

## PRESS RELEASE

# Nikko Asset Management, Straits Trading Join Hands to Unlock Opportunities in Asia's Real Estate Growth

**SINGAPORE, 29 March 2017** – Nikko Asset Management and The Straits Trading Company Limited today jointly announce the listing of the NikkoAM-StraitsTrading Asia ex Japan REIT ETF on the Singapore Exchange (SGX). The ETF, or exchange traded fund, opens for trading with approximately SGD 54.4 million in assets under management (AUM).

Together, the two firms have seeded the ETF with SGD 42.6 million, ensuring that it is sufficiently capitalised from Day One. During the initial offer period, the ETF gathered another SGD 11.8 million from retail investors.

This is the first ETF Nikko Asset Management has launched outside of Japan and the first time an ETF has been launched with an anchor investment of this size on the SGX.

Nikko Asset Management is the Manager of the NikkoAM-StraitsTrading Asia ex Japan REIT ETF while SRE Capital Pte Ltd, a subsidiary of The Straits Trading Company Limited, is the Investment Adviser to the Manager in respect of the ETF.

Takumi Shibata, Representative Director, President and CEO of Nikko Asset Management, based in Tokyo, said, "Our goal is to provide progressive solutions to the global investors we serve. In this strategic partnership with Straits Trading, we create greater access to Asian REITs for investors in the region and globally. Singapore is the natural place to list the ETF given that it is the REITs capital of Asia."

Chew Gek Khim, Executive Chairman of The Straits Trading Company Limited added, "We believe our partnership with Nikko Asset Management brings much to the table for investors. In addition to a sizeable anchor investment, Straits Trading will also, in its capacity as an experienced and dedicated real estate investor, provide strong sector expertise which complements Nikko Asset Management's strength as an established fund manager.

"We are excited about the opportunities that this ETF presents as we see a growing appetite for high yielding products among investors in the region, particularly those with retirement planning in mind."

Asia REITs is one of the fastest growing asset classes and it offers one of the highest yields in the world. The NikkoAM-StraitsTrading Asia ex Japan REIT ETF is the world's first Asia ex Japan REIT ETF. Tracking the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT index, the ETF provides investors access to a portfolio of REITs in Asia with exposure to properties in high growth sectors such as financial hubs, middle class consumption and tourism. The index comprises REITs across developed and emerging countries such as Singapore, Hong Kong, China, Malaysia and Indonesia.

Nikko Asset Management has been voted the Best Asia Pacific Equity ETF Manager for the seventh time in eight years in a survey conducted by ETF Express, the digital news publisher serving institutional investors and investment advisers. The AUM of the firm's ETF business grew to over SGD 49 billion by December 2016, representing 29% year-over-year growth from SGD 38 billion at the end of 2015. Ranked number two in Asia for AUM in the ETF business, Nikko Asset Management is one of the few investment managers that can provide a comprehensive range of ETF products across major asset classes.

Said Eleanor Seet, President of Nikko Asset Management in Singapore and Head of Asia ex-Japan, "We are privileged to be able to tap on the expertise and wealth of experience Straits Trading has in real estate. We are encouraged to have seen strong interest in the ETF during the initial offer period, and are confident that this is a compelling solution for both institutional and retail investors. "

-ENDS-

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This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. Any securities mentioned herein are for illustration purposes only and should not be construed as a recommendation for investment. The performance of the ETF's price on the Singapore Stock Exchange ("SGX") may be different from the net asset value per unit of the ETF. The ETF may also be delisted from the SGX. Listing of the units does not guarantee a liquid market for the units.

### **About Nikko Asset Management**

With US\$170.9 billion (19.92 trillion yen) 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 for nearly 60 years, the firm represents more than 200 investment professionals and over 30 nationalities across 11 countries. More than 300 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 our investment insights, please visit our [homepage](#).

\* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of December 31, 2016.

\*\* As of December 31, 2016, including employees of Nikko Asset Management and its subsidiaries.

### **About The Straits Trading Company Limited**

Incorporated in 1887, The Straits Trading Company Limited has stakes in real estate, hospitality, resources and investments that span the Asia Pacific region. It owns an 89.5% stake in Straits Real Estate, a co-investment vehicle that seeks out real estate related investments & opportunities globally. It also owns a 20.1% stake in ARA Asset Management Limited, one of the largest real estate fund managers in the region and has a 30% interest in Far East Hospitality Holdings, one of the largest hospitality operators in Asia Pacific. Straits Trading also engages in tin mining and smelting through its 54.8%-owned subsidiary, Malaysia Smelting Corporation Berhad, that is dual listed on Bursa Malaysia and SGX-ST.

### **SRE Capital Pte Ltd**

SRE Capital Pte. Ltd. ("SRE Capital") is a Singapore-based asset management company that specialises in investing in publicly listed real estate and infrastructure related securities within the Asia Pacific region. SRE Capital was incorporated in October 2014 and received its Capital Markets Services Licence from the Monetary Authority of Singapore in March 2015.

With strong commitment and support of its parent company, Straits Real Estate Pte. Ltd., SRE Capital launched its first fund, the SRE Asian Asset Income Fund ("SAAIF") in April 2015. SAAIF is a dividend paying fund that actively invests in a diversified portfolio of real estate related equities throughout Asia Pacific.