

**PRESS RELEASE**

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**NIKKO ASSET MANAGEMENT CO., LTD.**

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## **Nikko AM Wins Six Categories in Asia Asset Management's 2024 Best of the Best Awards**

**Performance award for Japan Large Cap Equity (10 years)**

**Japan Country Awards for CEO of the Year, Most Innovative Application of Artificial Intelligence, and ETF Manager of the Year**

**Singapore Country Awards for Best Application of ESG and Best Bond Manager**

Nikko Asset Management Co., Ltd. (Nikko AM) was selected on 30 January in six categories in Asia Asset Management's 2024 Best of the Best Awards. The wins include a performance award for Japan Large Cap Equity (10 years). The firm also took home Japan country awards for CEO of the Year, Most Innovative Application of Artificial Intelligence, and ETF Manager of the Year, and Singapore country awards for Best Application of ESG and Best Bond Manager. This marks the eleventh consecutive year Nikko AM has been awarded by Asia Asset Management, The Journal of Investments and Pensions, regarded as one of the most influential publications about the asset management industry in Asia.

Nikko AM's performance award was for Japan Large Cap Equity (10 years), on behalf of the Japan Cash-Rich Company Equity Strategy<sup>1,2,3,4</sup> for the second consecutive year. Asia Asset Management decides performance awards based on monthly gross returns compared to relevant benchmark, for the period ending 30 September 2023.

Japan Cash-Rich Equity Strategy Portfolio Manager Yu Sato commented, "We are humbled and proud to be selected by Asia Asset Management once again for our Japan equity performance. As global investors increasingly turn their attention to Japan as the country benefits from structural reforms, this award helps us differentiate ourselves and show the effectiveness of active management."

In the Japan country awards, which cover the year ending 30 November 2023, President Stefanie Drews was selected as CEO of the Year. Under her leadership, the firm increased its AUM, and entered into a strategic partnership with the UK's Osmosis Investment Management, a UK-based sustainable investment manager specialising in a resource efficient strategy, as well as engaging with Tikehau, a European private asset firm. Domestically, the firm saw product teams develop funds compatible with Japan's new NISA (tax-exempt savings scheme for retail investors). Internationally, she promoted investing in Japan, speaking at asset management industry events in New York, Singapore and Monaco. She is also a strong advocate for diversity in the business, and has a strong focus on sustainable investment practices.

The achievement of Most Innovative Application of Artificial Intelligence, a new award category, was led by quants analyst Masahiro Suzuki, an expert in finance and natural language processing. Nikko AM has long focused on deep

<sup>1</sup> The fund is not registered for sale in Singapore.

<sup>2</sup> The fund is not authorised by the Securities and Futures Commission and is not available to retail investors in Hong Kong.

<sup>3</sup> The strategy is not available as a UCITS fund.

<sup>4</sup> Nikko AM's benchmark for the strategy is the TOPIX (including dividends.)

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learning research that harnesses Japanese text data and image data from the financial sector in order to better analyse portfolio companies, the economy, and capital markets, while bolstering its quants investment performance and risk management.

Nikko AM was selected as ETF Manager of the Year for the seventh time, following wins in the 2013, 2016, 2018, 2020, 2021 and 2023 awards. During the award period, the firm increased its Japan ETF AUM by 20.55% year-on-year and held a share of 19.69% of all ETFs trading on the Tokyo Stock Exchange (TSE) as of 31 December 2023. The Japan business listed three new ETFs on the TSE, including Nikko AM's first active ETF, and the two other new ETFs addressed clients' demand for passive, cost-effective tracking of established indices.

In the Singapore country awards, Nikko AM was awarded Best Application of ESG for the first time. The win recognises the Asia ex-Japan Equity team for the integration of ESG factors into its bottom-up, fundamental stock picking process. The team believes that strong and/or improving ESG performance is fundamental to companies being able to achieve high, sustainable returns. Their integration approach is tailored for the Asian markets with a customised ESG Materiality Map, and is integrated into multiple stages within its investment process, from idea generation and fundamental research to portfolio construction and risk management. The team also actively engages with investee companies on ESG issues, which are material to their business prospects.

Joint Heads of Asia ex-Japan Equity Yeu Huan Lai and Peter Monson commented, "We firmly believe that thoughtful application of ESG in an investment process is critical in directing capital towards companies that are strong ESG performers, and playing a role in making the world a more sustainable place. As such, we are delighted to be recognised with the award for Best Application of ESG in Asian equity for the first time. It is a validation of our approach, which is based on clear beliefs about the importance of ESG factors as a driver of investment returns."

For Best Bond Manager, the Asia ex-Japan Fixed Income team prevailed against rising global bond yields and the "higher-for-longer" narrative of global central banks for most of 2023, which made navigating fixed income markets extremely trying, including the Singapore dollar (SGD) bond market. The team has a proprietary Fundamental, Valuation and Technical (FVT) framework to distil the top-down and bottom-up perspectives from a multitude of macroeconomic factors and issuer and issue specific characteristics, to add value within the defined levels of risks and constraints, using both qualitative and quantitative techniques.

Asia Fixed Income Senior Portfolio Manager Jo-Ann Chia explained, "Our team outperformed the benchmark by working closely to stay nimble in duration positioning and leveraging our detailed understanding on specific nuances of the Singapore government bond market. Meanwhile, our investments in SGD credits are backed by deep analysis based on our FVT framework that helped us avoid landmines and gave us high conviction to make several opportunistic buy calls in the beaten-down subordinated debt space that rebounded sharply thereafter."

Nikko AM President Stefanie Drews remarked, "We are thankful to be recognised once again by these important awards from Asia Asset Management, demonstrating our expertise across investment management, cutting-edge AI expertise, innovative products and sustainable investing process. As a global firm headquartered in Japan and built on Asian DNA, we will continue our pursuit of delivering progressive solutions to meet investors' evolving needs."

Past performance of the managers or funds is not necessarily indicative of its future performance.

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## **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**

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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.

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- 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\$211 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 leading exchange-traded funds (ETFs).

Headquartered in Asia since 1959, Nikko Asset Management and its subsidiaries employ personnel representing around 30 nationalities, including approximately 200 investment professionals\*\*. The firm has a presence through subsidiaries or affiliates in a total of 11 countries and regions. More than 400 banks, brokers, financial advisors and life insurance companies around the world distribute the firm'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 30 September 2023.

\*\* Including employees of Nikko Asset Management and its subsidiaries as of 30 September 2023.

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