

Nikko AM Wins Best Fund House, Japan

A category of AsianInvestor's Asset Management Awards 2020

On 4 May, Nikko Asset Management (Nikko AM) was announced as the Best Fund House, Japan in the 2020 Asset Management Awards by AsianInvestor, one of the region's leading industry publications about the asset management industry. 2020 marks the seventh time in 10 years that the firm has won this award, which recognises various aspects of an asset manager's business in the country¹, including performance², AUM growth (+18% year on year³), innovation and new products and solutions.

Nikko AM Executive Vice President and Global CIO Hiroki Tsujimura commented, "AsianInvestor is very influential among our global clients, and we are honoured they have named Nikko AM as Best Fund House for Japan. Our global capabilities allow us to develop our main products in-house, with expertise and diversity across offices in 11 countries, including Singapore, London, Edinburgh, New York, Sydney and Auckland. Our Asian DNA also makes us uniquely positioned to offer investors in Japan and around the world with actively-managed Japanese equity strategies, with many outperforming their benchmarks²."

Financial institutions including pension funds around the world continue to experience negative or very low interest rates, and often look outside their own countries to generate revenue. As a global asset manager, Nikko AM's institutional sales departments provided solutions tailored to their specific needs, with Danish Covered Bonds, RMB Bonds, and a newly reformed Global Multi-Asset team being the leading contributors to Japan institutional AUM growth during the award period¹. Furthermore, Nikko AM welcomes institutional investors to train at its global offices, including Tokyo and Singapore. These capabilities and trainings are available to institutional investors outside Japan as well.

Meanwhile, Nikko AM demonstrated its innovation through the launch of two new hit products during the award period¹. The first is a leveraged, balanced fund, which combines diversification (equities, bonds and REIT) and futures for triple the amount of capital – a paradigm shift that remains a hit in the Japanese market with an AUM of JPY567.7 billion as of 30 April 2020. The other is a new fund sub-advised by Nikko Asset Management Americas Inc. based on research by New York based ARK Investment Management LLC. The fund invests in equities of global companies involved in disruptive innovation, and achieved an initial launch amount of JPY113.5 billion, the largest of any fund in Japan in the last six years⁴, and grew to JPY335.7 billion as of 30 April 2020.

During the award period¹, Nikko AM hosted a number of programmes to deliver the latest information and insights to institutional investors around the world, most notably through the branded series of events called FOREWORD, hosted in Tokyo, Singapore, Australia and New Zealand.

¹ AsianInvestor designated the award period as Q4 2018 to January 2020.

² This award is based on past performance, which is neither an indication nor guarantee of future performance.

³ AUM growth managed out of Nikko AM in Japan, excluding ETFs. Also excludes AUM managed by Nikko AM international offices.

⁴ As of 28 June, 2019

Nikko AM has a fiduciary responsibility, and the company's investment philosophy makes efforts to link Environmental, Social and Governance (ESG) factors with excess returns. The diversity of its investment teams has each of them take its own ESG approach to the investment process. The company constantly improves these through innovation and sharing best practices, to offer clients performance, service and sustainability.

For more information about AsianInvestor, please visit its website.

<https://www.asianinvestor.net/page/about>

– ENDS –

Investment trusts invest in assets whose prices fluctuate (foreign currency-denominated assets contain exchange rate risk as well), so the NAV will fluctuate accordingly. It is possible that the NAV will fall below your original investment.

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:

Fee charged directly at the time of purchase and redemption

| | |
|----------------------------------|-------------------------------------|
| Purchase Application Fees: | Up to 4.4% (4.0% before tax) |
| Redemption fee: | Up to 1.1% (1.0% before tax) |
| Amount Retained in Trust Assets: | Up to 0.6% |

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

| | |
|-----------------|---|
| Trust Fees: | Up to 3.045% (2.95% before tax) Some funds charge a performance fee based on investment performance, etc. |
| Other Expenses: | Brokerage commission with respect to securities held in the portfolio, audit fees, interest on borrowing and advances, 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 investment trusts managed by Nikko Asset Management (as of the day this content 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 purchase).

Other matters to consider

- These materials were prepared for the purpose of providing information on investment trusts offered by Nikko AM.
- Unlike bank deposits or insurance policies, investment trusts are not protected by the Deposit Insurance Corporation or the Insurance Policyholders Protection Corporations. Nor are investment trusts protected by the Investor Protection Funds when purchased at banks or other registered financial institutions.
- Any profit or loss derived from management of investment trusts belongs to all the beneficiaries. When purchasing to investment trusts, the distributor will provide you with an investment trust explanatory document (or prospectus distributed in advance of application) beforehand, so please be sure to verify the details and make your own decision whether or not to invest.

About Nikko Asset Management

With US\$246.5 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 approximately 200** investment professionals and approximately 30 nationalities across 11 countries. More than 400 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 2019.

** As of 31 December 2019, including employees of Nikko Asset Management and its subsidiaries.

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