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Press Release

Nikko Asset Management Co., Ltd.

Nikko AM's Global Investment Committee Updates House View, Maintains Overweight Equities Stance

- Continue global equities overweight; European and Japanese equities particularly attractive
- Continue to underweight G-3 bonds (US, Eurozone and Japan), as well as JGBs relative to ex-Japan bonds
- Japan's GDP in the second half of 2013 expected to be above consensus; Abenomics reforms beginning to take hold

Nikko AM's Global Investment Committee (GIC), which consists of senior investment professionals from the group's global offices, has updated its views on the global economic situation, financial markets and asset allocation calls. The committee meets at least quarterly and its views form the basis of Nikko AM's quarterly asset allocation house view.

In the latest GIC meeting, the committee concluded that equity markets remain attractive and forecast that the MSCI World Total Return Index will increase 4.0% by March 2014¹. Both the economies of the U.S. and Japan have shown strong signs of growth, while the Eurozone economy has improved significantly. In China, the economy has stabilised somewhat, while inflation remains tame.

"Nikko AM maintains its two-year overweight stance on global equities, with a preference for European and Japanese equities," said John F. Vail, Chief Global Strategist and Chair of the Nikko AM Global Investment Committee. "In our view, Japan's Gross Domestic Product (GDP) in the second half of 2013 will be above consensus due to low inventories, and we expect this will provide a boost to financial markets. The consumption tax in Japan, which will be lifted to 8% from 5% next April, is likely to cause a dip in 2014 second quarter GDP, but we expect growth to recover promptly. Further evidence of strong economic growth will pave the way for additional reforms to be implemented under Abenomics."

On the fixed income side, the house view is to continue an underweight stance on G-3 bonds, particularly underweighting Japanese Government Bonds relative to ex-Japan bonds. Targets for 10-year bonds as at March-end 2014 are 3.00% for US Treasuries, 0.85% for Japanese

¹ From base date September 24, 2013

Government Bonds (JGBs) and 2.20% for German Bunds.

“We expect the yen to weaken further in the quarters ahead, as the Bank of Japan maintains its easing stance relative to the expected tapering measures from the Fed,” Vail said. “After the September Federal Open Market Committee (FOMC) meeting, we now expect tapering to start in December or January, Quantitative Easing (QE) to end in the third quarter of 2014 and the first rate hike in the second quarter of 2015. We believe the U.S. government shutdown will be short-lived and that investors would be best advised to hold onto risk positions through the turbulence.”

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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\$156 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 www.nikkoam.com/english

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

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