

Nikko Asset Management Funds Receive 2008 Mercer MPA (Japan) Awards in Two Categories

Nikko Asset Management (Nikko AM) (Timothy F. McCarthy, Chairman and CEO) announced today that its Domestic Equity Fundamental Value Strategy, Domestic Equity Core Active Strategy funds have been recognized for outstanding investment performance at the Sixth Annual Mercer MPA (Japan) Awards. The funds were selected by the Japan office of global consulting company, Mercer Investment Consulting.

Nikko AM's funds were highly evaluated for investment performance in these two categories:

Fund	Category
• Domestic Equity Fundamental Value Strategy	General Domestic Equity (five year)
• Domestic Equity Core Active Strategy	Domestic Equity Core (three year)

The awards are based on evaluation of investment performance for the three and five year periods ending in March 2008. This marked the third year in a row for the Domestic Equity Fundamental Value Strategy and the second year in a row for the Domestic Equity Core Active Strategy to win.

The Mercer MPA (Japan) Awards are given to funds with outstanding performance among those registered with Mercer Manager Performance Analytics (MPA), an investment analysis tool developed by Mercer Investment Consulting.

Awards are presented annually and divided into three and five year periods of analysis within each category. Fund performance is based on the total of normalized figures for the information ratios that are compared to both total return and the main indices. Awards are then presented to those funds that rank in the top 10% in their category, or the three funds with the strongest performance, whichever is more numerous.¹

Commenting on the results, Nikko AM's President and CIO, Bill Wilder, said, "Nikko AM is honored that its funds have been recognized in this way by the internationally renowned Mercer Investment Consulting. These awards reflect Nikko AM's continuous efforts to improve and achieve superior fund performance. The recognition that these awards represents will motivate all of us here at Nikko AM to further move this company forward and to ensure that our clients receive the highest possible standards of performance and service."

¹ Domestic small-cap equities, domestic bonds and overseas bonds are evaluated based only on total returns. In addition to the above-mentioned criteria, further specifics are set out regarding qualifications for winners. Therefore, it is possible for a fund not to win the award even if it displays superior performance.

*Note: This document is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.
This document does not provide individually any investment advice.*

About the Mercer MPA Award

The Mercer MPA (Japan) Awards are based only on historical return obtained from investment managers and there is no relationship with Mercer's qualitative ratings or recommendation. Mercer gives no representations or warranties as to the accuracy of such information or method of calculation, and accepts no responsibility or liability (including for indirect, consequential or incidental damages) for any error, omission or inaccuracy in such information. In addition Past Performance cannot be relied upon as a guide to future performance. Only Mercer Investment Consulting in Japan gives this award to investment managers and no other Mercer offices are responsible for this award.

For further information on Mercer Investment Consulting, please visit, <http://www.mercer.co.jp/>

Matters to consider regarding investment advisory and discretionary investment agreements

Investment based on a discretionary investment agreement and advice based on an investment advisory agreement mainly involve securities, such as equities and bonds, whose prices fluctuate (foreign currency securities have an exchange rate fluctuation risk as well), so the net asset value (NAV) of your investment assets will fluctuate and may fall below your principal investment.

Major risks involved in these agreements are:

1) Price fluctuation risk, 2) liquidity risk, 3) credit risk, 4) exchange rate fluctuation risk, 5) country risk, 6) derivative risk, and 7) risks unique to market neutral and long/short strategies

■ Fees and other expenses

● Investment Advisory Fees

An investment advisory fee, which serves as the fees for the investment advisory agreement and the discretionary investment agreement, of a maximum of 3.15% p.a. (3.0% before tax) will be charged against the balance of investment assets according to the period under management. Depending on the content of the agreement, a contingent fee may be charged in addition to the fixed fee.

● Other fees

As for other fees, brokerage fees for portfolio stocks may be incurred.

In cases where investment trusts are bought based on a discretionary investment agreement, other fees may be incurred, such as a trust fee on the investment trusts, commissions on the amount reserved for trust assets, incorporation and redemption, brokerage fees for portfolio stocks, custodian fees, management fees, audit fees, fund establishment fees, interest rate of borrowings and borrowed stock fees, etc.

<Disclaimer>

* Contingent fees and other fees vary depending on investment strategies and management conditions; therefore it is not possible to specify the amount of those fees and the limit beforehand.

* The risks and fees mentioned above differ depending on individual agreements. We urge you to read the pre-agreement reminder thoroughly before you sign an agreement.