

August 26, 2005

The Sumitomo Trust & Banking Co., Ltd.

**The Sumitomo Trust & Banking enters into formalized strategic  
relationship with FRM Holdings Limited**

The Sumitomo Trust & Banking Co., Ltd (STB) announced today that it has entered into a strategic relationship with FRM Holdings Limited, the holding company of the Financial Risk Management Limited, one of the leading international fund of hedge funds companies based in the United Kingdom.

1. Details of the strategic relationship (Business alliance and equity ownership)

(1) Main contents of the business alliance

- To enhance the longstanding relationship, the two parties will formalize a strategic relationship agreement.
- By cooperating with FRM in developing and improving products, STB will be well prepared for offering products that meet the needs of investors such as Japanese pension funds.
- Two parties have agreed on a process for providing STB a portion of future capacity in FRM Group funds, which will secure STB's capability to furnish its clients with products.

(2) Main contents of the equity ownership

- STB will initially invest in 2.5% of the common shares of FRM Holdings Limited. STB is considering additional investments (up to 10%).

2. Purpose of the Agreement

Two parties have enjoyed a close relationship by offering hedge fund products to Japanese investors and have received reputation of being the pioneer in sales of hedge fund products in Japan. Integrating its marketing power using consulting expertise and FRM's superior hedge fund products, two parties will further enhance their capacity of offering solutions to investors.

<For reference>

About FRM

FRM is an international hedge fund of funds that serves institutional investors and manages approximately \$13 billion in assets. Founded in 1991 by Blaine Tomlinson, FRM now has over 230 employees world-wide with offices in London, New York, San Diego, Guernsey, Sydney and Tokyo.

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