

February 7, 2023

Notice regarding early termination of and significant changes 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. 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 Russell/Nomura Small Cap Core Index Exchange Traded Fund (Code: 1312) (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 December 14, 2022. As such, we will implement the Amendments to the trust deed on March 8, 2023, and carry out early termination with March 9, 2023 as the trust termination date.

Schedule

February 7, 2023: Designated as Security to be delisted from the TSE

February 10, 2023: Purchase request will begin*

March 2, 2023: Purchase request will end*

March 7, 2023: Final date of trading on the TSE

March 8, 2023: Effective date of the Amendments

March 8, 2023: Date of delisting from the TSE

March 9, 2023: Trust termination date

April 17, 2023: 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 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.

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 February 10, 2023 to March 2, 2023. Out of the units of beneficial interest held as of December 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 (March 7, 2023).

Suspension of subscription applications and redemption requests

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

Planned end of benchmark index tracking

In preparation for early redemption, we plan to conduct a full settlement of all securities held on or after March 3, 2023, in which case the NAV of the ETF will no longer track the movement of the benchmark index.