

June 24, 2022

**Notice regarding early termination of and significant changes to the basic terms and conditions of NEXT FUNDS FTSE/JSE Africa Top40 Linked Exchange Traded Fund (Code: 1323)**

Nomura Asset Management Co., Ltd. has proceeded with a written resolution, as required by laws and regulations, for early termination of and significant changes to the basic terms and conditions of the trust deed (hereinafter referred to as “the Amendments”) of the NEXT FUNDS FTSE/JSE Africa Top40 Linked Exchange Traded Fund (Code:1323) (hereinafter referred to as “the Fund”).

The results of the voting showed that the total number of units of beneficial interest held by beneficiaries who were in favor of the resolution (this includes beneficiaries who are considered to be in favor, and the same shall apply hereinafter) exceeded two-thirds of the total number of units of beneficial interest as of April 14, 2022. As such, we will implement the Amendments to the trust deed on July 25, 2022, and carry out early termination with July 26, 2022 as the trust termination date.

Schedule

June 24, 2022: Designated as Security to be delisted from TSE

June 29, 2022: Purchase request will begin\*

July 19, 2022: Purchase request will end\*

July 22, 2022: Final date of trading on TSE

July 25, 2022: Effective date of the Amendments

July 25, 2022: Date of delisting from TSE

July 26, 2022: Trust termination date

September 2, 2022: Payment of redemption proceeds will begin

\*Please refer to the “Request for purchase of beneficial interest by beneficiaries who opposed the resolution” section below.

Reason for early termination and the Amendments

- (i) The inception date of the Fund is July 25, 2008. It has been in operation for approximately 14 years; however, the assets under management have not increased. For more than four years the number of units of beneficial interest has

remained below the two million threshold, which is one of the conditions allowing for the trust contract to be canceled and the trust terminated (1,014,404 units as of March 25, 2022). We will carry out early termination because we have determined that the Fund's assets under management are unlikely to increase in the future.

- (ii) In order to facilitate this early termination, we will make the necessary amendments to the basic terms and conditions of the Fund's trust deed.

#### Request for purchase of beneficial interest by beneficiaries who opposed the resolution

Beneficiaries who were not in favor of the resolution may request that the Trustee purchase the units of beneficial interests held during the period from June 29, 2022 to July 19, 2022. Out of the units of beneficial interest held as of April 14, 2022, only those held at the time of the request for purchase are subject to this.

Beneficiaries who have opposed the resolution are not necessarily required to make a purchase request. When a purchase has not been requested, the amount will be issued as a redemption payment.

Beneficial interest may also be sold through a securities company by the final trading day on the Tokyo Stock Exchange (July 22, 2022).

#### Suspension of subscription applications and redemption requests

Since the early termination movement passed, we will stop accepting subscription applications on June 29, 2022 and redemption requests on July 25, 2022.

#### Redemption proceeds and planned end of benchmark index tracking

In preparation for early redemption, we plan to conduct a full, expedient sale of all the cash securities held on or after June 29, 2022, then switch to investments using stock index futures. We also plan to conduct a full settlement of all stock index futures held, in which case the NAV of the ETF will no longer track the movement of the benchmark index.