

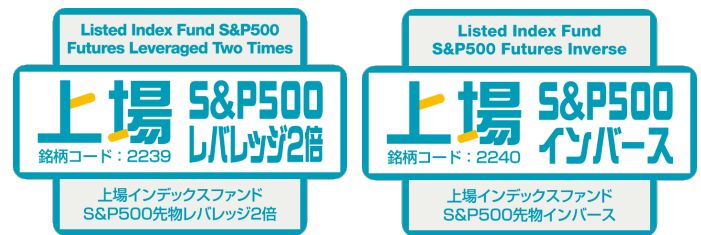
PRESS RELEASE
19 JANUARY 2023

NIKKO ASSET MANAGEMENT CO., LTD.

Nikko AM to List S&P 500 Leveraged and Inverse ETFs on the Tokyo Stock Exchange

*Lowest trust fees among leveraged and inverse ETFs linked to foreign equity indices**

Nikko Asset Management Co., Ltd. (Nikko AM) today announces two new ETFs: **Listed Index Fund S&P500 Futures Leveraged Two Times** and **Listed Index Fund S&P500 Futures Inverse**. They will be launched on 14 March, and listed on the Tokyo Stock Exchange (TSE) on 17 March.



Listed Index Fund S&P500 Futures Leveraged Two Times tracks the "S&P 500 Futures 2X Leveraged Daily Index", which seeks to provide double the return of "S&P 500 Futures Index Excess Return", while **Listed Index Fund S&P500 Futures Inverse** tracks the "S&P 500 Futures Inverse Daily Index", which seeks to provide the inverse return of "S&P 500 Futures Index Excess Return".

Name	Code	Index
Listed Index Fund S&P500 Futures Leveraged Two Times	2239	S&P 500 Futures 2X Leveraged Daily Index(Excess Return)
Listed Index Fund S&P500 Futures Inverse	2240	S&P 500 Futures Inverse Daily Index(Excess Return)

The trust fee for **Listed Index Fund S&P500 Futures Leveraged Two Times** and **Listed Index Fund S&P500 Futures Inverse** is 0.396% per annum (0.36% excluding tax), the lowest among leveraged and inverse ETFs linked to foreign equity indices listed or approved to be listed on the Tokyo Stock Exchange (as of 19 January 2023).

Nikko AM has pioneered the development of various types of products that utilise the benefits of ETFs, which can be traded in real time. We will continue to strive to further enhance our product range and provide a wide range of investment opportunities.

– ENDS –

* Lowest trust fee among leveraged and inverse ETFs linked to foreign equity indices listed or approved to be listed on the TSE (as of 19 January 2023).

Fund Outline for Exchange Trading

Product Type	Open-end/Overseas/Equity /ETF/Index type
Listed Exchange	Tokyo Stock Exchange
Listing Date	17 March 2023
Securities Code	Listed Index Fund S&P500 Futures Leveraged Two Times: 2239 Listed Index Fund S&P500 Futures Inverse: 2240
Trading Unit on Exchange	10 units
Trust Period	Unlimited (launch date: 14 March 2023)
Closing Dates	20 January of each year (First Settlement is 20 January 2024)
Dividends	Distributions are made once a year in accordance with the distribution policy. In principle, all returns from dividend and interest etc., arising from trust assets will be distributed after deduction of expenses, etc. *Future dividend payments and dividend amounts cannot be guaranteed.

Outline of Fees, etc.

Investors bear the following expenses:

Fees charged at the time of trading at the Exchange

- Trading Fees: Fees are determined by each authorized participant. Inquire with the relevant authorized participant for details. Fees are subject to Japanese consumption tax.

Fees and expenses charged indirectly through the trust assets (i.e. paid by the Fund)

- Trust Fees: Fund: annual rate of up to 0.396% (0.36% excluding tax) of total net assets
- Other Expenses An amount no greater than the total obtained by multiplying the fund's daily total net assets by an annual rate of 0.1% and multiplying the result by the trust period.
Expenses including the following will be paid from trust assets at the times stipulated by the asset manager: (i) expenses for creating and delivering prospectuses, (ii) expenses for accounting and related services, (iii) expenses for producing summaries of accounts (if the services set forth in (i)–(iii) are outsourced, they will also include outsourcing fees), (iv) audit costs, (v) listing fees, and (vi) fees for using the "S&P 500 Futures 2X Leveraged Daily Index" and the "S&P 500 Futures Inverse Daily Index".
* Audit costs are expenses for audits of a fund paid to an auditing firm, etc. Brokerage fees for securities purchased, interest on borrowings and interest on advance payments are paid from trust assets upon occurrence.
* As miscellaneous expenses can vary depending on a fund's management status and other such circumstances, it is not possible to provide information such as rates and maximum amounts in advance. As the funds do not include any securities lending at present, no securities lending-related fees apply.

For more details, please refer to the investment trust explanatory document (prospectus distributed in advance of subscription).

Fund Outline

This is applicable to direct subscriptions and redemptions of the fund, and not applicable to those investors who trade on the exchange.

Subscription and Redemption Processing Hours	Orders will in principle be processed on the same business day if all administrative procedures prescribed by the authorized participant are completed by 3:00 p.m. Japan time.
Subscription Value	Net Asset Value (NAV) as of business day following date of application receipt
Subscription Units	No less than 1,000 units and as stipulated by authorized participant * Please direct inquiries to authorized participant
Redemption Value	NAV as of business day following date of application receipt
Redemption Units	No less than 1,000 units and in units of one * May vary depending on authorized participant. * If number of beneficiary rights held is below minimum trading unit specified by financial instruments exchange, beneficiary may apply for those beneficiary rights to be bought back. Inquire with authorized participant for details.

Fees charged at the time of subscription and redemption

- Subscription Fees: Fees are determined by each authorized participant. Inquire with the authorized participant for details. The fees are subject to Japanese consumption tax.
- Redemption Fees: When a beneficiary makes a redemption request or applies to have beneficiary rights bought back, the authorized participant can collect any fees it has stipulated as well as the amount equivalent to the Japanese consumption tax applicable to said fees.
* Inquire with the authorized participant for details.
- Amount Retained in Trust Assets (Redemption charge): None

Fees and expenses charged indirectly through the trust assets (i.e. paid by the Fund)

- Trust Fees: Fund: annual rate of up to 0.396% (0.36% excluding tax) of total net assets
- Other Expenses: An amount no greater than the total obtained by multiplying the fund's daily total net assets by an annual rate of 0.1% and multiplying the result by the trust period.
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Risk Information

Invested principal is not guaranteed. The investment's value may fall below the principal amount if a fall in market price and/or the NAV of the fund invested in causes a loss. All gains and losses from management of the funds are attributable to the investor (beneficiary). The funds are different to bank deposits.

As the funds are mainly invested in bonds and rights to stock index futures contracts, they may experience losses from falls in NAV caused by adverse impacts from bond price drops, fluctuations in the price of rights to stock index futures contracts or adverse changes in a bond issuer's financial situation or results. Losses may also occur from exchange rate fluctuations if assets denominated in foreign currencies are included.

Investment in this fund entails the following main risks. In particular, Listed Index Fund S&P500 Futures Leveraged Two Times is a fund with a high NAV fluctuation risk, so when applying for the fund, you should be fully aware of and consider the risks of this fund and make a careful investment decision.

The major risk factors involved in investing in fund securities are as below:

[Price Fluctuation Risk] [Liquidity Risk] [Credit Risk] [Currency Risk] [Derivatives risk] [Leverage risk] [Risk of failure to invest in accordance with investment policy]

* Refer to the explanatory prospectus delivered prior to investment for details.

Other Matters to Consider

- This material was prepared by Nikko Asset Management to enhance investors' understanding of **Listed Index Fund S&P500 Futures Leveraged Two Times** and **Listed Index Fund S&P500 Futures Inverse**.
- The authorized participant will provide a prospectus and other such explanatory materials prior to investment. Please be sure to read the materials before making your own investment decision.

About the S&P 500 Futures 2X Leveraged Daily Index Excess Return / S&P 500 Futures Inverse Daily Index Excess Return

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About Nikko Asset Management

With US\$186.2 billion* under management, Nikko Asset Management is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of equity, fixed income, multi-asset and alternative strategies. In addition, its complementary range of passive strategies covers more than 20 indices and includes some of Asia's leading exchange-traded funds (ETFs).

Headquartered in Asia since 1959, Nikko Asset Management and its subsidiaries employ personnel representing around 25 nationalities, including approximately 200 investment professionals**. The firm has a presence through subsidiaries or affiliates in a total of 11 countries and regions. More than 400 banks, brokers, financial advisors and life insurance companies around the world distribute the firm's products.

The investment teams benefit from a unique global perspective complemented by the firm's historic Asian DNA, striving to deliver consistent excellence in performance. The firm also prides itself on its progressive, solution-driven approach, which has led to many innovative funds launched for its clients.

For more information about Nikko Asset Management and to access its investment insights, please visit the firm's [homepage](#).

* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of 30 September 2022.

** Including employees of Nikko Asset Management and its subsidiaries as of 30 September 2022.

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