

## STB Basic Information | Notes on Mutual Funds and Other Products

The following note is required by the Financial Instruments and Exchange Act that was enforced in September 2007.

### Mutual Funds Carry Various Fees at Purchase and at Other Times

- Load: Varies according to the amount of purchase, a maximum of 3.15% (3.0% before tax) of the price on the date of purchase.
- Redemption fee: None
- Redemption processing fee: A maximum of 0.1% of the price on the date of purchase, and a maximum of 0.5% of the value at redemption.
- Trust fee: A maximum of 2.1% (2.0% before tax) per annum of the net asset amount held in the fund.
- Other fees: Overhead expenses charged to net asset amount such as brokerage fees and taxes related to transactions, fees required for futures & option trades, custody fees, audit fees (including consumption tax where required), and other expenses.

\* For details, please read the prospectus for each mutual fund.

### Mutual Funds Risks

Mutual funds are mainly invested in domestic and overseas equities and fixed income securities, real estate investment trusts, etc., either directly or through investment trust securities. The net asset values (NAVs) of mutual funds fluctuate depending on the price movements of their component equities, fixed income securities, real estate investment trusts, etc., and fluctuations in exchange rates, among other factors. It is therefore possible that the NAVs will fall below principal value.

### Other Important Notices

- Mutual funds involve risk. Performance varies due to the market environment. The NAV is influenced by fluctuations in the prices of component securities, and, in cases where foreign-currency denominated assets are components, also by fluctuations in exchange rates. As such there is no guarantee of principal preservation.
- Depending on the product, in some cases a cancellation fee might be charged within a designated period, or requests for conversion to cash before the investment trust reaches maturity might be declined.
- When a purchase application is submitted, Sumitomo Trust provides a prospectus for the fund. We ask investors to read the prospectus and make an independent investment judgment.
- The risk of loss of principal is borne by investors.
- Mutual funds are not deposits, so they are not covered by the Japanese Deposit Insurance System.
- The mutual funds handled by Sumitomo Trust are not covered by any investor protection fund.
- Sumitomo Trust acts as a sales agent for accepting applications, while a management company manages the funds.
- This Report was produced by Sumitomo Trust and is not a disclosure document as stipulated in the Financial Instruments and Exchange Act.

### Information concerning the Sales Company

- Trade name: The Sumitomo Trust and Banking Company, Limited; Financial Institution Registered (No. 5) with the Director General of the Kinki Finance Bureau
- Association memberships: Japan Securities Dealers Association (JSDA)  
Japan Securities Investment Advisors Association (JSIAA)  
The Financial Futures Association of Japan (FFAJ)

### Handling Fees for Special Donation Trusts

- During the profit calculation period, the trustee (Sumitomo Trust) will deduct an amount equivalent to 15/1,000ths of the principal per annum (or 8/1,000ths of the principal in the case that the investment is in government bonds) from the trust assets as a trust fee, in addition to an amount equivalent to consumption tax and local consumption tax payable in accordance with this trust fee. However, if the investment is made in the form of a designated money-in-trust beneficiary right (joint trust general account), for which Sumitomo Trust is the trustee, or a deposit with Sumitomo Trust, no trust fee will be deducted. Any trust fees, expenses, taxes, and public dues will be defrayed from the trust assets.

### Risks involved in Special Donation Trusts

- In the case that assets entrusted as special donation trusts are invested in government bonds, local authority bonds, corporate bonds, or bonds issued by organizations as stipulated under special legislation, as the prices of these bonds are subject to fluctuation due to changes in interest rates, when a portion of these bonds are sold before maturity in order to provide beneficiaries with payments from the trust, there is a possibility that a loss of principal will occur. Moreover, there is a possibility that a loss of principal will occur due to deterioration in the credit status of the issuers of the bonds.
- If the investment is in the form of a designated money-in-trust beneficiary right (joint trust general account), there is a possibility that a loss of principal will occur in the event of the bankruptcy of the trustee. Similarly, if the investment is in the form of deposits or savings, there is a possibility that a loss of principal will occur in the event of the bankruptcy of the financial institution in which the deposits or savings are deposited or invested.

### Other Important Notices

- Special donation trusts are performance-based products, thus any risks of a decline in the value of assets is borne by the client.
- Fiduciary contracts pertaining to special donation trusts cannot be cancelled or terminated except in cases of reasons that are stipulated in the trust contract.

### Company Outline

- Business name: The Sumitomo Trust and Banking Company, Limited
- Address: 5-33 Kitahama 4-chome, Chuo-ku, Osaka-shi 540-8639, Japan

## Notes on Foreign Currency Deposits<sup>(\*)</sup> (as of April 1, 2009)

Because foreign currency deposits are financial instruments that entail risk of fluctuations in the principal, we advise you to transact in appropriate amounts over appropriate periods according to your understanding of the mechanisms and risks of foreign currency deposit instruments, as well as your experience in financial instrument investment, asset situation, and purpose in making foreign currency deposits.

(\*) Foreign currency ordinary deposit (retail client use), and foreign currency time deposit (Nickname: Gaika Kakumei). Both of these instruments are targeted at retail clients resident in Japan.

- (1) When exchanging yen for a foreign currency (deposit) or exchanging a foreign currency for yen (redemption) either over the counter or via a telephone service, an exchange handling fee will be charged (0.5 yen one way/1.0 yen both ways per U.S. dollar; 0.75 yen one way/1.5 yen both ways per euro; 1.0 yen one way/2.0 yen both ways per Australian dollar; New Zealand dollar or U.K. pound). Similarly, when exchanging yen for a foreign currency (deposit) or exchanging a foreign currency for yen (redemption) via Internet bank services, an exchange handling fee will be charged (0.2 yen one way/0.4 yen both ways per U.S. dollar or Euro; 0.4 yen one way/0.8 yen both ways per Australian dollar; New Zealand dollar or U.K. pound).

\* Simple comparison of the advantages and disadvantages between transactions over the counter or via a telephone service and those via Internet bank services cannot be made based solely upon the differences in exchange handling fee since they differ in methods of presenting exchange rates.

\* Exchange handling fee is subject to change due to changes in market practices and conditions.

- (2) In the case that redemption is accompanied by a foreign currency transfer, a money transfer handling fee will be charged (maximum amount: 5,000 yen per transaction (consumption tax is not charged)) in addition to the cost of the transfer. Other charges may also apply.
- (3) The total amount to be borne by you comprises the amounts described in (1) and (2) above.
- (4) In foreign currency deposits, because foreign exchange losses can occur due to fluctuations in foreign exchange rates, there is a possibility that the yen value of the investment at the time of redemption will fall below its value at the time of deposit, resulting in a loss of principal. Moreover, because foreign exchange handling charges are charged both ways (as described above), even in cases where there is no fluctuation in foreign exchange rates, the yen value of the investment at the time of redemption may fall below its value at the time of deposit.
- (5) In the case that a Gaika Kakumei contract is redeemed before maturity due to unavoidable circumstances, a charge based on a predetermined calculation method will be applied.
- (6) Foreign currency deposits are not covered by the deposit insurance system.
- (7) Foreign currency deposits cannot be deposited or redeemed in the form of foreign currency, cash, checks, or traveler's checks.
- (8) For more information, please refer to the explanations for each instrument, which are available at branches of Sumitomo Trust and on the company's website (Japanese only).

◦ Gaika Kakumei is a fixed interest rate deposit product, while foreign currency ordinary deposits are variable interest rate products.

◦ Before opening a foreign currency ordinary deposit (account type varies by foreign currency) or buying a Gaika Kakumei product, please carefully read the prospectus, which is available at a Sumitomo Trust branch or on the company's website (Japanese only).

## Important Notices Concerning Sumishin SMA (Separately Managed Account)

### Risk Factors

◦ Sumishin SMA mainly invests in domestic mutual funds and foreign mutual funds

The net asset value of mutual funds ("funds") fluctuates depending on changes in prices of securities in the portfolio, and fluctuations in foreign exchange rates, which could cause the price to fall below the invested amount. This could also happen if there are changes in the management and financial conditions of the issuers of securities or asset management companies, or their reputation.

Gains and losses arising on invested assets of Sumishin SMA belong to clients. Consequently, the principal invested in Sumishin SMA is not guaranteed.

The nature of mutual funds or foreign mutual funds which are the main component of the portfolio of Sumishin SMA differs by each fund. The factors that cause fluctuation in net asset value are as follows:

1. Stock price fluctuation risk
2. Interest rate fluctuation risk
3. Credit risk
4. Foreign exchange risk and risk involved in investing in foreign securities
5. Risk resulting from being linked with a specific index

### [Asset: Typical Index]

Domestic bonds:	NOMURA Bond Performance Index (NOMURA-BPI)
Domestic equities:	TOPIX
Foreign bonds:	Citigroup World Government Bond Index (excluding Japan, on a Japanese yen basis)
Foreign equities:	MSCI Kokusai Index (excluding Japan, on a Japanese yen basis)
J-REIT:	Tokyo Stock Exchange REIT Index (including dividends)
G-REIT:	S&P Developed REIT Index (excluding Japan, including dividends, on a Japanese yen basis)
Commodity:	DJ-UBS Commodity Index (on a Japanese yen basis)
Hedge fund:	HFRI Fund Weighted Composite Index

### Other Important Notices

◦ This material was produced by the Sumitomo Trust and Banking Co., Ltd. and is not a disclosure document as stipulated in the Financial Instruments and Exchange Act.

◦ Unlike deposits (including trust products subject to principal-guaranteed contracts such as loan trusts), Sumishin SMA does not guarantee the principal or return. In addition, it is not covered by deposit insurance or an investor protection fund.

◦ As investment performances fluctuate due to such factors as market environments, all profits and losses arising on invested assets of Sumishin SMA belong to clients.

- Clients are requested to obtain “The document to be read prior to the conclusion of a discretionary investment management contract (Sumishin SMA)” and read it carefully before application. Clients must make the final decision whether to sign a contract on their own.
- Whether or not application for Sumishin SMA is made does not impact on any other transactions with the Sumitomo Trust and Banking Co., Ltd.
- The cooling-off system (written cancellation of contract) is not applicable to Sumishin SMA (discretionary investment management contract).
- Trade name: The Sumitomo Trust and Banking Company Limited.; Financial Institution Registered (No. 5) with the Director General of the Kinki Finance Bureau
- Association memberships: Japan Securities Dealers Association (JSDA)  
The Financial Futures Association of Japan (FFAJ)  
Japan Securities Investment Advisors Association (JSIAA)

### Important Notices Concerning Sumishin Fund Wrap

#### Risks associated with Sumishin Fund Wrap

Sumishin Fund Wrap mainly invests in mutual funds that invest in domestic and foreign securities, bonds or alternative investments. Its value varies on a daily basis due to changes in prices of securities and fluctuations in interest rates and foreign exchange rates, and this may cause a loss in principal.

Gains and losses arising on invested assets of Sumishin Fund Wrap belong to clients.

The nature of funds that is the main component of the portfolio of Sumishin Fund Wrap differs by each fund. The factors that cause fluctuation in fund prices are as follows:

1. Stock price fluctuation risk
2. Interest rate fluctuation risk
3. Credit risk
4. Foreign exchange risk and risk involved in investing in foreign securities
5. Risk resulting from being linked with a specific index

#### [Asset: Typical Index\*]

Domestic equities:	TOPIX (including dividends)
Domestic bonds:	NOMURA Bond Performance Index (NOMURA-BPI)
Foreign equities:	MSCI Kokusai index (excluding Japan, on a Japanese yen basis)
Foreign bonds:	Citigroup World Government Bond Index (excluding Japan, on a Japanese yen basis)
J-REIT:	Tokyo Stock Exchange REIT Index (including dividends)
G-REIT:	S&P Global REIT Index (excluding Japan, including dividends, on a Japanese yen basis)
Commodities:	DJ-UBS Commodity Index (on a Japanese yen basis)
Hedge fund:	HFRI Fund Weighted Composite Index

\* The index name may change.

#### Costs and Fees for Sumishin Fund Wrap

In Sumishin Fund Wrap, the following costs are primarily borne by clients.

- Fees pertaining to Sumishin Fund Wrap
- Trust fees pertaining to domestic mutual funds in the portfolio of Sumishin Fund Wrap  
For further details, please refer to “Costs and fees for Sumishin Fund Wrap.”

#### Other Important Notices

- This material was produced by the Sumitomo Trust and Banking Co., Ltd. and is not a disclosure document as stipulated in the Financial Instruments and Exchange Act.
- Unlike deposits (including trust products subject to principal-guaranteed contracts such as loan trusts), Sumishin Fund Wrap does not guarantee the principal or return. In addition, it is not covered by deposit insurance or an investor protection fund.
- As investment performances fluctuate due to such factors as market environments, all profits and losses arising on invested assets of Sumishin Fund Wrap belong to clients.
- Explanations on risks are offered to clients in “Document to be read prior to the conclusion of discretionary investment management contract (Sumishin Fund Wrap)” prior to or at the time of application. Client are advised to confirm the details and make their own independent judgment for the final decision.
- Whether or not application for Sumishin Fund Wrap is made does not impact on any other transactions with the Sumitomo Trust and Banking Co., Ltd.
- The provision of Article 37-6 of the Financial Instruments and Exchange Act (cooling-off system) is not applicable to Sumishin Fund Wrap.
- This material was produced based on information that the Sumitomo Trust and Banking Co., Ltd. deems highly reliable. However, Sumitomo Trust does not guarantee the accuracy or reliability of such information. Prices and figures presented in this material are past performances, estimates or calculations, and actual results may differ from those figures. In addition, the past performances presented in this material are not guarantees of future performance.

#### Information concerning the Sales Company

- Trade name: The Sumitomo Trust and Banking Company, Limited; Financial Institution Registered (No. 5) with the Director General of the Kinki Finance Bureau
- Association memberships: Japan Securities Dealers Association (JSDA)  
Japan Securities Investment Advisors Association (JSIAA)  
The Financial Futures Association of Japan (FFAJ)