

July 24, 2012

Press Release

Nikko Asset Management Co., Ltd.

Nikko AM Fund Receives Mercer MPA Award (Japan) 2012

Nikko Asset Management (Nikko AM) announced today that its Japan Enhanced Index Strategy fund has been recognized for outstanding investment performance at the 10th Annual Mercer MPA Awards (Japan). The fund was selected by the Japan office of the global consultancy firm Mercer Investment Consulting.

The Japan Enhanced Index Strategy fund received its award in the two categories of Japan Equity Large-Cap and Japan Equity Core. It is the third successive year that Nikko AM has won the award in the Japan Equity Core category.

Fund	Category	Evaluation Period
Japan Enhanced Index Strategy	Japan Equity Large-Cap	5 years to March 2012
	Japan Equity Core	3 years to March 2012

The Mercer MPA (Japan) Awards are given to funds with outstanding performance among those registered with Mercer Manager Performance Analytics (MPA), an investment analysis tool developed by Mercer Investment Consulting.

The Mercer MPA Awards are based only on historical return obtained from investment managers and there is no relationship with Mercer's qualitative ratings or recommendation. Mercer gives no representations or warranties as to the accuracy of such information or method of calculation, and accepts no responsibility or liability (including for indirect, consequential or incidental damages) for any error, omission or inaccuracy in such information. In addition, Past Performance cannot be relied upon as a guide to future performance. Only Mercer Investment Consulting in Japan gives this award to investment managers and no other Mercer offices are responsible for this award.

For further information on Mercer Investment Consulting, please visit <http://www.mercer.co.jp/> (Japanese)

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Note: This rating is not indicative of the investment adviser's future performance

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 3.15% 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.

About Nikko Asset Management

Established in 1959, the Nikko Asset Management Group (Nikko AM) has grown to be the largest regional asset management company headquartered in Asia, with total AUM over US\$158 billion* and one of the largest distributor networks across the Asia-Pacific region, comprising over 300 banks, brokers and life insurance companies.

Nikko AM manages a wide range of Asian equity and Asian fixed income strategies for retail and institutional investors around the world. The company has been recognised by industry peers for outstanding performance, product innovation and market leadership across the Asia region, winning a number of prestigious awards which includes “Asia-Based Asset Manager of the Year” in 2012 and “Best Japan Onshore Fund Manager” in 2012 and 2011, both from *AsianInvestor*.

Nikko AM also offers specialist third-party expertise – currently over 40 fund managers – through the World Series Fund Platform®, operating a “best-in-class” approach across a broad range of asset classes.

Nikko AM’s senior management team has significant experience across Asian as well as global markets. The team combines local knowledge with internationally recognised standards of investment practice, transparency and corporate governance to achieve growth across the business. The company adopts a “multi local” approach – giving local management teams a high degree of autonomy to address local market conditions and client servicing needs.

Nikko AM’s head office is in Tokyo, with an extensive footprint across the Asia-Pacific region that includes local offices in Singapore, Hong Kong, Sydney, Melbourne, Brisbane and Auckland. Global offices in New York and London with full service teams provide support to investors in the US, Europe and the Middle East. Nikko AM holds a 40% stake in Rongtong Fund Management, the 7th largest Sino-foreign joint venture fund management group in China, while in Malaysia, a 51% stake in Asian Islamic Investment Management Sdn. Bhd. and a 30% stake in Hwang Investment Management Berhad – both leading investment management firms – add to Nikko AM’s regional presence**.

Nikko AM is majority owned by Sumitomo Mitsui Trust Holdings, while DBS Bank is the second largest shareholder.

Nikko AM continues to operate independently.

For more information, please visit www.nikkoam.com/english

* Consolidated assets under management and advice of Nikko AM and its subsidiaries as at 31 March 2012.

**As of December 2011