

## **[Disclaimer]**

1. This document is an English translation of the Japanese language Delivery Prospectus (hereinafter referred to as the “Prospectus”) of the NEXT FUNDS Emerging Market Bond J.P. Morgan EMBI Plus (Unhedged) Exchange Traded Fund (hereinafter referred to as the “Fund”). This document is based on the Prospectus of the Fund as of November 18, 2021 except as otherwise indicated herein. There is no guarantee that this document is or will be updated or modified even if an update or modification to the corresponding Japanese language Prospectus occurs.
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3. This document is offered for information purpose only and shall not be considered an offer or solicitation for any investment, whether in securities, the Fund, or otherwise.
4. This English translation is not an official translation. In the event of any inconsistencies between this English translation and the official Japanese text of the Prospectus, the Japanese version shall prevail.
5. The accuracy, reliability and timeliness of this translation are not guaranteed. Should any error in translation of this document occur, neither Nomura Asset Management Co., Ltd nor its translator shall be liable for the error.
6. The Fund is not registered with any applicable administrative organization other than those applicable to Japan. The Fund is not listed on any exchanges other than those in Japan.
7. A Japanese securities registration statement for the Fund, which is required by Japanese law, is filed with the proper Japanese authorities. The statement should be referred to for the detailed information of the Fund.
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Commencement date:

November 18, 2021

Code:2519

NEXT FUNDS

Emerging Market Bond J.P. Morgan EMBI Plus (Unhedged) Exchange Traded Fund  
NF Emerging Market Bond (Unhedged) ETF (Nickname)

Open-ended Investment Trust, Overseas, Bonds, ETF, Index Type  
[Explanatory Booklet on the Investment Trust (Delivery Prospectus)]

| Product Classification                           |                    |  |                        |                                 | Segmentation by Attribute    |                                   |  |                    |                   |   |
|--|--------------------|--|------------------------|---------------------------------|------------------------------|-----------------------------------|--|--------------------|-------------------|---|
| Unit Type /<br>Open-ended<br>Investment<br>Trust | Eligible<br>Market | Eligible<br>Investments<br>(Source of<br>Income) | Independent<br>Segment | Supplementary<br>Classification | Eligible<br>Investments      | Timing of<br>Accounting<br>Period | Geographical<br>Areas of<br>Investment | Investment<br>form | Currency<br>Hedge | Index<br>followed   |
| Open-ended<br>Investment<br>Trust                | Overseas           | Bonds  | ETF                    | Index Type                      | Multiple<br>Assets<br>(Note) | 2 times<br>yearly                 | Emerging                               | Family<br>Fund     | None              | Others<br>(J.P.<br>Morgan<br>Emerging<br>Market<br>Bond<br>Index<br>Plus) |

(Note) (Bonds Public Bonds, Others (Investment Trust Securities (Bonds Public Bonds)), Flexible Assets Allocation)

\*The “Currency Hedge” column in the above “Segmentation by Attribute” column provides information on whether or not currency risks against Japanese Yen are hedged in the Fund.

Please refer to The Investment Trusts Association, Japan website (<http://www.toushin.or.jp/>) for definitions of product classification and segmentation by attribute above.

#### <Management Company>

**Nomura Asset Management Co., Ltd.** [the party issuing investment instructions for the Fund]

- Registration Number (Financial Instruments Business Operators): Director of the Kanto Local Financial Bureau (Financial instruments firms) No.373
- Date of establishment : December 1, 1959
- Capital : 17.1 billion yen (as of the end of September 2021)
- Total net asset value of investment trust assets under management : 46,981.3 billion yen (as of August 31, 2021)

<Trustee>

**The Nomura Trust and Banking Co., Ltd.** [the party responsible for custody and management of Fund assets]

-----Please read this document carefully before deciding to subscribe to the NEXT FUNDS Emerging Market Bond J.P. Morgan EMBI Plus (Unhedged) Exchange Traded Fund (“the Fund”) -----

This prospectus is published pursuant to the provisions of Article 13 of the Financial Instruments and Exchange Act (No.25 of 1948).

In connection with public offering for subscription to the Fund, which is made by way of this prospectus, Nomura Asset Management Co., Ltd. (the Management Company), the Issuer of beneficiary certificates of the Fund, filed a securities registration statement with the Director of the Kanto Local Finance Bureau on November 17, 2021, pursuant to the provisions of Article 5 of the Financial Instruments and Exchange Act. The filing took effect on November 18, 2021.

- The prospectus for the Fund provided for in Article 15, Paragraph 3 of the Financial Instruments and Exchange Act (hereinafter referred to as the “Prospectus Issued upon Request”) is published on the website of the Nomura Asset Management Co., Ltd. The complete text of the basic terms and conditions of the investment trust of the Fund is provided in the Prospectus Issued upon Request.
- When a significant amendment is made to the content of the Fund, we will confirm the intention of beneficiaries of the Fund in advance under the Act on Investment Trust and Investment Corporations (No.198 of 1951).
- Investment trust assets are separately managed by the Trustee under the Trust Act.
- You can obtain a copy of the Prospectus Issued upon Request from a distributing company. If you request this document, please make a personal record to that effect.
- For information on distributing companies and the net asset value (“NAV”) of the Fund, etc., please contact us as follows:

|             |  |
|-------------|--|
| Reference   | : Nomura Asset Management Co., Ltd.  |
| Homepage    | : <a href="http://www.nomura-am.co.jp/">http://www.nomura-am.co.jp/</a>                                  |
| Mobile site | : <a href="http://www.nomura-am.co.jp/mobile/">http://www.nomura-am.co.jp/mobile/</a> (as for NAV, etc.) |

## ***Objective and Features of the Fund***

### 1. Objective of the Fund

The Fund aims at investment performance linked to the J.P. Morgan Emerging Market Bond Index Plus\* (hereinafter referred to as the “Benchmark Index”) converted into Japanese Yen, which means NAV volatility is to correspond with that of the Benchmark Index.

\* J.P. Morgan Emerging Market Bond Index (EMBI) Plus is an index published by J.P. Morgan Securities, LLC, which subjects to U.S. dollar-denominated Brady bonds, loans, and Euro bonds issued by emerging countries.

In principle, the Benchmark Index in U.S. dollar is converted into Japanese yen by the Management Company using the average price of the telegraphic transfer customer rates of the next business day of the Benchmark Index calculation date.

### 2. Features of the Fund

#### ■ Main subject of investment

- Public and corporate bonds of emerging countries are to be the substantial and main subject of investment\*.

- The Fund may use derivatives, such as bond futures, and foreign exchange forward transactions, to keep the investment performance effectively linked to the Benchmark Index converted into Japanese Yen.

\* The “substantial and main subject of investment” means the main subject of investment to which investment was made through the “Emerging Market Bond Mother Fund”. The Fund may invest into public and corporate bonds of emerging countries directly.

#### ■ Investment Policy

(i) The Fund is investing mainly in public and corporate bonds of emerging countries, and the Fund aims at investment performance linked to the Benchmark Index converted into Japanese Yen.

(ii) The Management Company decides the investment ratio of the mother fund, taking efficiency, etc., into consideration.

(iii) For the purpose of targeting investment performance effectively linked to the Benchmark Index converted into Japanese Yen, the Management Company may primarily use derivatives, such as the bond futures, and foreign exchange forward transactions, for purposes beyond hedging, to realize gains and losses that are equivalent to those that arise as a result of holding assets that are subjects of investment, or to decrease the foreign exchange rate fluctuation risk, etc.

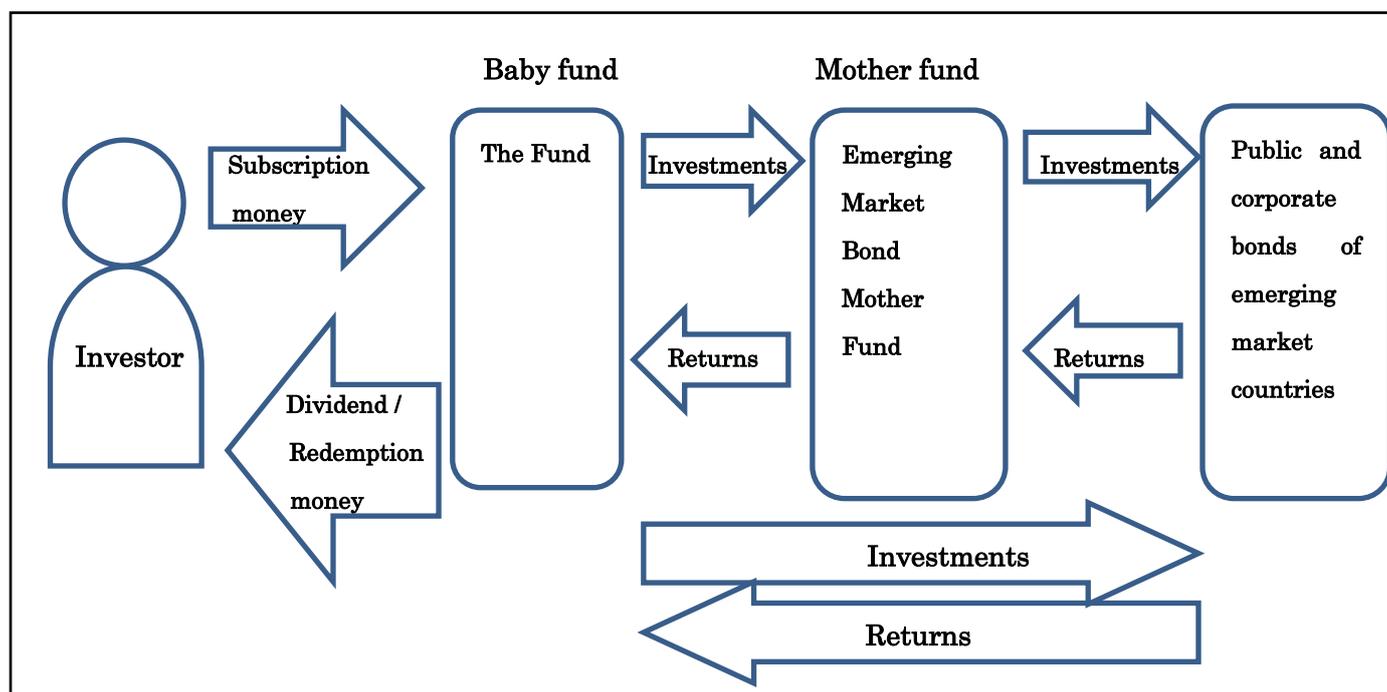
(iv) In principle, the Fund does not hedge for the foreign exchange rate applicable to foreign currency denominated assets that are substantially incorporated into the Fund.

■ Copyright, etc., of the J.P. Morgan Emerging Market Bond Index Plus

The information (hereinafter referred to as the “Information”) provided here regarding the J.P. Morgan Emerging Market Bond Index Plus (herein after referred to as the “Benchmark Index”) is based on the information sources which are believed to have the reliability, but J.P. Morgan does not guarantee the completeness and accuracy of Information. The Information is used with the consent of J.P. Morgan, and the copying, utilization and distribution of Information is prohibited without prior written consent of J.P. Morgan. The copyright in Information shall belongs to J.P. Morgan Chase & Co. (2018). “J.P. Morgan” and the Benchmark Index are trademarks that belongs to J.P. Morgan Chase & Co., and Nomura Asset Management Co., Ltd. obtains the consent for the use of Information within a range of definite purpose. The Fund is based on the Benchmark Index, but J.P. Morgan does not support, warrant, sell, or advertise the Fund. J.P. Morgan does not make any representation regarding the promotion of an investment in the Fund. Please refer to the “Copyright, etc., for the Index” described in the Prospectus Issued upon Request of the Fund for more details about “Copyright, etc., for the Index” of the Fund.

Management described above may not be achieved depending on funding trends, market trends, etc.

- The Fund is managed on a family fund method, a method where investment is made through a mother fund.



■ Investment Restrictions

|  |   |
|--|---|
| Investment ratio in stocks                                   | The Fund does not directly invest in stocks. Investment into stocks is only allowed when convertible bonds are converted into shares. The investment amount in shares must be not larger than 5 % of the NAV of the trust property. |
| Investment ratio in assets denominated in foreign currencies | There is no restriction on the substantial investment ratio in foreign currencies denominated assets.   |
| Use of derivatives   | Use of derivatives is not restricted to hedging purposes.   |

■ Distribution Policy

-Dividends are due on the 7<sup>th</sup> of March and September of each year.

-As a general rule, the full amount of dividends and other income arising from the trust assets\* are distributed after deduction of expenses. However, the amount of dividends that is payable may in some circumstances amount to zero. Even if any profits are realized from the sale and purchase of individual securities, no dividends shall be paid.

\*“Full amount of dividends and other income” includes interest income and other proceeds.

\* There is no suggestion or guarantee regarding the payment or the amount of future dividends.

**Investment Risks**

1. Factors that contribute to NAV volatility

The NAV of the Fund is subject to fluctuations in the prices of the securities, etc., in which the Fund invests. **All profits and losses arising from fund management are borne by the investors. Any principal invested in the Fund by investors is therefore not guaranteed. Investors may incur a loss and the value of their investment principal may fall below par as the result of a decline in the NAV. The investment trust differs from a savings deposit.**

|                                |   |
|--------------------------------|---|
| Bond Price Fluctuation Risk    | Bond (such as public and corporate bonds) prices can fluctuate due to fluctuations in market interest rates, fluctuations in the credibility of the bond issuers. In particular, the bond price fluctuation risk in emerging countries which the Fund substantially invests in is predicted to be greater than that of bonds in advanced countries. |
| Exchange Rate Fluctuation Risk | The Fund may be influenced by exchange rate fluctuations since the Fund, as a general rule, does not hedge for the foreign exchange rate fluctuation risk applicable to assets denominated in foreign currencies incorporated in the trust assets.  |

\* The factors that contribute to fluctuations in the NAV are not limited to those mentioned above.

<<Primary Factors for Discrepancies between the Benchmark Index and NAV>>

The Fund aims at an investment performance for NAV volatility linked to that of the Benchmark Index; however, in managing the investment assets, we cannot guarantee that movements will be identical to those of the Benchmark Index primarily for the following reasons:

- (i) There is a difference between individual holdings' incorporated ratio in the Fund and the component proportion of component holdings in the Benchmark Index.
- (ii) When portfolio adjustments are made, there may be a price spread between the sale price of individual holdings and the appraised value of the Benchmark Index.
- (iii) There may be a disparity between (a) the timing of capital flow due to an additional issue or partial cancellations of the Fund, etc., and (b) the time of the individual holdings, etc., are actually traded in accordance with the said capital flow.
- (iv) There may be a disparity between the appraised value of certain stock in the Fund and that of the same stock in the Benchmark Index.
- (v) The futures transactions to be made are different from those targeting the Benchmark Index.
- (vi) The Fund bears certain costs, such as trust fees.

\* The factors that contribute to the discrepancy between the Benchmark Index and NAV are not limited to those listed above.

\* The above also applies to the case where investment is made through a mother fund.

## 2. Additional Considerations

The provisions stipulated in Article 37-6 of the Financial Instruments and Exchange Act (so-called “cooling off”) are not applicable to subscriptions to the Fund.

- Management based upon the investment policy may not be achieved depending on funding trends, market trends, etc., or unexpected circumstances.
- The interest/liquidation payment from the issuers of the securities which are substantially incorporated into the Fund may be delayed.
- Transactions pertaining to the Fund, such as an investment in securities and contracts related to such fund, may default because of the bankruptcy, or other similar event, occurring to a counterparty.
- NAV of the Fund and the Benchmark Index may differ because of costs and other factors. It is not guaranteed that the Fund’s investment performance will track or exceed the Benchmark Index.
- The NAV of the Fund may be influenced in the event that transactions of securities are made in a mother fund which the Fund invests in, due to changes in the capital in its baby fund.
- In emerging countries, wherein the Fund invests, impacts that changes of political, economic, or social situations have on a financial market are predicted to be greater than in advanced countries. Moreover, in the event that authorities of emerging countries introduce foreign investment restrictions as an emergency measure or the country’s policies are changed, etc., there is a possibility that there will be a significant adverse effect on a financial market or that the fund management will be highly constrained in its actions.
- Pursuant to the provisions of the basic terms and conditions of the investment trust of the Fund, the Management Company may use its discretion to suspend acceptance of applications for subscription/redemption of the beneficial interests of the Fund, or cancel applications for subscription/redemption that have already been accepted in the event that trading on a financial instruments exchange (including trading of individual stocks), foreign exchange transactions, or clearing functions are suspended, or any other circumstances beyond its control develop.
- The market price of the Fund is based upon supply and demand, as calculated through competitive buying and selling on the exchange. Therefore, market price may differ from the NAV itself.
- Please be aware that the Fund will be delisted and the trust will be terminated if the number of units of beneficial interests is below 500,000 for 20 successive business days.

## 3. Risk Management System

The Management Company examines Fund performance and oversees management risks by having established a committee to take charge of these matters.

- Examination of the Fund performance

The committee reports and deliberates on the results of periodic examinations (analysis/evaluation) of the investment trust's trust asset performance results.

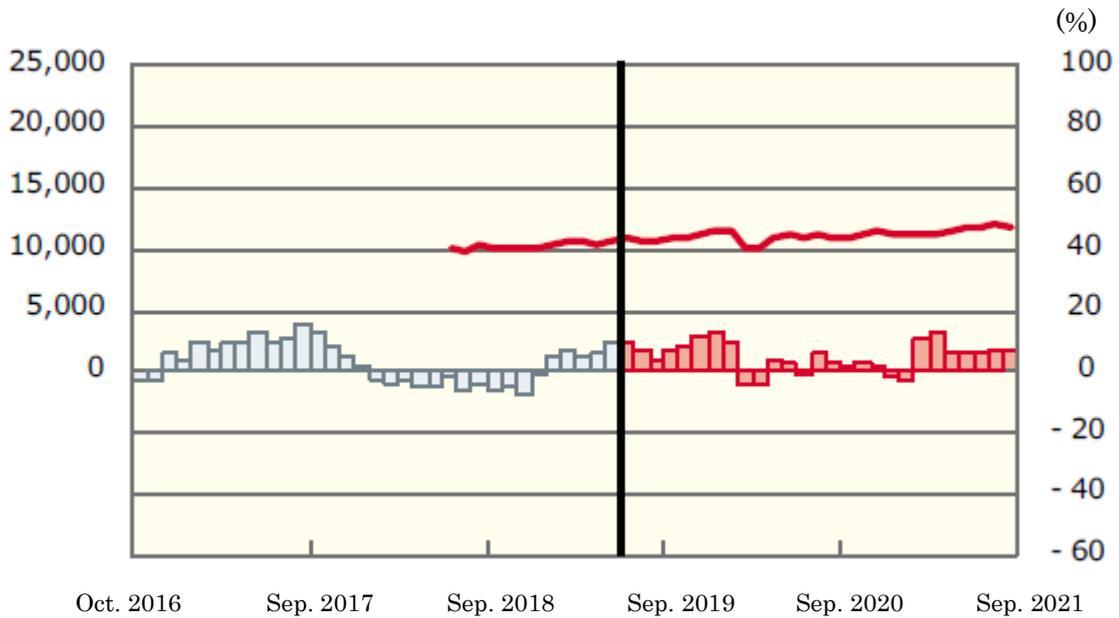
- Administration of management risk

The committee identifies and manages management risk and, based on its findings, provides guidance to the appropriate divisional management and any other relevant sections regarding rectification measures for appropriate administration.

4. Risk Quantitative Comparison (end of October 2016 to the end of September 2021, per month)

<The Fund's annual return and the change of dividend re-investment net asset value >

- Fund annual return (Right Axis)
- Benchmark Index annual return (Right Axis)
- Dividend re-investment net asset value (Left Axis)

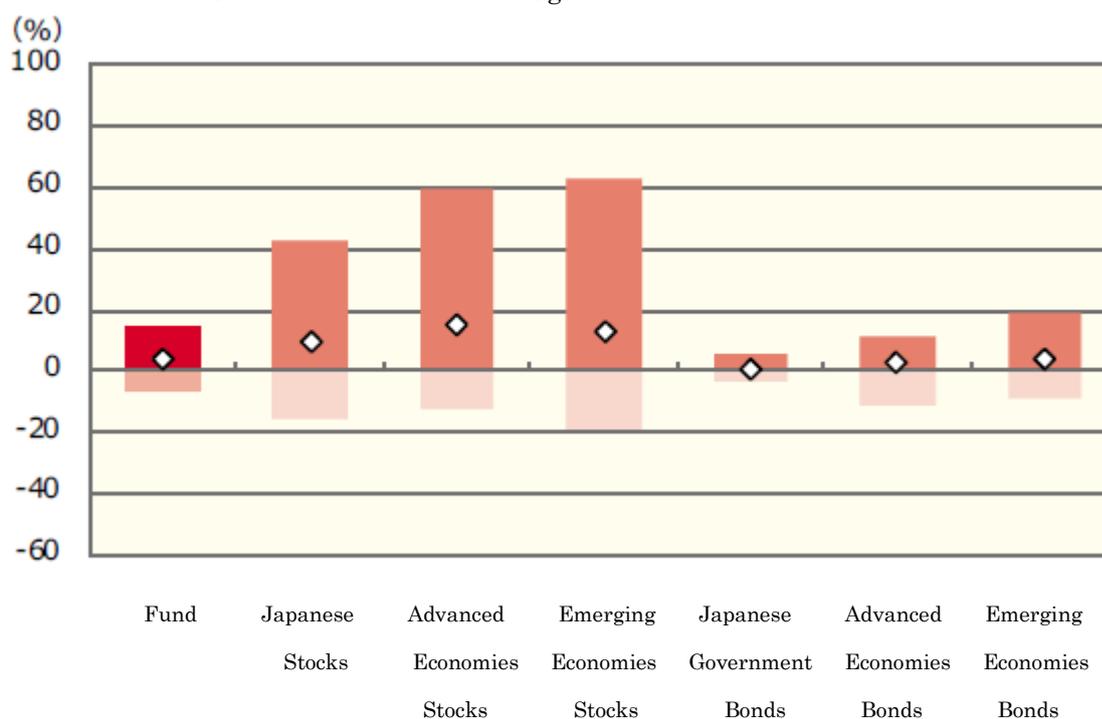


\* The dividend re-investment net asset value is calculated by deeming that the dividend before income taxes is re-invested. The dividend re-investment net asset value is set by indexing the original principal as 10,000 (per 100 units), and is displayed from the end of the month that includes the target date.

\* The annual return displays the return in a single year at the end of each month for the five years from October 2016 to September 2021. Furthermore, the Benchmark Index annual return is displayed until June 2019.

<Comparison of return between the Fund and the major asset class>

Maximum Value (Fund)    
  Maximum Value    
  Minimum Value (Fund)  
 Minimum Value    
  Average



|                   | The Fund | Japanese Stocks | Advanced Economies Stocks | Emerging Economies Stocks | Japanese Government Bonds | Advanced Economies Bonds | Emerging Economies Bonds |
|-------------------|----------|-----------------|---------------------------|---------------------------|---------------------------|--------------------------|--------------------------|
| Maximum Value (%) | 14.4     | 42.1            | 59.8                      | 62.7                      | 5.4                       | 11.4                     | 19.3                     |
| Minimum Value (%) | △7.1     | △16.0           | △12.4                     | △19.4                     | △4.0                      | △11.4                    | △9.4                     |
| Average (%)       | 3.8      | 9.5             | 14.4                      | 13.2                      | 0.3                       | 2.7                      | 3.8                      |

\* Not all asset classes are the subject of Fund investment.

\* The above graph displays the Maximum Value, the Minimum Value and the Average of the annual return at the end of each month for the five years from October 2016 to September 2021. Furthermore, the annual return of the Fund is calculated by using the Benchmark Index of the Fund as beneficial interests have been operational for less than one year.

\* The above numbers may not apply as of the account closing day.

\* The Fund uses the return of the dividend re-investment net asset value.

# The dividend re-investment net asset value may occasionally differ from the actual net asset value due to the dividend being deemed re-invested before the application of income taxes.

<The index of the major asset class>

○Japanese Stocks: Tokyo Stock Price Index(TOPIX) (including dividend)

○Advanced Economies Stocks: MSCI-KOKUSAI Index (including dividend, based on Japanese Yen)

○Emerging Economies Stocks: MSCI Emerging Markets Index (including dividend, based on Japanese Yen)

○Japanese Government Bonds: NOMURA-BPI JGB

○Advanced Economies Bonds: FTSE World Government Bond Index (excluding Japan, unhedged, based on Japanese Yen )

○Emerging Economies Bonds: JP Morgan Government Bond Index - Emerging Markets Global Diversified (based on Japanese Yen )

■ Copyright, etc., for the Index of the Major Asset Class ■

○Tokyo Stock Price Index (TOPIX) (including dividend) …Tokyo Stock Price Index (TOPIX) (including dividend) is the intellectual property of Tokyo Stock Exchange, Inc., and all rights regarding the index, such as the calculation of the index and the disclosure and accessibility of the index value, etc., are retained by Tokyo Stock Exchange, Inc. Furthermore, this product is not provided, guaranteed, or sold by Tokyo Stock Exchange, Inc., and Tokyo Stock Exchange, Inc. has no responsibility for any damages caused by any issue or sale by the Fund.

○MSCI-KOKUSAI Index (including dividend, based on Japanese Yen), MSCI Emerging Markets Index (including dividend, based on Japanese Yen) …MSCI-KOKUSAI Index (including dividend, based on Japanese Yen) and MSCI Emerging Markets Index (including dividend, based on Japanese Yen) are the indexes developed by MSCI. Copyright, intellectual property rights, and all other rights to these indexes belong to MSCI. In addition, MSCI also retains the right to change the contents and to suspend the disclosure of these indexes.

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○FTSE World Government Bond Index (excluding Japan, unhedged, based on Japanese Yen ) …“FTSE World Government Bond Index (excluding Japan, unhedged, based on Japanese Yen )” is the bond index operated by FTSE Fixed Income LLC for the bond index comprised of the total investment profits of the government bonds of the major countries in the world, excluding Japan, as weight-averaged by the market capitalization in each market, and FTSE World Government Bond Index (excluding Japan, unhedged, based on Japanese Yen) is the intellectual property of FTSE Fixed Income LLC, and all rights regarding the index are retained by FTSE Fixed Income LLC.

○JP Morgan Government Bond Index -Emerging Markets Global Diversified (based on Japanese Yen ) …The information provided here regarding the “JP Morgan Government Bond Index -Emerging

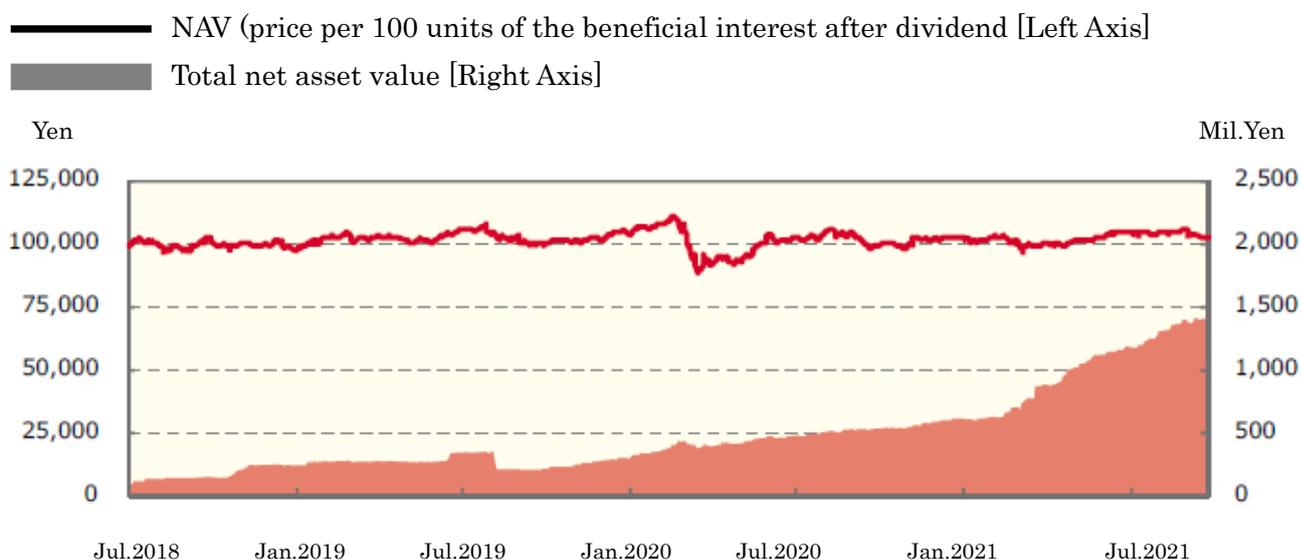
Markets Global Diversified (based on Japanese Yen )” (here, for the sake of convenience, referred to as the “Index”.) (said information includes the Index level, but is not limited thereto) is used only for informative purposes, and is not intended as a solicitation for the sale and purchase of Financial Instruments, nor does it officially confirm certain sales and purchase, nor does it define the value and price of certain products related to the Index. Also, the Index does not legally constitute accounting advice regarding investment strategy and tax. The market price, data and other information included here are considered accurate, but JPMorgan Chase & Co. and its subsidiary company (hereinafter referred to as “JPM”) do not guarantee completeness and accuracy. The information included here may sometimes be changed without notice. Past performance does not suggest future return. With respect to the financial instruments of the issuers included in this document, JPM and its employees may possess both long and short positions, may perform sales and purchases, may perform market-making, and may also possibly be a subscriber of issuers, placement agencies, advisers, and lenders.

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(Source: Nomura Research Institute, Ltd., FTSE Fixed Income LLC, etc.)

## Historical Performance (As of September 30, 2021)

### 1. Changes in NAV/Net Assets (per day, since inception)



### 2. Dividends Paid (per 100 units, before tax)

|                            |            |
|----------------------------|------------|
| September 2021             | 1,800 Yen  |
| March 2021                 | 2,090 Yen  |
| September 2020             | 1,780 Yen  |
| March 2020                 | 1,800 Yen  |
| September 2019             | 3,410 Yen  |
| Cumulative since inception | 13,650 Yen |

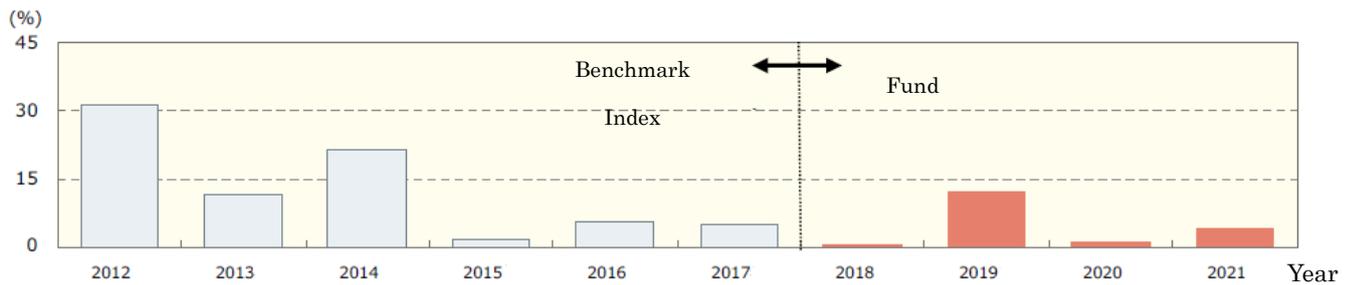
### 3. Status of Major Assets

#### Substantial Investment Ratio of the Component Bonds (Top 10)

|    | Company                | Type            | % of NAV |
|----|------------------------|-----------------|----------|
| 1  | RUSSIAN FEDERATION     | Government Bond | 2.3      |
| 2  | REPUBLIC OF ARGENTINA  | Government Bond | 2.0      |
| 3  | RUSSIAN FEDERATION     | Government Bond | 1.7      |
| 4  | REPUBLIC OF ARGENTINA  | Government Bond | 1.6      |
| 5  | TURKEY GLOBAL          | Government Bond | 1.4      |
| 6  | RUSSIAN FEDERATION     | Government Bond | 1.4      |
| 7  | FED REPUBLIC OF BRAZIL | Government Bond | 1.3      |
| 8  | REPUBLIC OF TURKEY     | Government Bond | 1.2      |
| 9  | REPUBLIC OF TURKEY     | Government Bond | 1.2      |
| 10 | UNITED MEXCAN STATES   | Government Bond | 1.2      |

#### 4. Past Annual Returns

(based on the calendar year)



- The annual rates of return are calculated with dividends reinvested (before tax).
  - Figures from 2012 to 2017 are for the annual rates of return for the Benchmark Index.
  - The figure for 2018 shows the return rate of the Fund, from the inception date (July 6, 2018) to the end of the year.
  - The Figure for 2021 shows the return rate from the beginning of the year to the base date.
- The performance data shown above represents historical performance, which is not a guarantee of future investment results.
  - The information for the Benchmark Index is just for reference, and does not refer to historical performance of the Fund.
  - The Fund's investment performance may be disclosed on the Management Company's website.

***Procedures, Fees, and Other Items***

1. Subscription Memorandum

|   |   |
|---|---|
| Subscription Units                              | 10,000 units or more, available in multiple, indivisible units of 10,000 units each   |
| Subscription Price                              | The amount of the NAV as of the next business day after the subscription application day multiplied by a percentage not more than 100.50% (but as of November 17, 2021, a percentage of 100.30%).<br>(The NAV of the Fund is indicated per 100 units)   |
| Payment of cash                                 | In principle, please pay the distributing company where the subscription application is made, by the day the distributing company designates.   |
| Initial Principal                               | 1,000 yen per 1 unit  |
| Redemption Units                                | 10,000 units or more, available in multiple, indivisible units of 10,000 units each   |
| Redemption Price                                | The amount obtained by subtracting the amount to be retained in trust assets from the NAV of the next business day after the redemption application day.  |
| Receipt of the cash                             | In principle, cash will be paid beginning from the sixth business day from the redemption application day at the distributing company where the application was accepted.   |
| Business Hours for Subscription / Redemption    | Applications for subscription and redemption that are completed by 3:30 p.m. are deemed to have been accepted on that day.  |
| Subscription Period                             | From November 18, 2021 to November 30, 2022<br>*The subscription period can be renewed by filing another securities registration statement prior to the expiration date shown above.  |
| Restrictions on Redemption                      | Redemption of large amounts may be restricted.  |
| Non-acceptance Days for Subscription/Redemption | In principle, applications for subscription/redemption will be suspended on the following days/period:<br><Subscription><br>-The subscription application day, if said subscription application day or the next business day after such subscription application day, is the same date as a holiday in a foreign country*, as specified below.<br>-For a period of three business days, beginning from four business days prior to each accounting day of the Fund. However, if the accounting day is a holiday (meaning not a business day), the |

|  |  |
|--|--|
|  | <p>period shall be four business days, beginning from five business days prior to the accounting day.</p> <p>-In addition to the period above, any time the Management Company determines that unavoidable circumstances occur that prevent it from making investments in accordance with the investment policies.</p> <p>&lt;Redemption&gt;</p> <p>-The redemption application day, if said redemption application day or the next business day after such subscription application day, is the same date as a holiday in a foreign country*, as specified below.</p> <p>-For a period of three business days, beginning four five business days prior to each accounting day of the Fund. However, if the accounting day is a holiday (meaning not a business day), the period shall be four business days, beginning from five business days prior to the accounting day.</p> <p>-In addition to the period above, any time the Management Company determines that unavoidable circumstances occur that prevent it from making investments in accordance with the investment policies.</p> <p>* “A holiday in a foreign country” is a day which falls under any of the following items below.</p> <p>-Non-business days of the New York Stock Exchange or the Banks of New York.</p> <p>*Notwithstanding the provisions above, applications for subscription/redemption may be accepted on or during the days referred to above if the Management Company determines that the impact of such subscription/redemption on the trust assets is minimal in view of the condition of the trust assets, funding trends, market trends, etc.</p> |
| <p>Suspension or Cancellation of Subscription/Redemption</p> | <p>The Management Company may suspend acceptance of applications for subscription/redemption, or cancel applications for subscription/redemption that have already been accepted, in the event that trading on a financial instruments exchange is suspended or if any other circumstances beyond their control develops.</p> <p>If the number of units, calculated by subtracting the number of redemption units from the number of subscription units, exceeds</p>   |

|                                    |  |
|------------------------------------|--|
|                                    | the outstanding number of the units of the Fund before the acceptance of a subscription application (including the number of units coming from subscription/redemption applications one business day prior to the day of acceptance of such subscription application but has yet to be counted to the trust assets), the Management Company may suspend acceptance of subscription applications or cancel prior acceptances.   |
| Trust Term                         | Unlimited (inception date: July 6, 2018)   |
| Listed Market                      | Tokyo Stock Exchange   |
| Early Termination                  | <p>Early termination shall be carried out if the number of units of beneficial interest falls below 500,000 for 20 successive business days, if the Fund is delisted from all the financial instruments exchanges on which the Fund has been listed, or if the Benchmark Index is discontinued.</p> <p>If the Fund is delisted from all the financial instruments exchanges on which the Fund has been listed, the Management Company will begin the necessary steps for early termination on the day of the latest delisting day. In addition, early termination may be carried in any other situation where circumstances beyond the Management Company's control develop.</p> |
| Accounting Day                     | On the 7th of March and September of each year.  |
| Income Distribution                | Dividends are due two times a year on the date of each closing of account  |
| Upper Limit of the Trust Principal | 1 trillion yen   |
| Public Notification                | <p>Public notifications shall principally be posted online on the website below:</p> <p>URL: <a href="http://www.nomura-am.co.jp/">http://www.nomura-am.co.jp/</a></p>   |
| Investment Reports                 | No investment report is made.  |

## 2. Fund Expense and Taxes

### ■ Fund Expenses

| Expenses to be borne directly by investors                     |   |  |                       |  |           |                      |
|--|---|--|-----------------------|--|-----------|----------------------|
| Subscription Commission  | Set independently by the distributing company<br>(Please contact the distributing company for further information)<br>The Subscription Commission is received in consideration of the office procedures related to Fund subscription etc., at the time of the subscription of the Fund.   |  |                       |  |           |                      |
| Other Expenses   | Subscription Price uses the amount of the NAV multiplied by a percentage not more than 100.50% (but as of November 17, 2021, a percentage of 100.30%). Therefore, in the event of subscription, the amount obtained by multiplying the NAV by a percentage not more than 0.50% (but as of November 17, 2021, a percentage of <b>0.30%</b> ), and from this amount determining the per unit amount, which in turn will be multiplied by the number of subscription units, shall be paid.   |  |                       |  |           |                      |
| Amount to be Retained in Trust Assets                          | In the event of redemption, the amount obtained by multiplying the NAV by a percentage not more than 0.50% (but as of November 17, 2021, a percentage of <b>0.30%</b> ), and from this amount determining the per unit amount, which in turn will be multiplied by the number of redemption units, shall be paid.   |  |                       |  |           |                      |
| Redemption Commission  | Set independently by the distributing company<br>(Please contact the distributing company for further information)<br>The Redemption Commission is received in consideration of the office procedures related to Fund redemption etc., at the time of the redemption of the Fund.   |  |                       |  |           |                      |
| Expenses to be borne indirectly by investors from trust assets |   |  |                       |  |           |                      |
| Management Fee (Trust Fee)                                     | <p>Total amount of the Trust Fee is <b><u>the sum of the following two items</u></b>:</p> <p>(i) The amount obtained by multiplying the daily total net assets of the Fund by the Annual Trust Fee Rate.</p> <p>The distribution of the Trust Fee Rate is as follows:</p> <table border="1" data-bbox="555 1682 1437 2018"> <tbody> <tr> <td>Annual Trust Fee Rate</td> <td>No larger than<br/>0.209%(0.19% exclusive of taxes)<br/><b><u>(0.209%(0.19% exclusive of taxes)</u></b> as of November 17, 2021)</td> </tr> <tr> <td>The payee</td> <td>&lt;Management<br/>0.17%</td> </tr> </tbody> </table> |  | Annual Trust Fee Rate | No larger than<br>0.209%(0.19% exclusive of taxes)<br><b><u>(0.209%(0.19% exclusive of taxes)</u></b> as of November 17, 2021) | The payee | <Management<br>0.17% |
| Annual Trust Fee Rate  | No larger than<br>0.209%(0.19% exclusive of taxes)<br><b><u>(0.209%(0.19% exclusive of taxes)</u></b> as of November 17, 2021)  |  |                       |  |           |                      |
| The payee  | <Management<br>0.17%  |  |                       |  |           |                      |

|  |   |   |       |
|--|---|---|-------|
|  | distribution (exclusive of taxes) and the service details | Company><br>Fund operations, investigations related to Fund operations, instructions to trustees, preparation of legal documents, etc., estimating base price, etc. |       |
|  |   | <Trustee><br>The storage/management of property of the Fund, execution of instructions from the Management Company, etc.  | 0.02% |

\*The distribution above is calculated using the annual Trust Fee Rate as of November 17, 2021.

(ii)When the Fund lends securities, the amount obtained by subtracting the cost required when the business in relation to such rental is delegated to a third party from an amount obtained from no more than 44% of the rental fee which accrues on a daily basis (40% exclusive of taxes).

The distribution shall be 80% for the Management Company and 20% for the Trustee.

The Trust Fee of the Fund is summed up daily, and reflected within the NAV of the Fund. Also, the total amount of the Trust Fee is paid from the Fund on (a) every last day of any accounting period or (b) the termination date of the trust.

|                         |   |
|-------------------------|---|
| Other Expenses and Fees | <ul style="list-style-type: none"> <li>◆ Annual fees for use of trademarks pertaining to the Benchmark Index (as of November 17, 2021)<br/>A percentage of not more than 0.06% per year of the Fund's total net asset value.</li> <li>◆ Expenses pertaining to listing of the Fund (as of November 17,</li> </ul> |
|-------------------------|---|

2021)

-Additional listing fee: 0.00825% (0.0075% exclusive of taxes) of the amount of increase in value of the Fund's total net asset value at the time of any additional listing as compared with the larger of i) the total net asset value at the time of the initial listing; or ii) the largest of the total net asset values at the end of each subsequent year up to the year immediately prior to the fee payment year.

-Annual listing fee: Maximum of 0.00825% (0.0075% exclusive of taxes) of the total net assets at year-end.

The fees listed above and any consumption and other tax are to be borne by investors and can be paid out of the Fund. Amounts not paid out of the Fund are to be borne by the Management Company.

Other expenses and fees are as follows:

- Brokerage commission on transactions in portfolio securities
- Expenses for maintaining custody of assets denominated in foreign currency
- Costs paid to auditors for Fund audits
- Taxes related to the Fund, etc.

These expenses and fees above are paid out of the Fund when they are incurred. These expenses and fees vary according to management and other conditions, so details of rates and upper limits cannot be provided ahead of time.

■ Tax Treatment

- Tax Treatment is applied at the times listed below.
- The following chart represents tax rates on individual investors at the time of tax withholding.  
The tax rate may differ according to the taxation method, etc.

| Time  | Items   | Tax  |
|---|---|--|
| Receipt of distribution                             | Income tax, special reconstruction income tax and local tax | Taxed as dividend income<br>20.315% of income distributions  |
| Sales, redemptions (cancellations) and liquidations | Income tax, special reconstruction income tax and local tax | Taxed as capital gains<br>20.315% of the profit on sales, redemptions (cancellations) and liquidations |

\*The foregoing descriptions are as of the end of September 2021. Therefore, the tax rates may change in the event that tax laws are revised.

\*If you choose the Japanese version of the Individual Savings Account (known as “NISA”):

“NISA” is the (Nippon) Individual Savings Account, a tax exemption structure pertaining to a listed stock or a publicly offered stock investment trust etc. If you choose to use the NISA structure, income gains and capital gains from newly purchased ETFs etc., for investments of up to a specified amount each year, will be tax exempt for a specified term. In order to be eligible for NISA, certain conditions, such as the requirement that the NISA account be opened by an investor with an eligible distributing company, must be met. Investors should make sure whether or not dividends can be received tax-exempt, as this may depend on the dividend payment method. Please confirm this with the distributing company for further details.

\*In the event foreign tax credit is applied by the investment to assets denominated in foreign currency, tax treatment at the time of receipt of the distribution may differ from the percentage listed above.

\*The aforementioned descriptions do not apply to Japanese corporations.

\*We recommend that investors consult a tax or similar specialist for details of tax treatment.