



Reference

**The following is an English translation of the original Japanese version.
If there is any inconsistency between the two versions, the Japanese version shall prevail.**

27 June, 2018
SPARX Asset Management Co., Ltd.

Customer-oriented business management metrics (KPI)

SPARX Asset Management Co., Ltd. (hereafter SPARX) adopted on 28 June, 2017, all of the 7 principles set forth in the "Principles for Customer-Oriented Business Operations" issued by the FSA on 30 March, 2017.

In conjunction with the above, we have established the following items as Key Performance Indicators (KPIs) for the "Policy for Customer-Oriented Operations." We will regularly publish this indicator in the future and regularly review it in light of changes in the environment surrounding this principle.

1. To Pursuit of the best interests of customers

SPARX seeks to maximize high-quality returns over the long term after deducting commissions and other charges, while taking into account the risks that end investors can take. To this end, we will make the following efforts.

- We always consider attractive investments.
- We will invest with integrity with our professional insight and conscience. While considering our customers' needs, we always consider what our best investment is and do not make investments that harm our customers' long-term interests.
- In order to invest in good businesses at attractive prices, we will strive to control investment risk and pursue high returns by thoroughly investigating investment targets on behalf of customers who have entrusted them.
- We will contribute to enhancing the value of our investments by appropriately encouraging them through, for example, meaningful dialogue with management.
- Considering the organizational structure and the market environment, we will manage optimal investment balances for each investment strategy. In order to control optimal investment balances, we may take measures such as discontinuing solicitation.
- If the fund size is smaller and the expense ratio is higher, we will work closely with the distributors to undertake initiatives with a view to consolidation and redemption.

Key Performance Indicators (KPI)

1-1. Number of surveys conducted annually by the Investment and Research division.

Total number of surveys conducted by the Investment and Research Division in 2017 was 2,875.

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Reference

1-2. Performance figures

As of 31 May, 2018, the results of investments in our publicly offered investment trusts (domestically registered) as of 31 May, 2018 are as follows:

- ※ Annualized returns represent the annualized rate of return over the calculation period.
- ※ Annualized risk represents the variability of the annualized return over the calculation period.
- ※ NAV is net of fees.
- ※ Past performance is calculated based on month-end values.
- ※ The fund's performance in the event of dividend payment in the Fund accounting period is the rate of return derived by reinvesting distributions (before tax). Therefore, it is different from the actual yield to investors.
- ※ These results have been made based on the past performance and are not guarantees of the future results.

Source: SPARX Asset Management Co., Ltd., FactSet Pacific Inc.

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Reference

SPARX JAPAN EQUITY FUND

NAVPS/NAV (as of 31 May, 2018)

NAV (Per 10,000 units)	JPY 24,166
Net Assets	JPY 23.50 Billion
Investment period	18 years

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	0.93%	-1.18%	2.10%
6 Months	0.14%	-2.49%	2.63%
1 year	15.40%	11.42%	3.98%
3 years	27.76%	4.41%	23.35%
Since Inception	155.55%	14.67%	140.88%
Annualized return	5.22%	0.75%	4.48%
Annualized risk	19.74%	21.29%	-1.55%

※ Date of Inception: 26 May, 2000

※ Benchmark: TOPIX

※ Although TOPIX is a benchmark for the Fund, the Fund will not intent to follow the benchmark.

SPARX Active Japan

NAVPS/NAV (As of 31 May, 2018)

NAV (per 10,000 units)	JPY 22,435
Net Assets	JPY 17.93 Billion
Investment period	14 years and 1 month

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	0.88%	-0.26%	1.14%
6 Months	-0.01%	-1.41%	1.40%
1 year	16.34%	13.78%	2.57%
3 years	28.93%	11.25%	17.68%
Since Inception	135.09%	86.61%	48.47%
Annualized return	6.12%	4.43%	1.69%
Annualized risk	19.97%	21.49%	-1.52%

※ Date of Inception: 27 April, 2004

※ Reference index: TOPIX Total Return

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

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SPARX JAPAN OPEN

NAVPS/NAV (As of 31 May, 2018)

NAV (per 10000 units)	JPY 22,988
Net Assets	JPY 21.85 Billion
Investment period	14 years

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	0.89%	-0.26%	1.15%
6 Months	-0.02%	-1.41%	1.38%
1 year	16.13%	13.78%	2.35%
3 years	27.64%	11.25%	16.39%
Since Inception	156.82%	104.29%	52.53%
Annualized return	6.80%	5.11%	1.69%
Annualized risk	19.69%	21.40%	-1.71%

※ Date of Inception: 20 May, 2004

※ Reference index: TOPIX Total Return

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

SPARX JAPAN ALL CAP EQUITY FUND FOR WRAP ACCOUNTS

NAVPS/NAV (As of 31 May, 2018)

NAV (per 10000 units)	JPY 14,172
Net Assets	JPY 4.21 Billion
Investment period	1 year and 8 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	1.17%	-0.26%	1.43%
6 Months	0.53%	-1.41%	1.94%
1 year	17.49%	13.78%	3.72%
3 years			
Since Inception	41.72%	34.51%	7.21%
Annualized return	22.40%	18.75%	3.65%
Annualized risk	13.02%	13.36%	-0.34%

※ Date of Inception: 23 September, 2016

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

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SPARX NEW GLOBAL BLUE CHIP JAPANESE EQUITY FUND

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 34,572
Net Assets	JPY 997.92 Billion
Investment period	10 years and 2 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	3.54%	-0.26%	3.79%
6 Months	4.22%	-1.41%	5.63%
1 year	18.12%	13.78%	4.35%
3 years	43.62%	11.25%	32.37%
Since Inception	283.22%	75.17%	208.05%
Annualized return	13.80%	5.54%	8.26%
Annualized risk	19.25%	22.51%	-3.26%

※ Date of Inception: 28 March, 2008

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

SPARX NEW GLOBAL BLUE CHIP JAPAN ASIA EQUITY FUND (for Nomura SMA and EW)

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 11,931
Net Assets	JPY 127.34 Billion
Investment period	9 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	4.11%	-0.26%	4.37%
6 Months	4.08%	-1.41%	5.49%
1 year			
3 years			
Since Inception	19.31%	11.86%	7.45%
Annualized return	25.43%	15.47%	9.96%
Annualized risk	14.19%	13.35%	0.84%

※ Date of Inception: 25 August, 2017

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

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SPARX JAPAN SMALL CAP FUND

NAVPS/NAV as of 31 May, 2018

NAV	JPY 46,662
Net Assets	JPY 50.83 Billion
Investment period	17 years and 7 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	0.92%	-3.45%	4.36%
6 Months	4.49%	2.18%	2.31%
1 year	28.80%	25.32%	3.47%
3 years	51.92%	51.29%	0.63%
Since Inception	454.34%	161.80%	292.54%
Annualized return	9.98%	5.49%	4.49%
Annualized risk	18.92%	17.66%	1.26%

※ Date of Inception: October 19, 2000

※ Benchmark: JASDAQ Index

※ Although JASDAQ Index is a benchmark for the Fund, the Fund will not intent to follow the benchmark.

SPARX M AND S JAPAN FUND

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 28,924
Net Assets	JPY 262.98 Billion
Investment period	11 years and 4 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	1.10%	0.73%	0.38%
6 Months	4.79%	-0.38%	5.17%
1 year	29.73%	15.63%	14.10%
3 years	57.88%	19.42%	38.46%
Since Inception	207.09%	51.89%	155.20%
Annualized return	10.18%	3.68%	6.50%
Annualized risk	20.44%	21.62%	-1.18%

※ Date of Inception: 31 January, 2007

※ Benchmark: Russell/Nomura Mid-Small Cap Index (distribution)

※ Although Russell/Nomura Mid-Small Cap Index (allocation) is the benchmark of the Fund, the Fund will not intent to follow the benchmark.

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SPARX JAPAN MID SMALL EQUITY FUND FOR WRAP ACCOUNTS

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 17,467
Net Assets	JPY 2.36 Billion
Investment period	1 year and 8 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	1.30%	0.73%	0.58%
6 Months	5.22%	-0.38%	5.60%
1 year	30.89%	15.63%	15.26%
3 years			
Since Inception	74.67%	39.15%	35.52%
Annualized return	38.17%	21.11%	17.06%
Annualized risk	13.02%	13.18%	-0.16%

※ Date of Inception: 23 September, 2016

※ Benchmark: Russell/Nomura Mid-Small Cap Index (distribution)

※ Although Russell/Nomura Mid Small Cap Index (including dividends) is a benchmark for the Fund, the Fund will not intent to follow its benchmarks.

SPARX ELECT FEW INVESTMENT JAPANESE EQUITY FUND

NAVPS/NAV (As of 31 May, 2018)

NAV (per 10000 units)	JPY 21,782
Net Assets	JPY 13.45 Billion
Investment period	4 years and 9 months

Historical Performance (As of 31 May, 2018)

	Fund	Index number	Excess return
3 Months	-1.25%	-0.26%	-0.99%
6 Months	3.32%	-1.41%	4.73%
1 year	34.81%	13.78%	21.03%
3 years	49.66%	11.25%	38.41%
Since Inception	125.41%	72.92%	52.48%
Annualized return	18.28%	11.98%	6.30%
Annualized risk	18.73%	18.82%	-0.09%

※ Date of Inception: 30 August, 2013

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

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SPARX PREMIUM JAPAN MICRO CAP EQUITY FUND

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 20,162
Net Assets	JPY 164.85 Billion
Investment period	2 years and 8 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	-2.76%	-2.15%	-0.61%
6 Months	4.89%	2.58%	2.30%
1 year	37.65%	24.43%	13.23%
3 years			
Since inception	106.07%	71.35%	34.72%
Annualized return	30.39%	21.85%	8.54%
Annualized risk	16.11%	16.04%	0.07%

※ Date of Inception: 30 September, 2015

※ Reference index: MSCI Japan Micro Cap index (including dividends)

※ Although MSCI Japan Micro Cap Index (including dividends) is a benchmark for the Fund, the Fund will not intent to follow the benchmark.

SPARX JAPANESE EQUITY STEWARDSHIP FUND

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 14,041
Net Assets	JPY 11.66 Billion
Investment period	3 years and 5 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	-1.25%	-0.26%	-0.99%
6 Months	-1.67%	-1.41%	-0.27%
1 year	4.50%	13.78%	-9.27%
3 years	27.53%	11.25%	16.28%
Since Inception	42.63%	32.22%	10.41%
Annualized return	10.47%	8.15%	2.32%
Annualized risk	15.81%	19.17%	-3.36%

※ Date of Inception: 2 December, 2014

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

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SPARX JAPANESE EQUITY LONG SHORT FUNDNAVPS/NAV (as of 31 May, 2018)

NAVJPY	JPY 21,902
Net Assets	JPY 28.49 Billion
Investment period	16 years and 2 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	1.17%	-0.26%	1.43%
6 Months	1.05%	-1.41%	2.46%
1 year	12.43%	13.78%	-1.34%
3 years	16.44%	11.25%	5.19%
Since Inception	138.68%	109.34%	29.34%
Annualized return	5.38%	4.55%	0.83%
Annualized risk	8.90%	21.24%	-12.33%

※ Date of Inception: 11 March, 2002

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

SPARX JAPANESE EQUITY L AND S

NAVPS/NAV (As of 31 May, 2018)

NAV (per 10000 units)	JPY 21,942
Net Assets	JPY 6.76 Billion
Investment period	15 years and 3 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	1.26%	-0.26%	1.51%
6 Months	4.18%	-1.41%	5.59%
1 year	16.08%	13.78%	2.30%
3 years	19.88%	11.25%	8.62%
Since Inception	146.15%	169.38%	-23.23%
Annualized return	5.93%	6.54%	-0.61%
Annualized risk	8.91%	21.28%	-12.37%

※ Date of Inception: 14 February, 2003

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

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SPARX JAPANESE EQUITY LONG SHORT PLUS

NAVPS/NAV (As of 31 May, 2018)

NAV (per 10000 units)	JPY 20,754
Net Assets	JPY 1.83 Billion
Investment period	8 years and 11 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	-0.61%	-0.26%	-0.35%
6 Months	-0.02%	-1.41%	1.38%
1 year	13.85%	13.78%	0.07%
3 years	15.78%	11.25%	4.52%
Since Inception	107.54%	129.72%	-22.18%
Annualized return	8.34%	9.56%	-1.21%
Annualized risk	13.64%	19.33%	-5.69%

※ Date of Inception: 30 June, 2009

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

SPARX GENSEN STOCK FUND HEDGED (Daiwa Discretionary Account)

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 10,229
Net Assets	JPY 6.24 Billion
Investment period	1 month

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months			
6 Months			
1 year			
3 years			
Since Inception	2.29%	0.65%	1.64%
Annualized return	19.86%	5.35%	14.51%
Annualized risk	2.98%	8.82%	-5.84%

※ Date of Inception: 17 April, 2018

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

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SPARX BEST PICK FUND HEDGED

NAVPS/NAV (As of 31 May, 2018)

NAV (per 10000 units)	JPY10,258
Net Assets	JPY 23.79 Billion
Investment period	1 month

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months			
6 Months			
1 year			
3 years			
Since Inception	2.58%	-1.67%	4.25%
Annualized return	33.79%	-17.52%	51.31%
Annualized risk	3.59%	8.85%	-5.26%

※ Date of Inception: 1 May, 2018

※ Reference index: TOPIX (including dividends)

※ The Reference Index (TOPIX Total Return) is for comparative purposes only.

SPARX ASIA MIDDLE EAST EQUITY FUND

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 9,633
Net Assets	JPY 26.60 Billion
Investment period	10 years and 6 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	-2.96%	-0.25%	-2.72%
6 Months	-4.21%	-0.25%	-3.96%
1 year	2.99%	14.21%	-11.22%
3 years	-9.32%	8.25%	-17.58%
Since Inception	41.02%	45.62%	-4.60%
Annualized return	3.26%	3.57%	-0.31%
Annualized risk	19.22%	26.13%	-6.91%

※ Date of Inception: 30 November, 2007

※ Reference index: MSCI AC Asia Pacific (\ basis/gross)

※ The Reference Index (MSCI AC Asia Pacific ex Japan Index (Yen Basis)) is not a benchmark for the Fund.

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SPARX ASIA MIDDLE EAST EQUITY FUND
(GROWTH)

NAVPS/NAV (as of 31 May, 2018)

NAV	JPY 27,825
Net Assets	JPY 0.35 Billion
Investment period	9 years and 6 months

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	-2.57%	-0.25%	-2.32%
6 Months	-3.48%	-0.25%	-3.23%
1 year	2.64%	14.21%	-11.57%
3 years	-7.96%	8.25%	-16.22%
Since Inception	178.25%	247.63%	-69.38%
Annualized return	11.07%	13.64%	-2.57%
Annualized risk	15.72%	22.34%	-6.62%

※ Date of Inception: 12 November, 2008

※ Reference index: MSCI AC Asia Pacific (\ basis/gross)

※ The Reference Index (MSCI AC Asia Pacific ex Japan Index (Yen Basis)) is not a benchmark for the Fund.

SPARX NEW GLOBAL BLUE CHIP ASIA EQUITY FUND

NAVPS/NAV (As of 31 May, 2018)

NAV	JPY 10,646
Net Assets	JPY 8.81 Billion
Investment period	1 year

Historical Performance (As of 31 May, 2018)

	Fund	Index	Excess return
3 Months	-3.86%	-0.31%	-3.55%
6 Months	-4.70%	-0.16%	-4.54%
1 year	7.38%	15.53%	-8.15%
3 years			
Since Inception	6.46%	13.97%	-7.51%
Annualized return	6.19%	13.38%	-7.18%
Annualized risk	12.35%	14.62%	-2.28%

※ Date of Inception: 26 May, 2017

※ Reference index: MSCI AC Asia ex Japan Index (yen basis/gross)

※ The Reference Index (MSCI AC Asia ex Japan Index (Yen Basis)) is not a benchmark for the Fund.

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Reference

1-5. Rating

SPARX Asset Management Co., Ltd. will continue to publish the ratings assigned to our investment trusts by Nomura Research Institute, Ltd. as Key Performance Indicators (KPI).

Rating is ranked by each category based on a return after the risk adjustment.

Since the funds subject to rating are different for each category, the percentile value (the ranking in the same category is converted back to 1 for the highest and 100 for the lowest) is calculated to compare the rankings, and rating is performed based on that value. Ratings are evaluated by investment trusts that meet the following conditions.

- Investment performance for at least 3 years.
- Average total net assets over the past three years is over 1 billion yen and total net assets at the end of the final evaluation is over 1 billion yen
- Once subject to evaluation, if the average Net Assets Value during the evaluation period is JPY1 billion or more and the Net Assets at the end of the final month of the evaluation is JPY800 million or more, the subject will be continued
- Fall into the category in which there are 10 or more investment trusts that satisfy the above conditions (sub-classifications segmented by exchange classification)

As of May 31, 2018, 2 out of 9 Funds with a rating of 5 (excluding the investment balance ratio of 87.7% and no rating) in our domestic Funds, weighted average rating based on NAV is 4.43.

Rating	Percentile of values	Number of units	Investment balance ratio
☆☆☆☆☆	Top 10%	2	70.8%
☆☆☆☆	10~33%	3	4.4%
☆☆☆	34~67%	2	22.0%
☆☆	68~90%	2	2.8%
☆	Bottom 10%	0	0.0%
Total		9	100.0%

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Reference

2. Appropriate management of conflicts of interest

SPARX leverages its advantages as an independent investment management company to build and maintain a sophisticated governance system. We have established a conflict of interest management policy to properly manage conflicts of interest and ensure that conflict of interest transactions do not impair the interests of our customers.

SPARX will continue to actively develop new investment fields as an investment company. We anticipate that new types of conflicts of interest will arise when we create new forms of investment, and from time to time we will prioritize the best interests of our customers and review our conflicts of interest management policies as appropriate.

Key Performance Indicators (KPI)

2-1. Policy for conflicts of interest management

SPARX Asset Management Co., Ltd. ("we") will conduct its business appropriately in accordance with laws, regulations and conflicts of interest management policies with respect to transactions that may involve a conflict of interest between us or our group companies and our customers, and with respect to transactions that may involve a conflict of interest between our customers, in order not to unduly harm the interests of our customers. We disclose here an overview of our conflict of interest management policy in accordance with laws and regulations.

<https://www.sparx.co.jp/profit.html>

(Japanese)

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Reference

3. Approach to Compensation and Expenses

SPARX will set a compensating level sufficient to allow customers to entrust their money. SPARX seeks to provide customers with high-quality, long-term returns on a net basis after deducting compensation, commissions and other expenses. In this context, we will disclose the compensation and commissions paid to customers in an easy-to-understand manner.

Key Performance Indicators (KPI)

3-1. Net Return (Dividend Reinvestment NAV Basis)

In order to provide long-term, good and high-quality net returns after deducting fees and commissions, our publicly offered investment trusts (domestically registered) have set a return based on the NAVPS with dividend reinvestment as Key Performance Indicators (KPI). Please refer to 1-2 above for the relevant figures.

4. Providing customers with the information they need in an easy-to-understand manner

SPARX will endeavor to provide customers with an easy-to-understand and accurate understanding of our activities and ideas through reports for customers, our website, and postings on SPARX TV.

Key Performance Indicators (KPI)

4-1. Number of SPARX-TV videos posted and viewed

Please refer to the table below for the number of accesses (users) to the SPARX Asset Management website and video contents on S PARX-TV.

	Number of users	Numbers of contents on SPARX TV
2018/04	7,921	7
2018/05	9,370	7

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Reference

5. Structuring of financial products suitable for customers

SPARX will thoroughly ascertain the attributes and needs of our customers and aim to provide what they believe will really contribute to their asset building.

SPARX' investment is based on long-term investments based on thorough on-site research in principle. Accordingly, customers having attributes and needs that match our investments are those who can hold financial products with the aim of long-term asset formation ("investors"). We will continue to communicate this idea to our marketers and share it with our customers.

Key Performance Indicators (KPI)

5-1. Net Assets and number of products of investment trusts

Net Assets in our publicly offered domestic investment trusts as of 31 May, 2018 were approximately JPY 182 Billion, the average is about JPY9 billion, and the number of products is 20.

5-2. Number of years invested in investment trusts

The average number of years under management in our publicly offered domestic investment trusts as of 31 May, 2018 was approximately 8.1 years for a simple average and approximately 9.2 years for a weighted average based on Net Assets.

5-3. Number and Composition Ratio of Distributed Funds to Asset under Management.

As of 31 May, 2018, among our publicly offered domestic investment trusts, there were 16 funds that settle their accounts once a year, accounting for approximately 87.7% of the total assets under management.

Frequency of Distribution	Number of units	Investment balance ratio
Once	16	87.7%
Twice	3	10.8%
6 times	1	1.5%
Total	20	100.0%

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Reference

6. To Establish Initiative Policies

SPARX places training and education at the core of its management. We will cultivate professionals with a high level of consciousness of integrity, share the significance of implementing this policy, and deepen their understanding of this policy. In this way, we will foster awareness that is necessary for all officers and employees to fulfill customer-oriented business operations.

When evaluating the performance of officers and employees, we will consider the implementation of this policy as an evaluation item and seek a clear commitment. At the same time, we will be required to conduct customer-oriented business operations by giving rewards and penalties.

The implementation status of this policy at SPARX is regularly reported to the Board of Directors by the divisions.

Key Performance Indicators (KPI)

6-1. Number of reports, proposals, and details submitted to the Board of Directors

On 20 June, 2018, SPARX Asset Management Co., Ltd. adopted all the Key Performance Indicators (KPI).

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Reference

Notes on Investment Trusts

The following items are required to be indicated pursuant to Article 37 of the Financial Instruments and Exchange Act. Please note that the content may differ from the expenses and risks applicable to the individual investment trusts actually purchased by customers. Since the items and rates of expenses incurred by the fund vary depending on the distributors and individual investment trusts, the rates of expenses are the maximum rates for each of the investment trusts managed by SPARX Asset Management Co., Ltd. In addition, if you wish to purchase a specific investment trust, you will be given the Prospectus of the investment trust in advance or at the same time. Please make sure to visit this document and make a final decision on investment at your own discretion.

Risks Related to Investment Trusts

The NAV of investment trusts fluctuates because they invest mainly in securities with price movements, such as domestic and overseas stocks, bonds and bonds, and real estate investment trust securities (assets denominated in foreign currencies also have exchange risk). Accordingly, the investment trusts do not guarantee the principle, and may incur losses due to a decline in the NAV, which may fall below the investment principal, due to factors such as fluctuations in transaction prices and exchange rates in the market for such assets.

Specialized funds, unlike general mutual funds that diversify investments, manage their investments in a narrowly-focused manner, and therefore, fluctuations in the NAV can be extremely large regardless of market trends.

Long/Short Funds engage in short trading, which causes the NAV to fall when short stocks rise. In addition, if both long and short positions were incorrect, losses on both sides could be greater than losses in a regular equity investment trust.

The above describes a portion of the risks related to investment trusts, and the details and nature of the risks differ according to the types of assets to be invested, investment restrictions, trading markets, and countries to be invested for each individual investment trust.

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Reference

Expenses related to investment trusts

The maximum expense (rate) associated with our publicly offered investment trusts (domestically registered) is as follows:

- Expenses that you pay directly

Commission at the time of purchase Up to 3.78% (tax included)

Commission for liquidation None

Reserves for trust assets Up to 0.5%

- Expense trust fees borne indirectly during the holding

period of the investment trust Up to 2.052% (tax included)

Performance fees (*) Performance fees may be charged by investment trusts.

※ Since the actual remuneration amount fluctuates depending on the level of the standard value, the maximum amount, etc. cannot be indicated in advance.

Other expenses and commissions (*) Trust assets bear various expenses, such as audit expenses, expenses for preparing prospectuses and investment reports, brokerage commissions incurred in the purchase and sale of incorporated securities (including funds), expenses required for futures and options transactions, and expenses for custody of assets denominated in foreign currencies. In addition to the above, there may be expenses such as trustee fees and custodian fees if the securities incorporated are funds. As these expenses fluctuate depending on the status of operations, etc., it is not possible to indicate the rate, maximum amount, etc. in advance.

※ The total amount of commissions, etc. cannot be displayed because it varies depending on the holding period, etc.

※ Please contact a sales company for details, as it varies depending on the investment trust.

Issued by

SPARX asset management Co., Ltd.

Registrations:

Financial Services Agency, Japan; Financial Instrument Businesses Registration, Director of Kanto Local Finance Bureau No. 346

Membership: Investment Trusts Association, Japan Investment Advisers Association, Japan Securities Dealers Association, and Type II Financial Instruments Firms Association

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■ About Russell/Nomura Mid-Small Cap Index with dividends

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■ MSCI Japan Micro Cap Index with dividends

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■ MSCI AC Asia ex Japan Index (JPY)

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■ About MSCI AC Asia Pacific ex Japan Index

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Reference

■ Contact Information

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Marketing Division

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