

PRESS RELEASE

JUNE 5, 2017

NIKKO ASSET MANAGEMENT CO., LTD.

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## Nikko Asset Management Announces Japan's First Asia ex Japan REIT ETF\*

*"Listed Index Fund Asian REIT" to debut on TSE on June 29, offering access to fast growing Asian REIT market*

Nikko Asset Management today announces its Listed Index Fund Asian REIT (Listed Asian REIT; Ticker: 1495), a new Exchange-Traded Fund (ETF) that invests in Asia's Real Estate Investment Trusts (REITs). The ETF will launch on June 22 and list on the Tokyo Stock Exchange (TSE) on June 29. This is the first such ETF in Japan targeting the Asian REIT market.\*

Asia REITs – particularly in Singapore, Hong Kong, and Malaysia – have grown significantly in recent years due to increased urbanisation fueled by strong economic growth and offer relatively high yields that drive investor interest.

The Listed Index Fund Asian REIT ETF will track the FTSE EPRA/NAREIT Asia ex Japan REITs 10% Capped Index, a weighted average index tracking the investment performance of Asia's ex Japan listed REITs and comparable securities. It primarily invests in the Singapore-registered foreign investment trust "NikkoAM-StraitsTrading Asia ex Japan REIT ETF", which listed on the Singapore Stock Exchange in March 2017. The index's constituents and composition ratio is reviewed quarterly in March, June, September and December and exposure to any specific stock is limited to 10% at the time of rebalancing.

\* According to Nikko Asset Management's research.

## About Nikko Asset Management

With US\$182.7 billion (20.36 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 11 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 March 31, 2017.

\*\* As of March 31, 2017, including employees of Nikko Asset Management and its subsidiaries.

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/ Japan Securities Dealers Association

### Fund Outline for Exchange Trading

Product Type	Open-Ended Fund / Overseas / REIT / ETF / Index Fund
Listed Exchange	Tokyo Stock Exchange
Date Listed	June 29, 2017 (scheduled)
Security code	1495
Trading Unit at the Exchange	10 units
Trust Period	Unlimited (Launch date: June 22, 2017)
Closing Date	20th of January, April, July, and October (every year)
Dividends	Dividends will be distributed four times per year based on a distribution policy. *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 Fees: Fee as determined by the distributor. Inquire with the distributor for details.

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

Trust Fees: Approximately 0.708% per year (0.7% excluding tax) of the NAV

Other Expenses: An amount no greater than the total multiplied over the trust period of the amount reached by multiplying an annual rate of 0.1% on the fund's daily net asset value.

The following expenses will be paid from trust assets at the times stipulated by the asset manager: (i) expenses for creating and delivering prospectuses, (ii) expenses for accounting and related services, (iii) expenses for producing summaries of accounts (including outsourcing fees if the services set forth in (i)–(iii) are outsourced), (iv) audit costs, (v) listing fees, and (iv) index royalties for the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index.

\* Audit costs are expenses for audits of the fund paid to an auditing firm, etc.

Brokerage commissions on securities in the portfolio, interest on borrowings, interest on 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 a maximum of 0.54\* (0.5 before tax) (0.5 before tax as of the securities registration statement submission date) on the lending fee).

\*The rate or maximum amounts cannot be disclosed in advance because the actual amount will vary depending on the state of the assets managed.

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.

Acquisition and Conversion Processing Hours	In principle, it shall be no later than 10:00 a.m. on any business day of the distributor. *Deadlines may vary, therefore please contact your distributor for more details.
Subscription Value	NAV on the next business day of the day the purchase subscription is received
Subscription Unit	Unit stipulated by the distributor that is at least 1,000 units * Inquire with the distributor or the asset manager for details.
Redemption Value	NAV on the next business day of the day the redemption subscription is received
Redemption Unit	1 lot of at least 1,000 units

### Fees charged at the time of purchase and conversion

**Purchase Fees:** Fee as determined by the distributor. Inquire with the distributor for details. Furthermore, an amount equivalent to the consumption tax levied on said fees will be included.

**Conversion Fees:** When a beneficiary places a redemption request or purchases beneficiary rights, the distributor may collect fees that it has determined as well as the amount equivalent to the consumption tax levied on said fees.  
\* Inquire with the 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)

**Trust Fees:** Approximately 0.708% per year (0.7% excluding tax) of the NAV

**Other Expenses:** An amount limited to the total multiplied over the trust period of the amount reached by multiplying an annual rate of 0.1% on the fund's daily net asset value.

The following expenses will be paid from trust assets at the times stipulated by the asset manager: (i) expenses for creating and delivering prospectuses, (ii) expenses for accounting and related services, (iii) expenses for producing summaries of accounts (including outsourcing fees if the services set forth in (i)–(iii) are outsourced), (iv) audit costs, (v) listing fees, and (iv) index royalties for the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index.

\* Audit costs are expenses for audits of the fund paid to an audit corporation, etc. Brokerage commissions on securities in the portfolio, interest on borrowings, interest on 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 a maximum of 0.54\* (0.5 before tax) (0.5 before tax as of the securities registration statement submission date) on the lending fee).

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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 transaction price or NAV. All gains and losses from the management of the fund belong to the investor (beneficiary). This fund also differs from bank deposits.

The main objective of the fund is to invest in REITs via SGD-denominated beneficiary certificates of Nikko AM-Straits Trading Asia REITs (ex Japan), a Singapore-based overseas investment trust. Investing in the fund could involve losses stemming from drops in the fund's base value due to a decline in the prices of the underlying REITs, deterioration in financial conditions and earnings of the issuer of the investment units, decline in real estate prices and other risks. Investing in foreign currency-denominated assets also involves the risk of potential losses due to forex fluctuations.

The main types of risk are set forth below.

[Price Fluctuation Risk] [Liquidity Risk] [Credit Risk] [Exchange Rate Fluctuation Risk] [Country Risk]

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

### **Other Matters to Consider**

These materials were prepared by Nikko Asset Management for the purpose of promoting investors' understanding of "Listed Index Fund Asian REIT."

Prior to investing in the 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.

### **FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index**

The FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index is the current benchmark for the Fund. The FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index is compiled and calculated by FTSE International Limited and aims to access REITs across developed and emerging economies in Asia excluding Australia, New Zealand and Japan. The Index constituents are reviewed on a quarterly basis in March, June, September and December. The description of the index methodology is available at <http://www.ftse.com/products/indices/epra-nareit>. FTSE International Limited publishes the composition of the Index on a quarterly basis and the latest information relating to the index is available at <http://www.ftserussell.com/>