

## **<Disclaimer for English Overview of Delivery Prospectus of Listed Index Fund JPX-Nikkei Index 400>**

This document provides an overview of the Japanese “Summary Prospectus” (the “Delivery Prospectus”) of “Listed Index Fund JPX-Nikkei Index 400” (the “Fund”) in English. The Japanese Delivery Prospectus is the offering document. This document in English is not required by law or any regulation.

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Except as otherwise indicated herein, this material is based on the most recent Japanese version of the Delivery Prospectus. 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 document.

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October 7, 2023

# Listed Index Fund JPX-Nikkei Index 400

**Nickname: JoJo JPX-Nikkei 400**

Open-end Investment Trust, Domestic, Equities, ETF, Index type

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● 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)

**The Sumitomo Mitsui Trust & Banking Co., Ltd.**

Established and managed by

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

- When a significant amendment is made to the content of the Fund, we will confirm the intention of investors (beneficiaries) in advance under the Act on Investment Trust and Investment Corporations (No. 198 of 1951).
- The Fund assets are classified and managed by the Trustee under the Trust Act (No. 108 of 2006).
- In connection with the invitation for subscription to Listed Index Fund JPX-Nikkei Index 400, which is extended by way of this prospectus, the Management Company filed a securities registration statement with the Director-General of the Kanto Local Finance Bureau on October 6, 2023 pursuant to the provisions of Article 5 of the Financial Instruments and Exchange Act. The filing became effective on the next business day after the filing date.

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	Semi-annually	Japan	Other (JPX-Nikkei Index 400)

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: 27,048.9 billion yen  
 (As of the end of July 2023)

# Objective and Characteristics of the Fund

## Objective of the Fund

The fund seeks to achieve a NAV that closely correlates with the movement of the JPX-Nikkei Index 400 by investing in shares of the component stocks of the JPX-Nikkei Index 400, and maintaining, in principle, a portfolio constructed consistent with the calculation method of the JPX-Nikkei Index 400.

\* The JPX-Nikkei Index 400 is a stock index of the top 400 stocks selected from ordinary shares listed on the Tokyo Stock Exchange's Prime Market, Standard Market and Growth Market. Selection of constituent stocks is based on 1) screening of eligibility criteria and market liquidity indicators, 2) quantitative indicator-based scoring (3 year average ROE, 3 year cumulative operating profit, market capitalization), and 3) qualitative factor-based scoring (appointment of independent outside directors, IFRS adoption, disclosure of earnings in English). The calculation method employs the closing price of August 30, 2013 as its base date, assigns a value of 10,000 as that day's market capitalization, and indexes market capitalization thereafter.

$$\text{JPX-Nikkei Index 400} = \frac{\text{Market capitalization of index at the time of calculation (JPY)}}{\text{Base date market capitalization (JPY)}} \times 10,000$$

\* Market capitalization of index at the time of calculation is a total of the market value based on the number of shares of index for each issue.

### Copyrights and Other Rights of JPX-Nikkei Index 400

- The JPX-Nikkei Index 400 will be managed via a proprietary calculation method that was co-developed by JPX Market Innovation & Research, Inc. (hereinafter, "JPX soken") and the Nikkei Inc. (hereinafter, "Nikkei"). JPX soken and the Nikkei hold the copyrights and all intellectual property rights for the calculation methods of the JPX-Nikkei Index 400.
- JPX soken, Japan Exchange Group, Inc. and the Nikkei hold all trademark rights and intellectual property rights concerning the logo of the JPX-Nikkei Index 400.
- The management of the Listed Index Fund JPX-Nikkei Index 400 is the responsibility of investment trust and management companies. JPX soken or the Nikkei bear no responsibility in regard to the management and trading of the fund.
- It is not the duty of JPX soken and the Nikkei to continuously publicize the JPX-Nikkei Index 400 and the two parties are not responsible for publicized errors, delays or stoppages.
- JPX soken and the Nikkei hold the right to change the stocks that make up the JPX-Nikkei Index 400, the calculation method and other aspects of the JPX-Nikkei 400, as well as the right to stop publication.

## Characteristics of the Fund

- ① This fund aims to achieve investment returns that link with the movement of the JPX-Nikkei Index 400.
  - This fund seeks to match the change in net assets per trust asset unit with the rate of change in “JPX-Nikkei Index 400” and in principle invests in the equities that make up the “JPX-Nikkei Index 400” (including depositary receipts).
  - \* 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 traded 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 on the payment or the amount of dividend.

## Investment Risks

Please refer to "Matters to Consider" on our website below for the related risk.

<https://en.nikkoam.com/etf/1592-jpx-nikkei-index-400>

## Past Performance

Please refer to "Net Asset Value and Performance" on our website below for the past performance.

<https://en.nikkoam.com/etf/1592-jpx-nikkei-index-400>

# Procedures, Fees, and Other Items

## ■ Subscription Memorandum

<b>Subscription Units</b>	Units to be determined by the distributors starting at no less than 1,000. *Please contact the distributor.
<b>Subscription Price</b>	NAV on the day the subscription is accepted.
<b>Subscription Method</b>	Please make the payment by the day designated by the distributor.
<b>Redemption Unit</b>	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.
<b>Redemption Price</b>	NAV on the day the redemption is accepted.
<b>Redemption Proceeds</b>	As a rule, payment will be made from the fourth business day after and including the day on which a redemption request is made.
<b>Business Hours for Subscription and Redemption</b>	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.
<b>Subscription Period</b>	From October 7, 2023 to April 8, 2024 *The subscription period can be renewed by filing another securities registration statement before the expiration date shown above.
<b>Non-acceptance Days for Subscription and Redemption</b>	In principle, even on days when distributors are open, no subscription or redemption application shall be accepted if its subscription 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.
<b>Restrictions on Redemption</b>	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.
<b>Suspension or Cancellation of Subscription, Redemption Applications</b>	The Management Company may suspend acceptance of applications for subscription or requests for redemption, or cancel applications for subscription or requests for a redemption that have already been accepted in the event that trading on the financial instruments exchanges is suspended, trading of foreign exchange is suspended, settlement functions are halted, or any unavoidable circumstances arise.
<b>Trust Term</b>	Unlimited (launch date: January 27, 2014)

<b>Early Termination</b>	<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>· If the JPX-Nikkei Index 400 is discontinued.</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 JPX-Nikkei Index 400 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>
<b>Closing Date</b>	January 8 and July 8 each year
<b>Income Distribution</b>	<p>Distributions are paid twice 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>
<b>Maximum Amount of Trust Money</b>	Equivalent to JPY 5 trillion
<b>Public Notification</b>	<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>
<b>Investment Report</b>	As defined in the Act on Investment Trust and Investment Corporations, investment reports are not prepared and published.
<b>Tax Treatment</b>	<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> </ul> <p>* From January 1, 2024, publicly offered equity investment trusts will be eligible for the NISA if they meet certain requirements under the tax law. The Fund will be eligible for the "Growth Quota (Specific Tax Exemption Management Account)" under NISA, but the handling may differ depending on the distributor. Please contact your distributor for details. The above information is as of end August 2023 and is subject to change in case of revision of tax laws and regulations.</p> <ul style="list-style-type: none"> <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. * 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.																	
Redemption Fee	<b><u>Independently set by Distributors</u></b> * Please contact your Distributor for further information. * Exchange Fee is compensation for clerical processing of the exchange.																	
Amount to be Retained in Trust Assets	<b><u>None</u></b>																	
Costs paid indirectly by the customer for the trust assets (paid from the fund)																		
TER (Total Expense Ratio)	0.1751% (TER includes Trust Fee, management fee and other costs below) ※This represents the actual TER for the period of July 11, 2022- July 7, 2023																	
Investment Management Expenses (Trust fee)	<b><u>No more than 0.11%(0.10% excluding taxes) per annum of total daily net assets of the fund.</u></b>  •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.  <Distribution of Investment Management Expenses (excluding taxes)>  When the above is 0.1%, as of the date of filing of the securities registration statement. <table><tr><th colspan="3">Investment Management Expenses(Trust fee)</th></tr><tr><th colspan="3">=NAV of investment period X Trust fee rate</th></tr><tr><th>Total</th><th>Management Company</th><th>Trustee</th></tr><tr><td>0.10%</td><td>0.07%</td><td>0.03%</td></tr></table> <table><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></table> *Figures are excluding tax. Consumption tax will be added.		Investment Management Expenses(Trust fee)			=NAV of investment period X Trust fee rate			Total	Management Company	Trustee	0.10%	0.07%	0.03%	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																
0.10%	0.07%	0.03%																
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)	<b><u>Not more than 0.1% per annum of total daily net assets during trust period of the fund.</u></b> 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 “JPX-Nikkei Index 400”, and others are paid out of the trust assets at the times specified by the Management Company.																	

	* Auditing fee is an expense paid to audit firm for auditing of the Fund.
Other Expenses and Fees(Brokerage Commissions and Other Fees)	<p>Brokerage commissions on securities in the portfolio, expenses for custody of assets in foreign countries, 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>

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) Taxation upon cancellation or termination

- Gains upon cancellation or termination (capital gains) are deemed to be income from transfer and thus have to be filed to declare for separate taxation at 20.315%. When a beneficiary has chosen a designated account with tax withholding (an account with tax withholding at the taxpayer's option), tax will be withheld at source at 20.315%. (As a general rule, tax filing is not necessary.)
- By filing a tax return, you can offset losses upon sale (capital losses) against capital gains from listed stocks, dividends etc. from listed stocks, and interest income from public and corporate bonds and such like (as long as separated taxation has been chosen upon declaration). In addition, gains on sale (capital gains), income distributions, and interest income from public and corporate bonds etc. (if separated taxation has been chosen upon declaration) can be offset against capital losses from listed stocks and such like.
- When investing through a Nippon Individual Savings Account (NISA) and a Nippon Individual Savings Account for junior (Junior NISA), income gains and capital gains from the investments in Publicly-offered Equity Investment Trusts will be tax-free for a given period if the investments have been newly purchased within a certain amount every year. Investors need to meet certain conditions, such as having opened a tax-free account at a Distributor. In addition, dividend income and income from transfer which arose from the other account cannot be offset against losses from a NISA account. For further details, please contact a Distributor.
- From January 1, 2024, dividend income and transfer income from newly purchased publicly offered equity investment trusts are exempt from taxation for an unlimited period up to a certain amount each year. The tax exemption is available only to those who meet certain conditions, such as opening a tax-exempt account with a distributor, and who purchase products that meet the requirements of the tax law. For details, please contact the 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 the date when the securities registration statement was filed, 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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