

1343

NEXT FUNDS Tokyo Stock Exchange REIT Index Exchange Traded Fund

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

NOMURA
NEXT FUNDS

 Monthly Report
 as of May-31-2021

Objective of the Fund

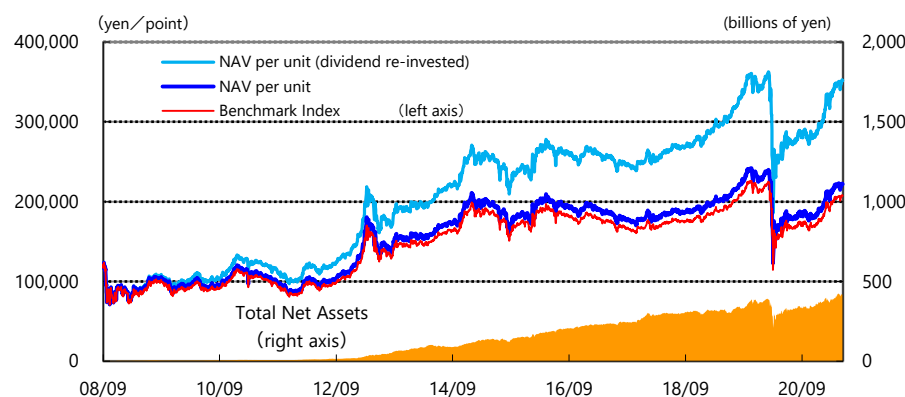
The Fund's objective is to track the investment performance of its benchmark index, the Tokyo Stock Exchange REIT Index. Therefore, the Fund's NAV volatility is designed to correspond with that of the benchmark index.

Tokyo Stock Exchange REIT Index

The Tokyo Stock Exchange REIT Index is a capitalization-weighted index of all the Real Estate Investment Trusts listed on the Tokyo Stock Exchange. This index is calculated with a base date of March 31, 2003. The assumed aggregate market price on the inception date was 1,000. [Note: Tokyo Stock Exchange, Inc. is the sole owner of intellectual property rights to the Tokyo Stock Exchange REIT Index.]

Performance History

Change in NAV (Daily)



Return	1 month	3 months	6 months	1 year	3 years	Since Incep.
NAV per unit (Dividend re-invested)	0.7%	8.1%	25.1%	26.7%	33.6%	190.7%

(Since inception of 9/17/2008)

•Value of the benchmark index is converted based on the NAV of 121,043 on the inception date.

•The price movement and return rate of the NAV (dividend re-invested) is calculated based on the Fund value after deduction of the management fee, and 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. Also, expenses and taxes when liquidating the Fund are not considered.

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

Fund Composition

Asset Allocation by Type of REIT	(% of NAV)
Composite/ Comprehensive	45.6%
Specialized(Office)	19.4%
Specialized(Logistics)	14.3%
Specialized(Residential)	6.6%
Specialized(Hotel)	3.1%
Other REIT Assets	8.1%
Other Assets	2.9%
Total	100.0%

Asset Allocation	
REITs	97.1%
Other Assets	2.9%
(REIT Index Futures)	2.9%

Portfolio Characteristics	
Dividend Yield (Annually)	3.4%

•Dividend yield is calculated by calculating the weighted average of the dividend yield of the constituent REITs using the incorporation ratio (pre-taxed, on an actual dividend base).

Number of Holdings : 61

Top 10 Holdings	Sector	(% of NAV)
Nippon Building Fund Inc.	Specialized(Office)	6.8%
Japan Real Estate Investment Corporation	Specialized(Office)	5.7%
GLP J-REIT	Specialized(Logistics)	5.1%
Nomura Real Estate Master Fund, Inc.	Composite/ Comprehensive(Office / Residential, etc.)	4.9%
Japan Metropolitan Fund Investment Corporation	Composite/ Comprehensive(Retail / Office, etc.)	4.8%
Nippon Prologis REIT, Inc.	Specialized(Logistics)	4.7%
Daiwa House REIT Investment Corporation	Composite/ Comprehensive(Logistics / Office etc.)	3.8%
ORIX JREIT Inc.	Composite/ Comprehensive(Office / Retail, etc.)	3.5%
United Urban Investment Corporation	Composite/ Comprehensive(Office / Retail etc.)	2.9%
Advance Residence Investment Corporation	Specialized(Residential)	2.9%
Total		45.0%

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

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

(E) 1/2

Investment Risks

Because this Fund invests in REIT securities that are included or are due to be included in the Tokyo Stock Exchange REIT Index, the NAV of the Fund can fall, influenced by factors such as drops in the constituent REIT price, default or a material deterioration in financial conditions of those constituent issuers, 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.

※ For further information, please refer to the "Investment Risks" section of the delivery prospectus. The 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 0.1705% per annum (0.155% per annum exclusive of taxes) (0.1705% per annum (0.155% exclusive of taxes) as of April 28, 2021), (ii) When the Fund lends REITs, an amount obtained from no more than 44% of the rental fee which accrues on a daily basis (40% exclusive of taxes).

*The fee amount of REIT securities in which the Fund invests, however, is not indicated here because the securities are determined through supply and demand in the market.

Other Fees and Commissions :

Annual Fees for Use of Trademarks Pertaining to the Benchmark Index (as of April 28, 2021)

A percentage of not more than 0.033% (0.03% exclusive of taxes) of the Fund's total net assets (however, if this amount is less than 1.5 million yen exclusive of taxes, then the fee will be set at 1,650,000 yen[1.5 million yen exclusive of taxes]).

Expenses Pertaining to Listing of the Fund (as of April 28, 2021)

*Additional listing fee: 0.00825% (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, Costs Paid to Auditors for Fund Audits, Tax Related to the Fund, etc.

* These expenses and fees above are paid out of the trust assets when they are incurred.

(These expenses and fees vary according to management and other conditions, so details of rates and upper limits cannot be provided ahead of time.)

* 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 delivery prospectus.

■ Copyright, etc., of Tokyo Stock Exchange REIT Index ■

1. The Tokyo Stock Exchange REIT Index Value and the Tokyo Stock Exchange REIT Index Trademarks are the intellectual property rights owned by the Tokyo Stock Exchange, Inc. All rights relating to the Tokyo Stock Exchange REIT Index, including calculation, publication and use of the Tokyo Stock Exchange REIT Index Value as well as those relating to the Tokyo Stock Exchange REIT Index Trademarks belong to the Tokyo Stock Exchange, Inc.
2. The Tokyo Stock Exchange, Inc. reserves the rights to change the methods of calculation or publication, to cease the calculation or publication of the Tokyo Stock Exchange REIT Index Value or to change the Tokyo Stock Exchange REIT Index Trademarks or cease the use thereof.
3. The Tokyo Stock Exchange, Inc. makes no warranty or representation as to the results derived from the use of the Tokyo Stock Exchange REIT Index Trademarks.
4. The Tokyo Stock Exchange, Inc. does not guarantee the accuracy or completeness of the Tokyo Stock Exchange REIT Index Value and data contained therein. Further, the Tokyo Stock Exchange, Inc. shall not be liable for the miscalculation, incorrect publication, delayed or interrupted publication of the Tokyo Stock Exchange REIT Index Value.
5. There is a possibility that the net asset value of the NEXT FUNDS Tokyo Stock Exchange REIT Index ETF may be substantially deviated from the Tokyo Stock Exchange REIT Index although the investment objective of the NEXT FUNDS Tokyo Stock Exchange REIT Index ETF is to seek investment results that generally correspond to the Tokyo Stock Exchange REIT Index Value.
6. The NEXT FUNDS Tokyo Stock Exchange REIT Index ETF is not in any way sponsored, endorsed or promoted by the Tokyo Stock Exchange, Inc.
7. The Tokyo Stock Exchange, Inc. does not bear any obligation to give an explanation of the Fund or an advice on investments in the NEXT FUNDS Tokyo Stock Exchange REIT Index ETF to any purchaser of the NEXT FUNDS Tokyo Stock Exchange REIT Index ETF or to the public.
8. Including but not limited to the foregoing, the Tokyo Stock Exchange, Inc. shall not be responsible for any damage resulting from the issue and sale of the NEXT FUNDS Tokyo Stock Exchange REIT Index ETF.

Management Company : Nomura Asset Management Co., Ltd.

(The party who instructs the management of the Fund)

Trustee : The Nomura Trust and Banking Co., Ltd.

(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

野村アセットマネジメント
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

Product-related information on this report is directed only at persons within Japan and not directed at nor is it intended for distribution to, or use by, persons in any jurisdiction in which the investment products are not authorized for distribution or in which the dissemination of information regarding the investment products is not permitted.