

Pre-Investment Disclosure

Alternative investment fund manager (“the AIFM”)	Nomura Asset Management Co., Ltd.
Alternative investment fund (“the AIF”)	NEXT FUNDS Nikkei 225 Exchange Traded Fund
Reporting period (“the year”)	23rd Reporting Period (July 9, 2023 - July 8, 2024)

26TH 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/1321_Pros.pdf

Relevant Information

Information	Description
A description of the investment strategy and objectives of the AIF (point (a) of Article 23(1) of AIFMD)	• 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 (point (a) of Article 23(1) of AIFMD)	• N/A
A description of the types of assets in which the AIF may invest (point (a) of Article 23(1) of AIFMD)	• Please refer to page 15-16 of the Prospectus.
The techniques it may employ and all associated risks (point (a) of Article 23(1) of AIFMD)	• Please refer to page 21-22 of the Prospectus.
Any applicable investment restrictions (point (a) of Article 23(1) of AIFMD)	• Please refer to page 19-20 of the Prospectus.
The circumstances in which the AIF may use leverage (point (a) of Article 23(1) of AIFMD)	• The AIF does not use leverage.
The types and sources of leverage permitted and the associated risks (point (a) of Article 23(1) of AIFMD)	• N/A
Any restrictions on the use of leverage and any collateral and asset reuse arrangements (point (a) of Article 23(1) of AIFMD)	• N/A
The maximum level of leverage which the AIFM are entitled to employ on behalf of the AIF (point (a) of Article 23(1) of AIFMD)	• 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> <p><i>(point (c) of Article 23(1) of AIFMD)</i></p>	<ul style="list-style-type: none"> 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.
<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><Identity of the AIFM></p> <ul style="list-style-type: none"> Please refer to page 13-14 of the Prospectus. <p><Identity of the AIF's depositary></p> <ul style="list-style-type: none"> Please refer to page 13-14 of the Prospectus. <p><Identity of the AIF's auditor></p> <ul style="list-style-type: none"> Please refer to page 55-56 of the Prospectus. <p><Investors' right></p> <ul style="list-style-type: none"> Please refer to page 50-53 of the Prospectus.
<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"> The AIFM holds Financial Institution Professional Indemnity Insurances and the policies are renewed annually. For more details, please contact nextfunds-info@nomura-am.co.jp.
<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"> Please refer to Appendix A. Conflicts of interest are managed by relevant policy. For more details, please contact nextfunds-info@nomura-am.co.jp.
<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"> Please refer to page 46 of the Prospectus. 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.
<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><Description of the AIF's liquidity risk management></p> <ul style="list-style-type: none"> Please refer to page 22 of the Prospectus. <p><Description of the redemption rights></p> <ul style="list-style-type: none"> Please refer to page 41-45 of the Prospectus.
<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"> Please refer to page 27-28 of the Prospectus.

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"> 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.
The latest annual report (point (k) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> Available on the AIFM's website. https://nextfunds.jp/data/annual_report_1321.pdf
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"> Please refer to page 39-41 of the Prospectus.
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"> Available on the AIFM's website. https://nextfunds.jp/uk/lineup/1321/
Historical performance of the AIF (point (n) of Article 23(1) of AIFMD)	<ul style="list-style-type: none"> Please refer to page 37-38 of the Prospectus.
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"> N/A
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"> The Prospectus is available on the AIFM's website after the AIF's every calculation period. https://global.nomura-am.co.jp/nextfunds/products/1321_Pros.pdf
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"> N/A

Appendix A. Delegated functions

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

<Important Information>

1. The Nikkei Stock Average ("Index") is a copyrighted material calculated in a methodology independently developed and created by Nikkei Inc. and Nikkei Inc. is the sole exclusive owner of the copyright and other intellectual property rights in the Index itself and the methodology to calculate the Index;
2. The intellectual property and any other rights in the marks to indicate Nikkei and the Index shall be vested in Nikkei Inc.;
3. Nikkei Inc. does not sponsor, support, sell or market the Investment Trust. Nikkei Inc. has - besides granting the license to the Nomura Asset Management Co., Ltd. to use certain trademarks and to use the Index for the Investment Trust – no connection with the Investment Trust. The license agreement between Nikkei Inc. and the Licensee does not provide any rights to any third parties.
4. The Investment Trust is managed exclusively at the risk of the Nomura Asset Management Co., Ltd. and Nikkei Inc. shall assume no obligation or responsibility for its management and transactions of the Investment Trust. Nikkei Inc. is not responsible for the accuracy and the calculation of the Investment Trust or the data contained therein.
5. Nikkei Inc. shall not have the obligation to continuously announce the Index and shall not be liable for any error, delay, interruption, suspension or cessation of announcement thereof; and
6. Nikkei Inc. shall have the right to change the description of the stocks included in the Index, the calculation methodology of the Index or any other details of the Index and shall have the right to suspend or cease the announcement of the Index without owning any liability to the Nomura Asset Management Co., Ltd. or any other third party.

This report was prepared by Nomura Asset Management Co., Ltd. for information purposes only. Although this report is based upon sources we believe to be reliable, we do not guarantee its accuracy or completeness. Unless otherwise stated, all statements, figures, graphs and other information included in this report are as of the date of this report and are subject to change without notice. The contents of this report are not intended in any way to indicate or guarantee future investment results. Further, this report is not intended as a solicitation or recommendation with respect to the purchase or sale of any particular investment. This report may not be copied, re-distributed or reproduced in whole or in part without the prior written approval of Nomura Asset Management Co., Ltd.

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