

March 4, 2013

Press Release

Nikko Asset Management Co., Ltd.

New "Mini" Nikkei ETF Allows Trading in Single Units of Around JPY 1,000

- First "cash creation" ETF linked to the Nikkei 225 -

Nikko Asset Management Co., Ltd. (Nikko AM) today announced the launch and listing of a new Nikkei 225-linked exchange traded fund (ETF) on the Tokyo Stock Exchange called the **Listed Index Fund Nikkei 225 (Mini) (Code: 1578)**. The fund will be launched on March 22 and listed on March 25.



In addition to its Listed Index Fund 225 (Code: 1330; Total net assets: JPY 559 billion*), Nikko AM has several ETFs listed on the stock exchanges of Tokyo and Osaka that track the movements of the Nikkei 225, Japan's leading stock price index. These ETFs are typically the most popular and the most actively traded by both individual and corporate investors. The **Listed Index Fund Nikkei 225 (Mini)** is Nikko AM's newest addition to this category. However, there are two notable characteristics of this fund that clearly differentiate it from other ETFs linked to the Nikkei 225.

Investors can trade from around JPY 1,000

The **Listed Index Fund Nikkei 225 (Mini)** will be tradable in single units for which the initial subscription price is JPY1,000. Allowing exceptionally small and flexible trades of a single unit with the low per-unit price of around JPY1,000 sets this fund apart from other Nikkei 225-linked products.

First ever "cash creation" ETF linked to the Nikkei 225**

The **Listed Index Fund Nikkei 225 (Mini)** is the first "cash creation" ETF linked to the Nikkei 225. Currently, all ETFs listed in Japan that are linked to the Nikkei 225 are "in-kind redemption" funds, with real assets (basket of equities incorporated in the Nikkei 225) exchanged for creation units. In terms of liquidity when trading in large lots, a cash creation fund is far superior to an in-kind redemption fund, thus being of benefit to institutional investors conducting large ETF transactions.

Nikko AM continues to lead the way in developing different types of ETFs to suit the needs of investors, by enhancing its products and offering a broad range of investment opportunities.

*As of February 28, 2013

**Based on research conducted by Nikko AM

■Fund Outline for Exchange Trading

Product Type	Open-end investment trust / Domestic / Equity / ETF / Index-type
Listed Exchange	Tokyo Stock Exchange
Date Listed	March 25, 2013 (scheduled)
Security code	1578
Trading Unit at the Exchange	1 units
Trust Period	Unlimited (Launch date: March 22, 2013)
Closing Date	January 8 and July 8 every year
Dividends	In principle, all revenue from dividends, etc., arising from the trust assets will be paid as dividends for every calculation period, after deducting expenses, etc. *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 Commission: As stipulated by the brokers. Please contact your broker for details.

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

- Trust Fees: The trust fee is calculated by multiplying the total net asset value by up to 0.23625% per annum (0.225% before tax).
- Other Expenses: Expenses for creating and delivering prospectuses, accounting expenses (including outsourcing fees), audit costs, listing fees and index royalties, will be paid out of the fund's trust assets with an amount reached by multiplying an annual rate of no greater than 0.1% on the fund's daily net asset value.

Brokerage commissions on securities in the portfolio, interest on borrowings and advances, and fees related to securities lending are paid out of the fund's trust assets each time they are incurred (in the case of securities lending, the amount reached by multiplying 0.525 (0.5 before tax) on the lending fee).

*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 charged to the Fund 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 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.]

Business Hours for Subscription and Redemption	In principle, it shall be no later than 2:00 p.m. on any business day of the distributor/ *Deadlines may vary, therefore please contact your distributor for more details.
Subscription Price	NAV as of the business day following the application date.
Subscription Unit	No less than 1000 units, and as stipulated by the distributor. Please contact the distributor or management company for information on subscription units.
Redemption Price	NAV as of the redemption application date.
Payment of Redemption Proceeds	In principle, payment after 4 business days following the day of receiving the application for redemption.

< Fees charged at the time of subscription and redemption >

- Purchase Application Fees: As stipulated by the distributors. Please contact your distributor for details.
A tax equivalent will also be added to this amount.
- Redemption Fees: The distributors may charge beneficiaries a fee determined by each distributor, together with consumption tax thereon, upon redemption or repurchase of beneficiary interests.
* Please contact your distributor for details.
- Amount Retained in Trust Assets: Not applicable.

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

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■ Risk Information

Invested principal is not guaranteed and may incur losses where the value of your investment principal will fall below par as the result of a decline in the market price or the NAV. All gains and losses from the management of the fund belong to the investor (beneficiary). This fund also differs from bank deposits.

This Fund will invest mainly in equity. The NAV of the Fund may fall and you may suffer a loss for reasons such as a drop in the price of equities or deterioration in the financial conditions and business performance of an issuer of stocks.

The principal risks of this Fund are as follows:

[Price Fluctuation Risk][Liquidity Risk][Credit Risk][Foreign Currency Risk] [Risk involved in securities lending, etc.][Price Discrepancies Between Nikkei Stock Average and NAV]

*Factors for NAV fluctuation are not limited to those explained above.

■ Other Matters to Consider

- These materials were prepared for the purpose of providing information on “ Listed Index Fund Nikkei 225 (mini) ” offered by Nikko AM and promoting investors’ understanding of this Fund.
- The provisions stipulated in Article 37-6 of the Financial Instruments and Exchange Act (the cooling-off period) do not apply to transactions of the 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.
- In accordance with the provisions of Article 5 of the Financial Instruments and Exchange Law (Act No. 25 of 1948), Nikko AM filed a security registration statement with the Head of the Kanto Local Finance Bureau on March 4, 2013 and it will become effective as of March 20, 2013. The content of the statement may be subject to change before becoming effective.
- Any profit or loss derived from the management of investment trusts belongs to all the beneficiaries. Please read the related contract prior to investing in the Funds.

■ Management Company and Other Related Companies

Management Company: Nikko Asset Management Co., Ltd.

Trustee: Sumitomo Mitsui Trust Bank, Limited

Sub-Trustee: Japan Trustee Services Bank, Ltd.)

Distributor: Please contact below to inquire about distributors.

Nikko Asset Management Co., Ltd.

Website: <http://www.nikkoam.com/>

Call Center: 0120-25-1404 (9a.m. – 5p.m., excluding Saturdays, Sundays and public holidays)

■ Nikkei Stock Average (Nikkei 225)

- The “Nikkei 225” is a copyrighted work calculated through a method developed independently by the Nikkei and Nikkei Inc. holds the copyrights and all other intellectual property rights related to Nikkei 225 itself and its calculation method.
- All trademark rights and other intellectual property rights relating to the trademarks of “Nikkei” and “Nikkei 225” belong to Nikkei Inc.
- Management of the fund is the responsibility of the Management Company, and Nikkei Inc. and Nikkei Digital Media Inc. have no responsibility for its management or the transactions of the fund.
- Nikkei Inc. and Nikkei Digital Media Inc. have no obligation to continue to publish Nikkei 225, and are not responsible for mistakes, delays or suspensions in its announcement.
- Nikkei Inc. has the right to change the component shares, calculations method and other contents of Nikkei 225 and to cancel its announcement.

Nikko Asset Management Co., Ltd.

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About Nikko Asset Management

Established in 1959, the Nikko Asset Management group (Nikko AM) has grown to become the largest regional asset management company headquartered in Asia, with total AUM of US\$154 billion* and one of the largest distributor networks across the Asia-Pacific region, comprising over 300 banks, brokers, IFAs 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-Pacific region, winning a number of prestigious awards, including “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 from 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 and the firm has an extensive footprint across the Asia-Pacific region that includes offices in Singapore, Hong Kong, Sydney, Melbourne, Brisbane and Auckland. Offices in New York and London with full service teams provide support to investors in the US, Europe and the Middle East.

Nikko AM’s strong Asian presence is cemented with stakes in several joint venture companies. Rongtong Fund Management is one of the largest Sino-foreign joint venture fund management firms in China, while Hwang Investment Management Berhad and Asian Islamic Investment Management Sdn. Bhd. are leading investment management firms in Malaysia. Recent additions Ambit Investment Advisory Private Limited in Mumbai and Ambit Mauritius Investment Management Private Limited provide Indian equity expertise to Nikko AM’s global clients.

Nikko AM is an independently managed asset management company, majority owned by Sumitomo Mitsui Trust Holdings and with DBS Bank as the second largest shareholder.

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

* Consolidated assets under management and advice of Nikko AM and its subsidiaries as at 31 December 2012. “Largest” based on AUM sourced from Asia, including Australia and New Zealand, using third party published AUM figures as of June 30, 2012. “Regional” excludes firms with more than 75% of AUM sourced from a single country.

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