

Nomura G10 FX Value Indices - Restatement Notification

23 May 2018

Nomura International plc ("NIP") as administrator of the Nomura G10 FX Illiquid Value with Vol Adjustment (NMSYGVVU Index), Nomura G10 FX Illiquid Value with No Vol Adjustment (NMSYGVNU Index), herein gives notice that it has identified a calculation error in the determination of these indices in respect of the inflation data used over the last 3 years. The indices use on a daily basis inflation data (CPI) across G10 currencies to determine the "value signal". On 4 instances the wrong release date had been assigned to certain inflation data, i.e. inflation data was published on day "t" but was recorded as being published on day "t+1":

- 10th March 2015 Release Date for NOK CPI / captured on 11th March 2015
- 8th January 2016 Release Date for CHF CPI / captured on 11th January 2016 (9th and 10th January 2016 were the weekend)
- 10th January 2017 Release Date for NOK CPI / captured on 11th January 2017
- 14th February 2017 Release Date for GBP & CHF CPI / captured on 15th February 2017

The value signals are based on long-term averages of inflation data so that the recording of the wrong release date resulted in erroneous values for (i) the Nomura G10 FX Illiquid Value with Vol Adjustment (NMSYGVVU Index) in 72 instances between 8th June 2015 and 18th May 2018 (ii) the Nomura G10 FX Illiquid Value with No Vol Adjustment (NMSYGVNU Index) in 13 instances between 24th Nov 2015 and 19th Jan 2018.

As the value signals are based on long-term averages of inflation data the impact on the values of the indices has been relatively small. The levels for the Nomura G10 FX Illiquid Value with Vol Adjustment (NMSYGVVU Index) and the Nomura G10 FX Illiquid Value with No Vol Adjustment (NMSYGVNU Index) have been restated for the relevant dates.

Users should contact the NIP (indexstructuring@nomura.com) for any further information on this.

Disclaimer

This material has been prepared by the Index Sponsor, NIP ("Nipic"), which is authorised by the Prudential Regulation Authority (PRA), regulated by the Financial Conduct Authority (FCA) and the PRA in the UK, and is a member of the London Stock Exchange.

This material is made available to you by Nipic and/or its affiliates (collectively, "Nomura Group"), as the case may be. This is not investment research as defined by the US rules and regulations, FCA nor is it research under the applicable rules in Hong Kong. It does not constitute a personal recommendation, as defined by the FCA, or take into account the particular investment objectives, financial situations, or needs of individual investors. It is intended only for investors who are "eligible market counterparties" or "professional clients" as defined by the FCA, and may not, therefore, be redistributed to other classes of investors. This material does not fall within the definition of an analyst report as defined by the Japan Securities Dealer's Association. It is intended for professional and institutional investors only.

This material is: (i) for your private information only, and we are not soliciting any action based upon it; (ii) not to be construed as an offer to sell or a solicitation of an offer to buy any security in any jurisdiction where such offer or solicitation would be illegal; and (iii) is based upon information that we consider reliable, and it should not be relied upon as such. While all reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Nomura Group and/or its directors, officers and employees as to the accuracy, completeness, merchantability or fitness for a particular purpose of the information contained herein or any other information provided by any other person in connection with the information described herein or their distribution or for the results obtained from the use of this information.

Nomura Group and/or its directors, officers and employees do not accept any liability whatsoever for any loss or damage (including, without limitation, direct, indirect or consequential loss or loss of profits or loss of opportunity) suffered by you or any third party in connection with the use of this material or its content. It is not intended for investors who are unfamiliar with the relevant markets or who are unwilling or unable to bear the risks associated with the investment. You should refrain from entering into any transaction unless you fully understand all the risks involved and you have independently determined that the investment is suitable for you. We are not your designated investment adviser.

In reaching a determination as to the appropriateness of any proposed transaction linked to the Index, clients should undertake a thorough independent review of the legal, regulatory, credit, tax, accounting and economic consequences of such action. The Nomura Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from, companies mentioned herein. Further, the Nomura Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, from time to time, have long or short positions in, and buy or sell, the securities, or in options, futures or other derivatives based thereon, of companies mentioned herein, or related securities or in options, futures or other derivative instruments based thereon. In addition, the Nomura Group may act as a market maker and principal, willing to buy and sell certain of the securities or in options, futures or other derivatives of companies mentioned herein. Further, the Nomura Group may buy and sell certain securities or in options, futures or other derivatives of companies mentioned herein, as agent for its clients.

Nomura manages conflicts identified through the following: their Chinese wall, confidentiality and independence policies, maintenance of a Stop List and a Watch List, personal account dealing rules, policies and procedures for managing conflicts of interest arising from the allocation and pricing of securities and impartial investment research and disclosure to clients via client documentation. Disclosure information is available at <http://www.nomura.com/research/>. No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means, or (ii) redistributed without our prior express consent. If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version

Nomura International (Hong Kong) Limited ("NIHK"), is regulated by the Securities and Futures Commission under Hong Kong laws which differ from Australian laws. Neither Nipic nor NIHK hold an Australian financial services licence as both are exempt from the requirements to hold this licence in respect of the financial services either provides.

If distributed into the US, the following section will also apply to US clients:

Nomura Securities International, Inc. ("NSI") is regulated by the Securities and Futures Commission and a member of SIPC. NSI does not provide legal, accounting or tax advice. In compliance with Internal Revenue Service Circular 230, we hereby notify you that any discussion of tax matters set forth herein was written in connection with the promotion or marketing of the matters described herein and was not intended or written to be used, and cannot be used by any person, for the purposes of avoiding tax-related penalties under federal, state or local tax law. Each person should seek legal, accounting and tax advice based on its particular circumstances from independent advisors.