

Listed Index Fund JPX-Nikkei Index 400

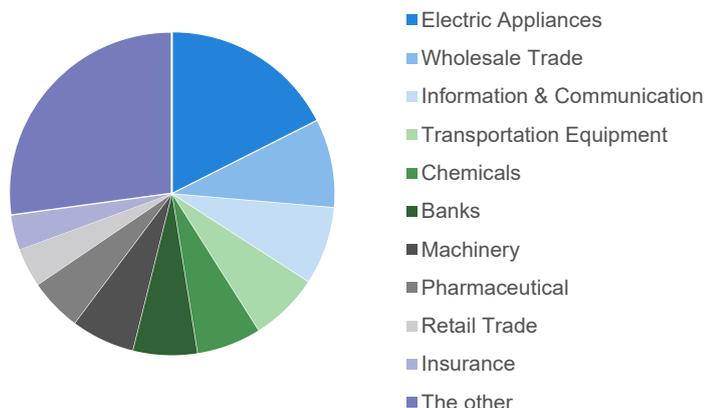
April 2024

Product Description/Investment Objective

The fund seeks to achieve a NAV that closely correlates with the movement of the JPX-Nikkei Index 400 by investing in shares of the component stocks of the JPX-Nikkei Index 400, and maintaining, in principle, a portfolio constructed consistent with the calculation method of the JPX-Nikkei Index 400.

* The JPX-Nikkei Index 400 is a stock index of the top 400 stocks selected from ordinary shares listed on the Tokyo Stock Exchange's Prime Market, Standard Market and Growth Market. Selection of constituent stocks is based on 1) screening of eligibility criteria and market liquidity indicators, 2) quantitative indicator-based scoring (3 year average ROE, 3 year cumulative operating profit, market capitalization), and 3) qualitative factor-based scoring (appointment of independent outside directors, IFRS adoption, disclosure of earnings in English). The calculation method employs the closing price of August 30, 2013 as its base date, assigns a value of 10,000 as that day's market capitalization, and indexes market capitalization thereafter.

Sector Allocation Top10



| Sector Allocations Top10 | Weight |
|-----------------------------|--------|
| Electric Appliances | 17.53% |
| Wholesale Trade | 8.84% |
| Information & Communication | 7.80% |
| Transportation Equipment | 6.88% |
| Chemicals | 6.43% |
| Banks | 6.39% |
| Machinery | 6.33% |
| Pharmaceutical | 5.25% |
| Retail Trade | 3.90% |
| Insurance | 3.48% |

*The above data are the information of the Fund. *As percentage of total assets.

Product Performance

| Cumulative Performance | Fund (NAV) | Fund (Market Price) | Index (Price) |
|------------------------|------------|---------------------|---------------|
| YTD | 16.49% | 16.28% | 16.62% |
| 1 Months | -0.45% | -0.95% | -0.46% |
| 3 Months | 9.16% | 8.64% | 8.13% |
| 6 Months | 23.57% | 23.06% | 23.51% |
| 1 Year | 34.56% | 34.11% | 34.62% |
| Since Inception | 130.81% | 128.40% | 124.54% |

| Calendar Year Performance | Fund (NAV) | Fund (Market Price) | Index (Price) |
|---------------------------|------------|---------------------|---------------|
| 2023 | 25.41% | 24.95% | 25.47% |
| 2022 | -4.99% | -4.70% | -5.29% |
| 2021 | 10.21% | 10.15% | 10.09% |
| 2020 | 6.36% | 6.20% | 6.28% |
| 2019 | 16.07% | 14.24% | 16.02% |

Past performance is not a guide to future returns.

Fund and Index returns exclude dividends. This may cause a short-term performance dispersion between company dividend record dates at the end of March and Fund record dates.

Key Facts

| | |
|----------------------------------|---------------------------------|
| Domicile | Japan |
| Benchmark Index | JPX-Nikkei Index 400 |
| Securities in Index | 399 |
| Number of Holdings | 399 |
| Product Methodology | Full Physical Replication |
| Rebalance Frequency | Annual |
| Fiscal Year End | 8 January, 8 July |
| Total Net Assets (JPY) | 427,681 million |
| NAV per 10 Shares (JPY) | 23,081 |
| Use of Income | Distributing |
| Distribution Yield | 1.05% |
| Dividend Frequency | Twice a year |
| Last distribution paid | 08 January 2024 |
| Ongoing Charges (bps) | 15.99 |
| Management and Trustee Fee (bps) | 10.00 |
| Inception Date | 27 January 2014 |
| Base Currency | JPY |
| Total Return Index Ticker | JPNK400D |
| Price Index Ticker | JPNK400 |
| ISIN | JP3047680008 |
| Bloomberg Ticker | 1592 JP Equity |
| Trading Currency | JPY |
| UK Reporting Status | Yes |
| Investment Manager | Nikko Asset Management Co., Ltd |
| Round Lot | 1 |

Portfolio Holdings

| Top 10 Holdings | Weight |
|---------------------------------------|--------|
| Tokyo Electron Limited | 2.14% |
| Mitsubishi Corporation | 2.06% |
| Hitachi, Ltd. | 2.03% |
| Toyota Motor Corporation | 1.97% |
| Mitsui & Co., Ltd. | 1.87% |
| Recruit Holdings Co., Ltd. | 1.82% |
| Mitsubishi UFJ Financial Group, Inc. | 1.81% |
| Sumitomo Mitsui Financial Group, Inc. | 1.78% |
| Shin-Etsu Chemical Co., Ltd. | 1.76% |
| Itochu Corporation | 1.71% |

*The above data are the information of the Fund.

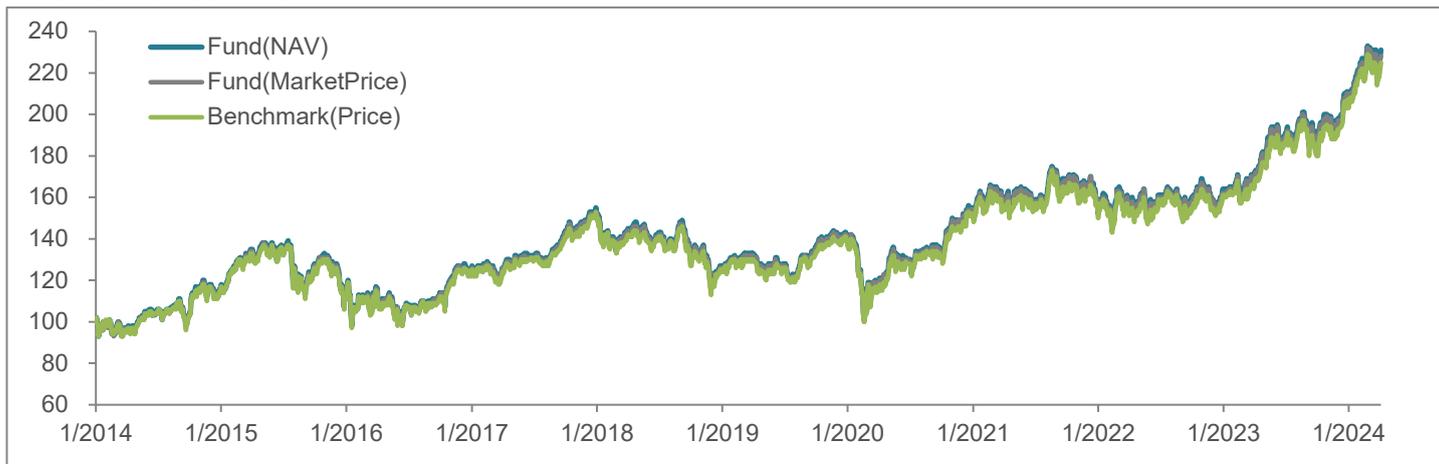
*As percentage of total assets.

*Securities information is given for illustrative purposes only and not a recommendation.

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Performance Chart



*NAV is the price after management fees (trust fees) have been deducted.

*The performance, data, etc., noted above are based on past information and neither guarantee nor promise future performance.

*The data is calculated with the graph's starting point as 100.

Risk Information

Invested principal is not guaranteed and may incur losses where the value of your investment principal will fall below par as the result of a decline in market price or the NAV. All gains and losses from the management of the fund belong to the investor (beneficiary). This fund also differs from bank deposits.

The fund invests primarily in stocks. The NAV of the fund may fall and investors may suffer losses due to declines in stock prices or deterioration in the financial conditions and business performance of equity issuers.

Major risks are as follows:

1. Price Fluctuation Risk

In general, the price of a stock is vulnerable to company information on growth potential and profitability and changes in such information. In addition, stock prices are also vulnerable to domestic and overseas economic and political conditions and other factors. There is a risk that this fund may incur major losses in the event of stock price fluctuations or unforeseen fluctuations in stock liquidity.

2. Liquidity Risk

In the event of small market scale or trading volume, when acquiring or selling securities, there is the risk of not being able to trade at the desired price due to actual market conditions as a result of the effects of large trading volume, the risk of being unable to sell at the valuation price, or the risk of trading volume being limited regardless of price highs and lows. As a result, there is the risk of suffering incalculable losses.

3. Credit Risk

In general, there is a risk that this fund may incur significant losses in the event that a major crisis directly or indirectly affects the management of companies in which the fund has made investments in. Due to concerns regarding default or bankruptcy, the stock price of those companies could plummet (the value could even fall to zero), causing the fund's NAV to fall. The fund could become delisted in the event it should violate certain criteria established by financial instruments exchanges. Concerns regarding possible delisting or delisting itself can cause the stock of the issuing company to fall, leading to a material loss in the fund.

The fund's capital may be managed with short-term financial assets such as call loans or transferable certificates of deposit, however losses may be incurred as a result of default by purchasing counterparties. This can also contribute to a decline in the fund's NAV.

4. Currency Fluctuation Risk

In the case of foreign currency-denominated assets, generally if the foreign exchange market moves so that the yen appreciates against the currency in which the fund's assets are held, the fund's NAV may depreciate as a result.

5. Security-lending Risk

Lending of securities is accompanied by counterparty risks (default or cancellation of lending agreements as a result of bankruptcy) and as a result, there is a risk that the fund will incur unexpected losses. Following a default or cancellation of a lending agreement, when liquidation procedures are implemented using the collateral set aside in the lending agreement, the procurement cost of buying back the securities may exceed the amount of collateral due to market price fluctuations. In such cases, the fund is required to pay the difference, which may cause the fund to incur losses.

Risk of divergence between the JPX-Nikkei Index 400 and the fund's NAV

This fund will aim to match NAV volatility with the volatility of the JPX-Nikkei Index 400. Due to the following factors, however, it cannot guarantee that movements in the fund's NAV will always be consistent with that index.

- Market impact when buying or selling individual stocks as it adjusts its portfolio in response to changes in the stocks that comprise the JPX-Nikkei Index 400 and capital changes among companies, as well as various expenses, including trust fees, brokerage commissions, and audit fees.
- Management fees from the lending of securities or dividends of incorporated issues.
- The disparity between price movements of derivative transactions, such as futures trading, and that of some or all of the issues that comprise the JPX-Nikkei Index 400.

Divergence between market prices at which stocks are traded on exchanges and the fund's NAV

This fund is listed on the Tokyo Stock Exchange and traded publicly, however, its market price will depend mainly on demand for the fund, its investment performance, and how attractive it is to investors in comparison with alternative investments. Accordingly, it is not possible to predict whether the fund's market price will trade above or below the NAV. * Factors that contribute to NAV fluctuations are not limited to those listed above.

Additional Considerations

- This distribution material has been created by Nikko Asset Management for the purpose of enhancing investors understanding of the Listed Index Fund JPX Nikkei Index 400.
- The provisions stipulated in Article 37-6 of the Financial Instruments and Exchange Act ("cooling-off period") do not apply to fund transactions.
- This fund differs from deposits or insurance policies in that it is not protected by the Deposit Insurance Corporation of Japan or the Policyholders Protection Corporation of Japan. Furthermore, units purchased from registered financial institutions, such as banks, are exempt from compensation from the Japan Investor Protection Fund.
- When the Fund faces a large redemption causing a short term cash requirement, or a sudden change in the main trading market conditions, there may be a temporary reduction in the liquidity of certain assets, resulting in the risk that the Fund may be unable to trade securities at the expected market or appraised prices, or encounters a limitation in trading volume. This may negatively impact the Fund's NAV, cause a suspension of redemption applications, or cause a delay in the payment of redemptions.
- When applying to invest in this fund, please make the decision to invest carefully after taking the time to read in detail the pre-agreement documents provided to you and other relevant material.

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Business Development

Nikko Asset Management Europe Ltd

Level 5, City Tower, 40 Basinghall Street, London EC2V 5DE, United Kingdom

Tel: +44 (0)20 7796 9866

Fax: +44 (0)20 7796 9816

Email: Emarketing@nikkoam.com

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