

# Listed Index Fund TOPIX (1308)

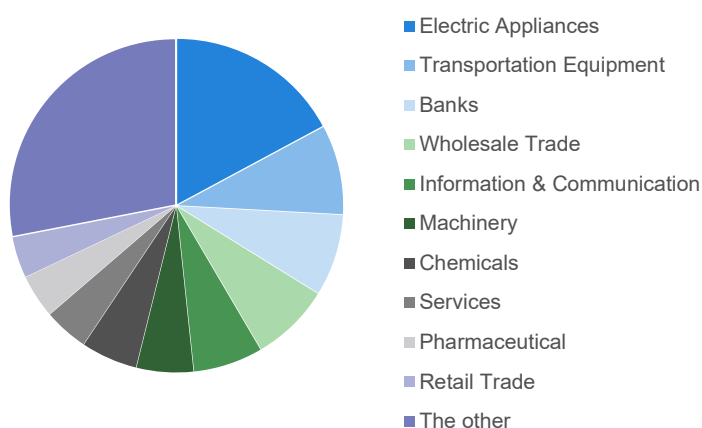
May, 2024

## Product Description/Investment Objective

The Fund invests in shares of the component stocks in the Tokyo Stock Exchange Price Index (TOPIX) and structures its portfolio in line with the TOPIX calculation method. As a rule, by maintaining this portfolio structure, the Fund seeks to achieve a high level of linkage between the NAV and the movements of the index.

\* TOPIX, which covers Japanese stock market widely, is a market benchmark having a function as an investment target and calculated based on the aggregate market value of component issues after free float adjustment. The calculation method bases the aggregate market value as of the close on January 4, 1968 at 100, and expresses subsequent aggregate market values as index values.

## Sector Allocation Top10



Sector Allocations Top10	Weight
Electric Appliances	17.15%
Transportation Equipment	8.72%
Banks	7.96%
Wholesale Trade	7.72%
Information & Communication	6.78%
Machinery	5.54%
Chemicals	5.50%
Services	4.33%
Pharmaceutical	4.25%
Retail Trade	4.00%

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

## Product Performance

Cumulative Performance	Fund (NAV)	Index (Price)
YTD	18.37%	17.16%
1 Months	1.13%	1.07%
3 Months	4.65%	3.62%
6 Months	18.10%	16.74%
1 Year	30.11%	30.13%
Since Inception	185.81%	173.83%

Calendar Year Performance	Fund (NAV)	Index (Price)
2023	25.34%	25.09%
2022	-4.88%	-5.05%
2021	10.56%	10.40%
2020	5.11%	4.84%
2019	15.57%	15.21%

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

## Key Facts

Domicile	Japan
Benchmark Index	TOPIX
Number of Holdings	2,140
Product Methodology	Full Physical Replication
Rebalance Frequency	Annual
Fiscal Year End	8 July
Total Net Assets (JPY)	11,255,907 million
NAV per 100 Shares (JPY)	289,614
Use of Income	Distributing
Dividend Frequency	Yearly
Last distribution paid	08 July 2023
Management and Trustee Fee (bps)*	No more than 6.8
Inception Date	20 December 2001
Base Currency	JPY
Total Return Index Ticker	TPXDDVD
Price Index Ticker	TPX
ISIN	JP3039100007
Bloomberg Ticker	1308 JP Equity
Trading Currency	JPY
Round Lot	1

\*Excluding taxes. Please refer to p.2 for more details.

## Portfolio Holdings

Top 10 Holdings	Weight
Toyota Motor Corporation	4.72%
Mitsubishi UFJ Financial Group, Inc.	2.51%
Sony Group Corporation	2.28%
Hitachi, Ltd.	1.98%
Tokyo Electron Limited	1.80%
Sumitomo Mitsui Financial Group, Inc.	1.79%
Keyence Corporation	1.79%
Mitsubishi Corporation	1.70%
Mitsui & Co., Ltd.	1.60%
Recruit Holdings Co., Ltd.	1.49%

\*The above data are the information of the Fund.

\*As percentage of total assets.

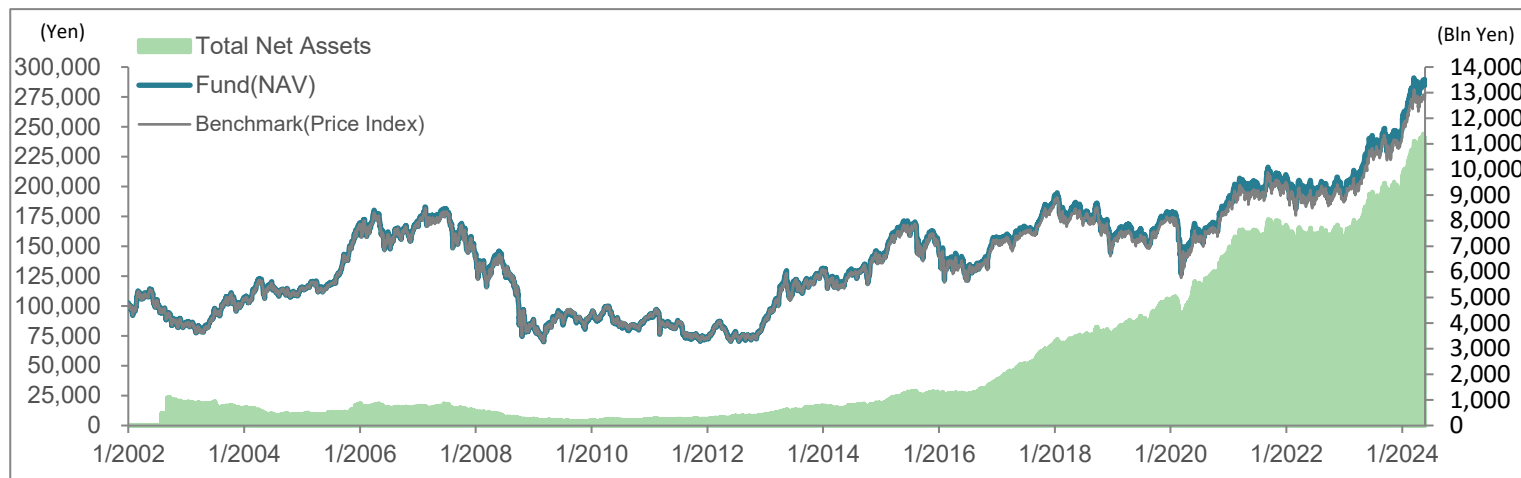
\*The above data are not recommendations of individual stocks.

\*The above holdings do not guarantee future holdings.

# Listed Index Fund TOPIX (1308)

May, 2024

## Performance Chart (2001/12/20 – 2024/5/31)



\*NAV is the price per 100 units after management fees (trust fees) have been deducted.

\*Benchmark is Price Index - excluding dividends. Timing difference between distributions of companies and the Fund may cause a short-term performance dispersion between Fund performance and the Index between end of March and the Fund distribution date.

\*The benchmark in the graph is set in accordance with the NAV as of the graph's starting point.

## Overview of Fees & Expenses

### <Expenses to be borne directly by investors>

#### -Subscription Fee

Distributors may collect from applicants a fee that is determined independently by the Distributors together with an amount equal to the consumption taxes levied on such a fee.

\* Please contact your Distributor for further information.

\* The subscription fee is the fee for describing the products, for describing the related investment environments, for providing the information, and for the administration activities related to the purchase.

#### -Exchange Fee

A Distributor may collect from a unitholder a fee that is determined independently by the Distributor together with an amount equal to the consumption taxes levied on such a fee in the event that the unitholder makes a request for redemption or Units are bought back.

\* Please contact your Distributor for further information.

#### -Amount to be Retained in Trust Assets None

-Trading Fee Stipulated by the broker. Please contact your broker for details.

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

#### -Trust Fee

No more than 0.0748% (or 0.068% without tax). The trust fee (and an amount equal to consumption taxes levied on the trust fee) is daily recorded and paid out of the trust assets at the end of each calculation period or upon termination of the trust.

<Distribution of Investment Management Expenses(annual rate)>

as of July 11, 2023

Investment Management Expenses(Trust fee)			
=NAV of investment period × Trust fee rate			
Asset Under Management	Total	Management Company	Trustee
The portion up to 5 trillion yen	0.068%	0.040%	0.028%
The portion more than 5 trillion yen up to 7.5 trillion yen	0.044%	0.034%	0.010%
The portion more than 7.5 trillion yen up to 10 trillion yen	0.038%	0.028%	0.010%
The portion more than 10 trillion yen	0.032%	0.023%	0.009%

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.

#### -Other Expenses and Fees

Auditing fees, brokerage commissions on securities in the portfolio, expenses for custody of assets in foreign countries, interest on advances, fees related to the listing of the fund, trademark usage fees for "TOPIX", lending fee (in case security lending is conducted, the amount obtained by multiplying a lending fee on securities lent by a figure which is a profit for Trust Assets, not exceeding 0.55 (0.5 excluding taxes) (0.5 excluding taxes as of the date of the filing of the securities registration statement), and other fees are paid out of the trust assets each time they are incurred.

\*Audit fees are the fee for auditing the fund such as audit companies' fees.

\*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.\*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.\*Please read the delivered pre-agreement document and other relevant materials in detail.

## Investment Risk

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 fluctuations in the NAV**

**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 the market price or the 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 stocks. The NAV of the Fund may fall and investors may suffer a loss due to a decline in stock prices or deterioration in the financial conditions and business performance of an equity issuer.

Major risks are as follows:

#### **<Price Fluctuation Risk>**

Stock prices fluctuate as they are affected by information on the company's growth rate and profitability as well as changes in such information. They also fluctuate as they are affected by economic and political conditions in Japan and abroad. There is a risk that the Fund will suffer material losses if unexpected changes occur in stock price or liquidity.

#### **<Liquidity Risk>**

The Fund may incur unexpected losses when the size of the market or trading volumes is small. The purchase and sale prices of securities are influenced by trading volume, resulting in the risks that they cannot be traded at prices expected to be realized in light of the prevailing market trend, sold at the estimated prices, or that the trading volume is limited regardless of the level of prices.

#### **<Credit Risk>**

There is a risk that the Fund will incur material losses in the event of a serious crisis that directly or indirectly affects the business of a corporation in which the Fund invests. The prices of stocks of issuers may substantially decline (possibly to zero) due to fears of default or corporate bankruptcy, which can contribute to decline in the Fund NAV.

#### **<Security-lending Risk>**

Lending of securities involves counterparty risks, which are the risks of contractual default or cancellation following bankruptcy, etc., by the counterparty. As a result, the Fund may suffer 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. In such cases, the Fund is required to pay the difference, which may cause the Fund to incur losses.

### **Risks of Discrepancy between the TOPIX and the NAV**

The Fund seeks to match the NAV volatility with that of the TOPIX, but it cannot guarantee that movements will be consistent with the Index for the following reasons:

- The Fund may be subjected to a market impact when buying or selling individual stocks as it adjusts its portfolio in response to changes in the stocks that comprise the TOPIX and capital changes among corporations. In addition, the Fund will incur various expenses, including trust fees, brokerage commissions, and audit fees.
- Dividends may be paid by stocks in the portfolio and fees may be earned for securities lent.
- When derivative transactions such as futures are made, there may be disparity between the pricemovements of such transactions and that of some or all of the constituents of the TOPIX.

### **Discrepancy between the market prices at which stocks are traded on financial instruments exchanges and the NAV**

The Fund is listed on the Tokyo Stock Exchange and the units are traded on that exchange. The market price of the units is affected primarily by the size of demand for the Fund, its performance, and how attractive it is to investors in comparison with their other investments. It is not possible to predict whether the units will sell in the market above or below the NAV.

\* Factors that contribute to NAV fluctuations are not limited to those listed above.

## Additional Considerations

- These materials are distribution materials created by Nikko Asset Management in order to increase investors' understanding of "Listed Index Fund TOPIX".
- The provisions stipulated in Article 37-6 of the Financial Instruments and Exchange Act ("cooling-off period") are 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.
- When the Fund faces big redemption causing short term cash requirement or sudden change in the main trading market condition, there can be temporal decline in the liquidity of holding assets, resulting in the risks that Fund unable to trade securities at the expected market prices or appraised prices, or encounters limitation in trading volume. This may result in the negative influence on NAV, suspension of redemption applications, or delay in making payment of redemption.
- When applying to invest in the Fund, please make the decision to invest carefully after taking the time to read the delivered prospectus and other relevant materials in detail.

## Copyright and Other Rights of the "TOPIX"

- The TOPIX index value and the TOPIX mark or trademark are intellectual property of JPX Market Innovation & Research, Inc. or its affiliates (hereinafter, "JPX"). All rights and know-how concerning the TOPIX, including its calculation, publication and use of the index values, as well as all rights concerning the TOPIX mark or trademark belong to JPX.
- JPX may change the methods of, or suspend, the calculation or publication of the TOPIX index value. Furthermore, it may change the TOPIX mark or trademark or suspend use thereof.
- JPX does not guarantee or make any representation as to any results obtained in connection with the TOPIX index value and the use of the TOPIX mark or trademark, and as to the TOPIX index value on any particular day.
- JPX does not guarantee the accuracy or completeness of the TOPIX index values or any data contained therein. Furthermore, JPX is not liable for any errors, delays or interruptions in connection with the calculation or publication of the TOPIX index values.
- This Fund is not offered, guaranteed or distributed by JPX.
- JPX is under no obligation to provide investors in the Fund or the general public with information or any investment advice with respect to the Fund.
- JPX does not consider the needs of Nikko Asset Management or the Fund's purchasers in the component stocks or calculation of the TOPIX index values.
- Notwithstanding anything stated above, JPX shall not be liable for any damages arising out of the creation, sale and promotion of Units in the Fund.