

November 25, 2022
Nomura Asset Management Co., Ltd.

Notice regarding written resolution for early termination and amendment to the basic terms and conditions of “NEXT FUNDS Russell/Nomura Small Cap Core Index Exchange Traded Fund” (Code: 1312)

Nomura Asset Management Co., Ltd. will proceed with a written resolution, as required by laws and regulations, for early termination and significant changes to the basic terms and conditions of the trust deed (hereinafter referred to as “the Amendments”) of the NEXT FUNDS Russell/Nomura Small Cap Core Index Exchange Traded Fund (Code:1312) (hereinafter referred to as “the Fund”).

As a part of the procedures for the written resolution, we have set December 14, 2022 as the record date and have determined that beneficiaries (holders of the Fund) in the beneficiary registry as of the record date may exercise voting rights.

If, as a result of the procedures for the written voting, the total number of units of beneficial interest held by beneficiaries who approve the resolution (this includes beneficiaries who are considered to be in favor of the resolution, and the same shall apply hereinafter) is two-thirds or more of the total number of units of beneficial interest as of December 14, 2022, then we will notify the authorities, implement the Amendments to the trust deed on March 8, 2023, and carry out early termination on March 9, 2023. In this case March 9, 2023 will be the trust termination date.

Schedule

Following is the schedule in the event the early termination movement and the Amendments are passed:

November 25, 2022: Designated Security Under Supervision (Confirmation) on TSE

February 7, 2023: Designated Security to Be Delisted on TSE

March 7, 2023: Final date of trading on TSE

March 8, 2023: Effective date of the Amendments

March 8, 2023: Date of delisting from TSE

March 9, 2023: Trust termination date

April 17, 2023: Payment of redemption proceeds will begin

Reason for early termination and the Amendments

- (i) The inception date of the Fund is October 22, 2007. It has been in operation for approximately 15 years; however, the assets under management have not increased. For more than five years the number of units of beneficial interest had remained slightly above 100,000 threshold, which is one of the conditions allowing for the trust contract to be canceled and the trust terminated. It has decreased to roughly 50,000 threshold since July 2022 (50,284 units as of November 24, 2022); thus, 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.

Written resolution

Beneficiaries as of December 14, 2022 may exercise their voting rights on this proposal until February 3, 2023. If the early termination movement passes, the Fund will make the necessary amendments to the basic terms and conditions of the Fund's trust deed. If the movement does not pass, the Fund will not make the changes or proceed with early termination.

Suspension of subscription applications and redemption requests

If the early termination movement passes, we will stop accepting subscription applications on February 10, 2023 and redemption requests on March 3, 2023.