

January 8, 2014

Press Release

Nikko Asset Management Co., Ltd.

Nikko AM Launches Listed Index Fund JPX-Nikkei Index 400 ETF,
Tracking the JPX-Nikkei Index 400

Nikko Asset Management Co., Ltd. (Nikko AM) will launch the Listed Index Fund JPX-Nikkei Index 400 (Code: 1592), an exchange traded fund (ETF) that will be listed on the Tokyo Stock Exchange (TSE) and track the JPX-Nikkei Index 400, a new stock index that was introduced on January 6, 2014. The Listed Index Fund JPX-Nikkei Index 400 will launch on January 27 and be listed on January 28.



The JPX-Nikkei Index 400, which the Listed Index Fund JPX-Nikkei Index 400 will track, is a stock index that was co-developed by Japan Exchange Group, Inc., Tokyo Stock Exchange, Inc. (TSE), and Nikkei Inc. With its innovative approach to selecting stocks based on companies' return on investment (ROE) and investor-focused management perspective, the index is expected to be utilized by a wide range of overseas and domestic investors, such as Japanese public and private pensions and overseas institutional investors.

TSE President & CEO Akira Kiyota said, "I am delighted that we have today approved the first ETF tracking the JPX-Nikkei Index 400. As you may know, this index is made up of 400 highly attractive listed companies that satisfy criteria required by global investors such as efficient capital use, and it has been gaining a lot of interest from the market. I believe that this product will be able to meet the needs of many investors and I hope that the listing of this ETF will enhance the appeal of the Tokyo market and further invigorate trading."

Nikko AM Chairman Takumi Shibata stated that, "We are very pleased that the JPX-Nikkei Index 400, a new Japanese stock index focused on medium-term corporate profitability, has been successfully introduced. Nikko Asset Management is proud to make the Listed Index Fund JPX-Nikkei Index 400 available to investors as an exchange-traded fund listed on the Tokyo Stock Exchange. This is excellent news for both retail and institutional investors as the new ETF allows investors to access a diversified portfolio of companies with good prospects for medium-term profitability, through the convenience of the ETF market. We will continue to endeavor to offer more cutting-edge products in the future."

The Listed Index Fund JPX-Nikkei Index 400 is a cash creation/redemption-type ETF. For large-lot trading, a cash creation-type ETF that does not require actual securities to be used for subscriptions and redemptions allows for more flexibility than an in-kind type fund. This product attribute can meet the needs of institutional investors who engage in such large-lot transactions.

Nikko AM continues to be a leader developing different types of ETFs to meet the needs of investors, by enhancing its products and offering a broad range of investment opportunities.

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■Fund Outline for Exchange Trading

Product Type	Open-end investment trust / Domestic / Equity / ETF / Index-type
Listed Exchange	Tokyo Stock Exchange
Date Listed	January 28, 2014 (scheduled)
Security code	1592
Trading Unit at the Exchange	1 unit
Trust Period	Unlimited (Launch date: January 27, 2014)
Closing Date	January 8 and July 8 every year
Dividends	In principle, all revenue from dividends, etc., arising from the trust assets will be paid as dividends for every calculation period, after deducting expenses, etc. *The payment of future dividends and dividend amounts cannot be guaranteed

■Outline of Fees, etc.

Investors must bear the following expenses:

< Fees charged at the time of trading at the Exchange >

- Trading Commission: As stipulated by the brokers. Please contact your broker for details.

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

- Trust Fees: The trust fee is calculated by multiplying the total net asset value by up to 0.105%* per annum (0.1% before tax).
※ 0.108% when the consumption tax increases to 8%.
- Other Expenses: Expenses for creating and delivering prospectuses, accounting expenses (including outsourcing fees), audit costs, listing fees and index royalties, will be paid out of the fund's trust assets with an amount reached by multiplying an annual rate of no greater than 0.1% on the fund's daily net asset value.
Brokerage commissions on securities in the portfolio, interest on borrowings and advances, and fees related to securities lending are paid out of the fund's trust assets each time they are incurred (in the case of securities lending, the amount reached by multiplying 0.525* (0.5 before tax) on the lending fee).
※ 0.54 when the consumption tax increases to 8%.
*The rate or maximum amounts applicable to brokerage commissions on securities in the portfolio and other 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 charged to the Fund 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 subscription).

■ Fund Outline

[This is applicable to direct subscriptions and redemptions of the Fund, and not applicable to those investors who trade on the Exchange.]

Business Hours for Subscription and Redemption	In principle, it shall be no later than 2:00 p.m. on any business day of the distributor/ *Deadlines may vary, therefore please contact your distributor for more details.
Subscription Price	NAV as of the business day following the application date.
Subscription Unit	No less than 10000 units, and as stipulated by the distributor. Please contact the distributor or management company for information on subscription units.
Redemption Price	NAV as of the redemption application date.
Payment of Redemption Proceeds	In principle, payment after 4 business days following the day of receiving the application for redemption.

< Fees charged at the time of subscription and redemption >

- Purchase Application Fees: As stipulated by the distributors. Please contact your distributor for details.
A tax equivalent will also be added to this amount.
- Redemption Fees: The distributors may charge beneficiaries a fee determined by each distributor, together with consumption tax thereon, upon redemption or repurchase of beneficiary interests.
* Please contact your distributor for details.
- Amount Retained in Trust Assets: Not applicable.

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

- Trust Fees: The trust fee is calculated by multiplying the total net asset value by up to 0.105%* per annum (0.1% before tax).
* 0.108% when the consumption tax increases to 8%.
- Other Expenses: Expenses for creating and delivering prospectuses, accounting expenses (including outsourcing fees), audit costs, listing fees and index royalties, will be paid out of the fund's trust assets with an amount reached by multiplying an annual rate of no greater than 0.1% on the fund's daily net asset value.
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- * For more detail, please refer to the investment trust explanatory document (prospectus distributed in advance of subscription).

■ Risk Information

Invested principal is not guaranteed and may incur losses where the value of your investment principal will fall below par as the result of a decline in the market price or the NAV. All gains and losses from the management of the fund belong to the investor (beneficiary). This fund also differs from bank deposits.

This Fund will invest mainly in equity. The NAV of the Fund may fall and you may suffer a loss for reasons such as a drop in the price of equities or deterioration in the financial conditions and business performance of an issuer of stocks.

The principal risks of this Fund are as follows:

[Price Fluctuation Risk][Liquidity Risk][Credit Risk][Foreign Currency Risk] [Risk involved in securities lending, etc.][Price Discrepancies Between JPX-Nikkei Index 400 and NAV]

*Factors for NAV fluctuation are not limited to those explained above.

■ Other Matters to Consider

- These materials were prepared for the purpose of providing information on “ Listed Index Fund JPX-Nikkei Index 400” offered by Nikko AM and promoting investors’ understanding of this Fund.
- The provisions stipulated in Article 37-6 of the Financial Instruments and Exchange Act (the cooling-off period) do not apply to transactions of the 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.
- In accordance with the provisions of Article 5 of the Financial Instruments and Exchange Law (Act No. 25 of 1948), Nikko AM filed a security registration statement with the Head of the Kanto Local Finance Bureau on January 8, 2014 and it will become effective as of January 24, 2014. The content of the statement may be subject to change before becoming effective.
- Any profit or loss derived from the management of investment trusts belongs to all the beneficiaries. Please read the related contract prior to investing in the Funds.

■ Management Company and Other Related Companies

Management Company: Nikko Asset Management Co., Ltd.

Trustee: Sumitomo Mitsui Trust Bank, Limited
Sub-Trustee: Japan Trustee Services Bank, Ltd.)

Distributor: Please contact below to inquire about distributors.

Nikko Asset Management Co., Ltd.

Website: <http://www.nikkoam.com/>

Call Center: 0120-25-1404 (9a.m. – 5p.m., excluding Saturdays, Sundays and public holidays)

■JPX-Nikkei Index 400

- The JPX-Nikkei Index 400 will be managed via a proprietary calculation method that was co-developed by the Japan Exchange Group and the Tokyo Stock Exchange (JPX Group) and the Nikkei. The JPX Group and the Nikkei hold the copyrights and all intellectual property rights for the calculation methods of the JPX-Nikkei Index 400 and the JPX-Nikkei Index 400 Index.
- The JPX Group and the Nikkei hold all trademark rights and intellectual property rights concerning the logo of the JPX-Nikkei Index 400.
- The management of the Listed Index Fund JPX-Nikkei Index 400 is the responsibility of investment trust and management companies. The JPX Group or the Nikkei bear no responsibility in regard to the management and trading of the fund.
- It is not the duty of the JPX Group and the Nikkei to continuously publicize the JPX-Nikkei Index 400 and the two parties are not responsible for publicized errors, delays or stoppages.
- The JPX Group and the Nikkei hold the right to change the stocks that make up the JPX-Nikkei Index 400, the calculation method and other aspects of the JPX-Nikkei 400, as well as the right to stop publication.

About Nikko Asset Management

Established in 1959, the Nikko Asset Management group (Nikko AM) has grown to become the largest regional asset management company headquartered in Asia, with total AUM of US\$163.8 billion* and one of the largest distributor networks across the Asia-Pacific region, comprising over 300 banks, brokers, IFAs and life insurance companies.

Nikko AM manages a wide range of Asian equity and Asian fixed income strategies for retail and institutional investors around the world. The company has been recognised by industry peers for outstanding performance, product innovation and market leadership across the Asia-Pacific region, winning a number of prestigious awards, including “Asia-Based Asset Manager of the Year” in 2012 and “Best Japan Onshore Fund Manager” in 2013, 2012 and 2011, both from *AsianInvestor*.

Nikko AM also offers specialist third-party expertise – currently from over 40 fund managers – through the World Series Fund Platform®, operating a “best-in-class” approach across a broad range of asset classes.

Nikko AM's senior management team has significant experience across Asian as well as global markets. The team combines local knowledge with internationally recognised standards of investment practice, transparency and corporate governance to achieve growth across the business. The company adopts a “multi local” approach – giving local management teams a high degree of autonomy to address local market conditions and client servicing needs.

Nikko AM's head office is in Tokyo and the firm has an extensive footprint across the Asia-Pacific region that includes offices in Singapore, Hong Kong, Sydney, Melbourne, Brisbane and Auckland. Offices in New York and London with full service teams provide support to investors in the US, Europe and the Middle East.

Nikko AM's strong Asian presence is cemented with stakes in several joint venture companies. Rongtong Fund Management is one of the largest Sino-foreign joint venture fund management firms in China, while Hwang Investment Management Berhad and Asian Islamic Investment Management Sdn. Bhd. are leading investment management firms in Malaysia. Recent additions Ambit Investment Advisory Private Limited in Mumbai and Ambit Mauritius Investment Management Private Limited provide Indian equity expertise to Nikko AM's global clients.

Nikko AM is an independently managed asset management company, majority owned by Sumitomo Mitsui Trust Holdings and with DBS Bank as the second largest shareholder.

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

* Consolidated assets under management and advice of Nikko AM and its subsidiaries as at 30 September 2013. “Largest” based on AUM sourced from Asia, including Australia and New Zealand, using third party published AUM figures as of September 30, 2013. “Regional” excludes firms with more than 75% of AUM sourced from a single country.

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