

November 19, 2024
Nomura Asset Management Co., Ltd.

Notice of Significant Changes to the Basic Terms and Conditions, Investment Management Report Disclosure, and Designation as Securities to Be Delisted for NEXT FUNDS Russian Equity Index Exchange Traded Fund

Nomura Asset Management Co., Ltd. has announced amendments to the basic terms and conditions of the NEXT FUNDS Russian Equity Index Exchanged Traded Fund (Code: 1324) (hereinafter referred to as “the Fund”) to establish a trust termination date as July 8, 2050 (hereinafter referred to as “the Amendments”), with an effective date of November 19, 2024.

Although we have been carefully monitoring the tradability of Russian equity markets, the situation remains unchanged, making it difficult to trade Russian equities. Considering the cash assets in the Fund continue to decrease, we decided to implement the Amendments today. Therefore, the Amendments will be effective on December 20, 2024, and the trust termination date is set for July 8, 2050.

With the trust termination date established, the Fund will meet the delisting criteria of the Tokyo Stock Exchange (TSE). The Fund will be designated as “Securities to Be Delisted” and will be delisted on December 20, 2024.

Regarding the treatment under the Book-Entry Transfer System of Shares, etc. of the Fund after delisting, the Japan Securities Depository Center, Inc. will continue to handle beneficial interests of the Fund.

Furthermore, we will begin disclosing investment management reports starting in the 17th period (accounting date: July 8, 2025) due to regulatory requirements, and will make some amendments to the basic terms and conditions of the Fund, associated with its delisting.

1. **ETF**

NEXT FUNDS Russian Equity Index Exchanged Traded Fund (Code: 1324)

2. **Schedule**

Schedule in the event of the Amendments associated with the trust termination date and investment management report disclosure:

November 19, 2024: Decision of the Amendments

December 20, 2024: Effective date of the Amendments

July 8, 2050: Trust termination date

July 8, 2050: Payment of redemption proceeds will begin

Schedule in the event of trading the Fund on TSE:

November 19, 2024: Designated to Security to Be Delisted on TSE

December 20, 2024: Date of delisting from TSE

It remains challenging to trade Russian equities; hence, the trading of the Fund is expected to be suspended.

3. **Overview and Reasons of the Amendments associated with the trust termination date and investment management report disclosure**

A) Overview

- i. The trust term period of the Fund will be changed from unlimited to the termination date of July 8, 2050.
- ii. In case of early termination, we will make changes to the conditions regarding the payment of redemption proceeds.
- iii. Additional conditions will be made with regard to disclosing investment management reports.

B) Reasons

- i. The inception date of the Fund was July 25, 2008. It has been suspending acceptance of applications of creation/redemption since February 24, 2022, and trading the Fund on TSE has also been suspended since March 17, 2022. Although we have been carefully monitoring the tradability of Russian equity markets, the situation remains unchanged, making it difficult to trade Russian equities. The Fund is expected to decrease its cash assets due to listing costs, etc. Therefore, we have concluded that delisting the Fund will be beneficial for

beneficiaries in order to reduce costs such as listing fee and custody costs of underlying securities, by making the Amendments on the trust termination date to July 8, 2050.

- ii. In order to facilitate early termination, we will make the necessary amendments to the basic terms and conditions of the Fund's trust deed.
- iii. We will begin disclosing investment management reports starting in the 17th period (accounting date: July 8, 2025) due to regulatory requirements, and will make some amendments to the basic terms and conditions of the Fund, associated with its delisting.

4. Handling of the Fund After Delisting

The Fund will be delisted on December 20, 2024. Regarding the treatment under the Book-Entry Transfer System of Shares, etc. of the Fund after delisting, the Japan Securities Depository Center, Inc. will continue to handle beneficial interests of the Fund.

Early termination is planned to be carried out after being delisted and when sales of Russian assets and the exchange of RUB to JPY can be normally transacted and the underlying securities of the Fund can be cashed out. Although the timing and amount of sales proceeds are not certain as of present, redemption proceeds according to the number of units held on the trust termination date are planned to be paid out to the beneficiaries as of the trust termination date.

If a change of address or inheritance occurs during the period between the delisting and the early termination, please do not forget to apply for a change of address or inheritance with your financial institution so that redemption proceeds can be paid appropriately.

However, if the trust can be terminated before the trust termination date (July 8, 2050) of the trust period, the date may be advanced. In addition, if the sale of Russian assets and the exchange of RUB to JPY are not executed normally even on July 8, 2050, a change to the trust deed to update the termination date of the trust period may be made.