

January 26, 2010

Press Release

The World Bank
Nikko Asset Management Co., Ltd.

The World's First Fund Developed in Cooperation with the World Bank to Invest in World Bank Green Bonds: SMBC Nikko World Bank Bond Fund

Nikko Asset Management Co., Ltd. (Nikko AM, Timothy F. McCarthy, Chairman and CEO) announced today that it expects to launch on 19 February an open-ended investment trust - the SMBC Nikko World Bank Bond Fund (short name: The World Bank Green Fund). Sumitomo Mitsui Banking Corporation and Nikko Cordial Securities Inc. expect to accept applications this new investment trust from 1 February. The fund was developed by Nikko AM in partnership with the World Bank (International Bank for Reconstruction and Development, rated AAA/Aaa) aimed at investing in World Bank green bonds offered in a variety of currencies.

World Bank green bonds support World Bank-funded projects that are designed to tackle the causes and consequences of climate change in the developing world. The types of projects that may be supported by World Bank green bonds include alternative energy installations, funding for new technologies that reduce greenhouse gas emissions, and reforestation. Since the product was introduced in November 2008, the World Bank has issued the equivalent of approximately US\$960 million of green bonds.

The SMBC Nikko World Bank Bond Fund is the world's first fund developed in cooperation with the World Bank that invests in World Bank green bonds. Investors who purchase this fund support the World Bank and its member countries in their efforts to address the climate change challenge and the effects of global warming. The SMBC Nikko World Bank Bond Fund marks the second time that Nikko AM has worked together with the World Bank to create an open-ended investment trust for the Japanese market, following on from the highly successful World Supporter Fund. The World Supporter Fund was established in 2007 and is composed primarily of World Bank bonds denominated in various emerging market currencies.

"Tackling climate change will take immense resources that will only come from a well-orchestrated flow of public and private finance. The SMBC Nikko World Bank Bond Fund provides investors an opportunity to be part of this effort. We appreciate the support from Japanese investors as it demonstrates that private citizens can safely and profitably invest their savings today while also helping provide a better world for their children," said Robert B. Zoellick, President of the World Bank Group.

"There is an increasing awareness of global environmental problems. The issue is so critical that it could literally affect our very survival. Large scale projects and restructuring needed for fixing these problems require significant funding as well as expertise. This is where the World Bank may play an extremely important role. Reputable international organizations such as the World Bank are able to help us address this growing worldwide crisis. They specifically have the ability to engage actively in overseeing projects and help in risk management. Nikko AM has taken the lead to collaborate with the World Bank to create this green fund which is expected to provide good returns with solid risk management in place. This will give investors an opportunity to help the world." Timothy F. McCarthy, Nikko AM's Chairman and CEO said.

Based on Nikko AM research as of Jan. 26, 2010, this is the world's first green bond fund to be developed in cooperation with the World Bank.

■ About the World Bank

The World Bank is a global development cooperative owned by its 186 member countries. Its purpose is to help its members achieve equitable and sustainable economic growth in their economies and to find solutions to regional and global problems in economic development and environmental sustainability, all with a view to reducing poverty and improving standards of living. The International Bank for Reconstruction and Development (IBRD), rated Aaa/AAA (Moody's/S&P) is known in the capital markets as the World Bank and is the oldest and largest entity in the World Bank Group. It provides its members with financing, risk management products, and other financing services, as well as specialized expertise and strategic and convening services requested by its member countries. To fund this activity, the World Bank has been issuing bonds in the international capital markets for 60 years. The World Bank is one of the most recognized and innovative borrowers in the international capital markets. More information about the World Bank and its activities in the capital markets is available on the web at:

www.worldbank.org/debtsecurities.

Note: This material is an English translation of a Japanese announcement made on January 26, 2010. Although Nikko AM intended to faithfully translate 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 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.

Important regulatory disclosure for Nikko AM and customers

■Purchase Memo

Product Type	【SMBC Nikko World Bank Bond Fund】: Open-type investment trust / Global / Bond 【Nikko Money Account Fund】: Open-type investment trust / Domestic / Bond
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 Feb. 1 to 18, 2010 Applications will be accepted after the initial application period as well.
Days Applications Not Possible	【SMBC Nikko World Bank Bond Fund】 Applications for purchase (including switching) cannot be accepted when the redemption application date falls on a holiday for the UK Stock Exchange or the New York Stock Exchange, or banks in London or New York. Please contact the distributor for details.
Trust Period	Until Oct. 21, 2019 (Date of trust subscription: Feb. 19, 2010)
Closing Date	【SMBC Nikko World Bank Bond Fund】20th day of each month (or the next business day if the 20th is a holiday). The first closing date, however, is March 23, 2010. 【Nikko Money Account Fund】Oct. 20 of each year (or the next business day if the Oct. 20 is a holiday)
Dividend Distribution	【SMBC Nikko World Bank Bond Fund】 At every settlement period, the fund management company will decide the amount of dividends, 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. 【Nikko Money Account Fund】 At every settlement period, the amount of dividends will be decided by the fund management company based on the NAV and market movements, etc. There may be circumstances in which a dividend will not be paid if the amount eligible for dividends is small.
Redemption Price	NAV as of the business day following the redemption application date.
Days when Redemption cannot be Accepted	【SMBC Nikko World Bank Bond Fund】 Redemption applications (including switching) cannot be accepted when the redemption application date falls on a holiday for the UK Stock Exchange or New York Stock Exchange, or banks in London or New York. Please contact the distributor for details.
Payment of Redemption Proceeds	In principle, payment after 6 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: **【SMBC Nikko World Bank Bond Fund】**
The maximum purchase application fee rate is 3.15% (3% excluding tax) and the rate shall be determined by the distributor.
【Nikko Money Account Fund】
Not applicable *(Applies only when switching from SMBC/Nikko World Bank Bond Fund)

* 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
- Switching Fees: Not applicable

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

- Trust Fees: **【SMBC Nikko World Bank Bond Fund】**
The annual real trust fee is calculated by multiplying the total amount of net assets by approximately 1.255% (1.21% excluding tax). The annual trust fee rate consists of 0.945% (0.90% excluding tax) for this fund and around 0.31% for the invested WB Green Fund Class A fund, a yen-denominated Cayman Islands trust fund.
The actual annual rate of trust fees paid by beneficiaries varies depending on the percentage of invested investment trust securities and other factors.
Please see the prospectus (prospectus distributed in advance of application) for details.

【Nikko Money Account Fund】

The annual trust fee is calculated by multiplying the total amount of net assets by a maximum percentage of 0.5775% (0.55% excluding tax).

- Other Expenses: Brokerage commission with respect to securities included in the portfolio, audit fees, and 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, etc.

* We cannot provide prior information on total fees and costs charged by the Fund because the holding period, etc., will vary depending on the investor.

* For more detail, please 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: Sumitomo Mitsui Banking Corporation and Nikko Cordial Securities Inc.

■ Risk Information

【SMBC Nikko World Bank Bond Fund】

This fund invests mainly in investment trust securities. The NAV of investment trust securities targeted for investment by the fund fluctuates because it invests mainly in bonds and other securities whose prices fluctuate (securities denominated in a foreign currency are also exposed to foreign exchange risk). In particular, bonds denominated in the currencies of those emerging economies in which this fund invests are affected by currency rate fluctuations. The currencies of emerging economies may fluctuate substantially, which will affect the NAV of this fund. Therefore, it is possible that the NAV falls below the amount of 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.

* 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.

【Nikko Money Account Fund】

The NAV of this fund (including its mother funds) fluctuates because the fund invests mainly in bonds and other securities whose prices fluctuate according to market conditions. Therefore, it is possible that the NAV falls below the amount of invested principal.

The major risks involved in this fund are price fluctuation risk, liquidity risk, and credit risk.

* Please see the prospectus (prospectus distributed in advance of application) for details.

■ Other matters to consider

○ These distribution materials were prepared as a supplement to the prospectus (distributed in advance of application) for the SMBC Nikko World Bank Bond Fund and Nikko Money Account Fund and to increase investors' understanding of these funds.

○ 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.

○ In accordance with the provisions of Article 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948), the security registration statement for this fund was submitted to the Director of the Kanto Local Finance Bureau on January 15, 2010, and will become effective starting January 31, 2010. The content of that statement is subject to change before the fund becomes effective.

○ 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 (or prospectus) after February 1st, 2010, so please be sure to verify the details and make your own decision 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 assets totaling 9.9 trillion yen under management as of September 30, 2009², 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.