

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 ninth time in ten years in a survey conducted by ETF Express, the digital news publisher serving institutional investors and investment advisers.

“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. There are many ETF products but our clients appreciate the high quality of our ETFs that have lower tracking errors compared to our competitors and correlate very closely with the indices. Our fees are low as well,” said Koei Imai, Joint Global Head of ETF Business.

Nikko AM is the second largest ETF provider in Asia and in tenth position globally. The Firm’s ETF assets under management (AUM) surpassed JPY 6.8 trillion in December 2018, driven by over JPY 1 trillion of inflows over the course of 2018. Nikko AM is also one of the few investment managers that can provide a full range of ETF products across all major assets classes in Japan – Japanese equities, foreign equities, Japanese REITs and foreign REITs.

In 2018, the Firm listed the Nikko AM SGD Investment Grade Corporate Bond ETF in addition to its Japan domiciled Listed Index Fund US Equity (S&P500) Currency Hedge ETF.

Imai reports that 2019 will be a year of new launches for Nikko AM. “The one challenge for all investors now is that they want yield, so we continue to see a strong interest in our J-REIT ETF. Institutional investors also remain interested in our TOPIX ETF.”

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.

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

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About Nikko Asset Management

With US\$202 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 represents nearly 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 31 December 2018.

** As of 31 December 2018, including employees of Nikko Asset Management and its subsidiaries.

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Important Information

Risk Information

Investors are not guaranteed the investment principal that they commit. Investors may incur a loss and the value of their investment principal may fall below par as the result of a decline in NAV. All profits and losses from managements of investments in funds belong to the investors (beneficiaries). These funds are different from saving deposits.

The details and natures of risks borne by funds differ according to factors such as the asset classes they invest in, investment restrictions, markets, and the countries where investments are made.

These funds are listed and publicly traded in Financial Instruments Exchange. Their market prices may not always match their NAV per unit because the two values are fluctuated by different factors.

Fund Expenses

Investors must bear the following expenses.

<Charges Borne When Acquiring/Converting>

Application Fee: Fees as determined by distributors. Inquire with distributors for details. The fees are subject to the consumption tax

Redemption Fee: When a beneficiary places redemption, conversion requests or purchases beneficiary rights, distributors may collect fees determined by the distributors with the consumption tax. Inquire with distributors for details.

Amount retained in Trust Assets: Maximum 0.6%

<Charges Borne When Trading on the exchanges>

Trading Fee: Fees as determined by brokers. Inquire with the brokers for details. The fees are subject to the consumption tax.

<Charges Indirectly Borne by Customers for trust assets (paid from funds)>

Trust Fee (per annum): Maximum 1.026% (pre-tax 0.95%)

Other Charges: Brokerage commissions on securities in portfolios, audit fees, interest on advances, fees related to beneficial interests to be listed, fees for use of Marks and fees related to securities lending (when lending securities, the amount by multiplying the securities lending fee as income for trust assets, by within 0.54 (pre-tax 0.5)(as of the date Security Registration Statements' submitted)) and etc..

*Rates or maximum amounts applicable 'Other Charges' cannot be indicated in advance because it will vary depending on the state of managements.

*The total amount of fees will vary based on the length of investment period or other factors, and therefore, cannot be indicated.

*For more information, please refer to fund prospectus and other materials.

《Note》

Fees and expenses listed above are the highest rates those charged to the ETFs managed by Nikko Asset Management (As of the date this material was prepared).

The Risk Information and Fund Expenses summarized above are based on funds in general. Actual risks and expenses will vary for each specific fund. For further details, refer to fund prospectus and other materials.

Other Matters to Consider

This marketing material was prepared by Nikko Asset Management for the sole purpose of enhancing investors' understanding of ETFs managed by Nikko Asset Management.

These transactions of funds are exclusion from application of the Financial Instruments and Exchange Act, Article 37-6 ("cooling-off").

Unlike bank deposits or insurance policies, investment trusts are not protected by the Deposit Insurance Corporation of Japan or the Life Insurance Policyholders Protection Corporation of Japan.

All profits and losses from the management of the fund belong to the beneficiaries. Prior to applying to purchase units of the fund, please carefully read the pre-contract documents and other material.