

April 24, 2014

**Press Release**

Nikko Asset Management Co., Ltd.

**AsianInvestor Recognizes Nikko Asset Management with Two Awards**

Nikko Asset Management has been recognized for excellence in two categories in AsianInvestor's Investment Performance Awards 2014: Japan Fund House of the Year and Offshore/CNH Bonds. This is the fourth consecutive year for Nikko Asset Management to be named Japan Fund House of the year, and the first time it has been recognized in the Offshore/CNH Bonds category.



In Japanese equities, the average return of Nikko Asset Management's three top-performing funds for domestic investors doubled the market return of over 50% as represented by the Nikkei 225 index. This helped the company increase AUM by approximately 30%, from JPY13.3 trillion to JPY17 trillion (as of Dec. 31, 2013).

In fixed income, Nikko Asset Management was one of the first asset managers to provide an offshore RMB strategy, in November 2010, shortly after the market was liberalized. The strategy aims to provide absolute returns and targets primarily a diversified portfolio of RMB-denominated bonds, providing stable capital appreciation over the medium to long term with little concentration risk.

"We are very pleased to prevail in two of AsianInvestor's Investment Performance Awards 2014. Being named Japan Fund House of the Year for the fourth consecutive time is especially meaningful, as it shows great consistency in our approach and performance," said Hiroki Tsujimura, CIO Japan at the Tokyo-based firm.

"We are positioning Nikko Asset Management to be Asia's premier global asset management company, and this recognition validates that we are delivering superior performance to clients," noted Yu-Ming Wang, Head of Global Investment of the firm noted.

AsianInvestor will bestow the awards on the winners at its Gala Awards Dinner on May 22, 2014 at the Ritz Carlton Hotel in Hong Kong.

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Further details on the awards can be found at the *Asian Investor* website:

<http://www.asianinvestor.net/Category/190.awards.aspx>

\* This award is based on past performance and does not guarantee future investment performance.

Nikko Asset Management Co., Ltd.

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## ■ 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 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 (annual) : Up to 3.20% (3.12% before tax)

Some fund charge a performance fee based on investment performance, etc.

- Other Expenses: Brokerage commission with respect to securities held in the portfolio, audit fees, interest on borrowings and advances, 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 investment trusts 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 the 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.
- Your distributor will provide you with an investment trust explanatory document (prospectus distributed in advance of purchase) when you submit your application for this Fund. Please take the time to read its content carefully.

## **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.

## About Nikko Asset Management

Nikko Asset Management (Nikko AM) is a leader in the Asian financial services industry, with over \$160 billion in assets under management as of December 31, 2013. Established in 1959, the firm has representation across 24 locations in 12 countries and enjoys one of the largest distributor networks in the region, serving both retail and institutional clients. More than 300 banks, brokers, financial advisors and life insurance companies distribute the company's products.

Nikko AM manages a wide range of equity and fixed income strategies in both active and passive formats, leveraging the talents of over 250 investment professionals. In 2013 alone, Nikko AM won awards for excellence in asset management from Lipper, Mercer, AsianInvestor, R&I, among others.

The company's management team is highly diverse and experienced, and is committed to running the company according to international best practices. Nikko AM's independence from the limitations imposed on many captive asset management companies allows it to focus on the interests of clients. At the same time, the company enjoys a stable base of shareholders, with majority ownership held by Sumitomo Mitsui Trust Holdings and a smaller stake by DBS Bank.

For more information, please visit <http://en.nikkoam.com/>

\* Consolidated assets under management and sub-advisory of Nikko AM and its subsidiaries as of 31 December 2013.

### **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