

Nomura Asset Management to Launch New ETF Designed to Track Performance of the “Nomura Shareholder Yield 70”

Tokyo, April 2, 2019— Nomura Asset Management Co., Ltd. (NAM), the core company within the Asset Management Division of Nomura Group, today announced plans to launch a new exchange traded fund (ETF) designed to track the performance of the “Nomura Shareholder Yield 70.”

With Japan’s long-term interest rates effectively at zero percent, it has been difficult for investors to earn income from assets such as government bonds. Under this low interest rate environment, investors have been paying increasing attention to high dividend ETFs.

To enhance capital efficiency, many companies have been working to return value to their shareholders through share buybacks and dividends. Total dividend payments and share repurchase amounts, together referred to as shareholder yield, have been rising in recent years. By providing an ETF that focuses on shareholder yield, NAM aims to respond to investors’ interest in high dividend ETFs.

Nomura Shareholder Yield 70 is a stock price index comprising 70 stocks. The index selects companies that take a proactive approach to providing shareholder returns, primarily through dividends and share buybacks.

The stock universe comprises all common stocks listed on Japanese stock exchanges excluding financial stocks.¹

Named “NEXT FUNDS Nomura Shareholder Yield 70 Exchange Traded Fund” (ticker: 2529), the new ETF was today approved for listing by the Tokyo Stock Exchange (TSE) with a listing date of April 19, 2019.

From the listing date, investors will be able to trade the ETF on the TSE through securities dealers and traders in Japan. The minimum investment amount for this ETF is expected to be approximately 1,000 yen (per unit).

The ETF is part of Nomura’s NEXT FUNDS range, and brings the total to 62.



† “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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¹ Financial stocks are those classified as “Banks,” “Securities and Commodity Futures,” “Insurance,” and “Other Financing Business” based on the 33 industry sectors of the Tokyo Stock Exchange.

Nomura

Nomura is an Asia-headquartered 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 four business divisions: Retail, Asset Management, Wholesale (Global Markets and Investment Banking), and Merchant 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 "Nomura Shareholder Yield 70"

The intellectual and all other rights of the Nomura Shareholder Yield 70 belong to Nomura Securities Co., Ltd. ("Nomura"). Nomura does not guarantee the accuracy, completeness, reliability, usefulness, marketability, merchantability or fitness of the index, and does not take any responsibility for business activities or services that any index user and/or its affiliates undertake with the use of the index.

Disclaimer of Nomura Asset Management

The contents of this material are based on an English translation of a Japanese announcement made on April 2, 2019 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; Type II Financial Instruments Firms Association

This document is issued for reference purposes to explain the outline of "NEXT FUNDS Nomura Shareholder Yield 70 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 0.3024% (0.28% exclusive of taxes) annually (the percentage will be at 0.3024% [0.28% exclusive of taxes] as of April 18, 2019).

(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.