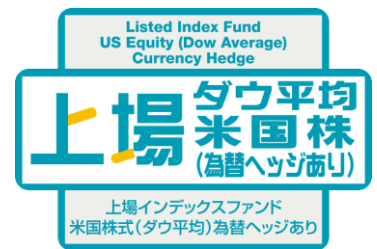


Nikko AM to List New Yen-Hedged ETF Linked to Dow Jones Industrial Average *ETF to debut on Tokyo Stock Exchange on 18 March*

Nikko Asset Management Co., Ltd. (Nikko AM) today announces the 13 March launch of a new yen-hedged exchange traded fund (ETF) linked to the Dow Jones Industrial Average. The new offering is called the **Listed Index Fund US Equity (Dow Average) Currency Hedge (Code: 2562)**. The fund is scheduled to be listed on the Tokyo Stock Exchange (TSE) on 18 March. It will feature a yen hedge against the dollar-denominated Dow. The mother fund will largely invest in U.S. equities, while the ETF will primarily engage in currency hedging.



Nikko AM's current ETF offerings in yen hedged U.S. equities include "Listed Index Fund US Equity (S&P500) Currency Hedge (Code: 2521)." The new ETF should find even more favor among Japanese investors in view of their greater familiarity with the Dow. As well as hedging currency risks, the new ETF is designed to meet the needs of institutional and retail investors by delivering access to the growth potential of American stocks.

✧ **The trust fee is the lowest (as of end-January 2020) among TSE-listed ETFs linked to the Dow**

The annual trust fee rate is 0.33% (0.3% excluding tax). The trading unit is 10 units, and initial trading price is approximately JPY2,000 per unit. The minimum trading price at the launch will be approximately JPY20,000. These modest trading unit will make it much easier for investors to use this ETF as a tool for managing their assets and diversifying their investments.

✧ **Dow futures enable easier market making, leading to lower transaction costs.**

This ETF will be listed in Japan and there will be no movements in the Dow index during Japan trading hours. Thanks to the availability of Dow futures; however, market makers will be providing liquidity in any market condition, resulting in lower transaction costs.

✧ **iNAV calculated to enhance price transparency**

To ensure optimal real time transaction price transparency, the indicative net asset value (iNAV) will be calculated. The information will also be listed on Nikko AM's website in English.

This ETF is a cash creation/cash redemption ETF, in which cash payments will be made into the fund at its creation and cash will be paid out at the time of redemption. Dividends will be paid semiannually in January and July.

Nikko AM has proactively pioneered the development of a wide range of ETF products to accommodate investor needs, and will continue to enhance its range and offer diverse investment opportunities.

Fund Outline for Exchange Trading

Product Type	Open-end/Overseas/Equities/ETF/Index type
Listed Exchange	Tokyo Stock Exchange
Date Listed	Planned for 18 March, 2020
Security code	2562
Trading Unit at the Exchange	10 units
Trust period	Unlimited (expected launch on 13 March, 2020)
Closing dates	8 January and 8 July of each year
Dividends	In principle, all revenue from dividends, etc., arising from trust assets will be paid after deducting expenses, etc. Note: The payment of future dividends and dividend amounts cannot be guaranteed.

Outline of Fees, etc.

Investors must bear the following expenses:

Fees charged at the time of trading at the Exchange

- Trading Fees: As determined by the distributor. Inquire with the distributor for details. Fees are subject to Japan's consumption tax.

Fees and expenses charged indirectly through the trust assets (i.e. paid by the Fund)

- Trust Fees: Up to 0.33% (0.3% excluding tax)
- Other Expenses: Brokerage fee for securities purchased, audit costs, interest on advance payments, beneficiary right listing costs, fees for using symbols, and securities-related fees
(If securities are lent, the amount obtained by multiplying the lending fee that is the income of the trust assets by 0.55 (0.5 excluding tax) as of the securities registration statement filing date
* The rate or maximum amounts of other expenses cannot be disclosed in advance because the actual amount will vary depending on the state of the assets managed.

*We cannot present totals of the above fees because they vary according the fund holding periods of investors.

*For more details, please refer to the investment trust explanatory document (prospectus distributed in advance of subscription).

Fund Outline

This is applicable to direct subscriptions and redemptions of the Fund, and not applicable to those investors who trade on the Exchange.

Acquisition and Conversion Processing Hours	As a general rule, orders will be processed on the same business day if all administrative procedures prescribed by the distributor are completed by 3:00 p.m. Japan time
Subscription Value	NAV on the next business after the day the purchased subscription is received.
Subscription Unit	No less than 5,000 units, and as stipulated by the distributor. * Inquire with the distributor or the asset manager for details
Redemption Value	Value determined by subtracting value of amount retained in trust assets from fund's base value (NAV) on the next business day after the day the redemption application is received.
Redemption Units	1 unit and no less than 5,000 units * May vary depending on distributor. * If the number of beneficiary rights held is less than the minimum trading unit specified by the financial instruments exchange, investors can still apply for purchase of their holdings. Inquire with the distributor for details.

Fees charged at the time of subscription and conversion

Subscription Fees:	Fee as determined by the distributor. Inquire with the distributor for details. An amount equivalent to the consumption tax on these fees will be included.
Redemption Fees:	The distributors may charge beneficiaries a fee determined by each distributor, together with consumption tax thereon, upon redemption or exchange of beneficiary interests. When a beneficiary places a redemption request or purchases beneficiary rights, the distributor may collect fees that it has determined as well as the amount equivalent to the consumption tax on said fees. *Inquire with the distributor for details.

Fees and expenses charged indirectly through the trust assets (i.e. paid by the Fund)

- Trust Fees: Up to 0.33% (0.3% excluding tax)
- Other Expenses: Brokerage fee for securities purchased, audit costs, interest on advance payments, beneficiary right listing costs, fees for using symbols, and securities-related fees
(If securities are lent, the amount obtained by multiplying the lending fee that is the income of the trust assets by 0.55 (0.5 excluding tax) as of the securities registration statement filing date
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Risk Information

- Investment trusts do not guarantee the investment principal, and investing in assets whose prices fluctuate (foreign currency-denominated assets are also subject to foreign exchange fluctuations), so market transaction prices and base values shift. The investment principal could thus be eroded. All gains and losses arising from investments in the fund belong to investors (beneficiaries). The fund is different from a bank deposit.
- Asset types, investment restrictions, trading markets, countries of investment, and other factors differ among investment trusts, so their risks accordingly vary. Although funds are listed and traded publicly, market prices may not be identical owing to differences in base prices and factors in fluctuations.

Other Matters to Consider

Nikko Asset Management prepared these sales materials to foster investor understanding of its ETF. Fund transactions are not subject to the so-called cooling-off provisions of Article 37-6 of the Financial Instruments and Exchange Act. Unlike deposits and insurance policies, investment trusts are not covered by the Deposit Insurance Corporation and or Policyholder Protection Corporation. All gains and losses arising from investments in the fund belong to beneficiaries. Before investing in the fund, carefully read the documents provided before concluding a contract.

The "**Dow Jones Industrial Average (TTM, Yen-denominated, Yen-hedged)**" is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJI"), and has been licensed for use by **Nikko Asset Management Co., Ltd.** Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); **Listed Index Fund US Equity (Dow Average) Currency Hedge** is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the **Dow Jones Industrial Average (TTM, Yen-denominated, Yen-hedged)**.

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About Nikko Asset Management

With US\$230.9 billion* under management, Nikko Asset Management is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of Equity, Fixed Income, Multi-Asset and Alternative strategies. In addition, its complementary range of passive strategies covers more than 20 indices and includes some of Asia's largest exchange-traded funds (ETFs).

Headquartered in Asia since 1959, the firm represents nearly 200** investment professionals and over 30 nationalities across 11 countries. More than 300 banks, brokers, financial advisors and life insurance companies around the world distribute the company's products.

The investment teams benefit from a unique global perspective complemented by the firm's historic Asian DNA, striving to deliver consistent excellence in performance. The firm also prides itself on its progressive solution-driven approach, which has led to many innovative funds launched for its clients.

For more information about Nikko Asset Management and to access its investment insights, please visit the firm's [homepage](#).

* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of 30 September 2019.

** As of 30 September 2019, including employees of Nikko Asset Management and its subsidiaries.

Nikko Asset Management Co., Ltd.

Registration Number: Director of the Kanto Local Finance Bureau (Financial instruments firms) No. 368

Member Associations: The Investment Trusts Association, Japan/ Japan Investment Advisers Association