

PRESS RELEASE

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NIKKO ASSET MANAGEMENT CO., LTD.

Nikko AM Wins Three ETF Awards from The Asset

Best ETF Provider, Japan / Most Innovative ETF, Japan / Most Innovative ETF, Hong Kong

Nikko Asset Management (Nikko AM) won a trio of exchange traded fund (ETF) awards as part of [The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF, and Asset Servicing Providers 2021](#). On 29 April, Nikko AM was recognised as Best ETF Provider, Japan, and followed up on 6 May with wins for Most Innovative ETF in the Japan and Hong Kong categories. The Asset, an influential industry publication about the asset management industry in Asia, made a comprehensive decision looking at ETF providers' products, leadership, performance, new ETF launches, partnerships, educational initiatives and more during the period of 1 January to 31 December 2020. This is the third time The Asset has awarded Nikko AM, following the firm's wins in 2017 and 2020.

Nikko AM claims the spot of Best ETF Provider, Japan for a second consecutive year. The Asset pointed to the firm's robust 28% increase in ETF assets under management (AUM) in Japan to reach JPY11.1 trillion as of 30 December 2020, underscoring a strong presence in the country. During the award period, Nikko AM launched four new ETFs on the Tokyo Stock Exchange, and carried out new promotional initiatives such as a webinar for journalists and SEO (search engine optimisation) advertising. Nikko AM has been conducting webinars even before the pandemic restricted face to face meetings.

For Most Innovative ETF, Japan, Nikko AM won for Listed Index Fund Nikkei ESG REIT. Listed on 7 September 2020, this is the first* ETF to track the Nikkei ESG-REIT Index, as investors demonstrate an increasing awareness of non-financial factors such as climate change, human rights and other societal issues as indicators on whether a company can achieve sustainable growth, and predicted investors will make these same considerations when choosing real estate investment trusts. (*According to Nikko AM research, as of 13 August, 2020)

Joint Global Head of ETF Business Junichiro Ariga commented, "It is an honour to win these awards, which both demonstrate our continued commitment to the Japan market and pursuit of innovation in production, distribution and promotion so that our ETFs continually meet the changing needs of institutional, retail and individual investors."

In Hong Kong, Nikko AM took home Most Innovative ETF for the NikkoAM E-Games Active ETF, listed on 15 June 2020. This is the first actively managed equity ETF in Hong Kong**, and comes with a variable management fee structure. The ETF offers a diversified portfolio of E-games companies and related businesses, which have experienced a tailwind as the global gaming population grows, 5G and other accessibility improves, and the stay home trend due to COVID-19. (**According to Nikko AM research)

Phillip Yeo, Joint Global Head of ETF Business and International Head of Product Development and Management, explained, "E-games is the latest frontier in engagement, and active management is key to seizing the opportunities in the rapidly growing and evolving industry. By combining this with variable management fees, we can create value and encourage long-term investment."

For the background and decision making process of the awards please visit the award website. <https://www.theasset.com/awards-single/asset-servicing-investor-fund-management>

– ENDS –

Invested principal is not guaranteed, and the investor may incur a loss when the market transaction price or the fund's base value (NAV) fall below the invested principal amount. All gains and losses stemming from management of the fund are attributed to the investor (beneficiary). This fund is different from bank deposits.

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 3.85% (3.5% 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.

Important Information on Investment Advisory Agreements and Discretionary Investment Agreements

The investments effected under discretionary investment agreements and advice rendered under investment advisory agreements covers primarily equities, bonds and/or other securities whose price fluctuates (subject also to exchange-rate fluctuation risk if denominated in foreign currencies). Accordingly, the estimated value of client assets under management fluctuates and may fall below the principal investment.

The main risks pertaining to investment advisory agreements and discretionary investment agreements are 1) price fluctuation risk, 2) liquidity risk, 3) credit risk, 4) exchange-rate fluctuation risk, 5) country risk, 6) derivative risk, 7) risk unique to alternative strategies

Information on Fees and Charges Payable by Clients

- Investment Advisory and Other Service Fees: In consideration of the investment advisory agreement or discretionary investment agreement, the maximum investment advisory fee chargeable will be set by multiplying the outstanding balance of invested assets (an initial investment amount of at least 500 million yen is required) by 3.3% (3.0% net of tax) per annum, depending on the contract period. Certain agreements may include conditions charging a performance fee in addition to the fixed service fee.
- Other Expenses: Other expenses that may be incurred include brokerage commissions on securities included in portfolios.

If investment trusts are included under a discretionary investment agreement, the following expenses may be incurred: trust fees charged to administer the investment trust, an exit charge, service fees upon subscription and redemption, brokerage commissions on transactions in portfolio securities, securities custody fees, administrative expenses, audit expenses, fund establishment related expenses, interest on loan borrowings, stock borrowing expenses, etc.

Important Information to Note

- As the performance fee and Other Expenses will change depending on the investment strategies and/or investment status, the rates or maximum amounts applicable thereto cannot be indicated in advance.
- The risks, fees and charges described above vary according to the details of specific agreements and other factors. Before entering into an agreement, please read the delivered prospectus carefully.

About Nikko Asset Management

With US\$284.4 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 employs approximately 200** investment professionals, representing 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 2020.

** As of 31 December 2020, including employees of Nikko Asset Management and its subsidiaries.

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