

## Nomura Lists JPX-Nikkei 400 ETFs on Tokyo Stock Exchange

**Tokyo, August 24, 2015** — Nomura Asset Management Co., Ltd., Japan's largest asset management company and a wholly owned subsidiary of Nomura Holdings, Inc., today listed three new exchange traded funds (ETFs) on the Tokyo Stock Exchange.

The funds are designed to track the performance of the JPX-Nikkei 400 Leveraged (2x) Index, JPX-Nikkei 400 Inverse (-1x) Index and JPX-Nikkei 400 Double Inverse (-2x) Index.

The "NEXT FUNDS JPX-Nikkei 400 Leveraged Index Exchange Traded Fund" (ticker: 1470) opened at 19,690 yen and closed at 17,900 yen with total volume of 18,284 units and trading value of approximately 339 million yen.

The "NEXT FUNDS JPX-Nikkei 400 Inverse Index Exchange Traded Fund" (ticker: 1471) opened at 6,660 yen and closed at 6,800 yen with total volume of 2,401 units and trading value of approximately 16 million yen.

The "NEXT FUNDS JPX-Nikkei 400 Double Inverse Index Exchange Traded Fund" (ticker: 1472) opened at 4,230 yen and closed at 4,425 yen with total volume of 1,542 units and trading value of approximately 7 million yen.

The ETFs are part of Nomura's NEXT FUNDS range, which totals 50 funds with today's new listings.



† "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

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#### **Disclaimer of "JPX-Nikkei 400 Leveraged (2x) Index"**

1. "JPX-Nikkei 400 Leveraged (2x) Index" and "JPX-Nikkei 400 Index" which is the basis to calculate "JPX-Nikkei 400 Leveraged (2x) Index" (hereinafter collectively referred to as the "Index") are copyrightable works calculated through such methodology as independently developed by Japan Exchange Group, Inc. and Tokyo Stock Exchange, Inc. (hereinafter collectively referred to as "JPX Group") and Nikkei Inc. (hereinafter referred to as "Nikkei"), and JPX Group and Nikkei are the exclusive joint owners of the copyright and other intellectual property rights in the Index itself and the methodology to calculate the Index;
2. The ownership of trademarks and of any other intellectual property rights with respect to marks representing the Index belongs to JPX Group and Nikkei;
3. JPX Group and Nikkei do not sponsor, support, sell or market NEXT FUNDS JPX-Nikkei 400 Leveraged Index Exchange Traded Fund (hereinafter referred to as "the ETF"). JPX Group and Nikkei have - besides granting the license to Nomura Asset Management Co., Ltd. (hereinafter referred to as "Nomura Asset Management"), to use certain trademarks and to use the Index for the ETF - no connection with the ETF. The license agreement between Nomura Asset Management and both JPX Group and Nikkei does not provide any rights to any third parties;
4. The ETF is managed exclusively at the risk of Nomura Asset Management and both JPX Group and Nikkei shall assume no obligation or responsibility for its management and the transactions of the ETF. JPX Group and Nikkei are not responsible for the accuracy and the calculation of the ETF or the data contained therein;
5. JPX Group and Nikkei have no obligation to publish the Index continuously and shall not be liable for any errors, postponements, interruptions, suspensions and cessations of the publication of the Index; and
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#### **Disclaimer of "JPX-Nikkei 400 Inverse (-1x) Index"**

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4. The ETF is managed exclusively at the risk of Nomura Asset Management and both JPX Group and Nikkei shall assume no obligation or responsibility for its management and the transactions of the ETF. JPX Group and Nikkei are not responsible for the accuracy and the calculation of the ETF or the data contained therein;
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### **Disclaimer of "JPX-Nikkei 400 Double Inverse (-2x) Index "**

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2. The ownership of trademarks and of any other intellectual property rights with respect to marks representing the Index belongs to JPX Group and Nikkei;
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4. The ETF is managed exclusively at the risk of Nomura Asset Management and both JPX Group and Nikkei shall assume no obligation or responsibility for its management and the transactions of the ETF. JPX Group and Nikkei are not responsible for the accuracy and the calculation of the ETF or the data contained therein;
5. JPX Group and Nikkei have no obligation to publish the Index continuously and shall not be liable for any errors, postponements, interruptions, suspensions and cessations of the publication of the Index; and
6. JPX Group and Nikkei shall have the right to make any changes in the Index regarding the selection of constituent shares and the calculation methods etc. and shall have the right to suspend or cease the publication of the Index without owing any liability to Nomura Asset Management or any other third party.

### **Notice concerning JPX-Nikkei 400 Leveraged (2x) Index**

JPX-Nikkei 400 Leveraged (2x) Index is always calculated so that the rate of change of the index between two consecutive business days is the double of the rate of change of the JPX-Nikkei Index 400 over the same period. However, the rate of change of the JPX-Nikkei 400 Leveraged (2x) Index over periods of more than two business days does not generally calculate to the double of the rate of change of the JPX-Nikkei Index 400 in the calculation, resulting in an unavoidable difference in calculations.

The difference between the rate of change of the JPX-Nikkei 400 Leveraged (2x) Index and the double of the rate of change of the JPX-Nikkei Index 400 over more than two business days varies depending on the path of movement of the JPX-Nikkei Index 400 during the period and may occur in either positive or negative direction. However, in general when the price movement of the JPX-Nikkei Index 400 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 JPX-Nikkei 400 Leveraged 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.

### **Notice concerning JPX-Nikkei 400 Inverse (-1x) Index**

JPX-Nikkei 400 Inverse (-1x) Index is always calculated so that the rate of change of the index between two consecutive business days is the inverse of (i.e. minus one time) the rate of change of the JPX-Nikkei Index 400 over the same period. However, the rate of change of the JPX-Nikkei 400 Inverse (-1x) Index over periods of more than two business days does not generally calculate to the inverse of (i.e. minus one time) the rate of change of the JPX-Nikkei Index 400 in the calculation, resulting in an unavoidable difference in calculations.

The difference between the rate of change of the JPX-Nikkei 400 Inverse (-1x) Index and the inverse of (i.e. minus one time) the rate of change of the JPX-Nikkei Index 400 over more than two business days varies depending on the path of movement of the JPX-Nikkei Index 400 during the period and may occur in either positive or negative direction. However, in general when the price movement of the JPX-Nikkei Index 400 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 JPX-Nikkei 400 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.

#### **Notice concerning JPX-Nikkei 400 Double Inverse (-2x) Index**

JPX-Nikkei 400 Double Inverse (-2x) 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 JPX-Nikkei Index 400 over the same period. However, the rate of change of the JPX-Nikkei 400 Double Inverse (-2x) 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 JPX-Nikkei Index 400 in the calculation, resulting in an unavoidable difference in calculations.

The difference between the rate of change of the JPX-Nikkei 400 Double Inverse (-2x) Index and the doubled inverse of (i.e. minus two times) the rate of change of the JPX-Nikkei Index 400 over more than two business days varies depending on the path of movement of the JPX-Nikkei Index 400 during the period and may occur in either positive or negative direction. However, in general when the price movement of the JPX-Nikkei Index 400 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 JPX-Nikkei 400 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 August 5, 2015 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.

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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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#### **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 Securities Investment Advisers Association

This document is issued for reference purposes to explain the outline of "NEXT FUNDS JPX-Nikkei 400 Leveraged Index Exchange Traded Fund", "NEXT FUNDS JPX-Nikkei 400 Inverse Index Exchange Traded Fund", and "NEXT FUNDS JPX-Nikkei 400 Double Inverse Index Exchange Traded Fund" (hereinafter collectively referred as the "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 August 5, 2015).

(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.