

**<Disclaimer for English Translation of Delivery Prospectus of  
Listed Index Fund International Bond (Citigroup WGBI)  
Monthly Dividend Payment Type >**

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April 11, 2012

# Listed Index Fund International Bond (Citigroup WGBI)

## Monthly Dividend Payment Type

JoJo International Bond (Nick Name)

Open-ended Investment Trust, Foreign, Bonds, 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 for in 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 major items 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:** <http://www.nikkoam.com/>

**Call Center contact number:** +81(0)3-6477-6653 (9 a.m.–5 p.m., excluding Saturdays, Sunday and public holidays)

**Trustee** (the party responsible for custody and management of Fund assets)

**The Nomura Trust and Banking Co., Ltd.**

Launched 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 Index Fund International Bond (Citigroup WGBI) Monthly Dividend Payment Type, 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 October 7, 2011 pursuant to the provisions of Article 5 of the Financial Instruments and Exchange Act. The filing took effect on October 8, 2011.

Product Classification					Segmentation by Attribute				
Unit Type/ Open-ended Investment Trust	Eligible Market	Eligible Investments (Source of Income)	Independent Segment	Supplementary Classification	Eligible Investments	Timing of Accounting Period	Geographical Areas of Investment	Currency Hedging	Index Followed
Open-ended Investment Trust	Foreign	Bonds	ETF	Index type	Other Asset (Investment Trust Securities) (Bonds, Public Bonds)	12 times yearly (Monthly)	Global (ex- Japan)	No hedge	Other (Citigroup World Governm ent Bond Index (no hedge, yen- based) Nikkei 225

Please refer to The Investment Trusts Association, Japan website for definitions of product classification and segmentation by attribute at <http://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: 6,850.6 billion yen  
(As of the end of January 2012)

# Objective and Characteristics of the Fund

## Objective of the Fund

The Fund seeks to achieve net asset volatility per unit of trust assets which closely correlates with the movement of the Citigroup Nonyen World Government Bond Index – Japanese Investment Trust (Nonyen WGBI-JIT) by investing mainly in all or a portion of separately stipulated investment trust securities.

\*The Citigroup Nonyen WGBI-JIT is a bond index developed by Citigroup Global Markets Inc. calculated to be an index of the total return of government bonds of major countries weighted by the market capitalization of each respective market.

The Citigroup Nonyen WGBI-JIT is an index representing the composite performance of government bond markets of major countries excluding Japan and calculated by converting local-currency based indices into yen without hedging.

$$\text{Citigroup World Government Bond Index} = \frac{\text{Aggregate market value at the time of calculation}}{\text{Aggregate market value at base point in time}} \times 100$$

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## 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 trading 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 in securities held for investment trust.

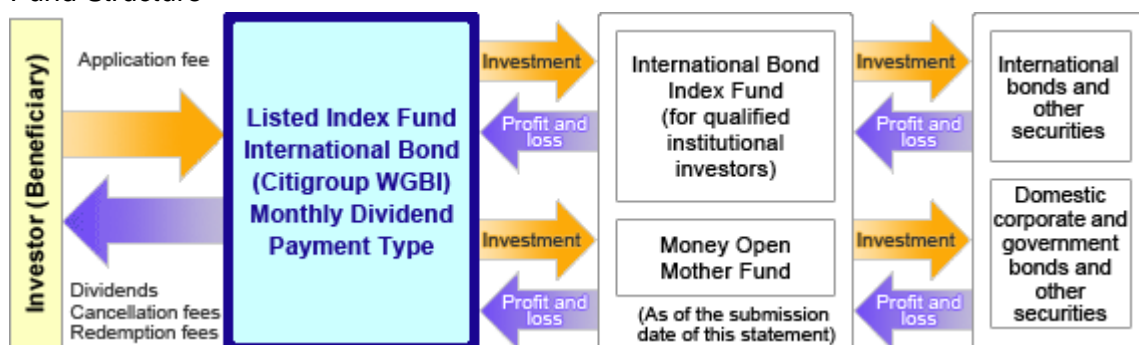
#### **International Bond Index Fund (for qualified institutional investors)**

The fund seeks to achieve investment results that correlate to the movement of the Citigroup Nonyen WGBI-JIT by investing mainly in global government bonds.

#### **Money Open Mother Fund**

This fund seeks to achieve stable returns through stable management by investing in public and corporate bonds.

Fund Structure



### Investment Restrictions

- This fund will not invest in in any portfolio, stocks and bonds other than securities held for investment trust, short-term corporate bonds, commercial paper and designated money in trust.
- 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 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 bonds. The NAV of the Fund may fall and you may suffer a loss for reasons such as a drop in the price of bonds or deterioration in the financial conditions and business performance of an issuer of stocks.

Major risks are as follows:

### Price Fluctuation Risk

- Corporate and government bonds generally have a price fluctuation risk arising from changes in interest rates. Generally, their prices go down when interest rates rise, causing the NAV of the funds to fall. The degree of price fluctuation varies depending on the remaining time to maturity and the terms of issue in question.

### Liquidity Risk

- Where the market size or trading volume is small, buying and selling prices for securities may be largely affected. This results in the risk that securities cannot be traded at the expected prices, sold at the appraised prices, or that trading volume is limited regardless of prices. This creates the risk of unexpected losses.

### Credit Risk

- If a default has occurred or is expected to occur, for issuers of public and corporate bonds or short-term financial assets, the prices of such public and corporate bonds or short-term financial assets decline (the value could even fall to zero). This results in a decline of the Fund's NAV. In addition, 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 general, if the yen is stronger than the currencies of such assets, the Fund's NAV will decline.

### Security-lending Risk

- Lending of securities is accompanied by counterparty risks, which are the risks of default or cancellation of lending agreements as result of bankruptcy, etc., by the counterparties. As a result, there is a risk that the Fund will suffer unanticipated unexpected losses. Following the default or cancellation of a lending agreement, when liquidation procedures are implemented by using the collateral that is set aside in the lending agreement, the procurement cost of buying back the securities can surpass the collateral value, due to price fluctuations in the market.

## Risk of Discrepancies in Citigroup Nonyen WGBI-JIT and NAV

This Fund seeks to ensure that its NAV has the same volatility as the Citigroup World Government

Bond Index (ex Japan, no hedge, in yen); however, we cannot always guarantee that the Fund will have the same volatility as the Index due to the following factors attributable to this Fund and to the investment trust securities invested in by this Fund:

- Lag in the timing of fund inflows and to the purchase of investment trust securities;
- Where the portfolio is adjusted through investment in issues other than the constituent issues of the Citigroup Nonyen World Government Bond Index – Japanese Investment Trust (Nonyen WGBI-JIT) or through changes in the constituent issues or weighting of the Citigroup Nonyen World Government Bond Index – Japanese Investment Trust (Nonyen WGBI-JIT), the trading of individual issues may be affected by market impact or the Fund may bear costs such as management fees, brokerage fees and auditing fees.
- Securities lending fees from lending securities; and
- When derivative transactions such as futures are conducted, discrepancies in price movements between such transactions and part or all of the constituent issues of the Citigroup Nonyen WGBI-JIT.

Discrepancies between the market prices at which bonds are traded on the exchange and the NAV This Fund is listed on and will be publicly traded on the Tokyo Stock Exchange; however, the market price of the units will depend mainly on the demand for the Fund, its investment performance, and how attractive it is to investors in comparison to alternative investments, etc. We cannot predict whether this fund will be traded at a market value below or above its NAV.

\* The prices of securities targeted for investment of this Fund will fluctuate due to the effects of the aforementioned risks. Therefore, please note that this Fund itself has these risks as well.

\* 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”) is 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. Furthermore, units purchased from registered financial institutions, such as banks, are exempted from compensation by the Japan Investor Protection Fund.**

## Risk Management System

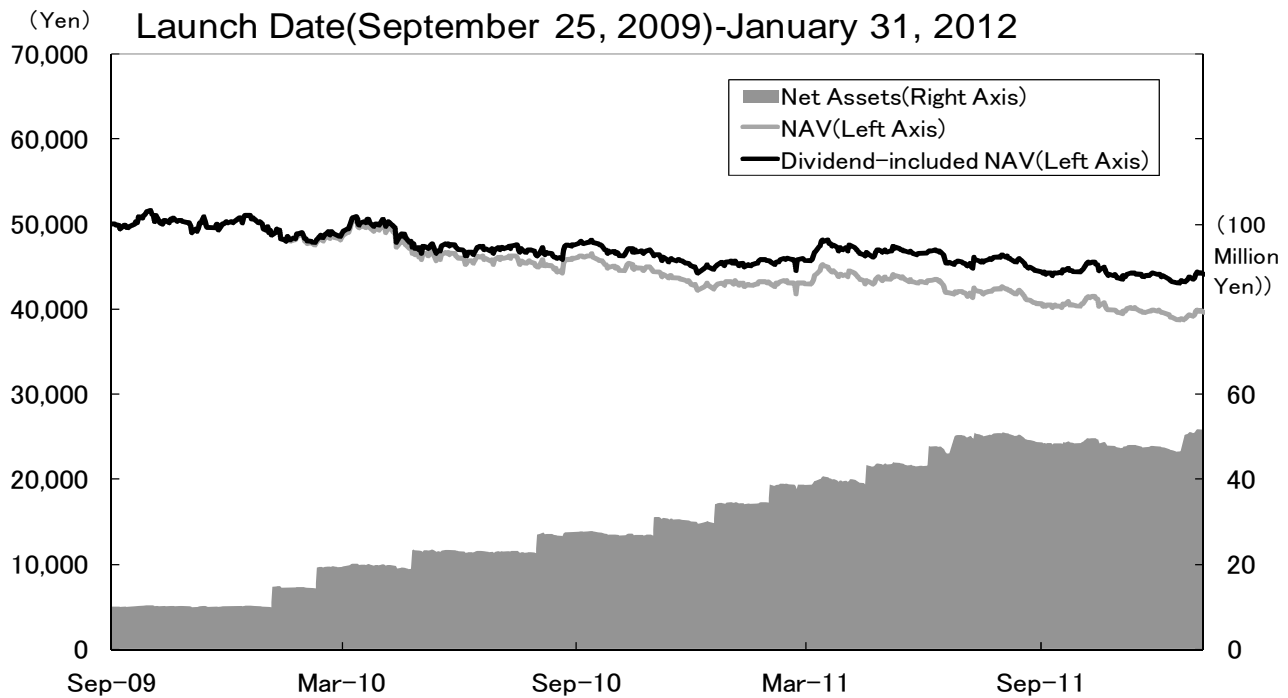
- **The evaluation and analysis of risks and performance, risk management, and monitoring of the status of compliance with laws are performed by the departments in charge of risk management and compliance, which is independent from fund management departments.**
- **To maintain an appropriate management system, the departments in charge of risk management and compliance report and make proposals to the committee 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 2012, and may be subject to change in the future.

# Past Performance

As of January 31, 2012

## ■ Changes in NAV/Net Assets



NAV.....¥39,585

Net Assets.....5.146 billion

\*NAV is the unit price 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 per 1 Unit (before tax)

Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Past One Year	Accumulation since launch
Yen 170	Yen 170	Yen 170	Yen 170	Yen 140	Yen 2,234	Yen 4,676

## ■ Status of Major Assets

### <Component and Breakdown>

Asset Types	%
International Bond Index Fund(for qualified institutional investors)	99.96%
Money Open Mother Fund	0.00%
Cash and Others	0.04%

※As percentage of total asset.

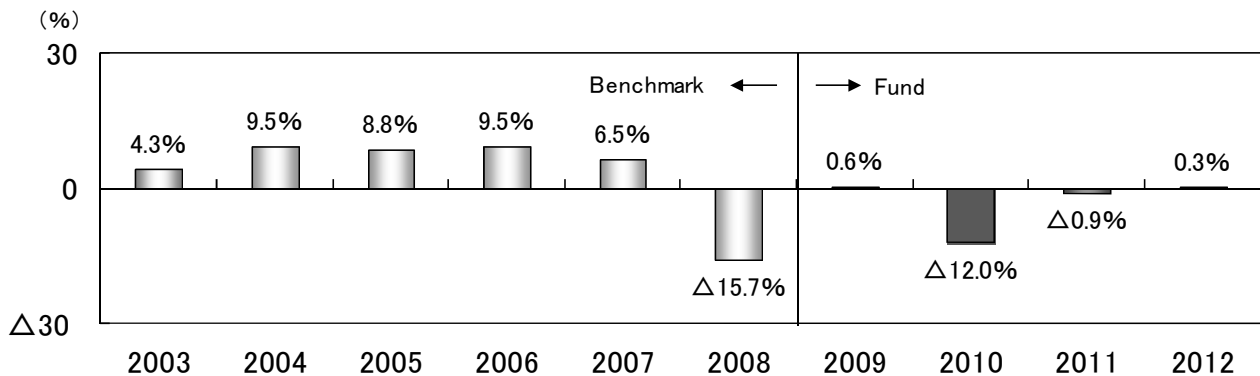
## Top 10 Component Shares

### Nikko International Bond index Fund(for Institutional Investors)

	Stock	Currency	Type	Coupon	Maturity	Weight
1	INTL BK RECON & DEVELOP	USD	Special bond	7.625%	2023/1/19	17.87%
2	EUROPEAN BK RECON & DEV	USD	Special bond	5.000%	2014/5/19	12.87%
3	BUNDESREPUB. DEUTSCHLAND	EUR	Gov.Bond	6.250%	2024/1/4	10.38%
4	EUROPEAN INVESTMENT BANK	USD	Special bond	5.125%	2016/9/13	9.69%
5	UK TREASURY	GBP	Gov.Bond	6.000%	2028/12/7	6.69%
6	BUNDESREPUB. DEUTSCHLAND	EUR	Gov.Bond	4.000%	2016/7/4	6.36%
7	BUONI POLIENNALI DEL TES	EUR	Gov.Bond	5.000%	2025/3/1	4.09%
8	FRANCE (GOVT OF)	EUR	Gov.Bond	6.000%	2025/10/25	3.59%
9	BUNDESobligation	EUR	Gov.Bond	4.000%	2013/10/11	3.49%
10	FRANCE (GOVT OF)	EUR	Gov.Bond	4.250%	2019/4/25	3.14%

※As percentage of net assets of Nikko International Bond Index Fund(for Institutional Investors)

## ■ Past Annual Returns



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

\*Figures before 2008 are for the return rate of the benchmark (Citigroup Nonyen WGBI-JIT)

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

\*The figure for 2009 shows fluctuations in the percentage from the launch up until the end of 2009.

\*The figure for 2012 shows fluctuations in the percentage up until the end of January 2012.

\*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>	Set by the distributor at 10,000 units or more. *Please contact the distributor or the management company.
<b>Subscription Price</b>	The NAV as of the business day after the day on which the subscription is accepted.
<b>Subscription Method</b>	To be paid by the day indicated by the distributor.
<b>Request for Redemption</b>	Units of 10,000 * Units to be determined by the distributor. *A beneficiary may ask a Distributor to buyback 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.
<b>Exchange Price</b>	The NAV on the business day after the exchange is accepted after deducting the trust asset reserves.
<b>Exchange Proceeds</b>	As a rule, payment will be made from the eighth business day after and including the day on which a request for an exchange is made.
<b>Business Hours for Subscription and Exchange</b>	As a rule, applications for subscriptions and exchange that are completed by 2p.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 October 8, 2011 to October 10, 2012. * The subscription period can be renewed by filing another securities registration statement before the expiration date shown above.
<b>Non-acceptance Days for Subscriptions and Exchanges</b>	On the days Distributors are open for business, applications for subscriptions or exchanges will still not be accepted on the days below. Please contact the distributors for details. 1) From two business days before the 6 <sup>th</sup> of each month to two business days before the settlement date. 2) Days where the British or New York stock exchanges or London or New York banks are closed. 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 deed. * Notwithstanding the provisions of 1) and 2) above, applications for subscription or exchange may be accepted on or during the days referred to above if the Management Company determines that the impact of such an acceptance on the trust assets is minimal in view of the condition of trust assets, fund movements, and market trends.
<b>Restrictions on Exchanges</b>	Based on the size or product qualities of the fund, restrictions may be placed on the timing or volume of large exchange units to avoid adverse effects on the fund's management.

<b>Suspension or Cancellation of Subscription, Exchange or Buyback Applications</b>	The Management Company may suspend acceptance of applications for subscription or requests for exchanges, or cancel applications for subscription or requests for an exchange that have already been accepted in the event that the Fund is unable to invest in target investment trust securities, exchanges of the target investment trust securities are no longer possible, trading on a stock exchange is suspended, settlement functions are halted, it determines that there is a possibility that investments in accordance with the basic investment policies set forth in the trust deed will be hindered, or circumstances beyond their control develops.
<b>Trust Term</b>	Unlimited (launch date: September 25, 2009)
<b>Early Termination</b>	<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> <li>• If Citigroup Nonyen WGBI-JIT is discontinued.</li> <li>• If any amendment to the trust deed deemed necessary by the Management Company or Trustee because of a change in the calculation method or similar of the Citigroup Nonyen WGBI-JIT is not accepted by a written resolution.</li> </ul> <p>Early termination may be carried out in any of the following cases:</p> <ul style="list-style-type: none"> <li>• If net assets of the Fund fall below 500,000,000 yen;</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>	The 10 <sup>th</sup> of each month
<b>Income Distribution</b>	<p>Dividends are paid twelve times a year in accordance with the following income distribution policy:</p> <p>In principle, the full amount of dividends and other incomes received in the trust assets will be distributed after deducting expenses.</p> <p>* In general, the Trustee will pay to each beneficiary 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. Where 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>
<b>Maximum Amount of Trust Money</b>	Equivalent to 5 trillion yen
<b>Public Notification</b>	<p>Notifications are posted on the Management Company website.</p> <p>URL: <a href="http://www.nikkoam.com/">http://www.nikkoam.com/</a></p> <p>* In the event that the notification cannot be posted online due to unavoidable circumstances, this will be published in <i>The 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>• The dividends received deduction will not apply.</li> <li>• As a 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	<b>Independently set by Distributors</b> * Please contact your Distributor for further information.																		
Exchange Fee	<b>Independently set by Distributors</b> * Please contact your Distributor for further information.																		
Amount to be Retained in Trust Assets	<b><u>0.2% of NAV at the time of exchange.</u></b>																		
Expenses to be borne indirectly by investors from trust assets																			
Investment Management Expenses (Trust fee)	The Fund	<p><b>No more than 0.1575%(0.15% 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 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>Distribution of Investment Management Expenses</p> <p>When above is 0.1575% (0.15% excluding taxes), as of the date of filing of the securities registration statement:</p> <table border="1"> <thead> <tr> <th rowspan="2">Net Assets</th> <th colspan="3">Annual Trust Fee Rate</th> </tr> <tr> <th>Total</th> <th>Management Company</th> <th>Trustee</th> </tr> </thead> <tbody> <tr> <td>¥10.0 billion or less</td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="2">More than ¥10.0 billion</td> <td rowspan="2">0.1575% (0.15%)</td> <td>0.1260% (0.12%)</td> <td>0.0315% (0.03%)</td> </tr> <tr> <td>0.1365% (0.13%)</td> <td>0.0210% (0.02%)</td> </tr> </tbody> </table> <p>*Figures in brackets are excluding tax.</p>	Net Assets	Annual Trust Fee Rate			Total	Management Company	Trustee	¥10.0 billion or less				More than ¥10.0 billion	0.1575% (0.15%)	0.1260% (0.12%)	0.0315% (0.03%)	0.1365% (0.13%)	0.0210% (0.02%)
	Net Assets	Annual Trust Fee Rate																	
		Total	Management Company	Trustee															
¥10.0 billion or less																			
More than ¥10.0 billion	0.1575% (0.15%)	0.1260% (0.12%)	0.0315% (0.03%)																
		0.1365% (0.13%)	0.0210% (0.02%)																
Target Investment Trust Securities	• Approximately 0.105% (0.1% excluding taxes) per annum of net assets.																		
Actual Cost	<p><b><u>Approximately 0.2625% (0.25% excluding taxes) per Annum of net assets.</u></b></p> <p>*Subject to change based on changes in the constituent issues or weighting of the target investment trust securities.</p>																		

Other Expenses and Fees	Expenses (Expenses for preparation of prospectus and other expenses)	<p><b><u>No more than 0.15% per annum of the daily total NAV of the Fund</u></b></p> <p>Expenses for the preparation and distribution of prospectuses, audit costs, expenses for listing of the Fund, as well as royalties for the Citigroup Nonyen WGBI-JIT are paid out of the trust assets at the times specified by the Management Company.</p>
	Brokerage commissions and other fees	<p>Brokerage commissions on securities in the portfolio, interest on borrowings, interest on advances, lending fee (in case security lending is conducted, the amount obtained by multiplying a lending fee on securities lent by a figure which is a profit for Trust Assets, not exceeding 0.525 (0.5 excluding taxes) (0.525 (0.5 excluding taxes) as of the date of the filing of the securities registration statement), and other fees are paid out of the trust assets each time they are incurred.</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 10%\*(7% income tax and 3% local tax). 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 10%\*(7% income tax and 3% local tax). (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 10%\* (7% income tax and 3% local tax). (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) 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 10%\*(7% income tax and 3% local tax). 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 10%\*(7% income tax and 3% local tax). (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 such like (as long as separated taxation upon declaration has been chosen). In addition, gains on sale (capital gains) and income distributions (if separated taxation upon declaration has been chosen) can be offset against capital losses from listed stocks and such like.
- \* From January 1, 2013, tax rate is expected to be 10.147%.
- The foregoing descriptions are as of April 10, 2012. Therefore, the tax rates may change in the event that tax laws are revised.
- The aforementioned descriptions do not apply to Japanese corporations.
- We recommend that investors consult a tax or similar specialist for details of tax treatment.

**nikko am**