

PRESS RELEASE
08 FEBRUARY 2018

NIKKO ASSET MANAGEMENT CO., LTD.

Nikko AM Recognised in Three Categories in Asia Asset Management's 2018 Best of the Best Awards

Japan's Best Institutional House and ETF Manager, and Asia ETF Manager of the Year

Nikko Asset Management (Nikko AM) has been recognised across three categories in [Asia Asset Management's](#) 2018 Best of the Best Awards. Asia Asset Management, The Journal of Investments and Pensions, has acknowledged Nikko AM in Japan as Best Institutional House and ETF Manager of the Year, both for the second year running, and for the first time as Asia Region ETF Manager of the Year. This is the fifth consecutive year for Nikko AM to be honored by Asia Asset Management.

Through a turbulent 2017, the Firm's agility allowed it to outrun the domestic competition for institutional Japanese assets. Driving the growth is institutional investor interest in the Firm's tailored solutions that help balance portfolio risk - especially Multi-Asset, on which both mega banks and regional banks increasingly rely as a diversifier from foreign bonds. Nikko AM's institutional business in Japan has led all Japan-based peers for inflows into privately placed investment trusts in 2017, with institutional AUM growing over 70% from March 2015 through September 2017.

At the same time, Nikko AM's exchange traded fund (ETF) business has grown assets under management by over 50% year-over-year to December 2017, spread across nearly 30 ETF products. The Firm continued to provide investment education and a series of new ETF products, including the world's first Asia ex Japan REIT ETF* in both Tokyo and Singapore, in addition to a Japan Equity Long-Short Strategy ETF. In 2017 Nikko AM was the second largest ETF provider in the Asia-Pacific region, with a total market share of 12.5% (as of the end of October 2017), while ranking among the top ten globally (as of the end of December 2017).

Nikko AM Director, Executive Vice Chairman Hideo Abe said, "Nikko AM's established global network and focus on progressive solutions is clearly providing the results its clients seek. This is so both for Japanese institutions seeking opportunities outside of Japan, and also for the needs of local clients in their home market, as seen with recognition as Asia Region ETF Manager of the Year. Performance is at the core of what we do, and we are grateful to Asia Asset Management for these accolades."

– ENDS –

*According to Nikko Asset Management's research.

About Nikko Asset Management

With US\$194.7 billion (21.92 trillion yen)* 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 more than 200** investment professionals and over 30 nationalities across 9 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 2017.

** As of June 30, 2017, including employees of Nikko Asset Management and its subsidiaries.

Important Information

Risk Information

Investment trust principal is not guaranteed and invests in assets for which prices fluctuate (assets denominated in foreign currencies also bear exchange rate risks), therefore market transaction prices and NAV will fluctuate. It is possible that the NAV will fall below the principal amount of your investment. Profits and losses made by the management of investment trusts all belong to the beneficiaries. Investment trusts differ from deposits and savings.

Different investment trusts invest in different asset classes, markets, and countries, and contain different investment restrictions, so the details of their risks differ accordingly.

Outline of Fees, etc.

Investors must bear the following expenses:

Fees charged at the time of subscription and redemption

- Subscription Fees: Up to 4.32% (4.0% before tax)
- Redemption Fees: Up to 1.08% (1.0% before tax)
- Amount Retained in Trust Assets: Up to 0.5%

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

- Trust Fees: Up to 3.026% (2.95% before tax)
- Other Expenses: Brokerage commission with respect to securities held in the portfolio, interest on borrowings, interest on advances, license fees and fees related to securities lending, etc.

The rate or maximum amounts applicable to other fees and expenses cannot be disclosed in advance because the actual amount will vary depending on the state of the assets managed.

The total amount of fees above will vary depending on the length of investment period and other factors. Therefore, we cannot give a specific total.

For more detail, please refer to the investment trust explanatory document (prospectus distributed in advance of purchase).

Disclaimer

Fees, etc. listed are the highest rates among those charged to the ETFs managed by Nikko Asset Management (as of the date this document was created).

- The risk information and fees, etc. disclosed above are those typical for a general investment trust. Actual fees will vary for each specific investment trust. For more detail, please refer to the investment trust explanatory document (prospectus distributed in advance of subscription).

Other matters to consider

- These marketing materials were prepared for the purpose of providing information on investment trusts managed by Nikko Asset Management and promoting investors' understanding of this Fund.
- Unlike bank deposits or insurance policies, investment trusts are not protected by the Deposit Insurance Corporation or the Insurance Policyholders Protection Corporations. In addition, when purchased from registered financial institutions such as banks, investment trusts are not eligible for payments from the Japan Investor Protection Fund.
- Prior to investing in any fund, the distributor will deliver the investment trust explanatory document (prospectus distributed in advance of subscription). Please be sure to confirm its contents before making your own investment decision.

Matters to consider regarding investment advisory and discretionary investment agreements

Investment based on a discretionary investment agreement and advice based on an investment advisory agreement mainly involve securities, such as equities and bonds, whose prices fluctuate (foreign currency securities have an exchange rate fluctuation risk as well), so the net asset value (NAV) of your investment assets will fluctuate and may fall below your principal investment.

Major risks involved in these agreements are:

1) Price fluctuation risk, 2) liquidity risk, 3) credit risk, 4) exchange rate fluctuation risk, 5) country risk, 6) derivative risk, and 7) risks unique to market neutral and long/short strategies

Fees and other expenses

- Investment Advisory Fees

An investment advisory fee, which serves as the fee for the investment advisory agreement and the discretionary investment agreement, up to a maximum of 3.24% p.a. (3.0% before tax) will be charged against the balance of investment assets according to the period under management. Depending on the content of the agreement, a contingent fee may be charged in addition to the fixed fee.

Other fees

As for other fees, brokerage fees for portfolio stocks may be incurred.

In cases where investment trusts are bought based on a discretionary investment agreement, other fees may be incurred, such as a trust fee on the investment trusts, commissions on the amount reserved for trust assets, incorporation and redemption, brokerage fees for portfolio stocks, custodian fees, management fees, audit fees, fund establishment fees, interest rate of borrowings or borrowed stock fees.

Disclaimer

- Contingent fees and other fees vary depending on investment strategies and management conditions; therefore it is not possible to specify the amount of those fees and the limit beforehand.
- The risks and fees mentioned above differ depending on individual agreements. We urge you to read the pre-agreement reminder thoroughly before you sign an agreement.