Mizuho Trust & Banking (Luxembourg) S.A. Participant Disclosure

Article 38(5) and Article 38(6) Central Securities Depositories Regulation (CSDR)

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1. Introduction

The purpose of this document is to disclose the levels of protection associated with the two different types of segregation that we can provide in respect of securities that we hold for clients with Central Securities Depositories within the EEA (CSDs), including a description of the main legal implications of the two types of segregation offered and information on the Luxembourg insolvency law applicable. This disclosure is required under Article 38(6) of the Central Securities Depositories Regulation (CSDR) in relation to CSDs in the EEA.

The CSDs of which we are a direct participant (see glossary) have their own disclosure obligations under the CSDR.

At the end of this document is a glossary explaining some of the technical terms used in the document.

This document is not intended to constitute legal or other advice and should not be relied upon as such. Clients should seek their own legal advice if they require any guidance on the matters discussed in this document.

2. Background

In our own books and records, we record each client's individual entitlement to securities that we hold for that client in a separate client account. We also open accounts with CSDs in our own (or in our nominee's or a nominee of our affiliates) name in which we hold clients' securities. We currently make two types of accounts with CSDs available to clients: Individual Client Segregated Accounts (**ISAs**) and Omnibus Client Segregated Accounts (**OSAs**).

An ISA is used to hold the securities of a single client (which can be a single legal entity or an institution representing multiple legal entities) and therefore the client's securities are held separately from the securities of other clients and our own proprietary securities.

An OSA is used to hold the securities of a number of clients on a collective basis. We do not hold our own proprietary securities in OSAs.

3. Main legal implications of levels of segregation

Client protection

We are subject to the Law of 1 August 2001 on the circulation of securities (the "2001 Law") which provides protective measures in favour of clients holding book entry securities in an account with us. Clients owning book entry securities in an account with us have a right in these securities which is analogous to a right of ownership. As a consequence, clients have, according to the number of securities entered in their securities account, a right in rem of an intangible nature, over all the securities of the same description held in accounts with us, as the immediate account provider. This right is acquired as soon as the securities are registered in their securities account.

According to the 2001 Law, this right in rem may only be enforced by the client against its immediate account provider, even if the latter has sub-deposited the securities in its name with a CSD in the EEA. This means that the client can generally only exercise its rights in relation to the securities entitlements against us and not against the CSDs with which we hold accounts, whether the client's securities are held in ISAs or OSAs.

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Securities which are sub-deposited with a CSD in the EEA may be pledged to such CSD to secure our obligation to pay custodial and administrative fees related to securities accounts, but otherwise cannot be subjected to any lien or other encumbrance that would prevent a client from recovering such securities in the event of our insolvency.

Securities held in an account with us will not be used for securities financing transactions (i.e. securities lending, securities borrowing, repurchase agreement, etc.) without the prior written consent of the client.

Insolvency

Clients' legal entitlement to the securities that we hold for them directly with CSDs would not be affected by our insolvency, whether those securities were held in ISAs or OSAs. The distribution of the securities in practice on an insolvency would depend on a number of factors, the most relevant of which are described below.

Were we to become insolvent, our insolvency proceedings would take place in Luxembourg and be governed by Luxembourg insolvency law. A liquidator would be appointed to liquidate our assets and distribute them to customers and creditors under court supervision.

Under the 2001 Law, the client's securities shall be held separately from our own proprietary securities. As a consequence, securities that we held on behalf of clients would not form part of our estate on insolvency for distribution to creditors. Rather, they would be deliverable to clients in accordance with each client's rights in the securities.

It results from the 2001 Law that, in case the available quantity of specific securities is insufficient, we have an obligation to cover the loss by securities of the same nature belonging to us. If the pool of clients' securities together with those belonging to us remains, however, not sufficient to ensure the full restitution of the securities maintained on the accounts, they will be allocated between the clients in proportion to their rights by the liquidator. As a result, it would not be necessary for clients to make a claim in our insolvency as a general unsecured creditor in respect of those securities. However, with respect to the securities which have not been returned, clients would have to make a claim as a general unsecured creditor for an amount equal to the value of securities that have not been returned.

Securities that we held on behalf of clients would also not be subject to any Bail-in process (see glossary), which may be applied to us if we were to become subject to Resolution proceedings (see glossary).

Accordingly, where we hold securities in custody for clients, they are protected from our insolvency or resolution. This applies whether the securities are held in an OSA or an ISA.

Insolvency proceedings may, however, delay the restitution of the securities to the client, amongst other because a liquidator may require a full reconciliation of the books and records in respect of all securities accounts prior to the release of any securities from those accounts. ISA could contribute to swifter identification of client assets in a default scenario.

Shortfalls

If there were a shortfall between the number of securities that we are obliged to deliver to clients and the number of securities that we hold on their behalf in either an ISA or an OSA, this could result in fewer securities than clients are entitled to being returned to them on our insolvency.

How a shortfall may arise

According to the 2001 Law, we shall ensure to hold in our books, securities that are, in number and description, equal to the number and description of the securities credited on the securities accounts we maintain for our clients. Notwithstanding this obligation, a shortfall could arise for a number of

reasons including as a result of administrative error, intraday movements or counterparty default following the exercise of rights of reuse.

Treatment of a shortfall

The treatment of shortfalls may vary depending on whether the securities are held by us in an ISA or OSA. In case of an ISA, the whole of any shortfall on that ISA would be attributable to the client for whom the account is held and would not be shared with other clients for whom we hold securities. Similarly, the client would not be exposed to a shortfall on an account held for another client or clients. In the case of an OSA, the shortfall would be shared among the clients in relation to the securities held in the OSA subject to agreed contractual terms. Therefore, a client may be exposed to a shortfall even where securities have been lost in circumstances which are unrelated to that client.

In the event of loss of securities due to force majeure, we would take steps in order to effect a recovery of the securities lost as prescribed by the 2001 Law. If we only obtain the restitution of a quantity of specific securities insufficient to satisfy the rights of all the clients having deposited such specific securities with us, such clients shall bear the loss in proportion to their deposits in such securities. In such cases, clients may have a claim against us for any loss suffered.

Where the shortfall would be attributable to our own fraud, negligence or wilful default, we would retain full responsibility and indemnify the clients in accordance with the terms of the custody/depositary agreement.

Where the loss would be attributable to the negligence or wilful misconduct of the CSD, we would take such steps in order to effect a recovery as we deem appropriate under all the circumstances.

If we were to become insolvent prior to covering a shortfall, clients would rank as general unsecured creditors for any amounts owing to them in connection with such a claim (see also section on Insolvency).

In order to calculate clients' shares of any shortfall in respect of an OSA, each client's interests with respect to securities held within that account would need to be established as a matter of law and fact based on our books and records. Any shortfall in a particular security held in an OSA would then be allocated among all clients with an interest in that security in the account on a pro rata basis of their rights. It may be a time consuming process to confirm each client's entitlement. This could give rise to delays in returning securities and initial uncertainty for a client as to its actual entitlement on an insolvency.

4. List of CSDs in which we are direct participant

CSD Participant	Jurisdiction	CSD	Links to CSD disclosures or website
Mizuho Trust & Banking (Luxembourg) S.A.	Luxembourg	Euroclear Bank SA/NV	CSD disclosures will be made available by us upon your request.

Glossary

Bail-in refers to the process under the law of 18 December 2015 on the resolution, reorganisation and winding up measures of credit institutions and certain investment firms and on deposit guarantee and investor compensation schemes (the **2015 Law**) applicable to failing Luxembourg banks and investment firms under which the firm's liabilities to clients may be modified, for example by being written down or converted into equity.

Central Securities Depository or **CSD** is an entity which records legal entitlements to dematerialised securities and operates a system for the settlement of transactions in those securities.

Central Securities Depositories Regulation or **CSDR** refers to EU Regulation 909/2014 which sets out rules applicable to CSDs and their participants.

Direct participant means an entity that holds securities in an account with a CSD and is responsible for settling transactions in securities that take place within a CSD. A direct participant should be distinguished from an indirect participant, which is an entity, such as a global custodian, which appoints a direct participant to hold securities for it with a CSD.

EEA means the European Economic Area.

Resolution proceedings are proceedings for the resolution of failing Luxembourg banks and investment firms under the 2015 Law.

Segregated Accounts means an ISA and/or an OSA, as the case may be.