



Sumitomo Mitsui DS Asset Management

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# Article 10 Sustainability-related Disclosures for an Article 8 Fund

## SMD-AM Japan Equity High Conviction Fund

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# SMD-AM Japan Equity High Conviction Fund

## Summary

This document has been prepared by Sumitomo Mitsui DS Asset Management (UK) Limited (the **UK Investment Manager**), which has sub-delegated investment management of the SMD-AM Japan Equity High Conviction Fund (the **Sub-Fund**) to our parent company, Sumitomo Mitsui DS Asset Management Company, Limited (**SMDAM (Tokyo)**, **we**, or the **delegated Investment Manager**). References to **SMDAM** are to the entire “Sumitomo Mitsui DS Asset Management Company, Limited” organisation.

This document is made pursuant to the requirements of the EU Sustainable Finance Disclosure Regulation (**SFDR**); namely Article 10(1) of Regulation (EU) 2019/2088, and Articles 24 to 36 of the Commission Delegated Regulation (EU) 2022/1288.

This document contains both product and firm-wide specific information for the strategy on sustainability-related aspects. The purpose of this document is to provide transparency on the Sub-Fund’s sustainability characteristics and/or objectives, and the methodologies, which have been adopted to monitor and measure these within the investment strategy.

The Sub-Fund is classified as Article 8 under SFDR.

**No sustainable investment objective:** The Sub-Fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.

**Environmental or social characteristics of the financial product:** The Sub-Fund promotes a general ESG integration. The Sub-Fund promotes environmental and/or social characteristics by applying Sustainalytics’ (the **vendor**) ESG Risk Ratings on the equities within the investment universe of the Sub-Fund and by excluding equities whose Sustainalytics’ ESG Risk Ratings are in the bottom 20% of the coverage in Japan, from the investment universe.

Additionally, the Sub-Fund applies an ESG exclusion list, by excluding companies/issuers that are involved designated prohibited areas.

**Investment strategy:** The Sub-Fund may invest up to 100% of its net assets in Japan, as described in detail in the Sub-Fund’s investment policy.

**Proportion of investments:** A minimum of 80% of the Sub-Fund’s investments will be aligned with the promoted environmental and/or social characteristics. The investments, which are not aligned with these characteristics may include cash or cash equivalent securities.

**Monitoring of environmental or social characteristics:** The Sub-Fund will seek to attain the promoted environmental and/or social characteristics by applying the exclusions and evaluating the ESG risk rating. The ESG performance of the investments made by the Sub-Fund are considered at the ESG Meeting/Stewardship Meeting, as well as at the management and senior leadership level.

**Methodologies for environmental or social characteristics:** The ESG-related characteristics are evaluated based on the third-party ESG risk rating, and the composition of the Sub-Fund’s portfolio is intended to be maintained so as to achieve a weighted-average score that is better than the selected benchmark. An ESG exclusion list is applied, by excluding companies/issuers that are involved in controversial weapons, tobacco, thermal coal, and coal power. Good governance

practices are assessed on the basis of the delegated Investment Manager's entity-level exclusion policy, which is applied to all of the Sub-Fund's investments.

**Data sources and processing:** Data is obtained from a number of different internal sources and external providers. The ESG Data Provider Evaluation Working Group of the delegated Investment Manager works to ensure data quality. The delegated Investment Manager shall make reasonable efforts to obtain the required data directly or through third parties (data providers). Where this is not possible, it shall make a best estimate.

**Limitations to methodologies and data:** Limitations to methodologies or data sources in general include a lack of sustainability data, the lack of corporate disclosure and the scope of providers' coverage. The evolving nature of ESG and the harmonising regulatory development bring further pronounced limitations.

**Due diligence:** Although the UK Investment Manager has sub-delegated management to its parent, SMDAM (Tokyo), the UK Investment Manager retains responsibility for compliance, performance and valuations as well as client servicing and reporting requirements of the mandate. Due diligence is the essential foundational process across all investments made by the Sub-Fund, which is systematically carried out throughout the entire life-cycle of investment operations, which is an on-going, proactive and reactive, and process-oriented activity of firm-wide stewardship activities with active ownership.

**Engagement policies:** We engage in constructive dialogue with investee companies to contribute to their medium-to-long term sustainable growth and improvement in their corporate value or, alternatively, to help mitigate any possible damage caused to them, encouraging their formulation, execution, and information disclosure of appropriate business strategies/visions in consideration of sustainability-related issues. If no improvement is seen, including those that have a significant negative impact on the environment and society, or if there are undesirable actions affecting social credibility with no respect to the stakeholder relationship, we will utilise an escalation process in exercising voting rights in relation to the investee companies. Matters may be further escalated to firm-wide investment exclusion/restriction in case of critically significant situations where no improvement is observed.

**Designated reference benchmark:** The Sub-Fund does not use a reference benchmark to attain its promoted environmental and social characteristics.

For detailed information about the Sub-Fund please refer to the prospectus and the key information document (KID).

## No sustainable investment objective

The Sub-Fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.

## Environmental or social characteristics of the financial product

The Sub-Fund promotes a general ESG integration. The Sub-Fund promotes environmental and/or social characteristics by applying Sustainalytics' ESG Risk Ratings on the equities within the investment universe of the Sub-Fund and by excluding equities whose Sustainalytics' ESG Risk Ratings are in the bottom 20% of the coverage in Japan, from the investment universe.

In addition, the Sub-Fund applies the following ESG exclusion list, by excluding companies/issuers that are involved in the following:

- Controversial weapons: zero percent revenue tolerance regarding any direct involvement in the production of controversial weapons,
- Tobacco: more than 5% revenue generated from the manufacturing of tobacco products,
- Thermal Coal: more than 5% revenue from the extraction of thermal coal, and
- Coal Power: more than 25% production capacity to generate electricity from thermal coal, (together the "Exclusions").

The concept and methodology of Sustainalytics' ESG Risk Ratings are available on its website. <https://www.sustainalytics.com/esg-data>

Sustainalytics' ESG Risk Ratings present a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. This multidimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. Company ratings are comparable across peers and sub-industries and allow for easy aggregation at the portfolio level. The vendor's comprehensive due diligence with deep insights from multiple exposure factors, including business model, financial strength, geography and incident history, together with fully integrated corporate governance research. The vendor's transparent methodology and accessibility to the specialists is worth highlighting as they are indispensable in its ESG integration. It is our belief that this is preferable to being dependent on the external scores.

### Sustainability indicators used to measure environmental or social characteristics

The Sub-Fund uses following sustainability indicators to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund:

1. Percentage of the Sub-Fund's portfolio that Sustainalytics' ESG Risk Ratings fall in the bottom 20% of the covered investment universe in Japan.
2. Percentage of the Sub-Fund's portfolio that meets the exclusion criteria.

## Investment Strategy

The Sub-Fund may invest up to 100% of its net assets in Japan, as described in detail in the Sub-Fund's investment policy. The delegated Investment Manager first applies the Exclusions as part of the investment selection process. The delegated Investment Manager will evaluate the investment universe based on Sustainalytics' ESG Risk Ratings and compose the portfolio of the Sub-Fund by excluding equities whose ESG scores are in the bottom 20% of the coverage in Japan, from the investment universe.

The following elements are **binding elements** of the Sub-Fund's investment strategy, which are used to select the investments to attain each of the environmental or social characteristics promoted by this product.

1. Application of the Exclusions
2. Evaluation of the ESG Risk Ratings

On the basis of the Sustainalytics' ESG Risk Ratings, the Sub-Fund will seek to attain the promoted environmental and social characteristics by excluding equities whose Sustainalytics' ESG Risk Ratings are in the bottom 20% of the coverage in Japan, from the investment universe. The concept and methodology of Sustainalytics' ESG Risk Ratings are available on its website: <https://www.sustainalytics.com/esg-data>.

The assessment of the good governance practices of the target investments and investee companies is based on the delegated Investment Manager's entity-level exclusion policy which is applied to all of the Sub-Fund's investments. The assessment of good governance and investment exclusion is carried out by the delegated Investment Manager in a holistic manner, not based on data alone. It incorporates quantitative screening with our qualitative arguments for a fair and considered investment decisions, in order to contribute to the promotion of ESG investment and real-world sustainability.

## Proportion of Investments

The Sub-Fund invests at least 80% of its assets in investments that are aligned with the promoted environmental and/or social characteristics (#1 Aligned with E/S characteristics).

The investments which are not aligned with these characteristics (#2 Other) may include cash or cash equivalent securities.

Currently the Sub-Fund does not intend to commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy or social objective. However, this does not necessarily mean that investments made by the Sub-Fund are harmful to the environment or unsustainable.

## Monitoring of environmental or social characteristics

The Sub-Fund uses the following sustainability indicators to measure the attainment of the environmental and/or social characteristics promoted by the Sub-Fund and these are monitored as follows:

- Application of the Exclusions
- Evaluation of the ESG Risk Ratings

On the basis of the Sustainalytics' ESG Risk Ratings, the Sub-Fund's portfolio will be composed by excluding equities whose Sustainalytics' ESG Risk Ratings are in the bottom 20% of the coverage in Japan, from the investment universe.

SMDAM (Tokyo) has an established governance and oversight framework in place which captures the oversight and ongoing monitoring of the ESG performance of the Sub-Fund to ensure that it is consistent with its disclosures under Article 8 of the SFDR and the associated policies and procedures, including the assessment of good governance practices of the investee companies.

In summary, the ESG performance of the investments made by the Sub-Fund are considered whenever their monitoring finds it necessary at the ESG Meeting/Stewardship Meeting, the Management Meeting as well as the Board of Directors' Meeting and Responsible Investment Committee. All meetings mentioned, related to investment management, are held by the relevant teams in SMDAM (Tokyo), sub-portfolio manager.

The delegated Investment Manager's firm-wide Norm-based Negative Screening and Investment Exclusion are coded in its primary trading system, to make investment in the designated issuers not possible. Additionally, post-trade checks are also conducted by the SMDAM (Tokyo) Risk Management Department, including the assessment of good governance practices of the investee companies, which is assessed on the basis of the entity-level exclusion policy applied by the delegated Investment Manager.

## Methodologies for environmental or social characteristics

The delegated Investment Manager, SMDAM (Tokyo), evaluates the Sub-Fund's investment universe based on the Sustainalytics' ESG Risk Ratings and the composition of the Sub-Fund's portfolio is intended to be maintained so as to achieve a weighted-average score of the Sub-Fund's portfolio which is better than that of the reference benchmark.

In addition, the Sub-Fund applies the ESG exclusion list, by excluding investments in target investee companies/issuers that are involved in the following sectors and industries (together the "Exclusions"):

- Controversial weapons: zero percent revenue tolerance regarding any direct involvement in the production of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons);
- Tobacco: more than 5% revenue generated from the manufacturing of tobacco products;
- Thermal Coal: more than 5% revenue from the extraction of thermal coal; and
- Coal Power: more than 25% production capacity to generate electricity from thermal coal.

The assessment of the good governance practices of the target investments is based on the delegated Investment Manager's entity-level exclusion policy which is applied to all of the Sub-Fund's investments.

The delegated Investment Manager determines investment constraints based on its "Rules on managing Unsuitable Investee Companies", when an investment is inappropriate from a good governance perspective. This rule excludes companies which do not meet the requirement of good governance practices from the investment universe. The "Rules" themselves are proprietary, while including a norm-based negative screening with reference to various international standards (including the United Nations Global Compact; Organization for Economic Cooperation and Development Multinational Enterprises Guidelines, etc) leveraging Sustainalytics Global Standards Screening.

The process of negative screening and the exclusion criteria leverages the third-party (Sustainalytics) database used for this Sub-Fund, covering sound management structures, employee relations, remuneration of staff and tax compliance, and adhering to minimum environmental or social safeguards.

The concept and methodology of Sustainalytics' ESG Risk Ratings are available on its website.



### Sustainalytics ESG Rating

Link: <https://www.sustainalytics.com/esg-data>

Note: SMDAM is not responsible for the content or update of external web addresses.

Sustainalytics' ESG Risk Ratings present a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. Company ratings are comparable across peers and sub-industries and allow for easy aggregation at a portfolio level. Its comprehensive due diligence is based on deep insights from multiple exposure factors, including business model, financial strength, geography, and incident history, together with fully integrated corporate governance research.

Sustainalytics transparent methodology and accessibility to the specialists are helpful in ensuring the robustness of the ESG integration rather than just relying on external scores. A sole reliance on external scores, operating a quantitative rules-based approach, may be unable to correctly produce positive ESG outcomes across the range of investee companies. We are confident that by using our holistic approach towards ESG integration, utilising both quantitative methods alongside more qualitative evaluations, we are able to create more considered outcomes for E/S promotion.

## Data sources and processing

### Data sources:

The data sources used for the delegated Investment Manager's Firm-wide Norm-based Negative Screening and Investment Exclusion, are Sustainalytics Global Standards Screening and Controversy Analysis with further reference to some other industry-recognized database related to engagement and international norms.

Its proprietary ESG scores, Sustainalytics' ESG Risk Ratings, and its PAI Solution are primary data sources to disclose the attainment of the environmental or social characteristics.

The proxy voting process of the delegated Investment Manager primarily uses data derived from internal processes, partially with the aid of analysis and/or the platform of ISS (International Shareholder Services).

The delegated Investment Manager uses a blend of internal and external data as the inputs to its sustainable investment processes, and the investment team managing the Sub-Fund makes use of data provided by the following ESG data & research providers:

- Sustainalytics;
- RepRisk;
- Institutional Shareholder Services (ISS);
- ProxyEdge;
- Bloomberg; and
- CSRHub.

### Data quality and processing:

The delegated Investment Manager has ambition to develop internal systems for data processing in general to avoid any operational risks and unnecessary human intervention, to the extent cost effective.

However, it currently relies on Sustainalytics' reporting function with its ESG Risk Rating, PAI Solution, and EU Taxonomy Solution, in cascading to the broader corporate structure, classifying industries, and matching identifiers.

The delegated Investment Manager also leverages FactSet portfolio analysis for the same purposes with common limitations.

### The measures taken to ensure data quality:

The ESG Data Provider Evaluation Working Group of the delegated Investment Manager works to ensure data quality.

- As there are differences in methodologies, the number of companies covered, the frequency of data updates, and data transparency among ESG evaluation and ESG data providers, it



makes use of data provided by multiple ESG data providers (depending on the purpose of use).

- In addition, we confirm the quality of the data with the providers, having discussions with them on the appropriateness of their methodology etc. as necessary.
- To verify the validity and reliability of external ESG data, it established the ESG Data Provider Evaluation Working Group. The Responsible Investment Section leads the working group in conducting a multifaceted evaluation of each provider by collecting opinions from various relevant departments such as Investment, Investment Development, Investment Planning, Risk Management, Information Technology and Disclosure.
- It confirms the quality of the providers, which are subject to rigorous on-boarding and ongoing reviews (in principle annually) of the working group.

### **The proportion of data that is estimated:**

The delegated Investment Manager shall make reasonable efforts to obtain the required data directly or through third parties (data providers). Where this is not possible, it shall make a best estimate. On this basis, it is not possible to provide specific details, with respect to the amount of data that is estimated.

Meanwhile, no in-house estimation is currently deployed for SFDR disclosure purposes.

The delegated Investment Manager will seek clarification and demand remediation action by data providers, when it has concerns about potential errors with the data or it has a different observation/estimation.

Specifically, with respect to PAI indicators, GHG Emissions, Water Consumption, and a few others are the metrics which are estimated by Sustainalytics (although some items are proxies rather than “Exact Matches”).



### **Sustainalytics - Disclosures**

Link: <https://www.sustainalytics.com/landing-pages/sustainable-finance-disclosure-regulation-solutions>

Note: SMDAM is not responsible for the content or update of external web addresses.

## **Limitations to methodologies and data**

The lack of corporate disclosure and the scope of providers' coverage are the typical limitations to methodologies or data sources in general. The delegated Investment Manager shall make reasonable efforts to obtain the required data directly or through third parties, and shall make a best estimate where it is not possible, in order to supplement them in its holistic consideration. Global market participants may continue to struggle to find adequate information on the principal adverse impacts until EU's Corporate Sustainability Reporting Directive (CSRD) is fully implemented and if it becomes a de-facto global standard for any issuers outside of the EU region.

Some ESG data points are reliant on a self-report issued by investee companies, and may not be underpinned by globally-agreed standards or verification of data.

Most third-party data is fact-based but may be stale as no database can be updated on a real-time basis.

Both portfolio and investee levels face divergent observations among data providers, relying on methodologies and calculation algorithms, including classification and cascade of identifiers.

The evolving nature of ESG and the lack of harmonisation of the ESG-related regulatory framework bring further pronounced limitations.

Notwithstanding this, the above-mentioned limitations do not affect the characteristics / objectives promoted by the Sub-Fund as we adopt a holistic approach to assessing ESG that incorporates data from multiple data providers and sources.

Third-party data providers are subject to rigorous on-boarding measures and the ongoing due diligence requirements of the ESG Data Provider Evaluation Working Group of the delegated Investment Manager. Prioritising objectivity and transparency in its disclosure and reporting, the delegated Investment Manager may opt for escalation to data providers in case of data concerns, rather than overriding the data points.

## Due diligence

### SMDAM (UK)

The UK Investment Manager, SMDAM (UK), has sub-delegated the day-to-day performance of investment management and some of the fund accounting and administration functions of the Sub-Fund to its parent company, Sumitomo Mitsui DS Asset Management Company Ltd (“SMDAM (Tokyo)”), but retains responsibility for compliance, performance and valuations as well as client servicing and reporting requirements in relation to the Sub-Fund.

The UK Investment Manager’s Compliance team (SMDAM (UK)) receive monthly written confirmation of compliance from sub-delegates of compliance with our own internal policy and procedures on sub-delegation.

### Fund Management

In accordance with its basic policy on ESG investment, SMDAM, in principle (\*), invites all of its fund managers and analysts engaged with active investment management products to consider ESG integration, which is an important factor for the sustainability of the companies in which they invest.

*\*This principle may not apply to passive investment management products and others such as long/short products that are technically difficult to accord with the principle.*

Due diligence is the essential foundational process across all of the investments made by the Sub-Fund, and it is systematically carried out throughout the entire life-cycle of investment operations, which is an on-going, proactive and reactive, and process-oriented activity of firm-wide stewardship activities with active ownership.

SMDAM has controls in place to monitor and analyse all target investee companies prior to making any investment decisions. It also monitors and analyses the performance of the investee companies during the life of the investment.

The ongoing monitoring consists of both quantitative and qualitative analysis of such matter as strategy, social and environmental impact (including good corporate governance practices), risk, capital structure and financial performance.

The due diligence process for investments made by the Sub-Fund, consists of the following 6 elements;

- 1) Policy Framework;
- 2) Identification and Prioritisation;
- 3) Consideration in Investment Processes;
- 4) Engagement and Escalation;
- 5) Collaborative Engagement and References to International Standards; and
- 6) Monitoring and Disclosure/Reporting.

Further details are given online at: <https://www.smd-am.co.uk/sustainability/>

## Engagement policies

We have developed an engagement policy and framework to facilitate a coherent approach to our interaction with investee companies both before and after investing.

Broadly speaking, SMDAM (Tokyo) engage and will engage in constructive dialogue with investee companies to contribute to their medium-to-long term sustainable growth and improvement in their corporate value or, alternatively, to help mitigate any possible damage caused to them, encouraging their formulation, execution, and information disclosure of appropriate business strategies/visions in consideration of sustainability-related issues.

If, despite our repeated engagement, no improvement is seen in investee company sustainability issues, including those that have a significant negative impact on the environment and society, or if there are undesirable actions affecting social credibility with no respect to the stakeholder relationship, we will follow our internal escalation process in exercising voting rights on the investee companies.

The matter may be further escalated and be subject to the firm-wide investment exclusion/restriction in case of critically significant situations where no improvement is observed. Such matters shall be decided by the Executive Officer in charge of the Responsible Investment Section, based on our “Rules on Managing Unsuitable Investee Companies”.

### Engagement on Climate Change

In March 2022, we became a signatory of the Net Zero Asset Managers Initiative, a global initiative of asset managers aiming to achieve net-zero green-house gas (GHG) emissions by 2050.

To this end, we will encourage investee companies to obtain SBT (Science Based Targets) certification, which is granted to companies with long-term plans consistent with requirements of the Paris Agreement, and will urge them to improve their ‘Carbon Disclosure Project’ (CDP) climate change scores, while considering investment exclusion as an option, focusing on sectors with high GHG emissions. Meanwhile, we will participate even more actively than we did in the past in collaborative engagements organised by domestic and global initiatives.

### Global initiatives

To fulfill our stewardship responsibilities as a responsible institutional investor, we have become a signatory to and accepted various global initiatives, starting with the U.N. Principles for Responsible Investment (PRI). We work cooperatively with investors within and outside Japan and conduct engagement with our investee companies.

- U.N. Principles for Responsible Investment (PRI)
- Principles for Financial Action towards a Sustainable Society
- Japan Stewardship Initiative (JSI)
- ESG Disclosure Study Group
- Task Force on Climate-related Financial Disclosures (TCFD) and TCFD Consortium
- CDP
- Climate Action 100+ (CA100+)
- Net Zero Asset Managers Initiative (NZAMI)
- 30% Club Japan Investor Group
- ACGA (Asian Corporate Governance Association)



More information regarding responsible investment, including our ESG and sustainability reports, can be found online at:

<https://www.smd-am.co.uk/responsible-investment/>

### Related resources:

For both transparency and completeness, the following policies have also been made available for your information.



#### Engagement Activity Results

Link: [https://www.smd-am.co.jp/english/corporate/responsible\\_investment/stewardship/engagement/](https://www.smd-am.co.jp/english/corporate/responsible_investment/stewardship/engagement/)



#### Proxy-Voting Policy

Link: [https://www.smd-am.co.jp/english/corporate/responsible\\_investment/voting/](https://www.smd-am.co.jp/english/corporate/responsible_investment/voting/)

## Designated reference benchmark

The Sub-Fund does not use a reference benchmark to attain its promoted environmental and social characteristics.

Version	Date	Details of change
1.0	tbc	Initial document



**Note: Further information relating to SMDAM's commitment to Sustainability and SFDR is available at:**

Link: <https://www.smd-am.co.uk/sustainability/>

## Disclaimer

<p>“SMDAM” “Our” / “We” / “Group” “SMDAM Tokyo” / “SMDAM (Tokyo)”</p>	<p>These references relate to the entire “Sumitomo Mitsui DS Asset Management Company, Limited” organisation and will generally be used when referring to matters such as investment philosophy, style, company structure and other policies, which are consistent across the group.</p> <p>This refers to Sumitomo Mitsui DS Asset Management Company, Limited, the head office of the SMDAM group based in Tokyo, Japan. Our Japanese investment team is based in Tokyo and will perform day-to-day management of client portfolios.</p>
<p>“SMDAM UK” “SMDAM (UK)”</p>	<p>This refers to Sumitomo Mitsui DS Asset Management (UK) Limited, the UK-based subsidiary of SMDAM (Tokyo). SMDAM (UK) will typically be appointed as investment manager and will delegate day-to-day management of client portfolios to SMDAM (Tokyo), SMDAM (Hong Kong) and SMDAM (Singapore), but will retain responsibility for the management, control and servicing of the client portfolios and relationship. Some responses within this document will refer specifically to practices and procedures undertaken within the SMDAM (UK) office.</p>

This is a disclosure issued by Sumitomo Mitsui DS Asset Management (UK) Limited. Registered in England and Wales. Registered office 100 Liverpool Street, London, EC2M 2AT; registered number 1660184. Authorised and regulated by the Financial Conduct Authority.

The disclosures in this document are designed to comply with Article 10 of the Sustainable Finance Disclosure Regulation ((EU) 2019/2088) (“SFDR”) and Articles 24 to 36 of the Commission Delegated Regulation (EU) 2022/1288. The information disclosed is required by law to help you understand the sustainability characteristics and/or objectives and risks of this financial product. This document contains both product and firm-wide specific information for the strategy on sustainability-related aspects.

The information in this document is not intended to be investment advice, tax, financial or any other type of advice, and is merely a summary and an overview of the sustainability-related aspects of the Sub-Fund. This document should not be construed as an offer to purchase shares of the Sub-Fund. It is correct to the best of our knowledge at the date of issue. This document may not be copied, redistributed or reproduced in whole or in part without prior written approval from Sumitomo Mitsui DS Asset Management (UK) Limited.

For detailed information about the Sub-Fund please refer to the prospectus and the Key Information Document (“KID”). Financial information about the Sub-Fund is provided in the latest audited annual report or semi-annual report, whichever is newest. The KID, the prospectus and the most recent annual report and the latest semi-annual report, if published thereafter, are the only binding basis for the purchase of shares and investment decisions should be based solely on this. Documents can be obtained free of charge at Sumitomo Mitsui DS Asset Management (UK) Limited, and on <http://www.smd-am.co.uk/>.