

# Pre-Investment Disclosure

<b>Alternative investment fund manager (“the AIFM”)</b>	<b>Nomura Asset Management Co., Ltd.</b>
<b>Alternative investment fund (“the AIF”)</b>	<b>NEXT FUNDS TOPIX Exchange Traded Fund</b>
<b>Reporting period (“the year”)</b>	<b>23rd Reporting Period (July 11, 2023 - July 10, 2024)</b>

26<sup>TH</sup> SEPTEMBER 2024

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This document sets out the disclosures required under Article 23 of the “DIRECTIVE 2011/61/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010” (hereinafter, “AIFMD”).

The information required by AIFMD is included in the Explanatory Booklet on the Investment Trust (hereinafter, “the Prospectus”) of the AIF and this Pre-Investment Disclosure supplements it by providing additional information which is not included in the Prospectus.

The AIF Prospectus is also available on the AIFM website.

[https://global.nomura-am.co.jp/nextfunds/products/1306\\_Pros.pdf](https://global.nomura-am.co.jp/nextfunds/products/1306_Pros.pdf)

## Relevant Information

Information	Description
A description of the investment strategy and objectives of the AIF ( <i>point (a) of Article 23(1) of AIFMD</i> )	• Please refer to page 14-15 of the Prospectus.
Information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds ( <i>point (a) of Article 23(1) of AIFMD</i> )	• N/A
A description of the types of assets in which the AIF may invest ( <i>point (a) of Article 23(1) of AIFMD</i> )	• Please refer to page 15-16 of the Prospectus.
The techniques it may employ and all associated risks ( <i>point (a) of Article 23(1) of AIFMD</i> )	• Please refer to page 20-21 of the Prospectus.
Any applicable investment restrictions ( <i>point (a) of Article 23(1) of AIFMD</i> )	• Please refer to page 19-20 of the Prospectus.
The circumstances in which the AIF may use leverage ( <i>point (a) of Article 23(1) of AIFMD</i> )	• The AIF does not use leverage.
The types and sources of leverage permitted and the associated risks ( <i>point (a) of Article 23(1) of AIFMD</i> )	• N/A
Any restrictions on the use of leverage and any collateral and asset reuse arrangements ( <i>point (a) of Article 23(1) of AIFMD</i> )	• N/A
The maximum level of leverage which the AIFM are entitled to employ on behalf of the AIF ( <i>point (a) of Article 23(1) of AIFMD</i> )	• N/A
Description of the procedures by which the AIF may change its investment strategy or investment policy, or both	• Please refer to page 48 of the Prospectus.

<p><i>(point (b) of Article 23(1) of AIFMD)</i></p> <p>Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established</p>	<ul style="list-style-type: none"> <li>The Trust Deed is entered into between the AIFM and the Trustee. The jurisdiction is Japan. Applicable laws are the Trust Act (Act No. 62 of 1922), the Financial Instruments and Exchange Act, and the Act on Investment Trust and Investment Corporations. There are no legal instruments providing for the recognition and enforcement of judgments in Japan.</li> </ul>
<p><i>(point (c) of Article 23(1) of AIFMD)</i></p> <p>Identity of the AIFM, the AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights</p> <p><i>(point (d) of Article 23(1) of AIFMD)</i></p>	<p>&lt;Identity of the AIFM&gt;</p> <ul style="list-style-type: none"> <li>Please refer to page 13-14 of the Prospectus.</li> </ul> <p>&lt;Identity of the AIF's depositary&gt;</p> <ul style="list-style-type: none"> <li>Please refer to page 13-14 of the Prospectus.</li> </ul> <p>&lt;Identity of the AIF's auditor&gt;</p> <ul style="list-style-type: none"> <li>Please refer to page 55-56 of the Prospectus.</li> </ul> <p>&lt;Investors' right&gt;</p> <ul style="list-style-type: none"> <li>Please refer to page 50-53 of the Prospectus.</li> </ul>
<p>Description of how the AIFM is complying with the requirements of Article 9(7)</p> <p><i>(point (e) of Article 23(1) of AIFMD)</i></p>	<ul style="list-style-type: none"> <li>The AIFM holds Financial Institution Professional Indemnity Insurances and the policies are renewed annually.</li> <li>For more details, please contact <a href="mailto:nextfunds-info@nomura-am.co.jp">nextfunds-info@nomura-am.co.jp</a>.</li> </ul>
<p>Description of any delegated management function as referred to in Annex I by the AIFM and of any safe-keeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations</p> <p><i>(point (f) of Article 23(1) of AIFMD)</i></p>	<ul style="list-style-type: none"> <li>Please refer to Appendix A.</li> <li>Conflicts of interest are managed by relevant policy. For more details, please contact <a href="mailto:nextfunds-info@nomura-am.co.jp">nextfunds-info@nomura-am.co.jp</a>.</li> </ul>
<p>Description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19</p> <p><i>(point (g) of Article 23(1) of AIFMD)</i></p>	<ul style="list-style-type: none"> <li>Please refer to page 46 of the Prospectus.</li> <li>When a hard-to-value asset is evaluated, it is done so at a price that is determined to be appropriate in accordance with accounting standards for market value calculations. In such a case, approval by the Investment Risk Supervisory Committee (IRSC) may be required.</li> </ul>
<p>Description of the AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors</p> <p><i>(point (h) of Article 23(1) of AIFMD)</i></p>	<p>&lt;Description of the AIF's liquidity risk management&gt;</p> <ul style="list-style-type: none"> <li>Please refer to page 22 of the Prospectus.</li> </ul> <p>&lt;Description of the redemption rights&gt;</p> <ul style="list-style-type: none"> <li>Please refer to page 41-45 of the Prospectus.</li> </ul>
<p>Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors</p> <p><i>(point (i) of Article 23(1) of AIFMD)</i></p>	<ul style="list-style-type: none"> <li>Please refer to page 27-30 of the Prospectus.</li> </ul>

Description of how the AIFM ensures a fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM (point (j) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> <li>In accordance with the provisions of the trust deed, investors shall be treated equally according to the number of units of beneficial interest held. No other type of beneficial certificate is expected to be issued.</li> </ul>
The latest annual report (point (k) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> <li>Available on the AIFM's website. <a href="https://nextfunds.jp/data/annual_report_1306.pdf">https://nextfunds.jp/data/annual_report_1306.pdf</a></li> </ul>
Procedure and conditions for the issue and sale of units or shares (point (l) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> <li>Please refer to page 39-41 of the Prospectus.</li> </ul>
Latest net asset value of the AIF or the latest market price of the unit or share of the AIF (point (m) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> <li>Available on the AIFM's website. <a href="https://nextfunds.jp/uk/lineup/1306/">https://nextfunds.jp/uk/lineup/1306/</a></li> </ul>
Historical performance of the AIF (point (n) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> <li>Please refer to page 37-38 of the Prospectus.</li> </ul>
Identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist (point (o) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Description of how and when the information required under paragraphs 4 and 5 will be disclosed (point (p) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> <li>The Prospectus is available on the AIFM's website after the AIF's every calculation period. <a href="https://global.nomura-am.co.jp/nextfunds/products/1306_Pros.pdf">https://global.nomura-am.co.jp/nextfunds/products/1306_Pros.pdf</a></li> </ul>
Any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13) (Article 23(2) of AIFMD)	<ul style="list-style-type: none"> <li>N/A</li> </ul>

## Appendix A. Delegated functions

Function	Delegated to	Any conflicts of interest that may arise
<b>Portfolio management</b>	Not delegated	• N/A
<b>Risk management</b>	Not delegated	• N/A
<b>Marketing</b>	Authorized Participants including Nomura Securities Co., Ltd.	• An act that unfairly favors a group company
<b>Administration</b> <ul style="list-style-type: none"> <li>• Fund management accounting services</li> <li>• Valuation and Pricing, including tax returns</li> <li>• Record keeping</li> </ul>	NRI Process Innovation, Ltd.	• N/A

### <Important Information>

*The TOPIX Index Value and the TOPIX Marks are subject to the proprietary rights owned by JPX Market Innovation & Research, Inc. or affiliates of JPX Market Innovation & Research, Inc. (hereinafter collectively referred to as "JPX") and JPX owns all rights and know-how relating to TOPIX such as calculation, publication and use of the TOPIX Index Value and relating to the TOPIX Marks. JPX shall not be liable for the miscalculation, incorrect publication, delayed or interrupted publication of the TOPIX Index Value. No Licensed Product is in any way sponsored, endorsed or promoted by JPX, and JPX shall not be responsible for any damage resulting from the issue and sale of the Licensed Product.*

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Registration Number: Director-General of the Kanto Local Financial Bureau No.373

Membership: The Investment Trusts Association, Japan

Japan Investment Advisers Association

Type II Financial Instruments Firms Association