

Press Release

June 13, 2008

Nikko Asset Management Co., Ltd.

## **Invest in Brazil, a Leading Nation in Resources/Foodstuff/Manufacturing**

### **Nikko AM Establishes Nikko Brazil Equity Fund**

#### ***- Applications Accepted by Sumitomo Mitsui Banking Corporation from June 16 -***

Nikko Asset Management (Nikko AM) (Timothy McCarthy, Chairman and CEO) announced today that an open-ended equities investment trust, Nikko Brazil Equity Fund, will be established on June 16, with applications accepted that same day by Sumitomo Mitsui Banking Corporation (SMBC) (Masayuki Oku, President).

There is great long-term economic growth potential in Brazil, and the Nikko Brazil Equity Fund is focusing on investing substantially in equities and is aiming to achieve returns on investments exceeding the representative Brazilian stock index, the Bovespa (yen equivalent base).

To make investments in equities and build a portfolio we are receiving advice from Itaú Asset Management, a prominent local investment firm. Itaú Asset Management is the investment arm of the Itaú Banking Group, a major bank with over 3,500 local branches. Itaú Asset Management is able to draw on significant human capital and utilize a broad local network, and is scrupulous in investigating and investing amongst local investment companies. Itaú Asset Management's investment asset balance as at December 2007 was approximately US\$91.7 billion (approx. JPY 10 trillion\*) and is proudly ranked No. 2 in Brazil.

Brazil is a world leading resource producing nation with abundant natural resources such as iron ore, is a world-class agriculture and livestock exporter and moreover, acts as a manufacturing industry hub in Central and South America. Based on these three strengths, Brazilian exports are doing well and directed to countries all over the world: Europe, Central and South America, U.S., Asia, etc. In addition, in recent years per-capita GDP has grown rapidly, personal consumption has risen significantly and further growth in domestic consumption is anticipated. A strong point of the Brazilian economy is the healthy balance between exports and domestic demand and it is believed future continuous economic growth can be anticipated.

This year marks precisely 100 years since Japanese nationals first migrated to Brazil and has been designated "Japan-Brazil Year of Exchange." This event confirms the ties that bind both countries and the relationship continues to grow in a range of fields. In 2008, a year both countries should celebrate, Nikko AM through its Nikko Brazil Equity Fund offers Japanese investors the opportunity to invest in Brazil's market.

For the future, Nikko AM strives to develop products to assist investors with asset formation.

\* US\$1 = JPY 111.7 (As of the end of December 2007)

*Note: Please note that you cannot purchase any products mentioned in this press release if you are not a Japanese resident or if you hold nationality 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.*

• **Brazil Equities Fund**

■ **Purchase Memo**

Product Type	Open Equity Investment Trust/International Equity Plan (Central and South America Plan)/ Automatic Distribution Reinvestment Plan						
Purchase Unit	As designated by Sumitomo Mitsui Banking Corporation, subscription units are as follows: For New Applications: JPY 200,000 or more (in the unit of 1 yen). For Additional Applications: JPY 10,000 or more (in the unit of 1 yen). * Application charges & taxes related to application charges are to some degree included in the above units. * Where purchases are made by use of automatic investment deposits, regardless of the requirements noted above, JPY 1,000 units will apply to applications in excess of JPY 10,000. * Applications consisting of either Balances retained in the Fund or automatic investment deposits will be treated as Additional Applications.						
Purchase Price	NAV as of the business day following the day on which the application is received						
Days Applications Not Possible	When the application is received on: São Paulo Exchange holidays, NYSE holidays, or New York bank holidays, applications will not be accepted. For more detail, please contact the distributor.						
Trust Period	Until May 15, 2018 (Date of trust subscription: June 16, 2008)						
Closing Date	Twice annually; i.e. the 15th of each month of May & November (Following business day if the date falls on a holiday)						
Dividend Distribution	On every closing date the trust company will determine the dividend distribution amount taking into consideration such factors as the level of NAV and the market conditions, etc.; provided however, that the trust company may decide to withhold the distribution if the distributable amount on a particular closing date is inconsequential.						
Redemption Price	NAV as of the business day following the day on which the application for redemption is received.						
Days Redemption Not Possible	When the application for redemption is received on: São Paulo Exchange holidays, NYSE holidays, or New York bank holidays, the application for redemption will not be accepted. For more detail, please contact the distributor.						
Payment of Redemption Proceeds	In principle, payment after 6 business days following day of receipt of the application for redemption						
Tax Implications	In principle, tax is applied in relation to: normal distributions at distribution time and any surplus of individual capital at time of redemption. * For more detail, please refer to the latest investment trust explanatory document (prospectus distributed in advance of application).						
Outline of Fees, etc.	Investment trust costs are a total amount levied both directly (at the time of purchase/redemption) and indirectly (on trust assets). <Fees charged directly at the time of application and redemption>						
	<table border="1"> <tr> <td>Purchase Application Fees</td> <td>Sumitomo Mitsui Banking Corporation fee rate: 3.15% (3.0% excluding tax) * Dividend Reinvestment Plan: Dividend earnings are reinvested so no application fees are levied on shares thus acquired.</td> </tr> <tr> <td>Redemption Fees</td> <td>Not applicable</td> </tr> <tr> <td>Exit Charge</td> <td>Not applicable</td> </tr> </table>	Purchase Application Fees	Sumitomo Mitsui Banking Corporation fee rate: 3.15% (3.0% excluding tax) * Dividend Reinvestment Plan: Dividend earnings are reinvested so no application fees are levied on shares thus acquired.	Redemption Fees	Not applicable	Exit Charge	Not applicable
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	<Fees and expenses charged indirectly as charges to trust assets (i.e. paid from the fund)>						
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	<p>* 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.</p> <p>* 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.</p> <p>* For more detail, please refer to the investment trust explanatory document (prospectus distributed in advance of application).</p>						

## ■ Trust Company and Other Related Companies

Trust Company: Nikko Asset Management Co., Ltd.

Investment Advisory Company: Nikko Asset Management Americas, Inc.

Trustee: Resona Trust & Banking Co., Ltd.

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

Distributor: Sumitomo Mitsui Banking Corporation

## ■ Risk Information

This Fund, including the mother fund, invests primarily in securities that experience price movements, such as equities (securities denominated in a foreign currency are also exposed to foreign exchange risk), and NAV will fluctuate as a result. In particular, investments in developing country equities tend to be subject to comparatively larger price fluctuations than equities in advanced nations, and as such, may have a major impact on NAV. Therefore, it is possible for the NAV to fall below the amount of the initially invested principal.

Also, please be advised that this Fund is exposed to risks including price fluctuation risk, liquidity risk, credit risk, foreign currency risk, and country risk.

## ■ Other Matters to Consider

- When purchasing investment trusts, please ensure you read the latest investment trust explanatory document (prospectus distributed in advance of application), or the entire supplementary prospectus documentation. These documents are available at Sumitomo Mitsui Banking Corporation head office and branches.
- Investment trusts neither guarantee principal nor guarantee yield.
- Investment trusts are not a deposit.
- Investment trusts are not covered by deposit insurance. For inquiries about deposit insurance, please contact Sumitomo Mitsui Banking Corporation.
- Investment trusts handled by Sumitomo Mitsui Banking Corporation are not covered by investor protection funds.
- Sumitomo Mitsui Banking Corporation is the distributor. The investment trust is set up and operated by an investment company.
  
- These materials were produced by Nikko Asset Management to be supplementary to the investment trust explanatory document (prospectus distributed in advance of application) regarding Brazil Equities Fund and are sales related material created to enhance clients' understanding of the Fund.
- As stipulated in Article 5 of the Financial Instruments and Exchange Law (Law No. 25 of 1948), on May 30, 2008 the Brazil Equities Fund submitted a security registration statement with the Director of Kanto Local Finance Bureau which comes into effect on June 15, 2008. Furthermore, some revisions may occur to the details of the contents prior to coming into effect.
- Profits and losses made by the management of investment trusts all belong to the beneficiaries. When you submit your application to this Fund, the distributor will provide you with a prospectus on or after June 16, 2008, so please make the decision to invest carefully after taking the time to read the contents in detail.

## 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 almost 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 Lipper Japan Award, Asian Investor's Award, and Morningstar Award, every year since 2004.

The Nikko AM Group<sup>1</sup> has assets totaling JPY 11.5 trillion under management, at the end of March, 2008.<sup>2</sup> It offers approximately 240 public investment trusts, ranging from basic to innovative, to meet the diversified needs of retail and institutional investors. Nikko AM employs over 550 people in Tokyo, New York, London, 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.