# Guidelines for Treatment of Money Arising after Termination of Investment Trusts

Established on July 18, 2013

1. Purpose

The purpose of these Guidelines is to indicate the basic concept of the treatment of money arising after the termination of the trust for an investment trust by a Member Management Company (meaning a Member that is an investment trust management company as defined in Article 2, Paragraph 11 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951); the same shall apply hereinafter).

2. Principles

A Member Management Company shall return money arising after termination of the trust for an investment trust to the beneficiaries at the time of termination (redemption) in principle; provided, however, that this shall not apply to cases where the investment trust agreement provides otherwise or cases where it is difficult to return such money to the beneficiaries.

3. Treatment at the Time of Termination of an Investment Trust

At the time of termination of an investment trust, the Member Management Company shall consult with the trustee on whether or not any money is expected to be received after the termination of the trust for the investment trust and whether or not any such money can be recorded as investment trust property, and if any money is available to be recorded as investment trust property, the Member Management Company shall record such money as investment trust property through advance payment and then terminate the trust.

Advance payment is made in consideration of “advance payment of the trustee” stipulated in the investment trust contract after confirming the treatment method with the trustee.

4. View on Whether or Not Recording in Investment Trust Property is Allowed

A Member Management Company shall make judgment as to whether or not the money can be recorded in investment trust property as set forth in “3.” on the basis of (i) certainty of occurrence of such money (which is expected to be received within one (1) year from the redemption date) and (ii) certainty of the amount (of which one (1) yen or more is expected to be received (by issue) after the amount of receipt is finalized and various expenses such as refund fees are deducted).

5. Return of Money Arising after Termination of the Trust for an Investment Trust

For the return of money newly arising after termination of the trust for an investment trust investment, expenses required for the return (expenses expected to be reasonably necessary such as shipping expenses (costs for postage stamp, envelope, printing, etc.), transfer expenses, expenses for identifying beneficiaries, etc.; hereinafter referred to as “Return Expenses” ) may arise.

The Member Management Company shall decide whether or not money arising after the termination of the trust for the investment trust can be returned to beneficiaries on a case-by-case basis, in consideration of such factors as the number of beneficiaries, Return Expenses, in principle.

6. Judgment on Whether or not Return is Allowed

Whether or not money arising after the termination of the trust for the investment trust can be returned may be determined by the Member Management Company based on its own judgment criteria, or determined after confirming Return Expenses with the sales company.

A Member Management Company shall establish the internal criteria for determination on whether or not return is possible with reference to “Determination on whether or not return is possible” below.

<Reference>

Determination on whether or not return is possible

(1) When the amount of money arising after the termination of the trust is small

In the case where the amount of money arising is substantially smaller than the number of beneficiaries, a Member Management Company shall determine whether or not return is possible on its own. The following methods are considered as the criteria for determining whether or not return is possible.

(i) As for money arising after the termination of the trust, the amount per unit for calculation of the base value is calculated using the number of beneficial interest units at the time of termination of the investment trust. Any fraction of such amount less than one yen is determined as non-refundable.

(ii) When the result of determination in (i) indicates one yen or more, whether or not return is possible is determined in consideration of Return Expenses. As for Return Expenses, possible methods include the method where trial calculation is made using the number of beneficiaries estimated based on the number of copies of the Investment Report delivered at the time of the termination of the investment trust, and the method where past cases of refund are referred to. When the amount of money accrued after the termination of the trust is less than Return Expenses, it is determined to be non-refundable.

(2) When it is not determined to be non-refundable in (1) (ii)

When the amount of money accrued after the termination of the trust exceeds Return Expenses, it is determined to be refundable.

7. Non-refundable cases

If a Member Management Company judges that money arising after the termination of the trust for the investment trust cannot be returned, the Member Management Company shall inform the Trustee to that effect and deal with such money after consultation with the Trustee.

Supplementary Provision

These Guidelines shall come into effect on July 18, 2013.