



## Business Summary

As the asset management specialist under the Chuo Mitsui Trust Group umbrella, Chuo Mitsui Asset Management was already tasked with investment trust services, but in October 2007, the company became a wholly owned subsidiary of Chuo Mitsui Trust Holdings, cementing its position as the Group's core investment trust fund manager.

In addition to publicly placed investment trusts for ordinary individual investors and privately placed investment trusts for variable annuity insurance, Chuo Mitsui Asset Management designs and manages investment trust funds for a wide range of investors, including defined contribution pension plans and institutional investors.

In fiscal 2007, the company worked to reinforce marketing activities aimed at existing sales companies, including Chuo Mitsui, and also endeavored to cultivate new marketing channels and create new funds fine-tuned to investor needs. But the investment environment at home and abroad proved rather challenging, holding the balance of investment trusts on a net asset value basis close to a year-on-year par, at ¥2,206.6 billion, as of March 31, 2008

**Note:** Chuo Mitsui Asset Management's share of the securities investment trust market—that is, the combined total of publicly and privately placed investment trusts—expanded from 2.09%, as of March 31, 2007, to 2.17% as of March 31, 2008.

## Addressing Clients' Needs

The investment environment remains difficult, but Chuo Mitsui Asset Management anticipates the shifting current of funds away from savings in favor of investments will pick up speed. In addition, as more of the baby-boomer generation enters retirement, the need for product diversity is sure to grow.

Against this backdrop, the company will enhance its profile in the investment trust market by developing funds attuned to client needs and utilize its enhanced presence to better understand what clients are looking for and reflect these insights in a broader scope of business activities.

Given the intent of the Financial Instruments and Exchange Law<sup>1</sup>, which went into effect in fiscal 2007, Chuo Mitsui Asset

Management will strive to reinforce<sup>2</sup> its risk management and compliance structures and continuously develop its operations, knowing that it has earned the confidence of clients as a reliable investment trust manager.

**Notes:** 1. Registration as an investment fund business and a Second-Type Financial Instrument Business has been completed.

2. From the perspective of ensuring fair and sound use of funds and fulfilling its obligation of due diligence, the company maintains a control structure independent from that of fund managers and coordinates the execution of safety measures, such as investment conduct checks, compliance checks and performance evaluation, as a single care package.

## Concrete Efforts to Expand Investment Trust Sales Channels

Chuo Mitsui Asset Management is keen to carve out wider sales channels to enhance its profile in the investment trust market. A particular effort is being made to promote marketing activities that will encourage regional banks and Internet-based securities firms to handle more products. This will complement sales already undertaken by Chuo Mitsui.

In August 2007, the company established the BeSTA® World 6 Asset Fund<sup>1</sup>, an elite fund aimed at 15 regional banks—covering more than 1,800 branches in total—and successfully achieved higher transaction numbers. In October 2007, the company established another elite fund, the Shinsei 4 Diversified Fund<sup>2</sup>, for Shinsei Bank, Limited.

Chuo Mitsui Asset Management is also taking an aggressive approach toward online marketing, a client access route that is expected to attract greater attention in the near future, and

began handling Joinvest Global Balanced Fund<sup>3</sup>, with an online securities firm in the Nomura Group. The company is expanding the range of products under management with existing business associates as well.

Chuo Mitsui Asset Management will continue to offer products geared to varied investor needs over broad-based access routes.

**Notes: 1. Fund with diversified investment in domestic and foreign stocks, bonds and REITs.**

**2. Fund with diversified investment in domestic and foreign stocks and bonds.**

**3. Fund with diversified investment in domestic stocks and foreign stocks and bonds.**

### Prizes Won in Fiscal 2007

Investment trusts managed by Chuo Mitsui Asset Management have earned high praise from assessment organizations. In fiscal 2007, the company was the recipient of a Morningstar Fund of the Year 2007 award in the domestic stock category of the Japan Stock Dividend Open (nicknamed Seasonal Bounty). The company also received honors as the winning fund manager in the bond category of Lipper Fund Awards 2008.

In the management of investment trust funds, Chuo Mitsui Asset Management draws on the investment advisory expertise of Chuo Mitsui Asset Trust, which has accumulated proven results in pension fund management.

Therefore, the recognition that the company has earned from influential industry watchers applauds not only the company's performance but also to the high-caliber asset management capabilities of the entire Chuo Mitsui Trust Group.

