

< Disclaimer for the English Translation of the Delivery Prospectus of Listed Index Fund MSCI Japan High Dividend Low Volatility >

This document is an English translation of the Japanese “Summary Prospectus” (the “Delivery Prospectus”) of Listed Index Fund MSCI Japan High Dividend Low Volatility (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 9 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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9 October, 2020

Listed Index Fund MSCI Japan High Dividend Low Volatility

Nickname: JoJo High Dividend Low Volatility

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/

+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 offering for subscription to the Listed Index Fund MSCI Japan High Dividend Low Volatility, 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 April 8 2020 pursuant to the provisions of Article 5 of the Financial Instruments and Exchange Act. The filing took effect on April 9 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 | Equities in General | Quarterly | Japan | Other (MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index) |

Please refer to The Investment Trusts Association, Japan website for definitions of product 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 of July 2020)

Objective and Characteristics of the Fund

Objective of the Fund

The Fund seeks to achieve NAV that closely correlates with the movement of the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index by investing in component stocks of the index and by principally maintaining a portfolio constructed according to the calculation method of the index.

※MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index is an equity index developed by MSCI, Inc. It is indexation of performance of securities that are optimized based on the investment ratio to minimize price fluctuation after analyzing historical prices by mathematical model, and its securities universe has relatively high liquidity and high dividend securities among the component shares of the MSCI Japan IMI index*. (excluding finance-related stocks and listed REITs)

*MSCI Japan IMI index is designed to measure performance of entire Japanese equity market and covers almost all market value after floating shares adjustment.

※List of component shares is reviewed in every February, May, August and November.

Copyrights of the "MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index"

This Fund is not sponsored, endorsed, sold, or promoted by MSCI Inc and its affiliated companies, information provider, and other third parties (hereinafter refers to "MSCI"), who were involved or related in the editing, calculation, or creation of the MSCI index. MSCI index is an exclusive property of MSCI. The name of MSCI and MSCI Index is a service mark of MSCI and its affiliated companies and Nikko Asset Management Co., Ltd. is allowed to use this for specific a purpose. Any companies related to MSCI make no expression or warranty, expressed or implied, as specified to the Fund's owners or issuers, or any member of the public or organizations regarding the advisability of investing in securities generally or in the Fund particularly or in the ability of MSCI Index to track the performances of certain financial markets. MSCI and its related companies are licensors of MSCI Index and determine, create, and calculate the MSCI index regardless of specific trademarks, service marks or names, the Fund's issuer or owners, and any member of the public or organizations. Any companies related to MSCI have no obligation to consider the requests of the Fund's issuers or owners, or any member of the public or organizations when determining, editing and calculating MSCI Index. Any companies related to MSCI are not responsible for or been involved in the determination of the timing of, price at, or amount of the Fund to be issued, or in determination or calculation of the equation by which the Fund to be converted into cash, or the Fund's conversion price. Any companies related to MSCI assume no obligation to the Fund's issuer or owner, any member of the public or organizations regarding, nor do they take any responsibility for management, marketing or trading of the Fund whatsoever.

MSCI obtains information required for calculating and using in the MSCI Index from sources it thinks are reliable, however, any companies related to MSCI do not make any guarantee of the originality, accuracy or completeness of MSCI Index or the data of the Index. Any companies related to MSCI make no guarantee, expressed or implied, of the results to be obtained by the Fund's issuer or owner, or any member of the public or organizations from the use of this Index or data included therein. Any companies related to MSCI take no responsibility for any error, omission in the data included or the discontinuation of MSCI Index. Furthermore, any companies related to MSCI expressly disclaim all warranties or conditions of merchantability or suitability for a particular purpose or use of this Index or the data contained therein, and make no guarantee, express or implied, on merchantability or suitability of this Index or the data contained therein. Without limiting any of the foregoing, any companies related to MSCI are not responsible for any direct, indirect, special, punitive, or consequential damages, and all other damages (including lost profits) arising from the use of the data contained therein, even if notified of the possibility of such damages in advance.

The Fund's purchasers, distributors, owners or any member of the public or organizations cannot use or mention MSCI's name, trademark or service mark for the purpose of sponsoring, endorsing, selling, or promoting the Fund without checking whether it is necessary to obtain MSCI's prior consent. Any member of the public or organizations cannot mention their relationship with MSCI without obtaining MSCI's written approval in advance.

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:

- ① 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).
 - The brokers determine trading commissions.
 - The method of trading is generally the same as that for stocks.
 - * Please contact your broker for further information.
- ② Units are subscribed by delivering stocks.

The integer multiple for subscription units are set by dividing the market value of the unit stock valuation by the NAV of the day on which the subscription is accepted (rounded up to the nearest whole unit).

*“Unit stock” indicates all securities names designated by the management companies in the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index.
- ③ Units may not be redeemed for cash before maturity with a request for exchange.
- ④ Units may be exchanged for stocks.
 - * The component stocks of the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index delivered upon subscription do not necessarily fully match the stocks upon exchange.
 - * The number of beneficiary certificates created upon subscription does not necessarily match the number of units required upon exchange.

Investment Restrictions

- There is no restriction as to the investment ratio in stocks.
- The Fund may invest in shares of the component stocks of the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index principally. However, this does not apply to shares that are acquired through shareholder allotments.
- The Fund does not invest in 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 determining 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 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 MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index and the NAV>

The Fund seeks to match the NAV volatility with that of the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index, 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 MSCI Japan IMI Custom Liquidity

See also the previous page
for details of investment risks.

and Yield Low Volatility Index 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 price movements of such transactions and that of some or all of the constituents of the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index.
- ◇ Discrepancy between the market prices at stock 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

- The provision stipulated in Article 37-6 of the Financial Instruments and Exchange Act (“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

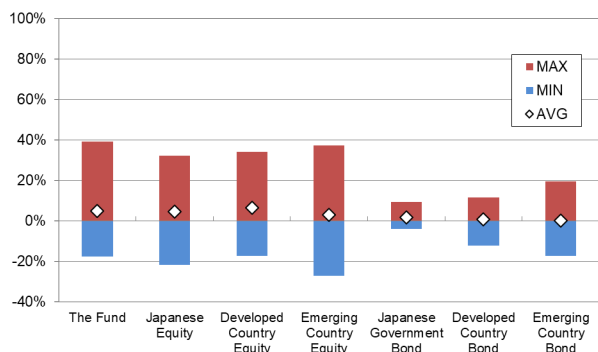
- The departments in charge of risk management and compliance perform the evaluation and analysis of risks and performance, risk management, and monitoring of the status of compliance with laws, and are independent from fund management departments.
- To maintain an appropriate management system, the departments 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 as of the end of 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 | 4.9% | 4.4% | 6.5% | 2.8% | 1.7% | 0.7% | 0.2% |
| MAX | 39.2% | 32.2% | 34.1% | 37.2% | 9.3% | 11.4% | 19.3% |
| MIN | -17.9% | -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 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. Please note that the fund uses benchmark data for years for which fluctuation percentage data is unavailable.

<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:

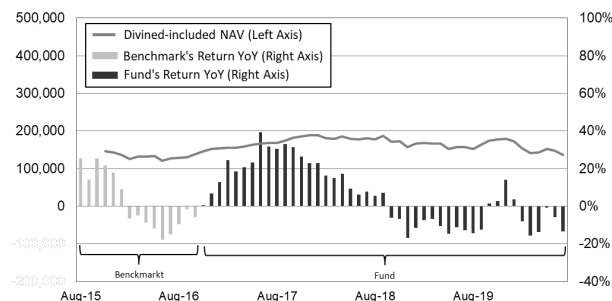
MSCI Emerging Markets Index(Total return, Yen based)

※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

(JPY)



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

※Dividend-included NAV is calculated based on the NAV as of the end of November, 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. However, 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:

FTSE WGBI (ex Japan, Yen based)

Emerging Country Bond:

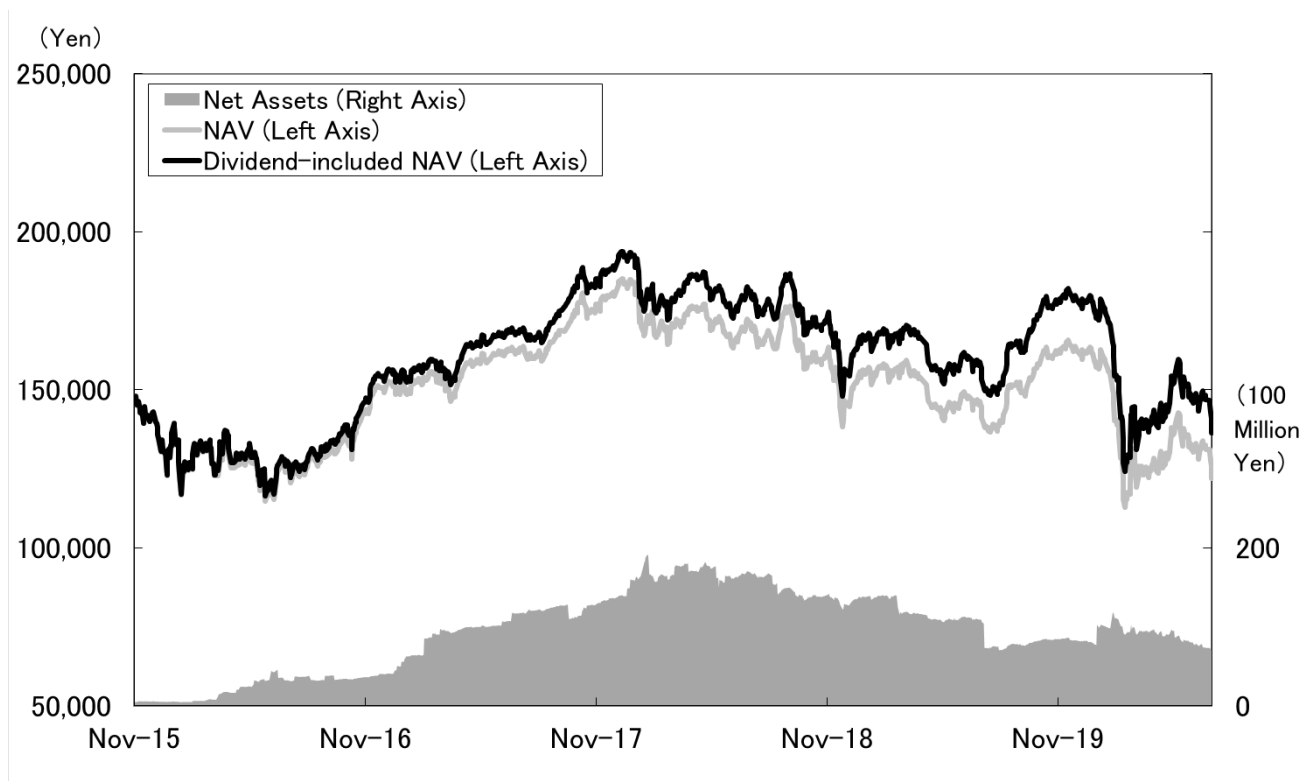
JPM GBI-EM Global Diversified Index(Non-hedge, Yen based)

Investment Performance

As of July 31, 2020

■ Changes in NAV/Net Assets

Launch Date (30 November 2015)~31 July 2020



NAV.....¥ 121,939

Net Assets.....¥ 6.818 billion

*NAV is the price per 100 units 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 100 units, before tax)

| Jul-19 | Oct-19 | Jan-20 | Apr-20 | Jul-20 | Cumulative |
|---------|-----------|---------|-----------|--------|------------|
| JPY 250 | JPY 1,840 | JPY 220 | JPY 2,080 | JPY 0 | JPY 16,580 |

■ Status of Major Assets

<Component and Breakdown>

| Asset Types | % |
|-----------------|--------|
| Equity | 99.71% |
| Cash and Others | 0.29% |

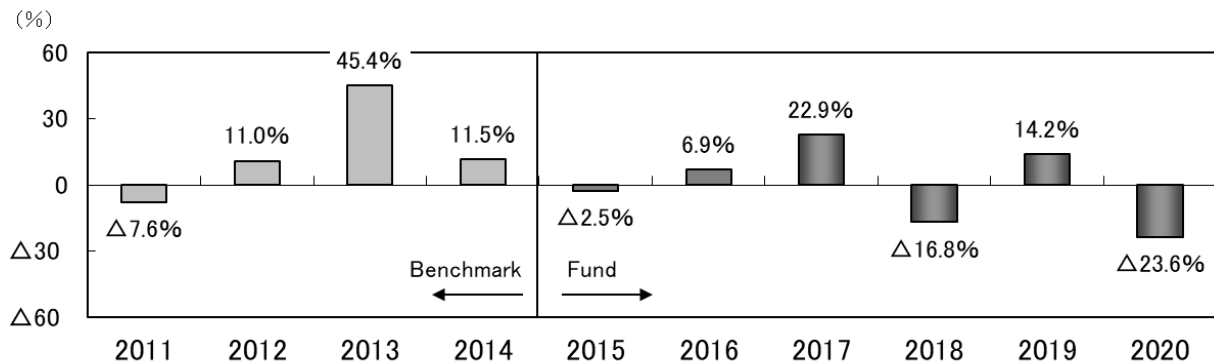
*As percentage of total assets.

<Top10 Component Shares>

| | Name | Sector | % |
|----|------------------------------|-----------------------------|-------|
| 1 | TOKYO ELECTRON LIMITED | Electric Appliances | 1.39% |
| 2 | HITACHI METALS,LTD. | Iron and Steel | 1.39% |
| 3 | JSR CORPORATION | Chemicals | 1.22% |
| 4 | mixi,Inc. | Services | 1.21% |
| 5 | USHIO INC. | Electric Appliances | 1.21% |
| 6 | NITTO DENKO CORPORATION | Chemicals | 1.16% |
| 7 | TREND MICRO INCORPORATED | Information & Communication | 1.14% |
| 8 | SHIMAMURA CO.,LTD. | Retail Trade | 1.13% |
| 9 | DAI NIPPON PRINTING CO.,LTD. | Other Products | 1.11% |
| 10 | KUBOTA CORPORATION | Machinery | 1.10% |

*As percentage of total assets.

■ Annual Returns



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

* Figures before 2014 shows the annual rates of return of the benchmark (MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index).

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

*The figure for 2015 shows fluctuations in the percentage from the inception up until the end of 2015.

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

*The chart above 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

| | |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subscription Units | The integer multiple for subscription units are set by dividing the units stock valuation by the NAV of the day the subscription is accepted (rounded up to the nearest 100 units). |
| Subscription Price | The NAV as of the day on which the subscription is accepted. |
| Subscription Method | Subscriber may apply for subscription by delivering stocks in accordance with the procedures specified by the respective Distributors. |
| Request for Redemption | Requests for redemption will not be accepted. |
| Request for Exchange | Units may be exchanged for stocks. |
| Exchange Units | In principle, an exchange will be accepted in a multiple of units which is equivalent to the minimum number of units as specified by the Management Company. *The minimum number of units for exchange will be a number of units equivalents to the total market value of the component stocks of the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index on the day of the exchange equaling the total of the number of units in question multiplied by the NAV on the day of the exchange as specified by the management company. |
| Exchange Price | The NAV on the day the exchange is accepted. |
| Exchange Proceeds | As a general rule, stocks that belong to trust assets will be delivered from the third business day after and including the day on which a request for an exchange is made. |
| Request for Buyback | A beneficiary may ask a Distributor to buyback his or her units in cases where the total number of units owned is less than the minimum-trading unit for the Units established by the stock exchange. |
| Business Hours for Subscription and Exchange | As a general rule, requests for subscriptions and exchanges that are completed by 3 p.m. on the days Distributor 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 | From April 9, 2020 to April 8 2021. * The subscription period can be renewed by filing another securities registration statement prior to the expiration date shown above. |

| | |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-acceptance Days for Subscription | <p>Applications for subscription will not be accepted on the following days:</p> <ol style="list-style-type: none"> 1) For a period of three business days, beginning one business day prior to the ex-right day (excluding the ex-dividend day) of any the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index component stocks. 2) For a period of six business days, beginning three business days prior to the date on which the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index component stocks are changed or the total number of their shares changes due to a capital increase or decrease. 3) For a 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.) 4) For a period of five business days immediately preceding the termination of the trust, in the event that the Fund terminates the trust. 5) In addition to the days referred to in 1) through 4) 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. |
| Non-acceptance Days for Exchanges | <p>Requests for exchanges will not be accepted on the following days:</p> <ol style="list-style-type: none"> 1) For a period of three business days, beginning one business day prior to ex-right day (excluding the ex-dividend day) of any the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index component stocks. 2) For a period of six business days, beginning three business days prior to the date on which the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index component stocks are changed, or the total number of their shares and units changes due to a capital increase or decrease. 3) For a 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.) 4) For a period of five business days immediately preceding the termination of the trust, in the event that the Fund terminates the trust. 5) In addition to the days referred to in 1) through 4) above, any time the Management Company determines that unavoidable circumstances have developed that may prevent it from investing in accordance with the basic policies set forth in the trust deed. |
| Suspension or Cancellation of Subscription, Exchange or Buyback Applications | <p>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.</p> |
| Trust Term | <p>Unlimited (launch date: November 30, 2015)</p> |

| | |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Early Termination | <p>The fund will be terminated early in any of the following cases:</p> <ul style="list-style-type: none"> · If the units are delisted on all the financial exchanges. · If the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index is discontinued. · 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 MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index is not accepted by a written resolution. <p>The fund may be terminated early in any of the following cases:</p> <ul style="list-style-type: none"> · If the total number of unit decreases below 500,000 · If it is deemed advantageous for beneficiaries, or · If unavoidable circumstances arise. |
| Closing Date | 8th of January, April, July, and October every year |
| Income Distribution | <p>Distributions are paid four time a year in accordance with the following income 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 5 trillion yen |
| Public Notification | <p>Via electric public notice and it is published on website of the Management Company. www.nikkoam.com/</p> <p>※It may be published on the Nikkei newspaper if electric public notice is not available with inevitable reasons.</p> |
| Investment Reports | 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 a Special Equity Investment Trust.</p> <ul style="list-style-type: none"> • Publicly-offered Equity Investment Trusts can be held in Nippon Individual Savings Account. • The dividends received deduction will apply. • As a general rule, the system excluding dividends from gross revenue will 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 | <p><u>Independently set by Distributors</u></p> <p>* 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.</p> | | | | | | | | | | | | | |
| Exchange (Buyback) Fee | <p><u>Independently set by Distributors</u></p> <p>* Please contact your Distributor for further information. * Exchange Fee is compensation for clerical processing of the exchange.</p> | | | | | | | | | | | | | |
| Amount to be Retained in Trust Assets | <u>None</u> | | | | | | | | | | | | | |
| Costs paid indirectly by the customer for the trust assets (paid from the fund) | | | | | | | | | | | | | | |
| TER (Total Expense Ratio) | <p>0.4845% (TER includes Trust Fee, management fee and other costs below) ※ This represents the actual TER for the period of 9 July 2019 - 8 July, 2020</p> | | | | | | | | | | | | | |
| Investment Management Expenses (Trust fee) | <p><u>No more than 0.385%(0.35% excluding taxes) per annum of the daily total NAV of the Fund</u></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 style="text-align: center;"><Distribution of Investment Management Expenses(annual rate)></p> <p>When above is 0.35%, as of the date of filing of the securities registration statement:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;">Investment Management Expenses(Trust fee) =NAV of investment period X Trust fee rate</th> </tr> <tr> <th style="text-align: center;">Total</th> <th style="text-align: center;">Management Company</th> <th style="text-align: center;">Trustee</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0.35%</td> <td style="text-align: center;">0.30%</td> <td style="text-align: center;">0.05%</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="text-align: center;">Management Company</td> <td>Compensation for investment management</td> </tr> <tr> <td style="text-align: center;">Trustee</td> <td>Compensation for administration of assets under management and execution of orders from Management Company</td> </tr> </tbody> </table> <p>*Figures are excluding tax. Consumption tax will be added.</p> | Investment Management Expenses(Trust fee) =NAV of investment period X Trust fee rate | | | Total | Management Company | Trustee | 0.35% | 0.30% | 0.05% | Management Company | Compensation for investment management | Trustee | Compensation for administration of assets under management and execution of orders from Management Company |
| Investment Management Expenses(Trust fee) =NAV of investment period X Trust fee rate | | | | | | | | | | | | | | |
| Total | Management Company | Trustee | | | | | | | | | | | | |
| 0.35% | 0.30% | 0.05% | | | | | | | | | | | | |
| Management Company | Compensation for investment management | | | | | | | | | | | | | |
| Trustee | Compensation for administration of assets under management and execution of orders from Management Company | | | | | | | | | | | | | |
| Other Expenses and Fees (Expenses for preparation of Prospectus and other expenses) | <p><u>Not more than 0.1% per annum of total daily net assets during trust period of the fund.</u></p> <p>1. Expenses for the preparation and distribution of prospectuses, 2. Cost for accounting and its incidental operations, 3. Cost for preparation of financial summary statement (including outsourcing fee in case of outsourcing the (1) - (3) operations), 4. Auditing fee, 5. Fees related to the listing of the fund, 6. Royalties for the MSCI Japan IMI Custom Liquidity and Yield Low Volatility Index, and others are paid out of the trust assets at the times specified by the Management Company.</p> <p>* Auditing fee is an expense paid to audit firm for auditing of the Fund.</p> | | | | | | | | | | | | | |

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| <p>Other Expenses and Fees (Brokerage Commissions and Other Fees)</p> | <p>Brokerage commissions on securities in the portfolio, interest on borrowings, interest on advances, lending fee (in case security lending is conducted, the amount obtained by multiplying a lending fee on securities lent by a figure which is 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.</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> |
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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 the dividends received deduction is available).

3) Exchanges between units and shares of stocks

- Exchanges of units for stocks are treated as transfers of units and are handled the same way as sale of units.

※ 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.

※ 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.

※ Above tax rates are as of October 8, 2020, 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.

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