

**< Disclaimer for the English Translation of  
the Delivery Prospectus of  
Listed Index Fund US Equity (S&P500) Currency Hedge >**

This document is an English translation of the Japanese “Summary Prospectus” (the “Delivery Prospectus”) of Listed Index Fund US Equity (S&P500) Currency Hedge (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 21 April 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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## Listed Index Fund

# US Equity (S&P500) Currency Hedge

Nickname: JoJo S&P 500 US Equity (Currency Hedge)

Open-end investment trust, Overseas, 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**

- 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 US Equity (S&P500) Currency Hedge, 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 20, 2020 pursuant to the provisions of Article 5 of the Financial Instruments and Exchange Act. The filing took effect on April 21, 2020.
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Product Classification					Segmentation by Attribute					
Unit-Type Open-end Investment Type	Eligible Market	Eligible Investments (Source of Income)	Independent Segment	Supplemen tary Classificati on	Eligible Investments	Timing of Accounting Period	Geographical Areas of Investment	Investment Category	Currency Hedge	Index Followed
Open-end	Overseas	Equities	ETF	Index-type	Other Assets (investment trust securities (Equities in general))	Annually	North America	Fund of Funds	Yes (Full hedging)	Other (S&P 500 JPY Hedged)

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: 20,632.3 Billion Yen  
(As of end of January 2020)

# Objective and Characteristics of the Fund

## Objective of the Fund

This Fund seeks to achieve net asset worth per unit that closely correlates with the movement of the yen-converted S&P 500 JPY Hedged by mainly investing in some or all of the separately specified investment trust securities.

- The S&P 500 JPY Hedged is based on calculations by Nikko Asset Management Co., Ltd. of the results of JPY currency hedging of the USD-denominated S&P 500 Index calculated by S&P Dow Jones Indices.

$$\text{S\&P 500 Index} = \frac{\text{Market capitalization at the time of calculation}}{\text{Market capitalization on the base date}} \times 10$$

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The Fund is not supported, guaranteed, distributed, or promoted by S&P and its affiliated companies (hereinafter "S&P"). S&P makes no representation, condition, or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the S&P 500 Index to track general stock market performance. The relationship of S&P and Nikko Asset Management is only in respect of the licensing of registered trademarks of S&P and S&P 500 Index. S&P does not take the needs of Nikko Asset Management or the owners of the Fund into consideration in determining, composing or calculating S&P 500 Index. S&P is not responsible for or has participated in the determination of the timing of, prices at, or amount of the Fund to be issued or in the determination or calculation of the equation by which the Fund is to be converted into cash. S&P assumes no obligation regarding, nor does it take any responsibility for management, marketing, or trading of this Fund whatsoever.

S&P does not make any guarantee of the accuracy or completeness of the calculation or basic data of the S&P 500 Index. S&P takes no responsibility for any error, lack, or fault included in the S&P 500 Index. S&P makes no explicit or implicit guarantee whatsoever of the results arising from use of the S&P 500 Index or data incorporated therein on Nikko Asset Management Co., Ltd., owners of the Fund, or any other persons or organizations. S&P does not make any guarantee, explicit or implicit, of merchantability or suitability of the S&P 500 Index or the data contained therein. Without limiting any of the foregoing, S&P expressly disclaim any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

## 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:

### 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 brokerage commissions.
- The method of trading is generally the same as that for stocks.

\*Please contact your broker for further information.

- This Fund of Funds invests on the securities held for investment trust.

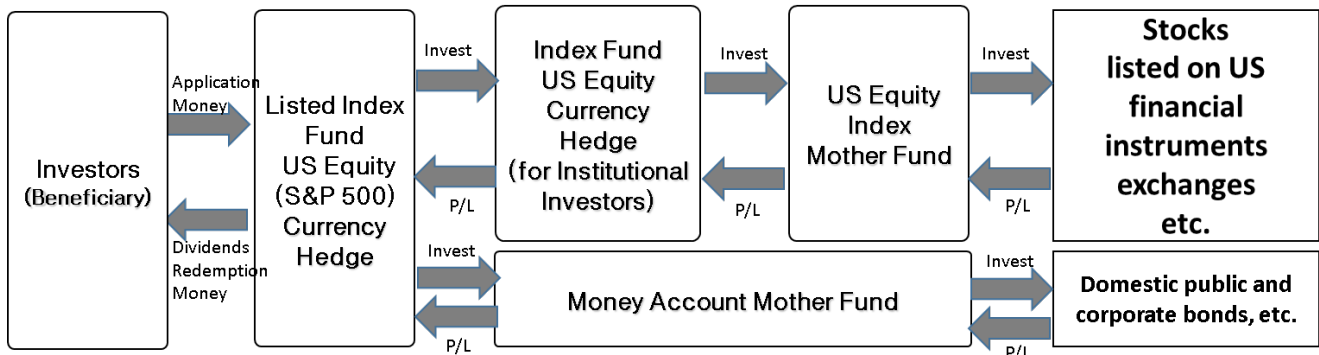
#### Index Fund US Equity Currency Hedge (for Institutional Investors):

The Fund will invest mainly in "Nikko US Equity Index Mother Fund" and seeks to see its performance to correlate with the movement of the yen-converted S&P 500 JPY Hedged.

#### Money Account Mother Fund

The Fund aims to ensure stable returns by investing in public and corporate bonds.

### Fund Structure



### Major Investment Restrictions

- The Fund will not invest in any securities other than securities held for investment trust, short-term corporate bonds, etc., commercial paper and designated money trust.
- There is no restriction as to 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 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 deciding to subscribe to units of the Fund.

## Factors that contribute to NAV volatility

**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. Losses may also be incurred due to exchange rate fluctuation when investing in assets denominated in foreign currencies.

Major risks of the investment trust securities targeted for investment are as follows:

### **Price Fluctuation Risk**

- Stock prices fluctuate due to the changes in the information of the company's growth and profitability, and any 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 may incur material losses if unexpected changes occur in stock price movements or liquidity.
- Public and corporate bonds contain a risk of price fluctuation due to interest rate fluctuation. In general, when interest rates rise, bond prices decline, resulting in a decline in the fund's NAV. However, the range of price fluctuation varies by bond depending on duration and issuance conditions of coupon rate and others.

### **Liquidity Risk**

- There is a risk that the Fund will incur unexpected losses when the market size or trading volumes is small. The purchase and sale prices of securities are influenced by the trading volume, resulting in the inability of the Fund to sell certain stocks in its portfolio at prices that are expected to be realized in light of the prevailing market trend, that a security can sold as appraised, or that the transaction volume is limited regardless of the price levels.

### **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's NAV.
- In cases where default has occurred or is expected to occur, for issuers of public and corporate bonds or money market instruments, the prices of such corporate bonds or money market instruments decline (the value could even fall to zero). This results in a decline in 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**

- For foreign currency-denominated assets, in principle, currency hedging is carried out in order to reduce currency fluctuation risk. However, currency fluctuation risk cannot be eliminated completely. When currency hedging is carried out, if the yen interest rate is lower than the interest rate of the currency for which hedging is carried out, a hedge cost equivalent to the difference in interest rates is incurred. Hedge costs for currency hedging may be higher than anticipated depending on currency and interest rate trends.

See also the following page  
for details of investment risks.

#### Major discrepancy factors for yen-converted S&P500 JPY Hedged and NAV

Whereas the Fund seeks to match the NAV volatility with that of the yen-converted S&P 500 JPY Hedged, it does not guarantee movements that are identical to those of the Index for the following reasons:

- The lag in the timing from fund inflow to the purchase of investment trust certificates
- The potential investment in selected issues other than S&P 500 JPY Hedged, potential market impact from the trading, etc., of individual issues or expenses from trust fees when portfolio adjustments are made due to changes in selected issues on the S&P 500 JPY Hedged or capital transfers, costs borne by the Fund such as brokerage commission, audit costs, etc.
- The management fee from securities or dividends loan of incorporated issues
- When derivative transactions such as futures are made, there may be disparity between the price movements of all or some of such transactions and that of the S&P 500 JPY Hedged.

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

The Fund is listed on the Tokyo Stock Exchange and the units are traded on that exchange. The market price of the units is affected primarily by the 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.

- \* Since the prices of the investment trust securities targeted by the Fund fluctuate due to the impact of these factors, the Fund itself is subject to the same risks.
- \* The factors that contribute to fluctuations in the NAV are not limited to those listed above.

### Additional Considerations

- **The provisions stipulated in Article 37-6 of the Financial Instruments and Exchange Act (the “cooling-off period”) are not applicable to Fund transactions.**
- **This Fund differs from deposits or insurance policies in that it is not protected by the Deposit Insurance Corporation of Japan or the Policyholders Protection Corporation of Japan. Nor are investment trusts protected by investor protection funds when purchased at banks or other registered financial institutions.**

### Risk Management System

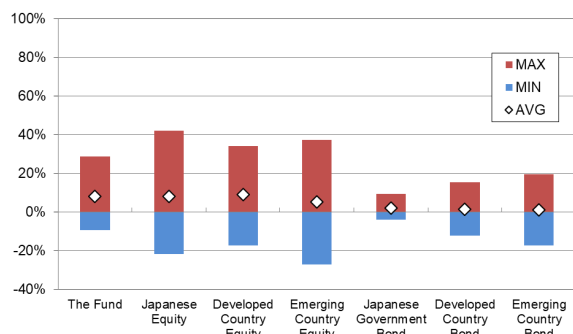
- **The departments in charge of risk management and compliance, which are independent from fund management departments, evaluate and analyze risks and performance, risk management, and monitor the status of legal compliance.**
- **To maintain an appropriate management system, the departments in charge of risk management and compliance 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 January 2020, and may be subject to change in the future.

## (Reference information)

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

February 2015~January 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	7.9%	8.1%	9.1%	5.3%	2.0%	1.5%	0.9%
MAX	28.7%	41.9%	34.1%	37.2%	9.3%	15.3%	19.3%
MIN	-9.4%	-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 February 2015 to January 2020 for the fund and other representative asset classes. Please note that the fund is using the data for the benchmark due to there being not enough last year's fluctuations in the percentage available for one year.

### <Indices of each asset class>

Japanese Equity:

Tokyo Stock Price Index(TOPIX, Total return)

Developed Country Equity:

MSCI Kokusai Index(Total return, Yen based)

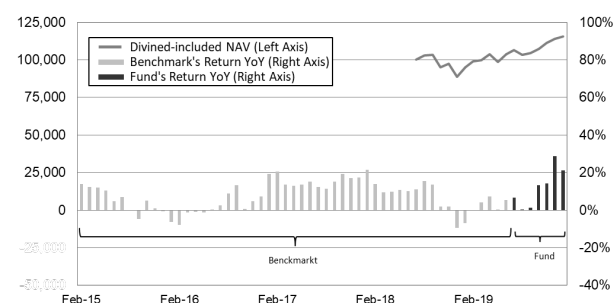
Emerging Country Equity:

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

(Yen) February 2015~January 2020



※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 July 2018.

※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. 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)

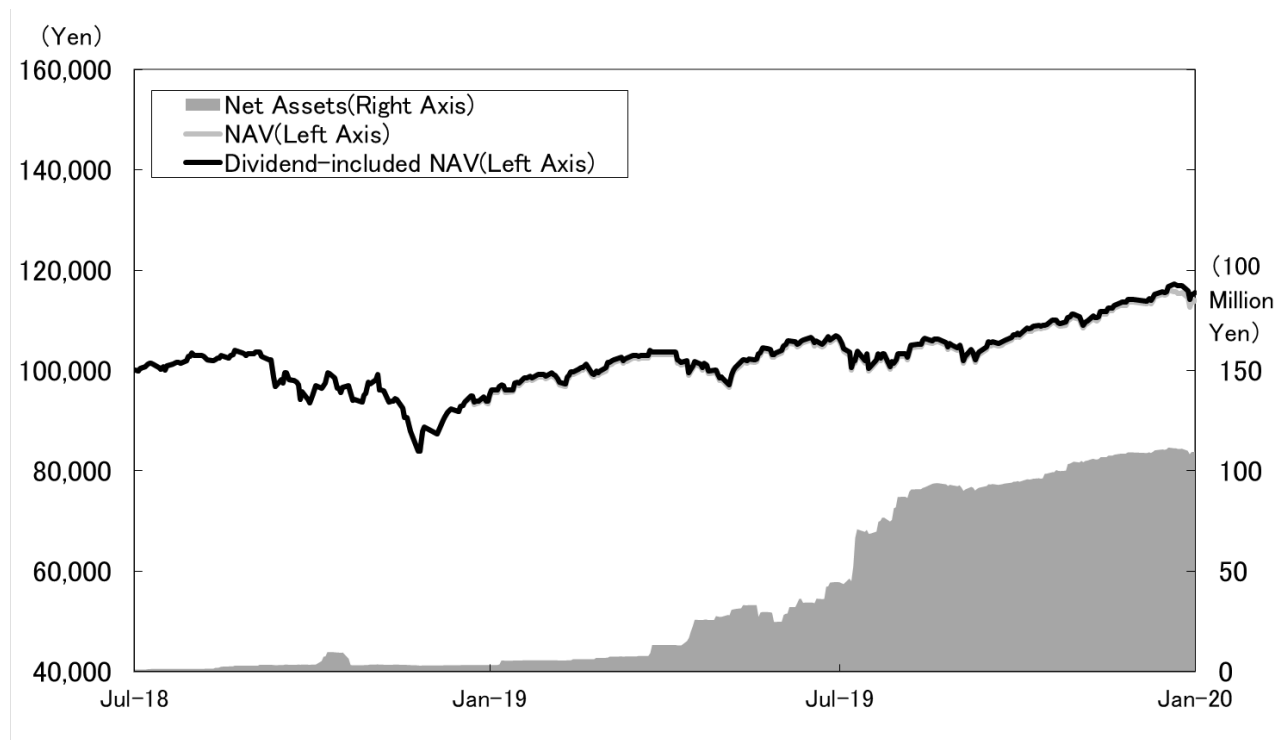


# Past Performance

As of January 31, 2020

## ■ Changes in NAV/Net Assets

Launch Date (31 July 2018)~31 January 2020



NAV .....¥114,061

Net Assets.....¥10.978 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(before tax, per 100 units)

Jan-19	Jan-20	Cumulative
¥490	¥850	¥1,340

## ■ Status of Major Assets

< Component and Breakdown >

Asset Types	%
Index Fund US Equity Currency Hedge (for institutional Investors)	99.94%
Money Account Mother Fund	0.00%
Cash and Others	0.06%

\*As percentage of total assets

< Top Holdings >

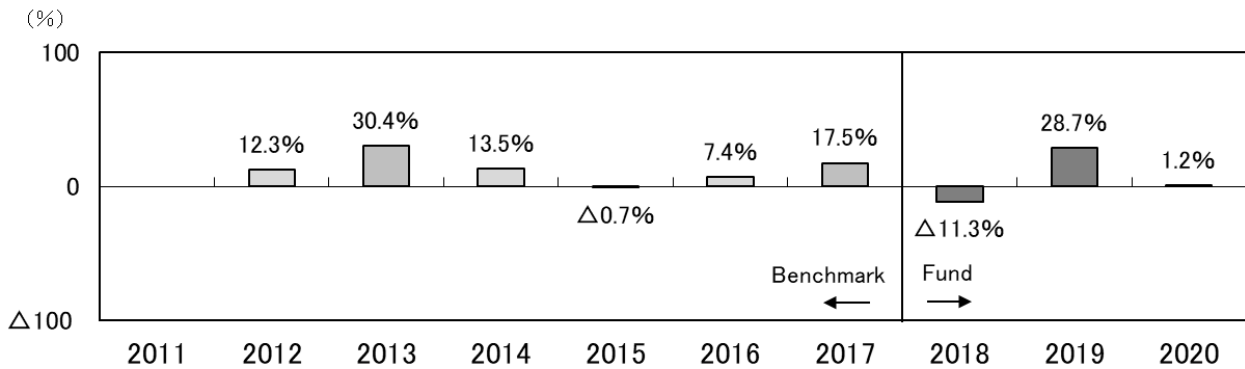
US Equity Index Fund (for Institutional Investors)

Stock		Industry	%
1	APPLE INC	Technology hardware	4.88%
2	MICROSOFT CORP	Software service	4.76%
3	AMAZON.COM INC	Retail	2.81%
4	FACEBOOK INC-CLASS A	Media and entertainment	1.82%
5	BERKSHIRE HATHAWAY INC-CL B	Various financial	1.61%

Stock	Currency	Security Type	Region	%
1	SP EMINI2003	Futures	United States	1.83%

\*As percentage of total assets of US Equity Index Fund ( for Institutional Investors)

■ Past Annual Returns



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

\*Figures before 2017 are for return rate of the benchmark (JPY-converted S&P 500 JPY Hedged).

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

\*The figure for 2018 shows fluctuations in the percentage from the fund launch until the end of 2018.

\*The figure for 2020 shows fluctuations in the percentage up until the end of January 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 website.

# Procedures, Fees, and Other Items

## ■ Subscription Memorandum

<b>Subscription Units</b>	Units to be determined by the distributors starting at no less than 5,000 *Please contact the distributor for information on subscription units.
<b>Subscription Price</b>	The NAV as of the next business day on which the subscription is accepted
<b>Subscription Method</b>	Please make the payment by the day designated by the distributor.
<b>Redemption Units</b>	Units of 5,000 or more *Units to be determined by the distributor *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 financial instruments exchanges. Please contact the distributors for details.
<b>Redemption Price</b>	The NAV as of the next business day on which the subscription is accepted.
<b>Redemption Proceeds</b>	As a rule, the payment will be made from the fifth business day after and including the day on which a request for redemption is made.
<b>Business Hours for Subscription and Redemption</b>	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.
<b>Subscription Period</b>	From April 21, 2020 to April 20, 2021 *The subscription period can be renewed by filing another securities registration statement prior to the expiration date shown above.
<b>Non-acceptance Days for Subscription</b>	Even on the days where the distributor is open for business, applications for subscription will not be accepted on the following days. Please contact the distributors for details. 1) When the application day for subscription 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 subscription is non-business day for the New York Stock Exchange and banks in New York; and 3) In addition to the days referred to 1) and 2), 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 deeds.
<b>Non-acceptance Days for Redemption</b>	Even on the days where the distributor is open for business, applications for redemption will not be accepted on the following days. Please contact the distributors for details. 1) When the application day for redemption is for a period of two business 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 non-business day.) 2) When the application day for redemption is non-business day for the New York Stock Exchange and banks in New York; and 3) In addition to the days referred to 1) and 2), 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 deeds.
<b>Redemption</b>	Based on the size of the Fund or the product characteristics, restrictions may be placed on the timing and amount of large number of units for redemption to avoid

<b>Restrictions</b>	adverse effects on the fund's management.
<b>Subscription or Cancellation of Subscription, Redemption Applications</b>	The Management Company may suspend acceptance of applications for subscription or requests for redemptions, or cancel applications for subscriptions or requests for an redemption that have already been accepted in the event that the Fund is unable to invest in target investment trust securities, redemptions of the target investment trust securities are no longer possible, trading on a financial instruments exchange is suspended, trading of foreign exchange is suspended, settlement functions are halted, or any unavoidable circumstances arise, it determines that there is a possibility that investments in accordance with the basic investment policies set forth in the trust deeds will be hindered, or circumstances beyond their control develops.
<b>Trust Term</b>	Unlimited (launch date: July 31, 2018)
<b>Early Termination</b>	<p>Early termination is carried out 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> <li>▪ If the S&amp;P 500 JPY Hedged is discontinued.</li> <li>▪ If any amendment to the trust deeds deemed necessary by the Management Company or Trustee because of a change in the calculation method or similar of the S&amp;P 500 JPY Hedged is not accepted by a written resolution.</li> </ul> <p>Early termination may be possible in any of the following cases:</p> <ul style="list-style-type: none"> <li>▪ If the total net assets fall below JPY 500 million after January 21, 2022;</li> <li>▪ If early termination is deemed advantageous for beneficiaries; or</li> <li>▪ If any unavoidable circumstances arise.</li> </ul>
<b>Closing of Account</b>	January 20 of each year
<b>Income Distribution</b>	<p>Dividends are paid once a year in accordance with the following income distribution policy:</p> <p>* In general, the Trustee will pay to beneficiaries 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. When a beneficiary has signed a separate agreement with his or her distributor 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>	1 trillion yen
<b>Public Notification</b>	<p>Public notices are posted on the website of the Trustee. URL: <a href="http://www.nikkoam.com/">www.nikkoam.com/</a></p> <p>*In the event that a public notification cannot be posted online due to unavoidable circumstances, this will be published in the <i>Nikkei</i>.</p>
<b>Investment Reports</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>▪ Publicly-offered Equity Investment Trusts can be held in Nippon Individual Savings Account.</li> <li>▪ The dividends received reduction will not apply.</li> <li>▪ As a general rule, the system excluding dividends from gross revenue will not apply.</li> </ul>

## ■ Fund Expenses and Taxes

### Fund Expenses

Expenses to be borne directly by investors														
Subscription Fee	<p><b>Independently set by Distributors</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>Independently set by Distributors</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	<b>None.</b>													
Costs paid indirectly by the customer for the trust assets (paid from the fund)														
TER (Total Expense Ratio)	<p>0.2151% (TER includes Trust Fee, management fee and other costs below)</p> <p>※This represents the actual TER for the period of January 21, 2019 -January 20, 2020</p>													
Investment Management Expenses (Trust fee)	<p><b>No more than 0.066%(0.06% excluding taxes) per annum of the daily total NAV of the Fund</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>&lt;Distribution of Investment Management Expenses(annual rate)&gt;</b> When above is 0.06 % as of the date of filing of the securities registration statement:</p> <table border="1" data-bbox="603 1238 1361 1406"> <thead> <tr> <th colspan="3">Investment Management Expenses(Trust fee) =NAV of investment period X Trust fee rate</th> </tr> <tr> <th>Total</th> <th>Management Company</th> <th>Trustee</th> </tr> </thead> <tbody> <tr> <td>0.06%</td> <td>0.03%</td> <td>0.03%</td> </tr> </tbody> </table> <table border="1" data-bbox="603 1440 1361 1637"> <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>*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%	0.03%	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												
0.06%	0.03%	0.03%												
Management Company	Compensation for investment management													
Trustee	Compensation for administration of assets under management and execution of orders from Management Company													
Target Investment Trust	Approximately 0.099% (0.09% excluding tax) per annum of the total NAV													
Expenses borne by the investors	<p><b>Approximately 0.165%(0.15% excluding taxes) per annum of the total NAV</b></p> <p>※ The actual annual rate of trust fees paid by beneficiaries varies depending on the percentage of target investment trust securities, changes to such investment trust securities and other factors.</p>													

Other Expenses and Fees	Expenses (Expenses for preparation of prospectuses and other expenses)	<p><b><u>No more than 0.1% per annum of the daily total NAV of the Fund</u></b></p> <p>1. Expenses for preparation and distribution of prospectuses etc., 2. Expenses for accounting and operations incidental to the same, 3. Expenses for preparation of financial statements (including fees for outsourcing operations described in 1.-3.), 4. Auditing fee, 5. Expenses for listing of the Fund, as well as 6. Royalties for the S&amp;P 500 JPY Hedged 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>
	Brokerage commissions and other fees	<p>Brokerage commissions on securities in the portfolio, interest on advances, and other fees are paid out of the trust assets each time they are incurred. These fees are incorporated in the TER stated.</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 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 position), tax will be withheld at sources at 20.315%. (As a 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) Tax on Redemption and Termination Fee

- Gains on termination and redemption (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 position), tax will be withheld at sources at 20.315%. (As a 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), 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 April 20, 2020, so there 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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