

2850

NEXT FUNDS Solactive Japan ESG Core Index Exchange Traded Fund

(Open-ended Investment Trust, Domestic, Stocks, ETF, Index Type)

NOMURA

NEXT FUNDS

Monthly Report
as of Mar-29-2024

The Fund will be managed with the aim of achieving investment performance tracking an index that uses ESG[※] as a major factor in the selection of its constituents (hereinafter referred to as "ESG Index").

※ESG is the collective term for Environment, Social, and Governance.

Objective of the Fund

The Fund aims at investment performance linked to the Solactive Japan ESG Core Index (Benchmark Index).

Solactive Japan ESG Core Index

The Solactive Japan ESG Core Index is an ESG-focused stock index and is based on the Solactive GBS Japan Large & Mid Cap Index composed of Japanese large-cap and mid-cap stocks.

The Benchmark Index includes stocks that meet ESG criteria set by Solactive from multi-industries (*1) that are expected to have medium-term or long-term growth potential when taking into consideration development related to Japan's economic activities and sustainable growth, as well as, stocks with relatively high ESG scores (*2) from other industries. The Benchmark Index also considers each companies' greenhouse gas emissions, such as carbon dioxide.

The index weight is determined by taking into account each individual stock's ESG score and market capitalization.

*1: "multi-industries" refers to Consumer Discretionary, Consumer Staples, Information Technology, Healthcare, Industrials.

*2: For ESG-related data, including ESG scores, we use information provided by an external data provider.

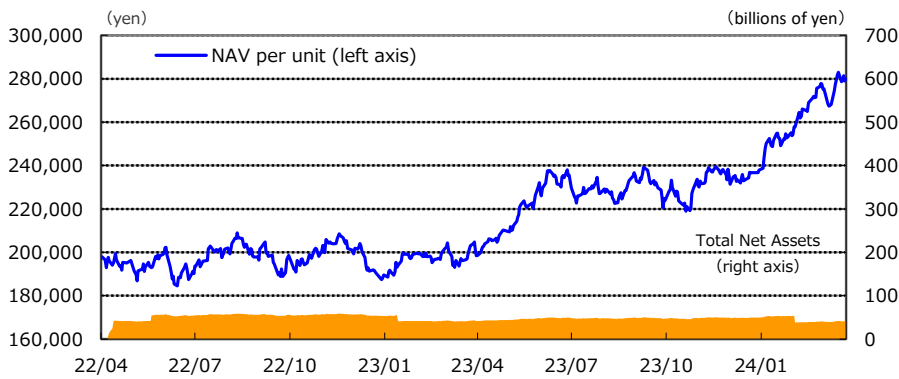
Reason for selection of the Benchmark Index

The Solactive Japan ESG Core Index is expected to provide investors with the opportunities to invest in a group of companies with high ESG ratings, using ESG Evaluation including ESG Scores and Negative Screening in Index Building Process.

Performance History

Change in NAV

(Daily)



| Return | 1 month | 3 months | 6 months | 1 year | 3 years | Since Incep. |
|--------------|---------|----------|----------|--------|---------|--------------|
| NAV per unit | 3.1% | 19.1% | 22.8% | 40.1% | - | 45.7% |

(Since Inception 4/7/2022)

·The price movement of the NAV is based on the Fund value after deduction of the management fee.

·The return rate of the NAV is calculated based on the assumption that the dividends before taxes are re-invested. Therefore, the actual performance of the Fund will vary depending upon the tax status of the investor.

·For each calculation period of the return rate, last business day of the month is used.

Fund Composition

| Sector Allocation | (% of NAV) |
|--------------------------|------------|
| ELECTRIC APPLIANCES | 31.4% |
| PHARMACEUTICAL | 13.3% |
| TRANSPORTATION EQUIPMENT | 11.6% |
| MACHINERY | 6.5% |
| SERVICES | 6.1% |
| Others | 29.9% |
| Call Loan, Others | 1.2% |
| Total | 100.0% |

| Asset Allocation | |
|-------------------|-------|
| Stocks | 98.8% |
| Call Loan, Others | 1.2% |
| (Index Futures) | 1.1% |

| Top 10 Holdings | Sector | (% of NAV) |
|--|--------------------------|------------|
| 7203 TOYOTA MOTOR CORPORATION | TRANSPORTATION EQUIPMENT | 7.9% |
| 8035 TOKYO ELECTRON LIMITED | ELECTRIC APPLIANCES | 5.1% |
| 6501 HITACHI,LTD. | ELECTRIC APPLIANCES | 3.9% |
| 4568 DAIICHI SANKYO COMPANY,LIMITED | PHARMACEUTICAL | 3.9% |
| 6098 RECRUIT HOLDINGS CO.,LTD. | SERVICES | 3.9% |
| 6861 KEYENCE CORPORATION | ELECTRIC APPLIANCES | 3.7% |
| 6758 SONY GROUP CORPORATION | ELECTRIC APPLIANCES | 3.4% |
| 7741 HOYA CORPORATION | PRECISION INSTRUMENTS | 3.0% |
| 4502 TAKEDA PHARMACEUTICAL COMPANY LIMITED | PHARMACEUTICAL | 2.7% |
| 7974 NINTENDO CO.,LTD. | OTHER PRODUCTS | 2.6% |
| Total | | 40.1% |

·Sector references are based on the TSE 33 Sector Classification.

Please read the "Notifications" on the following page when utilizing this material.

Fund Profile

| | |
|--------------------|------------------------------------|
| Inception Date : | Apr-7-2022 |
| Listing Date : | Apr-8-2022 |
| Stock Exchange : | TOKYO |
| Trust Term : | Unspecified |
| Board Lot : | 10 units |
| Fiscal Year End : | Jan-8, Jul-8 |
| Bloomberg (iNAV) : | 2850 JP <Equity> 2850IV <Index> |
| ISIN : | JP3049570009 |
| SEDOL : | BMV9225 |
| PCF : | Available |

Total Net Assets

¥41.0 bil.

NAV[※]

¥279,820

*Per 100 units, after deduction of dividends

Dividend(before Tax, per 100 unit)

| | |
|-----------------|--------|
| Jan-2024 | ¥1,850 |
| Jul-2023 | ¥1,960 |
| Jan-2023 | ¥1,680 |
| Jul-2022 | ¥150 |
| - | - |
| Since Inception | ¥5,640 |

·The dividend amount paid does not suggest or guarantee the future level of dividends.

·As a general rule, the full amount of dividends and other income arising from the trust assets are distributed after deduction of expenses. However, the amount of dividends that are payable may in some circumstances amount to zero. Even if any profits are realized from the sale and purchase of individual stocks, no dividends shall be paid.

Portfolio Characteristics

Dividend Yield (Annually) 1.6%

·The dividend yield is based on the weighted average of the pretax, actual dividend yields of only the stocks held in the portfolio.

Number of Holdings :
98

(E)1/2

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■ Investment Risks

Because the Fund substantially invests in securities for which prices may fluctuate, etc., the NAV of the Fund can fall as well as rise, influenced by factors such as fluctuations in the stock price index that the Fund tracks, fluctuations in the prices of constituent stocks, default or a material deterioration in financial conditions of those constituent companies, and other market factors, etc.

Investment principal is therefore not guaranteed, and investors may incur a loss because of a drop in the market price or the NAV. The investment trust is therefore different from a savings deposit.

※Other factors contributing to fluctuations in the NAV of the Fund include risks related to ESG investments, etc.

※For further information, please refer to the "Investment Risks" section of the summary prospectus. The summary prospectus is available on our website.

■ Commissions and Fees Related to the Fund

Direct Expenses

(Expenses borne directly when dealing through the stock exchange)

Trading Fee:

Trading of the Fund incurs brokerage commission fees set by a first financial instruments business provider (securities firm) that handles the transaction.

(Expenses borne directly for creation or exchange of units)

Creation Fee: Set independently by the distributing company

Redemption Fee (Amount to be Retained in Trust Assets): None

Exchange Fee: Set independently by the distributing company

*Trading fee, creation fee, and exchange fee above vary depending on the setting of the distributing companies, so details of rates and upper limits cannot be provided ahead of time.

Indirect Expenses Paid out of Trust Assets

Management Fee:

Total amount of the management fee is the sum of the following two items: (i) The amount obtained by multiplying the daily total net assets of the Fund by the rate, within 0.132% per annum (0.12% per annum, exclusive of taxes) (0.132% per annum (0.12% per annum, exclusive of taxes) as of March 27, 2024), (ii) When the Fund lends stocks, an amount obtained from no more than 44% (40% exclusive of taxes) of the rental fee which accrues on a daily basis.

Other Fees and Commissions:

Annual Fees for Use of Trademarks Pertaining to the Benchmark Index (as of March 27, 2024)

0.04% per year of the Fund's total net assets. However, 25,000 euro is to be paid as a minimum amount per year.

Expenses pertaining to listing of the Fund (as of March 27, 2024)

-Additional listing fee: 0.00825% per year (0.0075% exclusive of taxes) of the amount of increase in value of the Fund's total net asset value at the end of the year as compared with the larger of i) the total net asset value at the time of the initial listing; or ii) the largest of the total net asset values at the end of each subsequent year, up to the year immediately prior to the fee payment year.

-Annual listing fee: Maximum of 0.00825% (0.0075% exclusive of taxes) of the total net assets at year-end.

Brokerage Commission on Transactions in Portfolio Securities, Expenses for Maintaining Custody of Assets Denominated in Foreign Currency, Costs Paid to Auditors for Fund Audits, Tax Related to the Fund, etc.

*These expenses and fees above are paid out of the Fund when they are incurred. (These expenses and fees vary according to management and other

*Total fees and other expenses will vary according to how long an investor holds the Fund, so they cannot be estimated ahead of time. For further details, please refer to the "Fund Expenses and Taxes" section of the summary prospectus.

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Management Company : Nomura Asset Management Co., Ltd.

(The party who instructs the management of the Fund)

Trustee : Mitsubishi UFJ Trust and Banking Corporation

(The party who acts as a custodian and administrator)

Notifications

The Fund invests in securities for which prices may fluctuate (in the case of foreign assets, the Fund may also involve foreign exchange risk), therefore the NAV may fluctuate. The investor's principal is therefore not guaranteed. All profits and losses arising from the management of the fund are attributable to the investor. Furthermore, all statements, figures, graphs, and other information included in this report are as of the date of this report and the contents of this report are not intended in any way to indicate or guarantee future investment results. This report was prepared by Nomura Asset Management Co., Ltd. for information purposes only. Investors wishing to subscribe to the creation of the Fund units, should please make sure that they have read and understood the contents of the prospectus and make an appropriate decision based on their own circumstances.

Launched and managed by

NOMURA
NOMURA ASSET MANAGEMENT

Director of Kanto Local Finance Bureau (Financial Instruments Firms) No.373

Membership: The Investment Trusts Association, Japan/ Japan Investment Advisers Association/
Type II Financial Instruments Firms Association

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