

**< Disclaimer for the English Translation of the Delivery Prospectus of Listed Index Fund International Bond (Citi WGBI) Monthly Dividend Payment Type >**

This document is an English translation of the Japanese “Prospectus Issued upon Request” (the “Delivery Prospectus”) of Listed Index Fund International Bond (Citi WGBI) Monthly Dividend Payment Type (the “Fund”). The Japanese Delivery Prospectus is the offering document. This English translation is not required by law or any regulation.

While every effort has been made to ensure the accuracy or completeness of this translation, Nikko Asset Management Co., Ltd. cannot guarantee this translation is accurate or complete as differences of interpretation may arise between the English and Japanese language. In the event of any inconsistency between this English translation and the Japanese version, the Japanese version shall prevail, except to the extent prohibited by the applicable law of any jurisdiction where the units of the Fund are sold.

Except as otherwise indicated herein, this material is based on the Japanese version dated as of 11 October 2017. In case of any update to or modification of the Japanese version of the terms and conditions, there is no guarantee that a corresponding update or modification will be made to this English translation.

This translation of the Delivery Prospectus has been prepared by Nikko Asset Management Co., Ltd. for English speaking investors for information purposes. Investors should not subscribe for these securities solely relying on this document, as this is a translation of the original Delivery Prospectus. As the English translation may differ from the Japanese Prospectus as explained above, this document does not contain or constitute, and should not be relied upon as an offer or invitation to make an offer for the purchase of these securities (including units of the Fund) to any person or entity in any jurisdiction.

Neither this material nor any part hereof may be reproduced, transmitted, reprinted, or redistributed without the prior written authorization of Nikko Asset Management Co., Ltd.

October 11, 2017

## Listed Index Fund International Bond (Citi WGBI) Monthly Dividend Payment Type

### Nickname: JoJo International Bond

Open-ended Investment Trust, Foreign, Bonds, ETF, Index Type

• This prospectus is published pursuant to the provisions of Article 13 of the Financial Instruments and Exchange Act (No. 25 of 1948). Please read this document carefully before deciding to subscribe to units of the Fund.

• The prospectus for the Fund provided under Article 15, Paragraph 3 of the Financial Instruments and Exchange Act (hereinafter referred to as the "Prospectus Issued upon Request") can be read or downloaded from the website of the Management Company. You can also obtain a copy of the Prospectus Issued upon Request from a Distributor. If you do so, please make a personal record to that effect.

• This document includes the main contents outlined in the trust deeds. The complete text of the trust deeds is provided in the Prospectus Issued upon Request.

• For information on the NAV or Distributors of the Fund, please contact the Management Company.

**Management Company** (the party issuing investment instructions for the Fund)

**Nikko Asset Management Co., Ltd.**

Registration Number: Director of the Kanto Local Financial Bureau (Financial instruments firms) No. 368

**Website:** <http://www.nikkoam.com/>

+813-6447-6653 (9 a.m.-5 p.m., excluding Saturdays, Sundays and public holidays)

**Trustee** (the party responsible for custody and management of Fund assets)

**The Nomura Trust and Banking Co., Ltd.**

Established and managed by

**Nikko Asset Management Co., Ltd.**

- When a significant amendment is made to the content of the Fund, we will confirm the intention of investors (beneficiaries) in advance under the Act on Investment Trust and Investment Corporations (No. 198 of 1951).
- The Fund assets are classified and managed by the Trustee under the Trust Act (No. 108 of 2006).
- In connection with the invitation for subscription to Listed Index Fund International Bond (Citi WGBI) Monthly Dividend Payment Type, which is extended by way of this prospectus, the Management Company filed a securities registration statement with the Director-General, Kanto Local Finance Bureau on October 10, 2017 pursuant to the provisions of Article 5 of the Financial Instruments and Exchange Act. The filing took effect on October 11, 2017.

Product Classification					Segmentation by Attribute				
Unit Type/ Open-ended Investment Trust	Eligible Market	Eligible Investments (Source of Income)	Independent Segment	Supplementary Classification	Eligible Investments	Timing of Accounting Period	Geographical Areas of Investment	Currency Hedging	Index Followed
Open-ended Investment Trust	Foreign	Bonds	ETF	Index type	Other Asset (Investment Trust Securities) (Bonds, Public Bonds)	12 times yearly (Monthly)	Global (ex- Japan)	No hedge	Other (Cit World Governm ent Bond Index (ex- Japan, no hedge, yen- based)

Please refer to The Investment Trusts Association, Japan website for definitions of product classification and segmentation by attribute at <http://www.toushin.or.jp/>.

### Management Company Details

Name: Nikko Asset Management Co., Ltd.  
Date of establishment: December 1, 1959  
Capital: 17,363.04 million yen  
Total net asset value of investment trust assets under management: 14,728.0 billion yen  
(As of the end of July 2017)

# Objective and Characteristics of the Fund

## Objective of the Fund

The Fund seeks to achieve net asset volatility per unit of trust assets which closely correlates with the movement of the Citi Nonyen World Government Bond Index (ex-Japan, no hedge, yen based) by investing mainly in all or a portion of separately stipulated investment trust securities.

\*The Citi WGBI is a bond index developed by Citigroup Global Markets Inc. calculated to be an index of the total return of government bonds of major countries weighted by the market capitalization of each respective market.

The Citi WGBI (ex-Japan, no hedge, yen based) is an index representing the composite performance of government bond markets of major countries excluding Japan and calculated by converting local-currency based indices into yen without hedging.

$$\text{Citi World Government Bond Index} = \frac{\text{Aggregate market value at the time of calculation}}{\text{Aggregate market value at base point in time}} \times 100$$

#### Copyrights to the “Citi World Government Bond Index”

The Listed Index Fund International Bond (Citi WGBI) Monthly Dividend Payment Type (the “Fund”) is not sponsored, endorsed, sold or promoted by Citigroup Index LLC (“Citigroup Index”) or any of its affiliates (collectively, “Citigroup”). Citigroup Index makes no representation or warranty, express or implied, to the owners or prospective owners of shares of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly, or the ability of the Fund to track the price and yield performance of the Citi World Government Bond Index or the ability of the Citi World Government Bond Index to track general bond market performance. Citigroup Index’s only relationship to Nikko Asset Management Co., Ltd. (“Licensee”) is the licensing of certain information, data, trademarks and trade names of Citigroup. The Citi World Government Bond Index is determined, composed and calculated by Citigroup Index without regard to Licensee or the Fund. Citigroup Index has no obligation to take the needs of Licensee or the owners or prospective owners of the Fund into consideration in determining, composing or calculating the Citi World Government Bond Index. Citigroup Index is not responsible for and has not participated in the determination of the prices and amount of the shares to be issued by the Fund or the timing of the issuance or sale of the shares to be issued by the Fund or in the determination or calculation of the equation by which the shares to be issued by the Fund are to be converted into cash. Citigroup Index has no obligation or liability in connection with the administration, marketing or trading of the Fund.

CITIGROUP INDEX DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF THE [UNDERLYING INDEX] OR ANY DATA INCLUDED THEREIN, OR FOR ANY COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATIONS (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO, AND CITIGROUP INDEX SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. CITIGROUP INDEX MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OR PROSPECTIVE OWNERS OF SHARES OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE CITI NONYEN WORLD GOVERNMENT BOND INDEX – JAPANESE INVESTMENT TRUST (NONYEN WGBI-JIT) OR ANY DATA INCLUDED THEREIN. CITIGROUP INDEX MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE [UNDERLYING INDEX] OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CITIGROUP HAVE ANY LIABILITY FOR ANY DIRECT, SPECIAL, PUNITIVE, INDIRECT, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

Copyright © 2009, Citigroup Index LLC. All rights reserved. CITIGROUP is a registered trademark and service mark of Citigroup Inc. or its affiliates, is used and registered throughout the world, and is used under license for certain purposes by Nikko Asset Management Co., Ltd. Reproduction of the Citigroup data and information in any form is prohibited except with the prior written permission of Citigroup Index LLC (“Citigroup”). Listed Index Fund International Bond (Citi WGBI) Monthly Dividend Payment Type is not sponsored, endorsed, sold or promoted by Citigroup, and Citigroup makes no representation regarding the advisability of investing in such fund. Because of the possibility of human or mechanical error, Citigroup does not guarantee the accuracy, adequacy, completeness or availability of any data and information and is not responsible for any errors or omissions or for the results obtained from the use of such data and information. CITIGROUP GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall Citigroup be liable for any direct, indirect, special or consequential damages in connection with any use of the Citigroup data and information.

## Characteristics of the Fund

- While the Fund is a contractual-type investment trust, it is structured differently from ordinary investment trusts with respect to the following points:

### Units are listed on Tokyo Stock Exchange and can be traded at any time during trading hours.

- Units may be traded in blocks of 10 units (as of the date when the securities registration statement was filed).
- Brokers determine trading commissions.
- The method of trading is generally the same as that for stocks.
- \* Please contact your broker for further information.

This Fund of Funds invests in securities held for investment trust.

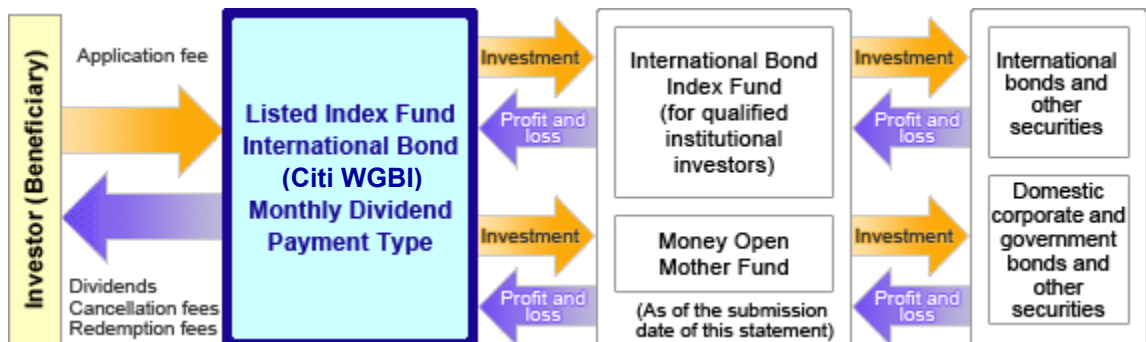
#### International Bond Index Fund (for Institutional Investors)

The fund seeks to achieve investment results that correlate to the movement of the Citi WGBI by investing mainly in global government bonds.

#### Money Open Mother Fund

This fund seeks to achieve stable returns through stable management by investing in public and corporate bonds.

#### Fund Structure



#### Investment Restrictions

- This fund will not invest in any portfolio, stocks and bonds other than securities held for investment trust, short-term corporate bonds, commercial paper and designated money in trust.
- There is no restriction on the investment ratio for assets denominated in foreign currencies.

#### Distribution Policy

- As a general rule, the full amount of dividends and other income arising from the trust assets is distributed after deduction of expenses.

\*There is no guarantee on the payment or the amount of dividend.

# Investment Risks

The major risks associated with investment in the Fund are outlined below. Investors should ensure they carefully examine and understand fully these risks before deciding to subscribe to units of the Fund.

## Factors that contribute to NAV volatility

**Investors are not guaranteed the investment principal that they commit. Investors may incur a loss and the value of their investment principal may fall below par as the result of a decline in NAV. All profits and losses arising from investments in the Fund belong to the investors (beneficiaries). This fund is different from saving deposit.**

The Fund invests primarily in bonds. The NAV of the Fund may fall and you may suffer a loss for reasons such as a drop in the price of bonds or deterioration in the financial conditions and business performance of an issuer of stocks.

Major risks are as follows:

### Price Fluctuation Risk

- Corporate and government bonds generally have a price fluctuation risk arising from changes in interest rates. Generally, their prices go down when interest rates rise, causing the NAV of the funds to fall. The degree of price fluctuation varies depending on the remaining time to maturity and the terms of issue in question.

### Liquidity Risk

- Where the market size or trading volume is small, buying and selling prices for securities may be largely affected. This results in the risk that securities cannot be traded at the expected prices, sold at the appraised prices, or that trading volume is limited regardless of prices. This creates the risk of unexpected losses.

### Credit Risk

- If a default has occurred or is expected to occur, for issuers of public and corporate bonds or short-term financial assets, the prices of such public and corporate bonds or short-term financial assets decline (the value could even fall to zero). This results in a decline of the Fund's NAV. In addition, if default in fact occurs, there is a high possibility of being unable to collect investment funds.

### Currency Fluctuation Risk

- For foreign-currency-denominated assets, in general, if the yen is stronger than the currencies of such assets, the Fund's NAV will decline.

### Security-lending Risk

- Lending of securities is accompanied by counterparty risks, which are the risks of default or cancellation of lending agreements as result of bankruptcy, etc., by the counterparties. As a result, there is a risk that the Fund will suffer unanticipated unexpected losses. Following the default or cancellation of a lending agreement, when liquidation procedures are implemented by using the collateral that is set aside in the lending agreement, the procurement cost of buying back the securities can surpass the collateral value, due to price fluctuations in the market.

## **Risk of Discrepancies in Citi WGBI and NAV**

This Fund seeks to ensure that its NAV has the same volatility as the Citi World Government Bond Index (ex Japan, no hedge, yen based); however, we cannot always guarantee that the Fund will have the same volatility as the Index due to the following factors attributable to this Fund and to the investment trust securities invested in by this Fund:

- Lag in the timing of fund inflows and to the purchase of investment trust securities;
- Where the portfolio is adjusted through investment in issues other than the constituent issues of the Citi World Government Bond Index (ex-Japan, no hedge, yen based) or through changes in the constituent issues or weighting of the Citi World Government Bond Index (ex-Japan, no hedge, yen based), the trading of individual issues may be affected by market impact or the Fund may bear costs such as management fees, brokerage fees and auditing fees.
- Securities lending fees from lending securities.
- When derivative transactions such as futures are conducted, discrepancies in price movements between such transactions and part or all of the constituent issues of the Citi WGBI.

Discrepancies between the market prices at which bonds are traded on the exchange and the NAV This Fund is listed on and will be publicly traded on the Tokyo Stock Exchange; however, the market price of the units will depend mainly on the demand for the Fund, its investment performance, and how attractive it is to investors in comparison to alternative investments, etc. We cannot predict whether this fund will be traded at a market value below or above its NAV.

\* The prices of securities targeted for investment of this Fund will fluctuate due to the effects of the aforementioned risks. Therefore, please note that this Fund itself has these risks as well.

\* The factors that contribute to fluctuations in the NAV are not limited to those listed above.

## **Additional Considerations**

- **The provisions stipulated in Article 37-6 of the Financial Instruments and Exchange Act (the “cooling-off period”) is not applicable 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 exempted from compensation by the Japan Investor Protection Fund.**

## **Risk Management System**

- **The evaluation and analysis of risks and performance, risk management, and monitoring of the status of compliance with laws are performed by the departments in charge of risk management and compliance, which is independent from fund management departments.**
- **To maintain an appropriate management system, the departments in charge of risk management and compliance report and make proposals to the committee associated with risk management and compliance, and instruct fund management departments to take corrective actions as necessary.**

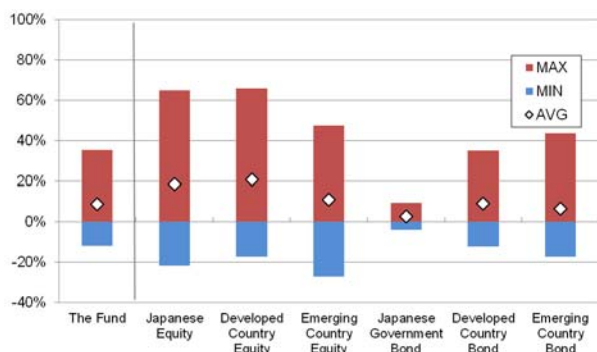
\* The system described above is as of the end of July 2017, and may be subject to change in the future.



## (Reference information)

Comparison of fluctuations the fund with other representative asset classes

August 2012~July 2017



### < Average, annual Maximum, and Minimum fluctuations of this fund and other representative assets(%) >

	The Fund	Japanese Equity	Developed Country Equity	Emerging Country Equity	Japanese Government bond	Developed Country Bond	Emerging Country Bond
AVG	8.6%	18.6%	20.8%	10.8%	2.6%	9.1%	6.5%
MAX	35.2%	65.0%	65.7%	47.4%	9.3%	34.9%	43.7%
MIN	-11.9%	-22.0%	-17.5%	-27.4%	-4.0%	-12.3%	-17.4%

※The above is compiled to compare the fund to representative asset classes quantitatively.

※All asset class may not be investments in the fund.

※The above is the Maximum, Minimum, and Average of the last year's fluctuations in the percentage at the end of each month for five years from August 2012 to July 2017 for the fund and other representative asset classes. This fund's fluctuations in the percentage are theoretical data calculated with dividends reinvested (before tax) and may differ from the data calculated based on NAV. Please note that the fund is using the data for the benchmark due to there being not enough last year's fluctuations in the percentage available for five years.

### <Indices of each asset class>

Japanese Equity:

Tokyo Stock Price Index(TOPIX, Total return)

Developed Country Equity:

MSCI Kokusai Index(Total return, Yen based)

Emerging Country Equity:

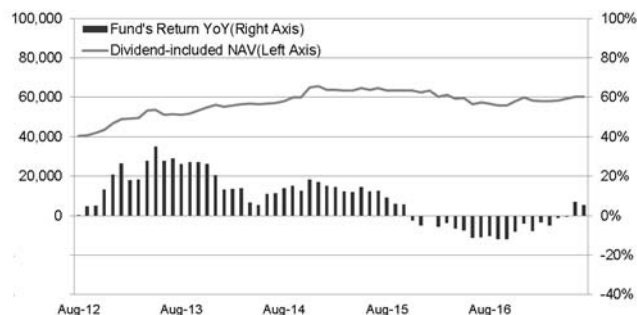
MSCI Emerging Markets Index(Total return, Yen based)

※Indices of foreign assets are calculated in JPY with no currency hedge.

Changes in annual fluctuations and Dividend-included NAV of the fund

August 2012~July 2017

(Yen)



※NAV is the price per 1 units after management fees (trust fees) have been deducted.

※Dividend-included NAV is calculated based on the NAV as of the end of August, 2012.

※The fund's Dividend-included NAV and fluctuations in the percentage are theoretical data calculated with dividends reinvested (before tax) and may differ from the data calculated based on NAV. Please note that the fund is using the date for the benchmark in case there is no annual fluctuation in the percentage.

Japanese Government bond:

Nomura BPI Government

Developed Country Bond:

Citi WGBI (ex Japan, Yen based)

Emerging Country Bond:

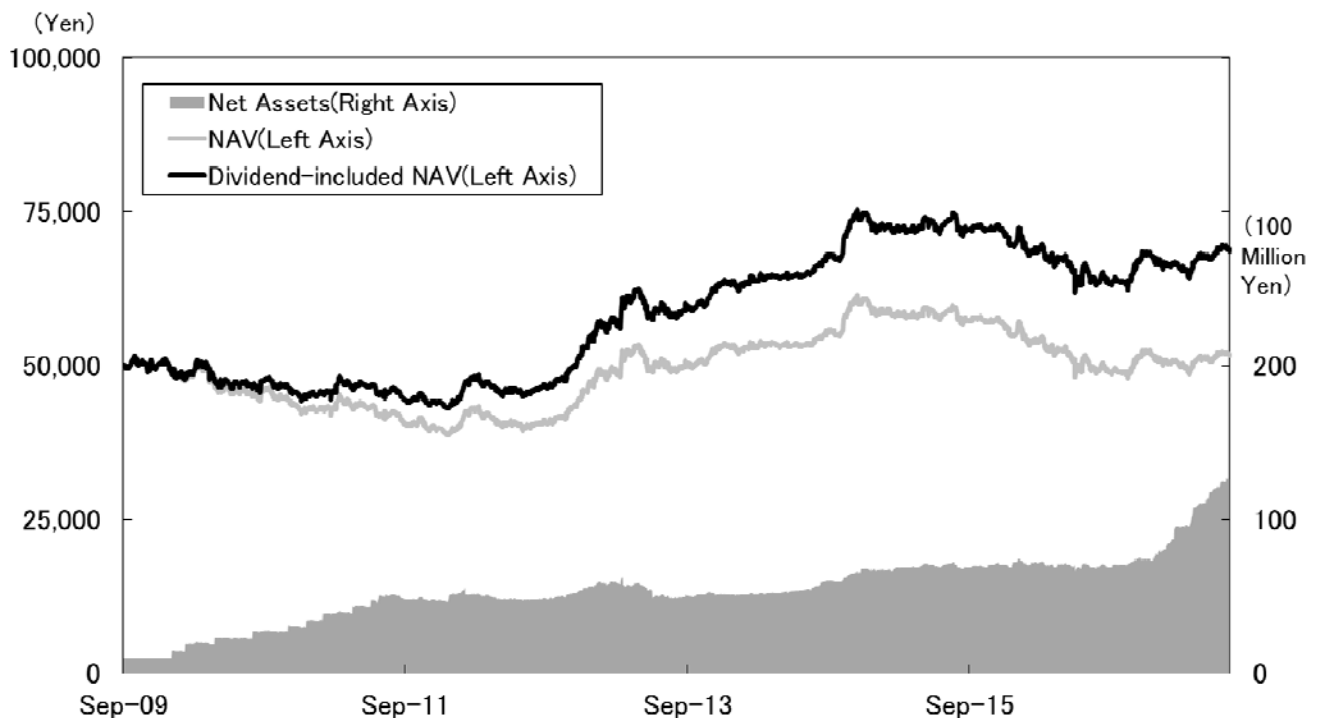
JPM GBI-EM Global Diversified Index(Non-hedge, Yen based)

# Past Performance

As of July 31, 2017

## ■ Changes in NAV/Net Assets

Launch Date (25 September 2009) ~ 31 July 2017



NAV.....¥51,645

Net Assets.....12.580 billion

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

\*Please be aware that the dividend-included NAV is a theoretical value calculated with dividends reinvested (before tax).

## ■ Dividends Paid per 1 Unit (before tax)

Mar-17	Apr-17	May-17	Jun-17	Jul-17	Past One Year	Cumulative
JPY 127	JPY 137	JPY 137	JPY 135	JPY 136	JPY 1,627	JPY 13,781

## ■ Status of Major Assets

<Component and Breakdown>

Asset Types	%
International Bond Index Fund (for Institutional Investors)	99.99%
Money Open Mother Fund	0.00%
Cash and Others	0.01%

\*As percentage of net assets

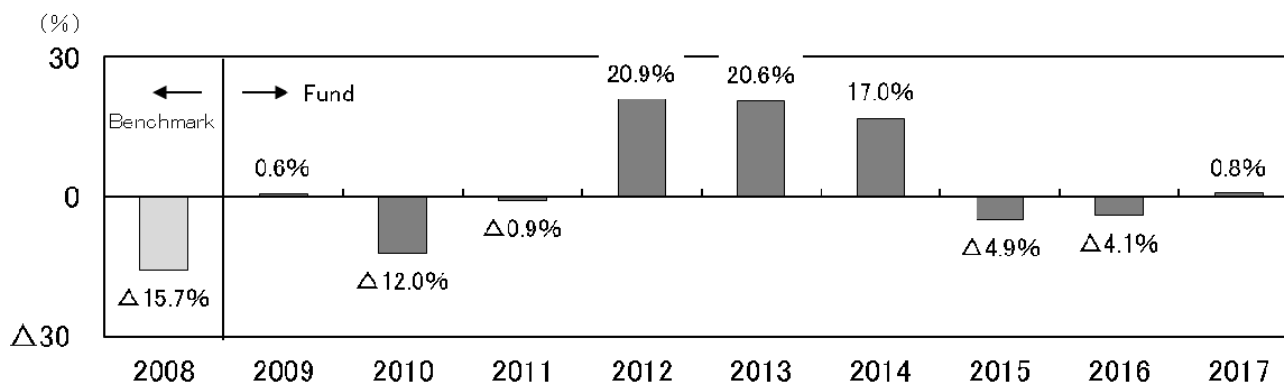
<Top10 Component Share

International Bond Index Fund (for Institutional Investors)

	Name	Country	Type	Coupon	Maturity	%
1	US TREASURY N/B	United States	Government Bond	2.000%	2021/11/15	4.06%
2	US TREASURY N/B	United States	Government Bond	1.625%	2019/3/31	2.58%
3	US TREASURY N/B	United States	Government Bond	3.750%	2018/11/15	2.29%
4	US TREASURY N/B	United States	Government Bond	1.125%	2020/3/31	2.19%
5	US TREASURY N/B	United States	Government Bond	3.125%	2021/5/15	2.15%
6	US TREASURY N/B	United States	Government Bond	2.625%	2020/11/15	2.04%
7	US TREASURY N/B	United States	Government Bond	1.625%	2019/6/30	1.95%
8	US TREASURY N/B	United States	Government Bond	1.625%	2022/11/15	1.91%
9	US TREASURY N/B	United States	Government Bond	2.750%	2023/11/15	1.88%
10	US TREASURY N/B	United States	Government Bond	1.500%	2018/12/31	1.75%

\*As percentage of International Bond Index Fund (for Qualified Institutional Investors)

■ Past Annual Returns



\*The annual rates of return are calculated with dividends reinvested (before tax).

\*Figures before 2008 are for the return rate of the benchmark (Citi WGBI (ex-Japan, no hedge, yen based))

\* The benchmark provides reference information only and does not indicate Fund performance.

\*The figure for 2009 shows fluctuations in the percentage from the launch up until the end of 2009.

\*The figure for 2017 shows fluctuations in the percentage up until the end of July 2017.

\*The above graph represents past performance and does not guarantee future investment results.

\*Investment performance of the Fund will be disclosed on the Management Company website.

# Procedures, Fees, and Other Items

## ■ Subscription Memorandum

<b>Subscription Units</b>	Set by the distributor at 200 units or more. *Please contact the distributor or the management company.
<b>Subscription Price</b>	The NAV as of the next business day on which the subscription is accepted.
<b>Subscription Method</b>	To be paid by the day indicated by the distributor.
<b>Request for Redemption</b>	Units of 200 * Units to be determined by the distributor. *A beneficiary may ask a Distributor to buyback his or her Units where the total number of Units owned is less than the minimum-trading unit for the Units established by the stock exchange. Please contact the distributors for details.
<b>Exchange Price</b>	The NAV on the business day after the exchange is accepted after deducting the trust asset reserves.
<b>Exchange Proceeds</b>	As a rule, payment will be made from the eighth business day after and including the day on which a request for an exchange is made.
<b>Business Hours for Subscription and Exchange</b>	As a rule, applications for subscriptions and exchange that are completed by 2p.m. on the days Distributors are open for business are deemed to have been accepted on that day. It must be pursuant to the procedures established by the Distributor.
<b>Subscription Period</b>	From October 11, 2017 to October 10, 2018. * The subscription period can be renewed by filing another securities registration statement before the expiration date shown above.
<b>Non-acceptance Days for Subscriptions</b>	On the days Distributors are open for business, applications for subscriptions will still not be accepted on the days below. Please contact the distributors for details. 1) For a period of two days, beginning three business days prior to the accounting date. (For a period of three days, beginning four days prior to the accounting date when the accounting date falls on non-business day.) 2) Days where the British or New York stock exchanges or London or New York banks are closed. 3) In addition to the days referred to in 1) and 2) above, any time the Management Company determines that unavoidable circumstances may prevent it from making investment in accordance with the basic policies set forth in the trust deed.
<b>Non-acceptance Days for Exchanges</b>	On the days Distributors are open for business, applications for exchanges will still not be accepted on the days below. Please contact the distributors for details. 1) For a period of five days, beginning six business days prior to the accounting date. (For a period of six days, beginning seven days prior to the accounting date when the accounting date falls on non-business day.) 2) Days where the British or New York stock exchanges or London or New York banks are closed. 3) In addition to the days referred to in 1) and 2) above, any time the Management Company determines that unavoidable circumstances may prevent it from making investment in accordance with the basic policies set forth in the trust deed.

<b>Restrictions on Exchanges</b>	Based on the size or product qualities of the fund, restrictions may be placed on the timing or volume of large exchange units to avoid adverse effects on the fund's management.
<b>Suspension or Cancellation of Subscription, Exchange or Buyback Applications</b>	The Management Company may suspend acceptance of applications for subscription or requests for exchanges, or cancel applications for subscription or requests for an exchange that have already been accepted in the event that the Fund is unable to invest in target investment trust securities, exchanges of the target investment trust securities are no longer possible, trading on a stock exchange is suspended, settlement functions are halted, it determines that there is a possibility that investments in accordance with the basic investment policies set forth in the trust deed will be hindered, or circumstances beyond their control develops.
<b>Trust Term</b>	Unlimited (launch date: September 25, 2009)
<b>Early Termination</b>	<p>Early termination is possible in any of the following cases:</p> <ul style="list-style-type: none"> <li>• If the Units are delisted from all the financial instruments exchanges on which they have been listed.</li> <li>• If Citi WGBI (ex-Japan, no hedge, yen based) is discontinued.</li> <li>• If any amendment to the trust deed deemed necessary by the Management Company or Trustee because of a change in the calculation method or similar of the Citi WGBI (ex-Japan, no hedge, yen based) is not accepted by a written resolution.</li> </ul> <p>Early termination may be carried out in any of the following cases:</p> <ul style="list-style-type: none"> <li>• If net assets of the Fund fall below 500,000,000 yen;</li> <li>• If early termination is deemed advantageous for beneficiaries; or</li> <li>• If any unavoidable circumstances arise.</li> </ul>
<b>Closing of Account</b>	The 10 <sup>th</sup> of each month
<b>Income Distribution</b>	<p>Dividends are paid twelve times a year in accordance with the following income distribution policy:</p> <p>In principle, the full amount of dividends and other incomes received in the trust assets will be distributed after deducting expenses.</p> <p>* In general, the Trustee will pay to each beneficiary their income distribution by wire transfer on the day specified by the Management Company but within 40 days of the end of each calculation period in the bank account designated in advance by the beneficiary. Where a beneficiary has signed a separate agreement with his or her broker in connection with the treatment of income distribution, payment will be made pursuant to the provisions of such agreement.</p>
<b>Maximum Amount of Trust Money</b>	Equivalent to 5 trillion yen
<b>Public Notification</b>	<p>Notifications are posted on the Management Company website.</p> <p>URL: <a href="http://www.nikkoam.com/">http://www.nikkoam.com/</a></p> <p>* In the event that the notification cannot be posted online due to unavoidable circumstances, this will be published in <i>The Nikkei</i>.</p>
<b>Investment Reports</b>	As defined in the Act on Investment Trust and Investment Corporations, investment reports are not prepared and published.

## Tax Treatment

For tax purposes, the Fund is treated as an exchange-traded fund (ETF).

- Publicly-offered Equity Investment Trusts can be held in Nippon Individual Savings Account.
- The dividends received deduction will not apply.
- As a rule, the system excluding dividends from gross revenue will not apply.

There is additional information on this page that does not appear on the original Japanese Delivery Prospectus.

## ■ Fund Expenses and Taxes

### Fund Expenses

#### Expenses to be borne directly by investors

Subscription Fee	<b><u>Independently set by Distributors</u></b> * Please contact your Distributor for further information. * Subscription Fee is compensation for explanation and information providing about the Fund or investment environment, and is also including expense of clerical processing of the subscription.
Exchange Fee	<b><u>Independently set by Distributors</u></b> * Please contact your Distributor for further information. * Exchange Fee is compensation for clerical processing of the exchange.
Amount to be Retained in Trust Assets	<b><u>An amount calculated by multiplying NAV at the time of a redemption by 0.2% (per unit)</u></b>

#### Costs paid indirectly by the customer for the trust assets (paid from the fund)

TER (Total Expense Ratio)	0.4183% (TER includes Trust Fee, management fee and other costs below) ※ This represents the actual TER for the period of July 11, 2016- July 10, 2017			
Investment Management Expenses (Trust fee)	The Fund	<b>No more than 0.162%(0.15% excluding taxes) per annum of the daily total NAV of the fund</b>		
		• The investment management fee is paid out of the trust assets at the end of each calculation period or at the time of termination of the Trust.		
		<Distribution of Investment Management Expenses(annual rate)>		
		When above is 0.15%, as of the date of filing of the securities registration statement:		
		Investment Management Expenses(Trust fee) =NAV of investment period X Trust fee rate		
		Total	Management Company	
Net Assets			Trustee	
¥10.0 billion or less	0.15%		0.12%	0.03%
More than ¥10.0 billion			0.13%	0.02%
Management Company	Compensation for investment management			
Trustee	Compensation for administration of assets under management and execution of orders from Management Company			

\*Figures are excluding tax. Consumption tax will be added.

	Target Investment Trust Securities	Approximately 0.108%(0.1% excluding taxes) per annum of net assets.
	Actual Cost	<b><u>Approximately 0.27% (0.25% excluding taxes) per Annum of net assets.</u></b> ※Subject to change based on changes in the constituent issues or weighting of the target investment trust securities.
Other Expenses and Fees	Expenses (Expenses for preparation of prospectus and other expenses)	<b><u>No more than 0.15% per annum of the daily total NAV of the Fund</u></b> Expenses for the preparation and distribution of prospectuses, auditing fee, expenses for listing of the Fund, as well as royalties for the Citi WGBI (ex-Japan, no hedge, yen based) are paid out of the trust assets at the times specified by the Management Company. * Auditing fee is an expense paid to audit firm for auditing of the Fund
	Brokerage commissions and other fees	Brokerage commissions on securities in the portfolio, interest on borrowings, and other fees are paid out of the trust assets each time they are incurred. These fees are incorporated in the TER stated. * The figures for items such as the rate and maximum amount cannot be provided in advance as they fluctuate in line with investment performance and other factors.
<b>Securities lending</b>		
Lending Fee	Nikko Asset Management runs a securities lending program to enhance the net return of the fund for investors. Nikko Asset management receives the amount obtained by multiplying a lending fee on securities lent by a figure not exceeding 54% (50% excluding taxes) (54% (50% excluding taxes) as of the date of the filling of the securities registration statement) to cover all the operational costs of engaging in this activity for the fund.	

The total amount of expenses of the Fund to be borne by investors varies according to holding length and investment status, and thus cannot be shown.



## Tax Treatment

### Tax treatment for individual investors

#### 1) Taxation upon sale of Units

- Gains on sale (capital gains) are deemed to be income from transfer and thus have to be filed to declare for separate taxation at 20.315%. When a beneficiary has chosen a designated account with tax withholding (an account with tax withholding at the taxpayer's option), tax will be withheld at source at 20.315%. (As a general rule, tax filing is not necessary.)

#### 2) Taxation upon receipt of income distributions

- Income distributions are regarded as dividend income, and tax is withheld at source at 20.315%. (As a general rule, tax filing is not necessary.) You can also file a tax return, and choose either separated taxation, based on declaration, or consolidated taxation (under which the dividends received deduction is available)

#### 3) Taxation upon cancellation or termination

- Gains upon cancellation or termination (capital gains) are deemed to be income from transfer and thus have to be filed to declare for separate taxation at 20.315%. When a beneficiary has chosen a designated account with tax withholding (an account with tax withholding at the taxpayer's option), tax will be withheld at source at 20.315%. (As a general rule, tax filing is not necessary.)
- By filing a tax return, you can offset losses upon sale (capital losses) against capital gains from listed stocks, dividends etc. from listed stocks, and interest income from public and corporate bonds and such like (as long as separated taxation has been chosen upon declaration). In addition, gains on sale (capital gains), income distributions, and interest income from public and corporate bonds etc. (if separated taxation has been chosen upon declaration) can be offset against capital losses from listed stocks and such like.
- When investing through a Nippon Individual Savings Account (NISA), income gains and capital gains from the investments in Publicly-offered Equity Investment Trusts will be tax-free for five years if the investments have been newly purchased within 1.2 million yen per year. Investors need to meet certain conditions, such as aged 20 or above, having opened a tax-free account at a Distributor. In addition, when investing through a Junior NISA, income gains and capital gains from the investments in Publicly-offered Equity Investment Trusts will be tax-free for the next five years for those under 20 years old as long as the newly purchased investment amount is less than 0.8 million yen every year. For further details, please contact a Distributor.
- The aforementioned descriptions do not apply to Japanese corporations.
- Above tax rates are as of October 10, 2017, so those may change in the event that tax laws are revised. We recommend that investors consult a tax or similar specialist for details of tax treatment.

**nikko am**