

Press Release
4 June 2021

Sumitomo Mitsui Trust Asset Management Co., Ltd.

Announcing the Listing of SMT ETF Carbon Efficient Index Japan Equity (TSE stock code: 2642)

Sumitomo Mitsui Trust Asset Management Co., Ltd. (Representative Director and President: Yoshio Hishida; hereinafter "SuMi TRUST") is pleased to announce the SMT ETF Carbon Efficient Index Japan Equity (TSE stock code: 2642) (hereinafter, "the ETF") will be listed on the Tokyo Stock Exchange on June 23, 2021.

The ETF is based on the Tokyo Stock Price Index (TOPIX) constituents as its universe, with the similar risk/return characteristics as TOPIX, but with a 19% improvement in carbon efficiency (carbon emissions per unit of revenue) (as of March 31, 2021*). It can be expected to be useful as a tool for forming new core Japanese equity portfolios that also address climate change risk, and as an extension or alternative to TOPIX-linked funds. In addition, the ETF can address the concerns of investors who wish to contribute to society through their investments but find it difficult to see how they are contributing.

(*According to S&P Dow Jones Indices LLC.)

As a responsible institutional investor, SuMi TRUST is committed to addressing ESG (Environment, Social and Governance) issues from a global perspective through constructive dialogue with companies in its portfolio and collaboration with international organizations promoting ESG efforts in various fields. The ETF is a symbolic product that is in line with such efforts taken by us and, after more than two-year track record of investing in the index, SuMi TRUST have decided to offer this product in the form of an ETF in order to make it available to as many investors as possible.

SuMi TRUST is committed to pursuing new forms of asset management that meet the needs of the times and aspirations for the future.



ETF Overview	
Issue name/Code	SMT ETF Carbon Efficient Index Japan Equity (TSE stock code: 2642/ISIN: JP3049340007)
Fund characteristics	An ETF that aims to track the S&P/JPX Carbon Efficient Index*. *An index that uses TOPIX constituents as its universe and determines the weight of constituents by focusing on the level of environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue).
Target Index	S&P/JPX Carbon Efficient Index
Type	ETF
Launch Date	June 22, 2021
TOPIX Listing Date	June 23, 2021



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<Points to Consider>

■ Risk of Loss

Under an investment management agreement, based on the investment guideline provided by the client and discussion between the parties regarding the manner of the investment management, securities and other instruments which are subject to price fluctuations, including, without limitation, Japanese equity and fixed income, foreign currency denominated equity and fixed income, investment trusts, shares of collective investment schemes, loans, futures transactions, option transactions, swap transactions and foreign currency transactions, may be included in the investment portfolio. Price fluctuations in such investment assets may result in a loss in principal of the assets under management.

■ Price Fluctuations

Assets which are managed by Sumitomo Mitsui Trust Asset Management Co., Ltd. pursuant to an investment management agreement are subject to various risks, including, without limitation:

(1) Market Risk

Risk of the price movements in the managed assets due to fluctuations in financial markets and other indices, including (but not limited to) fluctuations in equity markets, interest rate markets, foreign currency markets and financial indices.

(2) Credit Risk

Risk of the price movements in the managed assets due to changes in the financial and/or business conditions of issuers, counterparties to a transaction or the counterparties of the issuers.



(3)Liquidity Risk

Risk of the trading of the any interests within the managed assets being restricted due to the market environment or the lack of trading volume. Similarly, there is a risk that the value of the managed assets being volatile due to the lack of market liquidity of such assets.

Furthermore, investments of the managed assets into hedge funds and securitized products may contain various risks related to investment approach and structure in of such investment in addition to the any of the risks mentioned above. For further information, please refer to the explanatory documents for each product.

■ Restrictions on Purchase and Redemption

To the extent permitted under the investment strategy as set forth in the investment management agreement, the managed assets may invest in other types of investment funds or financial products. Due to factors such as the nature of the target investments and/or investment structure, various restrictions, including, without limitation, restrictions on purchase and redemption, may be imposed in connection with certain investment products such as investments in hedge funds and/or securitized products. In particular, redemption of such investment product may require several months. For further information, please refer to the explanatory documents for each product. In addition, due to such factors as market liquidity, size of the purchase or redemption or other unavoidable reasons, redemptions of investment assets from such target investment funds may take some time, and the timing of the purchase of such investment assets may be limited.

■ Restrictions on Business Pertaining to Commodity Investment

In our commodity investment advisory business, we can not conduct transactions related to product investment with customers as opponents (excluding qualified institutional investors' customers). In addition, we and our affiliated companies (except Mitsui Sumitomo Trust and Banking Co., Ltd. which conducts banking business and trust business) cannot receive deposits of money or securities from customers in regard to the commodity investment advisory business, regardless of the nominal item.

■ Company Name and Other Information

Company Name: Sumitomo Mitsui Trust Asset Management Co., Ltd.

Financial Institution Registration Number: No.347 Kanto Finance Bureau of the Ministry of Finance

Commodity Trading Advisor License Number: #(1) No.25, the Minister of Economy, Trade and Industry

Participating Associations: The Investment Trusts Association, Japan, Japan Investment Advisers Association

■ Fees and Costs

(Management fees)

In principle, management fees are calculated on the basis of assets under management. However, the specific method of calculation for each transaction cannot be expressed in advance, as such method is determined through discussions and in consideration of the contents of the investment guidelines and the investment discussions between the parties. When entering into an investment management agreement, please be sure to confirm with our sales representatives the applicable calculation method of the management fee.

(Trading Costs)

A commission incurred through a trade of securities, overseas custody fees and other costs will be deducted from the entrusted assets under management. When investing in investment trust products organized and managed by other institutions, fees may be charged by the institutions concerned. Specific amounts and/or upper limits of costs cannot be expressed in advance, as such costs are determined, along with calculation methodology, based on type and volume of the assets under management.

(Securities Lending)

When entering into a security-lending agreement, a fee will be charged. This fee cannot be expressed in advance, as such fee will be determined based on separate discussion between the parties.

(Termination Fees)

When terminating an investment management agreement, a termination fee may be charged based on the terms and conditions set forth in such agreement.

(Other Expenses)

In addition to the above costs, other costs related to investment products, such as tax, levy, and/or operational costs may be deducted from the assets under management or be charged directly to the client.

(Cooling off Period)

A cooling off period, stipulated in Article 37-6 of the Financial Instruments and Exchange Act, does not apply to an investment management agreement.

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■ Index

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We would like to share certain information of our clients (excluding information which is subject to a confidentiality obligation under the agreement) within the Sumitomo Mitsui Trust Group and only to the extent that we believe to be necessary or required for this purpose.

Any client information shared within the Sumitomo Mitsui Trust Group will be used and treated with the utmost care to avoid any inappropriate disclosure.

If you do not wish to have your information shared within our group, please contact us at the e-mail or telephone number provided below. Thank you.

(1) Type of Client Information shared within the Sumitomo Mitsui Trust Group

- Client (company) name, client (company) address, client (company) telephone number, e-mail addresses, transaction records and information, public information and other information about the client.
- Product(s) sold and services rendered, transaction dates, balance of accounts, maturity of products, and general client transaction information.

(2) Common usage

Client information will only be shared amongst Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Mitsui Trust Asset Management Co., Ltd., Sumitomo Mitsui Trust Bank, Ltd. and its subsidiaries.

(3) Purpose

Research and development of various financial products

(4) Contact

Global Business Development Department
Sumitomo Mitsui Trust Asset Management Co., Ltd.
1-1-1 Shibakoen, Minato-ku, Tokyo 105-0011 Japan
Tel: +81-3-6453-3770 e-mail: fundservices@smtb.jp

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Any enquiries regarding the products should be made to:

Hirofumi Hayashi

Head of Investment Management Department

Sumitomo Mitsui Trust International Limited

155 Bishopsgate, London EC2M 3XU, United Kingdom

Direct: +44 (0)20 7562 8405

Email: imd@smtil.com

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