SINGAPORE EQUITY OUTLOOK 2019

The Rise of Resilience

We believe 2019 will be an important year for active selection or alpha and our focus will be on delivering on stock selection returns by picking quality companies who are resilient in growth amid a rising risk environment.

We foresee a more challenging macro backdrop for Asia in 2019 as compared to the previous years. Concerns over rising trade tensions and global protectionism, as well as tighter financial conditions arising from domestic policy tightening and rising global bond yields, will likely dominate as key investor concerns as we move into a new year. We expect this to translate into slower growth for corporate earnings in 2019. On a more positive note, equity markets have already begun to price in these growth concerns and earnings risks. Since April 2018, the Singapore equity market has already fallen by almost 20% as a result. Valuations are now looking attractive, with P/B multiples close to retesting its trough, last seen in 2015.

We believe these factors set up an interesting backdrop for performance for Singapore equities in 2019. While we are cautious on the rising macro headwinds, our bottom-up view on stock selection is looking more constructive and we see good opportunities in quality value and oversold growth cyclicals. Notwithstanding further major cuts to EPS growth in 2019, we believe stocks could find a bottom over the next 12 months. Another key observation is that the earnings growth trajectory in Singapore is increasingly bifurcated and dispersed. In 2019, we have witnessed much wider sector and company dispersion. Industrials are offering a combination of good value and earnings resilience, as well as growth optionally, should there be some relief in resolution of trade tensions. Other sectors appear to showing vulnerability in exhibiting further downside in earnings revisions and deterioration in returns in capital. This makes us bullish as stock pickers, and we believe 2019 could potentially hold one of the best hunting grounds for relative return strategies and active selection.

Reflections in 2018 and 2017

To gain a better perspective of 2019, we review our previous strategy pieces in 2018 and 2017 to tie in our thought process in Singapore and also provide insights for the coming year.

A review of 2018: Beyond Expansion, Focusing on Sustainability

Our 2018 outlook piece argued for the need to focus on sustainable growth and defending returns as returns would moderate into 2018 on the back of rising growth risks, tighter liquidity and less attractive valuations. Equity markets peaked in April 2018 and have retraced by close to 20% on these concerns. We also argued that with a maturing economic outlook, greater bifurcation will ensue, and relative returns becomes a lot more important. Industrials (Capital Goods) and Consumer sectors were looking attractive in our report last year. As of end-October 2018, we note that Industrials and Consumer have topped the 2018 best performers list, with 8 of 10 best in the two categories. Industrials such as ComfortDelgro and ST Engineering and Consumer names such as Wilmar and Dairy Farm were among the year's better performers.

In 2019, growth resilience will become a more defining feature in stock selection. We believe Industrials in Singapore depict late-cycle economic cyclicals, whose earnings are better equipped to cope with rising interest rates, while Consumer typically fare better than when we move from disinflation to inflation.

Best Performers in Singapore

Name	Market Capitalisation	Return	Sector
JAPFA LTD	1,273,432,192	31.75	Consumer Staples
M1 LTD	1,943,675,392	26.68	Telecommunication
SHENG SIONG GROUP LTD	1,623,819,904	20.63	Consumer Discretionary
KEPPEL TELECOM & TRANSPORT	1,034,358,400	20.53	Industrials
COMFORTDELGRO CORP LTD	4,806,305,792	18.97	Industrials
DAIRY FARM INTL HLDGS LTD	11,957,656,576	17.84	Consumer Discretionary
HAW PAR CORP LTD	2,811,066,368	15.30	Consumer Discretionary
SINGAPORE TECH ENGINEERING	10,606,702,592	13.73	Industrials
WILMAR INTERNATIONAL LTD	19,739,045,888	5.65	Consumer Staples
MAPLETREE COMMERCIAL TRUST	4,619,387,904	5.03	Property REITS

Note: Market Capitalisation >SGD1bn
Source: Bloomberg

A review of 2017: The Year of Expansion

2017 was a year of expansion where we witnessed a trinity of market drivers in earnings, valuations and liquidity all moving positively in tandem. We believed the Singapore equity market was well supported by the expansion of earnings momentum, valuation multiples and policy conditions. In 2017, earnings expansion or revision momentum was accelerating for the first time since 2013. Valuation multiples were also attractive and had room for multiple expansion as ROEs were improving. Finally, liquidity conditions were accommodative, which would allow for risk assets to perform better. The Singapore equity market registered a gain of 25.5% in 2017, as measured by MSCI Singapore Total Return index, its best since 2012.

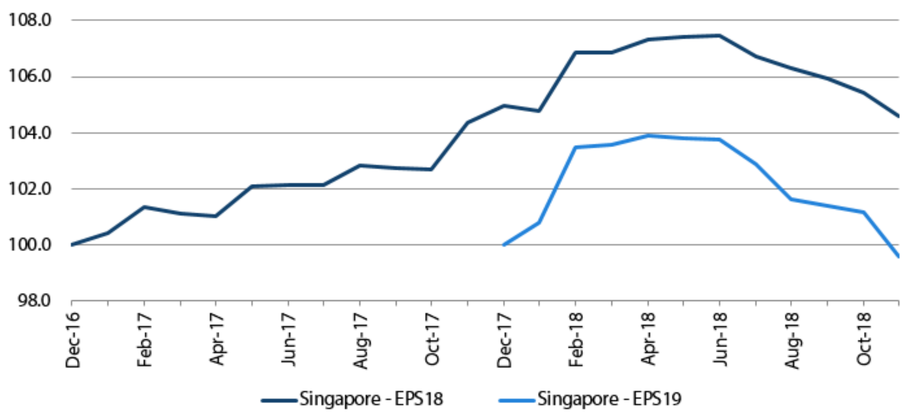
In 2019, we will revisit the same three drivers in Singapore. The conclusion is balanced. The most positive indicator is derived from valuations, where we find equity price-to-book valuations attractive at close to -1 standard deviation of its mean and almost back to trough valuations experienced in its last low in 2015. Earnings however, look less positive with momentum having stalled since late 2017 and trending lower for most of 2018. Earnings will likely pose a headwind for equity performance. We find 2019 momentum generally challenging, with potential downside risk in interest-rate sensitive and economic-sensitive sectors. Finally, liquidity indicators which have been tight through most of 2018 due to domestic policy adjustments are now looking relatively more balanced following the rise in interest rate in 2018 and capital market outflows.

2019 Market Outlook

Earnings

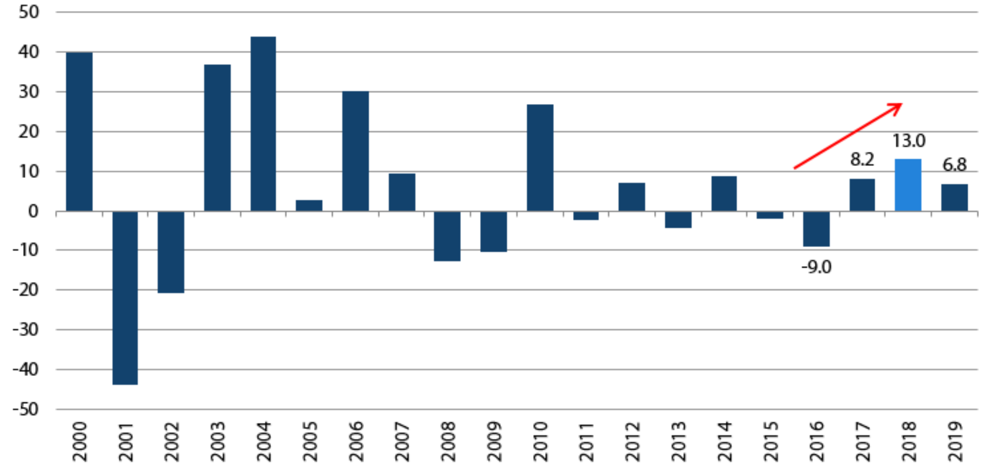
Earnings revisions have reversed after its positive growth trajectory in 2017. Consensus expectations for corporate earnings growth in 2018 peaked in April 2018 and has been cut by 3-4% since. Likewise, the outlook for 2019 corporate earnings growth has moderated with a potential slowdown in growth expected for 2019. Currently, corporate earnings growth is expected to slow from 13.0% in 2018 to 6.8% in 2019 (source IBES, Credit Suisse)

Figure 1: Consensus 2018 and 2019 EPS cut by 1.3% and 1.8% respectively, post results



Source: I/B/E/S

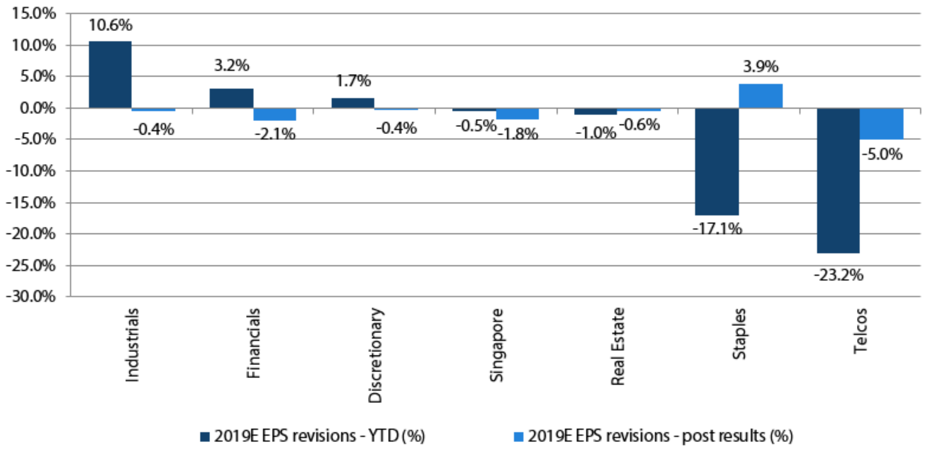
Figure 2: Singapore EPS growth expected to slow to 6.8% in 2019 from 13% in 2018



Source: I/B/E/S

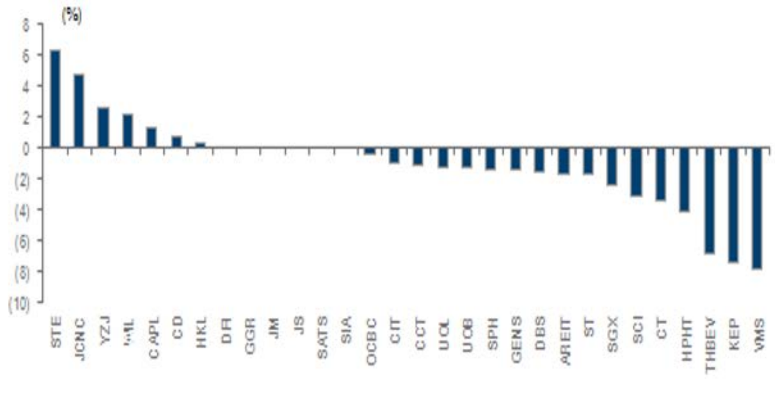
While the general trend of earnings revisions have been negative in 2018, we have witnessed a more pronounced bifurcation across sectors. Positive revisions in selective industrials, financials and consumer sectors are seen in 2019, while telecommunications have been largely negative. Dispersion has also been equally pronounced at the stock level with a sharp dispersion in 2019 EPS revisions within the Singapore universe. We note that stock and sector dispersion is also reflective of a late stage of the equity market cycle, where sector and stock selection typically play a greater importance in driving returns.

Figure 3: Most sectors saw EPS cuts post-results, with Telcos having most significant cuts



Source: I/B/E/S

Figure 4: 3-month consensus 2019 EPS revisions for STI constituents



Looking forward, we expect earnings growth to moderately positive at 3-5% in 2019, but see the continuation and greater dispersion in returns. Against a backdrop of slowing growth, sector selection will be key and we expect sector and stock selection may offer better return opportunities at a time of growth scarcity. We overweight selected industrials where we find good valuations and cyclicality upside in growth. We also overweight selected consumer sectors where we find stronger earnings resilience and quality growth.

Valuations

Price-to-Book valuations have turned attractive (Trailing Price-to-Book of 1.2X) with the close to 20% correction witnessed since April 2018. We believe a further 10% correction from current levels would retest previous 2015 and 2008 GFC lows, where we can be reasonably confident equity markets will recover over a 12-18 month view. Forward Price-to-Earnings are also starting to look more attractive following the earnings downgrades, tracking close to 11X forward Price-to-Earnings ratio.

While valuations are attractive for Singapore, we believe a positive catalyst either in terms of macro conditions or a stabilisation in earnings downgrades is needed to raise our convictions to positive. We continue to monitor this over the next 6 months. In the interim, our primary focus remains on earnings resilience and quality growth in the current environment, despite attractive valuations.

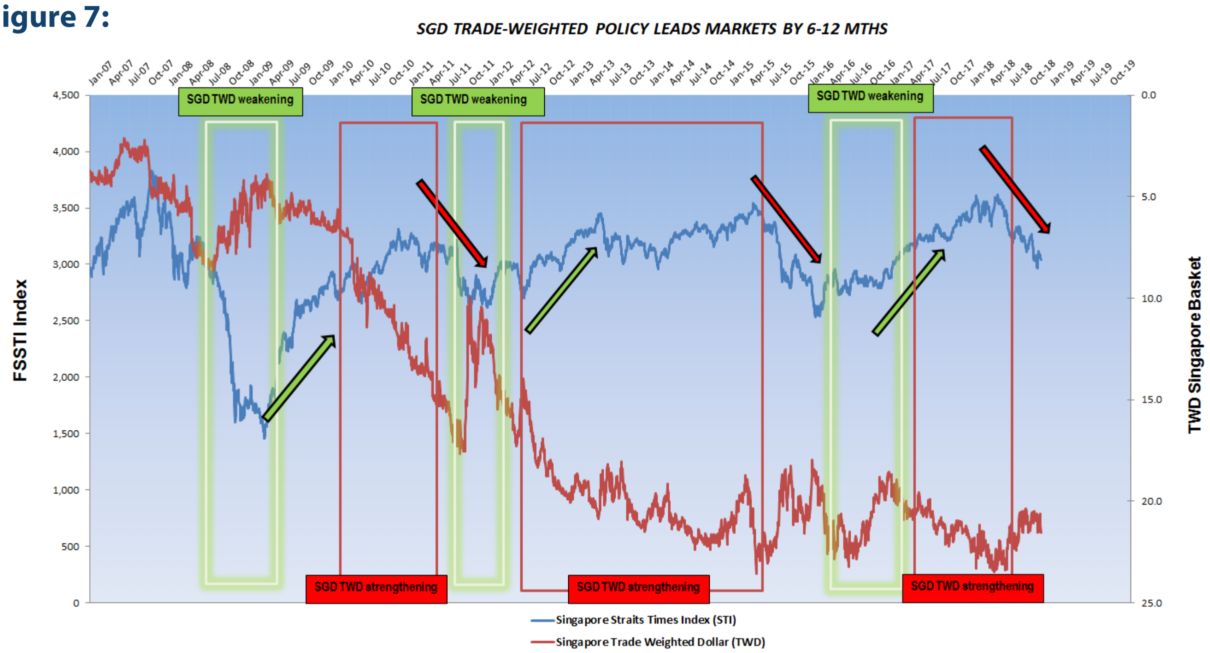
Figures 5 and 6:

Liquidity

Liquidity conditions in Singapore has tightened in 2018 with the global tightening and rise of interest rates. Domestically, liquidity was also impacted with the introduction of macro-prudential measures targeted towards property in July and the policy decision by the Monetary Authority of Singapore to maintain its bias for rising SGD dollar against its trade-weighted basket in October. We have witness a tightening move in our proprietary leading liquidity indicator (see chart), which we believe underlie tighter liquidity conditions in 2018, challenging local equities to perform.

Looking ahead in 2019, our liquidity indicator is looking more balanced suggesting some normalisation in liquidity conditions. While as interest rates might continue to move higher and tighten liquidity further, conditions appear to have stabilised which could be supportive for equity markets.

Figure 7:



Bullish on Alpha in 2019 – stock selection to make all the difference

With a sanguine outlook for macro, we believe stock selection or alpha to exert itself prominently in what could be a low beta environment in 2019. We centre on the theme of resilience – stable earnings growth, high and sustainable dividend yields and strong balance sheets. We believe that against a backdrop of rising interest rates, tighter liquidity and higher risk premium, cost of capital will increase, posing risk for asset-heavy and interest rate sensitive sectors not well backed by cash flows.

On the flip side, allocation of capital will become more efficient in valuing quality companies with strong cash flow returns and who are able to deliver resilience and sustainability in returns. Equity returns and performance are likely to better correlate with company's returns on capital and cash flows as we move away from low interest rate environment. We also expect earnings delivery, transparency and quality to feature prominently together with valuations in driving performance at the stock level. This investment backdrop is very conducive for bottom-up company selection and we expect alpha and active returns to dominate in the next 12 months.

Our biggest convictions for 2019:

1. Focus on earnings resilience, consumer and industrials poised to outperform
2. New Singapore –the search for tomorrow's service eco-system winners continues
3. Dividends to dominate returns and dividend growth to outperform in a rising interest rate environment

Focusing on Earnings Resilience

We are more positive on stock selection in Singapore and particularly in industrials and consumer sub industries. We are selective within financials and underweight property and telecommunications.

We are selective in financials and underweight interest rate sensitive sector such as property developers. Within REITs, we are also more cognisant of the sustainability in earnings or dividend growth (DPU) as well as financial leverage in a rising interest rate environment. We believe domestic policy risks and rising interest costs could pose challenges over the next 12 months.

We are selectively more positive on industrials and the consumer sector in 2019. Industrials in Singapore represent a broad categorisation of conglomerates, transportation and marine offshore companies but most have earnings linked to the latter part of the economic cycle and who benefit from a recovery in the real economy i.e. capital expenditure (capex). We also find valuations in some industrials cases are attractive, close to multi-year valuation lows and deeply discounted to their book values. Other industrial and consumer stocks have strong quality franchises, are poised to have sustain earnings growth in 2019 and are able to maintain and improve on their return on capital amid challenging growth environments.

This is most prominently seen in earnings expectations for 2019 and 2020 where industrial and consumer staples lead in terms of earnings growth expectations. Also, notice increasing bifurcation in earnings growth for 2019 and 2020 and believe this will lead to greater dispersion in returns from sector selection.

Positive fundamental change (Growth) and Sustainability in Returns to come from Consumer and Industrials in 2019

EPS Growth (consensus)	CY18E	CY19E	CY20E
Banks, Diversified Financials & Insurance	10%	7%	7%
Consumer Discretionary	11%	(2%)	–
Consumer Staples	3%	**13%**	**9%**
Industrials (Conglomerates)	12%	**6%**	**7%**
Industrials (Offshore Marine)	(1%)	**16%**	**15%**
Industrials (Transport)	(1%)	**10%**	**0%**
Real Estate Developers	9%	4%	3%
Real Estate Investment Trusts	(2%)	3%	5%
Technology	10%	5%	5%
Telecommunications	(12%)	(2%)	(2%)
Healthcare, Utilities & Others	(932%)	(51%)	(103%)
TOTAL	**8%**	**7%**	**7%**

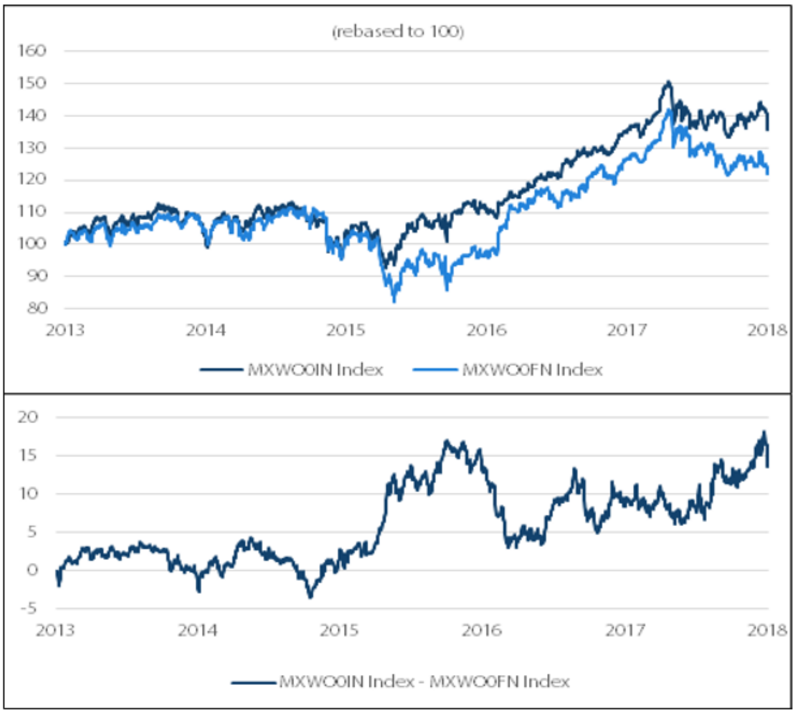
Source: dataCentral, Bloomberg

Industrials to perform better in a rising interest rate environment

As more signs point towards the latter or closing stages of the economic cycle, we believe industrials could be set for better performance in 2019. Industrials are typical late cycle economic sectors and usually associate with the corporate capex spending cycle linked to job creation and the real economy. With the rise in interest rates correlating with the rise of economic activity and corporate spending associated with improved business confidence, industrial equities tend to perform better during this stage of the economic cycle.

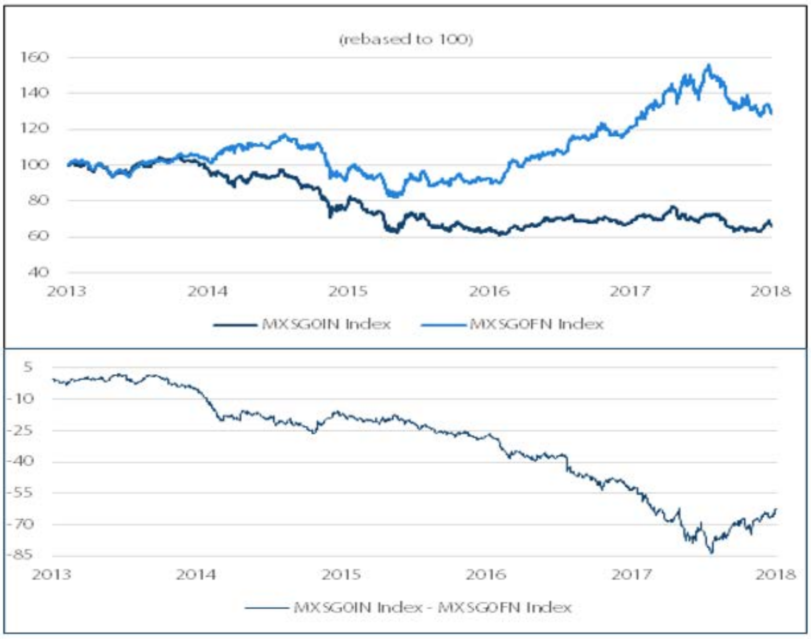
MSCI World Industrials, a broad measure of global industrial companies, have outperformed the MSCI World Financials index over the past 3 years, as economic conditions improved and interest rate conditions tightened.

Figure 8: Relative Performance of MSCI World Industrials/MSCI World Financials



The case for Singapore Industrials however has been starkly different, where MSCI Singapore Industrials have underperformed MSCI Singapore Financials significantly over the past 3 years. This has started to reverse over the past 3 months as sector earnings revisions within industrials have improved and valuations have also remained supportive. Meanwhile, sector revisions in the financials have moderated due to tighter liquidity conditions and domestic policy tightening on the property sector. We believe the backdrop for industrials to build on its recent outperformance against financials remains supportive.

Figure 9: Relative Performance of MSCI Singapore Industrials/MSCI Singapore Financials

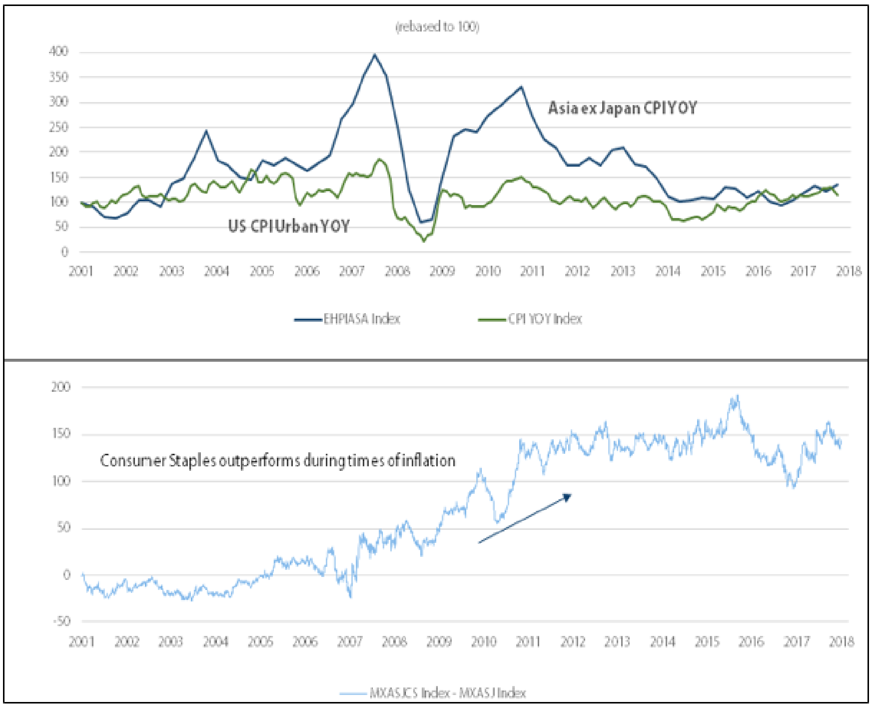


The return of inflation a potential tailwind for Consumer Staples

We believe consumer staples and food sector also represent a compelling investment proposition for 2019. The broad earnings backdrop for consumer staple is supportive, as sales (prices) are typically positive correlated to inflation and staple demand (volumes) is also less elastic and more resilient in a growth slowdown. We continue to have a positive structural thesis on Asia consumer staples riding on the rise of the middle class and trend of consumerisation in Asia. We also view consumer staples within the food supply chain as defensive in a slowing growth environment and relatively well placed in its ability to improve pricing margins as inflation rises. One example of this is that in 2018, we have noticed select consumer staples in Asia benefiting from potential trade dislocations and new market opportunities resulting from the current trade tension between US and China.

We also look back to the periods of 2004-2008 and 2009-2010 where inflation rose and find consumer staples typically outperform in these periods.

Figure 10:



New Singapore to remain in focus in 2019

New Singapore continues to represent the new Singapore economy and companies within the service economy which is riding on innovation and restructuring to better compete in the new economy. We continue to like sectors such as technology services, data centres, healthcare, logistics, tourism and consumer services within Singapore which we believe are part of the service eco-system. We believe these sectors have long term structural growth drivers and are poised to outperform the economy in terms of growth in the coming years.

Restructuring has also been evident in industrials who are recalibrating their growth engines, fine-tuning their corporate and capital structures and building a bigger push towards services. A most recent example would be Keppel Corp's privatisation of its data centre and logistic subsidiary Keppel T&T, consolidation of its telecommunication operations in MobileOne and growth initiative in Keppel Infrastructure via acquisitions.

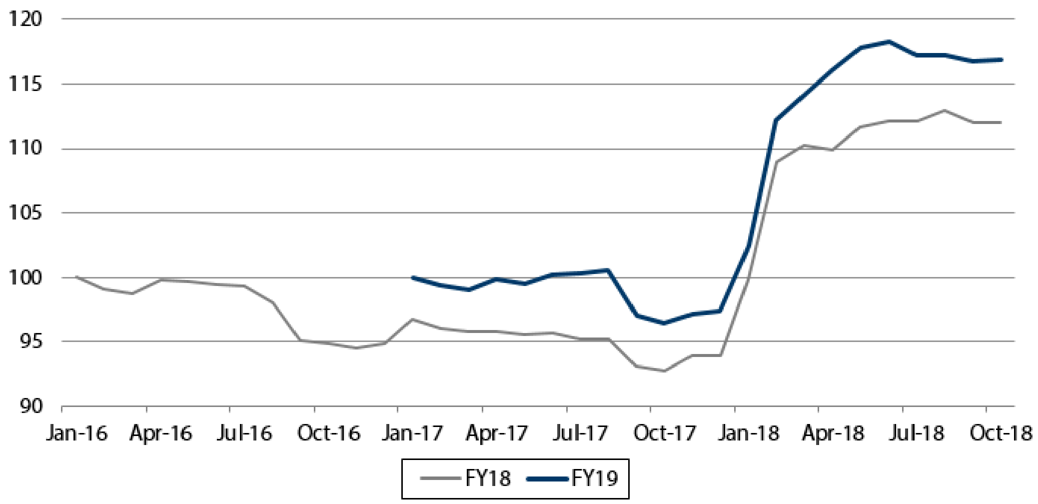
We continue to like these sectors who offer growth exposure in companies well plugged into these service eco-systems as well as restructuring opportunities through companies reinventing their business models and/or restructuring to better compete in the current environment. We are currently overweight select companies in the healthcare, technology service and tourism sectors.

Dividend Investing to Outperform

Singapore remains a defensive proposition for investors in uncertain times, with a resilient economy, a stable currency and most importantly, an attractive market dividend yield of 4-5% backed by high free cash flow, strong pay-outs and defensive balance sheets. In a low beta or low return market environment, dividends will continue to feature strongly in driving returns. We expect a highly convictive dividend strategy encompassing both yield and growth is most well placed to outperform in today's rising interest rate environment.

Dividend yields in Singapore are now very attractive having now risen to 4-5%, one of the highest in the Asian region. This has come from a combination of lower equity prices, the sustainability of dividend pay-outs and dividend upgrades from the banks. This has led to a scenario where dividend yield expectations have actually risen in 2018 helping to counter balance the weaker trend on earnings revisions. This is encouraging which supports our view that dividend yields will help support the market on the downside and Singapore offers a defensive growth proposition in the region.

Figure 11: Dividend (DPS) expectations in Singapore resilient and rising in 2018 and 2019



Source: IBES, Credit Suisse

We continue to focus on companies who offer high and defensive yields with a steady growth in dividends. In high dividend yield sectors, we focus on selective financials, industrials and consumer companies where we see higher ROE expansion driving dividend returns as well as higher potential pay-outs from rising free cash flow and capital strength. Within REITs, we find good opportunities and like office, hospitality and industrial REITs with growth in DPU and selected infrastructure business trusts.

Summary

In summary, we believe resilience remains key for stock selection 2019. We measure resilience in the form of the sustainability of returns in earnings growth, business models and balance sheets. We believe active performance will come from companies which are able to deliver in sustaining earnings growth, have business models with defensible and quality growth and are equipped with the financial ability to take advantage of growth opportunities in the current environment of slower growth and tightening liquidity. Sustainability of Returns or resilience will be key for performance in 2019.

This makes us relatively cautious and selective on asset plays especially companies dependent on interest rates and more constructive on quality and value franchise with a good earnings growth trajectory. We see this particular in industrials, were capex conditions continue to suggest growth is continuing and late cycle capital expenditure remains supportive for earnings. Likewise, in consumer sectors, we believe companies are better able to cope with the rise in inflation and earning have room to see positive surprises from margins.

We also continue to be positive structurally on the service economy in Singapore. While many of these sub-sectors such as tourism, infrastructure and healthcare are sub-sets of industrial and consumer sectors, we believe these sectors have long term structural growth drivers and are poised to outperform the economy in terms of growth in the coming years. We see strong opportunities in companies who are re-inventing themselves to compete in the new economy and overweight select companies in the healthcare, technology service and tourism sectors.

Finally, we believe dividend investing will continue to be profitable in 2019. Dividend yields in Singapore are now the highest in the region at an attractive market dividend yield of 4-5% backed by high free cash flow, strong pay-outs and defensive balance sheets. In a low beta or low return market environment, dividends will continue to feature strongly in driving returns. We expect a highly convictive dividend strategy encompassing both yield and growth is most well placed to outperform in today's rising interest rate environment.

Important Information

This document is prepared by Nikko Asset Management Co., Ltd. and/or its affiliates (**Nikko AM**) and is for distribution only under such circumstances as may be permitted by applicable laws. This document does not constitute investment advice or a personal recommendation and it does not consider in any way the suitability or appropriateness of the subject matter for the individual circumstances of any recipient.

This document is for information purposes only and is not intended to be an offer, or a solicitation of an offer, to buy or sell any investments or participate in any trading strategy. Moreover, the information in this material will not affect Nikko AM's investment strategy in any way. The information and opinions in this document have been derived from or reached from sources believed in good faith to be reliable but have not been independently verified. Nikko AM makes no guarantee, representation or warranty, express or implied, and accepts no responsibility or liability for the accuracy or completeness of this document. No reliance should be placed on any assumptions, forecasts, projections, estimates or prospects contained within this document. This document should not be regarded by recipients as a substitute for the exercise of their own judgment. Opinions stated in this document may change without notice.

In any investment, past performance is neither an indication nor guarantee of future performance and a loss of capital may occur. Estimates of future performance are based on assumptions that may not be realised. Investors should be able to withstand the loss of any principal investment. The mention of individual stocks, sectors, regions or countries within this document does not imply a recommendation to buy or sell.

Nikko AM accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this document, provided that nothing herein excludes or restricts any liability of Nikko AM under applicable regulatory rules or requirements.

All information contained in this document is solely for the attention and use of the intended recipients. Any use beyond that intended by Nikko AM is strictly prohibited.

Japan: The information contained in this document pertaining specifically to the investment products is not directed at persons in Japan nor is it intended for distribution to persons in Japan. 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.

United Kingdom and rest of Europe: This document constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 (as amended) (FSMA) and the rules of the Financial Conduct Authority (the FCA) in the United Kingdom (the FCA Rules).

This document is communicated by Nikko Asset Management Europe Ltd, which is authorised and regulated in the United Kingdom by the FCA (122084). It is directed only at (a) investment professionals falling within article 19 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, (as amended) (the Order) (b) certain high net worth entities within the meaning of article 49 of the Order and (c) persons to whom this document may otherwise lawfully be communicated (all such persons being referred to as relevant persons) and is only available to such persons and any investment activity to which it relates will only be engaged in with such persons.

United States: This document is for information purposes only and is not intended to be an offer, or a solicitation of an offer, to buy or sell any investments. This document should not be regarded as investment advice. This document may not be duplicated, quoted, discussed or otherwise shared without prior consent. Any offering or distribution of a Fund in the United States may only be conducted via a licensed and registered broker-dealer or a duly qualified entity. Nikko Asset Management Americas, Inc. is a United States Registered Investment Adviser.

Singapore: This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. This publication has not been reviewed by the Monetary Authority of Singapore. Nikko Asset Management Asia Limited is a regulated entity in Singapore.

Hong Kong: This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. The contents of this document have not been reviewed by the Securities and Futures Commission or any regulatory authority in Hong Kong. Nikko Asset Management Hong Kong Limited is a licensed corporation in Hong Kong.

Australia: Nikko AM Limited ABN 99 003 376 252 (**Nikko AM Australia**) is responsible for the distribution of this information in Australia. **Nikko AM Australia** holds Australian Financial Services Licence No. 237563 and is part of the Nikko AM Group. This material and any offer to provide financial services are for information purposes only. This material does not take into account the objectives, financial situation or needs of any individual and is not intended to constitute personal advice, nor can it be relied upon as such. This material is intended for, and can only be provided and made available to, persons who are regarded as Wholesale Clients for the purposes of section 761G of the Corporations Act 2001 (Cth) and must not be made available or passed on to persons who are regarded as Retail Clients for the purposes of this Act. If you are in any doubt about any of the contents, you should obtain independent professional advice.

New Zealand: Nikko Asset Management New Zealand Limited (Company No. 606057, FSP22562) is the licensed Investment Manager of Nikko AM NZ Investment Scheme, the Nikko AM NZ Wholesale Investment Scheme and the Nikko AM KiwiSaver Scheme.

This material is for the use of researchers, financial advisers and wholesale investors (in accordance with Schedule 1, Clause 3 of the Financial Markets Conduct Act 2013 in New Zealand). This material has been prepared without taking into account a potential investor's objectives, financial situation or needs and is not intended to constitute personal financial advice, and must not be relied on as such. Recipients of this material, who are not wholesale investors, or the named client, or their duly appointed agent, should consult an Authorised Financial Adviser and the relevant Product Disclosure Statement or Fund Fact Sheet (available on our website: www.nikkoam.co.nz).

Kingdom of Bahrain: The document has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. No offer to the public to purchase the Strategy will be made in the Kingdom of Bahrain and this document is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

Kuwait: This document is not for general circulation to the public in Kuwait. The Strategy has not been licensed for offering in Kuwait by the Kuwaiti Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Strategy in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Strategy is being made in Kuwait, and no agreement relating to the sale of the Strategy will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Strategy in Kuwait.

Kingdom of Saudi Arabia: This document is communicated by Nikko Asset Management Europe Ltd (Nikko AME), which is authorised and regulated by the Financial Services and Markets Act 2000 (as amended) (FSMA) and the rules of the Financial Conduct Authority (the FCA) in the United Kingdom (the FCA Rules). This document should not be reproduced, redistributed, or sent directly or indirectly to any other party or published in full or in part for any purpose whatsoever without a prior written permission from Nikko AME.

This document does not constitute investment advice or a personal recommendation and does not consider in any way the suitability or appropriateness of the subject matter for the individual circumstances of any recipient. In providing a person with this document, Nikko AME is not treating that person as a client for the purposes of the FCA Rules other than those relating to financial promotion and that person will not therefore benefit from any protections that would be available to such clients.

Nikko AME and its associates and/or its or their officers, directors or employees may have or have had positions or material interests, may at any time make purchases and/or sales as principal or agent, may provide or have provided corporate finance services to issuers or may provide or have provided significant advice or investment services in any investments referred to in this document or in related investments. Relevant confidential information, if any, known within any company in the Nikko AM group or Sumitomo Mitsui Trust Bank group and not available to Nikko AME because of regulations or internal procedure is not reflected in this document. The investments mentioned in this document may not be eligible for sale in some states or countries, and they may not be suitable for all types of investors.

Oman: The information contained in this document nether constitutes a public offer of securities in the Sultanate of Oman as contemplated by the Commercial companies law of Oman (Royal decree 4/74) or the Capital Markets Law of Oman (Royal Decree80/98, nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market law (issued by Decision No. 1/2009). This document is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the Sultanate of Oman.

Qatar (excluding QFC): The Strategies are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Strategies. The document does not constitute an offer to the public and should not be reproduced, redistributed, or sent directly or indirectly to any other party or published in full or in part for any purpose whatsoever without a prior written permission from Nikko Asset Management Europe Ltd (Nikko AME). No transaction will be concluded in your jurisdiction and any inquiries regarding the Strategies should be made to Nikko AME.

United Arab Emirates (excluding DIFC): This document and the information contained herein, do not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates and accordingly should not be construed as such. The Strategy is only being offered to a limited number of investors in the UAE who are (a) willing and able to conduct an independent investigation of the risks involved in an investment in such Strategy, and (b) upon their specific request.

The Strategy has not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE. This document is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

No transaction will be concluded in the UAE and any inquiries regarding the Strategy should be made to Nikko Asset Management Europe Ltd.