

SuMi TRUST Investment Funds

(an open-ended umbrella unit trust with segregated liability between its series trusts established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

Annual Report and Audited Financial Statements

Japan Small Cap Fund

A Sub-Fund of SuMi TRUST Investment Funds

For the year ended 31st March 2017

Japan Quality Growth Fund

A Sub-Fund of SuMi TRUST Investment Funds

For the year ended 31st March 2017

SuMi TRUST Investment Funds

Annual Report and Audited Financial Statements

For the year ended 31st March 2017

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SuMi TRUST Investment Funds

Fund Information

MANAGER, ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

SMT Fund Services (Ireland) Limited

Block 5
Harcourt Centre
Harcourt Road
Dublin 2
Ireland

DEPOSITARY

SMT Trustees (Ireland) Limited

Block 5
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Harcourt Road
Dublin 2
Ireland

INVESTMENT MANAGER

Sumitomo Mitsui Trust Bank, Limited

1-4-1 Marunouchi, Chiyoda-ku
Tokyo 100-8233
Japan

PROMOTER AND DISTRIBUTOR

Sumitomo Mitsui Trust International Limited (for Japan Small Cap Fund only)

155 Bishopgate
London EC2M 3XU
United Kingdom

Sumitomo Mitsui Trust Bank, Limited (for Japan Quality Growth Fund only)

1-4-1 Marunouchi, Chiyoda-ku
Tokyo 100-8233
Japan

NewSmith Asset Management LLP (for Japan Small Cap Fund only)

Lansdowne House
57 Berkeley Square
London W1J 6ER
United Kingdom

SuMi TRUST Investment Funds

Fund Information

(Continued)

DISTRIBUTOR

Sumitomo Mitsui Trust (Hong Kong) Limited

Suites 2506-9, AIA Central
1 Connaught Road, Central
Hong Kong

CUSTODIAN

Sumitomo Mitsui Trust (UK) Limited

155 Bishopsgate
London EC2M 3XU
United Kingdom

INDEPENDENT AUDITORS

KPMG

Chartered Accountants
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

IRISH LEGAL AND TAX ADVISERS

Dillon Eustace

33 Sir John Rogerson's Quay
Dublin 2
Ireland

FX MANAGER

Davy

Davy House
49 Dawson Street
Dublin 2
Ireland

SuMi TRUST Investment Funds

Statement of Manager's Responsibilities

For the year ended 31st March 2017

SMT Fund Services (Ireland) Limited (the “Manager”) is responsible for preparing the Annual Report and financial statements of Japan Small Cap Fund and Japan Quality Growth Fund, both Sub-Funds of SuMi TRUST Investment Funds (the “Fund”, or the “Trust”), in accordance with applicable law and regulations. Irish law requires the manager of the Sub-Fund to prepare financial statements for each financial year. The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union (“EU”) and applicable law.

The financial statements of each of the Sub-Funds of the Trust are required to give a true and fair view of the assets, liabilities and financial position of each Sub-Fund and of its changes in net assets attributable to holders of redeemable participating units for that year. In preparing these financial statements, the Manager:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the Sub-Funds will continue in business.

The Manager is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Sub-Funds and enable it to ensure that the financial statements comply with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015. It has general responsibility for taking such steps as are reasonably open to it to prevent and detect fraud and other irregularities.

The Sub-Funds do not have any soft commission arrangements.

Connected Persons

Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 requires that any transaction carried out with a UCITS by a management company or depositary (excluding any non-group company sub-custodian appointed by a depositary) and any associated and/or group companies of these (“connected persons”) must be carried out as if negotiated at arm’s length and must be in the best interest of the unitholders. The Board of Directors of the Manager are satisfied that transactions between connected persons entered into during the financial year complied with the obligations set out above and were carried out as if negotiated at arm’s length and in the best interest of unitholders.

SuMi TRUST Investment Funds

Statement of Manager's Responsibilities

For the year ended 31st March 2017

(Continued)

Corporate Governance Statement

On 18th December 2012, the Corporate Governance Code for Collective Investment Schemes and Management Companies (the "Code") was adopted by the Manager on a continuing basis from 1st January 2013. The Board of the Manager complies with all the provisions of the Code.

On behalf of SMT Fund Services (Ireland) Limited



Director



Director

Date: 19.07.2017

SuMi TRUST Investment Funds

Statement of Depositary's Responsibilities

For the year ended 31st March 2017

The European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, requires the Depositary to take reasonable care so as to ensure that the Sub-Funds are managed by the Manager in accordance with the Regulations and the Trust Deed. In particular, the Depositary must:

- Satisfy itself on reasonable grounds and on a continuing basis that the Manager has managed the Sub-Funds in accordance with the limitations imposed on the investment and borrowing powers of the Manager and Depositary by the Trust Deed and the Regulations;
- Take into its custody or under its control, all the assets of the Sub-Funds and hold them in trust for the unitholders in accordance with the Regulations and the Trust Deed; and
- Satisfy itself that the valuation of the Units of the Sub-Funds and that the sale, issue, repurchase, redemption and cancellation of Units of the Sub-Funds are being carried out in accordance with the Regulations and the Trust Deed.

To enable the Depositary to fulfil its responsibilities under the Regulations and the Trust Deed, the Depositary is required to keep proper records.

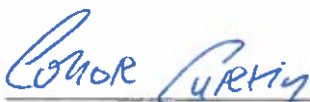
Depositary's Report

For the year ended 31st March 2017

We have enquired into the conduct of the Sub-Funds for the year ended 31st March 2017 in our capacity as Depositary of the Sub-Funds.

In our opinion, the Manager of the Sub-Funds, SMT Fund Services (Ireland) Limited, has managed the Sub-Funds for the year ended 31st March 2017, in all material respects, in accordance with the provisions of the Trust Deed and the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, including specifically those provisions relating to the limitations imposed on the investment and borrowing powers of the Manager and Depositary.

On behalf of SMT Trustees (Ireland) Limited



Date: 19th July 2017



SuMi TRUST Investment Funds

Japan Small Cap Fund Investment Manager's Report For the year ended 31st March 2017

Executive Summary

- The return of Japan Small Cap Fund (the “Sub-Fund”) was 8.76% and the excess return (vs. Russell/Nomura Small Cap Index) as (8.26%) for the year from 1st April 2016 to 31st March 2017.
- We will focus on identifying change in earnings trend and also focus on the stocks that can change through its internal factor regardless of external environment.

	Sub-Fund	Russell/Nomura	Excess Return
1 st April 2016 - 31 st March 2017	8.76%	17.02%	(8.26%)

Performance

- The record of the Sub-Fund was 8.76% and the excess return was (8.26%).
- First half: The market fluctuated primarily over the price of oil, global equity market downturn and the UK referendum.
- Second half: In November, the Trump victory drastically boosted market sentiment and drove Japanese shares higher. The market was mixed with the rising optimism for the US economy, concerns over a possible Trump victory and his protectionist rhetoric. But the Trump win dramatically changed sentiment. The market continued to advance on expectations over possible economic measures such as a fiscal stimulus and tax cuts.
- Stock selection effect contributed negatively to the performance.
- The worst contributor was Ride On Express (6082, a sushi delivery chain) due to its disappointing sales figures. Anicom Holdings (8715, a health insurance company for cats and dogs) and HITO-Communications (3654, a company provides sales support services to mobile phone and home appliance stores for marketing) were also detractors. The reason for the former was it declined with no significant news, and for the latter was it announced too conservative earnings guidance. On the other hand, top contributor was Tokyo Base (3415, formally known as Studios, an apparel company specialising in Japan original brands) whose Q4 earnings were so strong that its earnings guidance was revised up.

Outlook

(i) Economy

- The market's excessive expectations for the Trump administration has diminished considerably. Since the beginning of the year, the market digested cooperate fundamentals and earnings that resulted in the rebound of small-to-mid cap growth stocks. However, we see risks in the short-term due to market volatility stemming from external factors.

(ii) Corporate Earnings

- Our earnings estimate was revised up to 17.8% from 16.2% for FY 2017 in March. The main reason for the upward revision in FY 2017 was due to a better outlook for corporate earnings of all the sectors especially led by exporters such as Electric Appliances and Transportation Equipment.

SuMi TRUST Investment Funds

Japan Small Cap Fund

Investment Manager's Report

For the year ended 31st March 2017

(Continued)

Strategy

(i) Stock Selection

- “Work style reform” is now recognized as an investment theme, and related names have been attracting investors' attention. We believe that “work style reform” not only reduces overtime work and improves companies' productivity, but it would also solve the labor market mismatch, promote flexibility, improve corporate productivity and profitability, increase wages and improve the quality of life among employees. Should it succeed, we believe there would be opportunities to change Japan itself.
- We aim to deliver mid-to-long term capital growth by detecting such small changes which could be the driver of future innovation benefitting companies that have potentially strong earnings growth.

(ii) Sector Allocation

- Our strategy is not based on a top-down approach and we do not make judgements on sectors. Sector exposures are mere results of individual stock selections.

Risk

- The small to mid cap market is volatile compared to the large cap. Due to this reason, we will pay close attention to this market and try to catch the trend as much as possible.
- The risk factors we focused on are 1) a rising cost of labor and raw material. 2) Sharp fluctuations in exchange rates and interest rates. 3) Geopolitical risk in Asia, economic slowdown in emerging countries, political uncertainty in developed countries is causing capital outflow.

Sumitomo Mitsui Trust Bank, Limited

Date: 8th June 2017

SuMi TRUST Investment Funds

Japan Quality Growth Fund Investment Manager's Report For the year ended 31st March 2017

Executive Summary

- The return of Japan Quality Growth Fund (the “Sub-Fund”) was 8.91% and the excess return (vs. JPX 400) was (4.71%) for the year from 1st April 2016 to 31st March 2017.
- We believe long-term outperformance is achieved by rigorous research and identifying companies that can increase shareholder returns through higher profitability.

	Sub-Fund	JPX 400	Excess Return
1 st April 2016 - 31 st March 2017	8.91%	13.62%	(4.71%)

Performance

- The record of the Sub-Fund was 8.91% and the excess return was (4.71%).
- First half: The market fluctuated primarily over the price of oil, global equity market downturn and the UK referendum.
- Second half: In November, the Trump victory drastically boosted market sentiment and drove Japanese shares higher. The market was mixed with the rising optimism for the US economy, concerns over a possible Trump victory and his protectionist rhetoric. But the Trump win dramatically changed sentiment. The market continued to advance on expectations over possible economic measures such as a fiscal stimulus and tax cuts.
- In such a high volatile environment, we generated a return for 8.91% but lagging the benchmark for 4.71%.
- Stock selection effect contributed positively to the performance.
- The best contributor for the year was Keyence (6861, a sensor and measurement equipment manufacturer), rose as the company continues to benefit from rising demand for its sensors with the global expansion of factory automation. In addition, Mitsubishi UFJ Financial Group (8306) rose on the back of higher bond yields after Trump's victory. On the other hand, Resort Trust (4681, resort hotel developer and operator) was negative contributor. It dropped due to the concern over the increase in depreciation cost increase as result of the up-front investment.

Outlook

(i) Economy

- A value stock driven market fuelled by the US presidential election last November finally came to an end in mid-March on concerns over Trump's inability to execute his policies. Investors have already turned their focus on corporate earnings.
- We believe this market environment, which is favourable for the strategy, should continue as the next earnings season look promising with robust FY2016 earnings results and an upbeat FY2017 guidance. We will continue to select stocks which have ROE growth potential which can be fulfilled through higher profitability and earnings growth in the mid-to-long term.

(ii) Corporate Earnings

- Our earnings estimate was revised up to 17.8% from 16.2% for FY 2017 in March. The main reason for the upward revision in FY 2017 was due to a better outlook for corporate earnings of all the sectors especially led by exporters such as Electric Appliances and Transportation Equipment.

SuMi TRUST Investment Funds

Japan Quality Growth Fund Investment Manager's Report For the year ended 31st March 2017 (Continued)

Strategy

(i) Stock Selection

- Based on our investment philosophy and objectives, we will continue to invest in companies with improving ROE through earnings growth.
- In selecting companies that meet our investment objectives, we will scrutinise the companies' earnings generation capability, monitor changes in their value proposition to customers and search for sustainability of growth through earnings analysis and interviews.

(ii) Sector Allocation

- Our strategy is not based on a top-down approach and we do not make judgements on sectors. Sector exposures are mere results of individual stock selections.

Risk

- The risk factors we are paying attention to are 1) a slowdown on economy of emerging countries such as China and a hike in interest rate in the US, 2) Political risk in North Korea and Syria, policies failures in Trump administration, 3) price surge in natural resources such as oil.

Sumitomo Mitsui Trust Bank, Limited

Date: 8th June 2017



**KPMG
Audit**
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

Independent Auditor's report to the unitholders of Japan Small Cap Fund and Japan Quality Growth Fund, each Sub Funds of SuMi TRUST Investment Funds

We have audited the financial statements of Japan Small Cap Fund and Japan Quality Growth Fund, each Sub-Funds of SuMi TRUST Investment Funds for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Units for each Sub-Fund and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements of Japan Small Cap Fund and Japan Quality Growth Fund, each Sub-Funds of the Trust:

- give a true and fair view of the assets, liabilities and financial position of each Sub-Fund as at 31 March 2017 and of its changes in net assets attributable to holders of redeemable participating units for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

2 We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Manager's Responsibilities set out on page 5, the Manager of the Trust is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Independent Auditor's report to the unitholders of Japan Small Cap Fund and Japan Quality Growth Fund, each Sub Funds of SuMi TRUST Investment Funds (continued)


Basis of our report, responsibilities and restrictions on use (continued)

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Sub-Funds' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the unitholders of each Sub-Fund, as a body, in accordance with Regulation 93 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011. Our audit work has been undertaken so that we might state to each of the Sub-Funds' unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each of the Sub-Funds of the Trust and each of the Sub-Funds' unitholders as a body, for our audit work, for this report, or for the opinions we have formed.



Garrett O' Neill
for and on behalf of
KPMG

Date: 19 July 2017

Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1


SuMi TRUST Investment Funds


Japan Small Cap Fund Statement of Financial Position As at 31st March 2017

	Notes	2017 JPY	2016 JPY
Assets			
Cash and cash equivalents	5	537,601,711	290,311,940
Financial assets at fair value through profit or loss:			
Transferable securities	3	10,196,132,320	3,877,506,600
Financial derivative assets	3	-	105,314
Debtors	6	126,782,865	73,800,999
Total Assets		10,860,516,896	4,241,724,853
Liabilities			
Financial liabilities at fair value through profit or loss:			
Financial derivative liabilities	3	97,828,889	2,938,245
Creditors	7, 9	121,289,624	55,798,170
Total Liabilities (excluding Net Assets attributable to Holders of Redeemable Participating Units)		219,118,513	58,736,415
Net Assets attributable to Holders of Redeemable Participating Units		10,641,398,383	4,182,988,438
Number of units in issue			
- Class A JPY	8	362,708.250	261,730.408
- Class B JPY	8	46,480.508	46,480.508
- Class A USD Hedged	8	67,686.393	18,173.655
- Class C USD Hedged	8	330,307.813	-
Net Asset Value per unit			
- Class A JPY		JPY12,552.7433	JPY11,551.6193
- Class B JPY		JPY20,935.8899	JPY19,237.3328
- Class A USD Hedged		US\$141.8163	US\$129.9391
- Class C USD Hedged		US\$109.9185	-

The accompanying notes form an integral part of these financial statements.

On behalf of SMT Fund Services (Ireland) Limited


Director


Director

Date: 19.07.2017

SuMi TRUST Investment Funds

Japan Small Cap Fund

Statement of Comprehensive Income

For the year ended 31st March 2017

	Notes	2017 JPY	2016 JPY
Income			
Dividend income from financial instruments at fair value through profit or loss		103,682,401	31,309,338
Net gain from financial assets and liabilities at fair value through profit or loss	10	<u>1,146,914,553</u>	<u>580,691,033</u>
Total income		<u>1,250,596,954</u>	<u>612,000,371</u>
Expenses			
Investment Manager fees	9	(48,236,556)	(13,078,351)
FX Manager fees	9	(501,496)	(44,977)
Risk Management fees	9	(926,139)	(1,430,309)
Administration and Manager fees	9	(13,532,620)	(13,345,542)
Custodian fees	9	(6,696,852)	(5,754,878)
Depository fees	9	(2,994,056)	(3,456,212)
Distributor fees	9	(30,567,417)	(2,044,997)
Organisational and establishment expenses	15	-	6,611,388
Audit fees	9	(1,564,397)	(1,732,813)
Other expenses		<u>7,155,551</u>	<u>(4,855,539)</u>
Total operating expenses		<u>(97,863,982)</u>	<u>(39,132,230)</u>
Operating profit before finance costs		1,152,732,972	572,868,141
Finance costs			
Interest on bank overdraft	2	<u>(2,108,137)</u>	<u>-</u>
Profit before taxes		1,150,624,835	572,868,141
Withholding taxes	2	<u>(15,323,300)</u>	<u>(4,656,614)</u>
Increase in Net Assets attributable to Holders of Redeemable Participating Units		<u>1,135,301,535</u>	<u>568,211,527</u>

The accompanying notes form an integral part of these financial statements.

SuMi TRUST Investment Funds

Japan Small Cap Fund

Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Units

For the year ended 31st March 2017

	2017 JPY	2016 JPY
Net Assets attributable to Holders of Redeemable Participating Units at beginning of the year	4,182,988,438	912,086,342
Redeemable Participating Units issued	6,231,620,073	3,097,654,156
Redeemable Participating Units redeemed	(908,511,663)	(394,963,587)
Increase in Net Assets attributable to Holders of Redeemable Participating Units	<u>1,135,301,535</u>	<u>568,211,527</u>
Net Assets attributable to Holders of Redeemable Participating Units at end of the year	<u>10,641,398,383</u>	<u>4,182,988,438</u>

The accompanying notes form an integral part of these financial statements.

SuMi TRUST Investment Funds

Japan Small Cap Fund Statement of Cash Flows

For the year ended 31st March 2017

	2017 JPY	2016 JPY
Cash flows from operating activities		
Increase in Net Assets attributable to Holders of Redeemable Participating Units	1,135,301,535	568,211,527
Changes in operating assets and liabilities:		
Increase in transferable securities	(6,318,625,720)	(2,975,071,820)
Decrease/(increase) in financial derivative assets	105,314	(104,053)
Increase in debtors	(52,981,866)	(69,871,297)
Increase in financial derivative liabilities	94,890,644	2,888,401
Increase in creditors	65,491,454	34,886,075
Net cash used in operating activities	<u>(5,075,818,639)</u>	<u>(2,439,061,167)</u>
Cash flows from financing activities		
Proceeds from Redeemable Participating Units issued	6,231,620,073	3,097,654,156
Payments for Redeemable Participating Units redeemed	<u>(908,511,663)</u>	<u>(394,963,587)</u>
Net cash provided by financing activities	<u>5,323,108,410</u>	<u>2,702,690,569</u>
Net change in cash and cash equivalents	247,289,771	263,629,402
Cash and cash equivalents at start of the year	<u>290,311,940</u>	<u>26,682,538</u>
Cash and cash equivalents at end of the year	<u>537,601,711</u>	<u>290,311,940</u>
Supplementary information:		
Interest paid on bank overdraft	(2,108,137)	-
Dividends received from financial instruments at fair value through profit or loss	59,308,177	14,510,999

The accompanying notes form an integral part of these financial statements.

SuMi TRUST Investment Funds

Japan Quality Growth Fund Statement of Financial Position As at 31st March 2017

	Notes	2017 JPY	2016 JPY
Assets			
Cash and cash equivalents	5	130,722,658	5,062,462
Financial assets at fair value through profit or loss:			
Transferable securities	3	8,941,527,870	1,744,075,800
Financial derivative instruments	3	494,811	-
Debtors	6	51,519,178	8,555,207
Total Assets		9,124,264,517	1,757,693,469
Liabilities			
Financial liabilities at fair value through profit or loss:			
Financial derivative instruments	3	128,530,442	-
Creditors	7, 9	76,591,133	7,808,813
Total Liabilities (excluding Net Assets attributable to Holders of Redeemable Participating Units)		205,121,575	7,808,813
Net Assets attributable to Holders of Redeemable Participating Units		8,919,142,942	1,749,884,656
Number of units in issue			
- Class A JPY	8	200,000.000	200,000.000
- Class A EUR Hedged	8	148,384.952	-
- Class C USD Hedged	8	449,076.684	-
Net Asset Value per unit			
- Class A JPY		JPY9,554.1949	JPY8,749.4233
- Class A EUR Hedged		EUR98.3013	-
- Class C USD Hedged		US\$105.3122	-

The accompanying notes form an integral part of these financial statements.

On behalf of SMT Fund Services (Ireland) Limited


Director


Director

Date: 19.07.2017

SuMi TRUST Investment Funds

Japan Quality Growth Fund Statement of Comprehensive Income For the year ended 31st March 2017

	Notes	2017 JPY	2016* JPY
Income			
Dividend income from financial instruments at fair value through profit or loss		100,321,970	23,254,000
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	10	<u>600,833,640</u>	<u>(236,130,710)</u>
Total income/(loss)		<u>701,155,610</u>	<u>(212,876,710)</u>
Expenses			
Investment Manager fees	9	(24,122,155)	(7,859,858)
FX Manager fees	9	(602,845)	-
Risk Management fees	9	(678,457)	-
Administration and Manager fees	9	(13,546,645)	(10,472,737)
Custodian fees	9	(3,049,247)	(1,838,218)
Depository fees	9	(2,994,814)	(2,762,779)
Distributor fees	9	(37,237,973)	(1,571,969)
Organisational and establishment expenses	15	309,673	(6,550,515)
Audit fees	9	(1,601,505)	(1,682,775)
Other expenses		<u>(1,449,415)</u>	<u>(1,011,682)</u>
Total operating expenses		<u>(84,973,383)</u>	<u>(33,750,533)</u>
Operating profit/(loss) before finance costs		616,182,227	(246,627,243)
Finance costs			
Interest on bank overdraft	2	<u>(465,716)</u>	<u>-</u>
Profit/(loss) before taxes		615,716,511	(246,627,243)
Withholding taxes	2	<u>(15,048,296)</u>	<u>(3,488,101)</u>
Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units		<u>600,668,215</u>	<u>(250,115,344)</u>

The accompanying notes form an integral part of these financial statements.

* For the period from 2nd June 2015 (date of commencement of operations) to 31st March 2016.

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Units

For the year ended 31st March 2017

	2017 JPY	2016* JPY
Net Assets attributable to Holders of Redeemable Participating Units at beginning of the year/period	1,749,884,656	-
Redeemable Participating Units issued	6,611,162,509	2,000,000,000
Redeemable Participating Units redeemed	(42,572,438)	-
Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units	<u>600,668,215</u>	<u>(250,115,344)</u>
Net Assets attributable to Holders of Redeemable Participating Units at end of the year/period	<u>8,919,142,942</u>	<u>1,749,884,656</u>

The accompanying notes form an integral part of these financial statements.

* For the period from 2nd June 2015 (date of commencement of operations) to 31st March 2016.

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Statement of Cash Flows

For the year ended 31st March 2017

	2017 JPY	2016 JPY
Cash flows from operating activities		
Increase/(decrease) in Net Assets attributable to Holders of Redeemable Participating Units	600,668,215	(250,115,344)
Changes in operating assets and liabilities:		
Increase in transferable securities	(7,197,452,070)	(1,744,075,800)
Increase in financial derivative assets	(494,811)	-
Increase in debtors	(42,225,058)	(8,555,207)
Increase in financial derivative liabilities	128,530,442	-
Increase in creditors	26,315,062	7,808,813
Net cash used in operating activities	(6,484,658,220)	(1,994,937,538)
Cash flows from financing activities		
Proceeds from Redeemable Participating Units issued	6,610,423,596	2,000,000,000
Payments for Redeemable Participating Units redeemed	(105,180)	-
Net cash provided by financing activities	6,610,318,416	2,000,000,000
Net change in cash and cash equivalents	125,660,196	5,062,462
Cash and cash equivalents at start of the year/period	5,062,462	-
Cash and cash equivalents at end of the year/period	130,722,658	5,062,462
Supplementary information:		
Interest paid	(465,716)	-
Dividends received from financial instruments at fair value through profit or loss	43,108,089	11,210,692

The accompanying notes form an integral part of these financial statements.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

1. GENERAL INFORMATION

SuMi TRUST Investment Funds (the “Fund” or the “Trust”) is an open-ended umbrella unit trust established as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended. The Fund was established on 28th March 2013 and there are currently three sub-funds of the Fund in operation; Japan Small Cap Fund, Japan Quality Growth Fund and Nordic High Income Bond Fund. Japan Small Cap Fund was authorised by the Central Bank of Ireland (the “Central Bank”) on 28th March 2013 and commenced operations on 4th April 2013. Japan Quality Growth Fund was authorised by the Central Bank on 27th May 2015 and commenced operations on 2nd June 2015. Nordic High Income Bond Fund was authorised by the Central Bank on 18th March 2015 and commenced operations on 30th April 2015.

Japan Small Cap Fund and Japan Quality Growth Fund are referred to individually or collectively as the “Sub-Funds”. These financial statements are for Japan Small Cap Fund and Japan Quality Growth Fund only. There is a separate set of financial statements for Nordic High Income Bond Fund and these are available free of charge on request from the Manager.

The investment objective of Japan Small Cap Fund is to provide investors with long term capital appreciation through investment in equities of small capitalisation companies listed on the recognised exchanges in Japan. There were four classes of units in issue, Class A JPY, Class B JPY, Class A USD Hedged and Class C USD Hedged, as at 31st March 2017 (2016: Class A JPY, Class B JPY and Class A USD Hedged).

The investment objective of Japan Quality Growth Fund is to provide investors with long term capital appreciation through investment in equity securities listed on the recognised exchanges in Japan. There were three classes of units in issue, Class A JPY, Class A EUR Hedged and Class C USD Hedged as at 31st March 2017 (2016: Class A JPY).

Effective 18th March 2016, UCITS V became effective and is applicable to the Sub-Funds. The most significant change is that UCITS V rules now apply to the Sub-Funds. Another significant change relates to the change of role from a Custodian to a Depositary.

2. PRINCIPAL ACCOUNTING POLICIES

The significant accounting policies adopted by the Fund are as follows:

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations as adopted by the European Union (the “EU”).

Basis of Preparation

These financial statements are presented in Japanese Yen (“JPY”) which is the Sub-Funds’ functional and presentational currency. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and the reported amounts of assets and liabilities, income and expenses.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of Preparation (continued)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Notes 3 and 4.

New standards, amendments and interpretations that have been issued but are not effective for the financial year beginning 1st April 2016 and not early adopted

IFRS 9 “Financial Instruments”

IFRS 9, published in July 2014, will replace the existing guidance in IAS 39, Financial Instruments - Recognition and Measurement (“IAS 39”). It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1st January 2018, with early adoption permitted. Based on the initial assessment, this standard is not expected to have a material impact on the Sub-Funds since the majority of the Sub-Funds’ financial assets and liabilities are categorised as at fair value through profit or loss.

Foreign Currencies

Security transactions are recorded in the financial statements on the trade date of the transaction and translated into JPY (the Sub-Funds’ functional and presentation currency) at the exchange rate prevailing at the close of business on the trade date. Monetary assets and liabilities denominated in foreign currencies are translated into JPY at the exchange rates ruling at the year/period end date. Non-monetary foreign currency denominated assets and liabilities that are carried at fair value are translated into JPY at the date the fair values are determined. Foreign currency gains or losses arising from trading activities are recognised through net gain/(loss) from financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

Financial instruments

(i) Classification

A financial asset or financial liability is classified as held for trading (a category of financial assets and financial liabilities at fair value through profit or loss) if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking; or it is a derivative, other than a designated and effective hedging instrument. Equity and derivative financial instruments are classified as held for trading.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) Classification (continued)

Financial assets that are classified as loans and receivables consist of cash and cash equivalents and debtors.

Financial liabilities that are not at fair value through profit or loss consist of creditors.

(ii) Recognition

The Sub-Funds recognise financial assets and liabilities on the date the Sub-Funds becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets classified as at fair value through profit or loss are recorded in profit or loss in the Statement of Comprehensive Income. Realised gains and losses and disposals of financial instruments are calculated using first in first out ("FIFO").

(iii) Initial measurement

Financial instruments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately, while transaction costs on other financial instruments are amortised.

(iv) Subsequent measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-Funds have access at that date.

Subsequent to initial measurement, all instruments classified at fair value through profit or loss are measured at fair value with fair value changes recognised in profit or loss in the Statement of Comprehensive Income. The fair value of financial instruments is based on their quoted market prices at the year/period end date without any deduction for estimated future selling costs. Financial assets are priced at their last traded prices. If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that can be considered to provide a reliable estimate of prices obtained in actual market transactions.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any. Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest method. Financial liabilities arising from the Redeemable Participating Units issued by the Sub-Fund are carried at the redemption amount representing the investors right to a residual interest in the Sub-Fund's assets.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Subsequent measurement (continued)

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment in the case of a financial asset.

(v) Identification and measurement of impairment

At each reporting date each Sub-Fund assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets are considered impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the asset that can be reliably estimated.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Comprehensive Income.

The Sub-Funds write off financial assets carried at amortised cost when they are determined to be uncollectible.

(vi) Derecognition

The Sub-Funds derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or the Sub-Funds transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

The Sub-Funds use the FIFO method to determine the realised gains and losses on derecognition.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Sub-Funds is recognised as a separate asset or liability.

The Sub-Funds enter into transactions whereby they transfer assets recognised on their Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(vii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

This is generally not the case with master netting agreements and the related assets and liabilities are presented gross in the Statement of Financial Position.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

Derivative contracts

The Sub-Funds use derivatives to manage their exposure to foreign currency. The instruments used are forward foreign currency contracts.

When entering into a forward foreign currency contract, the Sub-Funds agree to receive or deliver a fixed quantity of a foreign currency for an agreed price at an agreed future date. The Sub-Funds utilise forward foreign currency contracts to hedge non-base currency class exposures against JPY and the cost or benefits of so doing are allocated to the respective unit classes. The Sub-Funds do not use hedge accounting for these contracts and accordingly they are classified as being held for trading.

Cash and cash equivalents

Cash comprises cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are held with the Custodian, which has placed the balances with Brown Brothers Harriman & Co., (the “Global Sub-Custodian”).

Interest

Interest income and expense, including interest income from non-derivative assets at fair value through profit or loss, are recognised in profit or loss, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition. When calculating the effective interest rate, the Sub-Funds estimate future cashflows considering all contractual terms of the financial instrument, but not future credit losses.

Interest received or receivable and interest paid or payable, are recognised in profit or loss as interest income and interest expense, respectively.

Dividend Income

Dividend income is recognised when the right to receive income is established. This is normally the ex-dividend date for equity securities. It is recorded gross of any non-reclaimable withholding taxes suffered on an ex-date basis.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Taxation

The Sub-Funds qualify as investment undertakings as defined in Section 739B(1) of the Taxes Act. Under current Irish law and practice, the Sub-Funds are not chargeable to Irish tax on its income and gains. As a result, no provision for taxes has been made in the financial statements. The Sub-Funds may be subject to foreign withholding taxes on certain interest, dividends and capital gains.

Expenses

Expenses are accounted for on an accruals basis.

Redeemable Participating Units

The Redeemable Participating Units issued by the Sub-Funds are puttable instruments and are classified as financial liabilities as they do not meet the conditions for equity classification under the amendments to IAS 32: Financial Instruments Presentation, as there were different classes of units with different features in issue throughout the year/period (Note 8).

The Net Asset Value (the “NAV”) per unit is calculated by dividing the total Net Assets of the Sub-Fund attributable to each unit class by the number of units in issue, in each respective class. All units are issued and redeemed at this price.

Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs on purchases and sales of equities are included in net gain/(loss) from financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. Custody transactions costs are separately identifiable transaction costs and the total transaction costs on the purchase and sale of equities incurred by the Sub-Funds during the year/period are disclosed in Note 13.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table overleaf shows financial instruments recognised at fair value analysed between those whose fair value is based on:

- Level 1: Quoted price (Unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. The Sub-Funds did not hold any instruments in this category.

2017	Level 1 JPY	Level 2 JPY	Level 3 JPY	Total JPY
Japan Small Cap Fund				
Financial assets at fair value through profit or loss				
- Equities	10,196,132,320	-	-	10,196,132,320
	<u>10,196,132,320</u>	<u>-</u>	<u>-</u>	<u>10,196,132,320</u>
Financial liabilities at fair value through profit or loss				
- Forward currency contracts	-	97,828,889	-	97,828,889
	<u>-</u>	<u>97,828,889</u>	<u>-</u>	<u>97,828,889</u>
Japan Quality Growth Fund				
Financial assets at fair value through profit or loss				
- Equities	8,941,527,870	-	-	8,941,527,870
- Forward currency contracts	-	494,811	-	494,811
	<u>8,941,527,870</u>	<u>494,811</u>	<u>-</u>	<u>8,942,022,681</u>
Financial liabilities at fair value through profit or loss				
- Forward currency contracts	-	128,530,442	-	128,530,442
	<u>-</u>	<u>128,530,442</u>	<u>-</u>	<u>128,530,442</u>

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

2016	Level 1 JPY	Level 2 JPY	Level 3 JPY	Total JPY
Japan Small Cap Fund				
Financial assets at fair value through profit or loss				
- Equities	3,877,506,600	-	-	3,877,506,600
- Forward currency contracts	-	105,314	-	105,314
	<u>3,877,506,600</u>	<u>105,314</u>	<u>-</u>	<u>3,877,611,914</u>
Financial liabilities at fair value through profit or loss				
- Forward currency contracts	-	2,938,245	-	2,938,245
	<u>-</u>	<u>2,938,245</u>	<u>-</u>	<u>2,938,245</u>
Japan Quality Growth Fund				
Financial assets at fair value through profit or loss				
- Equities	1,744,075,800	-	-	1,744,075,800
	<u>1,744,075,800</u>	<u>-</u>	<u>-</u>	<u>1,744,075,800</u>

When fair values of listed equity securities at the reporting date are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

There were no transfers between Levels during the year/period. All equities are listed or traded on a regulated market.

Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.

The Manager of the Sub-Funds considers the definition of efficient portfolio management techniques to relate to the use of Securities Lending and Repurchase/Reverse Repurchase Agreements which are not applicable to the Sub-Funds.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Forward Currency Contracts

	Maturity Date	Bought JPY	Sold JPY	Unrealised Gain JPY	Unrealised (Loss) JPY
OTC financial derivative instruments					
Forward foreign currency contracts					
2017					
Japan Small Cap Fund					
US Dollars					
Long	28/04/2017	(5,206,110,789)	5,108,438,327	-	(97,672,462)
Short	28/04/2017	37,547,871	(37,704,298)	-	(156,427)
Total forward currency contracts		(5,168,562,918)	5,070,734,029	-	(97,828,889)
Japan Quality Growth Fund					
US Dollars					
Long	28/04/2017	(5,514,472,980)	5,409,666,374	-	(104,806,606)
Short	28/04/2017	124,798,821	(125,355,329)	-	(556,508)
		(5,389,674,159)	5,284,311,045	-	(105,363,114)
Euro					
Long	06/04/2017	(42,644,292)	42,468,250	-	(176,042)
Long	28/04/2017	(1,878,586,977)	1,855,595,691	-	(22,991,286)
Short	28/04/2017	81,661,939	(81,167,128)	494,811	-
		(1,839,569,330)	1,816,896,813	494,811	(23,167,328)
Total forward currency contracts		(7,229,243,489)	7,101,207,858	494,811	(128,530,442)
2016					
Japan Small Cap Fund					
US Dollars					
Long	28/04/2016	(279,109,682)	276,171,437	-	(2,938,245)
Short	28/04/2016	8,653,878	(8,548,564)	105,314	-
Total forward currency contracts		(270,455,804)	267,622,873	105,314	(2,938,245)

The counterparty for the OTC financial derivative positions is the Custodian.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

4. FINANCIAL RISK MANAGEMENT

UCITS funds are required to monitor exposures on a daily basis by utilising either the commitment approach or the value at risk (“VaR”) approach when financial derivative instruments (“FDI”) are held. The Investment Manager utilises the commitment approach for the Sub-Funds in monitoring the exposures of the Sub-Funds when FDIs are held per the Fund’s Risk Management Process document.

The main risks arising from the Sub-Funds’ financial instruments can be summarised as follows:

Market Price Risk

Market price risk arises from uncertainty about future prices of financial investments held. It represents the potential loss the Sub-Funds might suffer through holding market positions in the face of price movements.

The Investment Manger manages the Market Price Risk in the following ways:

Diversification

The Investment Manager sets guidelines to ensure the portfolios of the Sub-Funds are well diversified. No individual equity security is allowed to exceed 10% of the portfolios. Typically, the Sub-Funds’ portfolios consist of 50 to 90 equity securities.

Portfolio Risk

The BARRA risk model is mainly used for quantitative risk measurement. Internally, the portfolio management team, Risk Manager and CIO review the risk profile of the portfolio and check whenever they plan portfolio rebalancing. The portfolio management team adjusts risk exposure if any factor gives the team a cause for concern.

For Japan Small Cap Fund if the price of each of the investments to which the Sub-Fund had exposure at 31st March 2017 had increased by 10% with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating units of the Sub-Fund by approximately JPY1,019,613,232 (2016: JPY387,750,660). Conversely, if the price of each of the investments to which the Sub-Fund had exposure had decreased by 10%, this would have decreased net assets attributable to holders of redeemable units of the Sub-Fund by approximately the same amount.

For Japan Quality Growth Fund if the price of each of the investments to which the Sub-Fund had exposure at 31st March 2017 had increased by 10% with all other variables held constant, this would have increased net assets attributable to holders of redeemable participating units of the Sub-Fund by approximately JPY894,152,787 (2016: JPY174,407,580). Conversely, if the price of each of the investments to which the Sub-Fund had exposure had decreased by 10%, this would have decreased net assets attributable to holders of redeemable units of the Sub-Fund by approximately the same amount.

Credit Monitoring

The Credit Monitoring Committee of the Investment Manager holds monthly reviews and reports on corporate credit risk analysis. They are responsible for credit screening to identify any securities with high default risks using their own quantitative and qualitative judgements, and such stocks that are not allowed to be held in the portfolio. If any are held, they must be sold immediately.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

4. FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

Interest rate risk represents the potential loss that the Sub-Funds might suffer due to adverse movements in relevant interest rates. The Sub-Funds' investments are equities that neither pay interest nor have a maturity date. Interest is paid on cash balances at a floating rate. As a consequence the Sub-Funds are exposed to limited interest rate risk.

For Japan Small Cap Fund based on cash balances held at the year end if interest rates increased by 50 basis points for a full year, the yield earned on cash deposits would have increased by 0.5% with a corresponding increase in Net Assets of JPY2,688,009 (2016: JPY1,451,560). A corresponding decrease in interest rates would have had an equal but opposite impact on yields and Net Assets.

For Japan Quality Growth Fund based on cash balances held at the year/period end if interest rates increased by 50 basis points for a full year, the yield earned on cash deposits would have increased by 0.5% with a corresponding increase in Net Assets of JPY653,613 (2016: JPY25,312). A corresponding decrease in interest rates would have had an equal but opposite impact on yields and Net Assets.

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into and cause the Sub-Funds to incur financial losses. The Sub-Funds will be exposed to credit risk on parties with whom they trade and will also bear the risk of settlement default. Cash and trading securities are held with the Global Sub-Custodian throughout the year/period. All trading securities held by the Sub-Funds are companies listed on recognised stock exchanges in Japan. None of them are in the nature of debt. The settlement of equities with the counterparty is on an against delivery basis and is regulated by rules of respective stock exchanges. In general, in the opinion of the Manager there is limited credit risk involved for such kind of cash settlement.

For the purpose of cash management, the Sub-Funds have bank accounts with the Global Sub-Custodian, who has a Fitch credit rating as follows:

	2017	2016
Brown Brothers Harriman & Co. (1)	A+	A+

(1) Brown Brothers Harriman & Co. is the Global Sub-Custodian. All amounts are held with the Sub-Custodian. SMT Trustees (Ireland) Limited as Depositary has appointed Sumitomo Mitsui Trust (UK) Limited as its Custodian. Sumitomo Mitsui Trust (UK) Limited have, in turn, appointed Brown Brothers Harriman & Co. as their Global Sub-Custodian. As at 31st March 2017, Sumitomo Mitsui Trust Bank, Limited, the parent company of the Depositary and Custodian had a Standard and Poor's long term credit rating of A (2016: A).

In accordance with the Sub-Funds' policy, the Investment Manager monitors the Sub-Funds' credit positions on a regular basis.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

4. FINANCIAL RISK MANAGEMENT (continued)

Credit Risk (continued)

The maximum direct exposure to credit risk before any credit enhancements at 31st March 2017 and 2016 is the carrying amount of the financial assets as set out below:

	2017 JPY	2016 JPY
Japan Small Cap Fund		
Cash and cash equivalents	537,601,711	290,311,940
Debtors (Note 6)	126,782,865	73,800,999
	664,384,576	364,112,939
Japan Quality Growth Fund		
Cash and cash equivalents	130,722,658	5,062,462
Debtors (Note 6)	51,519,178	8,555,207
	182,241,836	13,617,669

None of these assets are impaired, nor past due but not impaired.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. As at 31st March 2017 and 2016 Japan Small Cap Fund was subject to a master netting arrangement with the Custodian. All of the derivative assets and liabilities of the Sub-Fund were held with the Custodian as at 31st March 2017 and 2016.

As at 31st March 2017 Japan Quality Growth Fund was subject to a master netting arrangement with the Custodian. All of the derivative assets and liabilities of the Sub-Fund were held with the Custodian as at 31st March 2017 (2016: None).

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

4. FINANCIAL RISK MANAGEMENT (continued)

Credit Risk (continued)

Offsetting financial instruments (continued)

The tables below present the Japan Small Cap Fund's financial assets and liabilities subject to an offsetting enforceable master netting arrangement and similar agreements:

				Related amounts not offset in the Statement of Financial Position ("SOFP")		
	Gross amounts of recognised financial assets/ (liabilities)	Gross amounts of recognised financial assets/ (liabilities) offset in the SOFP	Net amounts of financial assets/ (liabilities) presented in the SOFP	Financial instruments (including non-cash collateral)	Cash collateral received	Net amount
2017	JPY	JPY	JPY	JPY	JPY	JPY
Financial liabilities						
Derivative liabilities -						
Forward currency contracts	(97,828,889)	-	(97,828,889)	97,828,889	-	-
2016						
Financial assets						
Derivative assets						
- Forward currency contracts	105,314	-	105,314	(105,314)	-	-
Financial liabilities						
Derivative liabilities -						
Forward currency contracts	(2,938,245)	-	(2,938,245)	2,938,245	-	-

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

4. FINANCIAL RISK MANAGEMENT (continued)

Credit Risk (continued)

Offsetting financial instruments (continued)

The tables below present the Japan Quality Growth Fund's financial assets and liabilities subject to an offsetting enforceable master netting arrangement and similar agreements:

	Related amounts not offset in the SOFP					
	Gross amounts of recognised financial assets/ (liabilities)	Gross amounts of recognised financial assets/ (liabilities) offset in the SOFP	Net amounts of financial assets/ (liabilities) presented in the SOFP	Financial instruments (including non-cash collateral)	Cash collateral received	Net amount
2017	JPY	JPY	JPY	JPY	JPY	JPY
Financial assets						
Derivative assets						
- Forward currency contracts	494,811	-	494,811	(494,811)	-	-
Financial liabilities						
Derivative liabilities - Forward currency contracts	(128,530,442)	-	(128,530,442)	128,530,442	-	-

Liquidity Risk

Liquidity risk represents the possibility that the Sub-Funds may not be able to rapidly adjust the size of their investment positions in times of high volatility and financial distress at a reasonable price. The Sub-Funds have cash reserves to cover their short-term obligations. The main liability of the Sub-Funds is the redemption of any units that investors may wish to sell.

The Sub-Funds are exposed to daily cash redemptions of units. They therefore invest their assets in listed stocks that are traded actively and can be readily disposed. Based on the Prospectus, unitholders recognise that under normal circumstances the "Dealing Day" (business day) plus five business days are necessary and the redemption proceeds in respect of units will be paid on/within ten business days from the "Dealing Deadline" (1.00pm Irish time one business day prior to the dealing day). In the opinion of the Manager, this provides sufficient time for the Investment Manager to sell assets in order to meet the Sub-Funds' obligations. In order to secure liquidity of the portfolio, the Investment Manager manages the Sub-Funds' liquidity risk by monitoring how many days it takes to liquidate all of the positions.

The Sub-Funds' securities holdings are considered readily realisable as they are listed on the recognised exchanges in Japan. The Sub-Funds also have the ability to borrow in the short term to ensure timely settlement and to meet its short term obligations if any. At the year/period end date, there were no borrowings or short term liabilities raised for this purpose.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

4. FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk (continued)

The tables below analyse the Sub-Funds' liabilities into relevant maturity groups based on the remaining period to the contractual maturity date:

2017	Up to 1 month JPY	1 to 3 months JPY	Total JPY
Japan Small Cap Fund			
Liabilities			
Financial liabilities at fair value through profit or loss	97,828,889	-	97,828,889
Creditors	86,635,816	34,653,808	121,289,624
Net Assets attributable to Holders of Redeemable Participating Units	<u>10,641,398,383</u>	<u>-</u>	<u>10,641,398,383</u>
Total Liabilities	<u>10,825,863,088</u>	<u>34,653,808</u>	<u>10,860,516,896</u>
Japan Quality Growth Fund			
Liabilities			
Financial liabilities at fair value through profit or loss	128,530,442	-	128,530,442
Creditors	45,212,490	31,378,643	76,591,133
Net Assets attributable to Holders of Redeemable Participating Units	<u>8,919,142,942</u>	<u>-</u>	<u>8,919,142,942</u>
Total Liabilities	<u>9,092,885,874</u>	<u>31,378,643</u>	<u>9,124,264,517</u>
2016			
Japan Small Cap Fund			
Liabilities			
Financial liabilities at fair value through profit or loss	2,938,245	-	2,938,245
Creditors	36,022,144	19,776,026	55,798,170
Net Assets attributable to Holders of Redeemable Participating Units	<u>4,182,988,438</u>	<u>-</u>	<u>4,182,988,438</u>
Total Liabilities	<u>4,221,948,827</u>	<u>19,776,026</u>	<u>4,241,724,853</u>
Japan Quality Growth Fund			
Liabilities			
Creditors	835,887	6,972,926	7,808,813
Net Assets attributable to Holders of Redeemable Participating Units	<u>1,749,884,656</u>	<u>-</u>	<u>1,749,884,656</u>
Total Liabilities	<u>1,750,720,543</u>	<u>6,972,926</u>	<u>1,757,693,469</u>

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

4. FINANCIAL RISK MANAGEMENT (continued)

Currency Risk

Currency risk represents the potential losses that the Sub-Funds might suffer due to adverse movements in non-base currency exposures. The Sub-Funds' functional currency is Japanese Yen and each Sub-Fund only holds listed securities denominated in JPY.

If the Sub-Funds need to pay expenses in currencies other than JPY, the Investment Manager will ensure there is sufficient non-base currency cash present to cover the FX. As these obligations are usually in small amounts, the currency risk is considered minimal. The Sub-Funds enter into forward currency contracts only for the purpose of hedging any currency exchange risk for non-JPY denominated unitholders. In accordance with the Sub-Funds' policy, the Investment Manager monitors the Sub-Funds' currency position on a daily basis.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held with the Global Sub-Custodian. These amounts are reported as cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows.

6. DEBTORS

	2017 JPY	2016 JPY
Japan Small Cap Fund		
Receivable for investments sold	81,572,682	57,729,572
Dividends receivable	45,122,351	16,071,427
Other debtors	87,832	-
	126,782,865	73,800,999
Japan Quality Growth Fund		
Dividends receivable	50,720,792	8,555,207
Receivable for Redeemable Participating Units issued	738,913	-
Other debtors	59,473	-
	51,519,178	8,555,207

7. CREDITORS

	2017 JPY	2016 JPY
Japan Small Cap Fund		
Payable for investments purchased	83,080,216	31,700,187
Fees payable (Note 9)	38,209,408	24,097,983
	121,289,624	55,798,170
Japan Quality Growth Fund		
Payable for Redeemable Participating Units redeemed	42,467,258	-
Fees payable (Note 9)	34,123,875	7,808,813
	76,591,133	7,808,813

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

8. REDEEMABLE PARTICIPATING UNITS

Japan Small Cap Fund has four classes of units in issue, Class A JPY, Class B JPY, Class A USD Hedged and Class C USD Hedged, as at 31st March 2017 (2016: Class A JPY, Class B JPY and Class A USD Hedged).

Japan Quality Growth Fund has three classes of units in issue, Class A JPY, Class A EUR Hedged and Class C USD Hedged as at 31st March 2017 (2016: Class A JPY).

Units of the Sub-Funds are all freely transferable and subject to the differences between units of different classes as outlined in the Prospectus. The units, which are of no par value and which must be fully paid for upon issue other than in certain circumstances which are at the discretion of the Manager, carry no preferential or pre-emptive rights. Fractions of units may be issued up to four decimal places, rounded naturally.

Units shall be issued at a price equal to the NAV per unit on the relevant dealing day on which the units are to be issued. Redemption requests to redeem units may be made by way of the submission of a redemption form to the Manager by post, facsimile or electronic mail no later than the dealing deadline.

	2017	2016
Japan Small Cap Fund		
Class A JPY Units		
Number of units outstanding as at beginning of the year	261,730.408	-
Number of units issued	168,358.118	291,830.732
Number of units redeemed	(67,380.276)	(30,100.324)
Number of units outstanding as at end of the year	362,708.250	261,730.408
Class B JPY Units		
Number of units outstanding as at beginning of the year	46,480.508	49,177.342
Number of units redeemed	-	(2,696.834)
Number of units outstanding as at end of the year	46,480.508	46,480.508
Class A USD Hedged Units		
Number of units outstanding as at beginning of the year	18,173.655	11,431.000
Number of units issued	52,888.247	9,366.689
Number of units redeemed	(3,375.509)	(2,624.034)
Number of units outstanding as at end of the year	67,686.393	18,173.655
Class C USD Hedged Units		
Number of units outstanding as at beginning of the year	-	-
Number of units issued	333,432.813	-
Number of units redeemed	(3,125.000)	-
Number of units outstanding as at end of the year	330,307.813	-

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

8. REDEEMABLE PARTICIPATING UNITS (continued)

	2017	2016
Japan Quality Growth Fund		
Class A JPY Units		
Number of units outstanding as at beginning of the year/period	200,000.000	-
Number of units issued	-	200,000.000
Number of units outstanding as at end of the year/period	200,000.000	200,000.000
Class A EUR Hedged Units		
Number of units outstanding as at beginning of the year/period	-	-
Number of units issued	151,986.525	-
Number of units redeemed	(3,601.570)	-
Number of units outstanding as at end of the year/period	148,384.955	-
Class C USD Hedged Units		
Number of units outstanding as at beginning of the year/period	-	-
Number of units issued	449,076.684	-
Number of units outstanding as at end of the year/period	449,076.684	-

9. FEES AND EXPENSES

Investment Manager Fees

The Investment Manager is entitled to receive out of the assets of the Sub-Funds an annual investment management fee of up to:

Japan Small Cap Fund

0.75% of the NAV of the Sub-Fund attributable to Class A for a daily NAV over JPY 2 Billion and 0.60% for a daily NAV under JPY 2 Billion on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

0.60% of the NAV of the Sub-Fund attributable to Class B, on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

0.50% of the NAV of the Sub-Fund attributable to Class C, on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

Japan Quality Growth Fund

0.50% from 2nd June 2015 until 30th April 2018 and 0.60% after that date, of the NAV of the Sub-Fund attributable to the relevant Class on each valuation day and payable quarterly in arrears, plus VAT if any thereon.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

9. FEES AND EXPENSES (continued)

Administration Fees

In respect of management company services, fund administration services, registrar and transfer agent services, the Administrator/Manager is entitled to be paid out of the assets of Sub-Funds the following fees;

The Manager is entitled to an annual flat fee of €40,000 plus VAT if any thereon per annum per Sub-Fund payable monthly in arrears in respect of management company services.

The Administrator is entitled to be paid out of the assets of each Sub-Fund an annual fee in respect of fund administration services, accrued on each valuation day and payable monthly in arrears plus VAT if any thereon at a rate of 0.12% per annum of the total NAV. This fee is subject to a minimum of €4,250 per month plus VAT if any thereon. The fee is calculated prior to the accrual of the NAV based fees as referred to above.

The Administrator is entitled to be paid an annual fee of €4,000 per annum per Sub-Fund plus any VAT thereon out of the assets of each Sub-Fund in respect of fund accounting services.

The Administrator is also entitled to be paid an annual fee of up to €5,000 per annum per Sub-Fund plus any VAT thereon for the preparation of reporting for UK Reporting Fund status.

The Administrator is also entitled to be paid an annual fee out of the assets of each Sub-Fund in respect of hedging services of up to 0.06% of the NAV of each hedged Unit Class accrued on each Valuation Day and payable monthly in arrears, plus VAT if any thereon. This fee is calculated prior to the accrual of NAV based fees.

In addition, in respect of anti-money laundering and counter terrorist financing procedures, the Administrator is entitled to a fee of €75 plus VAT if any thereon payable monthly in arrears, per investor.

Custodian Fees

The Custodian is entitled to receive out of the assets of each Sub-Fund a monthly safekeeping fee, accrued on each valuation day and payable monthly in arrears as a percentage of the applicable assets of each Sub-Fund, depending on the market of each security (0.03% for Japan) subject to a minimum fee of €850 per month. The Custodian is also entitled to receive various fixed transaction costs based on the number of transactions.

Depositary Fees

The Depositary is entitled to receive out of the assets of each Sub-Fund an annual fee, accrued on each valuation day and payable monthly in arrears, not exceeding 0.03% per annum, plus VAT thereon, of the NAV of each Sub-Fund, subject to a minimum fee of €2,100 per month, plus VAT if any thereon. The Depositary's fee is calculated prior to the accrual of NAV based fees.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

9. FEES AND EXPENSES (continued)

FX Manager Fees

The FX Manager is entitled to receive out of the assets of each Sub-Fund an annual fee, accrued on each valuation day and payable monthly in arrears not exceeding 0.02% per annum, plus VAT thereon, of the NAV of each hedged Unit Class. This fee is calculated prior to the accrual of NAV based fees.

Risk Management Fees

Duff & Phelps is entitled to receive a fee for unit class hedging risk reporting services to assist the Manager in its role of Risk Management of the Sub-Funds. Such fees are paid out of the assets of the Sub-Funds, as an annual fee of 0.02% of the NAV of each hedged Unit Class subject to a minimum fee of €11,000 per annum and a maximum fee of €20,000 per annum. Such fees are accrued on each Valuation Day and payable monthly in arrears, plus VAT if any thereon. This fee is calculated prior to the accrual of NAV based fees.

Distributor Fees

Each of the Distributors is entitled to receive out of the assets of each Sub-Fund an annual fee, accrued on each valuation day and payable quarterly in arrears as a percentage of the NAV of each Sub-Fund or attributable to Classes A and B at a rate of 0.10% and Class C at a rate of 1.25%.

Auditor's Remuneration

	2017 JPY	2016 JPY
<i>Japan Small Cap Fund</i>		
Audit of the statutory accounts *	1,271,867	1,408,791
Tax advisory services	2,782,980	1,828,576
<i>Japan Quality Growth Fund</i>		
Audit of the statutory accounts *	1,302,037	1,368,110
Tax advisory services	238,252	520,126

* The above figures are exclusive of VAT.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

9. FEES AND EXPENSES (continued)

Fees Payable

	2017 JPY	2016 JPY
<i>Japan Small Cap Fund</i>		
Investment Manager fees	16,517,583	5,993,541
FX Manager fees	87,701	4,333
Risk Management fees	86,678	122,103
Administration and Manager fees	2,216,255	3,421,114
Custodian fees	1,398,848	995,427
Depository fees	270,546	285,357
Distributor fees	14,049,345	871,645
Audit fees	1,564,397	1,732,813
Other expenses	2,018,055	10,671,650
	38,209,408	24,097,983
<i>Japan Quality Growth Fund</i>		
Investment Manager fees	10,139,832	2,215,682
FX Manager fees	120,598	-
Risk Management fees	135,339	-
Administration and Manager fees	2,093,742	1,470,633
Custodian fees	621,199	448,956
Depository fees	254,337	269,452
Distributor fees	17,567,281	443,134
Organisational and establishment expenses	-	309,673
Audit fees	1,601,505	1,682,775
Other expenses	1,590,042	968,508
	34,123,875	7,808,813

Fees payable are included in Creditors as presented in the Statement of Financial Position.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

10. NET GAIN/(LOSS) FROM FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 JPY	2016 JPY
Japan Small Cap Fund		
Net realised gain from investments and currencies	376,236,087	333,254,392
Change in net unrealised gain from investments and currencies	<u>770,678,466</u>	<u>247,436,641</u>
	<u>1,146,914,553</u>	<u>580,691,033</u>
Japan Quality Growth Fund		
Net realised gain/(loss) from investments and currencies	182,514,737	(22,139,361)
Change in net unrealised gain/(loss) from investments and currencies	<u>418,318,903</u>	<u>(213,991,349)</u>
	<u>600,833,640</u>	<u>(236,130,710)</u>

11. RELATED AND CONNECTED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Included in the Statement of Comprehensive Income and Note 9 are amounts accrued and payable to the Manager, Investment Manager, Custodian, Depositary and Distributor, all related parties, which were accrued in the normal course of business.

12. DIVIDENDS

Income and capital gains will normally be accumulated and reinvested and the Fund will not ordinarily, but may at the discretion of the Manager, make distributions or pay dividends. No dividend payments were made during the year.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

13. PORTFOLIO TRANSACTION COSTS

	2017 JPY	2016 JPY
<i>Japan Small Cap Fund</i>		
Total transaction costs on purchases	3,559,618	1,754,891
Out of which are commissions	3,559,618	1,754,891
Out of which are taxes	-	-
Out of which are charges	-	-
Total transaction costs on sales	(991,165)	(579,523)
Out of which are commissions	(991,165)	(579,523)
Out of which are taxes	-	-
Out of which are charges	-	-
<i>Japan Quality Growth Fund</i>		
Total transaction costs on purchases	3,959,201	1,143,728
Out of which are commissions	3,959,201	1,143,728
Out of which are taxes	-	-
Out of which are charges	-	-
Total transaction costs on sales	(559,765)	(154,319)
Out of which are commissions	(559,765)	(154,319)
Out of which are taxes	-	-
Out of which are charges	-	-

14. TAXATION

The Manager has been advised that the Sub-Funds qualify as investment undertakings as defined in Section 739B(1) of the Taxes Act. Under current Irish law and practice, the Sub-Funds are not chargeable to Irish tax on its income and gains. A chargeable event includes any distribution payments to unitholders or any encashment, redemption or transfer of units.

Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of units or the ending of a 'Relevant Period'. A 'Relevant Period' is an eight year period beginning with the acquisition of the units by the unitholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

- a unitholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Sub-Funds;

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

14. TAXATION (continued)

- b) certain exempted Irish tax resident investors who have provided the Sub-Funds with the necessary signed statutory declarations;
- c) an exchange of units arising on a qualifying amalgamation or reconstruction of the Sub-Funds with another fund;
- d) any transactions in relation to units held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- e) certain exchanges of units between spouses and former spouses on the occasion of judicial separation and/or divorce; and
- f) an exchange by a unitholder, effected by way of an arm's length bargain where no payment is made to the unitholder, of units in the Sub-Funds for other units in the Sub-Funds.

Capital gains, dividends and interest (if any) received on investments made by the Sub-Funds may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the the Sub-Funds or its unitholders.

In the absence of an appropriate declaration, each Sub-Fund will be liable for Irish tax on the occurrence of a chargeable event, and each Sub-Fund reserves its right to withhold such taxes from the relevant unitholders.

15. RECONCILIATION OF FINANCIAL STATEMENTS NAV TO DEALING NAV

All fees and expenses relating to the establishment and organisation of the Trust including the fees of the Manager's professional advisers and all fees incurred by the Manager in relation to the registration of the Trust will be borne by the Trust. In accordance with IFRS, the establishment costs of €150,000 were fully charged in the Statement of Comprehensive Income in the period in which they were incurred. For the purpose of calculating the Dealing NAV used for dealing purposes, these establishment costs relating to the creation of the Trust are to be amortised over the first five years in accordance with the Prospectus.

During the year ended 31st March 2016 part of the charge was transferred from Japan Small Cap Fund to Nordic High Income Bond Fund (JPY2,213,665) and Japan Quality Growth Fund (JPY2,113,430) for their portions of the establishment expenses of the Trust. During the year ended 31st March 2016 Japan Small Cap Fund also wrote back an amount of (JPY2,284,293). The total of these adjustments, (JPY6,611,388) can be found in the Statement of Comprehensive Income.

During the year ended 31st March 2017 Japan Quality Growth Fund wrote back an amount of (JPY309,673), which can be found in the Statement of Comprehensive Income.

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

15. RECONCILIATION OF FINANCIAL STATEMENTS NAV TO DEALING NAV (continued)

	2017	2016	2015
	JPY	JPY	JPY
<i>Japan Small Cap Fund</i>			
NAV per financial statements	10,641,398,383	4,182,988,438	912,086,342
Write-back of deferred organisational expenses incurred	3,224,481	4,159,294	14,348,047
Deferred organisational expenses amortised	(1,605,635)	(934,813)	(3,577,365)
NAV per Dealing NAV	10,643,017,229	4,186,212,919	922,857,024
NAV per unit			
Class A JPY			
Reported Dealing NAV	JPY4,553,676,175	JPY3,025,740,656	-
Reported Dealing NAV per unit	JPY12,554.6529	JPY11,560.5240	-
Performance for year/period	8.60%	15.61%	
Class B JPY			
Reported Dealing NAV	JPY973,258,838	JPY894,850,275	JPY775,066,399
Reported Dealing NAV per unit	JPY20,939.0748	JPY19,252.1620	JPY15,760.6404
Performance for year	8.76%	22.15%	18.33%
Class A USD Hedged			
Reported Dealing NAV	US\$9,600,491	US\$2,363,289	US\$1,232,358
Reported Dealing NAV per unit	US\$141.8378	US\$130.0393	US\$107.8084
Performance for year/period	9.07%	20.62%	7.81%
Class C USD Hedged			
Reported Dealing NAV	US\$36,312,459	-	-
Reported Dealing NAV per unit	US\$109.9352	-	-
Performance for period	9.94%		

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

15. RECONCILIATION OF FINANCIAL STATEMENTS NAV TO DEALING NAV (continued)

	2017	2016
	JPY	JPY
<i>Japan Quality Growth Fund</i>		
NAV per financial statements	8,919,142,942	1,749,884,656
Adjustment for unitholder dealing as of 31 st March	(738,913)	-
Write-back of deferred organisational expenses incurred	4,899,350	6,550,515
Deferred organisational expenses amortised	(1,633,767)	(1,341,492)
NAV per Dealing NAV	8,921,669,612	1,755,093,679
NAV per unit		
Class A JPY		
Reported Dealing NAV	JPY1,911,538,652	JPY1,755,093,679
Reported Dealing NAV per unit	JPY9,557.6933	JPY8,775.4684
Performance for year/period	8.91%	(12.25%)
Class A EUR Hedged		
Reported Dealing NAV	EUR14,585,575	-
Reported Dealing NAV per unit	EUR98.3373	-
Performance for period	(1.66%)	
Class C USD Hedged		
Reported Dealing NAV	US\$47,310,561	-
Reported Dealing NAV per unit	US\$105.3507	-
Performance for period	5.35%	

16. EXCHANGE RATES USED IN THIS REPORT

The following exchange rates were used to translate assets and liabilities into one Japanese Yen:

	2017	2016
Euro	119.1895	128.0719
US Dollar	111.3586	112.2883

SuMi TRUST Investment Funds

Notes to the Financial Statements

31st March 2017

(Continued)

17. SUBSEQUENT EVENTS

Through to 19th July 2017, unitholders subscribed a total of JPY1,501,114,385 into and redeemed a total of JPY578,349,155 from Japan Small Cap Fund.

Through to 19th July 2017, unitholders subscribed a total of JPY35,887,102 into and redeemed a total of JPY730,155,453 from Japan Quality Growth Fund.

There were no other events subsequent to the year end to the date that the financial statements were approved that require disclosure in the financial statements.

18. APPROVAL OF FINANCIAL STATEMENTS

The Manager approved the financial statements on 19th July 2017.

SuMi TRUST Investment Funds

Japan Small Cap Fund Schedule of Investments As at 31st March 2017

	Nominal Holding	Fair Value JPY	% of Reported NAV
Equities			
Japan			
AI Holdings	86,600	229,057,000	2.15
Anicom Holdings	86,000	202,100,000	1.90
Asahi Intecc Co	24,100	111,703,500	1.05
Askul Corp	41,100	134,191,500	1.26
Balnibarbi	9,800	24,892,000	0.23
Bengo4.Com Inc	140,300	117,431,100	1.10
C. Uyemura and Co	7,600	46,056,000	0.43
Daibiru Corporation	180,600	176,626,800	1.66
Daito Pharmaceutical	40,840	91,808,320	0.86
Digital Arts Inc	65,100	198,229,500	1.86
Enigmo Inc	72,100	144,776,800	1.36
En-Japan Inc	90,700	224,936,000	2.11
Epcu Corp	19,700	32,308,000	0.30
Fancel Corporation	41,500	66,400,000	0.62
FFRI	4,300	21,199,000	0.20
Fixstars Corp	37,100	122,801,000	1.15
Fronteo Incorporated	142,700	101,317,000	0.95
Furuya Metal Co	43,300	86,383,500	0.81
Gakujo Co Ltd	172,600	219,202,000	2.06
GCA Savvian Group	174,500	165,077,000	1.55
GMO Payment Gateway	21,600	119,880,000	1.13
Gurunavi	93,300	217,389,000	2.04
Halows Co Ltd	43,900	98,643,300	0.93
Healios KK	88,400	159,031,600	1.49
Hearts United Group	63,300	95,836,200	0.90
Hiramatsu Inc	142,300	94,914,100	0.89
HITO-Communications	113,100	207,425,400	1.95
Iriso Electronics Co	25,100	179,214,000	1.68
Istyle Inc	156,200	143,079,200	1.34
Japan Material	50,500	93,324,000	0.88
JCR Pharmaceuticals	66,900	165,176,100	1.55
Jeol Ltd	365,000	216,080,000	2.03
Jins Inc	16,900	98,189,000	0.92
Kadokawa Dwango	98,400	157,046,400	1.48
Komehyo Co Ltd	85,400	91,719,600	0.86
Kondotec Inc	170,400	158,983,200	1.49

SuMi TRUST Investment Funds

Japan Small Cap Fund Schedule of Investments

As at 31st March 2017

(Continued)

	Nominal Holding	Fair Value JPY	% of Reported NAV
Equities (continued)			
Japan (continued)			
Kusuri No Aoki Co	38,500	191,152,500	1.80
Litalico	70,800	130,272,000	1.22
Macromill Inc	77,000	145,684,000	1.37
Maeda Kosen Co	154,000	214,522,000	2.02
Matching Service Japan	15,200	55,784,000	0.52
MEC Company Ltd	157,300	200,400,200	1.88
Media Do	46,300	121,444,900	1.14
Mitsui Mining And Smelting	549,000	208,071,000	1.96
Nichireki Co	141,600	128,714,400	1.21
Nihon M&A Center	37,000	133,940,000	1.26
Nikkiso Co Ltd	74,500	94,987,500	0.89
Nippon Ceramic Co Ltd	68,300	165,081,100	1.55
Nippon Ski Resort	30,900	47,740,500	0.45
Nomura Co Ltd	68,100	133,544,100	1.25
Nousouken Corp	17,200	106,468,000	1.00
Oro Co Ltd	2,000	7,780,000	0.07
Outsourcing Inc	42,400	187,408,000	1.76
Peptidream Inc	36,100	189,525,000	1.78
Qol Co Ltd	137,600	226,352,000	2.13
Shibaura Electronics	28,600	83,025,800	0.78
Shift	123,900	148,184,400	1.39
Siix Corp	37,900	169,792,000	1.60
Solasto Corp	108,100	168,960,300	1.59
Star Mica Co Ltd	97,300	222,817,000	2.09
Takara Bio Inc	118,100	180,456,800	1.70
Takeei Corporation	116,300	121,882,400	1.15
Tokyo Base Co Ltd	57,800	169,816,400	1.60
Totetsu Kogyo Co	59,900	191,380,500	1.80
Tsukui Corp	350,000	230,650,000	2.17
UT Holdings Co Ltd	154,300	223,272,100	2.10
Yokogawa Bridge	133,800	172,602,000	1.62
Yokohama Reito	107,400	118,784,400	1.13

SuMi TRUST Investment Funds

Japan Small Cap Fund Schedule of Investments

As at 31st March 2017

(Continued)

	Nominal Holding	Fair Value JPY	% of Reported NAV
Equities (continued)			
Japan (continued)			
Yondoshi Holdings Inc	44,200	109,483,400	1.04
Zenkoku HoshoCo	46,600	176,614,000	1.67
Zenrin Co Ltd	87,500	<u>207,112,500</u>	<u>1.96</u>
Total Equities		<u>10,196,132,320</u>	<u>95.82</u>
Forward Currency Contracts		<u>(97,828,889)</u>	<u>(0.92)</u>
Total Net Financial Assets		10,098,303,431	94.90
Other Net Assets		<u>543,094,952</u>	<u>5.10</u>
Total Net Assets		<u><u>10,641,398,383</u></u>	<u><u>100.00</u></u>

	Maturity Date	Bought JPY	Sold JPY	Unrealised Gain/(Loss) JPY
OTC financial derivative instruments				
Forward foreign currency contracts				
US Dollars				
Long	28/04/2017	(5,206,110,789)	5,108,438,327	(97,672,462)
Short	28/04/2017	<u>37,547,871</u>	<u>(37,704,298)</u>	<u>(156,427)</u>
		(5,168,562,918)	5,070,734,029	(97,828,889)
Total forward currency contracts		<u>(5,168,562,918)</u>	<u>5,070,734,029</u>	<u>(97,828,889)</u>

The counterparty for the OTC financial derivative positions is the Custodian.

SuMi TRUST Investment Funds

Japan Small Cap Fund Schedule of Investments

As at 31st March 2017

(Continued)

% of total assets for each asset class

Total assets comprised as follows:	%
Cash and cash equivalents	4.95
Transferable securities admitted to an official exchange listing	93.88
Other assets	1.17
	<hr/>
Total Assets	100.00
	<hr/>

SuMi TRUST Investment Funds

Japan Small Cap Fund Schedule of Investments As at 31st March 2016

	Nominal Holding	Fair Value JPY	% of Reported NAV
Equities			
Japan			
AI Holdings	26,800	87,502,000	2.09
Aiming Inc	31,600	21,045,600	0.50
Anicom Holdings	29,900	92,391,000	2.21
AOI Electronics Co	12,500	31,200,000	0.75
Asahi Intecc Co	4,800	25,296,000	0.60
Balnibarbi	6,400	10,662,400	0.25
Bengo4.Com Inc	18,700	45,160,500	1.08
C. Uyemura and Co	5,900	28,202,000	0.67
Daibiru Corporation	79,000	75,050,000	1.79
Daito Pharmaceutical	19,140	57,707,100	1.38
Digital Arts Inc	33,800	82,742,400	1.98
Enigmo Inc	58,100	51,302,300	1.23
En-Japan Inc	9,200	17,489,200	0.42
Epcu Corp	13,800	16,587,600	0.40
Fancl Corporation	12,000	18,420,000	0.44
FFRI	1,600	8,048,000	0.19
Firstlogic Inc	14,000	44,240,000	1.06
Fixstars Corp	16,400	36,145,600	0.86
Furuya Metal Co	18,300	28,859,100	0.69
Gakujo Co Ltd	62,100	81,288,900	1.94
GCA Savvian Group	52,600	62,278,400	1.49
GMO Payment Gateway	7,500	57,150,000	1.37
Gurunavi	29,000	77,517,000	1.85
Halows Co Ltd	14,400	32,428,800	0.78
Hearts United Group	31,100	75,697,400	1.81
Hiramatsu Inc	67,600	50,159,200	1.20
Hito-Communications	50,100	110,270,100	2.64
Iriso Electronics Co	14,700	82,026,000	1.96
Istyle Inc	59,200	59,259,200	1.42
Jeol Ltd	136,000	77,520,000	1.85
Jin Co Ltd	7,500	33,000,000	0.79
Kadokawa Dwango	44,400	77,034,000	1.84
Komehyo Co Ltd	29,700	45,797,400	1.09
Kondotec Inc	94,800	79,063,200	1.89
Kumiai Chemical Industry	49,800	50,298,000	1.20

SuMi TRUST Investment Funds

Japan Small Cap Fund Schedule of Investments

As at 31st March 2016

(Continued)

	Nominal Holding	Fair Value JPY	% of Reported NAV
Equities (continued)			
Japan (continued)			
Kusuri No Aoki Co	7,700	47,355,000	1.13
Litalico	2,100	5,035,800	0.12
Maeda Kosen Co	67,700	77,448,800	1.85
MEC Company Ltd	75,400	65,371,800	1.56
Media Do	22,600	35,775,800	0.86
Mynet Inc	2,400	8,988,000	0.21
Nakamura Choukou	3,500	19,635,000	0.47
Nichireki Co	62,300	50,587,600	1.21
Nihon M&A Center	9,800	64,190,000	1.53
Nikkiso Co Ltd	31,800	26,298,600	0.63
Nippon Ceramic Co Ltd	30,200	59,010,800	1.41
Nippon Kodoshi	1,300	1,106,300	0.03
Nippon Ski Resort	17,600	24,481,600	0.59
Nishimatsuya Chain	56,400	63,619,200	1.52
Nomura Co Ltd	30,200	49,316,600	1.18
Outsourcing Inc	23,800	92,344,000	2.21
Oyo Corp	26,600	32,452,000	0.78
Peptidream Inc	11,000	75,350,000	1.80
Qol Co Ltd	43,500	73,558,500	1.76
Ride On Express	58,900	108,670,500	2.60
Sakai Moving Service	15,000	51,075,000	1.22
Sanwa Company	136,100	59,203,500	1.42
Shibaura Electronics	16,600	27,273,800	0.65
Shift	46,600	36,441,200	0.87
Siix Corp	18,400	63,388,000	1.52
Sosei Group	4,600	74,658,000	1.78
Star Mica Co Ltd	67,500	115,830,000	2.77
Studios	25,800	22,678,200	0.54
Takara Bio Inc	26,700	39,676,200	0.95
Takara Leben Co	86,900	57,875,400	1.38
Totetsu Kogyo Co	36,700	126,982,000	3.04
TSI Holdings	71,900	53,925,000	1.29

SuMi TRUST Investment Funds

Japan Small Cap Fund Schedule of Investments

As at 31st March 2016

(Continued)

		Nominal Holding	Fair Value JPY	% of Reported NAV
Equities (continued)				
Japan (continued)				
Tsukui Corp		58,200	85,670,400	2.05
UBIC Inc		77,600	74,496,000	1.78
V-Cube		31,900	41,278,600	0.99
Yokogawa Bridge		58,900	71,269,000	1.70
Yokohama Reito		11,000	11,726,000	0.28
Zenkoku Hoshoco		14,300	54,626,000	1.31
Total Equities			<u>3,877,506,600</u>	<u>92.70</u>
Forward Currency Contracts			<u>(2,832,931)</u>	<u>(0.07)</u>
Total Net Financial Assets			3,874,673,669	92.63
Other Net Assets			<u>308,314,769</u>	<u>7.37</u>
Total Net Assets			<u>4,182,988,438</u>	<u>100.00</u>
	Maturity Date	Bought JPY	Sold JPY	Unrealised Gain/(Loss) JPY
OTC financial derivative instruments				
Forward foreign currency contracts				
US Dollars				
Long	28/04/2016	(279,109,682)	276,171,437	(2,938,245)
Short	28/04/2016	<u>8,653,878</u>	<u>(8,548,564)</u>	<u>105,314</u>
		(270,455,804)	267,622,873	(2,832,931)
Total forward currency contracts		<u>(270,455,804)</u>	<u>267,622,873</u>	<u>(2,832,931)</u>

The counterparty for the OTC financial derivative positions is the Custodian.

SuMi TRUST Investment Funds

Japan Small Cap Fund Schedule of Investments

As at 31st March 2016

(Continued)

% of total assets for each asset class

Total assets comprised as follows:	%
Cash and cash equivalents	6.84
Transferable securities admitted to an official exchange listing	91.42
OTC financial derivative instruments	0.00
Other assets	1.74
	<hr/>
Total Assets	<u>100.00</u>

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Schedule of Investments

As at 31st March 2017

	Nominal Holding	Fair Value JPY	% of Reported NAV
Equities			
Japan			
Ajinomoto Co Inc	110,800	243,372,200	2.73
Chugai Pharmaceutical Co	64,300	245,947,500	2.76
Cosmos Pharmaceutical	10,900	236,966,000	2.66
Cyber Agent Inc	75,000	247,125,000	2.77
Daikin Industries	27,900	312,061,500	3.50
Dentsu Inc	44,700	269,988,000	3.03
Don Quijote	61,000	235,460,000	2.64
Ezaki Glico	44,900	242,460,000	2.72
Fast Retailing Co	6,900	240,948,000	2.70
Hitachi Capital Corp	77,000	207,284,000	2.32
Keyence Corp	7,500	334,350,000	3.75
Komatsu	108,500	314,812,750	3.53
Kubota Corp	150,000	250,650,000	2.81
Kumagai Gumi	720,000	208,800,000	2.34
M3 Inc	84,400	233,197,200	2.61
Mitsubishi Corp	123,500	297,079,250	3.33
Mitsubishi Electric Corp	188,000	300,236,000	3.37
Mitsubishi UFJ Financial Group	531,100	371,610,670	4.17
Murata Manufacturing	19,300	305,615,500	3.43
Nidec Corp	28,800	305,136,000	3.42
Nifco Inc	41,000	229,190,000	2.57
Nomura Research	61,733	253,105,300	2.84
Park 24 Co Ltd	75,300	219,424,200	2.46
Pigeon Corp	75,600	268,758,000	3.01
Pola Orbis Holdings	90,400	242,904,800	2.72
Rakuten Inc	240,600	268,269,000	3.01
Resorttrust Inc	100,900	197,764,000	2.22
Ryohin Keikaku Co	11,200	273,168,000	3.06
SMC Corp	8,900	292,988,000	3.28
Square Enix Co	66,000	207,900,000	2.33
Subaru Corporation	67,000	273,561,000	3.07
Tokio Marine Holdings	67,000	314,632,000	3.53
Toray Industries Inc	266,000	262,542,000	2.94
Yakult Honsha	37,900	234,222,000	2.62
Total Equities		8,941,527,870	100.25

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Schedule of Investments

As at 31st March 2017

(Continued)

	Fair Value JPY	% of Reported NAV
Total Equities	<u>8,941,527,870</u>	<u>100.25</u>
Forward Currency Contracts	<u>(128,035,631)</u>	<u>(1.43)</u>
Total Net Financial Assets	8,813,492,239	98.82
Other Net Assets	<u>105,650,703</u>	<u>1.18</u>
Total Net Assets	<u>8,919,142,942</u>	<u>100.00</u>

	Maturity Date	Bought JPY	Sold JPY	Unrealised Gain/(Loss) JPY
OTC financial derivative instruments				
Forward foreign currency contracts				
US Dollars				
Long		(5,514,472,980)	5,409,666,374	(104,806,606)
Short		<u>124,798,821</u>	<u>(125,355,329)</u>	<u>(556,508)</u>
		(5,389,674,159)	5,284,311,045	(105,363,114)
Euro				
Long		(42,644,292)	42,468,250	(176,042)
Long		(1,878,586,977)	1,855,595,691	(22,991,286)
Short		<u>81,661,939</u>	<u>(81,167,128)</u>	<u>494,811</u>
		(1,839,569,330)	1,816,896,813	(22,672,517)
Total forward currency contracts		<u>(7,229,243,489)</u>	<u>7,101,207,858</u>	<u>(128,035,631)</u>

The counterparty for the OTC financial derivative positions is the Custodian.

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Schedule of Investments

As at 31st March 2017

(Continued)

% of total assets for each asset class

Total assets comprised as follows:	%
Cash and cash equivalents	1.43
Transferable securities admitted to an official exchange listing	98.00
OTC financial derivative instruments	0.01
Other assets	0.56
	<hr/>
Total Assets	100.00
	<hr/>

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Schedule of Investments

As at 31st March 2016

	Nominal Holding	Fair Value JPY	% of Reported NAV
Equities			
Japan			
Ajinomoto Co Inc	19,000	48,250,500	2.76
Calbee Inc	10,200	45,594,000	2.61
Central Japan Railway	3,300	65,686,500	3.75
Chugai Pharmaceutical Co	14,900	51,926,500	2.97
Cosmos Pharmaceutical	2,600	48,646,000	2.78
Daikin Industries	7,400	62,248,800	3.56
Dentsu Inc	9,400	53,110,000	3.04
Don Quijote	12,500	48,875,000	2.79
Ezaki Glico	7,700	44,429,000	2.54
H.I.S. Co Ltd	15,000	47,175,000	2.70
Hitachi Capital Corp	18,500	45,325,000	2.59
Kao Corp	11,100	66,633,300	3.81
Keyence Corp	1,100	67,529,000	3.86
Kumagai Gumi	135,000	38,610,000	2.21
M3 Inc	17,900	50,692,800	2.90
Mitsubishi Corp	30,400	57,942,400	3.31
Mitsubishi Electric Corp	52,000	61,334,000	3.51
Mitsubishi UFJ Financial Group	114,100	59,503,150	3.39
Murata Manufacturing	4,300	58,351,000	3.33
Nidec Corp	7,100	54,677,100	3.11
Nifco Inc	8,700	47,067,000	2.69
Nomura Research	12,830	48,625,700	2.78
Park 24 Co Ltd	16,300	51,345,000	2.93
Pigeon Corp	17,000	49,929,000	2.85
Pola Orbis Holdings	5,100	47,583,000	2.72
Rakuten Inc	48,500	52,646,750	3.01
Resorttrust Inc	18,400	46,533,600	2.66
Ryohin Keikaku Co	2,100	49,980,000	2.86
Seven and i Holdings	14,300	68,525,600	3.92
SMC Corp	2,100	54,894,000	3.14
Sohgo Security	8,100	49,410,000	2.82
Toray Industries Inc	58,000	55,633,600	3.18
Yakult Honsha	9,100	45,363,500	2.59
Total Equities		1,744,075,800	99.67

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Schedule of Investments

As at 31st March 2016

(Continued)

	Fair Value JPY	% of Reported NAV
Total Net Financial Assets	1,744,075,800	99.67
Other Net Assets	<u>5,808,856</u>	<u>0.33</u>
Total Net Assets	<u><u>1,749,884,656</u></u>	<u><u>100.00</u></u>

% of total assets for each asset class

Total assets comprised as follows:	%
Cash and cash equivalents	0.29
Transferable securities admitted to an official exchange listing	99.22
Other assets	<u>0.49</u>
Total Assets	<u><u>100.00</u></u>

SuMi TRUST Investment Funds

Japan Small Cap Fund

Schedule of Portfolio Movements (Unaudited)

For the year ended 31st March 2017

	Acquisitions Nominal	Disposals Nominal
AI Holdings	62,900	-
Anicom Holdings	58,900	-
AOI Electronics Co	-	25,700
Asahi Intecc Co	19,300	-
Askul Corp	46,000	4,900
Daibiru Corporation	108,400	-
Digital Arts Inc	39,300	8,000
Enigmo Inc	-	30,600
En-Japan Inc	106,800	25,300
Fanciel Corporation	55,900	26,400
Firstlogic Inc	-	20,800
Gakujo Co Ltd	117,000	-
GCA Savvian Group	126,900	-
GMO Payment Gateway	15,800	-
Gurunavi	64,300	-
Healios KK	88,400	-
Hearts United Group	58,800	26,600
HITO-Communications	67,300	-
Iriso Electronics Co	15,300	4,900
Istyle Inc	103,000	-
Japan Material	50,500	-
JCR Pharmaceuticals	66,900	-
Jeol Ltd	242,000	-
Kadokawa Dwango	70,700	16,700
Kumiai Chemical Industry	-	56,400
Kusuri No Aoki Co	23,700	-
Litalico	68,700	-
Macromill Inc	77,000	-
Maeda Kosen Co	92,200	-
MEC Company Ltd	134,600	52,700
Media Do	-	7,900
Mitsui Mining And Smelting	724,000	175,000
Nippon Ceramic Co Ltd	40,700	-
Nishimatsuya Chain	54,000	110,400
Nousouken Corp	17,200	-
Outsourcing Inc	26,600	8,000
Oyo Corp	-	37,800
Peptidream Inc	29,200	4,100

SuMi TRUST Investment Funds

Japan Small Cap Fund

Schedule of Portfolio Movements (Unaudited)

For the year ended 31st March 2017

(Continued)

	Acquisitions Nominal	Disposals Nominal
Qol Co Ltd	99,500	-
Ride On Express	-	109,400
Sakai Moving Service	-	16,100
Sanwa Company	-	212,100
Shift	81,700	-
Siix Corp	21,000	-
Solasto Corp	108,100	-
Sosei Group	5,100	9,700
Star Mica Co Ltd	42,200	12,400
Takara Bio Inc	95,900	-
Takara Leben Co	101,800	188,700
Takeei Corporation	116,300	-
Tokyo Base Co Ltd	-	17,900
Totetsu Kogyo Co	38,400	15,200
TSI Holdings	-	71,900
Tsukui Corp	309,200	17,400
UT Holdings Co Ltd	212,900	58,600
V-Cube	-	59,200
Yokogawa Bridge	90,100	-
Yokohama Reito	96,400	-
Yondoshi Holdings Inc	62,700	18,500
Zenkoku Hoshoco	34,100	-
Zenrin Co Ltd	90,600	-

In accordance with the UCITS Regulations the annual report documents material changes that have occurred in the disposition of the assets of the Sub-Fund during the financial year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year and/or aggregate disposals greater than 1 per cent of the total value of sales for the financial year. If there are fewer than 20 purchases that meet the material changes definition, the Sub-Fund shall disclose those purchases and such number of the next largest purchases so that at least 20 purchases are disclosed. If there are fewer than 20 sales that meet the material changes definition, the Sub-Fund shall disclose those sales and such number of the next largest sales so that at least 20 sales are disclosed. This schedule is not intended to provide a reconciliation between holdings at the beginning of the financial year and holdings at the end of the financial year.

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Schedule of Portfolio Movements (Unaudited)

For the year ended 31st March 2017

	Acquisitions Nominal	Disposals Nominal
Ajinomoto Co Inc	91,800	-
Calbee Inc	-	22,900
Central Japan Railway	4,200	7,500
Chugai Pharmaceutical Co	50,900	-
Cosmos Pharmaceutical	9,100	800
Cyber Agent Inc	75,000	-
Daikin Industries	20,800	-
Dentsu Inc	35,300	-
Don Quijote	51,500	3,000
Ezaki Glico	38,200	1,000
Fast Retailing Co	6,900	-
H.I.S. Co Ltd	62,000	77,000
Hitachi Capital Corp	58,500	-
Kao Corp	18,800	29,900
Keyence Corp	6,600	200
Komatsu	108,500	-
Kubota Corp	150,000	-
Kumagai Gumi	585,000	-
M3 Inc	69,500	3,000
Mitsubishi Corp	98,600	5,500
Mitsubishi Electric Corp	139,000	-
Mitsubishi UFJ Financial Group	437,000	20,000
Murata Manufacturing	15,000	-
Nidec Corp	22,900	1,200
Nifco Inc	32,300	-
Nomura Research	49,503	-
Park 24 Co Ltd	61,500	2,500
Pigeon Corp	61,800	3,200
Pola Orbis Holdings	85,500	-
Rakuten Inc	207,800	15,700
Resorttrust Inc	82,500	-
Ryohin Keikaku Co	9,900	800
Seven and i Holdings	40,100	54,400
SMC Corp	7,200	400
Sohgo Security	19,600	27,700
Square Enix Co	66,000	-
Subaru Corporation	67,000	-
Tokio Marine Holdings	70,000	3,000

SuMi TRUST Investment Funds

Japan Quality Growth Fund

Schedule of Portfolio Movements (Unaudited)

For the year ended 31st March 2017

(continued)

	Acquisitions	Disposals
	Nominal	Nominal
Toray Industries Inc	208,000	-
Yakult Honsha	28,800	-

In accordance with the UCITS Regulations the annual report documents material changes that have occurred in the disposition of the assets of the Sub-Fund during the financial year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year and/or aggregate disposals greater than 1 per cent of the total value of sales for the financial year. If there are fewer than 20 purchases that meet the material changes definition, the Sub-Fund shall disclose those purchases and such number of the next largest purchases so that at least 20 purchases are disclosed. If there are fewer than 20 sales that meet the material changes definition, the Sub-Fund shall disclose those sales and such number of the next largest sales so that at least 20 sales are disclosed. This schedule is not intended to provide a reconciliation between holdings at the beginning of the financial year and holdings at the end of the financial year.

SuMi TRUST Investment Funds

Appendix I Remuneration Policy (Unaudited) 31st March 2017

Remuneration Policy

In applying the total remuneration policies, inclusive of salaries and discretionary pension benefits, for identified staff, the Manager has complied with the remuneration principles set out in the Regulations and the ESMA Guidelines on Sound Remuneration Policies in a way and to the extent that is appropriate to the Manager's size, internal organisation and the nature, scope and complexity of its activities.

The Manager has in place a policy and practices for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager (hereinafter referred to as “**Identified Staff**”), that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules of instruments of incorporation of the Manager and the entities being managed.

Taking the nature, scale and complexity of the Manager into consideration, the Board of Directors of the Manager (“the Board”) believes that the approach to performance-based pay as outlined in the Manager's remuneration policy is appropriate and reflects the risk profile, appetite and strategy of the Manager.

Based on the nature, scale and complexity of the Manager's business and the statements contained in the ESMA Guidelines, the Board has decided that the following rules imposed by AIFMD (Annex II) and UCITS V regulations (Article 14b) shall not apply to any of the Manager's employees until further notice:

- (a) The requirement that parts of the variable remuneration shall be paid in instruments;
- (b) The requirement that payment of the variable remuneration shall be subject to an ex post evaluation; and
- (c) The requirement to establish a remuneration committee.

The Manager's remuneration policy reflects its objective for good corporate governance and:

- is consistent with and promotes sound and effective Risk Management and does not encourage risk-taking which is inconsistent with the risk profile, rules or Articles of Association of the Manager; and
- is consistent with the Manager's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The remuneration policy is consistent with and promotes sound and effective Risk Management by:

- taking into account the Manager's business model, which by its nature does not promote excessive risk taking and takes cognisance of the long term;
- defining the total amount of remuneration on a combination of the assessment of the performance of the individual and the business unit concerned and the overall results of the Manager. Similarly, when assessing an individual's performance, financial as well as non- financial criteria are taken into account;

SuMi TRUST Investment Funds

Appendix I Remuneration Policy (Unaudited)

31st March 2017

(Continued)

Remuneration Policy (continued)

- defining performance goals and objectives for staff engaged in control based functions in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control; and
- ensuring that the fixed salary element of those involved in relevant functions reflects the market rate.

The remuneration policy (together with compliance therewith) is subject to annual review by the Board. This review ensures that:

- the overall remuneration system operates as intended;
- the remuneration pay-outs are appropriate;
- the risk profile, long term objectives and goals of the Manager are adequately reflected;
- the policy reflects best practice guidelines and regulatory requirements; and
- the contents of the remuneration policy are consistent with AIFMD and UCITS V Regulations and the requirements of the Central Bank.

The Manager has eight (8) identified staff. These identified staff include senior management staff; members of the Board of Directors; and a compliance and risk officer. With the exception of two individuals acting as non-executive independent Directors, who are external to the Sumitomo Mitsui Trust Holdings, Inc., group of companies (“Sumi Group”) and who receive a fixed remuneration for their roles as members of the Board, all other identified staff of the Manager are part of the Sumi Group and as such receive no separate remuneration for their role within the Manager.

Instead they are remunerated as employees of the Sumi Group with a combination of fixed and variable discretionary remuneration where the latter is assessed on the basis of their overall individual contribution to the Sumi Group, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached.

SuMi TRUST Investment Funds

Appendix II Total Expense Ratio (Unaudited)

Total Expense Ratio (“TER”)*

Japan Small Cap Fund

The TER for each share class of the Sub-Fund as at 31st March 2017 was 1.10%, 0.94%, 1.26% and 2.09% (2016: 2.15%, 2.15%, 2.85% and N/A) for the A JPY, B JPY, A USD Hedged and C USD Hedged classes respectively.

Japan Quality Growth Fund

The TER for each share class of the Sub-Fund as at 31st March 2017 was 1.07%, 1.19% and 2.31% (2016: 1.81%, N/A and N/A) for the A JPY, A EUR Hedged and C USD Hedged classes respectively.

*The TER was calculated based on the version currently applicable of the “Guidelines on the calculation and disclosure of the Total Expense Ratio (TER) of collective investment schemes” of the Swiss Funds & Asset Management Association (SFAMA).