

Press Release

Nikko Asset Management Co., Ltd.

Nikko AM Wins R&I Fund Award 2014 in Defined Benefit Pension Category

Nikko Asset Management Co., Ltd. (Nikko AM) has been recognized for superior fund performance by Rating and Investment Information, Inc. (R&I), in the category shown below. Nikko AM is honored to be the recipient of the R&I Fund Award 2014 in Defined Benefit Pension categories, after receiving three awards in Investment Trusts categories in April, which underscores the firm's global outlook, Asian insights and local experience in the fund management business.

Fund	Category
Japan Bond Credit Specialist Strategy	Defined Benefit Pension /Japanese Bond Fund

About R&I Fund Award 2014

R&I Fund Award is based on the past data, and does not guarantee future performances of the fund. The Award is presented only to provide information that can be used as a reference, and it does not intend to encourage investors to buy, sell or hold the relevant fund. Furthermore, it has no relation with the qualitative information Rating and Investment Information, Inc. (R&I) provides to its clients. The Award is calculated by R&I based on information believed to be reliable; however, its accuracy and completeness are not necessarily guaranteed. The Award is not the Credit Rating Business, but one of the Other Lines of Business (businesses excluding Credit Rating Business and also excluding the Ancillary Businesses) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities. The copyright and other related rights of this Award are the sole property of R&I. Use of the information contained herein (including reproducing, amending, sending, distributing or mutilating the information) is prohibited without R&I's permission. The Award given to "Investment Trusts/Aggregate Category" is based on the average fund management performance of the relevant fund, and it does not indicate the performance of the manager's other individual funds. The base value of investment trusts, etc. is obtained from QUICK.

Funds eligible for the "Investment Trusts" and "Investment Trusts/Aggregate" categories are Japanese Publicly Offered Open-type Stock Investment Trusts excluding defined contribution pension funds. Those for "Defined Contribution Pension" consist of Japanese Publicly Offered Open-type Stock Investment Trusts used in defined contribution pension plans. "NISA" funds are Japanese Publicly Offered Open-type Stock Investment Trusts for Nippon Individual Savings Accounts. Funds for "Defined Benefit Pension" are those registered in "R&I Universe Data Service". All of them are in principle based on R&I's classifications.

The funds nominated in the "Investment Trusts", "Defined Contribution Pension", "NISA" and "Defined Benefit Pension" categories are those ranked in the top 75% of the annual quantitative evaluation for three consecutive years based on the actual performance data for each year ending in March 2012, 2013 and 2014. Winners are selected according to the ranking of quantitative evaluation for the three-year period ending in March 2014. The quantitative evaluation for "Investment Trusts", "Defined Contribution Pension" and "NISA" is based on "Sharpe Ratio", and nominated funds are required to have been set for three years or more and have one year or more left before maturity. For "Investment Trusts" and "NISA", funds must have 3 billion yen or more outstanding and rank among the top 50% in their respective subcategories in terms of outstanding balance. Funds for "Defined Contribution Pension" need to have 1 billion yen or more outstanding and rank among the top 75% in their respective subcategories in terms of outstanding balance. The quantitative evaluation for "Defined Benefit Pension", on the other hand, is based on "Information Ratio". For "Investment Trusts", "Defined Contribution Pension" and "NISA", R&I awards the first prize to one fund and the second prize to about two funds. "Defined Benefit Pension" has no prize levels. Eligible for the "Investment Trusts/Aggregate" category are fund managers that have three funds or more with the balance of 3 billion yen or more each as of the end of March 2014. The first prize and the second prize are awarded to one fund manager each based on the ranking by balance-weighted average "Sharpe Ratio" of funds during the last three years.

* This award is based on past performance and does not guarantee future investment 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 3.24% 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