

PRESS RELEASE  
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NIKKO ASSET MANAGEMENT CO., LTD.

## Nikko AM to List New J-REIT ETF Linked to TSE REIT Index

*ETF to debut on TSE 4 June*

Nikko Asset Management Co., Ltd. (Nikko AM) today announces a new exchange-traded fund (ETF) linked to the Tokyo Stock Exchange REIT Index, called the “Listed Index Fund J-REIT (Tokyo Stock Exchange REIT Index) Bi-Monthly Dividend Payment Type (Mini) (Code: 2552)”. The Fund will launch on 3 June and be listed on the Tokyo Stock Exchange on 4 June.



Nikko AM has already listed several ETFs on the TSE, including the “Listed Index Fund J-REIT (TSE REIT Index) Bi-Monthly Dividend Payment Type (Code: 1345)”, traded extensively by retail and institutional investors. The Fund retains the following notable differentiating characteristics in this popular investment category:

### **The first cash creation/cash redemption type ETF linked to J-REITs**

The Fund is a cash creation/cash redemption type ETF, in which cash payments are made into the fund at its creation or time of subscription and payouts are made at the time of redemption or cancellation. Compared to an in-kind type of ETF that pays out cash equities at the time of creation and receives cash equities at the time of exchange, this type of instrument is convenient for financial institutions and other institutional investors because the minimum cash requirements at the time of creation and redemption are relatively low and there are relatively few days when transactions cannot be executed.

### **The fund allows trading in single unit of around JPY2,000**

The ETF will be tradable in single units for which the subscription price is JPY2,000. The Fund allows retail investors to flexibly conduct “small amount/small unit” transactions of around JPY2,000.

Account settlement and dividend payments of the Fund will be made bi-monthly, on the eighth day of each even-numbered month (February, April, June, August, October, and December). The account settlement and dividend payments of the existing “Listed Index Fund J-REIT (Tokyo Stock Exchange REIT Index) Bi-Monthly Dividend Payment Type” are made bi-monthly on the eighth day of each odd-numbered month (January, March, May, July, September, and November). Investing in both ETFs would therefore allow investors to secure monthly dividend payments. Also, the settlement dates for the new ETF have been designed upon requests from retail investors.

Nikko AM has proactively developed various types of ETFs to meet the needs of investors and will continue to build a diversified and robust portfolio of investment products that provide clients with a broad range of opportunities.

**Fund Outline for Exchange Trading**

Product Type	Open-Ended Fund / Domestic / REIT / ETF / Index Fund
Listed Exchange	Tokyo Stock Exchange
Date Listed	June 4, 2019 (scheduled)
Security code	2552
Trading Unit at the Exchange	1 unit
Trust Period	Unlimited (Launch date: June 3, 2019)
Closing Date	8th of every even-numbered month (every year)
Dividends	In principle, all revenue from dividends, etc. arising from the trust assets will be paid as dividends after deducting expenses, etc. *The payment of future dividends and dividend amounts cannot be guaranteed.

**Outline of Fees, etc.**

Investors must bear the following expenses:

Fees charged at the time of trading at the Exchange

Trading Fees: Fee as determined by the distributor. Inquire with the distributor for details.

Fees are subject to Japan's consumption tax.

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

Trust Fees: Less than 0.2646% per year (0.245% excluding tax) of the NAV

Other Expenses: An amount no greater than the total multiplied over the trust period of the amount reached by multiplying an annual rate of 0.1% on the fund's daily net asset value.

The following expenses 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 (including outsourcing fees if the services set forth in (i)–(iii) are outsourced), (iv) audit costs, (v) listing fees, and (vi) fees for using the TSE REIT index symbol.

\* Audit costs are expenses for audits of the fund paid to an auditing firm, etc.

Brokerage fee for securities purchased, interest on borrowings and interest on advance payment are paid from trust assets.

\*The rate or maximum amounts cannot be disclosed in advance because the actual amount will vary depending on the state of the assets managed.

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.

Acquisition and Conversion Processing Hours	As a general rule, orders will be processed on the same business day if all administrative procedures prescribed by the distributor are completed by 2:00 p.m.
Subscription Value	NAV on the next business day of the day the purchase subscription is received
Subscription Unit	Unit stipulated by the distributor that is at least 1,000 units * Inquire with the distributor or the asset manager for details.
Redemption Value	Value determined by subtracting value of amount retained in trust assets from fund's base value (NAV) on the next business day after the day the redemption application was received.
Redemption Unit	1 unit and no less than 1,000 units ✕May vary depending on distributor. ✕If the number of beneficiary rights held is less than the minimum trading unit specified by the financial instruments exchange, investors can still apply for purchase of their holdings. Inquire with the distributor for details.

### Fees charged at the time of purchase and conversion

**Purchase Fees:** Fee as determined by the distributor. Inquire with the distributor for details. Furthermore, an amount equivalent to the consumption tax levied on said fees will be included.

**Conversion Fees:** When a beneficiary places a redemption request or purchases beneficiary rights, the distributor may collect fees that it has determined as well as the amount equivalent to the consumption tax levied on said fees.

\* Inquire with the distributor for details.

Amount Retained in Trust Assets    None

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

**Trust Fees:** Less than 0.2646% per year (0.245% excluding tax) of the NAV

**Other Expenses:** An amount limited to the total multiplied over the trust period of the amount reached by multiplying an annual rate of 0.1% on the fund's daily net asset value.

The following expenses 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 (including outsourcing fees if the services set forth in (i)–(iii) are outsourced), (iv) audit costs, (v) listing fees, and, (vi) fees for using the TSE REIT index symbol.

\* Audit costs are expenses for audits of the fund paid to an audit corporation, etc.

Brokerage fee for securities purchased, interest on borrowings and interest on advance payment are paid from trust assets.

\*The rate or maximum amounts cannot be disclosed in advance because the actual amount will vary depending on the state of the assets managed.

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

### Risk Information

Invested principal is not guaranteed, and the investor may incur a loss when the market transaction price or the fund's base value (NAV) fall below the invested principal amount. All gains and losses stemming from management of the fund are attributed to the investor (beneficiary). This fund is different from bank deposits.

This fund invests mainly in REITs. Accordingly, REIT price declines and deterioration in the finances and business results of the companies that issued the REITs held by the fund can cause drops in the fund's base value (NAV) that result in losses for the investor.

The main types of risk are set forth below.

[Price Fluctuation Risk] [Liquidity Risk] [Credit Risk] [Risk involved in securities lending, etc.]

\* As the value of the investment trust securities that are the investment targets of the fund are exposed to price fluctuations caused by the above factors, the fund itself is also exposed to these risks.

\* Factors for NAV fluctuation are not limited to those explained above.

### Other Matters to Consider

These materials were prepared by Nikko Asset Management for the purpose of promoting investors' understanding of "Listed Index Fund J-REIT (Tokyo Stock Exchange REIT Index) Bi-Monthly Dividend Payment Type (Mini)"

Prior to investing in the fund, the distributor will deliver the investment trust explanatory document (prospectus distributed in advance of subscription). Please be sure to confirm its contents before making your own investment decision.

### TSE REIT Index

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With US\$202 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 largest exchange-traded funds (ETFs).

Headquartered in Asia since 1959, the firm represents nearly 200\*\* investment professionals and over 30 nationalities across 11 countries. More than 300 banks, brokers, financial advisors and life insurance companies around the world distribute the company'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 31 December 2018.

\*\* As of 31 December 2018, including employees of Nikko Asset Management and its subsidiaries.

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