

Press Release

Nikko Asset Management Co., Ltd.



Nikko AM to Launch Japan’s First Balanced Environmental Fund “Green Green”^{*1}

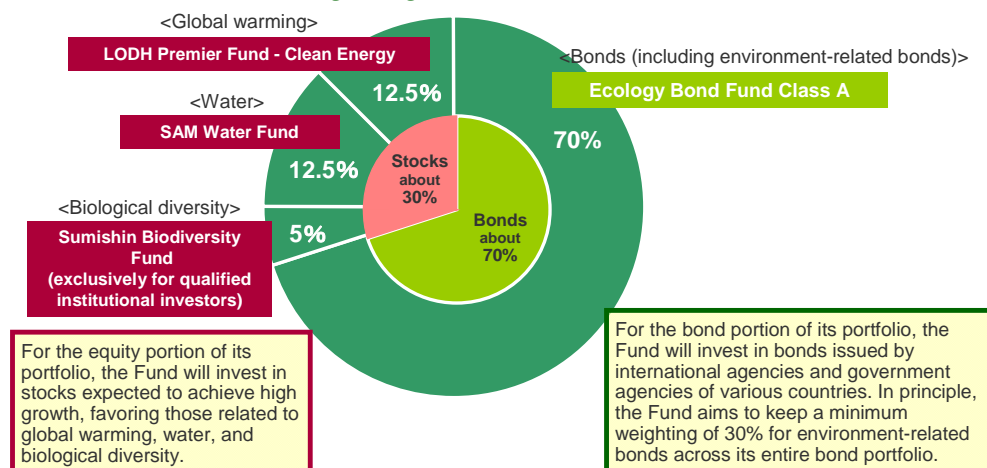
- Sumitomo Trust & Banking to Offer Nikko AM’s SRI Fund -

Nikko Asset Management Co., Ltd. (Nikko AM) (Timothy F. McCarthy, Chairman & CEO) announced today that it will launch a new open-ended investment trust “Green Balanced Fund” (nickname: “Green Green”) and will begin its management on July 30. The Sumitomo Trust & Banking Co., Ltd. will accept applications from July 16. This is the sixth fund from Nikko AM to be offered by Sumitomo Trust & Banking^{*2}.

The Green Balanced Fund is Japan's first balanced environmental fund and invests in environment-related bonds and equity^{*1}. The environment presents pressing issues that human beings of today must address, but solving them on a global scale requires advanced technological capabilities and huge amounts of funding. As more leading countries introduce environmental and energy policies and step up their efforts to implement them, Nikko AM believes that the environmental sector will achieve dramatic growth in the years to come. We expect that the development of the environmental sector will not only contribute to the reduction of environmental impacts and the solving of environmental problems, but also drive the world economy, mainly through technological innovation and job creation.

The Green Balanced Fund emphasizes environmental initiatives during the selection of stock and bonds for incorporation, and aims at steady growth of its trust assets by combining two attractive traits: the stability of bonds and the growth potential of stocks. The bond part of the Fund will invest in bonds that yield a relatively high return, such as those issued by international agencies like the World Bank, national governments, government agencies, and other organizations with a high credit rating, and a high weighting will be given to environment-related bonds, whose issuers use the funds raised for environment-related projects. As for the equity part, it will principally consist of stocks related to three environmental issues that are the subject of worldwide attention: global warming, water, and biological diversity. Specifically, the Green Balanced Fund will invest in four funds of funds: one for bonds and three for equities – one for each environmental issue mentioned above.

Basic Weighting for Stocks and Bonds



Since becoming Japan's first investment management firm to launch an environmental fund in 1999, Nikko AM has signed the principles for responsible investment advocated by the United Nations Environmental Programme (UNEP) Finance Initiative and has developed many socially responsible investment (SRI) funds. Through the forthcoming new Green Balanced Fund, investors will be able to achieve two goals at the same time: consideration for the global environment and successful asset management. Nikko AM is committed to the continuous development of products that will contribute to the creation of its investors' wealth.

- *1 According to research conducted by Nikko AM, the Green Balanced Fund is Japan's first "balanced environmental fund" in that it not only invests in environment-related stocks but also emphasizes environmental initiatives when investing in bonds.
- *2 Excluding products for defined contribution pension plans

For inquiries, please contact:
Shingo Murooka, Naho Yohda, Akiko Tsuboi,
Corporate Communications Dept.
Tel. 03-6447-6426

Note: This material is an English translation of a Japanese announcement made on July 16, 2010. Although Nikko AM aims for a faithful translation of the Japanese document into English, the accuracy and correctness of this translation are not guaranteed and thus you are encouraged to refer to the original Japanese document.

Please note that you cannot purchase any products mentioned in this press release if you are not a Japanese resident or if you are a national of a country where there are legal restrictions on their ownership. The information referred to in this press release is for Japanese residents only. The information provided is designed for use by Japanese residents only and should not be relied on by residents of any other jurisdiction.

■ Purchase Memo

Product Type	Open-type investment trust / Domestic and International / Balance-type
Purchase Unit	Please contact the fund distributor or fund management company for information on purchase units.
Purchase Price	Initial application period: 1 yen per unit Subsequent application period: NAV as of the business day following the application date
Purchase Day	Initial application period: From July 16 to 29, 2010 * Applications will be accepted after the initial application period as well.
Days Applications Not Possible	Applications for purchase cannot be accepted when the redemption application date falls on a holiday for UK stock exchanges or the New York Stock Exchange, or for banks in London, New York, Zurich, Cayman or Luxembourg, or when the business day following the date of application falls on a holiday for banks in Luxembourg. Please contact the distributor for details.
Trust Period	Until June 17, 2020 (Date of trust subscription: July 30, 2010)
Closing Date	The 17th of each month (or the next business day if the 17th is a holiday)
Dividend Distribution	Starting in October 2010, at every settlement period the amount of dividends will be decided by the fund management company, and in principle stable dividends will be paid consistently. The fund management company will decide the dividend payment amount based on the fund's revenue distribution policy, but the fund management company may decide not to pay dividends.
Redemption Price	NAV as of the business day following the redemption application date.
Days when Redemption cannot be Accepted	Redemption applications cannot be accepted when the redemption application date falls on a holiday for UK stock exchanges or the New York Stock Exchange, or for banks in London, New York, Zurich, Cayman or Luxembourg, or when the business day following the date of application falls on a holiday for banks in Luxembourg. Please contact the distributor for details.
Payment of Redemption Proceeds	In principle, payment after 8 business days following day of receipt of the application for redemption.
Tax Implications	In principle, normal dividends are taxed at the time of payment and redemption gains are taxed at time of redemption. * The fund will be treated as an equity investment trust for tax purposes. * Please see the prospectus (prospectus distributed in advance of application) for details.

■ Outline of Fees, etc.

Customers must bear the following expenses:

Fee charged directly at the time of application and redemption

- Purchase Application Fees: An application fee of no higher than 3.15% (3.0% before tax) shall be set by the distributor and charged at the time of application.
* For investors who choose the dividend reinvestment course, no application fee will apply to units purchased through reinvestment of investment gains.
- Redemption Fees: Not applicable
- Exit Charge: Not applicable

Fees and expenses charged indirectly as charges to trust assets (i.e. paid from the fund)

- Trust Fees: The annual real trust fee is calculated by multiplying the total amount of net assets by 1.539525% (1.484375% excluding tax).
The annual trust fee rate consists of 1.12035% (1.067% excluding tax) for the trust fee for the fund and 0.419175% (0.417375% excluding tax) for trust fees related to the incorporation of investment trust securities bought by the fund*. The annual trust fee rate for investment trust securities bought by the fund is estimated on the assumption that the weighting of the Ecology Bond Fund Class A in the portfolio is 70%, that of the LODH Premier Fund - Clean Energy is 12.5%, that of the SAM Water Fund is 12.5%, and that of the

Sumishin Biodiversity Fund (exclusively for qualified institutional investors) is 5%.

● Other Expenses:

* In addition, a fixed fee will be charged for the targeted SAM Water Fund. Brokerage commission with respect to securities included in the portfolio, audit fees, interest on borrowing and advances, etc.

* The rate or maximum amounts applicable to other fees and expenses cannot be indicated in advance because the actual amount will vary depending on the state of the assets managed.

* The total amount of fees charged to the Fund will vary depending on the length of investment period and other factors. Therefore, we cannot give a specific total.

* For more details, refer to the investment trust explanatory document (prospectus distributed in advance of application).

■ Trust Company and Other Related Companies

Trust Company: Nikko Asset Management Co., Ltd.

Trustee: The Sumitomo Trust and Banking Co., Ltd.

(Re-entrusting Trustee Co.: Japan Trustee Services Bank, Ltd.)

Distributor: Use the contact information below if you have an inquiry about distributors.

Nikko Asset Management Co., Ltd.

Website: <http://www.nikkoam.com/>

Call Center: 0120-25-1404 (9 a.m. - 5 p.m. Closed Saturdays, Sundays, and holidays)

■ Risk Information

This Fund invests primarily in investment trust securities. Since investment trust securities bought by the Fund invest mainly in stocks, bonds, and other securities that experience price movements (securities denominated in a foreign currency are also exposed to foreign exchange risk), the NAV of such investment trust securities will fluctuate as a result. In particular, the price of equities and bonds in targeted emerging countries tends to be more volatile as compared with those in advanced countries, and this may have a significant impact on the NAV. Therefore, it is possible that the NAV falls below the amount of the invested principal. Also, please be advised that the Fund is exposed to risks including price fluctuation risk, liquidity risk, credit risk, foreign currency risk, and country risk.

* Prices of securities targeted for investment of this Fund will fluctuate due to the effects of the aforementioned risks. Therefore, please note that this Fund itself has these risks as well.

■ Other matters to consider

○ These distribution materials were prepared as a supplement to the prospectus (distributed in advance of application) for the Green Balanced Fund and to increase investors' understanding of this fund.

○ Unlike bank deposits or insurance policies, investment trusts are not protected by the Deposit Insurance Corporation or the insurance policyholders protection corporations. Nor are investment trusts protected by investor protection funds when purchased at banks or other registered financial institutions.

○ Profits and losses made by the management of investment trusts all belong to the beneficiaries. When subscribing to these funds, the distributor will provide you with an investment trust explanatory document (prospectus distributed in advance of application) beforehand, so please be sure to verify the details and make your own decision on whether or not to invest.

About Nikko Asset Management

Registration Number: Director of the Kanto Local Finance Bureau (Financial instruments firms) No. 368
Member Associations: The Investment Trusts Association
Japan Securities Investment Advisers Association

Nikko Asset Management (Nikko AM) is a leading Japan-based asset management group. Since its establishment 50 years ago, Nikko AM has been offering a full lineup of investment trusts to retail investors and high value-added advisory services to institutional investors.

Its investment trusts are distributed through a network of around 200 distributor institutions including banks, securities companies, and Japan Post Bank. The firm offers investors access to both Nikko AM funds that invest mainly in Japanese equities, fixed income, and REITs and, through its independently developed "World Series" third-party sub-advisory platform, opportunities to strategically utilize a global range of top-performing, independent asset managers over a diverse range of asset classes.

In 1999, Nikko AM was the first Japanese firm to arrange a Socially Responsible Investment (SRI) fund ("Nikko Eco Fund") and, in 2001 broke new ground for a Japanese asset management firm by acquiring ISO 14001 certification (world-class environmental management standard). In these and other ways, Nikko AM actively involves itself in socially responsible activities.

Nikko AM has moved to enhance its expertise in the asset management business by clarifying the responsibilities of fund managers, reinforcing collaboration between research and management sections, and refining risk management capability. In recognition of these accomplishments, Nikko AM has been awarded several prestigious fund awards, such as the Lipper Japan Award, Asian Investor's Award, and R&I Fund Award.

The Nikko AM Group¹ has approximately 9.4 trillion yen under management as of June 30, 2010², and has overseas offices in London, New York, and Singapore.

Note 1: "Nikko AM Group" stands for Nikko Asset Management Co., Ltd. and its group companies.

Note 2: Consolidated assets (including advised assets) of Nikko Asset Management Co., Ltd. and its overseas subsidiaries.