

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Fonds Commun de Placement

(RCS Number: K1895)

Annual Report including Audited Financial Statements

For the year ended 31 March 2023

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

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No subscriptions can be received solely on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the latest annual report including audited financial statements or by the most recent unaudited semi-annual report, if published thereafter.

The information contained in this report is historical and not necessarily indicative of future performance.

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

The Sub-Funds and their objectives

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG) (the “Fund”) has adopted an ‘umbrella’ structure to provide investors with a choice of investment portfolios (“Sub-Funds”) within the same investment vehicle. Each Sub-Fund may be differentiated by its specific investment objective, policy, currency of denomination, domicile of the target Unitholders or other specific features. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. This arrangement enables investors to select the Sub-Fund which best reflects their specific risk and return expectations as well as their diversification requirements.

Investment objectives of the Sub-Funds that were available for investment as at 31 March 2023 are as follows:

Sakigake High Alpha – Japan Thematic Growth

Sakigake High Alpha – Japan Thematic Growth seeks to generate excess return against the designated benchmark TOPIX Total Return Index on a consistent basis, measured in JPY. The investment objective is pursued through investing at least two thirds of the assets in a high conviction concentrated portfolio of equities or equity related securities which are listed or traded on recognised exchanges in Japan, with a high return potential.

Japan Growth Opportunity – liquidated on 27 July 2022 and is therefore no longer available for subscription.

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Management Company

FundRock Management Company S.A.
33, rue de Gasperich
L-5826 Hesperange
Grand Duchy of Luxembourg

Board of Directors of the Management Company

Chairman

Michel Vareika

Independent Non-Executive Director
Grand Duchy of Luxembourg

Directors

Romain Denis

Executive Director - Managing Director
FundRock Management Company S.A., Grand Duchy of Luxembourg

Thibault Grégoire

Executive Director - Chief Financial Officer
FundRock Management Company S.A., Grand Duchy of Luxembourg

Xavier Parain (resigned on 10 February 2023)

Executive Director - Head of FundRock
FundRock Management Company S.A., Grand Duchy of Luxembourg

Carmel McGovern (appointed on 30 June 2022)

Independent Non-Executive Director
FundRock Management Company S.A., Grand Duchy of Luxembourg

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Board of Directors of the Management Company (continued)

Conducting officers of the business of the Management Company

Romain Denis

Executive Director - Managing Director

FundRock Management Company S.A., Grand Duchy of Luxembourg

Emmanuel Nantas

Director - Compliance

FundRock Management Company S.A., Grand Duchy of Luxembourg

Franck Caramelle

Head of Alternative Investments

FundRock Management Company S.A., Grand Duchy of Luxembourg

Khalil Haddad

Valuation Manager

FundRock Management Company S.A., Grand Duchy of Luxembourg

Xavier Parain (resigned on 10 February 2023)

Executive Director - Head of FundRock

FundRock Management Company S.A., Grand Duchy of Luxembourg

Karl Fuhrer (appointed on 10 February 2023)

Global Head of Investment Management Oversight

FundRock Management Company S.A., Grand Duchy of Luxembourg

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Report of the Board of Directors of the Management Company

For the year ended 31 March 2023

The Directors present their report with the financial statements of the SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG) (the “Fund”) for the year ended 31 March 2023.

Principal Activity

The principal activity of the Fund is to manage its assets for the benefit of unitholders of the Fund and to seek to achieve the objective of each Sub-Fund. The Fund is organised in and under the laws of the Grand Duchy of Luxembourg as a mutual investment umbrella fund (*fonds commun de placement à compartiments multiples*). The Fund is managed by the Management Company, FundRock Management Company S.A., in accordance with the Management Regulations originally entered into on 25 May 2018 and amended on 1 October 2018. The Management Company entered into an Investment Management Agreement with Sumitomo Mitsui Trust Asset Management Co., Ltd. to provide day to day management of the Fund's investments in accordance with Chapter 15 of the Luxembourg law of 17 December 2010, as amended.

Performance

The return of Sakigake High Alpha – Japan Thematic Growth was +2.49% and the excess return (vs. the TOPIX Total Return) was -3.32% for the year from 1 April 2022 to 31 March 2023. Details of the Sub-Fund's investments are included in the Schedule of Investments as at 31 March 2023.

Corporate governance

The Board of Directors of the Management Company (the “Board”) is responsible for ensuring that a high level of corporate governance is met and considers that the Fund has complied with the best practices in the Luxembourg funds industry. In particular, the Board has adopted the ALFI Code of Conduct (the “Code”) which sets out principles of corporate governance. The Board considers that the Fund has been in compliance with the principles of the Code in all material aspects throughout the financial year ended 31 March 2023.

Events during the year

On 27 July 2022 Japan Growth Opportunity was liquidated.

Carmel McGovern has been appointed as a Director on 30 June 2022.

Xavier Parain resigned as a Director on 10 February 2023.

There were no significant events affecting the Fund during the year.

The figures stated in the report are historical and not necessarily indicative of future performance.

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Investment Manager's Report

Sakigake High Alpha – Japan Thematic Growth Fund

Executive Summary

The return of the sub-fund was +2.49% and the excess return (vs. the TOPIX Total Return) was -3.32% for the year from 1 April 2022 to 31 March 2023.

Performance 1 April 2022 - 31 March 2023

Sub-Fund:	+2.49%
TOPIX Total Return:	+5.81%
Excess Return:	-3.32%

Comment on Performance

The fund underperformed its benchmark.

This was mainly due to an overweight position in electrical equipment and machinery stocks, whose shares fell in the April to June quarter when the Fed accelerated the pace of interest rate hikes.

The fund outperformed after October, when the rise in inflation slowed and a reduction in U.S. interest rate hikes was in sight. Although the fund loss was reduced, performance was nevertheless negative for the period.

Individually, the following stocks made positive contributions.

- DAIICHI SANKYO (Higher global sales of cancer drugs boosted earnings.)
- KAWASAKI HEAVY INDUSTRIES (The aircraft business, which had suffered due to COVID, recovered on global economy reopening.)
- MATSUKIYOCOCOKARA (Expected recovery in consumption and inbound demand with the reopening of the domestic economy.)

On the other hand, the following stocks made negative contributions.

- JAPAN STEEL WORKS (The revelation of product inspection irregularities at a subsidiary led to concerns over delayed recovery of future orders.)
- TOKYO ELECTRON (Due to a drop in demand for semiconductor production equipment from a slowdown in demand for semiconductors and a decline in market prices.)
- RECRUIT HOLDINGS (Concerns over future performance had arisen due to a decline in job demand in the U.S. as a result of the economic slowdown.)

Top 3 Contributors to Excess Returns

Name	Excess Returns
DAIICHI SANKYO	+1.54%
KAWASAKI HEAVY INDUSTRIES	+0.79%
MATSUKIYOCOCOKARA	+0.63%

Bottom 3 Contributors to Excess Returns

Name	Excess Returns
JAPAN STEEL WORKS	-1.23%
TOKYO ELECTRON	-0.73%
RECRUIT HOLDINGS	-0.70%

Comment on Outlook for Fiscal Year 2023

Although the effects of financial instability in Europe and the U.S. remain, the stock market is gradually recovering and the future focus is likely to shift to economic trends and earnings. The rate of inflation falling at a slow pace is a concern, but the steady domestic economic normalisation, solid earnings, and aggressive share buybacks are supporting factors for share prices.

The figures stated in the report are historical and not necessarily indicative of future performance.

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Investment Manager's Report (continued)

Sakigake High Alpha – Japan Thematic Growth Fund (continued)

Comment on Outlook for Fiscal Year 2023 (continued)

Although earnings guidance for the new financial year is expected to be conservative, the stock market is expected to bounce from its previous lows as the current undervaluation has largely been factored in, U.S. interest rate hikes are likely to end around the same time, and unlike the previous year, the impact of higher raw material prices and supply chain disruptions should be less severe. We also see positive effects from earnings from October onwards as they are expected to show a significant year-on-year improvement after last year's rapid decline.

Regarding our investment policy, the portfolio will be built around companies with highly competitive products and services, stable growth potential and a high probability of profit growth. Our strategy is to increase the weighting of stocks whose earnings are expected to improve due to increased IT investment by companies, and stocks whose performance is expected to recover with the normalisation of economic activities in Japan. On the other hand, we will reduce the weighting of companies which may face lower demand due to economic deterioration.

Our investment strategy for financial stocks is to respond flexibly based on developments in monetary policy and long-term interest rates in various countries and regions, while that for resource and materials stocks is to invest in names that provide components related to EVs and renewable energy.

The figures stated in the report are historical and not necessarily indicative of future performance.

To the Unitholders of
SuMi Trust Investment Funds (Luxembourg)

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

Opinion

We have audited the financial statements of SuMi Trust Investment Funds (Luxembourg) (the “Fund”) and of each of its sub-funds, which comprise the statement of net assets and the schedule of investments as at 31 March 2023 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of each of its sub-funds as at 31 March 2023, and of the results of their operations and changes in its their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “*Commission de Surveillance du Secteur Financier*” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “*réviseur d’entreprises agréé*” for the Audit of the Financial Statements” section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund’s Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the “*réviseur d’entreprises agréé*” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund’s Management Company for the Financial Statements

The Board of Directors of the Fund’s Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund’s Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund's Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund's Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the Audit of the Financial Statements

The objectives of our audit 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 a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund's Management Company.
- Conclude on the appropriateness of the Board of Directors of the Fund's Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d'entreprises agréé” to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d'entreprises agréé”. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de révision agréé*

Nicolas Hennebert, *Réviseur d'entreprises agréé*
Partner

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG) – Sakigake High Alpha – Japan Thematic Growth

Schedule of Investments as at 31 March 2023

Description	Quantity	Currency	Valuation (in JPY)	% of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON OTHER REGULATED MARKETS				
COMMON STOCKS				
JAPAN				
Basic Materials				
Japan Steel Works Ltd	10,400	JPY	25,781,600	1.91
JFE Holdings Inc	4,000	JPY	6,716,000	0.50
Nippon Steel & Sumitomo Metal Corp	5,000	JPY	15,600,000	1.16
Shin-Etsu Chemical Co Ltd	11,700	JPY	50,017,500	3.71
Sumitomo Metal Mining Co Ltd	4,600	JPY	23,225,400	1.73
			121,340,500	9.01
Communications				
Kadokawa Corp	3,900	JPY	10,990,200	0.81
M3 Inc	2,800	JPY	9,242,800	0.69
			20,233,000	1.50
Consumer Cyclical				
Daiwa House Industry Co Ltd	2,300	JPY	7,162,200	0.53
Denso Corp	3,700	JPY	27,539,100	2.04
Fast Retailing Co Ltd	500	JPY	14,440,000	1.07
Isetan Mitsukoshi Holdings Ltd	22,500	JPY	33,345,000	2.48
Matsumotokiyoshi Holdings Co Ltd	5,100	JPY	35,751,000	2.65
Mitsubishi Corp	9,200	JPY	43,709,200	3.24
Nitori Holdings Co Ltd	900	JPY	14,337,000	1.07
Oriental Land Co Ltd	7,000	JPY	31,696,000	2.35
Shimano Inc	500	JPY	11,420,000	0.85
Sony Corp	5,300	JPY	63,520,500	4.71
Sumitomo Electric Industries Ltd	21,200	JPY	35,976,400	2.67
Toyota Motor Corp	10,000	JPY	18,800,000	1.40
			337,696,400	25.06
Consumer Non-cyclical				
Daiichi Sankyo Co Ltd	10,500	JPY	50,631,000	3.76
Eisai Co Ltd	4,000	JPY	30,016,000	2.23
GMO Payment Gateway Inc	1,400	JPY	15,932,000	1.18
KAO Corp	1,100	JPY	5,683,700	0.42
Park24 Co Ltd	13,500	JPY	26,122,500	1.94
Recruit Holdings Co Ltd	7,500	JPY	27,375,000	2.03
Shiseido Co Ltd	4,300	JPY	26,578,300	1.97
			182,338,500	13.53
Financial				
Mitsubishi UFJ Financial Group Inc	35,600	JPY	30,185,240	2.24
Sumitomo Mitsui Financial Group Inc	4,500	JPY	23,841,000	1.77
			54,026,240	4.01
Industrial				
Central Japan Railway Co	2,100	JPY	33,201,000	2.46
Daifuku Co Ltd	12,300	JPY	30,048,900	2.23
Daikin Industries Ltd	1,100	JPY	26,020,500	1.93
Disco Corp	2,100	JPY	32,130,000	2.38
FANUC Corp	4,500	JPY	21,420,000	1.59
Fuji Electric Co Ltd	4,600	JPY	23,920,000	1.78
Hitachi Ltd	3,100	JPY	22,481,200	1.67
Hoya Corp	1,500	JPY	21,840,000	1.62
Ibiden Co Ltd	6,800	JPY	35,768,000	2.65
Kawasaki Heavy Industries Ltd	12,500	JPY	36,175,000	2.69
Keyence Corp	900	JPY	58,005,000	4.30
Maruwa Co Ltd	2,800	JPY	51,408,000	3.82
Mitsubishi Heavy Industries Ltd	2,800	JPY	13,652,800	1.01
Murata Manufacturing Co Ltd	2,700	JPY	21,708,000	1.61
SMC Corp	500	JPY	34,915,000	2.59
TOTO Ltd	4,500	JPY	19,890,000	1.48
			482,583,400	35.81
Technology				
Nomura Research Institute Ltd	7,300	JPY	22,374,500	1.66
SHIFT Inc	2,100	JPY	49,266,000	3.66

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

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG) – Sakigake High Alpha – Japan Thematic Growth

Schedule of Investments as at 31 March 2023 (continued)

Description	Quantity	Currency	Valuation (in JPY)	% of Net Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON OTHER REGULATED MARKETS (CONTINUED)				
COMMON STOCKS (CONTINUED)				
JAPAN (CONTINUED)				
Technology (continued)				
Tokyo Electron Ltd	3,000	JPY	48,120,000	3.57
			119,760,500	8.89
TOTAL INVESTMENTS (COST: JPY 1,112,847,301)			1,317,978,540	97.81
OTHER NET ASSETS			29,563,771	2.19
TOTAL NET ASSETS			1,347,542,311	100.00

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

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Statement of Net Assets as at 31 March 2023

	Notes	Sakigake High Alpha - Japan Thematic Growth (in JPY)	Combined* (in JPY)
ASSETS			
Investments at market value	2b	1,317,978,540	1,317,978,540
Unrealised appreciation on:			
- Forward foreign exchange contracts	2b, 8	12,144,198	12,144,198
Cash at bank	2b	9,466,294	9,466,294
Dividends receivable	2e	9,511,050	9,511,050
Receivable for investments sold		4,789,406	4,789,406
Expenses reimbursement receivable	2g	9,106,749	9,106,749
Other Receivables		595,580	595,580
TOTAL ASSETS		1,363,591,817	1,363,591,817
LIABILITIES			
Unrealised depreciation on:			
- Forward foreign exchange contracts	2b, 8	269,552	269,552
Management fees payable	4	659,866	659,866
Investment Management fees payable	4	1,112,408	1,112,408
Marketing fees payable	4	317,480	317,480
Accrued expenses and other liabilities		13,690,200	13,690,200
TOTAL LIABILITIES		16,049,506	16,049,506
TOTAL NET ASSETS		1,347,542,311	1,347,542,311

*Japan Growth Opportunity liquidated on 27 July 2022.

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

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Statement of Operations and Changes in Net Assets for the period from 1 April 2022 to 31 March 2023

	Notes	Sakigake High Alpha - Japan Thematic Growth (in JPY)	Japan Growth Opportunity* (in JPY)	Combined (in JPY)
INCOME				
Dividends, net of withholding tax	2e	56,448,110	952,512	57,400,622
Other income	2i	621,679	2,199,933	2,821,612
TOTAL INCOME		57,069,789	3,152,445	60,222,234
EXPENSES				
Investment management fees	4	11,482,013	665,864	12,147,877
Management fees	4	2,803,875	1,350,750	4,154,625
Audit fees		3,798,165	6,478	3,804,643
Marketing fees	4	30,582,496	188,636	30,771,132
Depositary and administration fees	5	19,573,268	3,601,516	23,174,784
Amortisation of formation expenses	2f	–	2,223,686	2,223,686
<i>Taxe d'abonnement</i>	3	1,726,612	74,690	1,801,302
Transaction costs	2h	3,997,888	399,873	4,397,761
Other expenses		1,460,000	413,006	1,873,006
TOTAL EXPENSES		75,424,317	8,924,499	84,348,816
Expenses reimbursed	2g	12,544,537	5,794,441	18,338,978
NET INVESTMENT (LOSS)/INCOME		(5,809,991)	22,387	(5,787,604)
Net realised gain/(loss) on sale of investments		645,426,711	(66,779,516)	578,647,195
Net realised gain on forward foreign exchange contracts and foreign currency translations		942,769,620	35,485,007	978,254,627
TOTAL NET REALISED GAIN/(LOSS)		1,588,196,331	(31,294,509)	1,556,901,822
Net change in unrealised (depreciation)/appreciation on investments		(892,303,347)	13,391,542	(878,911,805)
Net change in unrealised depreciation on forward foreign exchange contracts and foreign currency translations		(12,048,073)	(1,381,394)	(13,429,467)
TOTAL NET CHANGE IN UNREALISED (DEPRECIATION)/APPRECIATION		(904,351,420)	12,010,148	(892,341,272)
RESULT OF OPERATIONS FOR THE YEAR/PERIOD		678,034,920	(19,261,974)	658,772,946
Redemptions of units		(4,444,030,412)	(596,851,486)	(5,040,881,898)
Distribution paid		–	(1,598,244)	(1,598,244)
TOTAL CAPITAL STOCK TRANSACTIONS		(4,444,030,412)	(598,449,730)	(5,042,480,142)
TOTAL NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD		5,113,537,803	617,711,704	5,731,249,507
TOTAL NET ASSETS AT THE END OF THE YEAR/PERIOD		1,347,542,311	–	1,347,542,311

*Japan Growth Opportunity liquidated on 27 July 2022.

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

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Statistical Information

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Sakigake High Alpha - Japan Thematic Growth			
Total Net Asset Value (in JPY)	1,347,542,311	5,113,537,803	4,749,783,688
(Class A JPY)			
Units	7,868	7,868	15,735
Net Asset Value per Unit (in JPY)	13,267	12,983	13,014
(Class B JPY)			
Units	39,536	39,536	39,536
Net Asset Value per Unit (in JPY)	13,458	13,131	13,124
(Class A USD Hedged)			
Units	9,094	9,094	—
Net Asset Value per Unit (in USD)	106.90	101.90	—
(Class B USD Hedged)			
Units	30,352	30,852	30,852
Net Asset Value per Unit (in USD)	143.69	136.25	136.29
(Class C USD Hedged)			
Units	—	209,004	209,004
Net Asset Value per Unit (in USD)	—	152.09	153.96

	As at 31 March 2023
Sakigake High Alpha - Japan Thematic Growth	Total Expense Ratio
(Class A JPY)	1.00%
(Class B JPY)	0.70%
(Class A USD Hedged)	1.50%
(Class B USD Hedged)	0.94%
(Class C USD Hedged)*	2.43%

Sakigake High Alpha - Japan Thematic Growth	Sub-Fund:	TOPIX Total Return:	Excess Return:
Performance for year ended 31.03.2023	+2.49%	+5.81%	-3.32%
Performance for year ended 31.03.2022	+0.06%	+1.99%	-1.93%
Performance for year ended 31.03.2021	+55.77%	+42.13%	+13.63%

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

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Statistical Information (continued)

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Japan Growth Opportunity**			
Total Net Asset Value (in JPY)	–	617,711,704	654,018,466
(Class A JPY)			
Units	–	10,000	10,000
Net Asset Value per Unit (in JPY)	–	11,315	12,518
(Class B JPY)			
Units	–	20,000	20,000
Net Asset Value per Unit (in JPY)	–	11,369	12,540
(Class B USD Hedged)			
Units	–	20,000	20,000
Net Asset Value per Unit (in USD)	–	113.89	125.63

	As at 31 March 2023
Japan Growth Opportunity**	Total Expense Ratio
(Class A JPY)*	1.65%
(Class B JPY)*	1.35%
(Class B USD Hedged)*	0.88%

Japan Growth Opportunity**	Sub-Fund:	TOPIX Total Return:	Excess Return:
Performance for year ended 31.03.2023	–	–	–
Performance for year ended 31.03.2022	-9.34%	1.99%	-11.33%
Performance for year ended 31.03.2021	+25.40 %	+24.06%	+1.34%

* Annualised.

** Japan Growth Opportunity liquidated on 27 July 2022.

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

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Notes to the Financial Statements as at 31 March 2023

1 GENERAL INFORMATION

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG) (the "Fund") organised in and under the laws of the Grand Duchy of Luxembourg as a mutual investment umbrella fund (fonds commun de placement à compartiments multiples), is an unincorporated coproprietorship of securities and other assets ("Securities") managed in the interest of its co-owners ("Unitholders") by FundRock Management Company S.A., acting for and on behalf of the Fund (the "Management Company"), a company authorised under Chapter 15 of the amended Law of 17 December 2010, and an AIFM under Chapter 2 of the amended Law of 12 July 2013 and having its registered office in the Grand Duchy of Luxembourg. The assets of the Fund are segregated from those of the Management Company and from those of any other investment funds managed by the Management Company. The Fund is authorised under part 1 of the Luxembourg law of 17 December 2010 on undertakings for collective investment in transferable securities, as amended (the "2010 Law").

As at 31 March 2023, the Fund consisted of the following Sub-Fund:

- Sakigake High Alpha – Japan Thematic Growth (currency of denomination: JPY).

The following Sub-Fund was liquidated during the year ended 31 March 2023:

- Japan Growth Opportunity liquidated on 27 July 2022.

Classes - Categories of Units

The following Classes are available: Class A, Class B, Retail Class, RDR Class, Class C. Classes may be hedged or unhedged. Within the same Class, Units may be accumulating ("a"), distributing ("d") or reinvesting ("r") as further detailed in the Prospectus as of 1 January 2023.

As at 31 March 2023, Class A, Class B, Class A Hedged and Class B Hedged Units have been issued.

The list of the investment funds managed by the Management Company may be obtained, on request, at the registered office of the Management Company.

2 SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund.

a) Presentation of Financial Statements

The financial year of the Fund shall terminate as at 31 March in each year. The financial statements have been prepared in accordance with generally accepted accounting principles in Luxembourg and the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements of UCITS ("Undertakings for Collective Investment in Transferable Securities").

The Combined Financial Statements equal the sum of the financial statements of the all Sub-Funds. The Combined Statement of Net Assets and Combined Statement of Operations and Changes in Net Assets are expressed in JPY. The currency of all Sub-Funds is JPY and therefore there is no currency translation adjustment.

b) Main Investment Valuation Principles

The value of assets of the Fund is determined as follows:

- the value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received, shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof;
- the value of all portfolio securities which are listed on an official stock exchange or traded on any other regulated market are valued at the last available closing price on the principal market on which such securities are traded, as furnished by a pricing service approved by the Management Company. If such prices are not representative of the fair value, such securities as well as all other permitted assets, including securities which are not listed on a stock exchange or traded on a regulated market, are valued at a fair value at which it is expected that they may be resold, as determined in good faith by and under the direction of the Management Company;
- all investments, cash balances and other assets of the Fund expressed in currencies other than the currency of denomination in which the Net Asset Value of the Sub-Funds is calculated, shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the Net Asset Value of Units;

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Notes to the Financial Statements as at 31 March 2023 (continued)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Main Investment Valuation Principles (continued)

- forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the relevant valuation date. The fair value of forward foreign exchange contracts is calculated as the difference between the contracted rate and the current forward rate that would close out the contract on the valuation date. The unrealised appreciation and depreciation are shown in the Statement of Net Assets under "Unrealised appreciation on forward foreign exchange contracts" and "Unrealised depreciation on forward foreign exchange contracts". Net realised gain/(loss) and net change in unrealised appreciation/(depreciation) as a result thereof are included in the Statement of Operations and Changes in Net Assets under "Net realised gain/(loss) on forward foreign exchange contracts and foreign currency translations" and "Net change in unrealised appreciation/(depreciation) on forward foreign exchange contracts and foreign currency translations", respectively.

c) Net realised gain/(loss) on investments and change in unrealised appreciation/(depreciation) on investments

Net realised gains or losses on sales of investments are calculated on the basis of average cost method of the investments sold. At period end, holdings in securities have been valued at their last available prices on the main market for the relevant security, net change in unrealised gains or losses are included within the Statement of Operations and Changes in Net Assets.

d) Treatment of Currencies

The books and records of the Sub-Funds are denominated in the reference currency. All assets and liabilities of the Sub-Funds expressed in a currency other than the reference currency are converted into such currency at the prevailing market rates as obtained from one or more banks or dealers as at 31 March 2023. The exchange gain or loss arising from the translation of these items is taken into account in the determination of the results of operations.

Transactions in foreign currencies are translated into the reference currency of the Sub-Funds at exchange rates prevailing at the transaction date.

e) Income from Investments

Dividends are credited to income at the date upon which the relevant securities are first listed as "ex-dividend", net of withholding tax. Interest income is accrued on a daily basis, net of withholding tax.

f) Formation Expenses

The costs and expenses incurred in connection with the formation of the Fund and the initial issue of Units, including those incurred in the preparation and publication of the prospectus, all legal and printing costs, certain launch expenses and preliminary expenses are amortised over a period not exceeding five years from the formation of the Fund and for such amounts for each year and for each Sub-Fund as determined by the Management Company on an equitable basis.

g) Expense Reimbursement

The Global Distributor will in normal circumstances assume any expenses if the ongoing charge figure of the Sub-Fund exceeds 0.3% of the Net Asset Value of the Sub-Fund exclusive of i) Investment Management Fee, ii) Distribution Fees, and iii) FX hedging fees. These are disclosed as Expenses reimbursed in the Statement of Operations and Changes in Net Assets.

h) Transaction Costs

Transaction costs are costs incurred to acquire and sell transferable securities. They can include fees and commissions paid to agents, advisers and dealers, transaction related taxes and other market charges. Transaction costs for equities are generally included in the price of acquisition or disposal. Transaction costs are accounted for on a cash basis and are paid from the net assets of the Sub-Fund to which they are attributable. These costs are recognised as an expense in the Statement of Operations and Changes in Net Assets.

i) Other Income

The caption "Other income" in the Statement of Operations and Changes in Net Assets is composed of over accrued expenses being written off.

j) Receivable and Payable

Receivables and payables are carried at costs which generally correspond to their nominal value.

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Notes to the Financial Statements as at 31 March 2023 (continued)

3 TAX STATUS

The Fund is not liable to any Luxembourg tax on profits or income, nor are any dividends paid by the Fund liable to any Luxembourg withholding tax. Unless stated otherwise in the relevant Sub-Fund appendix of the Prospectus as of 1 January 2023, the Fund's assets are subject to a subscription tax ("*taxe d'abonnement*") in the Grand Duchy of Luxembourg of 0.05% per annum, payable quarterly. The Net Asset Value of each Sub-Fund at the end of each quarter is taken as the basis for calculation. No stamp duty or other tax is payable in Luxembourg on the issue of Units. Income received by the Fund on its investments may be subject to non-recoverable withholding taxes in the countries of origin. Investors should consult their professional advisers on the taxation applicable under the laws of their countries of citizenship, residence or domicile.

4 MANAGEMENT, INVESTMENT MANAGEMENT AND MARKETING FEES

FundRock Management Company S.A. as the Management Company is entitled to a management fee out of the assets of the various Sub-Funds (the "Management fee"). This fee is payable monthly in arrears and calculated on a daily basis at the annual rate of 0.06% of the Net Asset Value of the Sub-Funds' assets, subject to a minimum fee of EUR 1,200 per month.

Additionally the Management Company is entitled to a Depositary oversight fee of EUR 13,000 per annum at Fund level and any other variable charges as provided for in the Management Company Agreement.

As remuneration for the services rendered by it pursuant to the Investment Management Agreement, Sumitomo Mitsui Trust Asset Management Co., Ltd. as Investment Manager is entitled to receive out of the assets of the Sub-Funds an Investment Management fee calculated on a daily basis and payable quarterly in arrears at the annual rate described in the relevant Sub-Fund appendix to the Prospectus as of 1 January 2023.

As remuneration for the services rendered by it pursuant to the Global Distribution Agreement, Sumitomo Mitsui Trust International Limited as Global Distributor is entitled to receive from the Management Company out of the assets of the Sub-Funds a Marketing fee calculated as described for each Sub-Fund in the relevant appendix to the Prospectus as of 1 January 2023. Any Sub-Distributor appointed by the Global Distributor is entitled to receive a fee paid by the Global Distributor to the Sub-Distributors.

The sum of such Marketing fee and the Investment Management fee shall not exceed the following levels of Collective Fees:

- Class A - 0.70% of the Net Asset Value of the Sub-Fund per annum.
- Class B - 0.40% of the Net Asset Value of the Sub-Fund per annum.
- Class C - 1.55% of the Net Asset Value of the Sub-Fund per annum.

The effective rates of Collective Fees for the year ended 31 March 2023 were equal to the above levels.

5 DEPOSITARY AND ADMINISTRATION AGENT FEES

Brown Brothers Harriman (Luxembourg) S.C.A. is entitled to receive fees in accordance with normal banking practice in Luxembourg for acting as Depositary, Registrar, Transfer Agent, Administration Agent and Principal Paying Agent.

These fees calculated and accrued daily are based on a schedule of global services and charges and are payable quarterly.

6 SUBSCRIPTION AND REDEMPTION FEES

The following table outlines subscription and redemption fees charged to a Unitholder when shares are bought or sold from a Sub-Fund:

Unit Classes	Class A	Class B	Class C
Subscription Fee	up to 3%	up to 3%	up to 3%
Redemption Fee	0%	0%	0%

7 TOTAL EXPENSE RATIO ("TER")

The TER disclosed under "Statistical Information" of this report indicates the costs on the Sub-Fund's total assets for the relevant year. With the exception of the transaction costs, all costs of the Sub-Funds are shown in relation to the average total net assets of the Sub-Funds.

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Notes to the Financial Statements as at 31 March 2023 (continued)

8 INVESTMENT IN FINANCIAL DERIVATIVE INSTRUMENTS

The following table outlines the open financial derivative instruments held for hedging purposes by the Sub-Fund as at 31 March 2023:

Sakigake High Alpha – Japan Thematic Growth

Forward Foreign Exchange Contracts

Currency	Amount bought	Currency	Amount sold	Counterparty	Maturity	Unrealised appreciation/ (depreciation) (in JPY)	% of Net Assets
USD	4,246,883	JPY	554,260,734	Brown Brothers Harriman	27/04/2023	9,809,297	0.73
USD	949,015	JPY	123,855,916	Brown Brothers Harriman	27/04/2023	2,192,000	0.16
USD	130,240	JPY	17,181,625	Brown Brothers Harriman	27/04/2023	116,886	0.01
USD	28,987	JPY	3,824,045	Brown Brothers Harriman	27/04/2023	26,015	0.00
Total Unrealised Appreciation on Forward Foreign Exchange Contract						12,144,198	0.90
JPY	3,026,018	USD	23,153	Brown Brothers Harriman	27/04/2023	(49,219)	(0.00)
JPY	13,546,259	USD	103,649	Brown Brothers Harriman	27/04/2023	(220,333)	(0.02)
Total Unrealised Depreciation on Forward Foreign Exchange Contract						(269,552)	(0.02)
Net Unrealised Appreciation/(Depreciation) on Forward Foreign Exchange Contracts						11,874,646	0.88

9 STATEMENT OF CHANGES IN THE COMPOSITION OF THE PORTFOLIO

The statement of changes in the composition of the portfolio for the year ended 31 March 2023 can be obtained free of charge from the registered office of the Management Company.

10 SIGNIFICANT EVENTS DURING THE YEAR

On 27 July 2022 Japan Growth Opportunity Sub-Fund was liquidated.

Carmel McGovern has been appointed as a Director on 30 June 2022.

On 18 October 2022, a new version of the Fund's Prospectus was published.

On 1 January 2023, a new version of the Fund's Prospectus was published.

Xavier Parain resigned as a Director on 10 February 2023.

Other than the above, there were no significant events affecting the Fund during the year.

11 SUBSEQUENT EVENTS

There were no subsequent events affecting the Fund since the year-end.

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Securities Financing Transactions and Reuse Regulation (SFTR) (unaudited)

The additional information requirement pursuant to regulation (EU) 2015/2365 of the European Parliament and the Council of 25 November 2015 (SFTR) does not apply, as no transactions within the meaning of SFTR were entered into within the year under review.

Remuneration Policy (unaudited)

FundRock Management Company S.A.

FundRock Management Company S.A. ("FundRock") as subject to CSSF Circular 18/698 has implemented a remuneration policy in compliance with Articles 111a and 111b of the 2010 Law and/or Article 12 of the 2013 Law respectively.

FundRock as subject to Chapter 15 of the 2010 Law and AIFM must also comply with the guidelines of the European Securities and Markets Authority ESMA/2016/5758 and ESMA/2016/5799 to have sound processes in place. FundRock has established and applies a remuneration policy in accordance with the ESMA Guidelines on sound remuneration policies under the UCITS V Directive (ESMA 2016/575) and AIFMD (ESMA 2016/579) and any related legal & regulatory provisions applicable in Luxembourg.

Further, consideration has been given to the requirements as outlined in Regulation (EU) 2019/2088 on sustainability – related disclosures in the financial sector, the SFDR Requirements.

The remuneration policy is aligned with the business strategy, objectives, values and interests of FundRock and the Funds that it manages and of the investors in such Funds, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office. FundRock's remuneration policy can also be found at: <https://www.fundrock.com/policies-and-compliance/remuneration-policy/>

The amount of remuneration for the financial year ending 31 December 2022 paid by FundRock to its staff: EUR 12,587,217.

Fixed remuneration: EUR 11,485,489

Variable remuneration: EUR 1,101,728

Number of beneficiaries: 147

The aggregated amount of remuneration for the financial year ending 31 December 2022 paid by FundRock to Identified staff/risk takers is EUR 2,524,731.

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

Sumitomo Mitsui Trust Asset Management Co., Ltd.

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 is moderate to avoid excessive risk-taking and short-termism.

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

Total amount of fixed remuneration for the year ended 31st March 2023 paid by the Investment Manager to its staff (JPY'000)	4,896,000
Total amount of variable remuneration for the year ended 31st March 2023 paid by the Investment Manager to its staff (JPY'000)	1,555,000
Total number of the Investment Manager staff as at 31st March 2023	625
Total amount paid by the Investment Manager to its staff who have a material impact on the risk profile of the Sub-Funds during year ended 31st March 2023	- *
Total number of the Investment Manager staff who have a material impact on the risk profile of the Sub-Funds during year ended 31st March 2023	2

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

SuMi TRUST INVESTMENT FUNDS (LUXEMBOURG)

Risk Management (unaudited)

The Fund employs the standard commitment approach to comply with the CSSF Circular 11/512 which requires each UCITS ("Undertakings for Collective Investment in Transferable Securities") to calculate its global risk exposure. The standard commitment approach requires the Investment Manager to convert each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that derivative taking account of netting and hedging arrangements.

Total commitment of each Sub-Fund to financial derivative instruments is limited to 100% of its total net value. Refer to Note 7 for the list of open financial derivative instruments held by the Sub-Funds at the year-end.

Conducting Officers Functions Allocation in the context of the CSSF Circular 18/698 (unaudited)

Mr. Romain Denis: Conducting Officer in charge of Risk Management, Accounting, IT and Branches
Mr. Xavier Parain: Conducting Officer in charge of Marketing (resigned on 10 February 2023)
Mr. Emmanuel Nantas: Conducting Officer in charge of Compliance and AML, Responsable du Respect
Mr. Franck Caramelle: Conducting Officer in charge of Administration of UCI's and Investment Management
Mr. Khalil Haddad: Conducting Officer in charge of Valuation
Mr. Karl Fuhrer: Conducting Officer in charge of Investment Management Oversight
Joint responsibility of all Conducting Officers: Complaints Handling and Internal Audit

EU Sustainable Finance Disclosure Regulation (unaudited)

The sub-funds of the Fund promote, among other characteristics, environmental and/or social characteristics and are currently applying for CSSF certification for Article 8 of the EU Sustainable Finance Disclosures Regulation (Regulation EU/2019/2088) ("SFDR").

Within the limits of their respective investment policies, the sub-funds seek to invest as much as possible in assets that form part of the socially responsible universe. In order to create this socially responsible universe, issuers are subjected to a negative and positive screening procedure, the details of which are included in the Fund's prospectus. The sub-funds do not undertake to ensure that their underlying investments take into account the EU criteria for environmentally sustainable economic activities as defined by the EU Taxonomy Regulation (Regulation EU/2020/852) ("EU Taxonomy"), but it cannot be excluded that some of the underlying investments are aligned with this criteria.

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.

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

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:	Legal entity identifier:
Sakigake High Alpha – Japan Thematic Growth	549300G2FQK1YQBT6816

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<div><div><div></div><div></div></div><div><div></div><div></div></div><div>Yes</div></div>	<div><div><div></div><div></div></div><div><div></div><div></div></div><div>No</div></div>
<div><div><div></div><div></div></div><div>It made sustainable investments with an environmental objective: ____%</div><div><div><div></div><div></div></div><div>in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><div></div><div></div></div><div>in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div></div>	<div><div><div></div><div></div></div><div>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</div><div><div><div></div><div></div></div><div>with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><div></div><div></div></div><div>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><div></div><div></div></div><div>with a social objective</div></div></div>
<div><div><div></div><div></div></div><div>It made sustainable investments with a social objective: ____%</div></div>	<div><div><div></div><div></div></div><div>It promoted E/S characteristics, but did not make any sustainable investments</div></div>



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

Sakigake High Alpha – Japan Thematic Growth (“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.

● **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.

ESG Scoring Process

The Sub-Fund will assess the environmental, social and governance practices of issuers through the application of the ESG Scoring Process, which involves scoring each issuer on its current level of performance and the quality of each issuer’s policies and initiatives designed to improve those practices. The environmental, social and governance criteria that each issuer is assessed against are summarised under “ESG Materiality” below. In addition, the Investment Manager will assess issuers adherence to good governance practices, including in relation to sound management structures, employee relations, staff remuneration and tax compliance through the application of the ESG Scoring Process.

ESG Materiality

The ESG Scoring Process is informed by and based on the following ESG materiality:

Environment	Social	Governance
Climate Change Vulnerability	Human Rights & Community Risks	Corporate Behaviour
Natural Capital Risks	Human Capital Risks	Governance Structure
Pollution & Waste Risks	Security & Liability Risks	Fair and Stable Business Conduct
Environmental Opportunities	Social Opportunities	Governance Improvement

The ESG Scores are given to each issuer on a scale of 1 – 5 (very poor to very good), based on (i) the issuer’s historical and current performance in terms of the issuer’s risk and opportunity management on the “Environmental” and “Social” materiality as set out in the table above and (ii) the governance structure to implement the risk and opportunity management. Such process of which is subject to change in need.

The scoring methodology used by the Investment Manager is based on the combination of MSCI ESG Rating Methodology, rating methodology adopted by other ESG rating providers and scoring methodology developed by the Investment Manager as outlined below. Where available, the initial data used in the ESG Scoring Process is predominantly sourced from MSCI. If the data is not available from MSCI, the Investment Manager’s analysts collect the relevant information based on the disclosures in the issuer’s policy documents, company reports, sustainability reports, media sources, and data sources from ESG data provider other than MSCI Inc. (together with the data sourced from MSCI, “raw data”).

In addition, the Investment Manager's analysts seek information through direct engagement with company management.

Based on the information collected through the process explained above, the ESG Score for an issuer is determined by taking the following steps (as applicable):

- (i) Issuing the provisional ESG score for the issuer based on the raw data.
- (ii) Where the data sourced from MSCI is used as the raw data, adjusting the provisional ESG score for an issuer based on the public information that has not yet been taken into account by MSCI.
- (iii) Adjusting the provisional ESG score based on the result of Investment Manager's engagement with the company management of the issuer (e.g., if the company management commits to actively address certain ESG materiality as a result of the Investment Manager's engagement activities, the Investment Manager will override the scores for the relevant ESG materiality upwards).
- (iv) Adjusting the allocation of weights per ESG materiality set by MSCI. In general, MSCI sets the ESG materiality weights at the GICS Sub-Industry level (8-digit) based on each industry's relative external impact and the time horizon associated with each risk. However, there are cases where the ESG materiality and their weights allocated at the industry level do not fit in with the individual company's business model and structure. As such, the ESG materiality weights are adjusted based on a qualitative consideration taking into account the individual business model/structure and findings of the direct engagement with the company management of the issuer.
- (v) Making reasonable adjustment to the provisional ESG score based on the qualitative evaluation of management of ESG issues. The qualitative evaluation is made through the analysts' research of the issuer and engagement with the company management of the issuer.

The ESG Scoring Process is applied at the pre-investment stage and the scores are formally reviewed at least quarterly.

In the period of 01.04.2022-31.03.2023, as the Sustainability Indicator, the weighted average scores of the Sub-Fund and TOPIX were as follows;

ESG Score	30.06.2022	30.09.2022	31.12.2022	31.03.2023
The Sub-Fund	3.51	3.55	3.64	3.65
TOPIX	3.43	3.42	3.45	3.45

...and compared to previous periods?

A performance comparison will be provided in next year's disclosure covering the period of 01.04.2023-31.03.2024 as this report constitutes the first and therefore there is no previous report to compare to.

- ***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.

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.

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 31.03.2023. Below Sectors are based on Global Industry Classification Standard(GICS).

Largest investments	Sector	% Assets	Country
SONY GROUP	Consumer Discretionary	4.77%	Japan
KEYENCE	Information Technology	4.35%	Japan
MARUWA	Information Technology	3.86%	Japan
DAIICHI SANKYO	Health Care	3.80%	Japan
SHIN-ETSU CHEMICAL	Materials	3.75%	Japan
SHIFT	Information Technology	3.70%	Japan
TOKYO ELECTRON	Information Technology	3.61%	Japan
MITSUBISHI	Industrials	3.28%	Japan
KAWASAKI HEAVY INDUSTRIES	Industrials	2.72%	Japan
SUMITOMO ELECTRIC INDUSTRIES	Consumer Discretionary	2.70%	Japan
IBIDEN	Information Technology	2.68%	Japan
MATSUKIYOCOCOKARA	Consumer Staples	2.68%	Japan
SMC	Industrials	2.62%	Japan
ISETAN MITSUKOSHI HOLDINGS	Consumer Discretionary	2.50%	Japan
CENTRAL JAPAN RAILWAY	Industrials	2.49%	Japan

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **1.4.2022-31.3.2023**



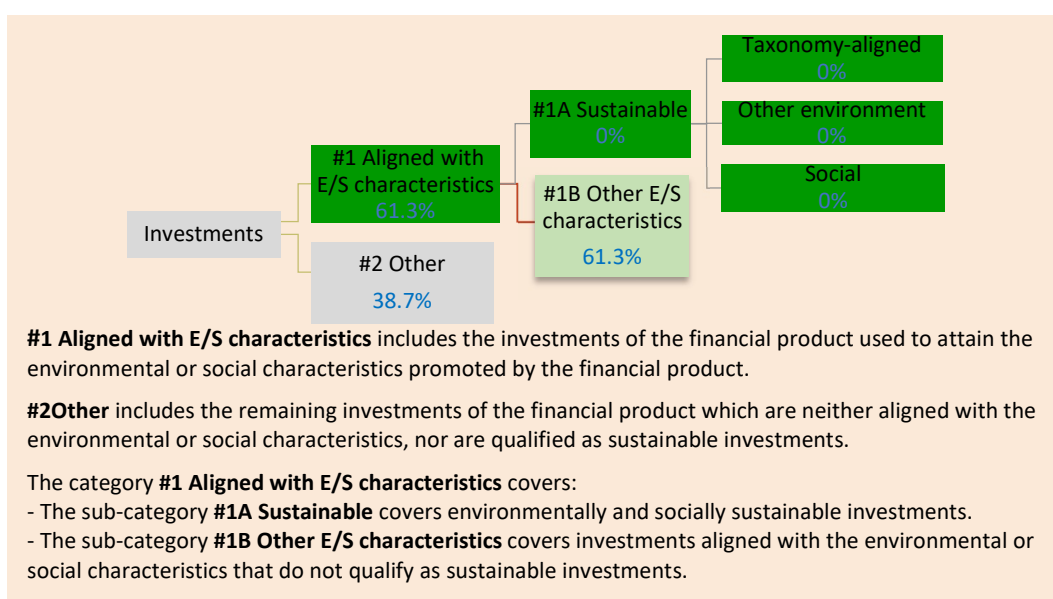
What was the proportion of sustainability-related investments?

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.

No sustainable investments are made.

What was the asset allocation?

The asset allocation on 31.03.2023 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 31.03.2023. Below Sectors are based on Global Industry Classification Standard(GICS).

Sector	% Assets	Sub Sector	% Assets
Energy	0.00%		0.00%
Materials	7.17%	Diversified Chemicals	3.75%
		Diversified Metals & Mining	1.74%
		Steel	1.68%
Industrials	28.88%	Trading Companies & Distributors	3.28%
		Industrial Machinery & Supplies & Components	12.16%
		Rail Transportation	2.49%

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


		Human Resource & Employment Services	2.05%
		Environmental & Facilities Services	1.96%
		Building Products	3.45%
		Electrical Components & Equipment	1.80%
		Industrial Conglomerates	1.69%
Consumer Discretionary	18.85%	Consumer Electronics	4.77%
		Automotive Parts & Equipment	4.77%
		Broadline Retail	2.50%
		Leisure Facilities	3.24%
		Automobile Manufacturers	1.41%
		Apparel Retail	1.08%
		Homefurnishing Retail	1.08%
Consumer Staples	5.11%	Drug Retail	2.68%
		Personal Care Products	2.42%
Health Care	8.39%	Pharmaceuticals	6.05%
		Health Care Supplies	1.64%
		Health Care Technology	0.69%
Financials	4.06%	Diversified Banks	4.06%
Information Technology	25.12%	Electronic Equipment & Instruments	4.35%
		Electronic Components	8.17%
		IT Consulting & Other Services	6.57%
		Semiconductor Materials & Equipment	6.02%
Communication Services	0.82%	Publishing	0.82%
Utilities	0.00%		0.00%
Real Estate	0.54%	Diversified Real Estate Activities	0.54%
Cash/Others	1.07%	Cash/Others	1.07%

The Sub-Fund was not exposed to fossil fuels activities.

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.

 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.



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?

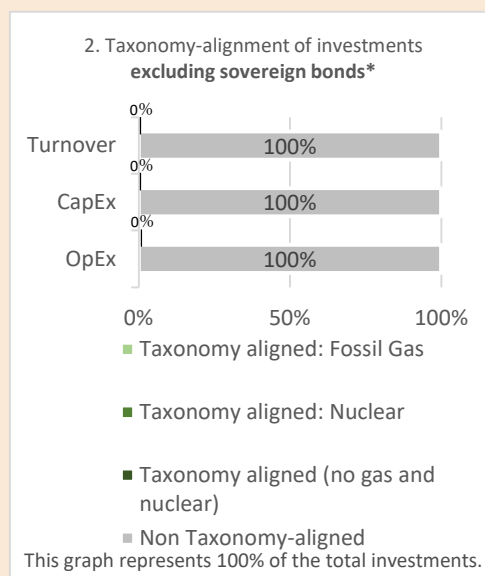
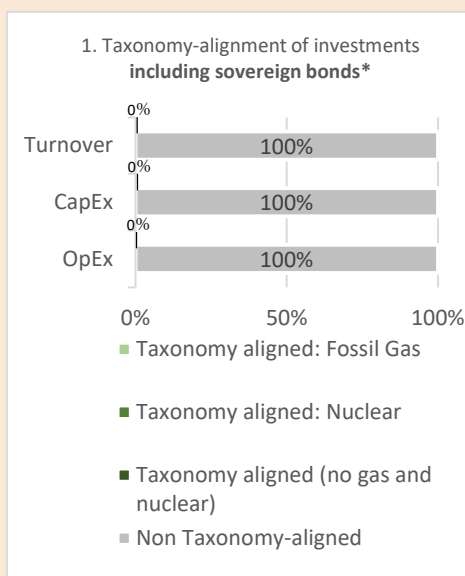
☐ Yes:

☐ 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.

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



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. In 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. Investment Manager adjusted the portfolio of the Sub-Fund to let the average ESG Score of the Sub-Fund, weighted with market capitalization, exceed 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 regularly engaged 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?”. Examples for engagement are as follows;

Company A: Industrials

We asked about the diversity issue. The integrated report of Company A explains a target setting for the number of female managers. We are aware that the percentage of women in IT department is low and it would be better to set goals by backcasting. Also, setting a target for the percentage of male employees who take childcare leave is an essential initiative to improve the vitality of human resources and companies, but the target of 30% is too low. We understand that the situation is improving due to the penetration of the initiative, but further penetration will appeal to the recruitment of female employees. Company A well understood and answered that they are currently working on it and they will continue to consider how to deal with it.

Company B: Materials

We asked about the climate change issue. Although the company has proposed a CO2 reduction target for 2030, it has only reduced CO2 emissions by 26% compared to 2013 as of 2022. Also, the details of the GHG net-zero target for 2050 were unclear. Company B confirmed that they were done with setting a goal for 2050, and now in the process of forming specific plans and establishing a committee structure. The company well understood and responded that they would work for easy-understanding-disclosure next year.

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.

*All PAI indicators are calculated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2022.

*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.

Sakigake High Alpha – Japan Thematic Growth
Indicators applicable to investments in investee companies

Adverse 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	
Greenhouse gas emissions	1. GHG emissions (tCo2e)	Scope 1 GHG emissions	Mandatory	100%	574	NA	NA	- 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 the 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 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%	452	NA	NA			
		Scope 3 GHG emissions		100%	33,233	NA	NA			
		Scope 1+2 GHG emissions		100%	1,025	NA	NA			
		Total GHG emissions		100%	34,258	NA	NA			
	2. Carbon footprint (tCo2e/Mio €)	Scope 1	Mandatory	100%	18	NA	NA	- Limitation of data (PAI1,2,3) 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.	- 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.	
		Scope 2		100%	15	NA	NA			
		Scope 3		100%	1,261	NA	NA			
	3. GHG intensity of investee companies (tCo2e/Mio €)	Scope 1	Mandatory	100%	34	NA	NA	- Limitation of data (PAI1,2,3) 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.	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.	
		Scope 2		100%	39	NA	NA			
		Scope 3		100%	1,976	NA	NA			
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector		Mandatory	100%	3%	NA	NA	(PAI No.1) The attribution factor, as defined with the "PCAF Standard", is calculated as below; · Numerator (value of holdings in portfolio): Number of shares at the portfolio reference date (end of quarter)* price · Denominator (EVIC): EVIC 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	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee	Consumption	Mandatory	29%	92%	NA	NA		
					Production	1%	0%	NA		NA
	6. Energy consumption intensity per high impact climate sector (GWh / Mio €)	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	NACE A	Mandatory	0%	N.A.	NA	NA		
			NACE B		2%	0.95	NA	NA		
			NACE C		37%	0.34	NA	NA		
			NECE D		0%	N.A.	NA	NA		
			NACE E		0%	N.A.	NA	NA		
			NACE F		1%	0.07	NA	NA		
			NACE G		1%	0.22	NA	NA		
			NACE H		4%	1.45	NA	NA		
			NACE L		0%	N.A.	NA	NA		
			Biodiversity		7. Activities negatively affecting biodiversity-sensitive areas	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	Mandatory	2%		2%
	Water	8. Emissions to water (Ton / Mio €)	Tones of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Mandatory	5%	1.66	NA	NA		- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No.8 corresponds to "Natural Capital 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. 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.

*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.

Sakigake High Alpha – Japan Thematic Growth
Indicators applicable to investments in investee companies

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*All PAI indicators are calculated as the average of impacts on 31 March, 30 June, 30 September, and 31 December of 2022.

*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.

Sakigake High Alpha – Japan Thematic Growth
Indicators applicable to investments in investee companies

Adverse 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	100%	16%	NA	NA	<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>- 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 conduct 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 conduct 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">• Human Capital Risks: "Promotion of DE&I (Diversity, Equity and Inclusion) management"• Governance Structure: "Improving gender diversity of board of directors" <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. For the time being, target companies are those constituting the TOPIX 500.</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%	NA	NA	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors PAI No.14 corresponds to "Human Rights & 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 controversy 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 controversy weapons are excluded and new/additional investments are prohibited. Controversy 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>- 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 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 Stewardship 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. If a proposal has any relevant issues about such controversy 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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*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.

Sakigake High Alpha – Japan Thematic Growth

Indicators applicable to investments in investee companies

Adverse 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	4. Investments 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%	52%	NA	NA	<p>- How Investment Manager considers principal adverse impacts ("PAI") on sustainability factors</p> <p>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</p> <p>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</p> <p>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 conduct their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows.</p> <p>The Investment Manager conduct 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">• 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" <p>- Exercise of Voting Rights</p> <p>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:</p> <ul style="list-style-type: none">• 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. <p>① Cases where there has been inadequate disclosure in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) or equivalent framework.</p> <p>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.</p> <p>③ When there has been no evidence of progress in reducing greenhouse gas emissions'- Investment Decision</p>
Additional/ Social and employee matters	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	Optional	100%	17%	NA	NA	<p>- How the Investment Manager considers principal adverse impacts ("PAI") on sustainability factors</p> <p>An additional indicator PAI No.9 corresponds to "Human Rights & 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</p> <p>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</p> <p>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 conduct their engagement activities based on ESG materiality which includes the consideration for PAI. The relevant issues and examples of engagement agendas are as follows.</p> <p>The Investment Manager conduct 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">• 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"

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