

## Nomura Lists New ETF Designed to Track Performance of JPX JGB Futures Double Inverse Index on TSE

**Tokyo, June 23, 2023**—Nomura Asset Management Co., Ltd. (NAM), the core company within the Investment Management Division of Nomura Group, today announced that it has listed a new ETF designed to track the performance of the JPX JGB Futures Double Inverse Index on the Tokyo Stock Exchange (TSE). From today, investors can trade the ETF on the TSE through securities dealers and traders in Japan.

Code	Name	Index	Management fee
2251	NEXT FUNDS JPX JGB Futures Double Inverse Index Exchange Traded Fund	JPX JGB Futures Double Inverse Index	0.418% annually (0.38%, tax excluded) <sup>1</sup>

The ETF is the first bond-inverse ETF in Japan, and aims to meet the growing demand for hedging against the risk of rising yen interest rates.

NAM listed its first ETF in Japan in May 1995. The new listing brings ETFs in Nomura's NEXT FUNDS range to a total of 68.

For further details on the ETF, please refer to the link below.

<https://nextfunds.jp/en/lineup/2251/>



† “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”.

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### Nomura

Nomura is a global financial services group with an integrated network spanning over 30 countries and regions. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its three business divisions: Retail, Investment 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](http://www.nomura.com).

<sup>1</sup> Management fee is not more than 0.418% annually (0.38%, tax excluded) (0.418% annually (0.38%, tax excluded) as of June 21, 2023).

### **Matters to be aware of concerning the nature of the JPX JGB Futures Double Inverse Index**

The percentage change (i.e., the market price from a certain business day versus that of a business day occurring after) of the JPX JGB Futures Double Inverse Index is calculated as doubly inverse to (i.e., multiplied by minus 2) that of the JGB Futures where the business days are consecutive. However, in comparing the percentage change in a period of two or more business days, the percentage change of the JPX JGB Futures Double Inverse Index is generally not doubly inverse to (i.e., multiplied by minus 2) that of the JGB Futures. This discrepancy is unavoidable due to the calculation method.

The discrepancy above will fluctuate according to the movement of the JGB Futures during the period of two or more business days, meaning the spread may turn positive or negative. Generally, it is likely that the spread will turn negative if the JGB Futures repeatedly cycles up and down, and the spread will tend to be larger as the period is longer.

Therefore, the Fund is a financial product suited to the investment made for purposes of following relatively short-term market movement, as opposed to being suitable for mid to long-term investment.

### **Matters to be aware of regarding the discrepancy between movements of indexes and actual movements of the market price of the Fund**

There is no guarantee that the Fund will achieve its management target because the actual NAV of the Fund is affected by costs such as trust fees, additional creation/partial redemptions, and difference of the timing of the rollover in the JGB Futures contract month between the Fund and the index calculation rules.

The market price of the Fund is based upon supply and demand, as calculated through competitive buying and selling on the exchange. Therefore, market price may differ from the NAV itself.

### **Disclaimer of "JPX JGB Futures Double Inverse Index"**

The JPX JGB Futures Double Inverse Index Value and the JPX JGB Futures Double Inverse Index Marks are subject to the proprietary rights owned by JPX Market Innovation & Research, Inc. or affiliates of JPX Market Innovation & Research, Inc. (hereinafter collectively referred to as "JPX") and JPX owns all rights and know-how relating to JPX JGB Futures Double Inverse Index such as calculation, publication and use of the JPX JGB Futures Double Inverse Index Value and relating to the JPX JGB Futures Double Inverse Index Marks. JPX shall not be liable for the miscalculation, incorrect publication, delayed or interrupted publication of the JPX JGB Futures Double Inverse Index Value. No Licensed Product is in any way sponsored, endorsed or promoted by JPX, and JPX shall not be responsible for any damage resulting from the issue and sale of the Licensed Product.

### **Disclaimer of Nomura Asset Management**

The contents of this material are based on an English translation of a Japanese announcement made on June 23, 2023 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**

### ETF Investment Risks

Since the Fund invests primarily in securities and futures 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 index, a price decline in securities comprising the index, the bankruptcy of a security issuer, or deterioration in the financial conditions of an issuer, in addition to other market factors.

Also, because some securities in the Fund are influenced by exchange rates, the NAV may fall due to fluctuations in the foreign exchange rate. An investor's principal is therefore not guaranteed.

Furthermore, investment trusts are different from deposits and savings.

\*ETF risks are not limited to the above.

Before investing in the Fund, prospective investors should carefully read the summary prospectus and base decisions on their own judgement.

### ETF Investment Costs

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 total management fee is obtained by adding the amount determined in (2) below to the amount determined in (1) below. Management fees are paid from the trust assets, and therefore are charged indirectly according to the period that the ETF is held.

(1) The amount obtained by multiplying the total net assets by a rate determined by the Management Company not to exceed 1.045% annually\* (0.95% exclusive of taxes).

\*The maximum management fee of each ETF is indicated above. For some ETFs, the management fees are calculated based on the Fund's principal.

(2) If the securities belonging to the trust assets have been loaned, an amount no more than 55%\* (50% exclusive of taxes) of the loan fees.\*

\*The highest loan fee of the ETFs is indicated.

#### Other Fees:

ETF-related taxes, expenses necessary for trust administrative procedures (including various expenses necessary for safekeeping of overseas assets), interest on advances provided by the trustee, sales consignment fees incurred when securities included in the fund are traded, audit fees, other expenses (including expenses relating to listing of Beneficiary Interests and fees for the use of trademarks to subject indexes), and consumption taxes on these fees are incurred, when applicable, during the trust period. These expenses are paid from the trust assets and are charged indirectly during the period that the ETF is held. Other expenses will vary according to investment circumstances, and consequently, rates and maximum amounts cannot be specified in advance.

The total amount of the above fees and expenses will vary according to investment duration, so they cannot be specified ahead of time.

For further details, please refer to the "Fund Expense and Taxes" section of the summary prospectus.

### Notes

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.

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