

## **< Disclaimer for the English Translation of the Delivery Prospectus of Listed Index Fund Nikkei Leveraged Index >**

This document is an English translation of the Japanese “Summary Prospectus” (the “Delivery Prospectus”) of Listed Index Fund Nikkei Leveraged Index (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 10 October 2020. 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.

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October 10, 2020

# Listed Index Fund

## Nikkei Leveraged Index

**Nickname: JoJo Nikkei Double**

Open-end Investment Trust, Domestic, Equities, 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:** [www.nikkoam.com/](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)

**Sumitomo Mitsui Trust Bank, Limited**

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 subscription to "Listed Index Fund Nikkei Leveraged Index", which is carried out via this prospectus, the management company submitted a securities registration statement on October 9, 2020 to the Director-General of the Kanto Local Finance Bureau as stipulated in the provisions of Article 5 of the Financial Instruments and Exchange Act. The filing took effect on October 10, 2020.

Product Classification					Segmentation by Attribute			
Unit-Type/Open-end Investment Trust	Eligible Market	Eligible Investments (Source of Income)	Independent Segment	Supplementary Classification	Eligible Investments	Timing of Accounting Period	Geographical Areas of Investment	Index Followed
Open-end	Domestic	Equities	ETF	Index type	Composite assets (other assets (securities investment trusts), equities, Stock price index futures trade)	Annually	Japan	Other (Nikkei 225 Leveraged Index)

Please refer to the Investment Trusts Association, Japan website for definitions of products classification and segmentation by attribute at <https://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: 20,454.6 billion yen  
(As of the end July 2020)

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# Objective and Characteristics of the Fund

## Objective of the Fund

In order to achieve investment results that correlate to the price fluctuations of the Nikkei 225 Leveraged Index, the Fund aims to achieve a standard market value that closely correlates with the Nikkei 225 Leveraged Index by maintaining a portfolio. This portfolio will be constructed match an NAV (Net Asset Value). This NAV is the market capitalization of the *short seller's* stock price for the index futures trading and the total amount of money invest in the listed securities investment trust (as they both relate to the Nikkei Stock Average).

\* Nikkei 225 Leveraged Index is an index that calculates the day to day upside/downside ratio as twice the upside/downside ratio of the Nikkei Stock Average. This index uses December 28, 2001 as the base time and assigns 10,000 points for the index value of that date.

Nikkei 225 Leveraged Index =  $\text{The same index of the previous day} \times (1 + 2 \times \text{Nikkei Average fluctuation rate compared to the previous day})$

### Copyrights of the "Nikkei 225 Leveraged Index"

- The "Nikkei 225 Leveraged Index" is copyrighted work calculated through a method developed independently by Nikkei Inc. Nikkei Inc. holds the copyrights as well as any other intellectual property for the "Nikkei 225 Leveraged Index" itself, the calculation method of the "Nikkei 225 Leveraged Index", and the "Nikkei Stock Average", which is the foundation to calculate the "Nikkei 225 Leveraged Index".
- All trademark rights and other intellectual property rights relating to trademarks of the "Nikkei" and the "Nikkei 225 Leveraged Index" belong to Nikkei Inc.
- The fund is solely the responsibility of the investment trust service provider, and Nikkei Inc. has no responsibility for its management or transactions in regards to the fund.
- Nikkei Inc. has no obligation to continue to publish the "Nikkei 225 Leveraged Index" and the "Nikkei Stock Average" and is not responsible for mistakes, delays or suspensions in its publication.
- Nikkei Inc. has the right to stop the publication of and change the contents (i.e. calculation method) of the "Nikkei 225 Leveraged Index" and the "Nikkei Stock Average".

## Characteristics of the Fund

### 1. **This Fund aims to achieve returns on investment that correlate to the price fluctuation of the Nikkei 225 Leveraged Index which is twice of that of the Nikkei Stock Average.**

- This Fund aims to match the change in the NAV's fluctuation rate per one unit of trust assets to the change in the fluctuation rate of the "Nikkei 225 Leveraged Index". In principle, the fund will adjust day by day, so that the total amount of the market capitalization of the short seller's stock price (for futures index trading) and the total amount of money invested in the Listed Index Fund 225 are equal to approximately twice the total amount of the trusted asset's NAV. The investment ratio for the Listed Index Fund 225 is capped at a max of 70% of the total sum of NAV. There will be cases where instead of the Listed Index Fund 225, the fund will be used for the Nikkei Stock Average or the Listed Index Fund Nikkei 225 (Mini).
- \* The investment management described above may not be carried out due to market and financial conditions.

### 2. **Units are listed on Tokyo Stock Exchange and can be bought and sold at any time during trading hours.**

- Units may be traded in blocks of 1 unit (as of the date when the securities registration statement was filed).
- The brokers determine trading commissions.
- The method of trading is generally the same as that for stocks.
- \* Please contact your broker for further information.

### 3. **Units are subscribed for with cash.**

- Units are subscribed using the NAV on the day the subscription is accepted.

### 4. **Units may be redeemed for cash before maturity with a request for exchange.**

- Units may be redeemed by the NAV on the day redemption is accepted.

### 5. **Units may not be exchanged for stocks.**

#### Main Investment Restrictions

- There is no restriction as to the investment ratio in stocks.
- There is no restriction on the investment ratio for assets denominated in foreign currencies.

#### Dividend 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 for the amount and payment of dividends in the future.

## Investment Risks

The major risks associated with investment in the fund are outlined below. This Fund is extremely volatile in terms of the NAV, therefore investors should ensure they carefully examine and fully understand the risks involved with this fund before investing in it.

### Factors that contribute to fluctuations in the NAV

**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 the NAV. All gains and losses from the management of the fund belong to the investor (beneficiary). This fund also differs from bank deposits.**

This Fund will primarily invest in the rights for the Listed Index Fund 225 and the stock price index futures trading. Occasionally, it will be invested in other listed investment trust securities or stocks related to the Nikkei Stock Average. However, due to the possible effects such as a fall in stock prices, decrease in the value of rights (in regards to the listed securities investment trust and stock price index futures trading), poor performance of the stock, worsening of the financial standing of the stock issue etc. there will be time that the NAV falls and losses may be incurred. Investors may also incur losses due to exchange rate fluctuations when investing in assets denominated in foreign currencies.

The major risks of this fund are as follows:

#### Price Fluctuation Risk

- Listed securities investment trusts such as the Listed Index Fund 225 that the fund will invest in may be influenced by the fluctuating Nikkei Stock Average (which the fund is closely linked to). In the case that the Nikkei Stock Average falls, there is a risk that the price of the listed securities investment trust's value will fall and the fund will incur a loss.
- The value of rights relating to stock index futures will fluctuate due to the ever changing stock market prices. The stock market is made up of stock price indexes which are calculated using the stock prices of eligible companies. Furthermore, the value of rights may fluctuate from time to time due to price changes of other domestic and foreign stock price indexes. In the case that there are unexpected fluctuations in the prices of the stock market (which is made up of stock price indexes, and stocks related to stock indexes) there is a possibility that the value of rights for stock index futures trading will have an unexpected fluctuation and may be at risk for a significant loss to occur.
- 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.
- 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. However, the range of price fluctuation varies by bond depending on duration and issuance conditions of coupon rate and others.

#### 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.

See also the following page for details of investment risks.

### **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.
- If a default has occurred or is expected to occur, for issues 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. Also, if default in fact occurs, there is a high possibility of being unable to collect investment funds.

### **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.

### **Derivatives Risk**

- Financial derivatives based finance contracts may be used, therefore the value of derivatives will fluctuate depending on the value of underlying assets. The price of derivatives will fluctuate more than the underlying assets depending of the type of derivative. There is also the risk of suffering losses from being unable to execute transactions as originally contracted due to the bankruptcy of transacting parties, the risk of being unable to perform a reverse trade once a transaction has been settled, or the risk of only being able to perform a reverse trade under markedly unfavorable conditions compared to the theoretical price.

### **Leverage Risk**

- The "Nikkei 225 Leveraged Index" which the fund is closely linked to is an index that is calculated so that the day to day percentage change is equal to twice the percentage change of the Nikkei Stock Average. In principle, the fund structures its portfolio in a way that the fund will be adjusted day to day, so that the total amount of the market capitalization of the short seller's stock price for futures index trading and the total amount of the money invested in the Listed Index 225 are equal to approximately twice the total amount of the trust asset's NAV. Therefore, the fund will be greatly impacted by the conditions of the stock market. If the Nikkei Stock Average falls, there is a possibility that the fund will incur a significant loss greater than the price changes of the Nikkei Stock Average.

### **Risk - Not Able to Invest as Planned**

There might be cases when the Fund may not be able to be invested as planned or the desired return on investment are not achieved due to the following factors:

- When the Nikkei Stock Average fluctuates immensely and the stock price index futures trading reach the daily trading limit (max or min).
- When all or part of the required trade volume is not placed due to a liquidity drop of stock price index futures market, etc.
- When significant fluctuation of investment funds occurs due to additional issuances and cancellations.

### **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.

See also the following page for details of investment risks.

#### Risk of divergence between the Nikkei 225 Leveraged Index and the fund's NAV:

This fund will aim to match NAV volatility with the volatility of the Nikkei 225 Leveraged Index. Due to the following factors, however, it cannot guarantee that movements in the fund's NAV will always be consistent with that index.

- Changes in the value of the stock price index futures trading and changes in the price of the Nikkei Stock Average are not consistent. Furthermore, changes in the value of the securities investment trust such as the Listed Index Fund 225 (which the fund will be invested in) and changes in the Nikkei Stock Average prices do not match.
- There will be difference in the contracted and appraised values within listed securities investment trusts (e.g. Listed Index Fund 225) and stock price index futures trading due to day to day additions and cancellations.
- If there are adjustments done to the portfolio because of transferring capital or the modification of brands adopted on the Nikkei Stock Average, there is a possibility that there will be an impact on the market for trading each individual brand. Furthermore, the fund will carry the burden of covering the expenses (trust fees, brokerage fees for trading, auditing fees etc.).
- Management fees from the lending of securities or dividends of incorporated issues.

#### Divergence between market prices at which stocks are traded on the exchange 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.

#### \*Points to note about the inherent nature of the Nikkei 225 Leveraged Index

- The Nikkei 225 Leveraged Index is calculated as follows. The percentage change between the business day in question and the previous business day on the leverage index is calculated as being twice the percentage of the change of the Nikkei Stock Average price over the same period of time. If the difference is calculated for a period greater than two days the percentage change for the Nikkei 225 Leveraged Index will not be equal to twice the Nikkei Stock Average Price. There will be a "gap" between the calculated amount and the generally targeted price of two times the Nikkei Stock Average by compound interest effect.
- The "gap" discussed above will change depending upon the price change of the Nikkei Stock Average Price for the period in question. This "gap" can either be a positive or negative one. But in general if price changes for the Nikkei Stock Average are extremely volatile in a certain range, the chances of the "gap" becoming a negative one are increased and the index level will gradually decrease. The longer the period of the time that the calculation is used for, the larger the gap tends to become.

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

### **Additional Considerations**

- **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.**



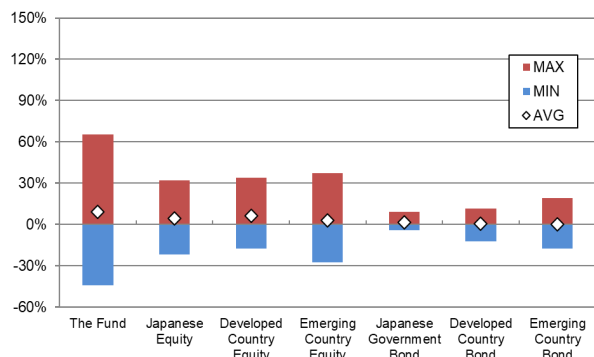
## **Risk Management System**

- **The departments in charge of risk management and compliance perform the evaluation and analysis of risks and performance, risk management, and monitoring of the status of compliance with laws, and are independent from fund management departments.**
- **To maintain an appropriate management system, the department in charge of risk management and compliance will report and make proposals to the committees associated with risk management and compliance, and instruct fund management departments to take corrective actions as necessary.**
- \* The system described above is current as of end July 2020, and may be subject to change in the future.

## (Reference information)

### Comparison of fluctuations the fund with other representative asset classes

August 2015~July 2020



### < 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	9.4%	4.4%	6.5%	2.8%	1.7%	0.7%	0.2%
MAX	65.4%	32.2%	34.1%	37.2%	9.3%	11.4%	19.3%
MIN	-44.2%	-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 2015 to July 2020 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.

### <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:

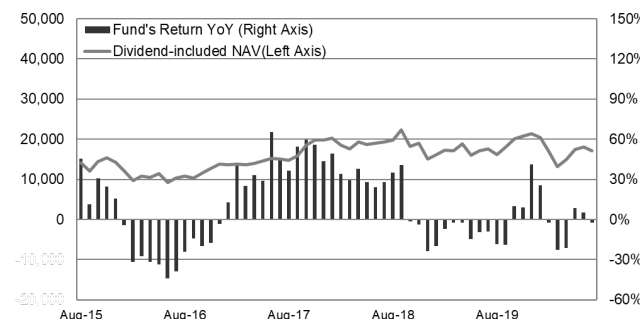
MSCI Emerging Markets Index(Total return, Yen based)

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

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

August 2015~July 2020

(Yen)



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

※Dividend-included NAV is calculated based on the NAV as of the end of August, 2015.

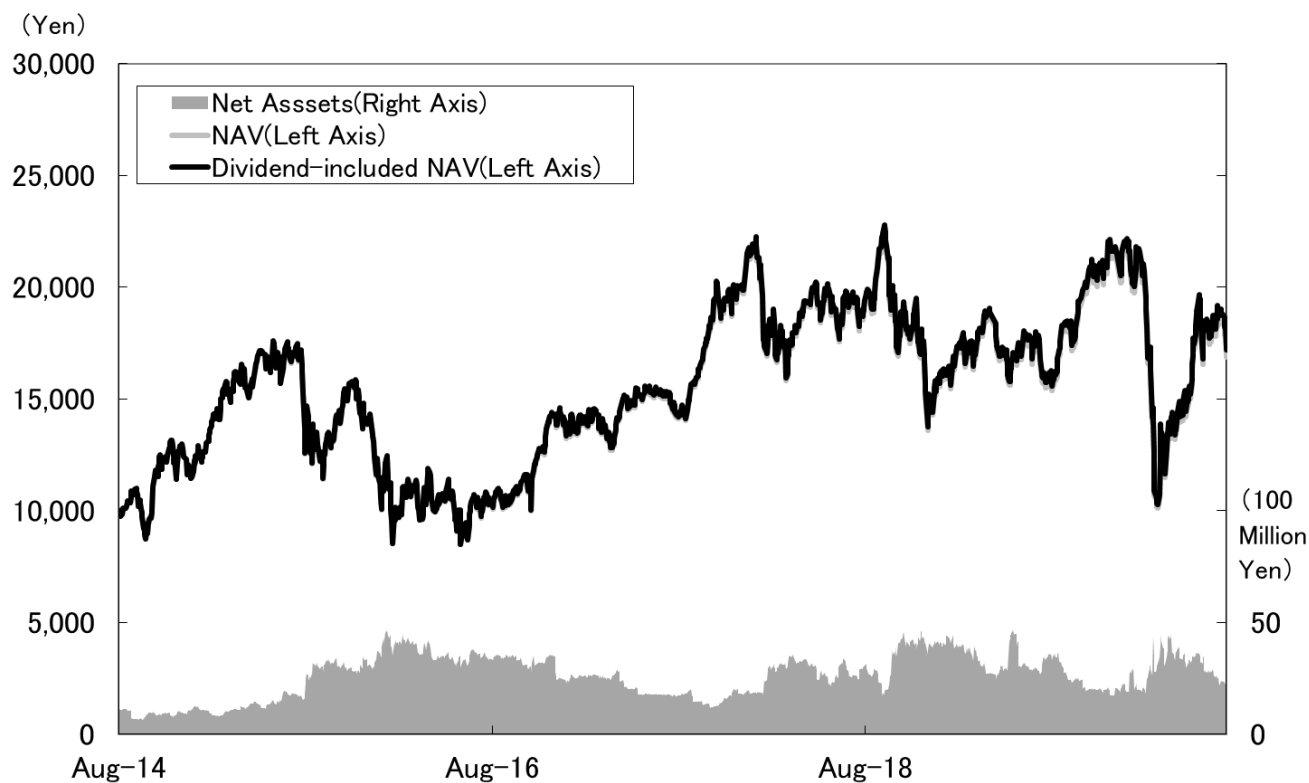
※The fund's Dividend-included NAV and fluctuations in the percentage are theoretical data calculated with dividends reinvested (before tax) and may differ from the data calculated based on NAV.

# Investment Performance

As of July 31, 2020

## Changes in NAV/Net Assets

Launch Date(25 August 2014)~31 July 2020



NAV .....16,885 Yen

Net Assets .....2.154 billion Yen

\*NAV is the unit price per 1 unit 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 Unit, before tax)

Jul-16	Jul-17	Jul-18	Jul-19	Jul-20	Cumulative
JPY 35	JPY 0	JPY 58	JPY 85	JPY 58	JPY 286

## Status of Major Assets

**<Component and Breakdown>**

Asset Type	%
Beneficiary Certificates of the Investment Trusts	69.78%
Futures	145.46%
Cash and Others	30.22%

\*As percentage of net assets.

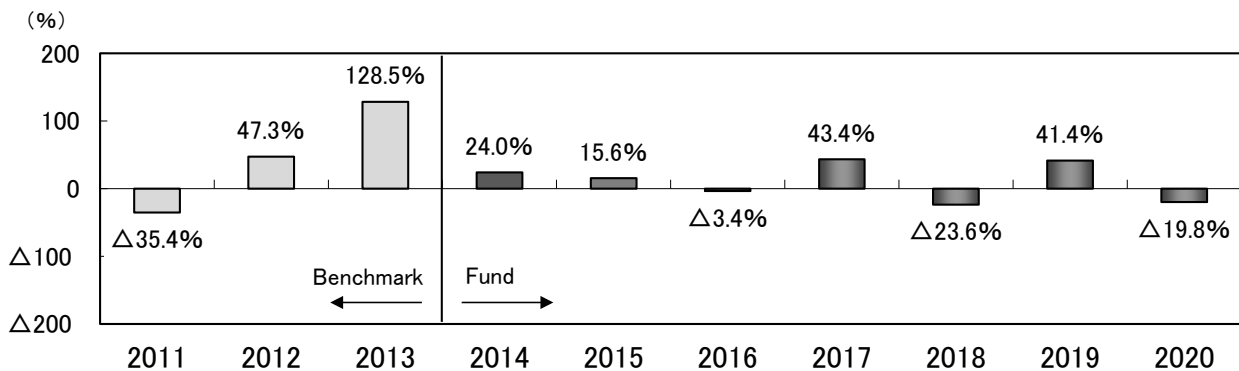
**<Top Holdings>**

Name	Security Type	%
1 Listed Index Fund 225	Beneficiary Certificates of the Investment Trusts	69.78%

Name	Security Type	%
1 Nikkei 225 2009	Futures	143.44%
2 Nikkei 225 mini 2009	Futures	2.02%

\*As percentage of net assets.

**Past Annual Returns**



\*Annual rates of return are calculated with dividends reinvested (before taxes).

\* Figures before 2013 are for the return rate of the benchmark (Nikkei 225 Leveraged Index).

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

\*The figure for 2014 shows the percentage changes up until the end of 2014.

\*The figure for 2020 shows the percentage up until the end of July 2020.

\*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's website.

# Procedures, Fees, and Other Considerations

## Subscription Memorandum

Subscription Units	Units to be determined by the distributors starting at no less than 1,000 *Please contact the distributor.
Subscription Price	NAV on the day the subscription is accepted.
Subscription Method	Please make the payment by the day designated by the distributor.
Redemption Unit	One unit of at least 1,000 units *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.
Redemption Price	NAV on the day the redemption is accepted.
Redemption Proceeds	As a rule, payment will be made from the fourth business day after and including the day on which a redemption request is made.
Business Hours for Subscription and Redemption	As a rule, applications for subscription and redemption that are completed by 2 p.m. on the days Distributors are open for business are deemed to have accepted on that day. It must be pursuant to the procedures established by the Distributor.
Subscription Period	October 10, 2020 to April 9, 2021 *The subscription period can be renewed by filing another securities registration statement before the expiration date shown above.
Non-acceptance Days for Subscription and Redemption	In principle, even on days when distributors are open, no purchase or redemption application shall be accepted if its purchase or redemption date falls within the period of two business days, beginning two business days prior to the accounting date (For a period of three business days, beginning three business days prior to the accounting date when the accounting date falls on non-business day.). Please contact the distributors for details.
Restrictions on Redemption	Based on the size of the fund or the product characteristics, the redemption application time and amount may be restricted for large number of units to avoid interference with investment management.
Suspension or Cancellation of Subscription, Redemption Applications	The Management Company may stop accepting requests for subscriptions or redemption if any of the following applies to the stock price index futures trading that the fund is primarily issued for: <ol style="list-style-type: none"><li>1. When the appointed day's financial instruments exchange is not held or suspended (for the stock price index futures trading mentioned above)</li><li>2. At the completion of the appointed day's afternoon session financial instruments exchange (for the stock price index futures trading mentioned above), an unavoidable circumstance occurs such as the bid price for the above mentioned futures trading is consider to be the price limit/daily trading limit set by the financial instruments exchange then part or all of the transaction will not be approved.</li></ol> In unavoidable circumstances such as suspension of payments, halting of foreign currency exchanges or canceling of transactions within the financial instruments exchange, the Management Company will stop accepting requests for subscriptions and even revoke requests for buybacks and subscriptions already accepted.

Trust Term	Unlimited (set up date: August 25, 2014)
Early Termination	<p>The fund will be terminated early in any of the following cases:</p> <ul style="list-style-type: none"> <li>• If the units are delisted on all the financial exchanges.</li> <li>• Nikkei 225 Leveraged Index is delisted.</li> <li>• If any amendment to the trust deed deemed necessary by the Management Company or Trustee as a result of a change in the calculation method or similar of the Nikkei 225 Leveraged Index is not accepted by a written resolution.</li> </ul> <p>The fund may be terminated early in any of the following cases:</p> <ul style="list-style-type: none"> <li>• If the total NAV falls below JPY 500 million</li> <li>• If it is deemed advantageous for beneficiaries, or</li> <li>• If unavoidable circumstances arise.</li> </ul>
Closing Date	July 10 <sup>th</sup> each year
Income Distribution	<p>Distributions are paid once a year in accordance with the distribution policy.</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>
Maximum Amount of Trust Money	Equivalent to JPY 5 trillion
Public Notification	<p>Electronic public notices are posted on the website of the Management Company. URL: <a href="http://www.nikkoam.com/">www.nikkoam.com/</a></p> <p>* In the event that electronic public notices cannot be posted due to unavoidable circumstances, this will be published in The Nikkei.</p>
Investment Report	As defined in the Act on Investment Trust and Investment Corporations, investment reports are not prepared and published.
Tax Treatment	<p>For tax purposes, the fund is treated as an exchange-traded fund (ETF).</p> <ul style="list-style-type: none"> <li>• Under taxation laws, publicly offered stock investment trusts are covered by the Nippon Individual Savings Account system.</li> <li>• Tax credits for dividends will not apply.</li> <li>• As a general rule, the system excluding dividends from gross revenue will not apply.</li> </ul>

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.													
Redemption Fee	<b><u>Independently set by Distributors</u></b> *Please contact your Distributor for further information.													
Amount to be Retained in Trust Assets	<b><u>None</u></b>													
Expenses to be borne indirectly by investors from trust assets														
TER (Total Expense Ratio)	0.8710% (TER includes Trust Fee, management fee and other costs below.) ※ This represents the actual TER for the period of July 11, 2019 – July 10, 2020													
Investment Management Expenses (Trust fee)	<p><b><u>Not more than an annual rate of 0.605% for the fund's total daily NAV (0.55% excluding taxes).</u></b></p> <p>The investment management fee is daily recorded and paid out of the trust assets at the end of each calculation period or at the time of termination of the Trust.</p> <p>&lt;Distribution of Investment Management Expenses(annual rate)&gt; When the above is 0.55%, as of the filing date of the securities registration statement.</p> <table border="1" data-bbox="612 1205 1369 1346"> <thead> <tr> <th colspan="3">Trust Fee Rate (annual rate)</th> </tr> <tr> <th>Total</th> <th>Management company</th> <th>Trustee</th> </tr> </thead> <tbody> <tr> <td>0.55%</td> <td>0.50%</td> <td>0.05%</td> </tr> </tbody> </table> <table border="1" data-bbox="612 1379 1361 1581"> <tbody> <tr> <td>Management Company</td> <td>Compensation for investment management</td> </tr> <tr> <td>Trustee</td> <td>Compensation for administration of assets under management and execution of orders from Management Company</td> </tr> </tbody> </table> <p>*The rate in the table is excluding taxes. Consumption tax is separately charged.</p>	Trust Fee Rate (annual rate)			Total	Management company	Trustee	0.55%	0.50%	0.05%	Management Company	Compensation for investment management	Trustee	Compensation for administration of assets under management and execution of orders from Management Company
	Trust Fee Rate (annual rate)													
Total	Management company	Trustee												
0.55%	0.50%	0.05%												
Management Company	Compensation for investment management													
Trustee	Compensation for administration of assets under management and execution of orders from Management Company													
Actual Cost	<p><b><u>An annual rate of approximately 0.77825% (0.7075% excluding tax) per year for total NAV.</u></b></p> <p>* If this fund invests in the Listed Index Fund 225 or the Listed Index Fund Nikkei 225 (Mini), there will be a yearly fee (0.17325%) charged to the NAV in addition to the trust fee that is listed above (as of the date of filing the securities registration statement, after excluding taxes there is a rate of 0.1575%) . This applicable trust fee rate is a rough estimate. This estimate is a hypothesized to incorporate 70% of fund in the Listed Index Fund 225 or the Listed Index Fund Nikkei 225 (Mini).</p> <p>* The actual trust fee rate will fluctuate depending on the incorporation ratio of the fund applied towards listed investment trust securities,</p>													

		etc.
Other Expenses and Fees	<p>Expenses (Expenses for preparation of Prospectus and other expenses)</p> <p>Brokerage Commissions and Other Fees</p>	<p><b><u>Not more than 0.1% per annum of total daily net assets during trust period of the fund.</u></b></p> <p>1. Expenses for the drawing up and issuing prospectus, 2. Cost for accounting and its related duties 3. Cost for preparation of a consolidated financial summary (including outsourcing fees if (1) - (3) are outsourced), 4. Auditing fees, 5. Fees related to listing the fund, 6. "Nikkei 225 Leveraged Index" trademark fees and others are paid out of the trust assets at the times specified by the Management Company.</p> <p>Brokerage commissions on securities in the portfolio, interest on borrowed money, interest on money borrowed, fee related to loan securities will be paid out of the fund as well (if securities are lent out the amount earned from taking advantage of the lending fee, which will become a profit for the fund itself, will be subject to fees as well (a rate not exceeding 0.55 [0.5 excluding taxes] within the date that the securities registration statement is submitted).</p> <p>* 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.</p>

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 Japanese 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 dividends received deduction will not apply).

#### 3) Tax on Cancellation and Termination Fee

- 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. interest income from specified public and corporate bond, etc. and such like (as long as separated taxation upon declaration has been chosen). In addition, gains on sale (capital gains), income distributions and interest income from specified public and corporate bond, etc. (if separated taxation upon declaration has been chosen) can be offset against capital losses from listed stocks and such like.

\* When using the Nippon Individual Savings Account system (otherwise known as NISA), dividend income and capital gains generated from such as publicly placed stock investment trusts that have been newly purchased within the range of 1.2 million yen annually shall be exempt from taxation for a period of five years. Only those who satisfy certain conditions, such as being 20 years old or more, and have opened an account with the distributor, can use this system. 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. Please contact the distributors for details.

\* In cases of being applied to the foreign tax deduction, tax on distributions may differ from the aforementioned descriptions.

\* The aforementioned descriptions do not apply to Japanese corporations.

\* The aforementioned information is current as of October 9, 2020. Therefore, in cases where tax laws have been modified the tax rate etc. may have been modified as well. We recommend that investors consult a tax or similar specialist for details of tax treatment.

# Additional Items

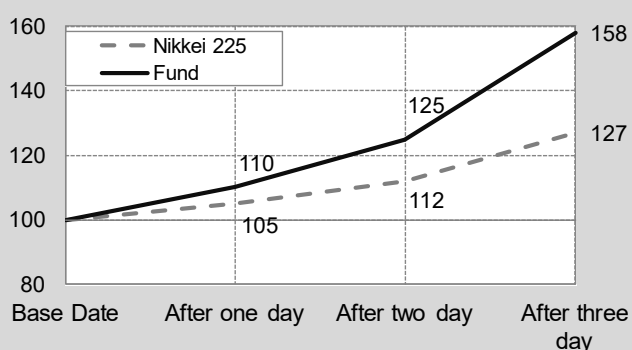
## Q&A: About the Fluctuation of the NAV

Q. If the daily NAV price change is twice that of the Nikkei Stock Average's (hereinafter, the "Nikkei 225"), is the investment return during the possession of the fund also doubled?

A. The returns per investor during the possession of the fund may not result double in returns when the base date is compared with a date two or more days apart, even if the daily NAV price change is twice that of the Nikkei 225.

## Charts Demonstrating the NAV Price Changes (when the Nikkei 225 is on the rise)

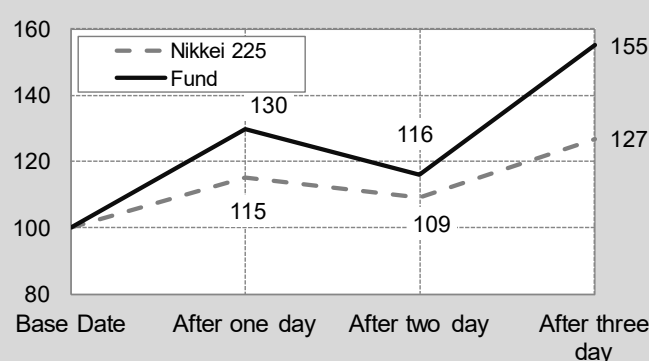
<Move in one direction>



### ●Upside-Downside Ratio from the previous day

	Base date	After one day	After two days	After three days
Nikkei 225	—	5.0%	6.7%	13.4%
This Fund	—	10.0%	13.3%	26.8%

<Move with fluctuation>



### ●Upside-Downside Ratio from the previous day

	Base date	After one day	After two days	After three days
Nikkei 225	—	15.0%	-5.2%	16.5%
This Fund	—	30.0%	-10.4%	33.0%

**Daily price change is twice of that of the Nikkei 225**

### ●Upside-Downside Ratio from the base date

	Base date	After one day	After two days	After three days
Nikkei 225	—	5.0%	12.0%	27.0%
This Fund	—	10.0%	24.7%	58.1%

### ●Upside-Downside Ratio from the base date

	Base date	After one day	After two days	After three days
Nikkei 225	—	15.0%	9.0%	27.0%
This Fund	—	30.0%	16.4%	54.9%

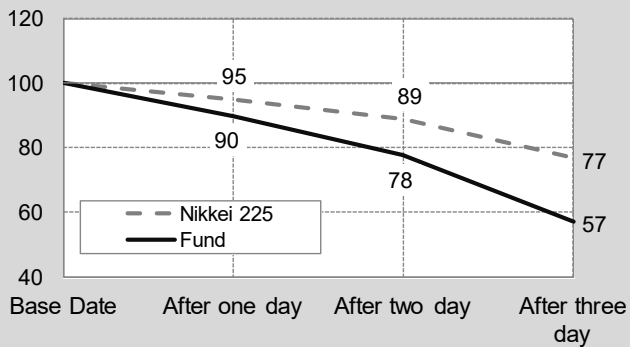
**The more there is upward and downward motion, however, the lower results in volatility**

\*Calculation of the above upside-downside ratio is rounded to one decimal place.

\*Graphs and data are only examples to illustrate calculations and highlight the relation between the price change of the overall stock market and NAV. They do not hint at or indicate the actual price movement.

### Charts Demonstrating the NAV Price Changes (when the Nikkei 225 is on the decline)

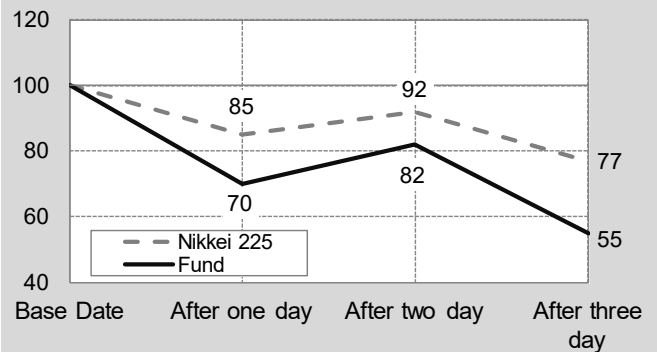
<Move in one direction>



●Upside-Downside Ratio from the previous day

	Base date	After one day	After two days	After three days
Nikkei 225	—	-5.0%	-6.7%	-13.4%
This Fund	—	-10.0%	-13.3%	-26.8%

<Move with fluctuation>



●Upside-Downside Ratio from the previous day

	Base date	After one day	After two days	After three days
Nikkei 225	—	-15.0%	8.2%	-16.5%
This Fund	—	-30.0%	16.5%	-33.1%

**Daily price change is twice of that of the Nikkei 225**

●Upside-Downside Ratio from the base date

	Base date	After one day	After two days	After three days
Nikkei 225	—	-5.0%	-11.3%	-23.2%
This Fund	—	-10.0%	-22.0%	-42.9%

●Upside-Downside Ratio from the base date

	Base date	After one day	After two days	After three days
Nikkei 225	—	-15.0%	-8.0%	-23.2%
This Fund	—	-30.0%	-18.5%	-45.4%

**The more there is upward and downward motion, however, the lower results in volatility**

\*Calculation of the above upside-downside ratio is rounded to one decimal place.

\*Graphs and data are only examples to illustrate calculations and highlight the relation between the price change of the overall stock market and NAV. They do not hint at or indicate the actual price movement.

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