

PRESS RELEASE

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NIKKO ASSET MANAGEMENT CO., LTD.

Nikko Asset Management Recognised as Best Asia Pacific Equity ETF Manager

Nikko Asset Management (Nikko AM) today announces that it has been voted the Best Asia Pacific Equity ETF Manager for the seventh time in eight years in a survey conducted by ETF Express, the digital news publisher serving institutional investors and investment advisers.

Nikko AM's ETF assets under management (AUM) grew to over JPY 6.4 trillion by December 2017, representing nearly 60% year-over-year growth from JPY 4.0 trillion at the end of 2016. In 2017 Nikko AM was the second largest ETF provider in the Asia-Pacific region, while ranking among the top ten globally (as of the end of December 2017).

In March 2017, Nikko Asset Management Asia launched the world's first Asia ex Japan REIT ETF*, the NikkoAM-StraitsTrading Asia ex Japan REIT ETF, on the Singapore Exchange (SGX). It provides access to a portfolio of REITs in Asia across developed and emerging countries, such as Singapore, Hong Kong, China, Malaysia, and Indonesia. In June 2017, the Firm launched a similar Listed Index Fund Asian REIT on the Tokyo Stock Exchange (TSE), expanding access to Japan-based investors.

"We are honoured by this recognition, which is a reflection that increasingly investors are looking for efficient exposure to Japanese equity, and other yield producing asset classes. Our focus on performance-driven solutions has enabled this growth. Last year saw significant expansion for our ETF business outside of Japan, and we look forward to continuing to grow our investor base globally in 2018," said Koei Imai, Head of the ETF Centre at Nikko Asset Management.

ETF Express surveys the best ETF managers in their respective asset classes, recognising managers based on product innovation, performance, consistency, expert knowledge, and transparency. Results are centred on a peer review system that sees investors, managers, advisers and distributors, and other industry participants nominate winners for each category. Firms are then subject to a final review by the ETF Express editorial team before the winners are named.

For more about Nikko AM's ETFs, please visit its ETF Centre.

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

*According to Nikko Asset Management's research.

About Nikko Asset Management

With US\$211.6 billion (23.83 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 nearly 200** investment professionals and over 30 nationalities across 9 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 31 December 2017.

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

Important Information

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 market transaction prices and 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: Up to 3.026% (2.95% before tax)
- Other Expenses: Brokerage commission with respect to securities held in the portfolio, interest on borrowings, interest on advances, license fees 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 ETFs 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 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.
- Prior to investing in any 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.

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.