

Nikko AM Awarded A+ Rating from PRI for Strategy and Governance

Highest Rating for Seventh Consecutive Year

Nikko Asset Management Co., Ltd. (Nikko AM) was awarded the highest rating of A+ in the Principles for Responsible Investment's (PRI) Assessment Report 2020 for "Strategy & Governance", the module that measures an organisation's overall approach to sustainable investing. Nikko AM also earned an A+ for all of the categories related to in-house listed equity investments and fixed income. This marks the seventh consecutive year that Nikko AM has earned the highest "Strategy & Governance" rating from PRI, an organisation supported by the United Nations that works to understand the investment implications of ESG factors and support signatories in incorporating these factors into their investment and ownership decisions. Nikko AM became a signatory to the PRI in October 2007.

PRI's Assessment Report 2020

Module Name	Nikko AM Score*	Median Score
Strategy & Governance	A+ (→)	A
Listed Equity – Incorporation	A+ (→)	A
Screening	A+ (→)	
Integration	A+ (→)	
Listed Equity – Active Ownership	A+ (→)	B
Engagement	A+ (→)	
Proxy Voting	A+ (→)	
Fixed Income – SSA	A+ (→)	B
Fixed Income – Corporate Financial	A+ (→)	B
Fixed Income – Corporate Non-Financial	A+ (→)	B

*Indicates changes from the previous year

The PRI annually assesses its institutional investor signatories on a series of six bands (A+, A, B, C, D and E, with A+ being the highest) based on how well they conduct responsible investment.

Nikko AM is always acting in a spirit of fiduciary duty and fidelity to ESG principles — and by constantly improving through innovation — we will continue to do our utmost to provide high-quality financial services that meet our clients' needs.

– ENDS –

Invested principal is not guaranteed, and the investor may incur a loss when the market transaction price or the fund's base value (NAV) fall below the invested principal amount. All gains and losses stemming from management of the fund are attributed to the investor (beneficiary). This fund is different from bank deposits.

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:

Fee charged directly at the time of purchase and redemption

Purchase Application Fees:	Up to 4.4% (4.0% before tax)
Redemption fee:	Up to 1.1% (1.0% before tax)
Amount Retained in Trust Assets:	Up to 0.6%

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

Trust Fees:	Up to 3.045% (2.95% before tax) Some funds 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 borrowing and advances, 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 day this content 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 purchase).

Other matters to consider

- These materials were prepared for the purpose of providing information on investment trusts offered by Nikko AM.
- Unlike bank deposits or insurance policies, investment trusts are not protected by the Deposit Insurance Corporation or the Insurance Policyholders Protection Corporations. Nor are investment trusts protected by the Investor Protection Funds when purchased at banks or other registered financial institutions.
- Any profit or loss derived from management of investment trusts belongs to all the beneficiaries. When purchasing to investment trusts, the distributor will provide you with an investment trust explanatory document (or prospectus distributed in advance of application) beforehand, so please be sure to verify the details and make your own decision whether or not to invest.

Important Information on Investment Advisory Agreements and Discretionary Investment Agreements

The investments effected under discretionary investment agreements and advice rendered under investment advisory agreements covers primarily equities, bonds and/or other securities whose price fluctuates (subject also to exchange-rate fluctuation risk if denominated in foreign currencies). Accordingly, the estimated value of client assets under management fluctuates and may fall below the principal investment.

The main risks pertaining to investment advisory agreements and discretionary investment agreements are 1) price fluctuation risk, 2) liquidity risk, 3) credit risk, 4) exchange-rate fluctuation risk, 5) country risk, 6) derivative risk, 7) risk unique to alternative strategies

Information on Fees and Charges Payable by Clients

- Investment Advisory and Other Service Fees: In consideration of the investment advisory agreement or discretionary investment agreement, the maximum investment advisory fee chargeable will be set by multiplying the outstanding balance of invested assets (an initial investment amount of at least 500 million yen is required) by 3.3% (3.0% net of tax) per annum, depending on the contract period. Certain agreements may include conditions charging a performance fee in addition to the fixed service fee.
- Other Expenses: Other expenses that may be incurred include brokerage commissions on securities included in portfolios.

If investment trusts are included under a discretionary investment agreement, the following expenses may be incurred: trust fees charged to administer the investment trust, an exit charge, service fees upon subscription and redemption, brokerage commissions on transactions in portfolio securities, securities custody fees, administrative expenses, audit expenses, fund establishment related expenses, interest on loan borrowings, stock borrowing expenses, etc.

Important Information to Note

- As the performance fee and Other Expenses will change depending on the investment strategies and/or investment status, the rates or maximum amounts applicable thereto cannot be indicated in advance.
- The risks, fees and charges described above vary according to the details of specific agreements and other factors. Before entering into an agreement, please read the delivered prospectus carefully.

About Nikko Asset Management

With US\$205.2 billion* 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 employs approximately 200** investment professionals, representing approximately 30 nationalities across 11 countries. More than 400 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 31 March 2020.

** As of 31 March 2020, including employees of Nikko Asset Management and its subsidiaries.