

C O R P O R A T E P R O F I L E



CEO's Message



Takashi Saruta

Representative Director,
President and CEO

Since early 2022, COVID-19 prevention measures of entry restrictions and quarantine requirements have finally been eased or lifted around the world, allowing me to visit our overseas offices.

Whilst visiting London and New York I noticed that very few people wore masks, scenes which were similar to the Japanese media reports I had seen. When travelling by London underground trains, I couldn't help but notice that most of the mask-wearers resembled people who were likely to be Japanese. From my observations of media reports and during my travels, it is encouraging to note that COVID-19 is now entering into a phase of being regarded as a disease that humans and global economies must learn to live with.

Inflation, more than the response to COVID-19 pandemic, made me ponder the differences between Japan and the rest of the world. Inflation continued even during the COVID-19 pandemic outside Japan, and the price of goods itself rose in local currency terms. In addition, due to the recent Japanese yen depreciation, it seemed that all prices had more than doubled. Up until very recently, Japanese business people have been restricted in traveling abroad during the last three years, so I think it will take a little bit longer for the whole of Japan to see the impact of any price gap as a reality.

To curb this inflation, major foreign countries shifted to tighten their monetary policies and hike their policy rates. As a result, the stock market has been bearish. In this environment, I am often asked by individual investors what investment stance they should now adopt. I have responded to this question by quoting the CEO of an investment manager to which we delegate the management of our U.S. equity portfolio.

He says, "Including Warren Buffett, Peter Lynch and Elon Musk, I have never seen anyone who was able to consistently and accurately forecast economic environment and stock market trends. A lot of investors are trying to predict things that are impossible to be forecasted perfectly." A perfect forecast is impossible, however, if you invest in investment destinations which should receive the benefit from economic growth over five years or so, the possibility could be dramatically higher that you would have a positive investment return. You could have a high probability of positive returns not by being involved in short-term speculations, but by taking advantage of investments for as long as possible. If you have affordable money which can take advantage of "time," you can start investing at any time. In addition, it would be even better if you could diversify the timing of investments by using strategies like Dollar-Cost Averaging and asset classes.

The Japanese government has launched the concept of 'a new form of capitalism' and has been trying to double the wealth of people in Japan. We continue to advise investors not to be involved in speculations but to make investments taking advantage of 'time', and try to realize our management philosophy "Towards The Best Asset Management Firm For Your Better Quality of Life."

October 2022

Mission, Vision and Values

In the pursuit of our goals, we define Our Mission, Vision and Values. We believe practicing these values will enable us to quickly respond to structural changes in technologies and the global economy, and contribute to a better quality of life for our customers and all other stakeholders.

Our Mission & Vision

**Towards The Best Asset Management Firm
For Your Better Quality of Life.**

We, as professionals, focus on:

- Delivering the best-in-class investment performance, while maintaining the highest standards of fiduciary responsibility to our clients,
- Contributing to a diversified and sustainable society through our investment activities.

To these ends, we commit ourselves to:

- Aiming for collective growth, based on a respectful understanding of all stakeholders,
- Creating a flexible working environment that allows all employees to reach their full potential.

Our Values

- Sincerity**
Customers' interest first
We act in fair and responsive manner by placing customers' interest as our values to become their most trusted partner.
- Agility**
Time - strategic resources
We address issues in a time-conscious manner to deliver new products and services to our customers earlier than peers.
- Challenge**
Confront the Status quo
We challenge norms by exploring extraordinary products, services and processes in pursuit of the highest standard of investment management services.
- Passion**
Strive for an extra basis point
We dedicate ourselves to improve investment performance and business efficiency across all business areas.
- Teamwork**
Tackle conflict head-on in pursuit of value
We embrace diversity of views and ideas, and make collective efforts to achieve what cannot be done by one person alone.

History

	1973	Established Daiwa International Capital Management
	1976	Began management services for overseas pension funds
	1981	Began management services of oil-related funds for Government Agencies in the Middle East
Established Sansei Capital Management (renamed to Mitsui Life Global Asset Management in 1999)	1985	Established Sumigin Bankers Investment Management (renamed to SB Investment Management in 1990)
Established Sumitomo Life Asset Management (renamed to Sumitomo Life Investment in 1999)	1989	
Established Taiheiyo Investment Trust (renamed to Sumisei Global Investment Trust Management in 1999)	1993	Established SBIM Investment Trust Management
Sakura Asset Management and Sakura Investment Trust Management merged to form Sakura Investment Management	1997	
	1999	Daiwa SB Investments formed from a merger of the 3 corporations, Daiwa International Capital Management, SB Investment Management, and SBIM Investment Trust Management Ownership: Daiwa Securities Group (44%), Sumitomo Bank Group (currently Sumitomo Mitsui Financial Group 44%), TRPH Corporation (10%), The Sumitomo Trust and Banking (currently Sumitomo Mitsui Trust Bank 2%)
Mitsui Marine Asset Management and Sumitomo Marine Asset Management merged to form Mitsui Sumitomo Insurance Asset Management	2001	
Sumitomo Mitsui Asset Management formed from a merger of the 5 corporations, Mitsui Life Global Asset Management, Sakura Investment Management, Mitsui Sumitomo Insurance Asset Management, Sumisei Global Investment Trust Management, and Sumitomo Life Investment	2002	
Ownership: Sumitomo Life Insurance (35%), Mitsui Life Insurance (currently Taiju Life Insurance 30%), Mitsui Sumitomo Insurance (17.5%), Sumitomo Mitsui Banking Corporation (17.5%)		
Established Kansai Office (currently Osaka Branch)	2008	
Became a signatory to the UN Principles for Responsible Investment (PRI)	2010	
	2012	Became a signatory to the UN Principles for Responsible Investment (PRI)
Merged with Toyota Asset Management and established Nagoya Branch	2013	Established Osaka Branch
Declared acceptance of the "Principles for Responsible Institutional Investors" (Japan's Stewardship Code) and disclosed policies based on the Code to the public	2014	Declared acceptance of the "Principles for Responsible Institutional Investors" (Japan's Stewardship Code) and disclosed policies based on the Code to the public
Acquired Nikko Global Wrap as a wholly-owned subsidiary		
Became the first major asset management company to directly offer investment trust online	2015	
Announced "Our Commitment to Fiduciary Duties" and its specific measures as "Our Fiduciary Action Plans"		
Established "Fiduciary Duty third party committee"		
Became a consolidated subsidiary of Sumitomo Mitsui Financial Group	2016	
	2017	Announced "Principles Concerning Customer-Oriented Business Conduct" by Financial Services Agency
2019		Sumitomo Mitsui Asset Management and Daiwa SB Investments merged to form Sumitomo Mitsui DS Asset Management Became a supporter to the FSB Task Force on Climate-related Financial Disclosures (TCFD)
2020		Announced "Principles of Fiduciary Duties and Sustainability"
2022		Established subsidiary in Shanghai Announced "our materiality" to contribute a sustainable society Joined the "Net Zero Asset Managers initiative"

Principles of Fiduciary Duties and Sustainability

In August 2020, we established “Principles of Fiduciary Duties and Sustainability” adding sustainability elements and incorporating ESG factors to its “Our Commitment to Fiduciary Duties.”

To materialize our vision of becoming “the best asset management firm for your better Quality of Life (QOLs)”, we, Sumitomo Mitsui DS Asset Management, are committed to fulfilling our fiduciary duties. As a responsible institutional investor, we are also committed to fulfil management responsibilities based upon high ethical standard and professionalism. We acknowledge that our current investment activities lead to the future development of a sustainable society. Therefore, we will not only fulfill our fiduciary duties but also engage in stewardship activities and ESG investment. Simultaneously, as a corporate citizen, the way we operate our business will be environmentally and diversity conscious. In addition to this and in order to contribute to the realization of a sustainable society, we will take an active role for the sound development of local communities. Through these initiatives, we wish to grow with our clients and society in the medium to long term.

Principle 1. We will fulfill our management responsibilities as a responsible institutional investor.

- We will exert ourselves to cultivate investment professionals who will play a central role in asset management business, and work to enhance capabilities of investment management, trading operation and risk management through utilizing state of the art IT technologies and domestic and overseas networks.
- We will incorporate ESG factors into the investment process, and take a progressive approach to stewardship activities including engagement and exercising voting rights in order to encourage companies to enhance their sustainability and eventually contribute to augmentation of the company’s enterprise value over the medium to long term.
- We will develop and provide the most suitable products and services such as long-term investment products to accumulate assets by identifying the true needs of clients. We will also provide timely information on the investment products using IT technology.
- We will not only establish a rigid corporate governance structure that ensures the appropriate management of conflicts of interest and independence of management, but also endeavor to disclose risks and commissions with a high level of transparency.
- We will strive to maintain our soundness as a company and reinforce our crisis management system to be prepared for various contingencies.

Principle 2. We will strive to materialize a sustainable society through our asset management business.

- We recognize the significance and essentials of asset accumulation for individual investors in an aging society with fewer children. Therefore, we will engage in investor education for a wide range of generations to raise the awareness for related issues and to improve financial literacy.
- We will work to resolve environmental issues, such as climate change, and social issues, such as human rights through our original stewardship activities and by participating in initiatives in Japan and overseas.
- We will strengthen our efforts to develop and provide products that focus on the sustainability of society.

Principle 3. We, as a corporate citizen, will engage in activities to pass on an affluent society and the global environment to the next generation.

- We will participate in CSR activities such as revitalizing communities and providing social welfare support.
- We will carry out environmentally conscious business management, such as reducing greenhouse gas emissions and plastic waste.

Principle 4. We will train and educate human resources to contribute to the QOL of our clients, the society and our employees.

- We will put in place an environment where employees with variety of values can fully demonstrate their abilities and promote diversity, including the active participation of women.
- We will provide a variety of career support programs so that all employees regardless of ages or assignments can take pride in their work and obtain professional expertise and insight required.

Our Business

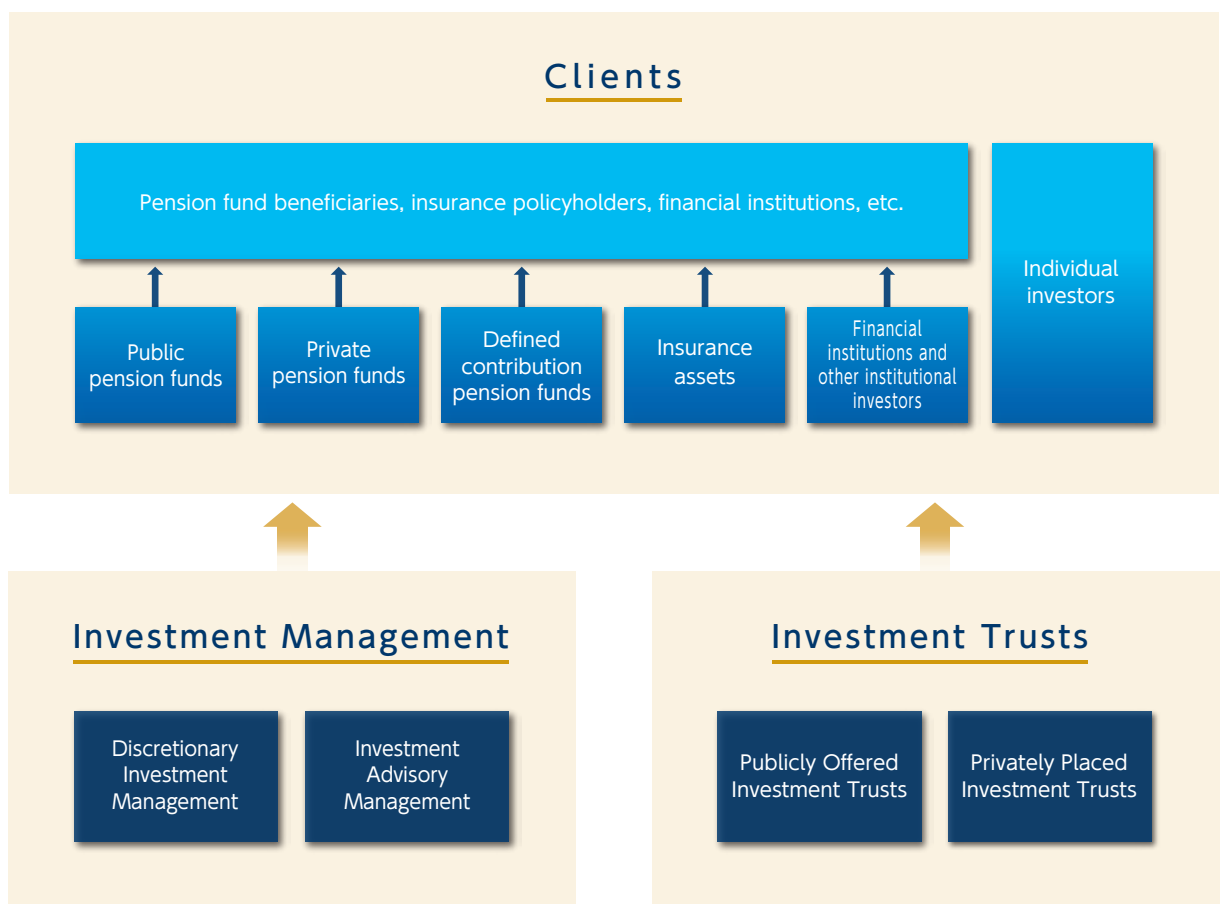
Leveraging our industry-leading research platform and global network, we provide high quality asset management services that meet specific needs of our diverse client base composed of Japanese and non-Japanese institutional (pension funds, financial institutions, etc.) and individual investors.

Investment Management

We offer discretionary investment management services as well as investment advisory services for public and private pension funds, sovereign wealth funds and financial institutions including banks and insurance companies in Japan and overseas.

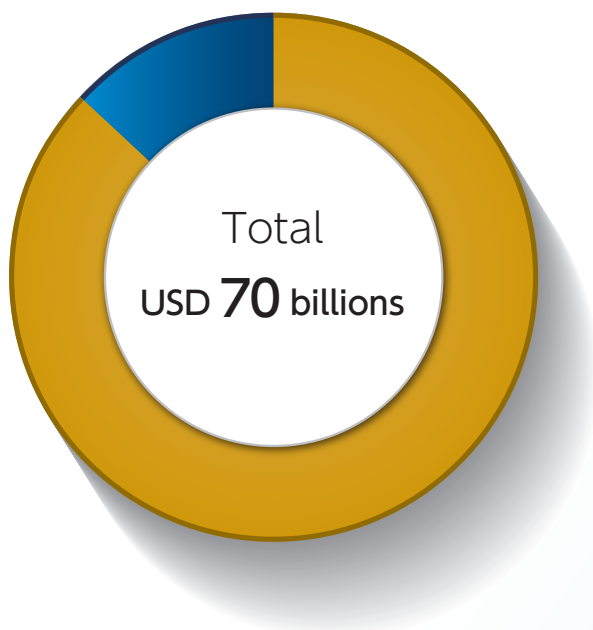
Investment Trusts

We offer a broad range of products to meet various clients' need. Publicly offered investment trusts are for retail investors and subscribers of defined contribution pension funds while privately placed investment trusts are for corporations, financial institutions and group annuities.



Assets under Management

Institutional Accounts



Domestic USD **62** billions

Discretionary Accounts (Pension Funds) USD **25** billions

Discretionary Accounts (Others) USD **3** billions

Investment Advisory Accounts USD **34** billions

Overseas USD **8** billions

Investment Trusts



Publicly Offered Funds USD **42** billions

Privately Placed Funds USD **26** billions

(Notes)

As of September 30, 2022.

Figures shown in US dollars are conversions from Japanese yen based amounts, at USD/JPY 144.745

Investment Philosophy

Investment Philosophy

As investment professionals conscious of sustainability, we are committed to provide the “best in quality” performance over the medium and long term.

In order to achieve this, we shall strive to provide stable returns by actively incorporating new investment methodologies and by responding to ever changing market environments.

Regarding active investments, we shall specify existing market inefficiencies and turn them into investment opportunities through establishing disciplined investment approaches to capture excess returns.

In order to achieve this we shall execute the following.

- Conduct thorough & proprietary research on a global basis to reveal inefficiencies.
- Take appropriate risks driven by professional judgments and based on risk tolerance levels.
- Manage risks from multidimensional perspectives.
- Control and improve product quality on an ongoing basis for all investment processes.

Investment Research Platform

With nearly 300 investment professionals in Japan and overseas, we have a global investment research platform in place to meet the diverse asset management needs of our clients.



Investment
Professionals

276

Average Years of
Industry Experience

Approx. 16.0

CFAs·CIAs
(Chartered Financial Analysts)
(Certified International Investment Analysts)

91

* As of April 1, 2022.

Responsible Investment

In light of the changing global environment as well as societal demand evolving from Sustainable Development Goals (SDGs), Sumitomo Mitsui DS Asset Management (SMDAM) considers non-financial information including environmental, social, and governance (ESG) information to be as important as financial information to evaluate sustainability of issuers of stocks/bonds and investment corporations of REITs (hereinafter referred to as "investee companies"). We believe ESG analysis enables us to foresee the enhancing or damaging value of investee companies in the medium- to long-term. In this context we will proactively take the following measures.

1. Taking account of the investment philosophy and investment horizon of each investment product, SMDAM incorporates analysis and evaluation of ESG and other non-financial information into the investment process, and considers them in making investment decisions.
2. SMDAM aims to contribute to enhance the value of investee companies through engagement by communicating the investor's point of view, sharing ESG issues to be solved for the medium- to long-term value enhancement, and encouraging appropriate actions by investee companies.
3. SMDAM exercises its voting rights in consideration of ESG theme related engagement.
4. SMDAM strives to improve the overall effectiveness of ESG investments by signing or participating in ESG-related initiatives such as the PRI, and will work to collaborate with other institutional investors as necessary.
5. SMDAM collects information on ESG investments, including domestic/overseas laws/regulations, trends in ESG product needs of customers and beneficiaries, and the activities of other asset managers, in order to promote effective ESG integration. SMDAM also strives to disclose appropriate information to protect the rights of customers and beneficiaries.

In March 2010, we became a signatory of the PRI. As a responsible institutional investor, we will provide high quality investment returns to our clients and beneficiaries through the multifaceted utilization of ESG and other non-financial information. We will also contribute to the realization of a sustainable society by helping to solve environmental issues such as climate change and environmental conservation, social issues such as human rights and the aging of society, and governance issues that enable investee companies to appropriately incorporate these ESG issues into their management.

Company Overview

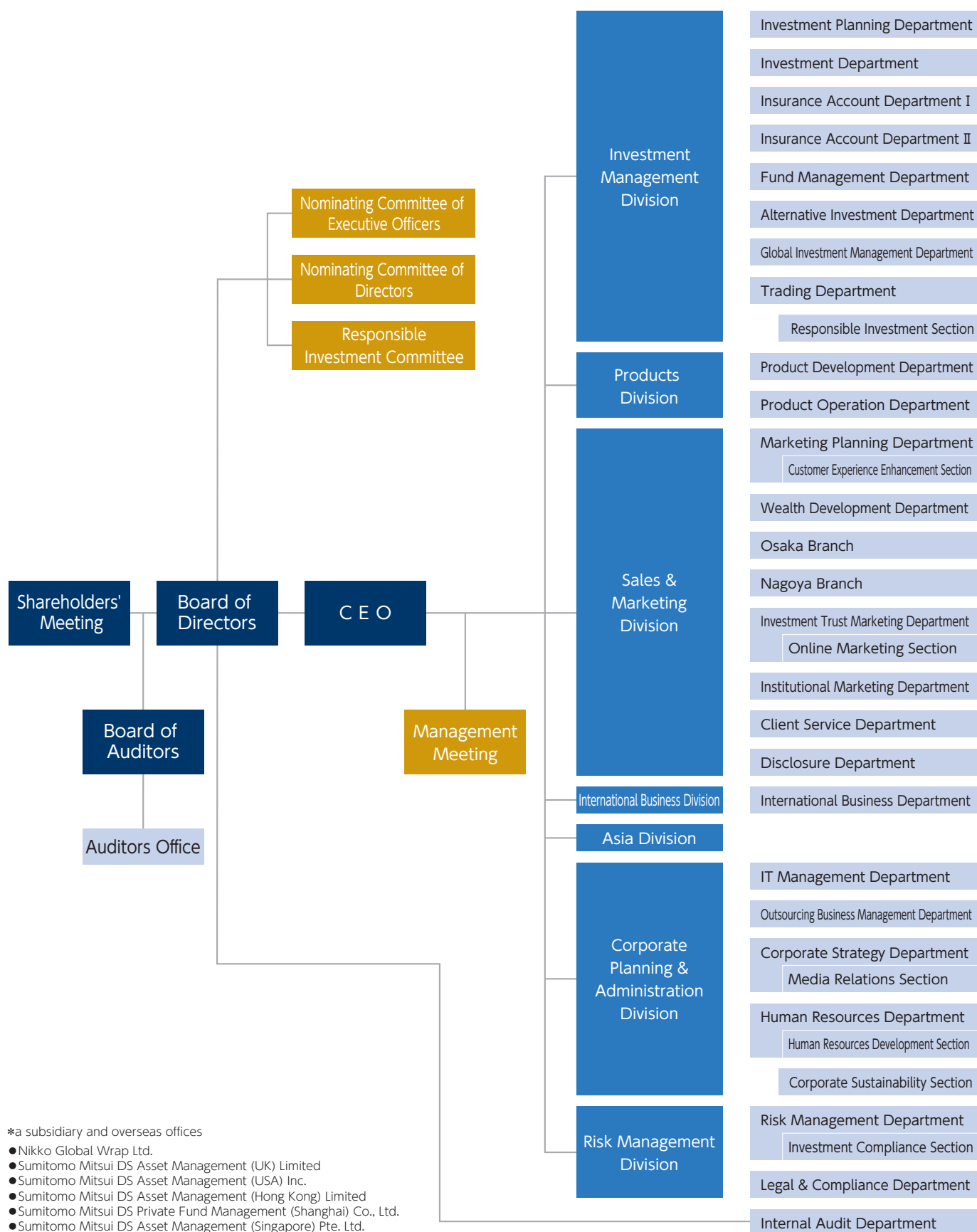
Name	Sumitomo Mitsui DS Asset Management Company, Limited
Home Address	Toranomon Hills Business Tower 26F, 1-17-1 Toranomon, Minato-ku, Tokyo 105-6426, Japan Tel. +81-3-6205-0200
Paid in Capital	JPY 2 billion
Business	(a) Investment Management Business (b) Investment Advisory and Agency Business (c) Type II Financial Instruments Business
Representative	Representative Director, President and CEO Takashi Saruta
Number of Staff	1,009 (as of April 1, 2022)
Ownership	Sumitomo Mitsui Financial Group 50.1% Daiwa Securities Group 23.5% Mitsui Sumitomo Insurance 15.0% Sumitomo Life Insurance 10.4% Sumitomo Mitsui Trust Bank 1.0%
Registered Number	Kanto local Finance Bureau (KINSHO) No.399
Membership	Japan Investment Advisers Association The Investment Trusts Association, Japan Type II Financial Instruments Firms Association

Domestic Offices	
Osaka Branch	Sumitomo Building No.3 1F,4-7-19, Kitahama Chuo-ku, Osaka 541-0041 Japan Tel. +81-6-4707-4855
Nagoya Branch	Nagoya Lucent Tower 15F, 6-1 Ushijimachou, Nagoya Nishi-ku, Aichi 451-6015, Japan Tel. +81-52-587-5491
Subsidiary	Nikko Global Wrap Ltd. Toranomon Hills Business Tower 27F, 1-17-1 Toranomon, Minato-ku, Tokyo 105-6427, Japan Tel. +81-3-4577-8800

Overseas Offices	
UK (Subsidiary)	Sumitomo Mitsui DS Asset Management (UK) Limited 100 Liverpool Street, London, EC2M 2AT, United Kingdom Tel. +44-(0)20-7507-6400
USA (Subsidiary)	Sumitomo Mitsui DS Asset Management (USA) Inc. 300 Park Avenue, 16th Floor, New York, NY10022, United States Tel. +1-212-418-3030
Hong Kong (Subsidiary)	Sumitomo Mitsui DS Asset Management (Hong Kong) Limited 6/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong Tel. +852-2521-8883
Shanghai (Subsidiary)	Sumitomo Mitsui DS Private Fund Management (Shanghai) Co., Ltd. Suite2710B - 11, 27/F, CITIC Square, 1168 Nanjing Road West, Shanghai, 200041, China Tel. +86-(0)21-5292-5960
Singapore (Subsidiary)	Sumitomo Mitsui DS Asset Management (Singapore) Pte. Ltd. 88 Market Street #33-03 CapitaSpring Singapore 048948 Tel. +65-6297-6811

Organization

(As of July 27, 2022)



*a subsidiary and overseas offices
 ●Nikko Global Wrap Ltd.
 ●Sumitomo Mitsui DS Asset Management (UK) Limited
 ●Sumitomo Mitsui DS Asset Management (USA) Inc.
 ●Sumitomo Mitsui DS Asset Management (Hong Kong) Limited
 ●Sumitomo Mitsui DS Private Fund Management (Shanghai) Co., Ltd.
 ●Sumitomo Mitsui DS Asset Management (Singapore) Pte. Ltd.

For Your Better
Quality
of Life

Quality of Life に貢献する
最高の資産運用会社へ。

Sumitomo Mitsui DS Asset Management Company, Limited

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<https://www.smd-am.co.jp/english/>

Registered Number: The Director of Kanto local Finance Bureau (KINSHO) No.399
Member of Japan Investment Advisers Association and the Investment Trusts Association, Japan
and Type II Financial Instruments Firms Association.