

June 5, 2018

Daiwa Asset Management Co. Ltd
Registration No.: Director of Kanto Local Finance Bureau
(Financial Instrument Firm) No.352
Member of Investment Trusts Association, Japan
Member of Japan Investment Advisers Association

Joining Sponsored ETF Market Making Incentive Scheme

Thank you for your continued patronage of “Daiwa ETFs”

Daiwa Asset Management Co. Ltd. will join Sponsored ETF Market Making Incentive Scheme which will be introduced by Tokyo Stock Exchange Inc. from July 2, 2018.

The purpose of ETF Market Making Incentive Scheme is the improvement of ETF liquidity, by offering incentive to market makers. Through the improved liquidity, investors can trade ETFs at the preferred timing and at the better price.

Sponsored ETF Market Making Incentive Scheme is the scheme that asset managers independently offer additional incentive to market makers, and is expected to support ETF Market Making Incentive Scheme provided by the exchange.

We will continue to provide helpful information utilizing ETFs in various types, and thank you for your patronage again.

【ETFs to be covered by the scheme (expected)】

- | | |
|--|-------------------|
| ■ Daiwa ETF TSE REIT Index | (TSE code : 1488) |
| ■ Daiwa ETF TOPIX-17 Energy Resources | (TSE code : 1635) |
| ■ Daiwa ETF TOPIX-17 Auto & Transportation Equipment | (TSE code : 1639) |
| ■ Daiwa ETF TOPIX-17 Electric Appliances & Precision | (TSE code : 1642) |
| ■ Daiwa ETF TOPIX-17 IT & Services | (TSE code : 1643) |
| ■ Daiwa ETF TOPIX-17 Banks | (TSE code : 1648) |
| ■ Daiwa ETF TOPIX High Dividend Yield 40 Index | (TSE code : 1651) |
| ■ Daiwa ETF MSCI Japan Empowering Women Index (WIN) | (TSE code : 1652) |
| ■ Daiwa ETF MSCI Japan ESG Select Leaders Index | (TSE code : 1653) |
| ■ Daiwa ETF FTSE Blossom Japan Index | (TSE code : 1654) |

It is possible for ETFs above can be changed at July 2, 2018 when the new scheme actually begins.

Regarding details of the scheme above, please kindly find the link below.

[Tokyo Stock Exchange, Inc. ETF Market Maker Program]

<https://www.jpx.co.jp/english/derivatives/rules/market-maker>

Investment Risk

※For the details, please kindly refer to Translation of Delivery Prospectus which can be found at homepage.

ETF will invest in financial instruments such as stocks whose prices fluctuate and the net asset value per unit varies. Therefore the amount of invested principal will not be guaranteed and a loss of principal may be caused. All the gains and losses accrued to the trust assets will be attributable to the investors. Investment trusts are different from the deposits.

Most fluctuation factors that are expected to cause NAV changes are below :

Stock Prices Volatility (Price Volatility Risks, Credit Risks), Others

- The NAV of ETF will not fully replicate the index
- The change of in NAV is not limited to the above.
- Ratios of some composites in the portfolio can be higher than expected.

Fees directly charged to the investors

- Trading Commission : This is set independently by the distributing company, if it's traded via the exchange.
- Partial Redemption Charge : Nil
- Exchange Commission : This is set independently by the distributing company. (Exchange commission is received in consideration of the office procedures related to Fund exchange etc., at the time of the exchange of the Fund)

Fees indirectly charged to the investors

- Management Fee (Trust Fee) : Trust Fee is calculated as sum of 1 and 2 as shown below during the holding period.

1. Percentage of total net assets :

- Daiwa ETF TSE REIT Index 0.1674%
- Daiwa ETF TOPIX-17 Energy Resources 0.1944%
- Daiwa ETF TOPIX-17 Auto & Transportation Equipment 0.1944%
- Daiwa ETF TOPIX-17 Electric Appliances & Precision 0.1944%
- Daiwa ETF TOPIX-17 IT & Services 0.1944%
- Daiwa ETF TOPIX-17 Banks 0.1944%
- Daiwa ETF TOPIX High Dividend Yield 40 Index 0.2052%
- Daiwa ETF MSCI Japan Empowering Women Index (WIN) 0.162%
- Daiwa ETF MSCI Japan ESG Select Leaders Index 0.162%
- Daiwa ETF FTSE Blossom Japan Index 0.162%

2. Up to 54% (50% before tax) of lending charges due to lending of stocks held in trust asset.

- Other Expenses and Brokerage Commissions

Listing Expenses and Annual Fees for Use of Index Trademarks with tax levy can be charged. Brokerage fees, cost of Futures or Option trading will be deducted from the trust assets.

- * Cost ratio or upper limit of "Other Expenses and Brokerage Commissions" can't be presented, because the cost can be changed based on management situation.
- * Regarding the details of "Trading Commission" and "Exchange Commission", please kindly contact to distribution company.
- * The total amount of cost can't be presented because it depends on the period of investment. Also, cost amount of REIT ETF can't be presented, because it's traded based on market value in the market.