

Nomura Amends SSE50 Index Linked Exchange Traded Fund

Tokyo, May 15, 2019— Nomura Asset Management Co., Ltd. (NAM), the core company within the Asset Management Division of Nomura Group, today announced that, effective May 28, 2019, it will partially amend the SSE50 Index Linked Exchange Traded Fund (ETF). This is in keeping with an agreement by Nomura to participate in the JPX-SSE ETF Connectivity Scheme¹, which is scheduled to launch soon as part of bilateral cooperation between Japan and China.

Major amendment points

1. The name of the ETF will be changed from “SSE50 Index Linked Exchange Traded Fund” to “NEXT FUNDS ChinaAMC SSE50 Index Exchange Traded Fund.” The code of 1309 remains unchanged.
2. Nomura ChinaAMC China 50 ETF Mother Fund will be added to the primary investment trust securities that the ETF invests in.

The ETF will essentially invest in the ChinaAMC China 50 ETF, managed by China Asset Management Co., Ltd., the largest ETF management company in China. China Asset Management is NAM’s partner in the Scheme.

By assets under management, ChinaAMC China 50 ETF is one of the largest ETFs listed on Chinese stock exchanges. It is also one of the leading ETFs in China in terms of liquidity.

3. The management fee rate for the ETF will be 0.324% annually (0.3% exclusive of tax) as of May 28, 2019, and the substantial bearing will be approximately 0.88% to 0.92% annually (inclusive of tax).

Through its NEXT FUNDS range of ETFs, NAM will continue working to provide clients with a wide range of investment opportunities as well as contribute to the development of the ETF market.



† “NEXT FUNDS” is the brand name for the ETF product range of Nomura Asset Management Co., Ltd., representing “**N**omura **E**xchange **T**raded **F**unds”.

_____ ends _____

¹ Under the JPX-SSE ETF Connectivity Scheme, the Japan Exchange Group, Inc. and Shanghai Stock Exchange have agreed to mutually list ETFs on the Shanghai Stock Exchange and Tokyo Stock Exchange as part of efforts to strengthen bilateral cooperation between Japan and China. For further details, see http://global.nomura-am.co.jp/nextfunds/pdf/20190422_40A54453.pdf.

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 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 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.

■ Investment Risks

The NAV of the Fund is subject to fluctuations in the prices of the securities in which the Fund invests. All profits and losses arising from fund management are borne by the investors.

Any principal invested in the Fund by investors is therefore not guaranteed. Investors may incur a loss and the value of their investment principal may fall below par as the result of a decline in the NAV. The investment trust differs from a savings deposit.

*The risks of ETFs are not limited to those mentioned above.

■ Fund Expenses

• Trading Fee (paid at the time of transaction)

Trading of the Fund incurs brokerage commission fees set by a first 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.)

• Trust Fee (Management fees)

Total amount of the management fee is calculated by multiplying the daily total net assets of the Fund by the annual management fee rate.

<Management fee rate>

No larger than 1.026%(0.95% exclusive of taxes annually) (0.324%(0.3% exclusive of tax) as of May 28, 2019)

<Substantial Bearing*>

Approximately 0.88%~0.92% (inclusive of taxes)

* The "Substantial Bearing" shows the annual management fee rate substantially borne by the investors that is calculated by taking the management fees of the investment trust securities in which the Fund invests into account. The rate is an estimated rate as of May 28, 2019. The rate fluctuates depending on how investment trust securities in which the Fund invests are incorporated in the Fund.

• Other Expenses and Fees

<Annual fees for use of trademarks pertaining to the benchmark index> (as of March 27, 2019)

An amount equivalent to 0.04% of the Fund's total net assets. However, this amount shall be at least the yen converted value equivalent to 200,000 RMB (in the event that this amount is less than the yen converted value equivalent to 200,000 RMB, the fee will then be set at the yen converted value equivalent to 200,000 RMB).

<Expenses pertaining to listing of the Fund> (as of March 27, 2019)

-Additional listing fee: 0.0081% (0.0075% exclusive of taxes) of the amount of increase in value of the total net asset value at the end of the year as compared with the larger of i) the total net asset value at the time of the initial listing; or ii) the largest of the total net asset values at the end of each subsequent year up to the year immediately prior to the fee payment year.

-Annual listing fee: Maximum of 0.0081% (0.0075% exclusive of taxes) of the total net assets at year-end. These expenses and fees vary according to management and other conditions, so details of rates and upper limits cannot be provided ahead of time.

Total fees and other expenses will vary according to how long an investor holds the Fund, so they cannot be estimated ahead of time. For further details, please refer to the "Fund Costs and Taxes" section of the prospectus.