

July 4, 2014

Press Release

Nikko Asset Management Co., Ltd.

Nikko AM Strategy Receives Mercer MPA Award (Japan) 2014



Nikko Asset Management Co., Ltd. (Nikko AM) is pleased to announce that its Japan Enhanced Index Strategy and Japan Bond Credit Specialization Strategy have been recognized for outstanding investment performance at the 12th Annual Mercer MPA Awards (Japan).

Strategy	Category	Evaluation Period
Japan Enhanced Index Strategy	Japan Equity Large-Cap	5 years to March 2014
Japan Bond Credit Specialization Strategy	Japan Bond	3 years to March 2014

This is the third year in a row that the Japan Enhanced Index Strategy has received an award in the Japan Equity Large-Cap category. Including awards in other categories, the investment management strategy has now been recognized for five straight years.

The Mercer MPA Awards (Japan) elect the best performing strategies among those registered with Mercer Manager Performance Analytics (MPA), an investment analysis tool developed by Mercer Investment Consulting.

The Mercer MPA Awards are based only on historical return obtained from investment managers and there is no relationship with Mercer's qualitative ratings or recommendation. Mercer gives no representations or warranties as to the accuracy of such information or method of calculation, and accepts no responsibility or liability (including for indirect, consequential or incidental damages) for any error, omission or inaccuracy in such information. In addition, Past Performance cannot be relied upon as a guide to future performance. Only Mercer Investment Consulting in Japan gives this award to investment managers and no other Mercer offices are responsible for this award.
 For further information on Mercer Investment Consulting, please visit <http://www.mercer.co.jp/> (Japanese)

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Note: This rating is not indicative of the investment adviser's future performance

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.

About Nikko Asset Management

Nikko Asset Management (Nikko AM) is a leader in the Asian financial services industry, with \$158 billion in assets under management as of March 31, 2014. Established in 1959, the firm has representation across 24 locations in 12 countries and enjoys one of the largest distributor networks in the region, serving both retail and institutional clients. More than 300 banks, brokers, financial advisors and life insurance companies distribute the company's products.

Nikko AM manages a wide range of equity and fixed income strategies in both active and passive formats, leveraging the talents of over 270 investment professionals. In 2013 alone, Nikko AM won awards for excellence in asset management from Lipper, Morningstar, Mercer, AsianInvestor, R&I, among others.

The company's management team is highly diverse and experienced, and is committed to running the company according to international best practices. Nikko AM's independence from the limitations imposed on many captive asset management companies allows it to focus on the interests of clients. At the same time, the company enjoys a stable base of shareholders, with majority ownership held by Sumitomo Mitsui Trust Holdings and a smaller stake by DBS Bank.

For more information, please visit <http://en.nikkoam.com/>

* Consolidated assets under management and sub-advisory of Nikko AM and its subsidiaries as of 31 March 2014. AUM figures are converted into US dollars using the month-end exchange rate.

* Represents the 24 locations of Nikko AM and its overseas subsidiaries and affiliates (including minority joint ventures) across 12 countries.

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