

## < Disclaimer for the English Overview of the Delivery Prospectus of Listed Tracers US Government Bond 0-2years Ladder (No Currency Hedge) >

This document provides an overview of the Japanese “Summary Prospectus” (the “Delivery Prospectus”) of Listed Tracers US Bond 0-2 Year Ladder (No Currency Hedge) (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.

This English overview 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 not a full translation of the original Delivery Prospectus. As this English document may differ from the Japanese Delivery 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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August 10, 2024

# Listed Tracers US Government Bond 0-2years Ladder (No Currency Hedge)

Nickname: JoJo Tr US Bond 0-2 Ladder  
(No Currency Hedge)

Open-end Investment Trust, Overseas, Bonds, ETF

This document is not a translation of the entire Delivery Prospectus, but an English overview of the Delivery Prospectus, which means that some of the information in the Delivery Prospectus has been simplified, modified, or omitted.

- **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 invitation for subscription to Listed Tracers US Government Bond 0-2years Ladder (No Currency Hedge), 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 September 13, 2023 pursuant to the provisions of Article 5 of the Financial Instruments and Exchange Act. The filing became effective on September 29, 2023.

Product Classification				Segmentation by Attribute			
Unit-Type/ Open-end Investment Trust	Eligible Market	Eligible Investments (Source of Income)	Independent Segment	Eligible Investments	Timing of Accounting Period	Geographical Areas of Investment	Currency Hedging
Open-end	Overseas	Bonds	ETF	Bonds, Public Bonds	Quarterly	North America	No

Please refer to the Investment Trusts Association, Japan website for definitions of products classification and segmentation by attribute at <https://www.toushin.or.jp/>.

\*Currency Hedging described in segmentation by attribute indicates whether or not to hedge the currency fluctuation risk against Japanese yen.

### 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: 30,757.5 billion yen  
(As of the end of May 2024)

#### What is Listed Tracers?

Listed Tracers is a series of Nikko Asset Management's ETFs that follows\* (traces) rule-based investing.

\*This ETF is passively managed in accordance with a rules-based approach, but as there is no corresponding index to track, it falls under the category of "Domestic Actively Managed ETF" under TSE's classification.



# Objective and Characteristics of the Fund

## Objective of the Fund

The Fund mainly invests in U.S. government bond with a remaining maturity of two years or less, aiming to secure income and growth of the trust assets.

## Characteristics of the Fund

- 1. The Fund invests in U.S. government bond with a remaining maturity of two years or less.**
  - In principle, the Fund invests into four groups according to their remaining maturity: 6 months or less, more than 6 months but less than 12 months, more than 12 months but less than 18 months, and more than 18 months but less than 24 months. The Fund invests in each group in approximately equal amounts, taking liquidity and trading costs into consideration. (=a bond ladder)
  - Bond futures and foreign exchange forward contracts may be used to realize the same gains and losses similar to holding the underlying assets.
  - In investing in foreign currency-denominated assets, in principle, currency hedging is not carried out.

\*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 10 units (as of the date when the securities registration statement was filed).
  - 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 next business day when the subscription is accepted.
- 4. Units may be redeemed with a request for redemption.**
  - Units may be redeemed by the NAV on the next business day when redemption is accepted.

## 5. Units may not be exchanged for public and corporate bonds.

### Investment Restrictions

- Investment ratio in stocks shall be 10% or less of the total amount of trust assets.
- There is no restriction on the investment ratio for assets denominated in foreign currencies.

### Distribution Policy

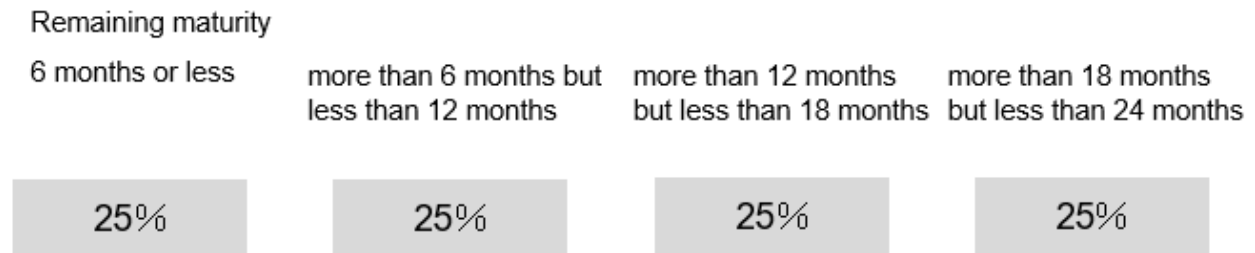
- As a general rule, the full amount of dividends and other income arising from the trust assets is distributed after deduction of expenses.

\*There is no guarantee for the amount and payment of dividends in the future.

## **About the Fund's bond ladder management**

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### ■ Image of the Fund's bond ladder management



The above is an image of the Fund's bond allocation by a remaining maturity.

### ■ The reference index of the Fund

"The ICE BofA 1-Year U.S. Treasury Bond Index (no currency hedging, yen basis (TTM))" will be used as the reference index.

\*The index is the ICE BofA 1-Year U.S. Treasury Bond Index converted into yen by Nikko Asset Management. This index is a reference index and is not a benchmark for the Fund.

\* The ICE BofA 1-Year U.S. Treasury Bond Index is an index published by ICE Data Indices, LLC, and is based on the performance of a one-month holding of U.S. Treasury bonds with a remaining maturity of approximately one year (but not exceeding one year) and a rollover to U.S. Treasury bonds with the same maturity in the following month repeatedly.

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## Investment Risks

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

<https://en.nikkoam.com/etf/2093-tr-us0-2-nohedge>

## Past Performance

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

<https://en.nikkoam.com/etf/2093-tr-us0-2-nohedge>

# Procedures, Fees, and Other Items

## ■ Subscription Memorandum

Subscription Units	Units to be determined by the distributors starting at no less than 2,000 *Please contact the distributor.
Subscription Price	The NAV as of the next business day on which the subscription is accepted.
Subscription Payment	To be paid by the day indicated by the distributor.
Redemption Units	One unit of at least 2,000 units *Units to be determined by the distributor. *A beneficiary may ask a distributor to buy back 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	The NAV as of the next business day on which the redemption is accepted.
Redemption Proceeds	As a rule, payment will be made from the fifth business day after and including the day on which a request for redemption is made.
Business Hours for Subscription and Redemption	As a rule, applications for subscriptions and redemptions that are completed by 3 p.m. on the days distributors are open for business are deemed to have been accepted on that day. It must be pursuant to the procedures established by the distributor. *From November 5, 2024, as a rule, applications for subscriptions and redemptions for which distributors have completed the prescribed procedure by 3:30 p.m. on the distributors' business day will be deemed to have been accepted on that day. The handling may differ depending on distributors. Please contact them for details.
Subscription Period	From October 2, 2023 to January 28, 2025 *The subscription period can be renewed by filing another securities registration statement before the expiration date shown above.
Non-acceptance Days for Subscriptions	Even on the days distributors are open for business, applications for subscriptions will not be accepted on the days below. Please contact the distributor for more details.  1) When the application day for subscriptions is two business days prior to the accounting date. (For a period of two business days, beginning three business days prior to the accounting date when the accounting date falls on a non-business day.)  2) When the application day for subscriptions is non-business day for New York stock exchange or banks in New York.  3) In addition to the days referred to in 1) and 2) 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 deeds.
Non-acceptance Days for Redemptions	Even on the days distributors are open for business, applications for redemptions will not be accepted on the days below. Please contact the distributor for more details.  1) When the application day for redemptions is for a period of two business

	<p>days, beginning three business days prior to the accounting date. (For a period of three business days, beginning four business days prior to the accounting date when the accounting date falls on a non-business day.)</p> <p>2) When the application day for redemptions is non-business day for New York stock exchange or banks in New York.</p> <p>3) In addition to the days referred to in 1) and 2) 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 deeds.</p>
Restrictions on Redemptions	Based on the size of the Fund or the product characteristics, restrictions may be placed on the timing or volume of large redemption units to avoid adverse effects on the Funds' management.
Suspension or Cancellation of Subscription, Redemption Applications	The management company may suspend acceptance of applications for subscription or requests for redemptions, or cancel applications for subscriptions or requests for redemptions that have already been accepted in the event that trading on a stock exchange is suspended, trading of foreign exchange is suspended, settlement functions are halted, or the management company determines that there are some other unavoidable reasons.
Trust Term	Unlimited (launch date: October 2, 2023)
Early Termination	<p>Early termination is possible in any of the following cases:</p> <ul style="list-style-type: none"> <li>▪ If the units are delisted from all the financial instruments exchanges on which they have been listed.</li> </ul> <p>Early termination may be carried out in any of the following events:</p> <ul style="list-style-type: none"> <li>▪ If the total AUM of the Fund falls below JPY 1 billion after November 11, 2026.</li> <li>▪ If it is deemed advantageous for beneficiaries, or</li> <li>▪ If unavoidable circumstances arise.</li> </ul>
Closing of Account	On the 10th day of February, May, August, and November of each year.
Income Distribution	<p>Distributions are paid four times a year in accordance with the income distribution policy.</p> <p>*As a rule, the trustee shall transfer income to beneficiaries to the bank account designated in advance by the beneficiary on the day specified by the management company but within 40 days from the end of each calculation period. When 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 Trust Money	JPY 1 trillion
Public Notification	<p>Notifications are posted on the management company website.</p> <p>URL: <a href="http://www.nikkoam.com/">www.nikkoam.com/</a></p> <p>*In the event that the notification cannot be posted due to unavoidable circumstances, this will be published in <i>The Nikkei Shimbun</i>.</p>
Investment Reports	As defined in the Act on Investment Trusts and Investment Corporations, investment reports are not prepared and published.
Tax Treatment	<p>For tax purposes, the Fund is treated as exchange-traded fund (ETF).</p> <ul style="list-style-type: none"> <li>▪ Publicly offered Equity Investment Trusts are eligible for the Nippon Individual Savings Accounts (NISA) if they meet certain requirements under the tax law.</li> </ul>



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|  | <ul style="list-style-type: none"><li>▪ The Fund is eligible for the "Growth Quota (Specific Tax Exemption Management Account)" under the NISA, but the handling may differ depending on the distributor. Please contact your distributor for details.</li><li>▪ The dividends received deduction will not apply.</li><li>▪ The system excluding dividends from gross revenue will not apply.</li></ul> |
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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><b><u>Independently set by Distributors</u></b></p> <p>*Please contact your distributor for further information.</p> <p>*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>
Redemption Fee	<p><b><u>Independently set by Distributors</u></b></p> <p>*Please contact your distributor for further information.</p> <p>*Exchange fee is compensation for clerical processing of the exchange.</p>
Amount to be Retained in Trust Assets	Not applicable

Costs paid indirectly by the customer for the trust assets (paid from the Fund)

TER (Total Expense Ratio)	<p>0.1275% (TER includes Trust Fee, management fee and other costs below)          ※This represents the actual TER for the period of October 2, 2023 - May 10, 2024.</p>																	
Investment Management Expenses (Trust fee)	The Fund	<p>No more than 0.066% (0.06% excluding taxes) per annum of the daily total NAV of the Fund.</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;</p> <p>When the investment management expense is 0.06%, as of the date of filing of the securities registration statement:</p> <table border="1" style="margin-left: 40px;"> <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>0.06%</td> <td>0.04%</td> <td>0.02%</td> </tr> </table> <table border="1" style="margin-left: 40px;"> <tr> <th>Management Company</th> <th>Compensation for investment management</th> </tr> <tr> <th>Trustee</th> <th>Compensation for administration of assets under management and execution of orders from management company</th> </tr> </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	0.06%	0.04%	0.02%	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																
0.06%	0.04%	0.02%																
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 (Expenses for preparation of prospectus and other expenses)	<p><b><u>Not more than 0.03% per annum of the daily total NAV of the Fund</u></b></p> <p>The following expenses are paid out of the trust assets at the times specified by the management company: 1. Expenses for the preparation and distribution of prospectuses and financial statements; 2. Cost for accounting and its incidental operations; 3. Cost for preparation of financial summary statement (including the cost to outsource the work involved in 1. - 3.); 4. Auditing fee; 5. Expenses for listing the Fund; and 6. Royalties for the use of index marks used in the management of the Fund will be paid out of the trust assets at a time determined by the Management Company.</p> <p>* Auditing fee is an expense paid to the audit firm for the auditing of the Fund.</p>
	Brokerage Commissions and other fees	<p>Brokerage commissions on securities in the portfolio, expenses for custody of assets in foreign countries, interest on borrowings, and interest on advances etc. are paid out of the trust assets each time they are incurred.* 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 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 tax credits for dividends will not apply).

#### 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 the Nippon Individual Savings Account (NISA), dividend income and transfer income from newly purchased publicly offered stock 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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