level 2 to Level 1 during the year ended 31<sup>st</sup> March 2024. During the year ended 31<sup>st</sup> March 2023, in Japan Small Cap Fund there were transfers of JPY155,193,500 equities from Level 1 to Level 2 due to the assessed observability of fair values.

#### **Financial instruments not measured at fair value**

The financial instruments not measured at FVTPL are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 9. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

#### Forward Currency Contracts

The counterparty for the over-the-counter (“OTC”) financial derivative positions is the Custodian.

2024

OTC financial derivative instruments			Unrealised	Unrealised	
	Maturity	Bought	Sold	Gain	Loss
	Date	JPY	JPY	JPY	JPY
<b>Japan Small Cap Fund</b>					
<b>Euro</b>					
Long	30/04/2024	(28,907,478)	29,067,783	160,305	-
Short	30/04/2024	578,744	(587,793)	-	(9,049)
		<u>(28,328,734)</u>	<u>28,479,990</u>	<u>160,305</u>	<u>(9,049)</u>
<b>US Dollar</b>					
Long	30/04/2024	(2,944,343,945)	2,986,114,443	41,770,498	-
Short	30/04/2024	88,382,033	(90,973,455)	-	(2,591,422)
		<u>(2,855,961,912)</u>	<u>2,895,140,988</u>	<u>41,770,498</u>	<u>(2,591,422)</u>
<b>Total forward currency contracts</b>		<b><u>(2,884,290,646)</u></b>	<b><u>2,923,620,978</u></b>	<b><u>41,930,803</u></b>	<b><u>(2,600,471)</u></b>
<b>Japan Small Cap II Fund</b>					
<b>US Dollar</b>					
Short	30/04/2024	7,968,981	(8,203,541)	-	(234,560)
Short	30/04/2024	4,314,792	(4,441,794)	-	(127,002)
Long	30/04/2024	(364,633,481)	369,870,841	5,237,360	-
Long	30/04/2024	(196,671,158)	199,496,183	2,825,025	-
		<u>(549,020,866)</u>	<u>556,721,689</u>	<u>8,062,385</u>	<u>(361,562)</u>
<b>British Pound</b>					
Long	30/04/2024	(5,862,032)	5,895,822	33,790	-
Short	30/04/2024	129,334	(131,396)	-	(2,062)
		<u>(5,732,698)</u>	<u>5,764,426</u>	<u>33,790</u>	<u>(2,062)</u>
<b>Total forward currency contracts</b>		<b><u>(554,753,564)</u></b>	<b><u>562,486,115</u></b>	<b><u>8,096,175</u></b>	<b><u>(363,624)</u></b>
<b>Japan Quality Growth Fund</b>					
<b>Euro</b>					
Long	30/04/2024	(120,169,098)	120,838,872	669,774	-
		<u>(120,169,098)</u>	<u>120,838,872</u>	<u>669,774</u>	<u>-</u>
<b>Total forward currency contracts</b>		<b><u>(120,169,098)</u></b>	<b><u>120,838,872</u></b>	<b><u>669,774</u></b>	<b><u>-</u></b>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 9. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

#### Forward Currency Contracts (continued)

2023

#### OTC financial derivative instruments

				Unrealised	Unrealised
	Maturity	Bought	Sold	Gain	Loss
	Date	JPY	JPY	JPY	JPY

#### Japan Small

#### Cap Fund

#### US Dollar

Long	28/04/2023	(4,989,847,356)	4,895,303,013	-	(94,544,343)
Short	28/04/2023	203,921,792	(202,602,243)	1,319,549	-
		<u>(4,785,925,564)</u>	<u>4,692,700,770</u>	<u>1,319,549</u>	<u>(94,544,343)</u>

#### Euro

Long	28/04/2023	(23,954,222)	23,973,591	19,369	-
Short	28/04/2023	991,809	(1,001,615)	-	(9,806)
		<u>(22,962,413)</u>	<u>22,971,976</u>	<u>19,369</u>	<u>(9,806)</u>

#### Total forward currency contracts

**(4,808,887,977)   4,715,672,746   1,338,918   (94,554,149)**

#### Japan Small

#### Cap II Fund

#### US Dollar

Long	28/04/2023	(493,787,960)	484,312,130	-	(9,475,830)
Short	28/04/2023	26,328,822	(26,233,950)	94,872	-
		<u>(467,459,138)</u>	<u>458,078,180</u>	<u>94,872</u>	<u>(9,475,830)</u>

#### British Pound

Long	28/04/2023	(4,465,910)	4,498,892	32,982	-
Short	28/04/2023	240,533	(244,796)	-	(4,263)
		<u>(4,225,377)</u>	<u>4,254,096</u>	<u>32,982</u>	<u>(4,263)</u>

#### Total forward currency contracts

**(471,684,515)   462,332,276   127,854   (9,480,093)**

#### Japan Quality

#### Growth Fund

#### Euro

Long	28/04/2023	(84,531,537)	84,600,028	68,491	-
Short	28/04/2023	2,613,880	(2,639,725)	-	(25,845)
		<u>(81,917,657)</u>	<u>81,960,303</u>	<u>68,491</u>	<u>(25,845)</u>

#### Total forward currency contracts

**(81,917,657)   81,960,303   68,491   (25,845)**

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT

UCITS funds are required to monitor exposures on a daily basis by utilising either the commitment approach or the value at risk (“VaR”) approach when financial derivative instruments (“FDI”) are held. The Investment Manager utilises the commitment approach for the Sub-Funds in monitoring the exposures of the Sub-Funds when FDIs are held per the Sub-Funds’ Risk Management Process documents.

The main risks arising from the Sub-Funds’ financial instruments can be summarised as follows:

#### **Market Price Risk**

Market price risk arises from uncertainty about future prices of financial investments held. It represents the potential loss the Sub-Funds might suffer through holding market positions in the face of price movements.

The Investment Manager manages the Market Price Risk in the following ways:

#### *Diversification*

The Investment Manager sets guidelines to ensure the portfolios of the Sub-Funds are well diversified.

#### *Portfolio Risk*

The BARRA risk model is mainly used for quantitative risk measurement. Internally, the portfolio management team, Risk Manager and CIO review the risk profile of the portfolio and check whenever they plan portfolio rebalancing. The portfolio management team adjusts risk exposure if any factor gives the team a cause for concern.

For Japan Small Cap Fund, if the price of each of the investments to which the Sub-Fund had exposure at 31<sup>st</sup> March 2024 had increased by 10% with all other variables held constant, this would have increased Net Assets attributable to Holders of Redeemable Participating Units of the Sub-Fund by approximately JPY799,514,765 (2023: JPY1,877,120,628). Conversely, if the price of each of the investments to which the Sub-Fund had exposure had decreased by 10%, this would have decreased Net Assets attributable to Holders of Redeemable Participating Units of the Sub-Fund by approximately the same amount.

For Japan Small Cap II Fund, if the price of each of the investments to which the Sub-Fund had exposure at 31<sup>st</sup> March 2024 had increased by 10% with all other variables held constant, this would have increased Net Assets attributable to Holders of Redeemable Participating Units of the Sub-Fund by approximately JPY197,266,045 (2023: JPY171,595,660). Conversely, if the price of each of the investments to which the Sub-Fund had exposure had decreased by 10%, this would have decreased Net Assets attributable to Holders of Redeemable Participating Units of the Sub-Fund by approximately the same amount.



# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### Market Price Risk (continued)

For Japan Quality Growth Fund, if the price of each of the investments to which the Sub-Fund had exposure at 31<sup>st</sup> March 2024 had increased by 10% with all other variables held constant, this would have increased Net Assets attributable to Holders of Redeemable Participating Units of the Sub-Fund by approximately JPY150,836,835 (2023: JPY118,577,314). Conversely, if the price of each of the investments to which the Sub-Fund had exposure had decreased by 10%, this would have decreased Net Assets attributable to Holders of Redeemable Participating Units of the Sub-Fund by approximately the same amount.

It is important to note that this form of sensitivity analysis may be unrepresentative of the risks inherent in the financial instruments held by the Sub-Funds from time to time as the measure is a point-in-time calculation, reflecting positions as recorded at that date, which do not necessarily reflect the risk position held at any other time.

The concentration and geographical breakdown of the financial instruments can be viewed in the Schedules of Investments (Unaudited).

#### Interest Rate Risk

Interest rate risk represents the potential loss that the Sub-Funds might suffer due to adverse movements in relevant interest rates. The Sub-Funds' investments are equities that neither pay interest nor have a maturity date. Interest is paid on cash balances at a floating rate. As a consequence, the Sub-Funds are exposed to limited interest rate risk.

For Japan Small Cap Fund, based on cash balances held at the year end if interest rates increased by 0.5% for a full year, the yield earned on cash deposits would have increased by 0.5% with a corresponding increase in Net Assets of JPY2,070,273 (2023: JPY2,373,169). A corresponding decrease in interest rates would have had an equal but opposite impact on yields and Net Assets.

For Japan Small Cap II Fund, based on cash balances held at the year end if interest rates increased by 0.5% for a full year, the yield earned on cash deposits would have increased by 0.5% with a corresponding increase in Net Assets of JPY332,286 (2023: JPY395,451). A corresponding decrease in interest rates would have had an equal but opposite impact on yields and Net Assets.

For Japan Quality Growth Fund, based on cash balances held at the year end if interest rates increased by 0.5% for a full year, the yield earned on cash deposits would have increased by 0.5% with a corresponding increase in Net Assets of JPY87,241 (2023: JPY167,877). A corresponding decrease in interest rates would have had an equal but opposite impact on yields and Net Assets.

It is important to note that this form of sensitivity analysis may be unrepresentative of the risks inherent in the financial instruments held by the Sub-Funds from time to time as the measure is a point-in-time calculation, reflecting positions as recorded at that date, which do not necessarily reflect the risk position held at any other time.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into and cause the Sub-Funds to incur financial losses. The Sub-Funds will be exposed to credit risk on parties with whom they trade and will also bear the risk of settlement default. Cash and trading securities are held with the Global Sub-Custodian throughout the year. All trading securities held by the Sub-Funds are companies listed on recognised stock exchanges in Japan. None of them are in the nature of debt. The settlement of equities with the counterparty is on an against delivery basis and is regulated by rules of respective stock exchanges. In general, in the opinion of the Manager there is limited credit risk involved for such kind of cash settlement. As at 31<sup>st</sup> March 2024 and 2023, credit risk is considered to be the primary risk to the Sub-Funds' investments.

For the purpose of cash management, the Sub-Funds have bank accounts with the Global Sub-Custodian, who has a Fitch credit rating as follows:

	2024	2023
BBH	A+	A+

SMT Trustees (Ireland) Limited as Depository has appointed Sumitomo Mitsui Trust Bank, Limited (London Branch) as its Custodian. Sumitomo Mitsui Trust Bank, Limited (London Branch) have, in turn, appointed BBH as their Global Sub-Custodian. All amounts are held with the Global Sub-Custodian. As at 31<sup>st</sup> March 2024 and 2023, Sumitomo Mitsui Trust Holdings Inc, the parent company of the Depository and Custodian had a JCR long term credit rating of AA.

In accordance with the Sub-Funds' policy, the Investment Manager monitors the Sub-Funds' credit positions on a regular basis. The maximum direct exposure to credit risk before any credit enhancements is the carrying amount of the financial assets as set out below. None of these assets are past due nor impaired.

	2024 JPY	2023 JPY
<b>Japan Small Cap Fund</b>		
Cash and cash equivalents	414,054,505	474,633,894
Receivables (Note 12)	<u>118,780,406</u>	<u>119,934,914</u>
	<b><u>532,834,911</u></b>	<b><u>594,568,808</u></b>
<b>Japan Small Cap II Fund</b>		
Cash and cash equivalents	66,457,257	79,090,293
Receivables (Note 12)	<u>61,316,044</u>	<u>16,892,958</u>
	<b><u>127,773,301</u></b>	<b><u>95,983,251</u></b>
<b>Japan Quality Growth Fund</b>		
Cash and cash equivalents	17,448,214	33,575,483
Receivables (Note 12)	<u>91,520,768</u>	<u>30,281,981</u>
	<b><u>108,968,982</u></b>	<b><u>63,857,464</u></b>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### **Credit Risk (continued)**

##### *Amounts arising from ECL*

Impairment on cash and cash equivalents and receivables has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Sub-Funds consider that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Sub-Funds monitor changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Sub-Funds supplement this by reviewing changes in bond yields, together with available press and regulatory information about counterparties.

12-month and lifetime probabilities of default are based on publicly available historical market data supplied by Moody's for each credit rating. Loss given default parameters generally reflect an assumed recovery rate of 50%. However, if the asset were credit-impaired, then the estimate of loss would be based on a specific assessment of expected cash shortfalls and on the original effective interest rate.

The amount of impairment allowance on cash and cash equivalents and receivables is considered trivial and recorded as zero as at 31<sup>st</sup> March 2024 and 2023.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### Credit Risk (continued)

##### Offsetting financial instruments

As at 31<sup>st</sup> March 2024 and 2023, each Sub-Fund was subject to a master netting arrangement with the Custodian. All of the derivative assets and liabilities of each Sub-Fund were held with the Custodian as at 31<sup>st</sup> March 2024 and 2023.

The table below presents Japan Small Cap Fund's financial assets and liabilities subject to an offsetting enforceable master netting arrangement and similar agreements:

	Gross amounts of recognised financial assets/ (liabilities) JPY	Gross amounts of recognised financial assets/ (liabilities) offset in the SOFP JPY	Net amounts of financial assets/ (liabilities) presented in the SOFP JPY	Related amounts not offset in the Statement of Financial Position ("SOFP")		
				Financial instruments (including non-cash collateral) JPY	Cash collateral received JPY	Net amount JPY
<b>Sumitomo Mitsui Trust Bank, Limited (London Branch) 2024</b>						
<b>Financial assets</b>						
Derivative assets						
- Forward currency contracts	41,930,803	-	41,930,803	(2,600,471)	-	39,330,332
<b>Financial liabilities</b>						
Derivative liabilities						
- Forward currency contracts	(2,600,471)	-	(2,600,471)	2,600,471	-	-
<b>2023</b>						
<b>Financial assets</b>						
Derivative assets						
- Forward currency contracts	1,338,918	-	1,338,918	(1,338,918)	-	-
<b>Financial liabilities</b>						
Derivative liabilities						
- Forward currency contracts	(94,554,149)	-	(94,554,149)	1,338,918	-	(93,215,231)

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### Credit Risk (continued)

#### Offsetting financial instruments (continued)

The table below presents Japan Small Cap II Fund's financial assets and liabilities subject to an offsetting enforceable master netting arrangement and similar agreements:

#### Related amounts not offset in the SOFP

	Gross amounts of recognised financial assets/ (liabilities) JPY	Gross amounts of recognised financial assets/ (liabilities) offset in the SOFP JPY	Net amounts of financial assets/ (liabilities) presented in the SOFP JPY	Financial instruments (including non-cash collateral) JPY	Cash collateral received JPY	Net Amount JPY
<b>Sumitomo Mitsui Trust Bank, Limited (London Branch) 2024</b>						
<b>Financial assets</b>						
Derivative assets						
- Forward currency contracts	8,096,175	-	8,096,175	(363,624)	-	7,732,551
<b>Financial liabilities</b>						
Derivative liabilities						
- Forward currency contracts	(363,624)	-	(363,624)	363,624	-	-
<b>2023</b>						
<b>Financial assets</b>						
Derivative assets						
- Forward currency contracts	127,854	-	127,854	(127,854)	-	-
<b>Financial liabilities</b>						
Derivative liabilities						
- Forward currency contracts	(9,480,093)	-	(9,480,093)	127,854	-	(9,352,239)

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### Credit Risk (continued)

#### Offsetting financial instruments (continued)

The table below presents Japan Quality Growth Fund's financial assets and liabilities subject to an offsetting enforceable master netting arrangement and similar agreements:

#### Related amounts not offset in the SOFP

	Gross amounts of recognised financial assets/ (liabilities) JPY	Gross amounts of recognised financial assets/ (liabilities) offset in the SOFP JPY	Net amounts of financial assets/ (liabilities) presented in the SOFP JPY	Financial instruments (including non-cash collateral) JPY	Cash collateral received JPY	Net amount JPY
<b>Sumitomo Mitsui Trust Bank, Limited (London Branch) 2024</b>						
<b>Financial assets</b>						
Derivative assets						
- Forward currency contracts	669,774	-	669,774	-	-	669,774
<b>2023</b>						
<b>Financial assets</b>						
Derivative assets						
- Forward currency contracts	68,491	-	68,491	(25,845)	-	42,646
<b>Financial liabilities</b>						
Derivative liabilities						
- Forward currency contracts	(25,845)	-	(25,845)	25,845	-	-

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### Liquidity Risk

Liquidity risk represents the possibility that the Sub-Funds may not be able to rapidly adjust the size of their investment positions in times of high volatility and financial distress at a reasonable price. The Sub-Funds have cash reserves to cover their short-term obligations. The main liability of the Sub-Funds is the redemption of any units that investors may wish to sell.

The Sub-Funds are exposed to daily cash redemptions of units. They therefore invest their assets in listed stocks that are traded actively and can be readily disposed. Based on the Prospectus, unitholders recognise that under normal circumstances the “Dealing Day” (business day) plus five business days are necessary and the redemption proceeds in respect of units will be paid on/within ten business days from the “Dealing Deadline” (1.00pm Irish time one business day prior to the Dealing Day). In the opinion of the Manager, this provides sufficient time for the Investment Manager to sell assets in order to meet the Sub-Funds’ obligations. In order to secure liquidity of the portfolio, the Investment Manager manages the Sub-Funds’ liquidity risk by monitoring how many days it takes to liquidate all of the positions.

The Sub-Funds’ securities holdings are considered by the Investment Manager to be readily realisable as they are listed on the recognised exchanges in Japan. The Sub-Funds also have the ability to borrow in the short term to ensure timely settlement and to meet their short term obligations if any. At the year end date, there were no borrowings or short term liabilities raised for this purpose.

The tables below and overleaf analyse the Sub-Funds’ liabilities into relevant maturity groups based on the remaining period to the contractual maturity date:

<b>2024</b>	<b>Up to 1 month</b>	<b>1 to 3</b>	<b>Total</b>
<b>Japan Small Cap Fund</b>	<b>JPY</b>	<b>months</b>	<b>JPY</b>
<b>Liabilities</b>		<b>JPY</b>	
Financial liabilities at FVTPL	2,600,471	-	2,600,471
Payables	78,345,957	27,674,560	106,020,517
Net Assets attributable to Holders of Redeemable Participating Units	8,461,292,376	-	8,461,292,376
<b>Total Liabilities</b>	<b>8,542,238,804</b>	<b>27,674,560</b>	<b>8,569,913,364</b>
<b>Japan Small Cap II Fund</b>			
<b>Liabilities</b>			
Financial liabilities at FVTPL	363,624	-	363,624
Payables	27,019,041	17,356,229	44,375,270
Net Assets attributable to Holders of Redeemable Participating Units	2,063,791,032	-	2,063,791,032
<b>Total Liabilities</b>	<b>2,091,173,697</b>	<b>17,356,229</b>	<b>2,108,529,926</b>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### Liquidity Risk (continued)

2024 (continued)	Up to 1 month	1 to 3	Total
Japan Quality Growth Fund	JPY	months	JPY
Liabilities		JPY	
Payables	79,518,854	8,874,303	88,393,157
Net Assets attributable to Holders of Redeemable Participating Units	<u>1,529,613,946</u>	-	<u>1,529,613,946</u>
<b>Total Liabilities</b>	<b><u>1,609,132,800</u></b>	<b><u>8,874,303</u></b>	<b><u>1,618,007,103</u></b>
<b>2023</b>			
<b>Japan Small Cap Fund</b>			
<b>Liabilities</b>			
Financial liabilities at FVTPL	94,554,149	-	94,554,149
Payables	46,728,530	53,329,048	100,057,578
Net Assets attributable to Holders of Redeemable Participating Units	<u>19,172,502,279</u>	-	<u>19,172,502,279</u>
<b>Total Liabilities</b>	<b><u>19,313,784,958</u></b>	<b><u>53,329,048</u></b>	<b><u>19,367,114,006</u></b>
<b>Japan Small Cap II Fund</b>			
<b>Liabilities</b>			
Financial liabilities at FVTPL	9,480,093	-	9,480,093
Payables	7,588,409	13,621,845	21,210,254
Net Assets attributable to Holders of Redeemable Participating Units	<u>1,781,377,358</u>	-	<u>1,781,377,358</u>
<b>Total Liabilities</b>	<b><u>1,798,445,860</u></b>	<b><u>13,621,845</u></b>	<b><u>1,812,067,705</u></b>
<b>Japan Quality Growth Fund</b>			
<b>Liabilities</b>			
Financial liabilities at FVTPL	25,845	-	25,845
Payables	22,711,209	7,773,617	30,484,826
Net Assets attributable to Holders of Redeemable Participating Units	<u>1,219,188,425</u>	-	<u>1,219,188,425</u>
<b>Total Liabilities</b>	<b><u>1,241,925,479</u></b>	<b><u>7,773,617</u></b>	<b><u>1,249,699,096</u></b>



# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### Currency Risk

Currency risk represents the potential losses that the Sub-Funds might suffer due to adverse movements in non-base currency exposures. The Sub-Funds' functional currency is JPY and each Sub-Fund only holds listed securities denominated in JPY.

If the Sub-Funds need to pay expenses in currencies other than JPY, the Investment Manager will ensure there is sufficient non-base currency cash present to cover the Foreign Exchange ("FX"). As these obligations are usually in small amounts, the currency risk is considered minimal. The Sub-Funds enter into forward currency contracts only for the purpose of hedging any currency exchange risk for non-JPY denominated unitholders. In accordance with the Sub-Funds' policy, the Investment Manager monitors the Sub-Funds' currency position on a daily basis.

#### Efficient portfolio management techniques

The Manager of the Sub-Funds considers the definition of efficient portfolio management techniques to relate to the use of Securities Lending and Repurchase/Reverse Repurchase agreements which are not applicable to the Sub-Funds.

### 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held with the Global Sub-Custodian. These amounts are reported as cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows.

### 12. RECEIVABLES

	2024 JPY	2023 JPY
<b>Japan Small Cap Fund</b>		
Receivable for investments sold	62,289,924	18,151,637
Dividends receivable	56,462,148	101,746,478
Other debtors	28,334	36,799
	<u>118,780,406</u>	<u>119,934,914</u>
<b>Japan Small Cap II Fund</b>		
Receivable for investments sold	40,366,026	1,633,672
Dividends receivable	11,818,256	8,174,433
Fee waiver receivable (Note 15)	8,535,155	7,081,301
Other debtors	596,607	3,552
	<u>61,316,044</u>	<u>16,892,958</u>
<b>Japan Quality Growth Fund</b>		
Receivable for investments sold	76,268,800	16,444,993
Dividends receivable	8,555,405	7,942,269
Fee waiver receivable (Note 15)	6,693,236	5,892,049
Other debtors	3,327	2,670
	<u>91,520,768</u>	<u>30,281,981</u>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 13. PAYABLES

	2024 JPY	2023 JPY
<b>Japan Small Cap Fund</b>		
Payable for investments purchased	72,665,238	36,897,015
Fees payable (Note 15)	<u>33,355,279</u>	<u>63,160,563</u>
	<b><u>106,020,517</u></b>	<b><u>100,057,578</u></b>
<b>Japan Small Cap II Fund</b>		
Payable for investments purchased	22,062,045	3,472,165
Fees payable (Note 15)	<u>22,313,225</u>	<u>17,738,089</u>
	<b><u>44,375,270</u></b>	<b><u>21,210,254</u></b>
<b>Japan Quality Growth Fund</b>		
Payable for investments purchased	75,821,473	19,263,232
Fees payable (Note 15)	<u>12,571,684</u>	<u>11,221,594</u>
	<b><u>88,393,157</u></b>	<b><u>30,484,826</u></b>

### 14. REDEEMABLE PARTICIPATING UNITS

Japan Small Cap Fund has eight classes of units in issue, Class A JPY, Class B JPY, Class A USD Hedged, Class C USD Hedged, Class A EUR Hedged, Class Retail EUR Hedged, Class Retail JPY and Class Retail USD Hedged as at 31<sup>st</sup> March 2024 and 2023.

Japan Small Cap II Fund has five classes of units in issue, Class A JPY, Class B JPY, Class A USD Hedged, Class B USD Hedged and Class A GBP Hedged as at 31<sup>st</sup> March 2024 and 2023.

Japan Quality Growth Fund has two classes of units in issue, Class A JPY and Class A EUR Hedged as at 31<sup>st</sup> March 2024 and 2023.

Units of the Sub-Funds are all freely transferable and subject to the differences between units of different classes as outlined in the Prospectus. The units, which are of no par value and which must be fully paid for upon issue other than in certain circumstances which are at the discretion of the Manager, carry no preferential or pre-emptive rights. Fractions of units may be issued up to four decimal places, rounded naturally.

Units shall be issued at a price equal to the NAV per unit on the relevant Dealing Day on which the units are to be issued. Redemption requests to redeem units may be made by way of the submission of a redemption form to the Manager by post, facsimile or electronic mail no later than the dealing deadline.

The Fund regards Units in issue as its capital and its objectives for capital management are outlined in Note 1. There are no externally imposed regulatory capital requirements.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 14. REDEEMABLE PARTICIPATING UNITS (continued)

	2024	2023
<b>Japan Small Cap Fund</b>		
<b>Class A JPY Units</b>		
Number of units outstanding as at beginning of year	790,010.196	1,645,404.692
Number of units issued	126,623.232	49,160.157
Number of units redeemed	(710,901.124)	(904,554.653)
<b>Number of units outstanding as at end of year</b>	<b><u>205,732.304</u></b>	<b><u>790,010.196</u></b>
<b>Class B JPY Units</b>		
<b>Number of units outstanding as at beginning and end of year</b>	<b><u>46,480.508</u></b>	<b><u>46,480.508</u></b>
<b>Class A USD Hedged Units</b>		
Number of units outstanding as at beginning of year	168,398.064	177,660.699
Number of units issued	-	409.772
Number of units redeemed	(90,588.077)	(9,672.407)
<b>Number of units outstanding as at end of year</b>	<b><u>77,809.987</u></b>	<b><u>168,398.064</u></b>
<b>Class C USD Hedged Units</b>		
Number of units outstanding as at beginning of year	3,834.878	198,181.968
Number of units redeemed	-	(194,347.090)
<b>Number of units outstanding as at end of year</b>	<b><u>3,834.878</u></b>	<b><u>3,834.878</u></b>
<b>Class A EUR Hedged Units</b>		
<b>Number of units outstanding as at beginning and end of year</b>	<b><u>765.000</u></b>	<b><u>765.000</u></b>
<b>Class Retail EUR Hedged Units</b>		
Number of units outstanding as at beginning of year	1,030.000	1,130.000
Number of units redeemed	(100.000)	(100.000)
<b>Number of units outstanding as at end of year</b>	<b><u>930.000</u></b>	<b><u>1,030.000</u></b>
<b>Class Retail JPY Units</b>		
Number of units outstanding as at beginning of year	66,357.000	69,312.000
Number of units issued	4,755.000	-
Number of units redeemed	(37,096.000)	(2,955.000)
<b>Number of units outstanding as at end of year</b>	<b><u>34,016.000</u></b>	<b><u>66,357.000</u></b>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 14. REDEEMABLE PARTICIPATING UNITS (continued)

	2024	2023
<b>Japan Small Cap Fund (continued)</b>		
<b>Class Retail USD Hedged Units</b>		
Number of units outstanding as at beginning of year	24,459.000	26,218.000
Number of units redeemed	<u>(18,107.000)</u>	<u>(1,759.000)</u>
<b>Number of units outstanding as at end of year</b>	<b><u>6,352.000</u></b>	<b><u>24,459.000</u></b>
<b>Japan Small Cap II Fund</b>		
<b>Class A JPY</b>		
Number of units outstanding as at beginning of year	16,164.385	16,039.385
Number of units issued	<u>175.000</u>	<u>125.000</u>
<b>Number of units outstanding as at end of year</b>	<b><u>16,339.385</u></b>	<b><u>16,164.385</u></b>
<b>Class B JPY</b>		
Number of units outstanding as at beginning of year	125,356.597	330,217.243
Number of units redeemed	<u>-</u>	<u>(204,860.646)</u>
<b>Number of units outstanding as at end of year</b>	<b><u>125,356.597</u></b>	<b><u>125,356.597</u></b>
<b>Class A USD Hedged</b>		
Number of units outstanding as at beginning of year	10,602.110	10,761.575
Number of units redeemed	<u>-</u>	<u>(159.465)</u>
<b>Number of units outstanding as at end of year</b>	<b><u>10,602.110</u></b>	<b><u>10,602.110</u></b>
<b>Class B USD Hedged</b>		
Number of units outstanding as at beginning of year	25,102.806	25,554.669
Number of units redeemed	<u>(3,286.762)</u>	<u>(451.863)</u>
<b>Number of units outstanding as at end of year</b>	<b><u>21,816.044</u></b>	<b><u>25,102.806</u></b>
<b>Class A GBP Hedged</b>		
<b>Number of units outstanding as at beginning and end of year</b>	<b><u>260.000</u></b>	<b><u>260.000</u></b>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 14. REDEEMABLE PARTICIPATING UNITS (continued)

	2024	2023
<b>Japan Quality Growth Fund</b>		
<b>Class A JPY Units</b>		
Number of units outstanding as at beginning and end of year	<u>78,196.510</u>	<u>78,196.510</u>
<b>Class A EUR Hedged Units</b>		
Number of units outstanding as at beginning and end of year	<u>4,000.001</u>	<u>4,000.001</u>
<b>Class C USD Hedged Units</b>		
Number of units outstanding as at beginning of year	-	167,144.255
Number of units redeemed	<u>-</u>	<u>(167,144.255)</u>
<b>Number of units outstanding as at end of year</b>	<u>-</u>	<u>-</u>

### 15. FEES AND EXPENSES

#### Investment Manager Fees

The Investment Manager receives out of the assets of the Sub-Funds an annual investment management fee of up to:

#### *Japan Small Cap Fund*

0.75% of the NAV of the Sub-Fund attributable to Class A, on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

0.60% of the NAV of the Sub-Fund attributable to Class B, on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

0.50% of the NAV of the Sub-Fund attributable to Class C, on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

1.50% of the NAV of the Sub-Fund attributable to Retail Class Units, on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

#### *Japan Small Cap II Fund*

0.65% of the NAV of the Sub-Fund attributable to Class A, on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

0.40% of the NAV of the Sub-Fund attributable to Class B, on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

#### *Japan Quality Growth Fund*

0.60% of the NAV of the Sub-Fund attributable to the relevant Class on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 15. FEES AND EXPENSES (continued)

#### Administration and Manager Fees

In respect of management company services, fund administration services, registrar and transfer agent services, the Administrator/Manager is entitled to be paid out of the assets of the Sub-Funds the following fees:

The Manager is entitled to an annual flat fee of EUR40,000 plus VAT if any thereon per annum for Japan Small Cap Fund and Japan Quality Growth Fund payable monthly in arrears in respect of management company services. The Manager is entitled to be paid out of the assets of Japan Small Cap II Fund in respect of management company services, a fee at the rate of 0.025% per annum of the NAV of the Sub-Fund as at the previous valuation day plus VAT if any thereon, calculated and accrued as at each valuation day and paid monthly in arrears. This fee will be subject to a minimum of EUR70,000 per annum plus any VAT thereon.

The Manager is paid out of the assets of each Sub-Fund an annual fee in respect of fund administration services, accrued on each valuation day and payable monthly in arrears plus VAT if any thereon at a rate of 0.12% per annum of the total NAV. This fee is subject to a minimum of EUR5,000 per month for Japan Small Cap Fund, EUR4,250 per month for Japan Quality Growth Fund and EUR5,000 per month for Japan Small Cap II Fund plus VAT if any thereon. The fee is calculated prior to the accrual of the NAV based fees as referred to above.

The Manager is also paid an annual fee of EUR4,000 per annum per Sub-Fund plus any VAT thereon out of the assets of each Sub-Fund in respect of fund accounting services.

The Manager is also paid an annual fee of up to EUR5,000 per annum per Sub-Fund plus any VAT thereon for the preparation of reporting for UK Reporting Fund status.

The Manager is also paid an annual fee out of the assets of each Sub-Fund in respect of hedging services of up to 0.06% for the Japan Quality Growth Fund and Japan Small Cap Fund and 0.05% for the Japan Small Cap II Fund of the NAV of each hedged Unit Class accrued on each valuation day and payable monthly in arrears, plus VAT if any thereon. This fee is calculated prior to the accrual of NAV based fees. In addition, in respect of anti-money laundering and counter terrorist financing procedures, the Administrator is entitled to a fee of EUR75 plus VAT if any thereon payable monthly in arrears, per investor.

#### Custodian Fees

The Custodian receives out of the assets of each Sub-Fund a monthly safekeeping fee, accrued on each valuation day and payable monthly in arrears as a percentage of the applicable assets of each Sub-Fund, depending on the market of each security (0.03% for Japan) subject to a minimum fee of EUR850 per month. The Custodian is also entitled to receive various fixed transaction costs based on the number of transactions.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 15. FEES AND EXPENSES (continued)

#### Depository Fees

The Depository receives out of the assets of each Sub-Fund an annual fee, accrued on each valuation day and payable monthly in arrears, not exceeding 0.03% per annum, plus VAT thereon, of the NAV, subject to a minimum fee of EUR3,000 per month for Japan Small Cap Fund, EUR2,100 per month for Japan Quality Growth Fund and EUR2,125 per month for Japan Small Cap II Fund plus VAT if any thereon. The Depository's fee is calculated prior to the accrual of NAV based fees.

#### FX Manager Fees

The FX Manager receives out of the assets of each Sub-Fund an annual fee, accrued on each valuation day and payable monthly in arrears not exceeding 0.02% per annum, plus VAT thereon, of the NAV of each hedged Unit Class. This fee is calculated prior to the accrual of NAV based fees.

#### Risk Management Fees

The Hedging Risk Manager receives a fee for unit class hedging risk reporting services to assist the Manager in its role of Risk Management of the Sub-Funds. Such fees are paid out of the assets of the Sub-Funds, as an annual fee of 0.02% of the NAV of each hedged Unit Class subject to a minimum fee of EUR11,000 per annum and a maximum fee of EUR20,000 per annum. Such fees are accrued on each Valuation Day and payable monthly in arrears, plus VAT if any thereon. This fee is calculated prior to the accrual of NAV based fees.

#### Distributor Fees

Each of the Distributors are receives out of the assets of each Sub-Fund an annual fee, accrued on each valuation day and payable quarterly in arrears as a percentage of the NAV of each Sub-Fund or attributable to Classes A and B and Retail Classes at a rate of 0.10% and Class C at a rate of 1.50% for Japan Small Cap Fund and 1.25% for Japan Quality Growth Fund.

#### Auditor's Remuneration

	<b>2024</b>	<b>2023</b>
	<b>JPY</b>	<b>JPY</b>
<i>Japan Small Cap Fund</i>		
Audit of the statutory accounts *	3,229,971	2,959,549
<i>Japan Small Cap II Fund</i>		
Audit of the statutory accounts *	2,399,309	1,046,624
<i>Japan Quality Growth Fund</i>		
Audit of the statutory accounts *	2,399,309	1,047,067

\* The above figures are exclusive of VAT.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 15. FEES AND EXPENSES (continued)

#### Fees Payable

	<b>2024</b>	<b>2023</b>
	<b>JPY</b>	<b>JPY</b>
<i><b>Japan Small Cap Fund</b></i>		
Investment Manager fees	16,564,995	39,870,243
FX Manager fees	49,695	80,284
Risk Management fees	121,950	121,963
Administration and Manager fees	2,144,123	3,307,567
Custodian fees	3,025,337	5,815,389
Depositary fees	339,614	506,294
Distributor fees	2,452,438	5,387,925
Audit fees	3,780,046	3,136,670
Other fees and expenses	4,877,081	4,934,228
	<u><b>33,355,279</b></u>	<u><b>63,160,563</b></u>
<i><b>Japan Small Cap II Fund</b></i>		
Investment Manager fees	2,138,477	1,944,250
FX Manager fees	33,039	27,598
Risk Management fees	22,948	12,505
Administration and Manager fees	2,469,670	2,244,384
Custodian fees	2,073,904	1,504,701
Depositary fees	357,435	327,055
Distributor fees	481,238	439,813
Audit fees	2,810,318	2,504,549
Organisational expenses	1,464,130	1,464,130
Other fees and expenses	10,462,066	7,269,104
	<u><b>22,313,225</b></u>	<u><b>17,738,089</b></u>
<i><b>Japan Quality Growth Fund</b></i>		
Investment Manager fees	2,249,953	1,768,755
FX Manager fees	6,566	1,603
Risk Management fees	4,809	1,494
Administration and Manager fees	1,919,469	1,716,651
Custodian fees	1,414,287	1,413,290
Depositary fees	352,250	314,939
Distributor fees	374,613	295,667
Audit fees	2,810,386	2,504,446
Other fees and expenses	3,439,351	3,204,749
	<u><b>12,571,684</b></u>	<u><b>11,221,594</b></u>

Fees payable are included in Payables as presented in the Statement of Financial Position.



# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 15. FEES AND EXPENSES (continued)

#### Fee Waiver

In order to assist the Manager in growing the assets of the Japan Small Cap II Fund and the Japan Quality Growth Fund, the Promoter and Distributor will in normal circumstances assume any expense if the ongoing charge figure of the Sub-Fund exceeds 0.3% of the NAV of the Sub-Fund exclusive of i) Investment Manager Fees, ii) Distributor Fees and iii) FX Manager Fees.

The Sub-Fund level ongoing charge figure will be calculated on a daily basis using the NAV as at the previous Valuation Day. Unitholders will be notified at least 30 days in advance of any determination by the Promoter to withdraw this assistance.

### 16. NET GAIN/(LOSS) FROM FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	2024 JPY	2023 JPY
<b>Japan Small Cap Fund</b>		
Net realised loss from investments	(268,427,157)	(5,696,933,196)
Net realised gain from currencies	670,180,316	1,731,619,812
Change in net unrealised gain from investments	1,684,884,314	4,311,395,615
Change in net unrealised gain/(loss) from currencies	132,617,563	(446,479,598)
	<u>2,219,255,036</u>	<u>(100,397,367)</u>
<b>Japan Small Cap II Fund</b>		
Net realised gain/(loss) from investments	43,930,176	(719,621,852)
Net realised gain from currencies	78,062,264	79,914,784
Change in net unrealised gain from investments	179,945,764	486,554,122
Change in net unrealised gain/(loss) from currencies	17,034,317	(28,918,317)
	<u>318,972,521</u>	<u>(182,071,263)</u>
<b>Japan Quality Growth Fund</b>		
Net realised gain from investments	85,977,769	373,063
Net realised gain from currencies	15,472,112	943,850,928
Change in net unrealised gain/(loss) from investments	204,062,823	(124,063,070)
Change in net unrealised gain/(loss) from currencies	602,406	(160,966,849)
	<u>306,115,110</u>	<u>659,194,072</u>

### 17. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Included in the Statement of Comprehensive Income and Note 15 are amounts accrued and payable to the Manager, Investment Manager, Administrator, Custodian, Depository and Distributor, all related parties by virtue of common control, which were accrued in the normal course of business.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 17. RELATED PARTY TRANSACTIONS (continued)

As at 31<sup>st</sup> March 2024, Japan Small Cap Fund had one significant unitholder Allfunds Bank SAU, Succursale De Paris (27.40%) (2023: two significant unitholders; Nikko Bank (34.23%) and The First Investment Bank of Israel (26.86%).

As at 31<sup>st</sup> March 2024, Japan Small Cap II had the one significant unitholder; Custody Bank of Japan, Ltd. (70.67%) (2023: 69.43%).

As at 31<sup>st</sup> March 2024, Japan Quality Growth Fund had one significant unitholder; Custody Bank of Japan, Ltd. (94.06%) (2023: 94.06%).

### 18. DISTRIBUTIONS

No dividend payments were made during the years ended 31<sup>st</sup> March 2024 or 2023.

### 19. PORTFOLIO TRANSACTION COSTS

	2024 JPY	2023 JPY
<i>Japan Small Cap Fund</i>		
<b>Total transaction costs on purchases</b>	<b>2,827,067</b>	<b>2,584,425</b>
Out of which are commissions	2,827,067	2,584,425
Out of which are taxes	-	-
Out of which are charges	-	-
<b>Total transaction costs on sales</b>	<b>(8,963,207)</b>	<b>(10,242,396)</b>
Out of which are commissions	(8,963,207)	(10,242,396)
Out of which are taxes	-	-
Out of which are charges	-	-
<i>Japan Small Cap II Fund</i>		
<b>Total transaction costs on purchases</b>	<b>395,331</b>	<b>207,639</b>
Out of which are commissions	395,331	207,639
Out of which are taxes	-	-
Out of which are charges	-	-
<b>Total transaction costs on sales</b>	<b>(381,308)</b>	<b>(1,029,981)</b>
Out of which are commissions	(381,308)	(1,029,981)
Out of which are taxes	-	-
Out of which are charges	-	-

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 19. PORTFOLIO TRANSACTION COSTS (continued)

	2024	2023
	JPY	JPY
<b><i>Japan Quality Growth Fund</i></b>		
<b>Total transaction costs on purchases</b>	<b>594,716</b>	<b>1,542,352</b>
Out of which are commissions	594,716	1,542,352
Out of which are taxes	-	-
Out of which are charges	-	-
<b>Total transaction costs on sales</b>	<b>(646,777)</b>	<b>(3,092,740)</b>
Out of which are commissions	(646,777)	(3,092,740)
Out of which are taxes	-	-
Out of which are charges	-	-

### 20. TAXATION

The Manager has been advised that the Sub-Funds qualify as investment undertakings as defined in Section 739B(1) of the Taxes Consolidation Act. Under current Irish law and practice, the Sub-Funds are not chargeable to Irish tax on its income and gains. A chargeable event includes any distribution payments to unitholders or any encashment, redemption or transfer of units.

Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of units or the ending of a “Relevant Period”. A “Relevant Period” is an eight year period beginning with the acquisition of the units by the unitholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

- a) a unitholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Sub-Funds;
- b) certain exempted Irish tax resident investors who have provided the Sub-Funds with the necessary signed statutory declarations;
- c) an exchange of units arising on a qualifying amalgamation or reconstruction of the Sub-Funds with another sub-fund;
- d) any transactions in relation to units held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- e) certain exchanges of units between spouses and former spouses on the occasion of judicial separation and/or divorce; and
- f) an exchange by a unitholder, effected by way of an arm’s length bargain where no payment is made to the unitholder, of units in the Sub-Funds for other units in the Sub-Funds.

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 20. TAXATION (continued)

In the absence of an appropriate declaration, each Sub-Fund will be liable for Irish tax on the occurrence of a chargeable event, and each Sub-Fund reserves its right to withhold such taxes from the relevant unitholders.

There were no chargeable events during the financial year under review.

Capital gains, dividends and interest (if any) received on investments made by the Sub-Funds may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Sub-Funds or its unitholders. The Sub-Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the Statement of Comprehensive Income.

### 21. RECONCILIATION OF FINANCIAL STATEMENTS NAV TO DEALING NAV

All fees and expenses relating to the establishment and organisation of the Trust including the fees of the Manager's professional advisers and all fees incurred by the Manager in relation to the registration of the Trust will be borne by the Trust. In accordance with IFRS, the establishment costs of €150,000 were fully charged in the Statement of Comprehensive Income in the year in which they were incurred. For the purpose of calculating the Dealing NAV used for dealing purposes, these establishment costs relating to the creation of the Trust are to be amortised over the first five years in accordance with the Prospectus.

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>
<i>Japan Small Cap Fund</i>			
NAV per financial statements	8,461,292,376	19,172,502,279	36,445,433,963
Adjustment for unitholder dealing	-	-	4,083,892
<b>NAV per Dealing NAV</b>	<b>8,461,292,376</b>	<b>19,172,502,279</b>	<b>36,449,517,855</b>

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 21. RECONCILIATION OF FINANCIAL STATEMENTS NAV TO DEALING NAV (continued)

#### *Japan Small Cap Fund (continued)*

NAV per unit	2024	2023	2022
<b>Class A JPY</b>			
Reported Dealing NAV	JPY3,703,170,949	JPY12,513,444,019	JPY26,575,359,154
Reported Dealing NAV per unit	JPY17,999.9488	JPY15,839.5981	JPY16,151.2601
<b>Class B JPY</b>			
Reported Dealing NAV	JPY1,410,121,900	JPY1,239,015,828	JPY1,261,501,299
Reported Dealing NAV per unit	JPY30,337.9192	JPY26,656.6756	JPY27,140.4369
<b>Class A USD Hedged</b>			
Reported Dealing NAV	US\$18,006,698	US\$32,564,489	US\$34,192,109
Reported Dealing NAV per unit	US\$231.4189	US\$193.3780	US\$192.2680
<b>Class C USD Hedged</b>			
Reported Dealing NAV	US\$652,022	US\$552,290	US\$28,087,734
Reported Dealing NAV per unit	US\$170.0243	US\$144.0176	US\$141.7270
<b>Class A EUR Hedged</b>			
Reported Dealing NAV	EUR77,783	EUR66,258	EUR67,628
Reported Dealing NAV per unit	EUR101.6772	EUR86.6116	EUR88.4029
<b>Class Retail EUR Hedged</b>			
Reported Dealing NAV	EUR98,996	EUR94,110	EUR106,182
Reported Dealing NAV per unit	EUR106.4478	EUR91.3692	EUR93.9664
<b>Class Retail JPY</b>			
Reported Dealing NAV	JPY376,779,834	JPY651,672,902	JPY699,312,147
Reported Dealing NAV per unit	JPY11,076.5473	JPY9,820.7107	JPY10,089.3373
<b>Class Retail USD Hedged</b>			
Reported Dealing NAV	US\$782,455	US\$2,537,135	US\$2,724,266
Reported Dealing NAV per unit	US\$123.1824	US\$103.7301	US\$103.9082

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 21. RECONCILIATION OF FINANCIAL STATEMENTS NAV TO DEALING NAV (continued)

	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<b>JPY</b>	<b>JPY</b>	<b>JPY</b>
<i>Japan Small Cap II Fund</i>			
NAV per financial statements	2,063,791,032	1,781,377,358	3,730,794,362
Write-back of deferred organisational expenses incurred	-	1,274,556	2,469,931
Deferred organisational expenses amortised	-	(1,195,375)	(1,195,375)
	<hr/>	<hr/>	<hr/>
<b>NAV per Dealing NAV</b>	<b><u>2,063,791,032</u></b>	<b><u>1,781,456,539</u></b>	<b><u>3,732,068,918</u></b>
<b>NAV per unit</b>			
<b>Class A JPY</b>			
Reported Dealing NAV	JPY169,175,840	JPY148,354,472	JPY151,222,310
Reported Dealing NAV per unit	JPY10,353.8680	JPY9,177.8604	JPY9,428.1861
<b>Class B JPY</b>			
Reported Dealing NAV	JPY1,318,682,606	JPY1,165,986,317	JPY3,147,437,509
Reported Dealing NAV per unit	JPY10,519.4512	JPY9,301.3559	JPY9,531.4148
<b>Class A USD Hedged</b>			
Reported Dealing NAV	US\$1,319,547	US\$1,111,761	US\$1,130,243
Reported Dealing NAV per unit	US\$124.4608	US\$104.8623	US\$105.0258
<b>Class B USD Hedged</b>			
Reported Dealing NAV	US\$2,446,887	US\$2,365,738	US\$2,405,828
Reported Dealing NAV per unit	US\$112.1600	US\$94.2420	US\$94.1444
<b>Class A GBP Hedged</b>			
Reported Dealing NAV	GBP30,868	GBP26,102	GBP26,397
Reported Dealing NAV per unit	GBP118.7248	GBP100.3909	GBP101.5278

# SuMi TRUST Investment Funds

## Notes to the Financial Statements

31<sup>st</sup> March 2024

(Continued)

### 21. RECONCILIATION OF FINANCIAL STATEMENTS NAV TO DEALING NAV (continued)

	2024	2023	2022
<i>Japan Quality Growth Fund</i>			
NAV per unit			
<b>Class A JPY</b>			
Reported Dealing NAV	JPY1,409,744,834	JPY1,136,443,237	JPY1,148,169,078
Reported Dealing NAV per unit	JPY18,028.2321	JPY14,533.1708	JPY14,683.1243
<b>Class A EUR Hedged</b>			
Reported Dealing NAV	EUR733,360	EUR572,253	EUR579,293
Reported Dealing NAV per unit	EUR183.3401	EUR143.0633	EUR144.8233
<b>Class C USD Hedged</b>			
Reported Dealing NAV	-	-	US\$27,925,594
Reported Dealing NAV per unit	-	-	US\$167.0748

### 22. EXCHANGE RATES USED IN THIS REPORT

Transactions during the financial year are translated at the rate of exchange prevailing on the date of the transaction. The following exchange rates were used to translate assets and liabilities into one JPY:

	2024	2023
British Pound	191.1866	164.5585
Euro	163.4518	144.5954
US Dollar	151.3450	133.0900

### 23. COMMITMENTS AND CONTINGENCIES

In the opinion of the Manager, the Sub-Funds do not have any significant contingent liabilities at 31<sup>st</sup> March 2024 or 2023.

### 24. SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events during the year, which require disclosure in the financial statements.

### 25. SUBSEQUENT EVENTS

Through to 24<sup>th</sup> July 2024, unitholders subscribed a total of JPY23,700,000 into and redeemed a total of JPY872,999,872 from Japan Small Cap Fund.

Through to 24<sup>th</sup> July 2024, unitholders redeemed a total of JPY60,076,960 from Japan Small Cap II Fund.

There were no other events subsequent to the year end, which require disclosure in the financial statements.

# **SuMi TRUST Investment Funds**

## **Notes to the Financial Statements**

31<sup>st</sup> March 2024

(Continued)

### **26. APPROVAL OF FINANCIAL STATEMENTS**

The Manager approved the financial statements on 24<sup>th</sup> July 2024.



# SuMi TRUST Investment Funds

## Japan Small Cap Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

	Nominal Holding	Fair Value JPY	% of Reported NAV
<b>Equities</b>			
<b>Japan</b>			
Anicom Holdings Inc	186,300	107,681,400	1.27
Anycolor Inc	41,400	105,942,600	1.25
Anymind Group Inc	29,700	33,679,800	0.39
Balnibarbi	38,500	52,090,500	0.62
Brainpad Inc	101,000	136,451,000	1.61
Bushiroad Inc	122,800	47,400,800	0.56
BuySell Technologies Co Ltd	20,700	61,665,300	0.73
Core Concept Technologies Inc	54,600	139,557,600	1.65
CUC Inc	7,000	18,921,000	0.22
Daiei Kankyo Co Ltd	55,300	147,761,600	1.75
Dexerials Corp	17,600	117,691,200	1.39
DMG Mori Co Ltd	18,000	73,116,000	0.86
En Japan Inc	40,600	109,538,800	1.30
Enplas Corp	5,100	37,485,000	0.44
Exawizards Inc	272,700	155,439,000	1.84
Finatext Holdings Ltd	129,800	121,103,400	1.43
Fujimori Kogyo Co	22,300	96,670,500	1.14
Furuya Metal Co Ltd	11,800	133,812,000	1.58
Gakujo Co Ltd	9,400	17,117,400	0.20
Giftee Inc	93,100	125,778,100	1.49
Grid Inc	4,500	15,187,500	0.18
Halows Co Ltd	33,600	152,376,000	1.80
Hirano Tecseed Co Ltd	58,200	121,114,200	1.43
Institute for Q-Shu Pioneers of Space	17,700	74,694,000	0.88
Iriso Electronics Co	23,700	71,811,000	0.85
Japan Material Co Ltd	49,800	119,968,200	1.42
Jins Holdings Inc	23,700	104,517,000	1.24
JTower Inc	36,300	143,929,500	1.70
Komehyo Holdings Co Ltd	32,600	129,911,000	1.54
Kondotec Inc	123,500	159,315,000	1.88
Kyoritsu Maintenance Co Ltd	27,200	95,336,000	1.13
Litalico Inc	46,300	98,156,000	1.16
Macromill Inc	129,900	103,790,100	1.23
Maeda Kosen Co Ltd	35,900	130,137,500	1.54
Mandom Corp	75,500	101,925,000	1.21
Maruwa Co Ltd	3,500	113,400,000	1.34
Maruwa Unyu Kikan Co Ltd	112,500	151,875,000	1.80
MEC Co Ltd	20,100	82,108,500	0.97
Micronics Japan Co Ltd	12,900	115,068,000	1.36
Mirait Holdings Corp	58,300	111,353,000	1.32
Money Forward Inc	10,600	70,839,800	0.84

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

(Continued)

	Nominal Holding	Fair Value JPY	% of Reported NAV
<b>Equities (continued)</b>			
<b>Japan (continued)</b>			
Monogatari Corp	17,100	80,284,500	0.95
Musashi Seimitsu Industry Co Ltd	30,100	50,718,500	0.60
Nishimoto Co Ltd	19,300	118,309,000	1.40
Nomura Co Ltd	123,200	112,728,000	1.33
Oisix Ra Daichi Inc	51,400	66,974,200	0.79
OpenWork Inc	80,900	59,461,500	0.70
PAL Group Holdings Co Ltd	42,100	109,291,600	1.29
Peptidream Inc	82,100	116,869,350	1.38
PKSHA Technology Inc	14,100	76,986,000	0.91
Plaid Inc	113,100	84,372,600	1.00
Plus Alpha Consulting Co Ltd	40,100	94,555,800	1.12
Raksul Inc	132,900	143,664,900	1.70
Rise Consulting Group	166,700	140,028,000	1.65
Sanyo Chemical Industries	36,900	157,194,000	1.86
Shibaura Electronics Co Ltd	18,600	113,832,000	1.35
Siix Corp	98,800	170,627,600	2.02
Simplex Holdings Inc	67,800	192,145,200	2.27
Snow Peak Inc	87,400	108,987,800	1.29
Solasto Corp	143,500	79,068,500	0.93
Soracom Inc	10,000	21,730,000	0.26
Sosei Group Corp	20,900	34,735,800	0.41
SRE Holdings Corp	24,700	107,568,500	1.27
Star Mica Holdings Co Ltd	232,000	149,176,000	1.76
Strike Co Ltd	22,800	115,368,000	1.36
Sunwels Co Ltd	52,200	143,132,400	1.69
Syuppin Co Ltd	106,300	130,536,400	1.54
Taikisha Ltd	28,700	133,311,500	1.58
Techmatrix Corp	40,400	74,820,800	0.88
TKP Corp	64,200	115,110,600	1.36
Tosho Co Ltd	162,600	120,324,000	1.42
Totetsu Kogyo Co	41,400	124,407,000	1.47
TRE Holdings Corp	127,200	151,240,800	1.79
UT Holdings Co Ltd	47,000	171,550,000	2.03
VRAIN Solution Inc	1,000	6,090,000	0.07
Yamaichi Electronics Co Ltd	13,200	32,868,000	0.39

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

(Continued)

		Fair Value JPY	% of Reported NAV
<b>Equities (continued)</b>			
<b>Japan (continued)</b>			
Yokogawa Bridge Holdings Corp	61,500	<u>181,363,500</u>	<u>2.13</u>
<b>Total Equities</b>		<u><b>7,995,147,650</b></u>	<u><b>94.49</b></u>
<b>Forward Currency Contracts</b>		<u><b>39,330,332</b></u>	<u><b>0.47</b></u>
<b>Total Net Financial Assets</b>		<b>8,034,477,982</b>	<b>94.96</b>
<b>Other Net Assets</b>		<u><b>426,814,394</b></u>	<u><b>5.04</b></u>
<b>Net Assets attributable to Holders of Redeemable Participating Units</b>		<u><b>8,461,292,376</b></u>	<u><b>100.00</b></u>

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

(Continued)

### Forward Currency Contracts

OTC financial derivative instruments			Unrealised	Unrealised	
	Maturity Date	Bought JPY	Sold JPY	Gain JPY	Loss JPY
<b>Euro</b>					
Long	30/04/2024	(28,907,478)	29,067,783	160,305	-
Short	30/04/2024	578,744	(587,793)	-	(9,049)
		<u>(28,328,734)</u>	<u>28,479,990</u>	<u>160,305</u>	<u>(9,049)</u>
<b>US Dollar</b>					
Long	30/04/2024	(2,944,343,945)	2,986,114,443	41,770,498	-
Short	30/04/2024	88,382,033	(90,973,455)	-	(2,591,422)
		<u>(2,855,961,912)</u>	<u>2,895,140,988</u>	<u>41,770,498</u>	<u>(2,591,422)</u>
<b>Total forward currency contracts</b>		<b><u>(2,884,290,646)</u></b>	<b><u>2,923,620,978</u></b>	<b><u>41,930,803</u></b>	<b><u>(2,600,471)</u></b>

The counterparty for the OTC financial derivative positions is the Custodian.

### % of total assets

<b>Total assets comprised as follows:</b>	<b>%</b>
Cash and cash equivalents	4.83
Transferable securities admitted to an official exchange listing	93.29
OTC financial derivative instruments	0.49
Other assets	1.39
<b>Total Assets</b>	<b><u>100.00</u></b>

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

	Nominal Holding	Fair Value JPY	% of Reported NAV
<b>Equities</b>			
<b>Japan</b>			
Ain Pharmaciez Inc	1,900	10,499,400	0.51
Anicom Holdings Inc	55,600	32,136,800	1.56
Anycolor Inc	9,600	24,566,400	1.19
Anymind Group Inc	7,400	8,391,600	0.41
Argo Graphics Inc	5,800	24,940,000	1.21
Brainpad Inc	25,500	34,450,500	1.67
Bushiroad Inc	37,800	14,590,800	0.71
BuySell Technologies Co Ltd	6,400	19,065,600	0.92
Chilled & Frozen Logistics Holdings	10,900	33,572,000	1.63
Core Concept Technologies Inc	9,400	24,026,400	1.16
CUC Inc	2,300	6,216,900	0.30
Daiei Kankyo Co Ltd	12,600	33,667,200	1.63
Dexerials Corp	4,300	28,754,100	1.39
DMG Mori Co Ltd	6,000	24,372,000	1.18
En Japan Inc	9,500	25,631,000	1.24
Enplas Corp	1,400	10,290,000	0.50
Exawizards Inc	59,600	33,972,000	1.65
Finatext Holdings Ltd	33,100	30,882,300	1.50
Furuya Metal Co Ltd	2,800	31,752,000	1.54
Giftee Inc	21,600	29,181,600	1.41
Institute for Q-Shu Pioneers of Space	4,500	18,990,000	0.92
Iriso Electronics Co Ltd	4,500	13,635,000	0.66
Japan Hospice Holdings Inc	9,900	16,384,500	0.79
Japan Material Co Ltd	14,100	33,966,900	1.65
Jins Holdings Inc	3,500	15,435,000	0.75
JMDC Inc	6,500	23,458,500	1.14
JTower Inc	8,500	33,702,500	1.63
Kotobuki Spirits Co Ltd	8,100	15,527,700	0.75
Kyoritsu Maintenance Co Ltd	9,200	32,246,000	1.56
Lacto Japan Co Ltd	11,600	27,608,000	1.34
Macromill Inc	29,200	23,330,800	1.13
Maeda Kosen Co Ltd	10,700	38,787,500	1.88
Mandom Corp	16,400	22,140,000	1.07
Maruwa Co Ltd	900	29,160,000	1.41
Maruwa Unyu Kikan Co Ltd	26,500	35,775,000	1.73
MEC Co Ltd	7,500	30,637,500	1.48
Micronics Japan Co Ltd	3,500	31,220,000	1.51
Mirait Holdings Corp	16,500	31,515,000	1.53
Money Forward Inc	2,500	16,707,500	0.81
Monogatari Corp	5,600	26,292,000	1.27

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

(Continued)

	Nominal Holding	Fair Value JPY	% of Reported NAV
<b>Equities (continued)</b>			
<b>Japan (continued)</b>			
Musashi Seimitsu Industry Co Ltd	4,700	7,919,500	0.38
Nishimoto Co Ltd	4,200	25,746,000	1.25
Nittoku Co Ltd	10,000	19,730,000	0.96
Nomura Co Ltd	27,900	25,528,500	1.24
Oisix Ra Daichi Inc	14,000	18,242,000	0.88
OpenWork Inc	15,600	11,466,000	0.56
PAL Group Holdings Co Ltd	9,900	25,700,400	1.25
Peptidream Inc	14,900	21,210,150	1.03
PKSHA Technology Inc	3,600	19,656,000	0.95
Plaid Inc	37,200	27,751,200	1.34
Plus Alpha Consulting Co Ltd	5,900	13,912,200	0.67
Raksul Inc	31,200	33,727,200	1.63
Rise Consulting Group Inc	26,500	22,260,000	1.08
Sanyo Chemical Industries	9,300	39,618,000	1.92
Seiren Co Ltd	12,000	33,096,000	1.60
Siix Corp	25,700	44,383,900	2.15
Simplex Holdings Inc	16,100	45,627,400	2.21
SMS Co Ltd	14,900	38,561,200	1.87
Snow Peak Inc	18,900	23,568,300	1.14
Solasto Corp	47,300	26,062,300	1.27
Soracom Inc	2,400	5,215,200	0.25
Sosei Group Corp	3,400	5,650,800	0.27
SRE Holdings Corp	2,100	9,145,500	0.44
Star Mica Holdings Co Ltd	26,700	17,168,100	0.83
Strike Co Ltd	7,200	36,432,000	1.77
Syuppin Co Ltd	22,800	27,998,400	1.36
Taikisha Ltd	6,800	31,586,000	1.53
Techmatrix Corp	12,700	23,520,400	1.14
TKP Corp	13,300	23,846,900	1.16
Tokyo Base Co Ltd	28,700	8,839,600	0.43
Topre Corp	18,500	48,322,000	2.35
Tosho Co Ltd	31,300	23,162,000	1.12
TRE Holdings Corp	29,400	34,956,600	1.69
Trial Holdings Inc	7,300	21,097,000	1.02
Tsumura & Co	3,800	14,527,400	0.70
UT Holdings Co Ltd	12,700	46,355,000	2.25
Vision Inc	17,000	20,808,000	1.01
Vrain Solution Inc	200	1,218,000	0.06
Yamaichi Electronics Co Ltd	3,300	8,217,000	0.40

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

(Continued)

	<b>Nominal Holding</b>	<b>Fair Value JPY</b>	<b>% of Reported NAV</b>
<b>Equities (continued)</b>			
<b>Japan (continued)</b>			
Yokogawa Bridge Holdings Corp	14,700	<u>43,350,300</u>	<u>2.10</u>
<b>Total Equities</b>		<u><b>1,972,660,450</b></u>	<u><b>95.58</b></u>
<b>Forward Currency Contracts</b>		<u><b>7,732,551</b></u>	<u><b>0.38</b></u>
<b>Total Net Financial Assets</b>		<b>1,980,393,001</b>	<b>95.96</b>
<b>Other Net Assets</b>		<u><b>83,398,031</b></u>	<u><b>4.04</b></u>
<b>Net Assets attributable to Holders of Redeemable Participating Units</b>		<u><b>2,063,791,032</b></u>	<u><b>100.00</b></u>

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

(Continued)

### Forward Currency Contracts

OTC financial derivative instruments			Unrealised	Unrealised
	Maturity	Bought	Gain	Loss
	Date	JPY	JPY	JPY
<b>US Dollar</b>				
Short	30/04/2024	7,968,981	(8,203,541)	-
Short	30/04/2024	4,314,792	(4,441,794)	-
Long	30/04/2024	(364,633,481)	369,870,841	5,237,360
Long	30/04/2024	(196,671,158)	199,496,183	2,825,025
		<u>(549,020,866)</u>	<u>556,721,689</u>	<u>8,062,385</u>
				<u>(361,562)</u>
<b>British Pound</b>				
Long	30/04/2024	(5,862,032)	5,895,822	33,790
Short	30/04/2024	129,334	(131,396)	-
		<u>(5,732,698)</u>	<u>5,764,426</u>	<u>33,790</u>
				<u>(2,062)</u>
<b>Total forward currency contracts</b>		<u><b>(554,753,564)</b></u>	<u><b>562,486,115</b></u>	<u><b>8,096,175</b></u>
				<u><b>(363,624)</b></u>

The counterparty for the OTC financial derivative positions is the Custodian.

### % of total assets

<b>Total assets comprised as follows:</b>	<b>%</b>
Cash and cash equivalents	3.15
Transferable securities admitted to an official exchange listing	93.56
OTC financial derivative instruments	0.38
Other assets	2.91
<b>Total Assets</b>	<u><b>100.00</b></u>



# SuMi TRUST Investment Funds

## Japan Quality Growth Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

	Nominal Holding	Fair Value JPY	% of Reported NAV
<b>Equities</b>			
<b>Japan</b>			
Advantest Corp	8,800	60,007,200	3.92
Asics Corp	3,200	23,363,200	1.53
Bandai Namco Holdings	15,000	42,420,000	2.77
Cosmos Pharmaceutical Corp	2,900	41,963,000	2.74
Daikin Industries Ltd	1,400	28,840,000	1.88
Disco Corp	1,100	62,909,000	4.11
DMG Mori Co Ltd	9,400	38,182,800	2.49
Enplas Corp	1,600	11,760,000	0.77
Fast Retailing Co	1,100	51,854,000	3.39
Fujimi Inc	13,900	48,928,000	3.20
Hoya Corp	3,200	59,968,000	3.92
JMDC Inc	400	1,443,600	0.09
Keyence Corp	600	41,724,000	2.73
Koei Tecmo Holdings Co Ltd	25,412	41,167,440	2.69
Mani Inc	15,100	29,965,950	1.96
Mitsubishi Corp	19,500	67,996,500	4.45
Mitsubishi UFJ Financial Group	44,200	68,819,400	4.50
Murata Manufacturing Co Ltd	13,800	38,971,200	2.55
Nifco Inc	10,500	40,540,500	2.65
Nomura Research Institute Ltd	10,099	42,850,057	2.80
Obic Co Ltd	2,200	50,105,000	3.28
Pan Pacific International Holdings Corp	11,900	48,111,700	3.15
Recruit Holdings Co Ltd	9,900	66,399,300	4.34
Shift Inc	1,300	30,829,500	2.02
SMC Corp	600	50,898,000	3.33
Sysmex Corp	3,600	9,581,400	0.63
TDK Corp	6,900	51,618,900	3.37
Terumo Corp	16,200	44,209,800	2.89
Tokio Marine Holdings Inc	14,900	70,074,700	4.58
Tokyo Electron Ltd	1,900	75,183,000	4.92
TRI Chemical Laboratories Inc	10,800	52,650,000	3.44
Uni-Charm Corp	8,600	41,572,400	2.72
Visional Inc	5,200	47,580,000	3.11

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

(Continued)

	<b>Nominal Holding</b>	<b>Fair Value JPY</b>	<b>% of Reported NAV</b>
<b>Equities (continued)</b>			
<b>Japan (continued)</b>			
Zozo Inc	6,800	<u>25,880,800</u>	<u>1.69</u>
<b>Total Equities</b>		<u><b>1,508,368,347</b></u>	<u><b>98.61</b></u>
<b>Forward Currency Contracts</b>		<u><b>669,774</b></u>	<u><b>0.04</b></u>
<b>Total Net Financial Assets</b>		<b>1,509,038,121</b>	<b>98.65</b>
<b>Other Net Assets</b>		<u><b>20,575,825</b></u>	<u><b>1.35</b></u>
<b>Net Assets attributable to Holders of Redeemable Participating Units</b>		<u><b>1,529,613,946</b></u>	<u><b>100.00</b></u>

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund Schedule of Investments (Unaudited)

As at 31<sup>st</sup> March 2024

(Continued)

### Forward Currency Contracts

OTC financial derivative instruments			Unrealised	Unrealised
	Maturity	Bought	Gain	Loss
	Date	JPY	JPY	JPY
<b>Euro</b>				
Long	30/04/2024	(120,169,098)	120,838,872	669,774
		(120,169,098)	120,838,872	669,774
<b>Total forward currency contracts</b>		<b>(120,169,098)</b>	<b>120,838,872</b>	<b>669,774</b>

The counterparty for the OTC financial derivative positions is the Custodian.

### % of total assets

<b>Total assets comprised as follows:</b>	<b>%</b>
Cash and cash equivalents	1.08
Transferable securities admitted to an official exchange listing	93.22
OTC financial derivative instruments	0.04
Other assets	5.66
<b>Total Assets</b>	<b>100.00</b>

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Schedule of Portfolio Movements (Unaudited) For the year ended 31<sup>st</sup> March 2024

	<b>Acquisitions</b>	<b>Disposals</b>
	<b>Nominal</b>	<b>Nominal</b>
Anicom Holdings Inc	60,300	384,200
Anycolor Inc	52,100	53,500
Anymind Group Inc	14,900	-
Balnibari Co Ltd	-	155,000
BlueMeme Inc	-	101,500
Brainpad Inc	172,000	267,800
Bushiroad Inc	-	423,100
Buysell Technologies Co Ltd	47,300	49,900
Core Concept Technologies Inc	85,500	67,400
CUC Inc	7,000	-
Daiei Kankyo Co Ltd	122,300	67,000
Daito Pharmaceutical Co Ltd	2,294	42,934
Dexerials Corp	-	57,200
Digital Arts Inc	-	29,900
DMG Mori Co Ltd	16,700	102,500
En Japan Inc	13,100	70,900
Enplas Corp	24,700	19,600
Exawizards Inc	297,900	306,400
FFRI Security Inc	-	193,900
Finatext Holdings Ltd	41,800	330,300
Fixstars Corp	-	130,800
Fujimori Kogyo Co	4,300	55,100
Furuya Metal Co Ltd	7,100	32,400
Gakujo Co Ltd	-	54,100
Giftee Inc	104,900	85,900
Grid Inc	4,500	-
Halows Co Ltd	4,800	72,600
Hirano Tecseed Co Ltd	16,600	57,500
Institute for Q-Shu Pioneers of Space	45,900	28,200
Iriso Electronics Co	18,800	44,000
Japan Material Co Ltd	34,200	107,300
Jins Holdings Inc	7,600	31,300
Jtower Inc	21,300	40,500
Komehyo Holdings Co Ltd	14,300	83,900
Kondotec Inc	14,000	116,700
Kumiai Chemical Industry	-	269,800
Kusuri No Aoiki Holdings Co Ltd	14,600	44,300
Kyoritsu Maintenance Co Ltd	13,600	41,000
Litalico Inc	20,500	74,900
Macromill Inc	58,100	195,400
Maeda Kosen Co Ltd	18,300	67,400
Management Solutions Co Ltd	-	94,100
Mandom Corp	166,700	91,200
Maruwa Co Ltd	-	13,900

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Schedule of Portfolio Movements (Unaudited)

For the year ended 31<sup>st</sup> March 2024

(Continued)

	<b>Acquisitions</b>	<b>Disposals</b>
	<b>Nominal</b>	<b>Nominal</b>
Maruwa Unyu Kikan Co Ltd	127,700	15,200
Matching Service Japan Co Ltd	-	179,600
MEC Co Ltd	-	73,900
Media Do Co Ltd	-	86,500
Micronics Japan Co Ltd	47,700	34,800
Mirait Holdings Corp	13,900	135,500
Money Forward Inc	19,200	20,700
Monogatari Corp	-	96,400
Monstarlab Holdings Inc	-	11,700
Musashi Seimitsu Industry Co Ltd	30,100	-
Nippon Ceramic Co Ltd	-	73,700
Nishimoto Co Ltd	40,000	20,700
Nissei ASB Machine Co Ltd	-	44,300
Nomura Co Ltd	90,900	174,700
Nousouken Corp	-	302,600
Oisix Ra Daichi Inc	43,100	116,100
OpenWork Inc	105,800	68,700
Optorun Co Ltd	-	83,800
PAL Group Holdings Co Ltd	85,500	149,700
Peptidream Inc	23,000	96,700
PKSHA Technology Inc	49,300	73,600
Plaid Inc	185,600	154,700
Plus Alpha Consulting Co Ltd	11,400	43,300
Poppins Corp	-	175,300
QOL Holdings Co Ltd	-	171,700
Raksul Inc	95,800	192,700
Rise Consulting Group Inc	264,200	97,500
S Foods Inc	-	69,600
Sanyo Chemical Industries	81,400	44,500
Shibaura Electronics Co Ltd	5,300	23,500
Siix Corp	49,500	195,500
Simplex Holdings Inc	25,100	120,700
Snow Peak Inc	54,300	80,200
Solasto Corp	-	296,300
Soracom Inc	10,000	-
Sosei Group Corp	3,000	99,400
S-Pool Inc	-	308,700
SRE Holdings Corp	8,000	14,600
ST Corp	-	125,900
Star Mica Holdings Co Ltd	66,100	243,200
Strike Co Ltd	-	68,200
Sunwels Co Ltd	31,600	110,500
Syuppin Co Ltd	34,400	164,800
Taikisha Ltd	41,100	43,200

# SuMi TRUST Investment Funds

## Japan Small Cap Fund Schedule of Portfolio Movements (Unaudited)

For the year ended 31<sup>st</sup> March 2024

(Continued)

	<b>Acquisitions</b>	<b>Disposals</b>
	<b>Nominal</b>	<b>Nominal</b>
Techmatrix Corp	-	89,500
TKP Corp	20,800	97,600
Tosho Co Ltd	82,000	100,700
Totetsu Kogyo Co	8,000	101,800
TRE Holdings Corp	150,900	184,900
UT Holdings Co Ltd	35,900	92,500
Valuence Holdings Inc	-	77,500
Visional Inc	-	8,200
Vrain Solution Inc	1,000	-
Yamaichi Electronics Co Ltd	6,700	-
Yokogawa Bridge Holdings Corp	14,700	143,100

In accordance with the UCITS Regulations the interim report documents material changes that have occurred in the disposition of the assets of the Sub-Fund during the financial year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year and/or aggregate disposals greater than 1 per cent of the total value of sales for the financial year. If there are fewer than 20 purchases that meet the material changes definition, the Sub-Fund shall disclose those purchases and such number of the next largest purchases so that at least 20 purchases are disclosed. If there are fewer than 20 sales that meet the material changes definition, the Sub-Fund shall disclose those sales and such number of the next largest sales so that at least 20 sales are disclosed. This schedule is not intended to provide a reconciliation between holdings at the beginning of the financial year and holdings at the end of the financial year.

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Schedule of Portfolio Movements (Unaudited) For the year ended 31<sup>st</sup> March 2024

	<b>Acquisitions</b>	<b>Disposals</b>
	<b>Nominal</b>	<b>Nominal</b>
Ain Pharmaciez Inc	1,500	4,700
Anycolor Inc	6,700	500
Anymind Group Inc	3,700	-
Brainpad Inc	23,900	12,900
Bushiroad Inc	-	13,400
BuySell Technologies Co Ltd	5,400	1,100
Chilled & Frozen Logistics Holdings	17,800	6,900
Core Concept Technologies Inc	9,400	-
CUC Inc	2,300	-
Daiei Kankyo Co Ltd	12,600	-
Daito Pharmaceutical Co Ltd	350	6,750
Dexerials Corp	-	2,500
Digital Arts Inc	-	2,600
DMG Mori Co Ltd	3,200	6,200
En Japan Inc	700	-
Enplas Corp	3,200	1,800
Exawizards Inc	30,100	-
Finatext Holdings Ltd	2,800	26,500
Fixstars Corp	-	13,200
Furuya Metal Co Ltd	-	1,000
Giftee Inc	9,200	-
Institute for Q-Shu Pioneers of Space	13,600	9,100
Inter Action Corp	-	8,100
Iriso Electronics Co Ltd	1,000	1,000
Japan Hospice Holdings Inc	9,900	-
Japan Material Co Ltd	1,900	2,300
JMDC Inc	4,800	5,600
Jtower Inc	3,800	-
Kotobuki Spirits Co Ltd	8,800	5,200
Kumiai Chemical Industry	-	30,500
Kusuri No Aoiki Holdings Co Ltd	3,600	6,600
Kyoritsu Maintenance Co Ltd	4,600	1,500
Macromill Inc	2,400	-
Maeda Kosen Co Ltd	10,700	-
Mandom Corp	16,400	-
Maruwa Co Ltd	-	1,200
Maruwa Unyu Kikan Co Ltd	26,500	-
Matching Service Japan Co Ltd	-	20,700
MEC Co Ltd	5,600	1,800
Media Do Co Ltd	-	5,400
Micronics Japan Co Ltd	5,800	2,300
Mirait Holdings Corp	-	1,800
Money Forward Inc	1,600	900
Monogatari Corp	-	8,800

# SuMi TRUST Investment Funds

## Japan Small Cap II Fund Schedule of Portfolio Movements (Unaudited)

For the year ended 31<sup>st</sup> March 2024

(Continued)

	<b>Acquisitions</b>	<b>Disposals</b>
	<b>Nominal</b>	<b>Nominal</b>
Musashi Seimitsu Industry Co Ltd	4,700	-
Nippon Ceramic Co Ltd	-	2,800
Nishimoto Co Ltd	4,200	-
Nissei ASB Machine Co Ltd	-	5,400
Nomura Co Ltd	3,900	-
Oisix Ra Daichi Inc	1,600	-
OpenWork Inc	11,700	-
Optorun Co Ltd	-	8,000
PAL Group Holdings Co Ltd	9,200	10,100
Peptidream Inc	1,300	2,300
PKSHA Technology Inc	7,300	7,000
Plaid Inc	32,000	-
Plus Alpha Consulting Co Ltd	700	-
Poppins Corp	-	14,400
QOL Holdings Co Ltd	-	17,200
Raksul Inc	5,400	4,000
Rise Consulting Group Inc	26,500	-
S Foods Inc	-	2,500
Sanyo Chemical Industries	9,300	-
Seria Co Ltd	-	5,100
Simplex Holdings Inc	1,600	-
SMS Co Ltd	8,200	2,000
Snow Peak Inc	8,100	-
Solasto Corp	8,700	-
Soracom Inc	2,400	-
Sosei Group Corp	-	7,200
S-Pool Inc	4,200	31,900
SRE Holdings Corp	-	500
Star Mica Holdings Co Ltd	8,700	-
Strike Co Ltd	500	1,200
Taikisha Ltd	3,800	-
TKP Corp	-	3,500
Tokyo Base Co Ltd	-	15,700
Topre Corp	19,300	800
Tosho Co Ltd	10,500	-
TRE Holdings Corp	15,200	-
Trial Holdings Inc	7,300	-
Tsumura & Co	-	4,500
UT Holdings Co Ltd	12,700	-
Vision Inc	1,500	12,900
Visional Inc	-	800
Vrain Solution Inc	200	-
Yamaichi Electronics Co Ltd	1,700	-
Yokogawa Bridge Holdings Corp	3,200	-



# **SuMi TRUST Investment Funds**

## **Japan Small Cap II Fund**

### **Schedule of Portfolio Movements (Unaudited)**

For the year ended 31<sup>st</sup> March 2024

(Continued)

In accordance with the UCITS Regulations the interim report documents material changes that have occurred in the disposition of the assets of the Sub-Fund during the financial year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year and/or aggregate disposals greater than 1 per cent of the total value of sales for the financial year. If there are fewer than 20 purchases that meet the material changes definition, the Sub-Fund shall disclose those purchases and such number of the next largest purchases so that at least 20 purchases are disclosed. If there are fewer than 20 sales that meet the material changes definition, the Sub-Fund shall disclose those sales and such number of the next largest sales so that at least 20 sales are disclosed. This schedule is not intended to provide a reconciliation between holdings at the beginning of the financial year and holdings at the end of the financial year.

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund Schedule of Portfolio Movements (Unaudited)

For the year ended 31<sup>st</sup> March 2024

	<b>Acquisitions</b>	<b>Disposals</b>
	<b>Nominal</b>	<b>Nominal</b>
Advantest Corp	9,400	3,000
Asics Corp	1,900	-
Bandai Namco Holdings	6,400	6,700
Cosmos Pharmaceutical Corp	1,000	1,000
Daikin Industries Ltd	1,800	2,500
Disco Corp	1,000	1,700
DMG Mori Co Ltd	7,700	-
Enplas Corp	4,200	2,600
Fast Retailing Co	1,100	1,500
Fujimi Inc	14,700	800
Hoya Corp	3,600	400
JMDC Inc	2,600	9,700
Keyence Corp	500	500
Koei Tecmo Holdings Co Ltd	10,500	-
M3 Inc	7,800	13,400
Mani Inc	16,900	1,800
Misumi Group Inc	2,300	14,000
Mitsubishi Corp	24,200	10,500
Mitsubishi UFJ Financial Group	82,100	37,900
Murata Manufacturing Co Ltd	16,300	7,800
Nidec Corp	2,400	8,300
Nifco Inc	900	200
Nitori Holdings Co Ltd	100	2,200
Nomura Research Institute Ltd	3,700	3,900
Obic Co Ltd	2,200	-
Pan Pacific International Holdings Corp	16,600	4,700
Recruit Holdings Co Ltd	9,300	6,500
Relo Group Inc	2,100	18,700
Seven and I Holdings	-	6,400
Shift Inc	1,400	300
SMC Corp	400	300
Sony Group Corp	1,200	5,300
Square Enix Holdings Co Ltd	-	5,500
Suntory Beverage and Food	1,600	5,200
Symex Corp	7,300	7,900
TDK Corp	1,800	2,700
Terumo Corp	12,500	6,300
Toho Co Ltd	2,000	8,800
Tokio Marine Holdings Inc	16,700	20,400
Tokyo Electron Ltd	1,700	-
TRI Chemical Laboratories Inc	11,400	600
Uni-Charm Corp	3,700	1,800
Visional Inc	2,600	1,000

# SuMi TRUST Investment Funds

## Japan Quality Growth Fund Schedule of Portfolio Movements (Unaudited)

For the year ended 31<sup>st</sup> March 2024

(Continued)

	<b>Acquisitions</b>	<b>Disposals</b>
	<b>Nominal</b>	<b>Nominal</b>
Yamaha Corp	1,300	7,600
Zozo Inc	13,600	15,800

In accordance with the UCITS Regulations the interim report documents material changes that have occurred in the disposition of the assets of the Sub-Fund during the financial year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year and/or aggregate disposals greater than 1 per cent of the total value of sales for the financial year. If there are fewer than 20 purchases that meet the material changes definition, the Sub-Fund shall disclose those purchases and such number of the next largest purchases so that at least 20 purchases are disclosed. If there are fewer than 20 sales that meet the material changes definition, the Sub-Fund shall disclose those sales and such number of the next largest sales so that at least 20 sales are disclosed. This schedule is not intended to provide a reconciliation between holdings at the beginning of the financial year and holdings at the end of the financial year.

# SuMi TRUST Investment Funds

## Appendix I Remuneration Policy (Unaudited) 31<sup>st</sup> March 2024

### Remuneration Policy

In applying the total remuneration policies, inclusive of salaries and discretionary pension benefits, for identified staff, the Manager has complied with the remuneration principles set out in the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 and the ESMA Guidelines on Sound Remuneration Policies in a way and to the extent that is appropriate to the Manager's size, internal organisation and the nature, scope and complexity of its activities.

The Manager has in place a policy and practices for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager (hereinafter referred to as "Identified Staff"), that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules of instruments of incorporation of the Manager and the entities being managed.

Taking the nature, scale and complexity of the Manager into consideration, the Board of Directors of the Manager ("the Board") believes that the approach to performance-based pay as outlined in the Manager's remuneration policy is appropriate and reflects the risk profile, appetite and strategy of the Manager.

Based on the nature, scale and complexity of the Manager's business and the statements contained in the ESMA Guidelines, the Board has decided that the following rules imposed by AIFMD (Annex II) and UCITS V regulations (Article 14b) shall not apply to any of the Manager's employees until further notice:

- (a) The requirement that parts of the variable remuneration shall be paid in instruments;
- (b) The requirement that payment of the variable remuneration shall be subject to an ex post evaluation; and
- (c) The requirement to establish a remuneration committee.

The Manager's remuneration policy reflects its objective for good corporate governance and:

- is consistent with and promotes sound and effective Risk Management and does not encourage risk-taking which is inconsistent with the risk profile, rules or Articles of Association of the Manager;
- is consistent with the Manager's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest; and
- structure of remuneration within the UCITS do not encourage/promote excessive risk-taking with respect to sustainability risks.

The remuneration policy is consistent with and promotes sound and effective Risk Management by:

- taking into account the Manager's business model, which by its nature does not promote excessive risk taking and takes cognisance of the long term;

# SuMi TRUST Investment Funds

## Appendix I Remuneration Policy (Unaudited)

31<sup>st</sup> March 2024

(Continued)

### Remuneration Policy (continued)

- defining the total amount of remuneration on a combination of the assessment of the performance of the individual and the business unit concerned and the overall results of the Manager. Similarly, when assessing an individual's performance, financial as well as non-financial criteria are taken into account;
- defining performance goals and objectives for staff engaged in control based functions in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control; and
- ensuring that the fixed salary element of those involved in relevant functions reflects the market rate.

The remuneration policy (together with compliance therewith) is subject to annual review by the Board. This review ensures that:

- the overall remuneration system operates as intended;
- the remuneration pay-outs are appropriate;
- the risk profile, long term objectives and goals of the Manager are adequately reflected;
- the policy reflects best practice guidelines and regulatory requirements;
- the contents of the remuneration policy are consistent with AIFMD and UCITS V Regulations and the requirements of the Central Bank; and
- per SFDR Article 5(1): financial market participants and financial advisers shall include in their remuneration policies information on how these policies are consistent with the integration of sustainability risks, and shall publish that information on their websites.

The Manager has nine (9) Identified Staff. These Identified Staff include senior management staff; members of the Board; and a compliance and risk officer. With the exception of two individuals acting as non-executive independent Directors, who are external to the Sumitomo Mitsui Trust Holdings, Inc., group of companies ("Sumi Group") and who receive a fixed remuneration for their roles as members of the Board, all other Identified Staff of the Manager are part of the Sumi Group and as such receive no separate remuneration for their role within the Manager.

Instead they are remunerated as employees of the Sumi Group with a combination of fixed and variable discretionary remuneration where the latter is assessed on the basis of their overall individual contribution to the Sumi Group, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached.

The remuneration of the staff of the Investment Manager to whom portfolio management or risk management activities have been delegated may be linked in certain cases to the performance of the Sub-Funds. Qualitative as well as quantitative results are considered in the remuneration of such staff from the medium-term perspective and the linkage between the remuneration and quantitative results are moderate to avoid excessive risk-taking and short-termism.

# SuMi TRUST Investment Funds

## Appendix I Remuneration Policy (Unaudited)

31<sup>st</sup> March 2024

(Continued)

### Remuneration Policy (continued)

Details of the remuneration of the staff of the Investment Manager are as follows:

Total amount of fixed remuneration for the year ended 31 <sup>st</sup> March 2024 paid by the Investment Manager to its staff (JPY'000)	5,271,000
Total amount of variable remuneration for the year ended 31 <sup>st</sup> March 2024 paid by the Investment Manager to its staff (JPY'000)	1,710,000
Total number of the Investment Manager's staff as at 31 <sup>st</sup> March 2024	645
Total amount paid by the Investment Manager to the staff who have a material impact on the risk profile of the Sub-Funds during year ended 31 <sup>st</sup> March 2024	-*
Total number of the Investment Manager's staff who have a material impact on the risk profile of the Sub-Funds during year ended 31 <sup>st</sup> March 2024	2

\*Total amount paid by the Investment Manager to staff who have a material impact on the risk profile of the Sub-Funds is not disclosed.

# SuMi TRUST Investment Funds

## Appendix II Total Expense Ratio (Unaudited) 31<sup>st</sup> March 2024

### **Total Expense Ratio (“TER”)\***

#### **Japan Small Cap Fund**

The TER for each share class of the Sub-Fund as at 31<sup>st</sup> March 2024 was 1.16%, 1.01%, 1.27%, 2.42%, 1.26%, 2.02%, 1.92% and 2.03% for the A JPY, B JPY, A USD Hedged, C USD Hedged, A EUR Hedged, Retail EUR Hedged, Retail JPY and Retail USD Hedged classes respectively (2023: 1.12%, 0.97%, 1.21%, 2.36%, 1.20%, 1.96%, 1.87% and 1.96% for the A JPY, B JPY, A USD Hedged, C USD Hedged, A EUR Hedged, Retail EUR Hedged, Retail JPY and Retail USD Hedged classes respectively).

#### **Japan Small Cap II Fund**

The TER for each share class of the Sub-Fund as at 31<sup>st</sup> March 2024 was 0.98%, 0.73%, 1.09%, 0.84% and 1.09% for the A JPY, B JPY, A USD Hedged, B USD Hedged Classes and A GBP Hedged Classes respectively (2023: 0.95%, 0.70%, 1.05%, 0.79% and 1.02% for the A JPY, B JPY, A USD Hedged, B USD Hedged Classes and A GBP Hedged classes respectively).

#### **Fee Waiver**

In order to assist the Manager in growing the assets of the Sub-Fund, the Promoter and Distributor will in normal circumstances assume any expense if the ongoing charge figure of the Sub-Fund exceeds 0.3% of the NAV of the Sub-Fund exclusive of i) Investment Manager Fees, ii) Distributor Fees and iii) FX Manager Fees.

The Sub-Fund level ongoing charge figure will be calculated on a daily basis using the NAV as at the previous Valuation Day. Unitholders will be notified at least 30 days in advance of any determination by the Promoter to withdraw this assistance.

#### **Japan Quality Growth Fund**

The TER for each share class of the Sub-Fund as at 31<sup>st</sup> March 2024 was 0.86% and 0.96% for the A JPY and A EUR Hedged respectively (2023: 1.31%, 1.40% and 2.55% for the A JPY, A EUR Hedged and C USD Hedged classes respectively).

#### **Fee Waiver**

In order to assist the Manager in growing the assets of the Sub-Fund, the Promoter and Distributor will in normal circumstances assume any expense if the ongoing charge figure of the Sub-Fund exceeds 0.3% of the NAV of the Sub-Fund exclusive of i) Investment Manager Fees, ii) Distributor Fees and iii) FX Manager Fees.

The Sub-Fund level ongoing charge figure will be calculated on a daily basis using the NAV as at the previous Valuation Day. Unitholders will be notified at least 30 days in advance of any determination by the Promoter to withdraw this assistance.

\*The TER was calculated based on the version currently applicable of the “Guidelines on the calculation and disclosure of the TER of collective investment schemes” of the Swiss Funds & Asset Management Association (SFAMA).

## Appendix III Sustainable Finance Disclosure Regulation (Unaudited) 31<sup>st</sup> March 2024

### ANNEX IV

#### Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Japan Small Cap Fund

Legal entity identifier:

635400ZILQTR9BRXTW62

### Environmental and/or social characteristics

#### Did this financial product have a sustainable investment objective?

**Yes**

It made **sustainable investments with an environmental objective**: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: \_\_\_%

**No**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

#### To what extent were the environmental and/or social characteristics promoted by this financial product met?



Japan Small Cap Fund ("Sub-Fund") promoted environmental and/or social characteristics, as provided for under paragraph 1 of Article 8 of Regulation (EU) 2019/2088, by applying environmental, social and/or governance ("ESG") scoring process ("ESG Scoring Process"), which evaluates an issuer's ESG performance against the ESG criteria based on the ESG Materiality.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The “ESG Materiality” is identified by the investment Manager as important sustainability challenges in promoting value improvement and sustainable growth of investees and, namely; (i) Climate Change, (ii) Natural Capital, (iii) Pollution & Waste, (iv) Environmental Opportunities, (v) Human Rights & Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability & Justice, and (xii) Governance Improvement

As of the ends of each quarter of the year ended 31 March 2024, the Sub-Fund’s weighted average ESG Score exceeded that of the Russell/Nomura Small Cap Index as detailed below.

● **How did the sustainability indicators perform?**

The Sustainability Indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund’s weighted average ESG Score relative to that of Russel Nomura Small Cap Index (“Russel Nomura Small Cap”) as reference index. “ESG Score” means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, whereby the Investment Manager issues a score to each issuer of stocks. The “ESG Scoring Threshold” means the average ESG Score, weighted with market capitalization, of the reference index.

In the period of 01.04.2023-31.03.2024, as the Sustainability Indicator, the weighted average scores of the Sub-Fund and Russel Nomura Small Cap were as follows;

ESG Score	30.06.2023	30.09.2023	31.12.2023	31.03.2024
The Sub-Fund	3.27	3.24	3.19	3.20
Russel Nomura Small Cap	2.97	2.95	2.99	2.99

● **...and compared to previous periods?**

ESG Scoring Process has been the same and also there was no significant change on the weighted average scores of the Sub-Fund compared to the previous period. The Investment Manager has adjusted and will continue to adjust the portfolio weights in order to keep the ESG Score of the Sub-Fund higher than the ESG Scoring Threshold.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Investment Manager used all of the mandatory PAI indicators at product level through the ESG Scoring Process and engagement/voting activities which were based on the ESG Materiality. The details of the PAI on the Sub-Fund’s portfolio and PAI considering actions are on the annex “Indicators applicable to investments in investee companies”.

The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is the evaluation based on the ESG Materiality identified by the Investment Manager as 12 important sustainability challenges; (i) Climate Change, (ii) Natural Capital, (iii) Pollution & Waste, (iv) Environmental Opportunities, (v) Human Rights & Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability & Justice, and (xii) Governance Improvement. The Investment Manager assesses the principal adverse impacts as part of the ESG Scoring Process.

In addition, the Investment Manager considers principal adverse impacts through engagement activities. The Investment Manager will engage with investee companies with respect to ESG issues which are based on the ESG Materiality.



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the Sub-Fund on 31.03.2024. Below Sectors are based on Global Industry Classification Standard(GICS).

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **1.4.2023-31.03.2024**

Largest investments	Sector	% Assets	Country
SIMPLEX HOLDINGS	Information Technology	2.28%	Japan
YOKOGAWA BRIDGE HOLDINGS	Industrials	2.16%	Japan
UT GROUP	Industrials	2.04%	Japan
SIIX	Information Technology	2.03%	Japan
KONDOTEC	Industrials	1.89%	Japan
SANYO CHEMICAL INDUSTRIES	Materials	1.87%	Japan
EXAWIZARDS	Information Technology	1.85%	Japan
HALOWS	Consumer Staples	1.81%	Japan
AZ-COM MARUWA HOLDINGS	Industrials	1.80%	Japan
TRE HOLDINGS	Industrials	1.80%	Japan
STAR MICA HOLDINGS	Real Estate	1.77%	Japan
DAIEI KANKYO	Industrials	1.76%	Japan
JTOWER	Communication Services	1.71%	Japan
RAKSUL	Industrials	1.71%	Japan
SUNWELS	Health Care	1.70%	Japan



## What was the proportion of sustainability-related investments?

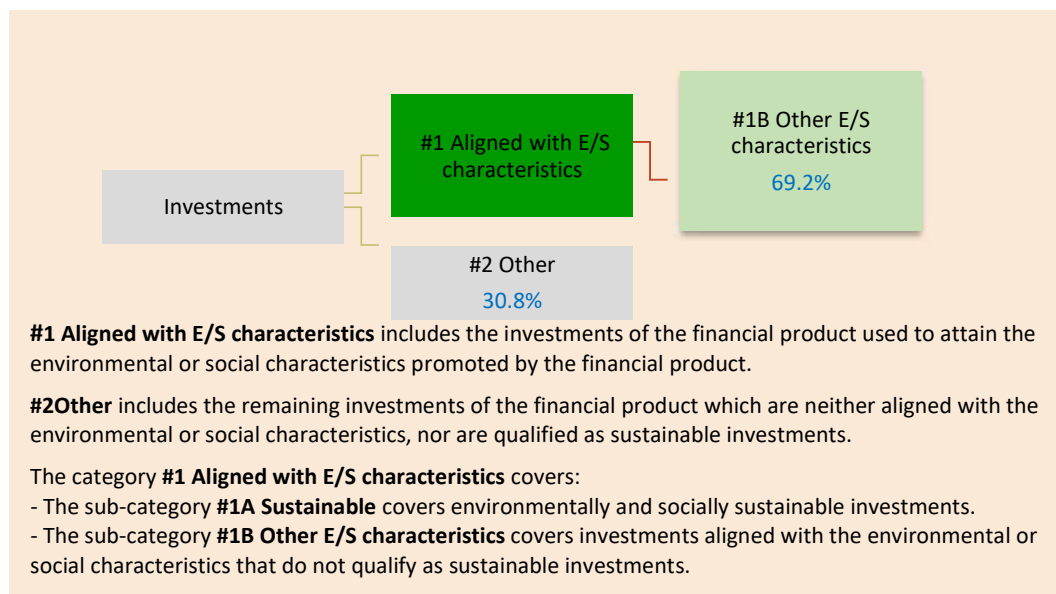
The Sub-Fund promotes environmental and/or social characteristics by applying ESG Scoring Process, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. As a result, the Investment manager defines the asset of “#1 Aligned with E/S characteristics” as the companies/issues whose ESG Score is higher than the ESG Scoring Threshold, and at least 50% weight of portfolio will have such companies/issues.

### ● **What was the asset allocation?**

The asset allocation on 31.03.2024 was as follows;

**Asset allocation** describes the share of investments in specific assets.

Based on the update of delegated Regulation (EU) 2022/1288 on 17.2.2023.



● **In which economic sectors were the investments made?**

The list includes the weight per sector made by the investments of the Sub-Fund on 31.03.2024. Below Sectors are based on Global Industry Classification Standard(GICS).

Sector	% Assets	Sub Sector	% Assets
Energy	0.00%		0.00%
Materials	5.54%	Specialty Chemicals	2.84%
		Commodity Chemicals	1.15%
		Construction Materials	1.55%
Industrials	25.24%	Construction & Engineering	6.54%
		Human Resource & Employment Services	3.54%
		Building Products	1.89%
		Air Freight & Logistics	1.80%
		Environmental & Facilities Services	3.55%
		Commercial Printing	1.71%

***In which economic sectors were the investments made (continued)?***

Sector	% Assets	Sub Sector	% Assets
		Research & Consulting Services	3.00%
		Industrial Machinery & Supplies & Components	2.31%
		Aerospace & Defense	0.89%
Consumer Discretionary	13.57%	Other Specialty Retail	4.34%
		Leisure Facilities	1.43%
		Apparel Retail	1.30%
		Leisure Products	1.30%
		Education Services	1.17%
		Hotels, Resorts & Cruise Lines	1.13%
		Restaurants	1.57%
		Broadline Retail	0.73%
		Automotive Parts & Equipment	0.60%
Consumer Staples	5.22%	Food Retail	2.61%
		Food Distributors	1.41%
		Personal Care Products	1.21%
Health Care	4.67%	Health Care Facilities	1.70%
		Biotechnology	1.39%
		Health Care Services	1.16%
		Pharmaceuticals	0.41%
Financials	2.65%	Investment Banking & Brokerage	1.37%
		Property & Casualty Insurance	1.28%

***In which economic sectors were the investments made (continued)?***

Sector	% Assets	Sub Sector	% Assets
Information Technology	26.47%	IT Consulting & Other Services	9.92%
		Electronic Manufacturing Services	2.03%
		Semiconductors	1.98%
		Semiconductor Materials & Equipment	2.79%
		Electronic Components	5.40%
		Application Software	4.28%
		Systems Software	0.07%
Communication Services	7.23%	Integrated Telecommunication Services	1.71%
		Interactive Media & Services	2.20%
		Movies & Entertainment	1.82%
		Advertising	1.23%
		Wireless Telecommunication Services	0.26%
Utilities	0.00%		0.00%
Real Estate	4.42%	Diversified Real Estate Activities	3.05%
		Real Estate Operating Companies	1.37%
Cash/Others	4.99%	Cash/Others	4.99%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

0% of investments were aligned with the EU Taxonomy.

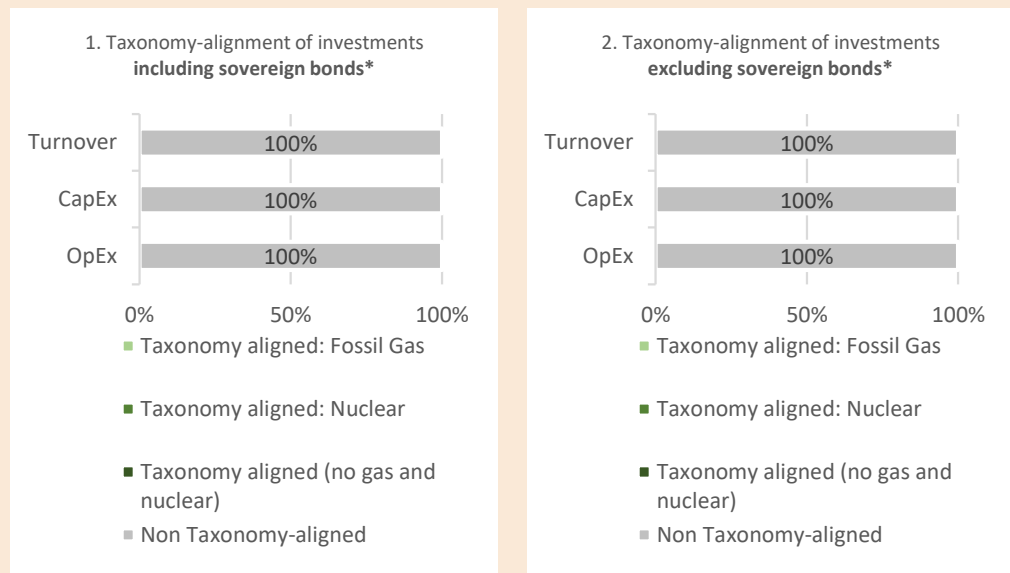
### ● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

Yes:

In fossil gas  in nuclear energy

No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ● What was the share of investments made in transitional and enabling activities?

Not applicable

### ● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable - The Sub-Fund does not have any sustainable investment objective.



### What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable - The Sub-Fund does not have any sustainable investment objective.



### What was the share of socially sustainable investments?

Not applicable - The Sub-Fund does not have any sustainable investment objective.



### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments classified as “other” are the investments in the issues whose score is lower than the ESG Scoring Threshold. All the potential investments of the Sub-Fund are subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than the ESG Scoring Threshold considering the investment objective of the Sub-Fund and market situation.

Constantly, and in particular, in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund’s exposure to certain investee companies, as the Investment Manager believes necessary. Throughout this period, the Investment Manager confirmed that the ESG Score of the Sub-Fund was higher than the ESG Scoring Threshold.



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager’s ESG Scoring Process, which evaluates an issuer’s ESG performance against the ESG criteria, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. As shown in “How did the sustainability indicators perform?”, the score of the Sub-Fund was higher than the ESG Scoring Threshold in this period.

Also, the Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting against the investee company led resolutions including election of board members, communicating with the competent authority regulating the business of the investee company or collaborating on engagement with investors initiatives, in addition to the frequent communication with the investee company. The detail of actions about engagement is mentioned in “How did this financial product consider principal adverse impacts on sustainability factors?”. An example for engagement is as follows;

Company A: Communication Services

We asked about environmental issue. Company A is a pioneer in telecommunications infrastructure in Japan. Until now, Company A has provided solutions that reduce work processes and costs, and reduce power consumption by sharing mobile equipment that was installed



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



individually by each mobile operator. We appreciated this activity and maintained its overweight in the portfolio.

In addition, All the potential investments of the Sub-Fund were subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded.

**How did this financial product perform compared to the reference benchmark?**

No, the Sub-Fund does not refer to any designated index specifically aligned with the environmental or social characteristics that it promotes.

- **How does the reference benchmark differ from a broad market index?**

Not Applicable.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable

- **How did this financial product perform compared with the reference benchmark?**

Not applicable

- **How did this financial product perform compared with the broad market index?**

Not applicable

ANNEX IV

**Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

Product name:

Japan Small Cap II Fund

Legal entity identifier:

6354004G8VQFOZRPPY41

**Environmental and/or social characteristics**

**Did this financial product have a sustainable investment objective?**

**Yes**

It made **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** \_\_\_%

**No**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

Japan Small Cap II Fund (“Sub-Fund”) promoted environmental and/or social characteristics, as provided for under paragraph 1 of Article 8 of Regulation (EU) 2019/2088, by applying evaluates an issuer’s ESG performance against the ESG criteria based on the ESG Materiality. The “ESG Materiality” is identified by the investment Manager as important sustainability challenges in promoting value improvement and sustainable growth of investees and, namely; (i) Climate Change, (ii) Natural Capital, (iii) Pollution & Waste, (iv) Environmental Opportunities, (v) Human Rights & Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability & Justice, and (xii) Governance Improvement.

As of the ends of each quarter of the year ended 31 March 2024, the Sub-Fund’s weighted average ESG Score exceeded that of the Russell/Nomura Small Cap Index as detailed below.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

The Sustainability Indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund’s weighted average ESG Score relative to that of Russel Nomura Small Cap Index (“Russel Nomura Small Cap”) as reference index. “ESG Score” means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, whereby the Investment Manager issues a score to each issuer of stocks. The “ESG Scoring Threshold” means the average ESG Score, weighted with market capitalization, of the reference index.

In the period of 01.04.2023-31.03.2024, as the Sustainability Indicator, the weighted average scores of the Sub-Fund and Russel Nomura Small Cap were as follows;

ESG Score	30.06.2023	30.09.2023	31.12.2023	31.03.2024
The Sub-Fund	3.30	3.26	3.17	3.16
Russel Nomura Small Cap	2.97	2.95	2.99	2.99

● **...and compared to previous periods?**

ESG Scoring Process has been the same and also there was no significant change on the weighted average scores of the Sub-Fund compared to the previous period. The Investment Manager has adjusted and will continue to adjust the portfolio weights in order to keep the ESG Score of the Sub-Fund higher than the ESG Scoring Threshold.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



### How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager used all of the mandatory PAI indicators at product level through the ESG Scoring Process and engagement/voting activities which were based on the ESG Materiality. The details of the PAI on the Sub-Fund’s portfolio and PAI considering actions are on the annex “Indicators applicable to investments in investee companies”.

The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is the evaluation based on the ESG Materiality identified by the Investment Manager as 12 important sustainability challenges; (i) Climate Change, (ii) Natural Capital, (iii) Pollution & Waste, (iv) Environmental Opportunities, (v) Human Rights & Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability & Justice, and (xii) Governance Improvement. The Investment Manager assesses the principal adverse impacts as part of the ESG Scoring Process.

In addition, the Investment Manager considers principal adverse impacts through engagement activities. The Investment Manager will engage with investee companies with respect to ESG issues which are based on the ESG Materiality.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



### What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the Sub-Fund on 31.03.2024. Below Sectors are based on Global Industry Classification Standard(GICS).

Largest investments	Sector	% Assets	Country
TOPRE	Consumer Discretionary	2.35%	Japan
UT GROUP	Industrials	2.25%	Japan
SIMPLEX HOLDINGS	Information Technology	2.22%	Japan
SIIX	Information Technology	2.15%	Japan
YOKOGAWA BRIDGE	Industrials	2.10%	Japan

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: [1.4.2023-31.03.2024](#)

SANYO CHEMICAL	Materials	1.92%	Japan
MAEDA KOSEN	Materials	1.88%	Japan
SMS	Industrials	1.87%	Japan
STRIKE	Financials	1.77%	Japan
AZ-COM MARUWA	Industrials	1.74%	Japan
TRE HOLDINGS	Industrials	1.70%	Japan
BRAINPAD	Information Technology	1.67%	Japan
EXAWIZARDS	Information Technology	1.65%	Japan
JAPAN MATERIAL	Information Technology	1.65%	Japan
RAKSUL	Industrials	1.64%	Japan



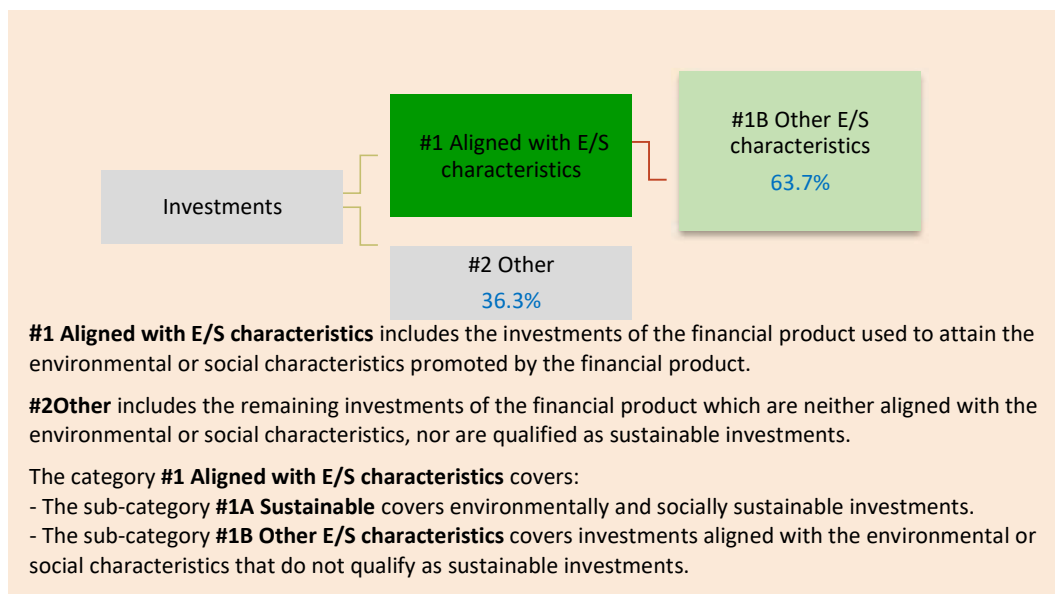
**Asset allocation** describes the share of investments in specific assets.

### What was the proportion of sustainability-related investments?

The Sub-Fund promotes environmental and/or social characteristics by applying ESG Scoring Process, and investing in the proposed investments only when the average ESG Score, weighted Threshold. As a result, the Investment manager defines the asset of “#1 Aligned with E/S characteristics” as the companies/issuers whose ESG Score is higher than the ESG Scoring Threshold, and at least 50% weight of portfolio will have such companies/issuers.

- **What was the asset allocation?**

The asset allocation on 31.03.2024 was as follows;



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **In which economic sectors were the investments made?**

The list includes the weight per sector made by the investments of the Sub-Fund on 31.03.2024. Below Sectors are based on Global Industry Classification Standard(GICS).

Sector	% Assets	Sub Sector	% Assets
Energy	0.00%		0.00%
Materials	5.29%	Specialty Chemicals	3.41%
		Construction Materials	1.88%
Industrials	24.25%	Human Resource & Employment Services	5.37%
		Construction & Engineering	5.17%
		Air Freight & Logistics	1.74%
		Environmental & Facilities Services	3.33%
		Commercial Printing	1.64%
		Cargo Ground Transportation	1.63%
		Research & Consulting Services	2.32%
		Industrial Machinery & Supplies & Components	2.14%
		Aerospace & Defense	0.92%

***In which economic sectors were the investments made (continued)?***

Sector	% Assets	Sub Sector	% Assets
Consumer Discretionary	14.16%	Automotive Parts & Equipment	4.34%
		Hotels, Resorts & Cruise Lines	1.57%
		Other Specialty Retail	2.11%
		Restaurants	1.28%
		Apparel Retail	1.68%
		Leisure Products	1.14%
		Leisure Facilities	1.12%
		Broadline Retail	0.93%
Consumer Staples	6.84%	Food Distributors	2.59%
		Personal Care Products	1.07%
		Consumer Staples Merchandise Retail	1.02%
		Food Retail	0.89%
		Packaged Foods & Meats	0.75%
		Drug Retail	0.51%
Health Care	5.51%	Health Care Services	1.57%
		Health Care Technology	1.14%
		Biotechnology	1.03%
		Health Care Facilities	0.80%
		Pharmaceuticals	0.98%
Financials	3.33%	Investment Banking & Brokerage	1.77%
		Property & Casualty Insurance	1.56%
Information Technology	26.04%	IT Consulting & Other Services	10.56%
		Electronic Manufacturing Services	2.15%
		Semiconductor Materials & Equipment	3.16%
		Semiconductors	1.94%
		Electronic Components	3.97%
		Application Software	4.20%
		Systems Software	0.06%

***In which economic sectors were the investments made (continued)?***

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

Sector	% Assets	Sub Sector	% Assets
Communication Services	7.91%	Integrated Telecommunication Services	2.65%
		Interactive Media & Services	1.97%
		Movies & Entertainment	1.90%
		Advertising	1.13%
		Wireless Telecommunication Services	0.25%
Utilities	0.00%		0.00%
Real Estate	2.44%	Real Estate Operating Companies	1.16%
		Diversified Real Estate Activities	1.28%
Cash/Others	4.23%	Cash/Others	4.23%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of investments were aligned with the EU Taxonomy.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

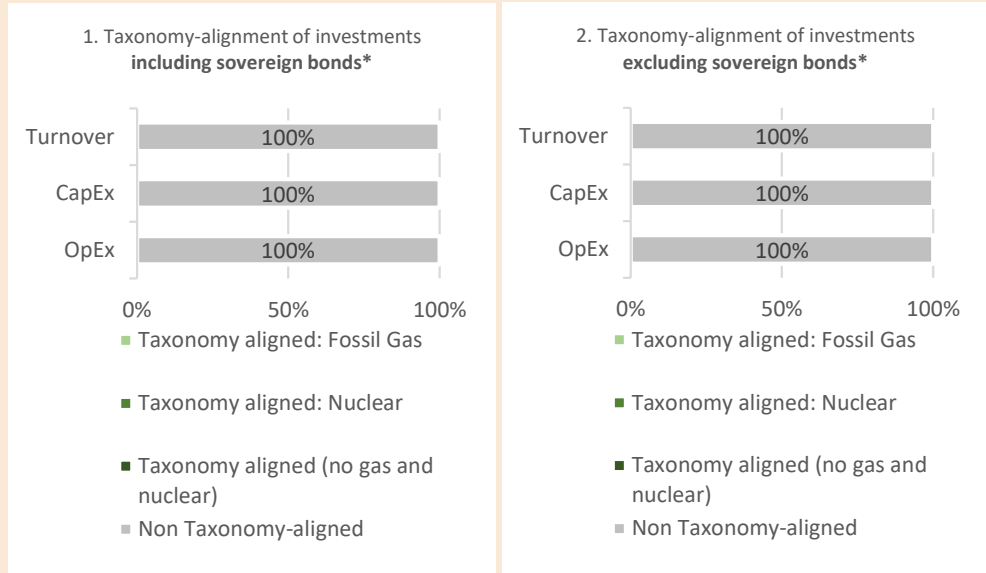
Yes:

In fossil gas       in nuclear energy

No



**The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

Not applicable

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.



**What was the share of socially sustainable investments?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

Investments classified as “other” are the investments in the issues whose score is lower than the ESG Scoring Threshold. All the potential investments of the Sub-Fund are subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than the ESG Scoring Threshold considering the investment objective of the Sub-Fund and market situation.

Constantly, and in particular, in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund’s exposure to certain investee companies, as the Investment Manager believes necessary. Throughout this period, the Investment Manager confirmed that the ESG Score of the Sub-Fund was higher than the ESG Scoring Threshold.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager’s ESG Scoring Process, which evaluates an issuer’s ESG performance against the ESG criteria, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. As shown in “How did the sustainability indicators perform?”, the score of the Sub-Fund was higher than the ESG Scoring Threshold in this period.

Also, the Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting against the investee company led resolutions including election of board members, communicating with the competent authority regulating the business of the investee company or collaborating on engagement with investors initiatives, in addition to the frequent communication with the investee company. The detail of actions about engagement is mentioned in “How did this financial product consider principal adverse impacts on sustainability factors?”. An example for engagement is as follows;

Company A: Communication Services

We asked about environmental issue. Company A is a pioneer in telecommunications infrastructure in Japan. Until now, Company A has provided solutions that reduce work processes and costs, and reduce power consumption by sharing mobile equipment that was installed individually by each mobile operator. We appreciated this activity and maintained its overweight in the portfolio.

In addition, All the potential investments of the Sub-Fund were subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded.



### **How did this financial product perform compared to the reference benchmark?**

No, the Sub-Fund does not refer to any designated index specifically aligned with the environmental or social characteristics that it promotes.

#### **● How does the reference benchmark differ from a broad market index?**

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***  
Not applicable
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable
- ***How did this financial product perform compared with the broad market index?***  
Not applicable

## ANNEX IV

### Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Japan Quality Growth Fund

Legal entity identifier:

635400XZ7IAADCCTKC23

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: \_\_\_%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

Japan Quality Growth Fund (“Sub-Fund”) promoted environmental and/or social characteristics, as provided for under paragraph 1 of Article 8 of Regulation (EU) 2019/2088, by applying environmental, social and/or governance (“ESG”) scoring process (“ESG Scoring Process”), which evaluates an issuer’s ESG performance against the ESG criteria based on the ESG Materiality. The “ESG Materiality” is identified by the investment Manager as important sustainability challenges in promoting value improvement and sustainable growth of investees and, namely; (i) Climate Change, (ii) Natural Capital, (iii) Pollution & Waste, (iv) Environmental Opportunities, (v) Human Rights & Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability & Justice, and (xii) Governance Improvement.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Based on the update of delegated Regulation (EU) 2022/1288 on 17.2.2023.

As of the ends of each quarter of the year ended 31 March 2024, the Sub-Fund’s weighted average ESG Score exceeded that of the Tokyo Stock Price Index Total Return Index as detailed below.

● **How did the sustainability indicators perform?**

The Sustainability Indicator used to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund is the Sub-Fund’s weighted average ESG Score relative to that of the Tokyo Stock Price Index (“TOPIX”) Total Return Index as reference index. “ESG Score” means the score issued by the Investment Manager to an issuer of securities on which the Investment Manager conducts research based on the ESG Scoring Process, whereby the Investment Manager issues a score to each issuer of stocks. The “ESG Scoring Threshold” means the average ESG Score, weighted with market capitalization, of the reference index.

In the period of 01.04.2023-31.03.2024, as the Sustainability Indicator, the weighted average scores of the Sub-Fund and TOPIX were as follows;

ESG Score	30.06.2023	30.09.2023	31.12.2023	31.03.2024
The Sub-Fund	3.69	3.70	3.55	3.62
TOPIX	3.48	3.47	3.46	3.48

● **...and compared to previous periods?**

ESG Scoring Process has been the same and also there was no significant change on the weighted average scores of the Sub-Fund compared to the previous period. The Investment Manager has adjusted and will continue to adjust the portfolio weights in order to keep the ESG Score of the Sub-Fund higher than the ESG Scoring Threshold.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

— **How were the indicators for adverse impacts on sustainability factors taken into account?**

Not applicable

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



### How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager used all of the mandatory PAI indicators at product level through the ESG Scoring Process and engagement/voting activities which were based on the ESG Materiality. The details of the PAI on the Sub-Fund’s portfolio and PAI considering actions are on the annex “Indicators applicable to investments in investee companies”.

The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is the evaluation based on the ESG Materiality identified by the Investment Manager as 12 important sustainability challenges; (i) Climate Change, (ii) Natural Capital, (iii) Pollution & Waste, (iv) Environmental Opportunities, (v) Human Rights & Community, (vi) Human Capital, (vii) Security & Liability, (viii) Social Opportunities, (ix) Behaviour, (x) Structure, (xi) Stability & Justice, and (xii) Governance Improvement. The Investment Manager assesses the principal adverse impacts as part of the ESG Scoring Process.

In addition, the Investment Manager considers principal adverse impacts through engagement activities. The Investment Manager will engage with investee companies with respect to ESG issues which are based on the ESG Materiality.

### What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the Sub-Fund on 31.03.2024. Below Sectors are based on Global Industry Classification Standard(GICS).

Largest investments	Sector	% Assets	Country
TOKYO ELECTRON	Information Technology	4.94%	Japan
TOKIO MARINE HOLDINGS	Financials	4.60%	Japan
MITSUBISHI UFJ FINANCIAL GROUP	Financials	4.52%	Japan
MITSUBISHI	Industrials	4.47%	Japan
RECRUIT HOLDINGS	Industrials	4.36%	Japan
DISCO	Information Technology	4.13%	Japan
ADVANTEST	Information Technology	3.94%	Japan
HOYA	Health Care	3.94%	Japan

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 1.4.2023-31.03.2024



TRI CHEMICAL LABORATORIES	Information Technology	3.46%	Japan
FAST RETAILING	Consumer Discretionary	3.41%	Japan
TDK	Information Technology	3.39%	Japan
SMC	Industrials	3.34%	Japan
OBIC	Information Technology	3.29%	Japan
FUJIMI INC.	Materials	3.21%	Japan
PAN PACIFIC INTERNATIONAL	Consumer Discretionary	3.16%	Japan

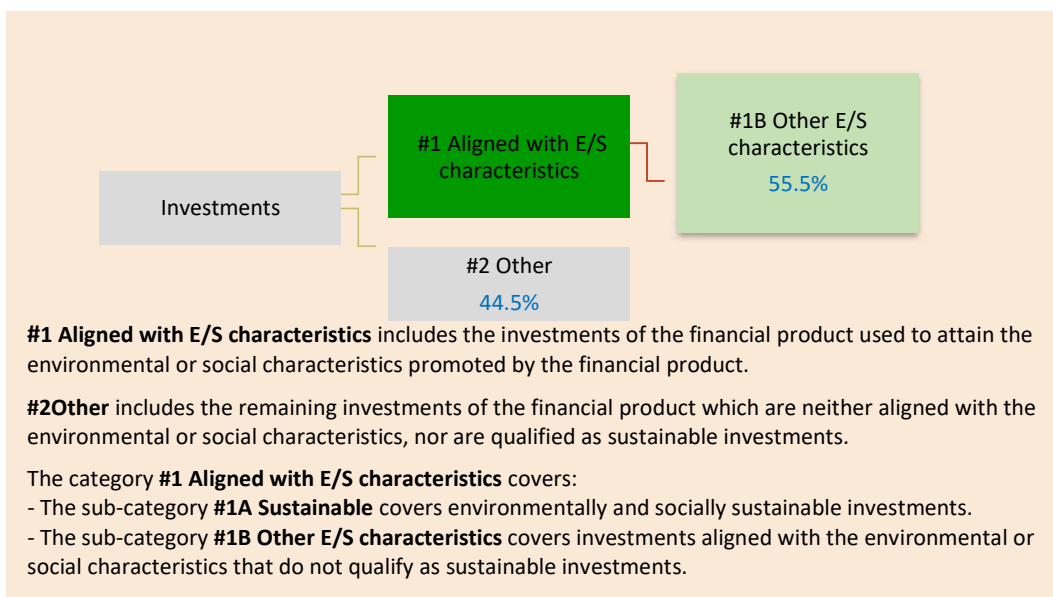
## What was the proportion of sustainability-related investments?

The Sub-Fund promotes environmental and/or social characteristics by applying ESG Scoring Process, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. As a result, the Investment manager defines the asset of “#1 Aligned with E/S characteristics” as the companies/issuers whose ESG Score is higher than the ESG Scoring Threshold, and at least 50% weight of portfolio will have such companies/issuers.

**Asset allocation** describes the share of investments in specific assets.

### ● **What was the asset allocation?**

The asset allocation on 31.03.2024 was as follows;



### ● **In which economic sectors were the investments made?**

The list includes the weight per sector made by the investments of the Sub-Fund on 31.03.2024. Below Sectors are based on Global Industry Classification Standard(GICS).

Sector	% Assets	Sub Sector	% Assets
Energy	0.00%		0.00%

***In which economic sectors were the investments made (continued)?***

Sector	% Assets	Sub Sector	% Assets
Materials	3.21%	Specialty Chemicals	3.21%
Industrials	19.71%	Trading Companies & Distributor	4.47%
		Human Resource & Employment Services	7.49%
		Industrial Machinery & Supplies & Components	5.85%
		Building Products	1.90%
Consumer Discretionary	15.26%	Apparel Retail	5.11%
		Broadline Retail	3.16%
		Leisure Products	2.79%
		Automotive Parts & Equipment	2.66%
		Footwear	1.54%
Consumer Staples	5.49%	Drug Retail	2.76%
		Household Products	2.73%
Health Care	9.54%	Health Care Supplies	5.91%
		Health Care Equipment	3.53%
		Health Care Technology	0.09%
Financials	9.13%	Property & Casualty Insurance	4.60%
		Diversified Banks	4.52%
Information Technology	34.08%	Semiconductor Materials & Equipment	16.48%
		Electronic Components	6.73%
		IT Consulting & Other Services	8.13%
		Electronic Equipment & Instruments	2.74%



Based on the update of delegated Regulation (EU) 2022/1288 on 17.2.2023.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***In which economic sectors were the investments made (continued)?***

Sector	% Assets	Sub Sector	% Assets
Communication Services	2.71%	Interactive Home Entertainment	2.71%
Utilities	0.00%		0.00%
Real Estate	0.00%		0.00%
Cash/Others	0.89%	Cash/Others	0.89%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% of investments were aligned with the EU Taxonomy.

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

Yes:

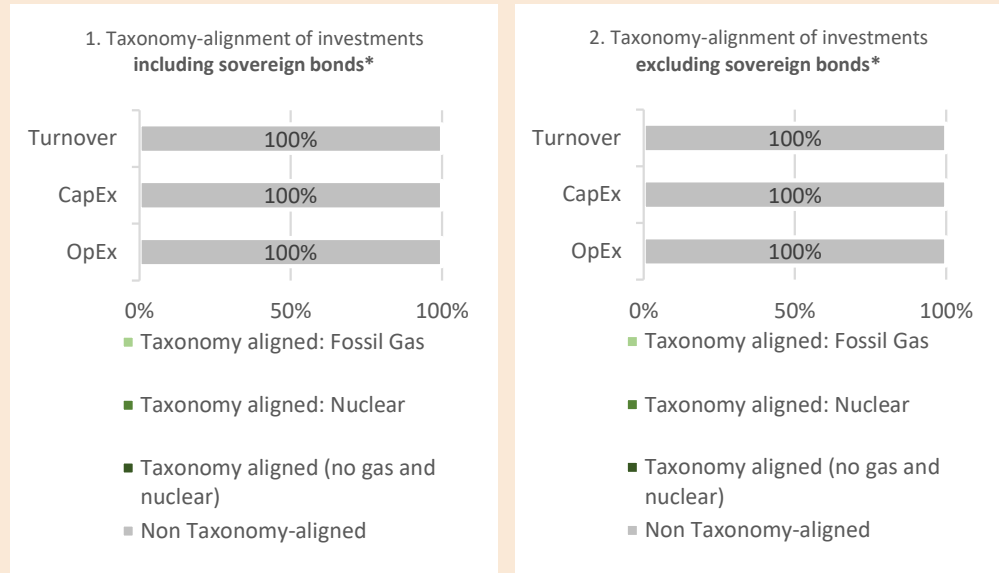
In fossil gas  in nuclear energy

No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

Not applicable

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.



**What was the share of socially sustainable investments?**

Not applicable - The Sub-Fund does not have any sustainable investment objective.



## What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments classified as “other” are the investments in the issues whose score is lower than the ESG Scoring Threshold. All the potential investments of the Sub-Fund are subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded. Further, all holdings of the Sub-Fund are evaluated by applying ESG Scoring Process. The Sub-Fund invests in the issuers whose score is lower than the ESG Scoring Threshold considering the investment objective of the Sub-Fund and market situation.

Constantly, and in particular, in the case where the ESG Score of the Sub-Fund falls below the ESG Scoring Threshold, the Investment Manager proactively carries out engagement with the investee companies, and/or may adjust the Sub-Fund’s exposure to certain investee companies, as the Investment Manager believes necessary. Throughout this period, the Investment Manager confirmed that the ESG Score of the Sub-Fund was higher than the ESG Scoring Threshold.

## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager’s ESG Scoring Process, which evaluates an issuer’s ESG performance against the ESG criteria, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. As shown in “How did the sustainability indicators perform?”, the score of the Sub-Fund was higher than the ESG Scoring Threshold in this period.

Also, the Investment Manager will regularly engage with investee company management with respect to ESG issues. The engagement may be carried out through one-to-one regular conversation between the investee company and the Investment Manager, or if appropriate, together with other stakeholders of the investee company. In the case where an enhanced engagement is required, the Investment Manager may take more proactive action, such as voting against the investee company led resolutions including election of board members, communicating with the competent authority regulating the business of the investee company or collaborating on engagement with investors initiatives, in addition to the frequent communication with the investee company. The detail of actions about engagement is mentioned in “How did this financial product consider principal adverse impacts on sustainability factors?”. An example for engagement is as follows;

Company A: Industrials

We asked about social issue. Company A has a strong business infrastructure in various fields of society, such as lifestyle, mobility, energy, and services, and provides optimization of the value chain by connecting the missing links. We appreciated this activity and maintained its overweight in the portfolio.

In addition, All the potential investments of the Sub-Fund were subject to a negative screening, where the companies related to the manufacture of controversy weapons are excluded.

## How did this financial product perform compared to the reference benchmark?

No, the Sub-Fund does not refer to any designated index specifically aligned with the environmental or social characteristics that it promotes.

- **How does the reference benchmark differ from a broad market index?**



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable

- ***How did this financial product perform compared with the broad market index?***

Not applicable

\*All PAI Indicators are calculated as the average of impacts on 31 March, 30 June, 29 September, and 29 December of 2023.

\*All PAI Indicators are based on data obtained from third-party data vendors. In principle, the data is based on corporate disclosures. However in some cases, due to insufficient corporate disclosures, the coverage of PAI data for investee companies could be limited.

\*The Investment Manager may be relying on data by third parties, who may rely on different calculation methodologies than the Investment Manager and have different reporting time frames and/or cut-off dates for the collection of data etc., and the Investment Manager makes no assurance as to the data provided by those parties or the appropriateness of the use of such data.

**Iapan Small Cap Fund**  
Indicators applicable to investments in investee companies

ESG/Environmental indicator	Metric	Mandatory/Optional	Coverage (Year 1)	Impact (Year 1)	Coverage (Year 2)	Impact (Year 2)	Footnote	Actions taken, and actions planned and targets set for the next reference period	
Greenhouse gas emissions	1. GHG emissions (CO <sub>2</sub> e)	Mandatory	Scope 1 GHG emissions	82%	18,373	98%	4,505	How the Investment Manager considers principal adverse impacts (PAI) on sustainability factors: PAI No. 1-6 corresponds to "Climate Change Vulnerability" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality, and voting activities following the proxy voting guideline.  Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.  - Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective. The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. - Climate Change Vulnerability: "Reduction of greenhouse gas emissions and decarbonization", "Promotion of corporate activities aligns with the Paris Agreement" - Environmental Opportunities: "Expansion and Promotion of environmentally-friendly products and services"  - Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement that can be used to influence corporate value. When exercising voting rights: (1) high-quality governance that respects shareholders' equity, (2) efficient utilization of shareholders' capital for sustainable growth, and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.  The Investment Manager will make the following decisions on the exercise of voting rights in response to ESG issues: - Regarding response to climate change, they will be opposed in principle to companies with relatively high levels of greenhouse gas emissions that fall into any of the following categories and do not provide a rational explanation for their action: 1. Cases where there has been inadequate disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) or equivalent framework. 2. When there has been a failure to set medium- and long-term goals in line with the Paris Agreement or to disclose specific measures to achieve them. 3. When there has been no evidence of progress in reducing greenhouse gas emissions.  Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.  - Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective. The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. - Natural Capital Risk: "Conservation of forests and recovery of biodiversity" - Pollution & Waste Risk: "Expansion and promotion of sustainable procurement (palm oil, natural rubber, etc.)", "Tackling issues of illegal deforestation and agricultural land development, and ocean plastic" - Environmental Opportunities: "Expansion and Promotion of environmentally-friendly products and services"	
	Scope 2 GHG emissions		82%	1,662	98%	5,707			
	Scope 3 GHG emissions		82%	46,710	95%	15,443			
	Total GHG emissions		82%	66,745	96%	25,655			
	2. Carbon footprint (CO <sub>2</sub> e/Mio €)		Mandatory	Scope 1	82%	17	98%		23
	Scope 2	82%		31	98%	33			
	Scope 3	82%		553	95%	89			
	3. GHG intensity of investee companies (CO <sub>2</sub> e/Mio €)	Mandatory	Scope 1	82%	17	99%	46		
	Scope 2		82%	26	99%	73			
	Scope 3		82%	602	96%	206			
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Mandatory	66%	0%	100%	2%	- Limitation of data (PAI No. 1) Where corporate disclosure data is not available for PAI indicators, the Investment Manager may rely on estimates provided by third-party data vendors, or count as zero emissions if no estimates are available.		
Pollution & waste	5. Share of non-renewable energy consumption and non-renewable energy production of investee companies (consumption and production)	Mandatory	Consumption	0%	N/A	0%	N/A	How the Investment Manager considers principal adverse impacts (PAI) on sustainability factors: PAI No. 7 corresponds to "Natural Capital Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality, and voting activities following the proxy voting guideline.  Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.  - Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective. The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. - Natural Capital Risk: "Conservation of forests and recovery of biodiversity" - Pollution & Waste Risk: "Expansion and promotion of sustainable procurement (palm oil, natural rubber, etc.)", "Tackling issues of illegal deforestation and agricultural land development, and ocean plastic" - Environmental Opportunities: "Expansion and Promotion of environmentally-friendly products and services"  - Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement that can be used to influence corporate value. When exercising voting rights: (1) high-quality governance that respects shareholders' equity, (2) efficient utilization of shareholders' capital for sustainable growth, and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.  The Investment Manager will make the following decisions on the exercise of voting rights in response to ESG issues: - Regarding response to climate change, they will be opposed in principle to companies with relatively high levels of greenhouse gas emissions that fall into any of the following categories and do not provide a rational explanation for their action: 1. Cases where there has been inadequate disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) or equivalent framework. 2. When there has been a failure to set medium- and long-term goals in line with the Paris Agreement or to disclose specific measures to achieve them. 3. When there has been no evidence of progress in reducing greenhouse gas emissions.  Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.  - Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective. The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. - Natural Capital Risk: "Conservation of forests and recovery of biodiversity" - Pollution & Waste Risk: "Expansion and promotion of sustainable procurement (palm oil, natural rubber, etc.)", "Tackling issues of illegal deforestation and agricultural land development, and ocean plastic" - Environmental Opportunities: "Expansion and Promotion of environmentally-friendly products and services"	
	Production		0%	N/A	0%	N/A			
	6. Energy consumption intensity for high impact climate sector (GHV / Mio €)	Mandatory	NKCE A	0%	N/A	0%	N/A		
	NKCE B		0%	N/A	0%	N/A			
	NKCE C		1%	0.04	6%	0.18			
	NKCE D		0%	N/A	0%	N/A			
	NKCE E		0%	0.02	0%	N/A			
	Biodiversity	7. Active involvement in biodiversity-sensitive areas	Mandatory	NKCE F	0%	0.02	0%		N/A
		NKCE G		0%	0.02	0%	N/A		
		NKCE H		0%	N/A	0%	N/A		
NKCE I		0%		N/A	0%	N/A			
NKCE L		0%		N/A	0%	N/A			
Water	8. Emissions to water (Tox / Mio €)	Mandatory	1%	0.00	1%	0.00	How the Investment Manager considers principal adverse impacts (PAI) on sustainability factors: PAI No. 8 corresponds to "Natural Capital Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality, and voting activities following the proxy voting guideline.  Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.  - Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective. The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. - Natural Capital Risk: "Conservation of water resources" - Pollution & Waste Risk: "Tackling issues of ocean plastic" - Environmental Opportunities: "Expansion and Promotion of environmentally-friendly products and services"  Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.  - Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective. The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. - Natural Capital Risk: "Conservation of water resources" - Pollution & Waste Risk: "Tackling issues of ocean plastic" - Environmental Opportunities: "Expansion and Promotion of environmentally-friendly products and services"		
	1%		0.00	1%	0.00				
	1%		0.00	1%	0.00				
	1%		0.00	1%	0.00				
	1%		0.00	1%	0.00				

\*All PAI Indicators are calculated as the average of impacts on 31 March, 30 June, 29 September, and 29 December of 2023.

\*All PAI Indicators are based on data obtained from third-party data vendors. In principle, the data is based on corporate disclosures. However in some cases, due to insufficient corporate disclosures, the coverage of PAI data for investee companies could be limited.

\*The Investment Manager may be relying on data by third parties, who may rely on different calculation methodologies than the Investment Manager and have different reporting time frames and/or cut-off dates for the collection of data etc., and the Investment Manager makes no assurance as to the data provided by those parties or the appropriateness of the use of such data.

**Japan Small Cap Fund**  
Indicators applicable to investments in investee companies

ESG sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Footnote	Actions taken, and actions planned and targets set for the next reference period
10. Hazardous waste and radioactive waste ratio (Ton / Mio €)	Tonn of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Mandatory	0%	N.A.	1%	0.84	<p>How the Investment Manager considers principal adverse impacts (PAI) on sustainability factors: PAI No. 9 corresponds to "Pollution &amp; Waste Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p> <p>- Limitation of data The attribution factor, as defined with the "PCAF Standard", is calculated as below:  <math display="block">\text{Attribution Factor} = \frac{\text{Investment Manager's share of the portfolio reference date (end of quarter) / Price}}{\text{Denominator (PNC) EVIC calculated using the data of the most recent fiscal year acquired at the portfolio reference date (end of quarter)}}</math>                     "PCAF Standard": the Global GHG Accounting and Reporting Standard for the Financial Industry issued by the Partnership for Carbon Accounting Financials                      Investee companies lack of data are counted as zero.                 </p>	<p>Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows:                      • Pollution &amp; Waste Risk: "Tackling issues of ocean plastic"                      • Environmental Opportunities: "Transitioning to a resource circulation type business model"</p>
11. Violations of UN Global Compact principles and Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Mandatory	87%	0%	87%	0%	<p>How the Investment Manager considers principal adverse impacts (PAI) on sustainability factors: PAI No. 10 corresponds to "Human Rights &amp; Community Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows:                      • Human Rights &amp; Community Risk, Human Capital Risk: "Elimination of labor, environmental, and social issues from supply chains", "Response to work satisfaction improvement"                      • Security &amp; Liability Risk: "Safety of products, services and employees"                      • Climate Change Vulnerability, Natural Capital Risk, Pollution &amp; Waste Risk: "Conservation of forests, water resources, and recovery of biodiversity"                      • Fair and Stable Business Conduct: "Elimination of governance incompetence at companies facing misconduct"</p> <p>Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholder's capital for sustainable growth; and (3) appropriate action in the event of an incident which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>In any of the following cases, the Investment Manager will dissent in principle from the proposals for appointment of directors:                      • In cases where a candidate who is considered to have been involved in, or to have had supervisory responsibilities for a controversy which has impacted on the value of the relevant company.                      In principle, the following acts are deemed controversies whereby the relevant company has been judged to have been involved as an organization:                      • Violation of antitrust laws and/or laws and regulations prohibiting bribery, corruption, etc.                      • Inappropriate accounting practices and delay in the release of setting of accounts.                      • Cases where fraudulent inspections and falsification of data, among others, have materially impacted the relevant company's management and operations                      • Cases where socially unacceptable actions have resulted in the loss of social credibility of the relevant company                      • Cases where significant governance failure is identified.                      • Other acts which may have a profound impact on society or the environment</p>
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Mandatory	0%	N.A.	0%	N.A.	<p>How the Investment Manager considers principal adverse impacts (PAI) on sustainability factors: PAI No. 12 corresponds to "Human Capital Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows:                      • Human Capital Risk: "Promotion of DEB (Diversity, Equity and Inclusion) management"</p>

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**Japan Small Cap Fund**  
**Indicators applicable to investments in investee companies**

ESG sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Footnote	Actions taken, and actions planned and targets set for the next reference period
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	Mandatory	64%	14%	76%	13%	<p>How the Investment Manager considers principal adverse impacts (PAI) on sustainability factors: PAI No. 13 corresponds to "Governance Structure" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p><b>Investment Decision</b>                      The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p><b>Engagement Activities</b>                      The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows:                      • Human Capital Risk: "Promotion of DEI (Diversity, Equity and Inclusion) management"                      • Governance Structure: "Improving gender diversity of board of directors"</p> <p><b>Exercise of Voting Rights</b>                      The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity, (2) efficient utilization of shareholders' capital for sustainable growth, and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>In cases where there is no female director, the Investment Manager will dissent from the proposed appointment of directors. Targets are listed companies on the Prime Market.</p>
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Mandatory	100%	0%	100%	0%	<p>How the Investment Manager considers principal adverse impacts (PAI) on sustainability factors: PAI No. 14 corresponds to "Human Rights &amp; Community Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. All potential investments have been negatively screened where companies related to manufacturing controversial weapons are excluded from the Sub-Fund.</p>	<p><b>Investment Decision</b>                      All the potential investments for mainly active strategies are negatively screened, where the companies related to manufacturing controversial weapons are excluded and new/additional investments are prohibited. Controversial weapons includes products such as "cluster munitions", "anti-personnel mines", "biological weapons" and "chemical weapons", etc. Manufacturing, sales, and use of these weapons are widely prohibited under international treaties as well as Japan ratifying relevant treaties.</p> <p><b>Engagement Activities</b>                      The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager will engage with such relevant companies to seek improvements, in case these companies reject to have an opportunity of an engagement, the investee company would be delisted and, in some cases, decided to be divested under the decision on the Sustainability Committee.</p> <p><b>Exercise of Voting Rights</b>                      The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity, (2) efficient utilization of shareholders' capital for sustainable growth, and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>If a proposal has any relevant issues about such controversial weapons, the Investment Manager will make their decision based on a negative perception of the issues and understanding the reason for the exclusion on negative screening.</p>

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\*The Investment Manager may be relying on data by third parties, who may rely on different calculation methodologies than the Investment Manager and have different reporting time frames and/or cut-off dates for the collection of data etc., and the Investment Manager makes no assurance as to the data provided by those parties or the appropriateness of the use of such data.

**Japan Small Cap Fund**  
**Indicators applicable to investments in investee companies**

Source sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Footnote	Actions taken, and actions planned and targets set for the next reference period
Additional/ Environmental	Investments in companies without carbon emission reduction initiatives	Optional	100%	90%	100%	94%	How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors An additional indicator PAI No.4 corresponds to "Climate Change Vulnerability" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.	Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index. - Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective. The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows. The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. - Climate Change Vulnerability : "Reduction of greenhouse gas emissions and decarbonization", "Promotion of corporate activities aligns with the Paris Agreement" - Environmental Opportunities: "Expansion and Promotion of environmentally-friendly products and services" - Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity, (2) efficient utilization of shareholders' capital for sustainable growth, and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria. The Investment Manager will make the following decisions on the exercise of voting rights in response to ESG issues: - Regarding response to climate change, they will be opposed in principle to companies with relatively high levels of greenhouse gas emissions that fall into any of the following categories and do not provide a rational explanation for their action: 1) Cases where there has been inadequate disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) or equivalent framework. 2) When there has been a failure to set medium- and long-term goals in line with the Paris Agreement or to disclose specific measures to achieve them. 3) When there has been no evidence of progress in reducing greenhouse gas emissions". - Investment Decision
Additional/ Social and employee matters	Back of a human rights policy	Optional	100%	61%	100%	59%	How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors An additional indicator PAI No.3 corresponds to "Human Rights & Community Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.	Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index. - Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective. The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows. The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. - Climate Change Vulnerability : "Reduction of greenhouse gas emissions and decarbonization", "Promotion of corporate activities aligns with the Paris Agreement" - Environmental Opportunities: "Expansion and Promotion of environmentally-friendly products and services"

Historical comparison  
 PAI 1.2.3: The main reason for the difference compared to the previous year's results is that the data source of GHG emissions was changed.



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Japan Small Cap II Fund  
Indicators applicable to investments in investee companies

Environmental indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions (TC2a) Scope 1 GHG emissions	Mandatory	86%	154	97%	250	How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 1 corresponds to "Climate Change Vulnerability" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality, and voting activities following the proxy voting guideline.	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.
			86%	124	97%	219		
			86%	4,537	93%	1,208		
	2. Carbon footprint (TC2a/Mio t)	Mandatory	86%	17	97%	16	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
			86%	17	97%	16		
			86%	17	97%	16		
	3. GHG intensity of investee companies (TC2a/Mio t)	Mandatory	86%	22	97%	24	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
			86%	22	97%	24		
			86%	22	97%	24		
	4. Exposure to companies active in the fossil fuel sector	Mandatory	72%	0%	100%	2%	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
72%			0%	100%	2%			
72%			0%	100%	2%			
5. Share of non-renewable energy consumption and production	Mandatory	7%	92%	2%	96%	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.		
		0%	N/A	0%	N/A			
		0%	N/A	0%	N/A			
	6. Energy consumption intensity per high impact climate sector (GWh / Mio t)	Mandatory	1%	0.04	3%	0.33	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
			0%	N/A	0%	N/A		
			0%	N/A	0%	N/A		
	7. Biodiversity	Mandatory	0%	0.01	0%	N/A	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
			0%	N/A	0%	N/A		
			0%	N/A	0%	N/A		
	8. Emissions to water (Tm3/Mio t)	Mandatory	2%	0.00	1%	0.00	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.  The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
2%			0.00	1%	0.00			
2%			0.00	1%	0.00			

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\*All PAI indicators are based on data obtained from third-party data vendors. In principle, the data is based on corporate disclosures. However, in some cases, due to insufficient corporate disclosures, the coverage of PAI data for investee companies could be limited.

\*The Investment Manager may be relying on data by third parties, who may rely on different calculation methodologies than the Investment Manager and have different reporting time frames and/or cut-off dates for the collection of data etc., and the Investment Manager makes no assurances as to the data provided by those parties or the appropriateness of the use of such data.

Japan Small Cap II Fund  
Indicators applicable to investments in investee companies

Reverse sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Waste	9. Hazardous waste and radioactive waste ratio (Ton / Mio €)	Mandatory	0%	N.A.	0%	N.A.	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 9 corresponds to "Pollution &amp; Waste Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>- In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p> <p>- Limitation of data The attribution factor, as defined with the "PCAF Standard", is calculated as below:  <math display="block">T \times \text{Numerical value of holdings in portfolio} \times \text{Number of shares at the portfolio reference date (end of quarter)} \times \text{Price} \times \text{Denominator (ENV)}</math>                     ENV: calculated using the data of the most recent fiscal year acquired at the portfolio reference date (end of quarter)                      "PCAF Standard": the Global GHG Accounting and Reporting Standard for the Financial Industry issued by the Partnership for Carbon Accounting Financials                      Investee companies lack of data are counted as zero.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows:                      • Pollution &amp; Waste Risk: "Tackling issues of ocean plastic"                      • Environmental Opportunities: "Transitioning to a resource circulation type business model"</p>
Social and employee matters	10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Mandatory	80%	0%	90%	0%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 10 corresponds to "Human Rights &amp; Community Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>- In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures.                      • Human Rights &amp; Community Risk, Human Capital Risk: "Elimination of labor, environmental, and social issues from supply chains"; "Strategies to work satisfaction improvements"                      • Security &amp; Liability Risk: "Safety of products, services and employees"                      • Climate Change Vulnerability, Natural Capital Risk, Pollution &amp; Waste Risk: "Conservation of forests, water resources, and recovery of biodiversity"                      • Fair and Stable Business Conduct: "Elimination of governance incompetence at companies facing misconduct"</p> <p>Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholders' capital for sustainable growth; and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guidelines based on these criteria.</p> <p>In any of the following cases, the Investment Manager will dissent in principle from the proposals for appointment of directors:                      • In cases where a candidate who is considered to have been involved in, or to have had supervisory responsibilities for a controversy which has impacted on the value of the relevant company.                      In principle, the following acts are deemed controversies whereby the relevant company has been judged to have been involved as an organization:                      • Violation of antitrust laws and/or laws and regulations prohibiting bribery, corruption, etc.                      • Inappropriate accounting practices and delays in the release of setting of accounts.                      • Cases where fraudulent inspections and falsification of data, among others, have materially impacted the relevant company's management and operations                      • Cases where socially unacceptable actions have resulted in the loss of social credibility of the relevant company                      • Cases where significant governance failure is identified.                      • Other acts which may have a profound impact on society or the environment</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Mandatory	100%	98%	100%	100%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 11 corresponds to "Human Rights &amp; Community Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>- In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows:                      • Human Capital Risk: "Promotion of DEE (Diversity, Equity and Inclusion) management"</p>
	12. Unadjusted gender pay gap	Mandatory	0%	N.A.	0%	N.A.	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 12 corresponds to "Human Capital Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>- In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows:                      • Human Capital Risk: "Promotion of DEE (Diversity, Equity and Inclusion) management"</p>

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Japan Small Cap II Fund  
Indicators applicable to investments in investee companies

Reverse sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	Mandatory	72%	13%	78%	14%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 13 corresponds to "Governance Structure" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference peer.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows. The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. • Human Capital Risks: "Promotion of DE&amp;I (Diversity, Equity and Inclusion) management" • Governance Structure: "Improving gender diversity of board of directors"</p> <p>- Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholders' capital for sustainable growth; and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>In cases where there is no female director, the Investment Manager will dissent from the proposed appointment of directors. Targets are listed companies on the Prime Market.</p>
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Mandatory	100%	0%	100%	0%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 14 corresponds to "Human Rights &amp; Community Risks" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. All potential investments have been negatively screened where companies related to manufacturing controversial weapons are excluded from the Sub-Fund.</p>	<p>- Investment Decision All the potential investments for mainly active strategies are negatively screened, where the companies related to manufacturing controversial weapons are excluded and new/additional investments are prohibited. Controversial weapons include products such as "cluster munitions", "anti-personnel mine", "biological weapons" and "chemical weapons", etc. Manufacturing, sales, and use of these weapons are widely prohibited under international treaties as well as Japan ratifying relevant treaties.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager will engage with such relevant companies to seek improvements. In case these companies reject to have an opportunity of an engagement, the investee company would be deliberated and, in some cases, decided to be divested under the decision on the Sustainability Committee.</p> <p>- Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholders' capital for sustainable growth; and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>If a proposal has any relevant issues about such controversial weapons, the Investment Manager will make their decision based on a negative perception of the issues and understanding the reason for the exclusion on negative screening.</p>

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Japan Small Cap II Fund  
Indicators applicable to investments in investee companies

Reverse sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Additional/ Environmental 2 Emissions in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	Optional	100%	90%	100%	95%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors An additional indicator PAI No.4 corresponds to "Climate Change Vulnerability" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows. The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures.</p> <ul style="list-style-type: none"> <li>Climate Change Vulnerability: "Reduction of greenhouse gas emissions and decarbonization", "Promotion of corporate activities aligns with the Paris Agreement"</li> <li>Environmental Opportunities: "Expansion and Promotion of environmentally friendly products and services"</li> </ul> <p>- Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholders' capital for sustainable growth; and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>The Investment Manager will make the following decisions on the exercise of voting rights in response to ESG issues:  <ul style="list-style-type: none"> <li>Regarding response to climate change, they will be opposed in principle to companies with relatively high levels of greenhouse gas emissions that fall into any of the following categories and do not provide a rational explanation for their actions. <ul style="list-style-type: none"> <li>① Cases where there has been inadequate disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) or equivalent framework.</li> <li>② When there has been a failure to set medium- and long-term goals in line with the Paris Agreement or to disclose specific measures to achieve them.</li> <li>③ When there has been no evidence of progress in reducing greenhouse gas emissions - investment Decision</li> </ul> </li> </ul> </p>
Additional/ Social and employee issues 2 Back of a human rights policy	Share of investments in entities without a human rights policy	Optional	100%	57%	100%	58%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors An additional indicator PAI No.9 corresponds to "Human Rights &amp; Community Risks" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows. The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures.</p> <ul style="list-style-type: none"> <li>Climate Change Vulnerability: "Reduction of greenhouse gas emissions and decarbonization", "Promotion of corporate activities aligns with the Paris Agreement"</li> <li>Environmental Opportunities: "Expansion and Promotion of environmentally friendly products and services"</li> </ul>

Historical comparison  
PAI 1.2.3: The main reason for the difference compared to the previous year's results is that the data source of GHG emissions was changed.

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Japan Quality Growth Fund

Indicators applicable to investments in investee companies

Environmental indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period		
Greenhouse gas emissions	1. GHG emissions (TC2a)	Mandatory	Scope 1 GHG emissions	100%	78	100%	219	How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors (No. 5) corresponds to "Climate Change Vulnerability" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality. In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality, and voting activities following the proxy voting guideline.	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocation of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
			Scope 2 GHG emissions	100%	19	100%	214			
			Scope 1&2 GHG emissions	100%	9.78	100%	433			
	2. Carbon footprint (TC2a/Mio t)	Mandatory	Scope 1	100%	9	100%	9	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocation of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.		
			Scope 2	100%	0.04	100%	0.04			
			Scope 1&2	100%	11	100%	13			
	3. GHG intensity of investee companies (TC2a/Mio t)	Mandatory	Scope 1	100%	1.03	100%	1.13	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocation of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.		
			Scope 2	100%	26	100%	28			
			Scope 1&2	100%	1.03	100%	1.13			
	Biodiversity	4. Exposure to companies active in the fossil fuel sector	Mandatory	Share of investments in companies active in the fossil fuel sector	94%	3%	100%	3%	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocation of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
5. Share of non-renewable energy consumption and production				Mandatory	Share of non-renewable energy consumption and production	31%	83%	24%		85%
					6. Energy consumption intensity per high impact climate sector (GW/h Mio t)	Mandatory	Energy consumption in GW per million EUR of revenue of investee companies, per high impact climate sector	0%		N.A.
		0%	N.A.				0%	N.A.		
0%		N.A.	0%	N.A.						
7. Air (other negative) affecting biodiversity-sensitive areas		Mandatory	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	N.A.	0%	N.A.	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocation of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.		
				0%	N.A.	0%	N.A.			
				0%	N.A.	0%	N.A.			
				0%	N.A.	0%	N.A.			
Water		8. Emissions to water (TC9/Mio t)	Mandatory	Toxic emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0%	N.A.	0%	N.A.	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocation of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.	
	0%				N.A.	0%	N.A.			
	0%				N.A.	0%	N.A.			
	9. Pollution & Waste Risks	Mandatory	Toxic emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0%	N.A.	0%	N.A.	Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocation of investments to investee companies with environmental and/or social characteristics. The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceeds the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.		
				0%	N.A.	0%	N.A.			
				0%	N.A.	0%	N.A.			
				0%	N.A.	0%	N.A.			
				0%	N.A.	0%	N.A.			
				0%	N.A.	0%	N.A.			
				0%	N.A.	0%	N.A.			

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Japan Quality Growth Fund  
Indicators applicable to investments in investee companies

Reverse sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Waste	9. Hazardous waste and radioactive waste ratio (Ton / Mio €)	Mandatory	12%	0.53	17%	0.25	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 9 corresponds to "Pollution &amp; Waste Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>- In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p> <p>- Limitation of data The attribution factor, as defined with the "PCAF Standard", is calculated as data: 1. Numerator (value of holdings in portfolio) 2. Denominator (EVC) EVC calculated using the data of the most recent fiscal year acquired at the portfolio reference date (end of quarter) "PCAF Standard": the Global GHG Accounting and Reporting Standard for the Financial Industry issued by the Partnership for Carbon Accounting Financials</p> <p>- Investee companies lack of data are counted as zero.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>- The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. • Pollution &amp; Waste Risk: "Tackling issues of ocean plastic" • Environmental Opportunities: "Transitioning to a resource circulation type business model"</p>
Social and employee matters	10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Mandatory	100%	0%	100%	0%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 10 corresponds to "Human Rights &amp; Community Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>- In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>- The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. • Human Rights &amp; Community Risk, Human Capital Risk: "Elimination of labor, environmental, and social issues from supply chains"; "Strategies to work satisfaction improvements" • Security &amp; Liability Risk: "Safety of products, services and employees" • Climate Change Vulnerability, Natural Capital Risk, Pollution &amp; Waste Risk: "Conservation of forests, water resources, and recovery of biodiversity" • Fair and Stable Business Conduct: "Elimination of governance incompetence at companies facing misconduct"</p> <p>- Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholders' capital for sustainable growth; and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guidelines based on these criteria.</p> <p>- In any of the following cases, the Investment Manager will dissent in principle from the proposals for appointment of directors: • In cases where a candidate who is considered to have been involved in, or to have had supervisory responsibilities for a controversy which has impacted on the value of the relevant company. In principle, the following acts are deemed controversies whereby the relevant company has been judged to have been involved as an organization: • Violation of antitrust laws and/or laws and regulations prohibiting bribery, corruption, etc. • Inappropriate accounting practices and delays in the release of setting of accounts. • Cases where fraudulent inspections and falsification of data, among others, have materially impacted the relevant company's management and operations • Cases where socially unacceptable actions have resulted in the loss of social credibility of the relevant company • Cases where significant governance failure is identified. • Other acts which may have a profound impact on society or the environment</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Mandatory	100%	68%	100%	67%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 11 corresponds to "Human Rights &amp; Community Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>- In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>- The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. • Human Capital Risk: "Promotion of DEB (Diversity, Equity and Inclusion) management"</p>
	12. Unadjusted gender pay gap	Mandatory	1%	31%	0%	N.A.	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No. 12 corresponds to "Human Capital Risk" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>- In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on this "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>- The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows: The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. • Human Capital Risk: "Promotion of DEB (Diversity, Equity and Inclusion) management"</p>

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Japan Quality Growth Fund  
Indicators applicable to investments in investee companies

Reverse sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	Mandatory	91%	17%	99%	17%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors: PAI No. 13 corresponds to "Governance Structure" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference peer.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows. The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures. • Human Capital Risks: "Promotion of DE&amp;I (Diversity, Equity and Inclusion) management" • Governance Structure: "Improving gender diversity of board of directors"</p> <p>- Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholders' capital for sustainable growth; and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>In cases where there is no female director, the Investment Manager will dissent from the proposed appointment of directors. Targets are listed companies on the Prime Market.</p>
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Mandatory	100%	0%	100%	0%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors: PAI No. 14 corresponds to "Human Rights &amp; Community Risks" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. All potential investments have been negatively screened when companies related to manufacturing controversial weapons are excluded from the Sub-Fund.</p>	<p>- Investment Decision All the potential investments for mainly active strategies are negatively screened, where the companies related to manufacturing controversial weapons are excluded and new/additional investments are prohibited. Controversial weapons include products such as "cluster munitions", "anti-personnel mines", "biological weapons" and "chemical weapons", etc. Manufacturing, sales, and use of these weapons are widely prohibited under international treaties as well as Japan ratifying relevant treaties.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager will engage with such relevant companies to seek improvements. In case these companies reject to have an opportunity of an engagement, the investee company would be deliberated and, in some cases, decided to be divested under the decision on the Sustainability Committee.</p> <p>- Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholders' capital for sustainable growth; and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>If a proposal has any relevant issues about such controversial weapon, the Investment Manager will make their decision based on a negative perception of the issues and understanding the reason for the exclusion on negative screening.</p>

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Japan Quality Growth Fund  
Indicators applicable to investments in investee companies

General sustainability indicator	Metric	Mandatory/Optional	Coverage (year n)	Impact (year n)	Coverage (year n-1)	Impact (year n-1)	Explanation	Actions taken, and actions planned and targets set for the next reference period
Additional/Environmental A Investment in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	Optional	100%	50%	100%	57%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors An additional indicator PAI No.4 corresponds to "Climate Change Vulnerability" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows. The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures.</p> <ul style="list-style-type: none"> <li>Climate Change Vulnerability: "Reduction of greenhouse gas emissions and decarbonization", "Promotion of corporate activities aligns with the Paris Agreement"</li> <li>Environmental Opportunities: "Expansion and Promotion of environmentally friendly products and services"</li> </ul> <p>- Exercise of Voting Rights The Investment Manager views exercise of voting rights as an opportunity to call for a minimum standard of governance and consider it to be one method of governance-related engagement. They emphasize three key points when exercising voting rights: (1) high-quality governance that respects shareholders' equity; (2) efficient utilization of shareholders' capital for sustainable growth; and (3) appropriate action in the event an incident occurs which damages corporate value. They conduct exercise of voting rights according to their guideline based on these criteria.</p> <p>The Investment Manager will make the following decisions on the exercise of voting rights in response to ESG issues:  <ul style="list-style-type: none"> <li>Regarding response to climate change, they will be opposed in principle to companies with relatively high levels of greenhouse gas emissions that fall into any of the following categories and do not provide a rational explanation for their actions. <ul style="list-style-type: none"> <li>① Cases where there has been inadequate disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) or equivalent framework.</li> <li>② When there has been a failure to set medium- and long-term goals in line with the Paris Agreement or to disclose specific measures to achieve them.</li> <li>③ When there has been no evidence of progress in reducing greenhouse gas emissions - investment Decision</li> </ul> </li> </ul> </p>
Additional/Social and employee matters B Back of a human rights policy	Share of investments in entities without a human rights policy	Optional	100%	27%	100%	32%	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors An additional indicator PAI No.9 corresponds to "Human Rights &amp; Community Risks" of ESG materiality identified by the Investment Manager as 12 important sustainability challenges. The Investment Manager considers principal adverse impacts through the application of the ESG Scoring Process, which is an evaluation based on the ESG Materiality.</p> <p>In addition, the Investment Manager considers principal adverse impacts through engagement activities with respect to ESG issues which are based on the ESG Materiality and voting activities following the proxy voting guideline.</p>	<p>- Investment Decision The Investment Manager will take the ESG evaluation conducted based on the "ESG Materiality" into the investment decision-making process, and then carry out ESG integration with the aim of maximizing investment return. This will result in the allocating of investments to investee companies with environmental and/or social characteristics.</p> <p>- The Sub-Fund promotes environmental and/or social characteristics by applying Investment Manager's ESG Scoring Process, which evaluates an issuer's ESG performance based on ESG Materiality which includes the consideration for PAI, and investing in the proposed investments only when the average ESG Score, weighted with market capitalization, of the whole portfolio of the Sub-Fund exceed the ESG Scoring Threshold. The "ESG Scoring Threshold" means the average ESG Score, weighted with market capitalization, of the reference index.</p> <p>- Engagement Activities The Investment Manager views engagement activities as opportunities to seek best practices from companies, and communicates their views so as to contribute to the enhancement of corporate value over the medium to long term through gaining a proper understanding of a company's state of management and business situation from both an ESG and business perspective.</p> <p>The Investment Manager conducts their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows. The Investment Manager conducts their engagement activities with investee companies continuously to encourage them to develop strategies for addressing the issues and improve their relevant disclosures.</p> <ul style="list-style-type: none"> <li>Climate Change Vulnerability: "Reduction of greenhouse gas emissions and decarbonization", "Promotion of corporate activities aligns with the Paris Agreement"</li> <li>Environmental Opportunities: "Expansion and Promotion of environmentally friendly products and services"</li> </ul>

Historical comparison  
PAI 1.2.3: The main reason for the difference compared to the previous year's results is that the data source of GHG emissions was changed.