

May 29, 2014

Press Release

Nikko Asset Management Co., Ltd.

Nikko Asset Management awarded RQFII in Singapore

- *Tapping opportunities in China A shares and onshore bonds*

Nikko Asset Management in Singapore is one of the first asset managers to be awarded the Renminbi Qualified Foreign Institutional Investor (RQFII) licence by the China Securities Regulatory Commission (CSRC). Under the terms of the RQFII approval, the company is now able to invest offshore RMB capital into China A shares and onshore bonds, previously restricted to domestic investors and qualified institutional investors.

“This strategic development allows Nikko AM to provide our clients with access to the domestic capital markets in China and expand our repertoire of innovative investment solutions,” said Eleanor Seet, President of Nikko Asset Management Asia.

With about US\$4 trillion, the Chinese onshore bond market is the largest in Asia ex-Japan and 5-year government bond yields hover around 4% compared to offshore yields of 3%.

“There is keen interest from investors in Singapore and around the region. Our partners and distributors have already expressed their interest in products we are planning,” Seet added.

The firm plans to launch a China onshore bond fund later in the year and the next step is attaining the approval for quota from the State Administration of Foreign Exchange (SAFE) in China. To complete the product offering, the firm will look at tapping opportunities in A shares and China balanced mandates subsequently.

Nikko Asset Management has over 30 years of experience in managing Asian fixed income. It was one of the first to launch an offshore RMB bond fund in November 2010, shortly after the liberalisation of the market.

In Japan, Nikko Asset Management was granted QFII (Qualified Foreign Institutional Investor) status in December 2003 and has been managing Chinese equity portfolios since 2005.

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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.