

Rules on Management of Investment Trusts, etc.

Established on March 19, 2004
Revised on May 25, 2004
Revised on July 16, 2004
Revised on November 19, 2004
Revised on March 18, 2005
Revised on May 24, 2006
Revised on June 19, 2006
Revised on December 15, 2006
Revised on January 19, 2007
Revised on April 20, 2007
Revised on September 21, 2007
Revised on March 21, 2008
Revised on June 20, 2008
Revised on July 18, 2008
Revised on September 19, 2008
Revised on January 16, 2009
Revised on March 19, 2009
Revised on October 14, 2010
Revised on February 17, 2011
Revised on December 20, 2012
Revised on July 17, 2014
Revised on November 20, 2014
Revised on December 18, 2014
Revised on July 16, 2015
Revised on June 13, 2018
Revised on June 10, 2020
Revised on January 21, 2021

Part 1 General Provisions

Article 1 Purpose

These Rules provide for matters necessary for the proper management of the trust property of the investment trusts and assets of investment corporations, and other matters regarding the protection of investors.

Article 2 Definition

1. The term “Investment Trust” as used in these Rules means a trust for the principal purpose of investing the trust property in specified assets (hereinafter referred to as “Specified Assets”) as provided for in Article 3 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000 (hereinafter referred to as the “Cabinet Order”)).
2. The term “Investment Corporation” as used in these Rules means a corporation for the principal purpose of investing assets in Specified Assets.
3. The term “Fund of Funds” as used these Rules means Investment Trusts (excluding those whose main investment target is solely the beneficiary certificates of the mother investment trust (Investment Trusts whose purpose is to have their beneficiary rights acquired by the trustees of other Investment Trusts, other than those Investment Trusts whose investment trust contracts (hereinafter referred to as “Contracts”) stipulate that they are to be acquired only by Funds of Funds; the same shall apply hereinafter) that the investment trust company itself directs the management) for the purpose of investing in beneficiary

certificates (meaning beneficiary certificates of Investment Trusts and foreign investment trusts as defined in Article 2, Paragraph 1, Item 10 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, hereinafter referred to as the “FIEA”); the same shall apply hereinafter) of Investment Trusts and foreign investment trusts and investment securities (investment securities and foreign investment securities (excluding foreign investment securities that are equivalent to investment corporation bonds. The same shall apply hereinafter) prescribed in Article 2, Paragraph 1, Item 11 of the FIEA. (hereinafter referred to as “Investment Trust Securities”) of Investment Corporations and foreign investment corporations.

Article 2-2 Basic Principles regarding Investment of Trust Property, etc.

1. Investment trust management companies (meaning a settlor company of investment trust as defined in Article 2, Paragraph 11 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, hereinafter referred to as the “Investment Trust Act”) and an asset management company as defined in Paragraph 21 of the same article) and trust companies, etc. that act as trustee companies for Investment Trusts that are not directed by the trustee (hereinafter referred to as “Investment Trust Management Companies, etc.”; the same shall apply hereinafter in this article and the following article) must faithfully and with the care of a good manager direct or manage (hereinafter referred to as “Management, etc.”) the Investment Trust Property or Investment Corporation assets (hereinafter referred to as the “Trust Property, etc.”; the same shall apply hereinafter in this article and the following article) for the benefit of beneficiaries of the Investment Trusts or Investment Corporations.
2. In conducting Management, etc. of the Trust Property, etc., Investment Trust Management Companies, etc. shall comply with the FIEA, the Investment Trust Act, other laws and regulations, and the Rules and Regulations of the Association, and shall give consideration to the protection of investors.

Article 2-3 System for Management of Trust Property, etc.

The Management, etc. of Trust Property, etc. shall be conducted independently by Investment Trust Management Companies, etc., and any party other than said Investment Trust Management Companies, etc. (excluding parties who have been entrusted with all or part of the authority to conduct Management in accordance with the provisions of Article 42-3 of the FIEA and parties who have been entrusted with part of the authority to conduct Management, etc. in accordance with the provisions of Article 55 of the Investment Trust Act) shall not be involved in the Management, etc. of the Trust Property, etc.

Article 2-4 Development of Liquidity Risk Management Systems

In order to take the reasonable measures set forth in Article 130, Paragraph 1, Item 8-3 of the Cabinet Office Order on Financial Instruments Business, etc. (Order No. 52 of 2007, hereinafter referred to as the “Order on Financial Instruments Business”) or Article 271, Paragraph 1, Item 10 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations, Management Companies, etc. (meaning Investment Trust Management Companies as defined in Article 2, Paragraph 11 of the Investment Trust Act and trust companies, etc. that act as trustee companies for Investment Trusts that are not directed by the trustee, as defined in Article 47 of the same Act; the same shall apply hereinafter in this article) that have established a

Publicly Offered Investment Trust (excluding those set forth in Article 12, Items 1 and 2 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations; the same shall apply hereinafter in this article) shall establish internal rules, etc. (hereinafter in this article referred to as “Liquidity Risk Management Rules, etc.”) based on the matters listed in the following items and develop the necessary systems (hereinafter referred to in this article as “Liquidity Risk Management Systems”). The Liquidity Risk Management Systems established by Management Companies, etc. in accordance with the Liquidity Risk Management Rules, etc. shall take into account the size of the Investment Trust during the process from the Publicly Offered Investment Trust’s product design to redemption, the nature of the trading conditions, etc. for the assets held, the investment strategy, the attributes of the point of sale, such as securities companies and registered financial institutions, the characteristics of the anticipated investors, the conditions for establishment and early cancellation, the product characteristics, the market trends and market environment, the impact of these factors on liquidity risk, and the results of stress tests, etc. (hereinafter collectively referred to as “Various Circumstances, etc.” in this article)

(1) Liquidity Risk Management Process

(a) Evaluation of Liquidity Risk

- (i) The liquidity risk of the investment target assets of individual Publicly Offered Investment Trusts shall be assessed, taking into account Various Circumstances, etc. throughout the process from the Publicly Offered Investment Trust’s product design to redemption.
- (ii) If the assets of the Publicly Offered Investment Trust include other Investment Trust Securities, etc., the liquidity risk of the Investment Trust shall be assessed taking into account, as necessary, the requisite information regarding the liquidity risk management process for other such Investment Trust Securities, etc. and the liquidity risk of the underlying assets held indirectly.

(b) Monitoring

- (i) Establishment of hierarchical classifications and holding criteria based on liquidity risk for individual Publicly Offered Investment Trusts

Assets held by individual Publicly Offered Investment Trusts shall be classified into hierarchical classes according to their degree of liquidity, and a lower limit of the threshold for the most liquid class and an upper limit of the threshold for the least liquid class shall be determined. In principle, the following hierarchical categories (classifications that take into account the number of days sale is possible and conditions) shall be established. In the event that a Management Company, etc. decides to adopt a classification method different from that described below, it shall disclose the outline of the classification on its website.

- I. High-liquidity assets: ... Assets reasonably deemed to be sellable within three business days or less, taking into account market impact
- II. Medium-liquidity assets: ... Assets reasonably deemed to be sellable within four to seven business days, taking into account market impact
- III. Low-liquidity assets: ... Assets reasonably deemed to take eight business days or more to sell, taking into account market impact
- IV. Non-Liquid Assets: ... Assets reasonably deemed to take eight business days or more to sell,

and to have a significant market impact

(ii) Monitoring of liquidity risk for individual Investment Trusts

A Management Company, etc. shall periodically and at an appropriate frequency monitor the proportion of shareholdings in each hierarchical category for each Investment Trust in accordance with the characteristics of the Investment Trust, its terms and conditions for establishment and early cancellation, and shall maintain a trail of the monitoring methods and results, etc.

(iii) Reporting upon confirmation that the proportion of shareholdings exceeds the upper or lower limits, etc.

If it is confirmed through the monitoring conducted by a Management Company, etc. that any individual Investment Trust's proportion of shareholdings exceeds or falls below the upper or lower limits established based on (i) above, the Management Company shall, in accordance with the procedures set forth in the internal rules, report the situation to an appropriate body, such as the committee within the company that supervises the execution of investment instructions (the Board of Directors, the Investment Committee, etc. (hereinafter referred to as "Board of Directors, etc."; the same shall apply hereinafter in this article)). In addition, if necessary, a more detailed liquidity analysis shall be conducted, and appropriate measures shall be taken, such as providing information to beneficiaries and considering changes to the portfolio.

(c) Stress Testing

Internal rules specifying the implementation of stress tests shall be drawn up, taking into consideration of the size of the Publicly Offered Investment Trust, the nature of the assets held, the investment strategy, the attributes of the point of sale, such as securities companies and registered financial institutions, the characteristics of the anticipated investors, and terms and conditions for establishment and early cancellation. The company shall, on a regular basis and as necessary, implement stress tests of Publicly Offered Investment Trusts established by the company under these regulations, and depending on the situation, conduct further detailed liquidity analysis and take appropriate actions, such as considering changes to the portfolio.

(d) Contingency Plans

Contingency plans for liquidity related to Publicly Offered Investment Trusts shall be drawn up, their effectiveness shall be verified as appropriate, and if necessary, the addition of new measures to deal with liquidity risk, etc. shall be considered.

(e) Periodic Review of the Liquidity Risk Management Process

With regard to the assessing and managing the liquidity risk of Publicly Offered Investment Trusts, the liquidity risk manager should review the effectiveness of the internal rules, analytical tools, and contingency plans used at least once a year, and take the required measures as necessary.

(2) Supervision by the Board of Directors, etc.

The Board of Directors, etc. shall ensure appropriate implementation of liquidity risk management and appropriately supervise the company's own management system by taking measures specified in the By-laws to ensure that the Liquidity Risk Management Systems are appropriate and effective.

(3) Disclosure to Beneficiaries, etc.

In the event that a Management Company, etc. suspends the establishment of additional Investment Trusts or partially cancels Publicly Offered Investment Trusts that it has established due to an extreme decline in the liquidity of the assets held in the Investment Trust Property, etc., the Management Company shall promptly disclose that such an event has occurred and the future outlook, etc. on its website or by any other means.

(4) Retention of Records

Evidence of the effective functioning of the Liquidity Risk Management Systems for the past seven years shall be retained.

* Article 1-2 of the By-laws

Part 2 Securities Investment Trusts

Chapter 1: Publicly Offered Securities Investment Trusts

Section 1. Principles of Securities Investment

Article 3 Principles of Securities Investment

Securities investment trusts shall invest an amount exceeding one-half of the total amount of the Trust Property of said Investment Trust as investments in securities (excluding rights set forth in the items of Article 2, Paragraph 2 of the FIEA, which are deemed to be securities pursuant to the items of the same paragraph); the same shall apply hereinafter in this article and Article 27) (including transactions of securities-related derivatives (meaning securities-related derivatives transactions as set forth in Article 28, Paragraph 8, Item 6 of the FIEA; the same shall apply hereinafter)). However, this shall not apply when there are unavoidable circumstances relating to investment, such as the initial establishment, cancellation and redemption of the securities investment trusts, and the investment environment.

Section 2. Management Instructions, etc.

Article 4 Instructions for Transactions, etc.

In giving investment trust management instructions regarding the Trust Property of securities investment trusts (hereinafter referred to as “Investment Trust Property”), an investment trust management company (meaning an investment trust management company as defined in Article 2, Paragraph 11 of the Investment Trust Act, hereinafter referred to as a “Management Company”) shall, after comprehensively taking into consideration market conditions and prices at the time of giving such management instructions, endeavor to give management instructions under the conditions that it judges to be most advantageous for the Investment Trust Property. For transactions that require quotations, such as transactions that are not conducted through an exchange, the process relating to such decisions shall be made clear.

Article 4-2 Considerations Regarding Instructions for Transactions, etc.

When a Management Company conducts a preliminary investigation of the conditions for issuing structured bonds, etc. before establishing the Investment Trust Property, the Management Company shall note that in

making the decision prescribed in the preceding article with respect to investment instructions for such structured bonds, etc., conditions such as the price and interest rate of such structured bonds, etc. shall be determined by the market conditions, etc. at the time the investment instructions are given, and shall be determined only at that time.

Article 5 Instructions for Transactions with Interested Parties

When giving instructions concerning transactions between the Investment Trust Property and interested parties or the acquisition or disposal of securities, etc. issued by interested parties, a Management Company shall pay due attention to its duty of loyalty to beneficiaries.

Article 6 Instructions Based on Investment Plans

A Management Company shall give instructions for investment of the Investment Trust Property by any of the following methods (hereinafter referred to as the "Investment Plan." The same shall apply hereinafter):

- (1) A method of giving instructions based on the Investment Plan
- (2) A method of giving instructions by establishing an after-the-fact check system as specified in the By-laws

When instructions are given in accordance with the Investment Plan set forth in Item 1 and such Investment Plan is changed, the reason for such changes shall be specified.

* Article 1-3 of the By-laws

Article 7 Price Formation

In giving instructions for the investment of the Investment Trust Property, a Management Company shall not give instructions intended for price formation.

Article 8 Instructions for Transactions Conditional on Closing Quotations

A Management Company shall establish in advance internal rules including the following matters with respect to transactions conditional on closing quotations of domestic shares (meaning transactions conducted off-auction or off-market after the close of the trading hours of the relevant exchange based on the final price quoted by a type-I financial instruments business operator (meaning a party that engages in Type I financial instruments business as prescribed in Article 28, Paragraph 1 of the FIEA; the same shall apply hereinafter), and shall comply with such internal rules when giving instructions for such transactions.

- (1) The following standards, etc. for instructions for transactions conditional on closing quotations
 - (a) Standards for determining the appropriateness of conducting a transaction conditional on closing quotations and the appropriateness, etc. of the terms and conditions based on the final price of the relevant exchange offered by the type-I financial instruments business operator, and methods for confirming the fact that a type-I financial instruments business operator conducts hedging transactions and the basic approach, etc. of the type-I financial instruments business operator with respect to such hedging transactions
 - (b) Details of orders, etc. corresponding to trends in volume and share prices, etc. on the relevant exchange for issues for which orders are given for transactions conditional on closing quotations

- (c) Standards for the ordering time for transactions conditional on closing quotations
 - (d) Standards for selecting a type-I financial instruments business operator for ordering
- (2) When a type-I financial instruments business operator buys or sells shares in cash for the purpose of hedging transactions, the following conditions shall be attached to the relevant order and execution shall be requested in consideration of share price trends
- (a) To endeavor to minimize market impact
 - (b) Any other matters deemed necessary by the Management Company
- (3) A system shall be established to check the effectiveness of the matters listed in Items 1 and 2 in a timely manner, and necessary measures such as changes to internal rules shall be taken based on the results of the following checks.
- (a) Events requiring confirmation shall be cases in which a certain level of fluctuation is found by comparing the closing price of the issue with the price at the time of the order for a transaction conditional on a closing quotation, or other cases in which the Management Company deems it necessary
 - (b) Confirmation shall be made based on information from type-I financial instruments business operator, information vendors, etc., and, if necessary, an explanation shall be requested from the type-I financial instruments business operator that conducted the transaction with the closing quotation conditions regarding the consistency between the hedging transaction and the type-I financial instruments business operator's basic approach to hedging transactions and other matters deemed necessary by the Management Company
 - (c) The details of confirmation under the provisions of (b) shall be recorded in the order slip, etc.
- (4) In drawing up the standards for selecting a type-I financial instruments business operator for ordering as set forth in Sub-item (d) of Item (1), consideration shall be given not only to trading commissions but also to the details prescribed in Sub-items (a) and (b) of the preceding Item

Article 8-2 Management of Batch Orders, etc.

1. In the event that multiple buy/sell orders (meaning when an investment management division (meaning the division or party in charge of determining the instructions of trading conditions and volume for each Investment Trust Property; the same shall apply hereinafter in this article and the following article) instructs an ordering division (meaning the division or party in charge of placing orders (meaning orders from the ordering division to financial instruments business operators; the same shall apply hereinafter) with financial instruments business operators, etc. (meaning type-I financial instruments business operator and corporations established under foreign laws and regulations that are similar to type-I financial instruments business operators; the same shall apply hereinafter)) for the purchase and sale of each Investment Trust Property; the same shall apply hereinafter in this article and the following article); the same shall apply hereinafter) for securities, etc. (securities, margin transactions relating to securities, and derivative transactions (derivative transactions as defined in Article 2, Paragraph 20 of the FIEA), hereinafter referred to as "Securities, etc." in this article) pertaining to multiple Investment Trust Properties are buy/sell orders with the same buy/sell conditions (meaning the type and issue of Securities, etc., whether they are sold or

purchased, the type of transaction, and the execution price or price range; the same shall apply hereinafter in this article) and these buy/sell orders correspond to any of the following orders (meaning an instruction from an investment management division to an ordering division; the same shall apply hereinafter), a Management Company may place an order with a financial instruments business operator, etc. by combining such multiple buy/sell orders (including cases where the Management Company places an order in installments from the perspective of ensuring best execution in consideration of market conditions. Hereinafter referred to as a “Batch Order”).

Proprietary trading shall not be regarded as a Batch Order.

- (1) Buy/sell orders for Securities, etc. that arrive at the ordering division before the start of market trading hours (including the afternoon session)
 - (2) Buy/sell orders for Securities, etc. that arrive at the ordering division during market trading hours (limited to those for which the requirements, procedures, etc. for handling orders as a Batch Order by the ordering division are specified in the By-laws provided in the internal rules of a Management Company)
2. Securities, etc. eligible for Batch Orders shall, for the time being, be Securities, etc. listed or registered on a Financial Instruments Exchange Market (meaning a financial instruments exchange market as defined in Article 2, Paragraph 17 of the FIEA; the same shall apply hereinafter), Foreign Financial Instruments Market (meaning a foreign financial instruments market as defined in Article 2, Paragraph 8, Item 3 (b) of the FIEA; the same shall apply hereinafter), or an Over-the-Counter Financial Instruments Market (meaning a market other than Financial Instruments Exchange Markets among financial instruments markets (meaning financial instruments markets as defined in Article 2, Paragraph 14 of the FIEA; the same shall apply hereinafter)).
 3. The execution unit price applicable to a Batch Order shall be the average unit price, and such average unit price shall be the price calculated using the calculation method specified in the By-laws.
 4. Allocation of execution results for Batch Orders shall be made on a per transaction basis, and one method shall be selected in advance from among the allocation methods and rounding methods specified in the By-laws, and the allocation shall be made by such method.
 5. When placing a Batch Order, a Management Company shall comply with the following requirements.
 - (1) The investment management division and the ordering division shall be separated.
 - (2) The matters or documents listed in (a) and (b) below shall be indicated in the order slip prescribed in Article 157, Paragraph 1, Item 17 (d) of the Order on Financial Instruments Business as applied mutatis mutandis in accordance with Article 181, Paragraph 1, Item 4 of the same Act (including a document specifying the matters to be indicated in the order slip, which is required to be attached to the order slip under Article 171, Paragraph 3, Item 1), or a document stating the matters listed in (a) and (b) shall be attached
 - (a) The time of sending a buy/sell order from the investment management division to the ordering division or the time of receiving a buy/sell order at the ordering division
 - (b) The volume allocated to each Investment Trust Property with respect to the execution results of a Batch Order
 6. When placing a Batch Order, a Management Company shall implement the best execution of the orders after comprehensive consideration of market conditions, prices, etc.

7. When a Management Company intends to place a Batch Order, it shall in advance establish internal rules including the matters specified in the preceding paragraphs and establish an internal system accordingly.
8. A Management Company shall establish a compliance department and other administrative departments to ensure the proper performance of Batch Orders and to verify the execution of business operations.

* Article 1-4, Article 1-5 and Article 1-6 of the By-laws

* Article 37 of Rules for Investment Management Reports

Article 8-3 Management, etc. of Batch Orders with Non-Investment Trust Investment Assets or Foreign Investment Assets

The provisions of the preceding article shall apply mutatis mutandis to Batch Orders for the Investment Trust Property, non-investment trust investment assets (meaning investment assets as prescribed in Article 35, Paragraph 1, Item 15 of the FIEA; the same shall apply hereinafter), and foreign investment assets (meaning foreign investment assets as prescribed in Article 171, Paragraph 1, Item 1 of the Order on Financial Instruments Business; the same shall apply hereinafter). In this case, the term “multiple Investment Trust Properties” in the main clause of Article 8-2, Paragraph 1 shall be deemed to be replaced with “multiple investment assets or foreign investment assets,” the term “for each Investment Trust Property” shall be deemed to be replaced with “for each investment asset or foreign investment asset,” and the term “each Investment Trust Property” in Paragraph 5, Item 2 (b) shall be deemed to be replaced with “each investment asset or foreign investment asset.”

* Article 1-7 of the By-laws

Article 9 Application for Establishment or Early Cancellation of Mother Investment Trusts and Time Limits for Application

1. In the event that there are multiple child funds which invest in one mother investment trust, the Management Company gives due consideration to equality among the child funds when applying for the establishment or early cancellation of the said mother investment trust.
2. The time limit for application for such establishment or early cancellation by the manager of an Investment Trust that is established or cancelled at the base value of the mother investment trust on the application date shall be until the close of the market.

Provided, however, that the time limit for application for such establishment or early cancellation by the manager of an Investment Trust that is established or cancelled at the base value of the mother investment trust on the business day preceding the application date shall be the time limit set forth in (a) or (b) below with regard to the Investment Trust specified in Sub-item (a) or (b) below.

(a) Investment Trusts for the purpose of achieving investment results linked to a specific index: until the close of the market on the date of application

(b) Investment Trusts other than those set forth in Sub-item (a): until the opening of the market on the date of application

However, in the case of Investment Trusts other than those listed in (a) above, if the manager of the Investment Trust expresses its intention (limited to those that can be quantified with respect to

applications on the next business day) by the close of the market on the business day prior to the application date, and if an application for establishment or early cancellation is made automatically based on such declaration of intent on the application date, the time limit may be until the close of the market on the application date. In this case, the declaration of intent shall be made after establishing internal regulations on how to determine the amount and incorporation ratio in advance and how to make an automatic application, and a record of the declaration of intent shall be kept by the system.

Article 10 Handling of Shareholders Benefits, etc.

1. The Management Company shall, upon consultation with the trustee, convert into cash and transfer to the Investment Trust Property any goods or other items provided under the name of shareholder benefits, etc. derived from shares incorporated in the Investment Trust Property (hereinafter referred to as “Shareholder Benefits, etc.”) which meet the following criteria.

(1) Those that can be easily converted into cash, such as those for which there is a market for individual conversion.

(2) Those deemed necessary for the benefit of beneficiaries, such as those that affect the base value

2. In cases where the criteria of the preceding paragraph are not met and the Shareholder Benefits, etc. can be converted into cash collectively, they may, upon consultation with the trustee, be transferred to the Trust Property in accordance with a specified allocation method that eliminates arbitrariness.

Section 3 Investment Target, etc.

Article 11 Scope of Shares for Incorporation, etc.

Shares to be incorporated into the Investment Trust Property shall be limited to those that fall under any of the following categories.

(1) Those listed on a Financial Instruments Exchange (meaning a financial instruments exchange as defined in Article 2, Paragraph 16 of the FIEA) or a Foreign Financial Instruments Market, and those registered, etc. on an Over-the-Counter Financial Instruments Market established in a foreign country

(2) Among unlisted shares or unregistered shares, those that are disclosed in accordance with the FIEA or the Companies Act (Act No. 86 of 2005), or those that meet the requirements specified in the By-laws (including shares issued in foreign countries that are specified by the Self-regulation Committee as similar to these)

* Article 2 of the By-laws

* Committee Resolution 1

Article 12 Scope of Investment Trust Securities for Incorporation, etc.

1. Investment trust securities to be incorporated into the Investment Trust Property shall be limited to those that fall under any of the following categories.

(1) Beneficiary certificates of securities investment trusts as defined in Article 3 or investment securities of securities investment corporations as defined in Articles 25 and 26 (including similar assets overseas

that fall under the category of beneficiary certificates of foreign Investment Trusts or foreign investment securities as defined in the FIEA (hereinafter referred to as “Foreign Investment Trust Securities”))

- (2) Beneficiary certificates of real estate investment trusts or investment securities of real estate investment corporations (including similar assets overseas that fall under the category of Foreign Investment Trust Securities. Hereinafter referred to as “REIT Securities”) as defined in Article 3, Paragraph 1 of the Regulations on Real Estate Investment Trusts and Real Estate Investment Corporations (hereinafter referred to as the “Regulations on REIT, etc.”)
 - (3) Beneficiary certificates of infrastructure investment trusts or investment securities of infrastructure investment corporations (including similar assets overseas that fall under the category of Foreign Investment Trust Securities; hereinafter referred to as “IIT Securities”) as defined in Article 3, Paragraph 3 of the Regulations on Infrastructure Investment Trusts and Infrastructure Investment Corporations (hereinafter referred to as the “Regulations on IIT, etc.”)
 - (4) Beneficiary certificates of investment trusts other than the securities investment trusts, etc. specified in Article 27 or investment securities of Investment Corporations to which Article 30 applies (including similar assets overseas that fall under the category of Foreign Investment Trust Securities)
 - (5) If the Investment Trust Securities set forth in the preceding items are Foreign Investment Trust Securities, such Foreign Investment Trust Securities shall satisfy the requirements specified in the By-laws.
2. The total amount of Investment Trust Securities described in the preceding paragraph shall not exceed 5% of the total amount of net assets of the relevant Investment Trust Property. However, the amount of Investment Trust Securities specified in the By-laws shall not be included in the calculation of the total amount. The provisions of Article 17-2 shall not apply to Investment Trust Securities managed in the range of 5% in accordance with the provisions of this paragraph.
 3. The amount that a single Management Company (including securities investment corporations to which the said Management Company provides investment instructions) may invest in a single investment trust security shall not exceed 50% of the total net asset value of the Investment Trust or Investment Corporation being invested in without the consent of the Management Company that is providing investment instructions to the Investment Trust or Investment Corporation associated with the investment trust security being invested in.
 4. A Management Company must not give the following instructions regarding the incorporation of Investment Trust Securities.
 - (1) Mutual and cyclical holdings between investment trusts
 - (2) Investment in Funds of Funds (excluding cases where the said Fund of Funds is a mother investment trust or Investment Trust prescribed in Article 12, Items 1 and 2 of the Cabinet Order (including foreign investment trusts similar to these); hereinafter referred to as a “Listed Investment Trust”)
 5. When incorporating Investment Trust Securities for which the Management Company itself provides investment instructions, the Management Company shall pay due attention to conflicts of interest.

* Article 3 and Article 3-2 of the By-laws

Article 12-2 Special Provisions for Investment in Mother Investment Trusts

The provisions of Paragraph 2 and Paragraph 3 of the preceding article shall not apply to cases where the Management Company invests in Investment Trust Securities of a mother investment trust to which the Management Company provides investment instructions.

Article 13 Scope of Securitized Products

Securitized products to be incorporated into the Investment Trust Property shall be limited to those for which it is possible to obtain market value in consideration of liquidity.

Article 14 Restrictions on the Incorporation of Assets into Medium-term Government Bond Funds

Medium-term government bond funds shall not incorporate the following assets.

- (1) Securitized products
- (2) Mortgage securities
- (3) Silent partnership equity
- (4) Investment limited partnership equity
- (5) Beneficiary rights in money trusts (excluding those falling under the category of securities), the purpose of which is to mainly invest the Trust Property in silent partnership equity
- (6) Real estate
- (7) Leasehold rights to real estate
- (8) Surface rights
- (9) Commodities (as defined in Article 3, Item 9 of the Cabinet Order)
- (10) Rights pertaining to commodity investment, etc. transactions (as defined in Article 3, Item 10 of the Cabinet Order)

Article 15 Other Transactions for Which Instructions May Be Given

1. In giving instructions for the investment of the Investment Trust Property, the Management Company may give instructions for the following transactions, etc. specified in each of the items.

- (1) Margin transactions (limited to those for sale): The total market value of an open interest shall be within the total net asset value of the Investment Trust Property concerned. Settlement by actual delivery or repurchase shall be permitted.
- (2) Borrowing of shares (limited to those for sale): The total market value of the shares to be borrowed shall be within the total net asset value of the Investment Trust Property concerned.
- (3) Loan of securities: Securities held by the Investment Trust Property may be loaned.
- (4) Bond borrowing and lending transactions (meaning so-called repo transactions and bond borrowing with cash collateral (hereinafter referred to as "Reverse Repo Transactions")): The total market value of bond borrowing and lending transactions shall be within the total net asset value of the Investment Trust Property concerned.
- (5) Borrowing of bonds (including Reverse Repo Transactions): The total market value of the bonds to be borrowed shall be within the total net asset value of the Investment Trust Property concerned.

- (6) Short selling of bonds (excluding convertible bond certificates, bonds convertible into shares of other companies, and corporate bonds with share warrants or share options): The total market value of bonds for short selling shall be within the total net asset value of the Investment Trust Property concerned.
 - (7) Repurchase agreements (limited to those pertaining to bonds, CDs and CPs): The contract balance of the repurchase agreement shall be within the total net asset value of the Investment Trust Property concerned.
 - (8) Cash loans: Cash loans shall be limited to those for which market value can be obtained in consideration of liquidity.
 - (9) Borrowing of funds (including transactions through the call market): Instructions for the borrowing of funds within the limits specified in the By-laws shall be permitted only for the purpose of providing funds for payment of early cancellation charges, for payment of dividends for dividend reinvestment-type Investment Trusts, and in connection with the handling of accidents (limited to those that do not require the Investment Trust Property concerned to bear the borrowing interest)
 - (10) Foreign exchange transactions: To be conducted in accordance with the following provisions
 - (i) Foreign exchange transactions shall be in accordance with market practices
 - (ii) Foreign exchange forward contracts shall be within the scope of the real net asset value of the Investment Trust Property. However, the handling of such forward foreign exchange transactions by Investment Trust Property that limit forward foreign exchange transactions to hedging purposes shall be in accordance with the provisions of Article 16.
 - (11) Issue date settlement transactions: Only sales that are settled by delivery of shares belonging to the Investment Trust Property may be conducted
2. When lending securities as prescribed in Item 3 of the preceding paragraph, a Management Company shall establish internal regulations specifying policies for loans, loan terms, loan limits, credit ratings of borrowers and other matters, and shall appropriately execute such internal rules. These internal rules shall include provisions that fully consider the risk and return of lending and the relationship with the exercise of voting rights when lending securities with the rights stipulated in Article 10 of the Investment Trust Act.

* Article 4 of the By-laws

Article 16 Foreign Exchange Forward Contracts for Hedge-oriented Investment Trusts

In the case of Investment Trusts in which foreign exchange forward contracts are limited to the purpose of hedging under the Contracts, such forward contracts shall be made as follows.

- (1) Forward purchases shall be made for the acquisition price of assets denominated in foreign currencies and other money, etc. specified in the By-laws, within the maximum amount specified in the By-laws.
- (2) Forward sales shall be made for held assets denominated in foreign currencies and other money, etc. specified in the By-laws, within the maximum amount specified in the By-laws.
- (3) Forward purchases and sales may be settled by receipt or payment of foreign currency or by reversing trade.
- (4) The due dates for forward purchases and sales shall not exceed the trust period of the Investment Trust concerned.

(5) In the event that the limits specified in Items (1) or (2) are exceeded with respect to a particular Investment Trust, adjustments shall be made within one month from the date of occurrence to bring the amount within the prescribed maximum amount.

* Articles 5 and 6 of the By-laws

Article 17 Restrictions on Investment in Derivative Transactions, etc.

1. In the event that the amount calculated in a reasonable manner prescribed by the Management Company in advance as the amount corresponding to risks that may arise from fluctuations in interest rates, currency prices, quotations on the Financial Instruments Market and other indices or for any other reasons with respect to the Investment Trust Property exceeds the total amount of the net asset value of such Investment Trust Property, a Management Company shall not conduct any Derivative Transaction, etc. or make any investment intended to continue any Derivative Transaction, etc. (meaning Derivative Transaction as defined in Article 2, Paragraph 20 of the FIEA, including transactions pertaining to share option certificates, investment equity subscription right certificates, or securities or certificates representing options, trading in bonds with options, and commodity investment, etc. transactions (meaning those prescribed in Article 3, Item 10 of the Cabinet Order). Hereinafter referred to as “Derivative Transactions, etc.”).
2. The amount calculated by the Management Company in a reasonable manner as specified in the preceding paragraph shall be in accordance with the method specified in the By-laws.

* Article 6-2 of the By-laws

Article 17-2 Investment Restrictions to Avoid Concentration of Credit Risk

1. The reasonable methods prescribed by Financial Instruments Business Operators, etc. in advance as methods for properly managing credit risk as specified in Article 130, Paragraph 1, Item 8-2 of the Order on Financial Instruments Business, etc. shall be such that the ratio of the exposure to a single entity to the total amount of net assets of the Investment Trust Property does not exceed 10% for each of the following categories, or 20% in total. In the event that such ratio is exceeded by reason of fluctuations in prices, interest rates, currencies or the total amount of net assets of the Investment Trust Property, adjustments shall be made to bring it inside these limits within one month from the date on which said limits are exceeded. If it is difficult to make the adjustment within one month through normal measures, the adjustment shall be made as soon as possible after clarifying the relevant details. However, this shall not apply when there are unavoidable circumstances relating to investment, such as the initial establishment, early cancellation and redemption of the securities investment trusts, or in the investment environment.
 - (1) Holding of shares and investment trust securities: “Share, etc. exposure”
 - (2) Holding of securities (excluding those set forth in the preceding item), money claims (excluding those falling under the next item), and interests in financing anonymous associations: “Bond, etc. exposure”
 - (3) Credits arising from exchange contract transactions, other transactions stipulated by the items of Article 15, and derivative transactions: “Derivatives, etc. exposure”
2. The exposures set forth in Items 1 and 2 of the preceding paragraph shall be regarding persons who have issued or formed the relevant securities, money claims, or interests in financing anonymous associations

(hereinafter in this article “Securities, etc.”) or the other party in a claim (hereinafter in this article “Issuers, etc.”) and shall be deemed to be the amount of the estimated value or credit value of the holdings (in the case of transactions with collateral, the valuation of said collateral; or in the case of a claim against said Issuers, an amount from which the value of said claim can be deducted; the same shall apply hereinafter in this article). However, the following Securities, etc. exposures shall be as set forth below, respectively:

- (1) For credits issued or guaranteed by the central government or central bank of the country, the local government, or any agency of government created by these, as determined by resolution of the members of the Self-regulation Committee, the exposure shall be 0.
 - (2) For credits issued or guaranteed by the central government or central bank of the country, the local government, or any agency of government created by these denominated in local currencies, the exposure shall be 0. However, this excludes those falling under the preceding item.
 - (3) For credits issued or guaranteed by international organizations, the exposure shall be 0.
 - (4) For call loans, deposits, and CPs (including short-term corporate bonds (meaning short-term corporate bonds as stipulated in Article 66, Item 1 of the Act on the Book-Entry Transfer of Corporate Bonds, Shares, etc.; short-term corporate bonds as stipulated in Article 61-10, Paragraph 1 of the Insurance Business Act; specified short-term bonds as stipulated in Article 2, Paragraph 8 of the Act on the Securitization of Assets; short-term bonds as stipulated in Article 54, Paragraph 4, Item 1 of the Shinkin Bank Act; short-term agricultural bonds as defined in Article 62-2, Paragraph 1 of the Norinchukin Bank Act; and short-term foreign bonds as defined in Article 38, Paragraph 2 of the Order on Supervision of General Book-Entry Institutions)), foreign CDs or Securities as defined in Article 2, Paragraph 1, Item 18 of the FIEA (excluding those as defined in the preceding items), the exposure shall be 0 if the period until maturity is not more than 120 days.
 - (5) For securities, etc. held through transactions with repurchase agreements within one month or Reverse Repo Transactions (excluding those set forth in the preceding items), the exposure shall be 0.
3. Among the transactions listed in Item 3 of Paragraph 1, the exposure of exchange contracts (excluding those corresponding to over-the-counter derivative transactions; the same shall apply hereinafter in this article) shall be regarding the other parties to the transactions and shall be as set forth below according to the contract date.
- (1) For items with a contract date arriving within 120 days, the exposure shall be 0.
 - (2) For more than 120 days, the amount of appraisal profit shall be the exposure.
However, if any collateral has been provided for said transactions, an amount equivalent to said collateral may be deducted from the amount of appraisal profit at the discretion of the Management Company.
4. Among the transactions set forth in Paragraph 1, Item 3, the exposures of transactions set forth in the respective items of Article 15 (excluding exchange contract transactions; the same shall apply hereinafter in this article) and derivative transactions shall be regarding the Issuers etc. of Securities and the other parties of the transactions and shall be as set forth below, respectively.
- (1) The exposure regarding the Issuers etc. of Securities shall be as follows with regard to derivative transactions covering Securities, etc. (underlying assets) (however, it shall be 0 if the underlying assets

are those set forth in the items of Paragraph 2) and 0 with regard to Derivative Transactions, etc. covering financial indices (interest rates, exchange rates, stock indices, futures transactions, etc.) and other Derivative Transactions.

(a) For purchases of futures transactions, the exposure shall be the appraisal value of such Futures Transactions.

(b) The exposure for selling futures shall be 0.

(c) For purchases of call options and sales of put options, the exposure for over-the-counter derivatives of such transactions shall be the number of rights multiplied by the price of the underlying assets. However, this may be calculated by taking into consideration the sensitivity (delta) of the option price to the rate of change of the underlying assets.

(d) For sales of call options and purchases of put options, the exposure shall be 0.

(2) Exposure regarding the other parties of the transactions shall be as follows:

(a) For market derivative transactions and foreign market derivatives transactions, the exposure shall be 0.

(b) With regard to the transactions set forth in the respective items of Article 15 and over-the-counter derivative transactions, the amount of appraisal profit (if collateral or margin is deposited for such transactions (including cases where settlement is made at a clearing house), the appraisal value of the collateral or margin shall be deducted from the amount of appraisal profit) shall be the exposure.

5. Notwithstanding the provisions of Paragraph 2, in the event that an exposure in an incorporated investment trust certificate or securitized product (limited to those for which the underlying assets are strictly segregated from the proprietary assets of Issuers, etc. and secured isolation from the state of bankruptcy for the Issuers, etc.) can be looked through (i.e., an exposure or the upper limit of an exposure in said incorporated investment trust certificate or securitized product can be identified), then the amount of said exposure or the upper limit of said exposure belonging to the Investment Trust Property may be an exposure. In this case, the provisions of the preceding three paragraphs shall apply mutatis mutandis to calculating or identifying the exposure or the upper limit thereof in said incorporated investment trust certificate or securitized product.

* Committee Resolution 2

Article 17-3 Exceptions to Investment Restrictions to Avoid Concentration of Credit Risk

1. Among the reasonable methods set forth by Financial Instruments Business Operators, etc., in advance as methods for properly managing credit risk as set forth in Article 130, Paragraph 1, Item 8-2 of the Order on Financial Instruments Business, methods deemed appropriate as reasonable without reference to the provisions of the preceding article shall be any of the following measures.

(1) Making said fund an Investment Trust as stipulated in Article 25, Item 2 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations, or making said fund subject to the application of the Rules for Operations of MMF, etc.

(2) If the investment trust contract or the Certificate of Incorporation stipulates that the Investment Trust aims at achieving investment results linked at a certain magnification to price fluctuations of indices (such as the Securities Index, the Commodity Index or the Commodity Futures Index) that satisfy all of

the following requirements, and Issuers, etc. of the Securities, etc. constituting such indices shall be deemed to have an exposure of 0 and calculated in the manner set forth in the preceding article, the exposure of one person shall not exceed the ratio set forth in Item 1 of the same article.

(a) The amount is calculated by a person other than Investment Trust Management Companies, etc.

(b) The index and its calculation method have been publicly available

(c) The Securities Index comprehensively represents the prices of a large number of issues

(3) All of the following measures shall be taken in the event that there exists or is highly likely to exist a controlling issue in the investment target (limited to when said controlling issue is deemed highly likely to exist based on the target market of the investment, the theme, etc.):

(a) The terms “10%” and “20%” set forth in the main clause of Article 17-2, Paragraph 1 shall be deemed to be replaced with “35%” to apply the same article.

(b) The intention for specialized use shall be conspicuously indicated on the cover of the delivery prospectus (meaning the delivery prospectus as set forth in Article 1 of the Regulations on Preparation of Delivery Prospectus; the same shall apply hereinafter).

(c) That there is a controlling issue and the influence thereof shall be mentioned in the “Purpose and Features of the Fund” column of the delivery prospectus (including the fact that there is a high possibility of such existence).

(4) If the ratio of the exposure of one person calculated in the manner set forth in Article 17-2 to the net asset value of the Investment Trust Property exceeds the ratio set forth in Item 1 of the same article, the name of said person shall be clearly indicated as the name of the fund so as to be easily understood by general investors, and the measures set forth in (b) and (c) of the preceding item shall be taken.

2. In applying Article 17-2, Paragraph 5 in the event that investment trust certificates of investment trusts as set forth in Item 2 of the preceding paragraph or securitized products of the same nature (assuming the products constituting the index to be linked as underlying assets, said underlying assets shall be strictly separated from the specific assets of Issuers, etc. and shall be isolated from the state of bankruptcy, etc. of the Issuers, etc.) are incorporated, the exposure of the Issuers, etc. constituting the index to be linked by the incorporated investment trust or the Issuers, etc. of said incorporated securitized products shall be deemed to be 0 when calculating the exposure set forth in Article 17-2.

3. The controlling issue set forth in Paragraph 1, Item 3 means the issue of specified issuers defined in any of the following ways, in which the degree of contribution of said issuer exceeds 10%:

(1) A method in which the ratio of the market capitalization (including financial weight/risk weight/an amount equal to these) of the issues issued by a specified issuer to the market capitalization of the candidates for investment specified by the Management Company in accordance with the proper procedures based on the internal rules is used as the degree of contribution of said specified issues

(2) A method in which using the benchmark for which the Management Company determines its calculation method in accordance with the appropriate procedure based on internal rules (including a benchmark when an index calculated in accordance with the calculation method determined by a third party is employed as a benchmark, and excluding any requirement that such index be described in the investment trust contract, prospectus, etc.), whereby the ratio of the total amount of the issues issued by the specified

issuer to the entire benchmark shall be regarded as the degree of contribution of said specific issue

Article 18 Indication of Contracts for Investment Trusts to Use Derivative Transactions, etc. for Purposes Other Than Hedging

1. Investment Trusts using Derivative Transactions, etc. for purposes other than hedging shall clearly indicate their investment attitude in the Contracts (including the attached table).
2. Notwithstanding the provisions of the preceding paragraph, the use of long-term public and corporate bond investment trusts, medium-term government bond funds, asset accumulation funds, and other Derivative Transactions, etc. of Investment Trusts specified in the By-laws shall be limited to those for the purpose of hedging.

* Article 7 of the By-laws

Article 19 Adjustment, etc. in Case of Exceeding Restrictions on the Incorporation Rate

1. If any of the following events, etc. has occurred to the Investment Trust Property, the Management Company shall make an adjustment so that such events are within the prescribed limit within the period specified in the respective items:
 - (1) Within six working days, including the day of occurrence, of any event exceeding the limit for the number of shares to be incorporated due to any rise in the value of shares or early cancellation of shares
 - (2) Within one month, including the date of occurrence, when any event exceeding the limit of incorporation or the scope of foreign exchange reservation occurs due to a rise in the value of foreign securities, etc.
2. For Investment Trusts which incorporate beneficiary certificates or investment securities into which shares or assets denominated in foreign currencies can be incorporated, the amount of shares or assets denominated in foreign currencies incorporated in said beneficiary certificates or investment securities (limited to amounts equivalent to the incorporation of such Investment Trusts) shall be included in the calculation of the limit of shares or assets denominated in foreign currencies incorporated in such Investment Trusts.

Article 20 Special Provisions for Funds, etc. for Comprehensive Securities Accounts

Investment targets, etc. related to funds for comprehensive securities accounts and MMFs shall be as set forth in the Rules for Operations of MMF, etc., and the provisions of Section 3 of Chapter 1 shall not apply.

Chapter 2: Privately Placed Securities Investment Trusts

Article 21 Privately Placed Securities Investment Trusts

Instructions for management of investment trust assets in privately placed (meaning private placement as defined in Article 2, Item 3 of the FIEA; the same shall apply hereinafter) securities investment trusts, (hereinafter "Privately Placed Investment Trust Property") shall be given according to the following:

- (1) The provisions of Article 3 shall apply mutatis mutandis to marketable securities investments in privately placed securities investment trusts, and the provisions of Article 4 through Article 10 shall

apply mutatis mutandis to Management Companies that give instructions for management of privately placed securities investment trusts. In this case, the term “securities investment trusts” in Article 3 shall be replaced with “privately placed securities investment trusts,” the term “Trust Property of securities investment trusts (hereinafter referred to as “Investment Trust Property”) in Article 4 shall be replaced with “Privately Placed Investment Trust Property,” and the term “Investment Trust Property” in Article 5 through Article 7 and Article 10 shall be replaced with “Privately Placed Investment Trust Property.”

(2) The provisions of Article 12 (excluding Paragraph 1, Item 5; hereinafter the same shall apply in this paragraph) shall apply mutatis mutandis to the incorporation of beneficiary certificates of investment trusts of the Privately Placed Investment Trust Property or investment securities of Investment Corporations. In this case, the term “Investment Trust Property” in said article shall be replaced with “Privately Placed Investment Trust Property.”

However, notwithstanding the provisions of Article 12, Paragraph 2, investments may be made in investment trust securities set forth in Article 12, Paragraph 1, Items 1 and 4 and in REIT Securities and IIT Securities that satisfy the following requirements:

- (a) The securities are REIT Securities or IIT Securities that can be measured at market value
- (b) The management status, etc. at the time of settlement of accounts, etc. is available for REIT Securities or IIT Securities

(3) The provisions of Article 15, Paragraph 1, Item 9 shall apply mutatis mutandis to the borrowing of funds by the Privately Placed Investment Trust Property.

Chapter 3: Fund of Funds

Article 22 Requirements, etc. for Funds of Funds for Public Offerings

1. Public offering (other than private placements; the same shall apply hereinafter) funds of funds shall be limited to those which satisfy the following requirements:

(1) If the investment trust securities to be incorporated are domestic investment trust securities, they shall be investment trust securities for public offering (hereinafter “Publicly Offered Investment Trust Securities”) and Investment Trust Securities to which the rules, etc. of the Association relating to the Publicly Offered Investment Trusts are applied. If the Investment Trust Securities to be incorporated are Foreign Investment Trust Securities, they shall be Foreign Investment Trust Securities that satisfy the requirements specified in the By-laws.

(2) Investments and transactions other than investments in investment trust securities shall be limited to the following investments and transactions:

- (a) CPs, short-term corporate bonds, etc. (meaning short-term corporate bonds as stipulated in Article 66, Item 1 of the Act on the Book-Entry Transfer of Corporate Bonds, Shares, etc.; short-term corporate bonds as stipulated in Article 61-10, Paragraph 1 of the Insurance Business Act; specified short-term corporate bonds as stipulated in Article 2, Paragraph 8 of the Act on the Securitization of Assets; short-term bonds as stipulated in Article 54-4, Paragraph 1 of the Shinkin Bank Act; short-term agricultural bonds as defined in Article 62-2, Paragraph 1 of the Norinchukin Bank Act; and short-term foreign bonds as defined in Article 38, Paragraph 2 of the Order on Supervision of

- General Book-Entry Institutions), CDs, deposits designated money trusts (meaning beneficiary certificates of trust-issuing beneficiary certificate trusts as set forth in Article 2, Paragraph 1, Item 14 of the FIEA and beneficiary rights of trust as set forth in Article 2, Paragraph 2, Item 1 of the said Act that are beneficiary rights of money trusts with a principal indemnity agreement as set forth in Article 22, Paragraph 1, Item 2 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Office Ordinance No. 129 of 2000)), call loans, or investments in bills traded on discount markets
- (b) Transactions with repurchase agreements, loan transactions with debentures, or loans of investment trust securities listed on the market
 - (c) The following REIT Index futures transactions (meaning futures transactions covering the REIT Index and including similar transactions in foreign countries; the same shall apply hereinafter)
 - i) REIT Index futures transactions conducted by the funds of funds in which the investment trust securities to be incorporated are limited to REIT Securities meeting the requirements of the items of Paragraph 2
 - ii) REIT Index futures transactions to prevent any discrepancy between the market price of REIT Securities to be incorporated and the investment results to be targeted in the investment policy in the prospectus and the basic policy for management in the Contracts
 - (d) In the event that a Listed Investment Trust is incorporated, in order to prevent any discrepancy between the market price of the said Listed Investment Trust and the base value of the said fund of funds, the Linked Index (meaning the Linked Index as defined in Article 19, Paragraph 2 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Office Ordinance No. 129 of 2000)) of the Listed Investment Trust pertaining to the Securities Index Futures Transaction (meaning the Securities Index Futures Transaction as defined in Article 14, Item 6 of the Cabinet Office Ordinance on Restrictions on Securities Transactions, etc. (Cabinet Office Ordinance No. 59 of 2007))
 - (e) Investments in beneficiary certificates of trust-issuing beneficiary certificate trusts as set forth in Article 2, Paragraph 1, Items 14 and 17 of the FIEA (excluding those set forth in (a)) and beneficiary rights, etc. of a trust as prescribed in Article 2, Paragraph 2 of the same act that satisfy the requirements specified in the By-laws
 - (f) Investments in investment equity subscription right certificates (meaning those prescribed in Article 2, Paragraph 18 of the Investment Trust Act) issued by Investment Corporations pertaining to REIT Securities and IIT Securities
- (3) Foreign exchange contract transactions shall be limited to hedging of assets denominated in foreign currencies.
- (4) The investment trust securities to be incorporated are limited to the scope of investment trust securities listed in the selection conditions and list of investment trust securities to be incorporated as set forth in the Contracts or the Certificate of Incorporation of the investment corporation (hereinafter “Certificate of Incorporation”). However, in the case of REIT Securities, IIT Securities, and the Listed Investment Trusts, it shall not be necessary to state the investment policy on the list if said investment policy is

specified in the selection conditions and communicated to customers in a timely manner.

- (5) Said fund of funds and the investment trust securities to be incorporated shall disclose the main payment expenses such as the trust fee rate and the acquisition commissions for each investment trust security.
 - (6) The fund of funds shall satisfy the requirements provided in the By-laws in addition to those provided in the preceding items.
2. REIT Securities and IIT Securities to be incorporated by the fund of funds in a public offering shall be limited to those that satisfy the following requirements:
 - (1) Securities which are exchange traded or over-the-counter registered (hereinafter referred to as “Listing, etc.”) (including those pertaining to a new offering or secondary distribution prior to Listing, etc., or an additional offering or secondary distribution after Listing, etc.) and which are available for sale at any time (excluding cases where liquidity is temporarily decreased due to sudden market change, etc.)
 - (2) Prices are published on a day-to-day basis and can be measured at market value.
 - (3) The status of operations at the time of settlement of accounts is disclosed, and such information is available.
 3. The Listed Investment Trusts to be incorporated by public offering funds of funds shall be limited to those that satisfy the following requirements:
 - (1) Securities listed on the Tokyo Stock Exchange and are available for sale at any time (excluding cases in which liquidity is temporarily decreased due to sudden changes in market conditions, etc.).
 - (2) Prices are published on a day-to-day basis and can be measured at market value.
 - (3) The status of operations at the time of settlement of accounts is disclosed, and such information is available.
 4. The Management Company shall disclose at least once every six months (when the accounting period is less than six months, at the time of making each settlement report) the latest details of securities and other assets held by the Investment Trusts, etc. to be invested (meaning such recent details as the latest settlement report or semiannual report of the incorporated investment trusts that can be known to the Management Company) to the extent known to the Management Company. However, in the event that the investment trust securities invested in are REIT Securities or IIT Securities, investment summaries of such REIT Securities and IIT Securities at the time of the latest settlement of accounts shall be disclosed to the extent known.
 5. When incorporating beneficiary certificates of investment trusts for which the Management Company itself gives instructions for investment, the Management Company shall pay sufficient attention to conflicts of interest.

* Article 8 of the By-laws

Article 23 Investment Restrictions, etc. on Funds of Funds for Public Offering

1. Funds of funds for public offering shall in principle invest in multiple investment trust securities. However, this shall not apply to cases in which said funds of funds are Listed Investment Trusts and invest in investment trust securities for the purpose of investment in assets in foreign countries, the taking out of which is restricted in said countries.
2. The provisions of Article 17-2 and Article 17-3 shall apply to funds of funds for public offering.

Article 24 Funds of Funds for Private Placement

The provisions of Article 3 through Article 7, Article 9 through Article 10, Article 12 (excluding Paragraph 1, Item 5), Paragraph 1, Item 9 of Article 15, and the proviso to Paragraph 1, Item 2 of Article 21 as applied mutatis mutandis pursuant to Article 21 shall apply mutatis mutandis to private placement of funds of funds. In this case, the term “securities investment trusts” in Article 3 shall be replaced with “funds of funds for private placement”; the term “Trust Property of securities investment trusts (hereinafter referred to as “Investment Trust Property”)” in Article 4 shall be replaced with “property of funds of funds for private placement”; and the term “Investment Trust Property” in Article 5 through Article 7, Article 9 through Article 10, Article 12, and Article 15 shall be replaced with “funds of funds for private placement.”

Part 3 Securities Investment Corporations

Article 25 Publicly Offered Securities Investment Corporations

1. The provisions of Article 3 shall apply mutatis mutandis to the management of publicly offered securities investment corporations. In this case, the term “securities investment trusts” in the same article shall be replaced with “securities investment corporations,” the term “Trust Property of said Investment Trust” shall be replaced with “assets of said Investment Corporations,” the term “initial establishment” shall be replaced with “initial founding,” and the term “cancellation and redemption” shall be replaced with “refund and dissolution of the investment units.”
2. The provisions of Article 4 through Article 13, Article 15, Article 16, Article 18, and Article 19 shall apply mutatis mutandis to investment targets, etc., of securities investment corporations (excluding securities investment corporations set forth in the following paragraph). In this case, the term “Trust Property of securities investment trusts (hereinafter “Investment Trust Property”)” in Article 4 shall be replaced with “assets of securities investment corporations (hereinafter “Investment Corporation Assets”),” and the term “Investment Trust Property” in Article 5 through Article 7, Article 10 through Article 13, Article 15, and Article 19 shall be replaced with “Investment Corporation Assets.”
However, the provisions of Article 11 through Article 13, Article 15, Article 16, Article 18, and Article 19 as applied mutatis mutandis pursuant to this paragraph shall not apply only when any other resolution is made at the Investors’ General Meeting.
3. The provisions of Chapter 3 of the Rules for Operations of MMF, etc. shall apply mutatis mutandis to the management of securities investment corporations in cases in which said securities investment corporations are established as funds for comprehensive securities accounts (meaning securities investment trusts set forth in the Rules for Operations of MMF, etc.). In this case, the term “MRFs” in the same chapter shall be replaced with “securities investment corporations.”

Article 26 Privately Placed Securities Investment Corporations

The provisions of Article 21 shall apply to privately placed securities investment corporations. In this case, the term “securities investment trusts” in said article shall be replaced with “securities investment corporations,”

the term “Investment Trust Property” in said article shall be replaced with “investment corporation assets,” and the term “Privately Placed Investment Trust Property” in said article shall be replaced with “privately placed investment corporation assets”; and in Article 15, Paragraph 1, Item 9 as applied mutatis mutandis pursuant to Article 15, Item 3, the phrase “for the purpose of payment of early cancellation charges, payment of dividends for dividend reinvestment-type Investment Trusts” in said article shall be replaced with “for the purpose of repayment of investment units.”

However, the provisions of Article 12 and Article 15 (limited to Item 9 of Paragraph 1) as applied mutatis mutandis pursuant to Article 21 shall not apply only when a resolution is otherwise made at the Investors’ General Meeting.

Part 4 Investment Trusts, etc., Mainly Invested in Assets Other Than Securities, Real Estate, or Infrastructure Assets

Article 27 Principles of Investment

Investment Trusts mainly invested in assets other than securities, real estate, and infrastructure assets (hereinafter “Investment Trusts Other Than Securities Investment Trusts, etc.”; the same shall apply hereinafter in the following article and Article 29) shall mainly invest in the assets set forth in Article 2, Paragraph 2, Items 1 and 2 (excluding those set forth in Article 3, Paragraph 2, Item 5 of the Regulations on REIT, etc., and those set forth in Article 3, Paragraph 5, Item 3 of the Regulations on IIT, etc.); Items 3, 4, and 5 (excluding those pertaining to Article 3, Paragraph 3, Item 5 of the Regulations on REIT, etc., and those pertaining to Article 3, Paragraph 6, Item 2 of the Regulations on IIT, etc.); Items 6 and 7 of the FIEA , and Article 3, Item 2 (excluding transactions of securities-related derivatives); Items 6, 7, and 8 (excluding those pertaining to Article 3, Paragraph 2, Item 7 of the Regulations on REIT, etc., and those pertaining to Article 3, Paragraph 6, Item 2 of the Regulations on IIT, etc.); and aggregate assets comprising a combination of Specified Assets (excluding aggregate assets comprising a combination of several Specified Assets such as Securities Investment Trusts, real estate investment trusts, and infrastructure investment trusts) set forth in Items 9 and 10 of the Cabinet Order. An amount exceeding half the total amount of assets of said investment trusts shall be used as an investment in these assets. However, this shall not apply when there are unavoidable circumstances relating to investment, such as initial establishment of Investment Trusts Other Than Securities Investment Trusts, etc., early cancellation and redemption of the securities investment trusts, or in the investment environment.

Article 28 Investment Restrictions, etc. on Derivative Transactions, etc. by Investment Trusts Other Than Securities Investment Trusts, etc. and Avoiding Concentration of Credit Risk

The provisions of Article 17, Article 17-2, and Article 17-3 shall apply mutatis mutandis to investment restrictions, etc. on Derivative Transactions, etc., conducted by Investment Trusts Other Than Securities Investment Trusts, etc. and investment restrictions for avoiding concentration of credit risks.

Article 29 Instructions for Management of Investment Trusts Other Than Securities Investment Trusts, etc.

1. The provisions of Article 4 through Article 9 and Article 15 shall apply mutatis mutandis to instructions on

the management of Investment Trusts Other Than Securities Investment Trusts, etc. In this case, the term “Investment Trust Property” in said article shall be replaced with “assets of Investment Trusts Other Than Securities Investment Trusts, etc.”

2. Among the transactions set forth in Article 15 as applied mutatis mutandis pursuant to the preceding paragraph, transactions related to securities set forth in the FIEA shall be, in principle, within an amount less than one half of the total amount of assets of Investment Trusts Other Than Securities Investment Trusts, etc.
3. With regard to investment targets other than the main investment targets set forth in Article 27, instructions for the management of Investment Trusts Other Than Securities Investment Trusts, etc. shall be as set forth in the Regulations on REIT, etc., and the Regulations on IIT, etc., in addition to those set forth in the preceding two paragraphs.

Article 30 Special Provisions on Matters concerning Management of Investment Corporations and Privately Placed Investment Trusts

1. The provisions of Article 27 shall apply to Investment Trusts other than Investment Corporations and privately placed securities investment trusts whose main investment targets are assets other than securities, real estate, or infrastructure assets.
2. The provisions of Article 4 through Article 9 and Article 15 as applied mutatis mutandis pursuant to the preceding article shall apply mutatis mutandis to Investment Trusts other than Investment Corporations and privately placed securities investment trusts whose main investment targets are assets other than securities, real estate, or infrastructure assets, and the provisions of Paragraph 2 of said article shall apply to transactions said Investment Corporations, etc. may conduct.

However, the provisions of Article 15 as applied mutatis mutandis pursuant to this paragraph shall not apply to cases in which any other resolution has been made at the Investors’ General Meeting.

3. The provisions of Paragraph 3 of the preceding article shall apply mutatis mutandis to Investment Trusts other than Investment Corporations and privately placed securities investment trusts whose main investment targets are assets other than securities, real estate, or infrastructure assets.

Part 5 Others

Article 31 By-laws

Necessary matters for the enforcement of these Rules shall be stipulated in the By-laws.

Article 32 Others

Any matters not provided for in these Rules regarding management of the Investment Trust Property or investment corporation assets, etc. may be decided by resolution of the Board of Directors.

Article 33 Delegation to Competent Committee

1. The Board of Directors shall be entitled to delegate to the Self-regulation Committee the authority to amend any By-laws relating to these Rules.

2. The Self-regulation Committee shall promptly report to the Board of Directors any decision(s) made (limited to those deemed necessary by the Board of Directors) concerning any delegated matters.

Supplementary Provisions

1. These Rules shall come into effect on April 1, 2004.
2. For securities investment trusts established as of June 30, 1999 and for which a closed-end foreign securities investment corporation is to be incorporated in the investment trust contract, the provisions of Article 12 shall not apply to investment securities of said foreign securities investment corporations until the end of the trust period of said securities investment trust (until the end of the trust period in the existing investment trust contract), and said securities investment trusts shall be treated as shares as before.

Supplementary Provision

This amendment shall come into effect on May 25, 2004.

Supplementary Provision

This amendment shall come into effect on July 16, 2004.

Supplementary Provisions

This amendment shall come into effect on November 19, 2004.

However, the amended provisions of Article 11 shall come into effect from the date of commencement of transactions on the JASDAQ Securities Exchange (Inc.)

Supplementary Provision

This amendment shall come into effect on March 18, 2005.

Supplementary Provision

This amendment shall come into effect on May 24, 2006.

Supplementary Provision

This amendment shall come into effect on June 19, 2006.

Supplementary Provision

This amendment shall come into effect on December 15, 2006.

Supplementary Provision

This amendment shall come into effect on January 19, 2007.

Supplementary Provision

This amendment shall come into effect on April 20, 2007.

Supplementary Provisions

This amendment shall come into effect on September 30, 2007.

However, securities investment trusts prescribed in the former Article 3 existing at the time of amendment (excluding those falling under securities investment trusts set forth in the new Article 3 after amendment) shall be deemed to be securities investment trusts prescribed in the new Article 3, and Investment Trusts Other Than Securities Investment Trusts, etc. falling under the former Article 27 (excluding those falling under securities Investment Trusts Other Than Securities Investment Trusts, etc. set forth in the new Article 27 after amendment) shall be deemed to be Investment Trusts Other Than Securities Investment Trusts, etc. prescribed in the new Article 27.

Supplementary Provision

This amendment shall come into effect from the date of approval on the amendment of the Operational Rules by the competent government agency (March 31, 2008).

Supplementary Provision

This amendment shall come into effect on June 20, 2008.

Supplementary Provision

This amendment shall come into effect on July 18, 2008.

Supplementary Provision

This amendment shall come into effect on October 1, 2008.

Supplementary Provisions

1. This amendment shall come into effect on January 16, 2009.

However, the provisions then in force may be applied to securities investment trusts existing at the time of such revision.

2. Short-term commercial and industrial bonds stipulated in Article 38 of the Supplementary Provisions of the Shoko Chukin Bank Act (Act No. 74 of 2007) shall be deemed to be short-term corporate bonds stipulated in Article 22, Paragraph 1, Item 2 (a).

Supplementary Provision

This amendment shall come into effect on March 19, 2009.

Supplementary Provision

This amendment shall come into effect on October 14, 2010.

Supplementary Provision

This amendment shall come into effect on February 17, 2011.

Supplementary Provision

This amendment shall come into effect on January 4, 2013.

Supplementary Provisions

This amendment shall come into effect on December 1, 2014.

However, the provisions of Article 17-2 and Article 17-3 shall not apply to Investment Trusts existing at the time of amendment of these Rules for a period of five years from the effective date. This shall not apply to cases in which reasonable methods prescribed in said article have been set forth for such Investment Trusts.

* The amended provisions are as follows:

- (1) Article 12, Item 2 has been amended.
- (2) Paragraph 1 of Article 17 has been amended, and Paragraph 2 of Article 17 has been newly established.
- (3) Articles 17-2 and 17-3 have been newly established.
- (4) Article 19, Paragraph 1, Item 2 has been amended; Items 3 through 5, the former Paragraph 2 and Paragraph 3 have been deleted; Paragraph 4 has been moved up to Paragraph 2.
- (5) Paragraph 2 of Article 23 has been newly established.
- (6) Article 28 has been amended.

Supplementary Provisions

This amendment shall come into effect on December 1, 2014.

* The amended provisions are as follows:

Article 22, Paragraph 1, Item 2 (f) has been newly established.

Supplementary Provisions

This amendment shall come into effect on March 1, 2015.

* The amended provisions are as follows:

Article 8-2, the introductory clause in Paragraph 1, Item 2 and Paragraph 2 are amended.

Supplementary Provisions

This amendment shall come into effect on July 16, 2015.

* The amended provisions are as follows:

- (1) Article 12, Paragraph 1, Item 2 has been amended; Item 3 has been newly established, and former Items 3 through 4 has been changed to Items 4 through 5.
- (2) Article 21, Item 2; Article 22, Paragraph 1, Items 2 and 4; Article 22, Paragraphs 2 and 4; Article 24; Headings for Part 4; Article 27 have been revised.
- (3) Article 29, Paragraph 3 has been newly established.
- (4) Paragraphs 1 and 2 of Article 30 have been amended, and Paragraph 3 has been newly established.

Supplementary Provisions

This amendment shall come into effect on June 13, 2018.

* The amended provisions are as follows:

Article 15, Paragraph 1, Item 9 has been amended.

Supplementary Provisions

This amendment shall come into effect on **January 1, 2022**.

However, with regard to Article 2-4, Item 1, the Management Company, etc. shall formulate a reasonable implementation plan in consideration of its own situation in the construction of the system and implement the plan by the completion date specified in the implementation plan.

The provisions after amendment may be applied before the date of implementation at the discretion of the Management Companies, etc.

* The amended provisions are as follows:

- (1) Article 2-4 is newly established, and the requirements relating thereto (Article 8-2, Paragraph 5, Item 2) have been amended.
- (2) The cited section has been amended in connection with amendment of the By-laws.
(Unexecuted portion: portion shown in red in the text)

Supplementary Provisions

This amendment shall come into effect on January 21, 2021.

* The amended provisions are as follows:

Article 17-2, Paragraph 3 (2) Addition of Proviso has been added.