

## Disclaimer

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# SMT ETF Japan Equity Income Strategy Active

Open-ended Investment Trust, Domestic, Stocks, ETF

Product Classification				Segmentation by Attribute			
Unit Type / Open-ended Investment Trust	Eligible Market	Eligible Investments (Source of Income)	Independent Segment	Eligible Investments	Timing of Accounting Period	Geographical Areas of Investment	Investment Style
Open-ended Investment Trust	Domestic	Stocks	ETF	Other assets*	4 times per annum	Japan	Family Fund

\* Investment trust securities (stocks, general)

Note: Please refer to The Investment Trusts Association, Japan website (<http://www.toushin.or.jp/>) for definitions of product classification and segmentation by attribute above. (The website is in Japanese.)

## ESG

Not an ESG investment Trust

In connection with the public offering for subscription to SMT ETF Japan Equity Income Strategy Active (the “Fund”), which is made by way of this summary prospectus, the Management Company filed a securities registration statement with the Director of the Kanto Local Finance Bureau on March 5, 2024, pursuant to the provisions of Article 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948). The filing took effect on March 21, 2024.

When a significant amendment is made to the product content of the Fund, we will confirm the intention of the beneficiaries of the Fund in advance under the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951).

The Fund’s trust assets are separately managed by the Trustee under the Trust Act.

You can obtain a copy of the Explanatory Booklet on the Investment Trust (Prospectus) from a distributing company. If you request this document, please make a personal record to that effect.

- This summary prospectus is published pursuant to the provisions of Article 13 of the Financial Instruments and Exchange Act.
- Whereas this summary prospectus contains the main terms and conditions of the Fund, the complete text of the terms and conditions is provided in the Explanatory Booklet on the Investment Trust (Prospectus).
- The Explanatory Booklet on the Investment Trust (Prospectus) for the Fund may be viewed and downloaded from the Management Company’s website.

## ■ Management Company (the party issuing investment instructions for the Fund)

### Sumitomo Mitsui Trust Asset Management Co., Ltd.

Registration Number (Financial Instruments Business Operators): Director of the Kanto Local Finance Bureau (Financial instruments firms) No. 347

Date of establishment: November 1, 1986

Capital: 2.0 billion yen

Total net asset value of investment trust assets under management:

14,616.0 billion yen

(Capital and total net assets value under management are as of December 29, 2023)

## ■ Trustee (the party responsible for custody and management of the Fund assets)

### Sumitomo Mitsui Trust Bank, Limited

## ■ Reference:



Homepage: <https://www.sumitrust-am.com/>



## Objective and Features of the Fund

### Objective of the Fund

The Fund is managed with the aim of achieving medium- to long-term growth of the investment trust assets.

### Features of the Fund

1.

The Fund primarily invests in stocks that are listed on financial instruments exchanges, etc. in Japan.

2.

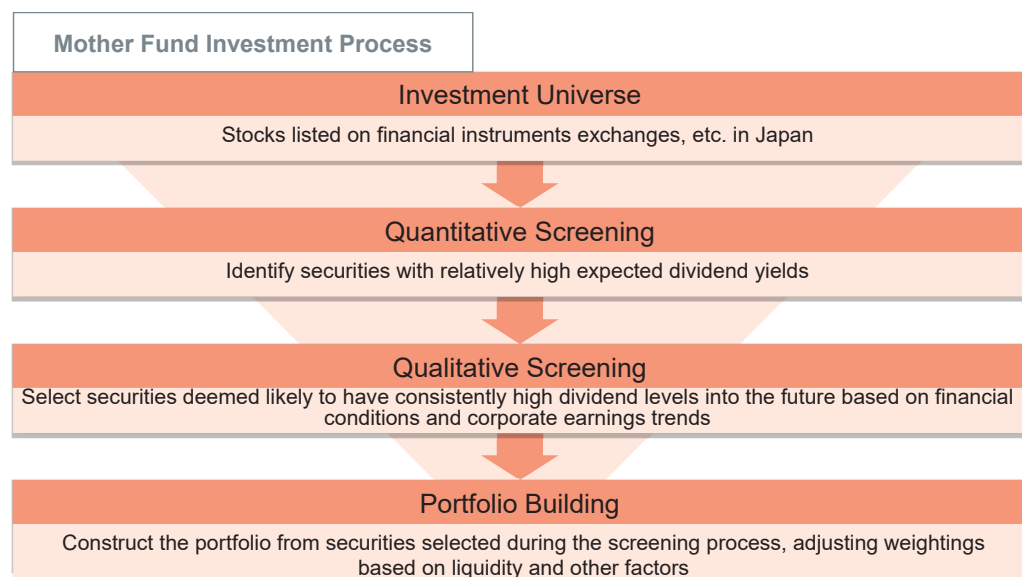
The selection of securities is conducted following an assessment of financial soundness, corporate earnings trends, dividend policies, etc.

- In principle, the Fund primarily invests in securities deemed as having high expected dividend yields relative to the market average (weighted average, on a current fiscal term forecast basis).
- The Fund also prioritizes financial soundness, and financial data including interest-bearing debt ratios are monitored.
- The Fund monitors corporate earnings trends, dividend policies and other key company data releases. Securities are replaced when they make a substantial downwards revision to earnings forecasts or make changes to a dividend policy such as a dividend reduction.
- The Fund principally maintains a high ratio of actual investment in stocks. If a market downturn has been deemed highly likely, however, the Fund will strive to reduce the ratio of investment in stocks by taking measures such as increasing the ratio of actual investment in short-term financial assets and conducting derivative transactions.

## Features of the Fund

3. The Fund is an exchange-traded fund (ETF) and its beneficiary interests are listed on the Tokyo Stock Exchange.

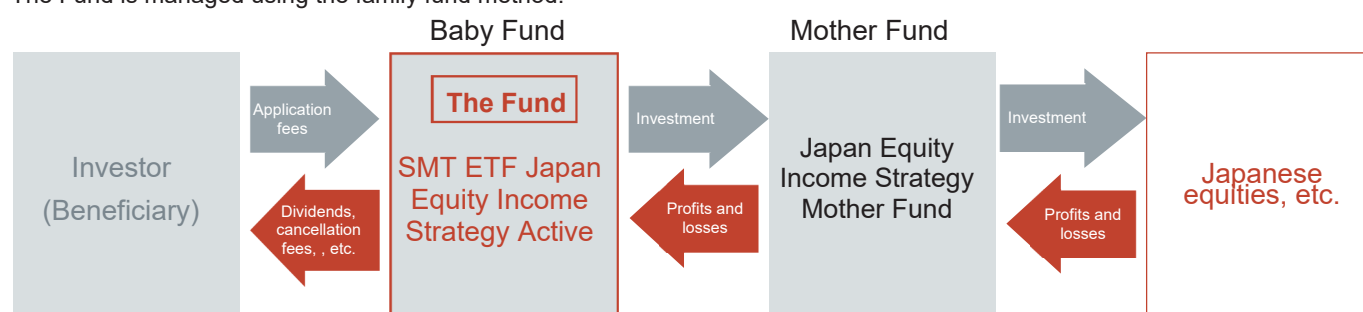
- Beneficial interests are listed on the Tokyo Stock Exchange (listing date: March 25, 2024) and may be traded in a similar manner as that for stocks.
- Trading unit is one unit.
- The method of trading is principally the same as that for stocks.



Note: The process described above is subject to change going forward.

### Fund Structure

The Fund is managed using the family fund method.



### ? What is the family fund method?

The family fund method is a structure that establishes a baby fund using funds entrusted to us by investors. The baby fund is then invested in a mother fund, and the actual management of the assets is then carried out by the mother fund.

### Overview of the Mother Fund

Mother Fund	Primary Eligible Investments and Geographical Areas	Basic Policy on Asset Management
Japan Equity Income Strategy Mother Fund	Japanese equities	The investment trust is managed with the aim of achieving medium- to long-term growth of the trust assets primarily by investing in Japanese equities.



## Objective and Features of the Fund

### Features of the Fund

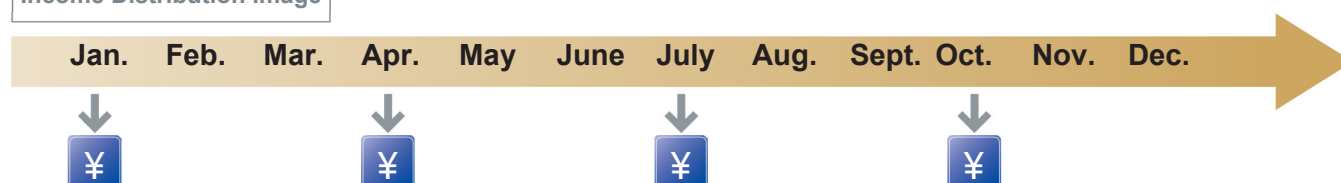
#### Distribution Policy

- As a general rule, distributions of income are due four times per annum on the date of each closing accounts (on the 11th of January, April, July, October).

Note: The accounting date of the first fiscal period is July 11, 2024.

- As a general rule, the full amount of dividends and other income is to be distributed after deduction of expenses. However, dividends may not be paid if the amount to be distributed is small.
- No dividends shall be paid even if there are gains on sales (including unrealized gains).

#### Income Distribution Image



Note: The diagram above is for illustrative purposes only and accordingly serves as neither implication nor guarantee regarding the payment or the amount of future dividends.

#### Investment Restrictions

- There is no restriction on the actual investment ratio in stocks.
- The Fund does not invest in assets denominated in foreign currencies.
- The Fund does not use derivative transactions other than those with the aim of avoiding price fluctuation risk and realizing the same profits and losses equivalent to those that arise as a result of holding assets that are subjects of the investments.

The management of the Fund as described above may not be possible in certain cases depending on asset flows, market trends, or the size of the trust assets.



# Investment Risks

## Factors That Contribute to NAV Volatility

- Because the Fund invests in securities, etc. that are subject to price fluctuations, the NAV of the Fund is subject to change. As such, any principal invested in the Fund by investors is therefore not guaranteed. Investors may incur a loss and the value of their investment principal may fall below par as the result of a decline in the NAV.
- All profits and losses arising from the trust assets are borne by the investors.
- The investment trust differs from a savings deposit.

<b>Stock Price Fluctuation Risk</b>	Stock prices fluctuate due to changes in the issuer's earnings performance, management, financial status and changes in external ratings of the aforementioned, domestic and international economic circumstances, etc. Decline in a stock price may result in a decrease in the NAV.
<b>Credit Risk</b>	The NAV may decrease due to a declining securities price when the issuer of the security becomes or is likely to become unable to make payment of interest, redemption, borrowings, etc. in accordance with predefined terms and conditions, due to financial difficulties, poor business performance, or other such reasons incurred by the issuer.
<b>Risk Associated with Securities Lending</b>	In operations such as securities lending there is a risk of a payment settlement default due to events such as a counterparty's bankruptcy. In a case of a lending agreement breach, investors may incur a loss attributable to market price fluctuations when repurchasing securities with cash collateral, and the NAV may decrease as a result.

Note: The factors that contribute to fluctuations in the NAV include but are not limited to those listed above.

## Additional Considerations

- Discrepancy between market price and NAV  
The market price of the Fund is based upon supply and demand, as calculated through competitive buying and selling on the financial instruments exchanges. Therefore, market price may differ from the NAV itself.
- Considerations regarding actively managed ETFs  
The Fund is an actively managed ETF, and it does not aim to achieve investment results that link to a specific index. Whereas the Management Company discloses portfolio information every business day via portfolio composition file (PCF), the information does not reflect the trades on the day given that the PCF information pertains to holdings formed on the basis of NAV calculations of the previous business day. As a result, the indicative NAV per unit released during trading hours based on this portfolio information does not always align with the appropriate net asset value of the Fund at any given time.
- The provisions stipulated in Article 37-6 of the Financial Instruments and Exchange Act (the cooling-off period) are not applicable to the subscription to the Fund.
- In the event that a large number of applications for redemption occur and it becomes necessary to raise redemption proceeds within a short period of time, or in the event that a sudden change in the market environment in the primary trading market for the assets incorporated in the Fund occurs etc., there is a risk that the Fund may not be able to trade at an expected price (based on prevailing market prices) or the trading volume may be limited due to a temporary decline in the liquidity of the assets incorporated in the Fund. As a result of these risks, there is a possibility that the NAV will be negatively affected, that acceptance of applications for redemption will be suspended or canceled, or that the payment of redemption proceeds will be delayed.

## Risk Management System

### Risk Management System of the Management Company

- The Investment Risk Management Department, which is independent of the Investment Section, is in charge of managing risk related to investment (including liquidity risk management, etc.) and monitoring the status of compliance with laws and regulations, etc., and reports to the Investment and Risk Committee, which meets monthly, and other committees.



# Procedures, Fees, and Other Items

## Subscription Memorandum

<b>Subscription Units</b>	10,000 units or more in increments of 10,000 units.
<b>Subscription Price</b>	During initial application period: 2,000 yen per unit During subsequent application period: NAV* as of the business day following the day on which the subscription application is accepted. * The price is presented per unit in the Fund.
<b>Subscription Proceeds</b>	Please make the payment by the deadline that is stipulated by the distributing company.
<b>Redemption Units</b>	10,000 units or more in increments of 10,000 units.
<b>Redemption Value</b>	The redemption value is the NAV on the business day following the day on which the redemption application is accepted. (There is no deduction of the amount to be retained in trust assets.)
<b>Redemption Proceeds</b>	Payment is principally made on or from the fifth business day following the day on which the redemption application was accepted.
<b>Business Hours for Application</b>	Applications must be received by 3:00 p.m. on business days of the distributing company.
<b>Subscription Application Period</b>	Initial application period: March 21, 2024 Subsequent application period: From March 22, 2024 to April 11, 2025 Note: The subscription is renewed by filing another securities registration statement prior to the expiration date shown above.
<b>Non-acceptance Days for Subscription / Redemption Applications</b>	Subscriptions and redemptions will not be accepted if any of the following circumstances apply on the day of application. However, subscription and redemption requests may be accepted based on the Management Company's judgement. (i) For a period of three business days, beginning from three business days prior to the last day of any calculation period of the Fund (however, if the last day of the calculation period is a holiday, the period shall be four business days, beginning from four business days prior to the last day of the calculation period). (ii) In the event that the trust is set to terminate, the period of five business days immediately preceding the trust termination date. (iii) In addition to the period above, any time the Management Company determines that unavoidable circumstances will prevent it from making investments in accordance with the basic policy on asset management.
<b>Redemption Restrictions</b>	Based on the size and product attributes of the Fund, large redemptions may be subject to restrictions with respect to acceptance time and monetary amount in order to ensure smooth fund operations. Please confirm this with the distributing company for further details.
<b>Purchase of Beneficial Interests</b>	If the beneficial interests are delisted from all financial instruments exchanges where they have been listed, the distributing company shall purchase the beneficial interests at the NAV on the business day following the day of acceptance of purchase request when request from the beneficiary is made two business days prior to the trust termination date. In the event of suspension of trading at the financial instruments exchanges, etc., cessation of settlement functions, or any other unavoidable circumstances, the purchase of beneficial interests may be suspended, and previously accepted purchase of beneficial interests may be canceled.
<b>Suspension or Cancellation of Subscription / Redemption</b>	In the event of suspension of trading at the financial instruments exchanges, etc., cessation of settlement functions, unavoidable circumstances that prevent making investments in accordance with the basic policy on asset management, or any other unavoidable circumstances, acceptance of subscription/redemption applications may be suspended and previously accepted subscription/redemption applications may be canceled.
<b>Trust Period</b>	Unlimited (inception date: March 22, 2024)
<b>Early Termination</b>	In the following case, the Management Company shall cancel the trust agreement and terminate the trust (early termination) upon having gained consent of the Trustee. <ul style="list-style-type: none"> <li>• If the beneficial interests are delisted from all financial instruments exchanges where they have been listed</li> </ul> In any of the following cases, the Management Company may cancel the trust agreement and terminate the trust (early termination) upon having confirmed the intentions of beneficiaries in advance and gained consent of the Trustee. <ul style="list-style-type: none"> <li>• If the number of units of the beneficial interest falls below 1,500,000 units on or after March 25, 2027</li> <li>• If it is determined that cancellation of the trust agreement is for the benefit of the beneficiaries</li> <li>• If an unavoidable circumstance occurs</li> </ul>

<b>Accounting Date</b>	On the 11th of January, April, July and October of each year Note: The accounting date of the first fiscal period is July 11, 2024.
<b>Income Distribution</b>	Distributions are due four times a year on the date of each closing accounts. Note: Dividends shall principally be paid within 40 days after the end of each calculation period on a date specified by the Management Company, by wire transfer to the savings account, etc. specified in advance by the registered beneficiary.
<b>Maximum Amount of Trust</b>	200 billion yen
<b>Public Notification</b>	Public notification shall be given in the Nikkei (Nihon Keizai Shimbun) newspaper.
<b>Investment Reports</b>	No investment report is made or provided.
<b>Tax Treatment</b>	<p>For tax purposes, the Fund is treated as a listed securities investment trust.</p> <p>Listed securities investment trusts are eligible for the Nippon Individual Savings Account (NISA) if certain conditions have been met under tax law.</p> <p>The Fund is eligible for the NISA “Growth Quota (Tax exemption investment account),” but treatment of such accounts may be different depending on the distributing company. Please confirm this with the distributing company for further details.</p> <p>Note: The above information is as of January 1, 2024. Details are subject to change in the event of developments such as tax law revisions.</p> <p>The Fund may apply for dividend deductions. The Fund does not apply for exclusion of profits from taxable income scheme.</p>





# Procedures, Fees, and Other Items

## Fund Expenses and Taxes

### Fund Expenses

Expenses to be borne directly by investors				
Subscription Commission		Set by the distributing company. Please confirm this with the distributing company for further details. The subscription commission is paid to the distributing company as consideration for expenses, etc. associated with offering and distribution of the Fund by the distributing company.		
Amount to Be Retained in Trust Assets		None		
Redemption (Purchase) Commission		Set by the distributing company. Please confirm this with the distributing company for further details. The redemption (purchase) commission is paid to the distributing company as consideration for expenses, etc. associated with redemption or purchase of beneficial interests of the Fund by the distributing company.		
Expenses to be borne indirectly by investors from trust assets				
Management Fee (Trust Fee)		The total amount of the management fee is the sum of (i) and (ii) below. The fee is accrued daily throughout the trust period and is reflected in the NAV of the Fund. It is paid from the trust assets as the end of each calculation period or termination of the trust. (i) The amount calculated by multiplying the total net assets by an <b>annual rate of 0.495% (0.45% exclusive of taxes) or less*</b> * As of March 5, 2024, the rates for (i) and such distribution to each payee are as follows.		
		Total	0.495% per annum (0.45% exclusive of taxes)	Primary Services
Distribution		Management Company	0.44% per annum (0.4% exclusive of taxes)	Consideration for management of entrusted funds, NAV calculation, preparation of disclosure documents, etc.
		Trustee	0.055% per annum (0.05% exclusive of taxes)	Consideration for administration of assets under management and execution of instructions from the Management Company
		(ii) When instructions are given to lend securities, the amount calculated by multiplying the lending fee of the Fund and the amount deemed to be attributable to the Fund of the lending fee of the Mother Fund by <b>the rate less than 55% (50% exclusive of taxes)*</b> . * As of March 5, 2024, the total rate for (ii) is within 49.5% (45% exclusive of taxes), with such distribution being 24.75% (22.5% exclusive of taxes) to the Management Company and 24.75% (22.5% exclusive of taxes) to the Trustee. (The lending fee is recorded as income of the Fund and a portion of such fee is received as trust fees by the Management Company and the Trustee.)		
Other Expenses and Fees		(i) Expenses pertaining to listing of the Fund (as of March 5, 2024) • Initial listing fee and additional listing fee: 0.00825% (0.0075% exclusive of taxes) of the total net asset value at the time of the initial listing, and 0.00825% (0.0075% exclusive of taxes) of the amount of increase in the total net asset value at the end of the year as compared with the larger of a) the total net asset value at the time of the initial listing; or, b) the largest of the total net asset values at the end of each subsequent year up to the year immediately prior to the fee payment year. • Annual listing fee: Maximum of 0.00825% (0.0075% exclusive of taxes) of the total net assets at year-end. • Listing examination fee of 550,000 yen (500,000 yen exclusive of taxes) at the time of the initial listing. The expenses listed above are borne by the beneficiaries and may be paid out of the Fund.		
		(ii) Other Expenses and Fees The following expenses, etc. (including amounts equivalent to consumption tax, etc.) are borne by the beneficiaries and paid out of the Fund when incurred (on a daily basis for costs for audits). • Expenses pertaining to trading and custody of securities: Fees associated with trading and custody of securities paid to brokers and custodians • Expenses pertaining to trust administration: Taxes imposed on investment trust assets, various expenses required in trust administration, and interest on advances made by the Trustee, etc. • Costs for audits: Costs paid to auditors for the Fund audits, etc. Because the expenses and fees above vary according to management conditions, it is not possible to present rates, upper limits, etc. ahead of time.		

Note: Because the total amounts of the above fees, etc. vary depending on holding periods, etc., it is not possible to present upper limits, etc. ahead of time.

## Tax Treatment

- Tax treatment is applied at the times listed below.
- The following chart presents tax rates imposed on individual investors at the time of tax withholding. Tax rates may differ according to the taxation method, etc.

Time	Items	Tax
Receipt of distribution	Income tax and local tax	Taxed as dividend income 20.315% of income distributions
Sale, redemption (termination) and redemption	Income tax and local tax	Taxed as capital gains 20.315% of the gains on sales, redemption (termination) and redemption

Note 1: If you choose the Japanese version of the Individual Savings Account (known as “NISA”):

NISA is the Nippon Individual Savings Account, a tax exemption structure pertaining to small amounts of listed stock, etc. Under this structure, dividend income and capital gains generated from newly purchased publicly offered stock investment trusts, up to a specified annual limit, will be tax exempt for an indefinite term.

Eligibility for use of the NISA is subject to certain conditions, such requirements on opening a NISA account at an eligible distributing company and on purchasing products that fulfill requirements under tax laws. Please confirm this with the distributing company for further details.

Investors need to select the “system of dividend-allocation in proportion to the number of shares held,” which involves having dividends deposited into the account of his or her distributing company. Please confirm this with the distributing company for further details.

Note 2: Taxes imposed upon receipt of distributions may differ from the amounts stated above if foreign tax exemptions are applied.

Note 3: The aforementioned descriptions do not apply to Japanese corporations.

Note 4: Tax rates, etc. are subject to change in the event of developments such as tax law revisions. We recommend that investors consult a tax or similar specialist for details of tax treatment.

Note 5: The above information is as of January 1, 2024.

