

## KEY INVESTOR INFORMATION

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## NOMURA NIKKEI 225 USD-HEDGED UCITS ETF

a sub-fund of **NOMURA NEXT FUNDS IRELAND PLC**

**Exchange Traded Fund (ETF)**

**ISIN: IE00BSMSXM06**

### INVESTMENT OBJECTIVES AND POLICY

The investment objective of Nomura Nikkei 225 USD-Hedged UCITS ETF (the "Fund") is to replicate the performance, less expenses, of the Nikkei 225 Total Return USD Hedged Index (the "**Benchmark**"), a USD-hedged version of the Nikkei 225 Total Return Index (the "**Reference Index**"), which is designed to reflect the performance of the shares of certain companies in Japan.

The Reference Index is a price-weighted index comprised of 225 highly liquid stocks selected from Japanese domestic common stocks which are traded on the Tokyo Stock Exchange. Constituents of the Reference Index are selected on the basis of the liquidity of the stock and the sector balance.

The Investment Manager has appointed Nomura Asset Management Co. Ltd as sub-investment manager to which certain duties and responsibilities towards the Fund have been delegated.

The primary investment strategy of the Fund is to physically replicate the composition of the Reference Index, by investing (i) in the components of the Reference Index, (ii) in derivative contracts and (iii) in currency forwards and other currency instruments in order to replicate the performance due to the foreign exchange component of the Benchmark.

A derivative contract is a type of investment that derives its value from the value and characteristics of one or more underlying asset such as a security or an index. A currency forward is a type of derivative contract where the underlying asset is a currency or exchange rate, such as a currency futures contract.

Any income arising from the Fund is reinvested and shares in the Fund may be bought and sold daily.

- The Fund uses optimising techniques to achieve a similar return to the Benchmark. These may include the strategic selection of certain securities that make up the Benchmark and also the use of derivative contracts.
- Investment in the Fund may be suitable for investors seeking capital growth over the medium to long term, typically a minimum of two years. Investors should be prepared to accept periods of market volatility and the risk that their investment may decrease in value in pursuit of long term goals.
- The Fund's base currency is the US Dollar.
- The anticipated level of tracking error in normal conditions after fees is 0.2 % per annum

### RISK AND REWARD PROFILE



This Fund is rated 6 due to the nature of its investments which include the risks listed below. This synthetic risk and reward indicator (SRR) is based on the target volatility of the returns of the Fund's investment strategy. You should understand that this measure of risk has limitations:

- The lowest category in this table does not mean free of risk;
- The Fund's risk category is not guaranteed and may change over time; and
- The historical and synthetic data used in producing the SRR may not be indicative of the Fund's future risk profile

**Concentration Risk:** Investment risk is concentrated in specific sectors, countries, currencies or companies. This

means the Fund is more sensitive to any localised economic, market, political or regulatory events

**Currency Hedging Risk:** Currency hedging may not completely eliminate currency risk in the Fund, and may affect the performance of the Fund.

The following risks which may not be captured adequately by the SRR should also be taken into account when considering an investment in the Fund:

**Benchmark Calculation Risk:** the values of the Benchmark and the Reference Index are calculated and published on a regular basis by the index provider (Nikkei Inc.). Investors are subject to the risk that the levels of the Benchmark and/or the Reference Index are calculated incorrectly or inaccurately.

**Counterparty Risk:** The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments may expose the Fund to financial loss.

For more information on risks, please see the Fund's prospectus.

## CHARGES

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

<b>Entry charge:</b>	5%
<b>Exit charge:</b>	3%

This is the maximum that might be taken out of your money before it is invested and before the proceeds of your investment are paid out, respectively. Authorised participants switching between the Fund and other funds within the same umbrella investment company may be subject to a switching charge of up to 3%.

### Charges taken from the Class over a year

Ongoing charges:	0.60%
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### Charges taken from the Class under certain specific conditions

Performance fee: None

The **entry, exit and switching charges** shown are maximum figures. In some cases you might pay less – you can find this out from your financial adviser.

The **ongoing charges** figure is an estimate as sufficient historical data is not yet available. This figure may vary from year to year. It excludes:

- Performance fees (if any);
- Portfolio transaction costs, except in the case of an entry/exit/switching charge paid by the Fund when buying or selling units in another collective investment undertaking.

**For more information about charges, please see the “Fees and Expenses” section of the prospectus at [www.nomuranow.com/naim/](http://www.nomuranow.com/naim/)**

## PAST PERFORMANCE

### Past performance is not a guide to future performance.

The Fund has insufficient data to provide a useful indication of past performance. The Fund was launched on 15 January 2015.

## PRACTICAL INFORMATION

- **Investment Manager:** Nomura Alternative Investment Management (Europe) Ltd
- **Sub-Investment Manager:** Nomura Asset Management Co., Ltd.
- **Custodian:** State Street Custodial Services (Ireland) Limited
- Further information about the Fund, the prospectus, annual and semi-annual reports and the latest share prices may be obtained in English and free of charge from Nomura Alternative Investment Management (Europe) Ltd, the Fund’s investment manager, at:  
Telephone: +44 (0)20 7103 1176 / +44 (0)20 7103 5878 Email: [nomuraalternativeinvestmentmanagement@nomura.com](mailto:nomuraalternativeinvestmentmanagement@nomura.com)  
Web: <http://www.nomuranow.com/naim/>
- The Fund is subject to Irish tax rules. This may have an impact on your personal tax position. You should also consult your local tax advisor on the tax treatment of the Fund’s shares in your jurisdiction.
- The indicative intra-day net asset value of the Fund is available in Reuters
- Nomura NEXT FUNDS Ireland plc (the “Company”) may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus. The Fund is a sub-fund of the Company. The Company is an umbrella fund with segregated liability between sub-funds i.e. the Fund’s assets will not be used to discharge the liabilities of other sub-funds of the Company. Switching shares between sub-funds and share classes of the Fund is not available to investors trading on exchange. Switching may be available to authorised participants trading directly with the Fund on the primary market subject to meeting certain conditions. For further information, please refer to the prospectus.

**This Fund is authorised in Ireland and regulated by the Central Bank of Ireland.  
This key investor information is accurate as at 8 January 2015.**