

Nomura Asset Management to launch Nikkei 225 Double Inverse Index ETF

Tokyo, June 26, 2014—Nomura Asset Management Co., Ltd., Japan's largest asset management company and a wholly owned subsidiary of Nomura Holdings, Inc., today announced plans to launch a new exchange traded fund (ETF) designed to track the performance of the Nikkei 225 Double Inverse Index.

Named "NEXT FUNDS Nikkei 225 Double Inverse Index Exchange Traded Fund" (ticker: 1357), the new ETF was today approved for listing by the Tokyo Stock Exchange (TSE) with a launch date of July 14 and a listing date of July 16. From the listing date, investors will be able to trade the new ETF on the TSE through securities dealers and traders in Japan.

Nomura Asset Management manages ETFs aimed to track leveraged (2x) and inverse (-1x) indices based on the Nikkei 225 and will expand its line-up of leveraged and inverse ETFs with the double inverse (-2x) ETF.

"NEXT FUNDS Nikkei 225 Double Inverse Index Exchange Traded Fund" can be subscribed and redeemed only in cash, pursuant to the relevant Japanese tax regulations.



"**NEXT FUNDS**" is the brand name for the ETF product range of Nomura Asset Management Co., Ltd., representing "**Nomura Exchange Traded Funds**".

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Nomura

Nomura is an Asia-based financial services group with an integrated global network spanning over 30 countries. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its three business divisions: Retail, Asset Management, and Wholesale (Global Markets and Investment Banking). Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership. For further information about Nomura, visit www.nomura.com.

Disclaimer of "Nikkei 225 Leveraged Index"

The Nikkei 225 Double Inverse Index, which is calculated by a method independently developed by Nikkei Inc. ("Nikkei") is a copyrightable work. Nikkei owns the copyright and any other intellectual property rights in the Nikkei 225 Double Inverse Index itself and the method for calculating, Nikkei 225 on which The Nikkei 225 Double Inverse Index calculated.

All ownership of trademark and any other intellectual property rights with respect to marks representing "Nikkei", "Nikkei 225 Double Inverse Index" and "Nikkei Stock Average (Nikkei 225)" belong to Nikkei.

The NEXT FUNDS Nikkei 225 Double Inverse Index Exchange Traded Fund is not in any way sponsored, endorsed or promoted by Nikkei. Nikkei does not make any warranty or representation whatsoever, express or implied, either as to the results to be obtained as to the use of the Nikkei 225 Double Inverse Index and the Nikkei 225("Indexes") or the figure as which the Indexes stand at any particular day or otherwise. The Indexes are compiled and calculated solely by Nikkei. However, the Nikkei shall not be liable to any person for any error in the Indexes and Nikkei shall not be under any obligation to advise any person, including a purchaser or vendor of the NEXT FUNDS Nikkei 225 Double Inverse Index Exchange Traded Fund, of any error therein.

In addition, Nikkei gives no assurance regarding any modification or change in any methodology used in calculating the Indexes and is under no obligation to continue the calculation, publication and dissemination of the Indexes.

Notice concerning Nikkei 225 Double Inverse Index

The Nikkei 225 Double Inverse Index is always calculated so that the rate of change of the index between two consecutive business days is the doubled inverse of (i.e. minus two times) the rate of change of the Nikkei Average over the same period. However, the rate of change of the Nikkei 225 Double Inverse Index over periods of more than two business days does not generally calculate to the doubled inverse of (i.e. minus two times) the rate of change of the Nikkei Average in the calculation, resulting in an unavoidable difference in calculations.

The difference between the rate of change of the Nikkei 225 Double Inverse Index and the doubled inverse of (i.e. minus two times) the rate of change of the Nikkei Average over more than two business days varies depending on the path of movement of the Nikkei Average during the period and may occur in either positive or negative direction. However, in general when the price movement of the Nikkei Average repeats a rise and descent, it is more likely that the difference will occur in the negative direction. Moreover, difference tends to become larger over longer periods.

Therefore, the NEXT FUNDS Nikkei 225 Double Inverse Index Exchange Traded Fund is not generally suitable for long-term investment and is suitable for investment aimed at capturing market movements over relatively short periods.

Disclaimer of Nomura Asset Management

The contents of this material are based on an English translation of a Japanese announcement made on June 26, 2014 by Nomura Asset Management Co., Ltd. Whilst every effort has been made to translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed, therefore please refer to the original Japanese document which shall supersede, amend or supplement all other translations..

Please note that the information contained in this document is for reference purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities by Nomura Asset Management Co., Ltd. to any person in Japan and does not constitute a distribution, an offer to sell or the solicitation of an offer to buy any securities or provide any services in any jurisdiction in which such distribution or offer is not authorized.

Furthermore, none of the shares of the Fund have been or will be registered under the United States Securities Act of 1933, as amended ("1933 Act"), or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the "United States"). The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws.

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Furthermore, the information in this document is not made or directed to any person in the United Kingdom and under no circumstances shall the provision of the information in this document be deemed to constitute an offer of securities or an offer to provide any services to any person in the United Kingdom.

Disclosures required in Japan

Registered Company Name: Nomura Asset Management Co., Ltd.

Registration Number: Director of the Kanto Local Financial Bureau (Financial instruments firms) No. 373

Member Associations: The Investment Trusts Association, Japan; Japan Investment Advisers Association

This document is issued for reference purposes to explain the outline of "NEXT FUNDS Nikkei 225 Double Inverse Index Exchange Traded Fund" ("Fund") and does not constitute disclosure material based on the Financial Instruments and Exchange Law. Moreover, this document is not in any way intended to be an investment solicitation. Before investing in the Fund, prospective investors should carefully read the "Securities Registration Statement", "the Prospectus", and the "Document Prior to Conclusion of Contract" under your own responsibilities and based on your own judgment.

Nomura Asset Management Co., Ltd. does not directly handle order requests for the Fund from investors. To invest in the Fund, it is necessary to open an account with a nearby Type-1 financial instruments business provider (securities firm) that handles ETFs and make a request to the broker.

Since the Fund invests primarily in securities and future contracts, there is a risk that the market price of such securities or the NAV per unit of the Fund could decline and cause an investment loss due to a decline in the stock price index, a price decline in securities comprising the index, the bankruptcy of a stock issuer, or deterioration in the financial conditions of an issuer, in addition to other market factors.

AN INVESTOR'S PRINCIPAL IS THEREFORE NOT GUARANTEED.

AN INVESTOR SHALL BEAR THE FOLLOWING COSTS WHEN INVESTING IN THE FUND.

Trading Fee

Trading of the Fund incurs brokerage commission fees set by a Type-1 financial instruments business provider (securities firm) that handles the transaction. These commissions are separate from the actual transaction value. (Because the commissions charged by each securities firm differ, it is not possible to specify a maximum amount.)

Management Fees

The amount of management fees will be an amount calculated according to (I) below plus that calculated according to (II) below daily during the Fund calculation period.

(I) The management fee will be a percentage of the Fund's total net assets no larger than 0.864% (0.80% exclusive of taxes) annually (the percentage will be at 0.864% [0.80% exclusive of taxes] as of July 14, 2014).

(II) Not more than 43.2% (40% exclusive of taxes) of loan fees when securities are lent. This will be divided in a ratio of 80 to 20 between the manager and the trustee.

An investor shall bear the management fees above according to the holding period. These amounts will be paid out of trust assets and they are the costs indirectly paid by an investor during an investor's holding period.

Other Expenses

The taxes involved in the Fund, various handling costs for the trust business, the interests for the fund paid by the trustee, brokerage commission fees for transactions in the securities comprising the Fund, various expenses such as audit fees, listing fees for the Beneficiary Interests, and fees for use of benchmark index trademarks, and the sales taxes for each fee. These expenses are paid out each time during an investor's holding period. These amounts will be paid out of trust assets and they are the costs indirectly paid by an investor during an investor's holding period.