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Press Release

Nikko Asset Management Co., Ltd.

Nikko AM Confirms Neutral Position on Global Equities

- *Sees Abenomics Working Well in Boosting Corporate Profits*

An overweight stance on global equities that lasted for over two-and-a-half years has been cut to neutral by Nikko Asset Management's Global Investment Committee (GIC), the company announced today. In confirming the provisional decision made in early March, the Tokyo-based asset manager cited the following concerns:

- 1) Heightened fear of geopolitical risk,
- 2) Accelerating deterioration of China's economy and financial system,
- 3) Subpar US and Japanese economic growth, and
- 4) Little room to re-rate Western equity valuations and continued deterioration in earnings estimates.

"We believe equity valuations have peaked and that markets will trade nervously going forward. On top of that, unsettled geopolitics make us uncomfortable and the fallout from China's reform efforts could cause some shocks," said John F. Vail, Chief Global Strategist and GIC Chairman. "In a few markets we expect equities to do well, but against the tunnel of uncertainty looming out there—and given the slim difference between our bond and equity return forecasts—we feel a neutral view on global equities versus bonds is warranted."

Vail expressed his views in the firm's most recent Evolving Markets research report. Elsewhere in the report, analysts reported that 2013 fourth-quarter data on overall corporate profits in Japan (including unlisted companies) was very positive, with a record-setting quarter-on-quarter increase in the pretax recurring profit margin, while the four-quarter average hit a new high of 4.6%.

The report concludes that several other indicators confirm that Abenomics is working much better than the pessimists suggest.

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About Nikko Asset Management

Nikko Asset Management (Nikko AM) is a leader in the Asian financial services industry, with over \$160 billion in assets under management as of December 31, 2013. Established in 1959, the firm has representation in 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 250 investment professionals. In 2013 alone, Nikko AM won awards for excellence in asset management from Lipper, 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 December 2013.