

## ANNOUNCEMENT

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### APPOINTMENT OF SRE CAPITAL PTE. LTD. AS INVESTMENT ADVISER TO NIKKO ASSET MANAGEMENT ASIA LIMITED FOR THE NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF

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#### 1. INTRODUCTION

- 1.1** The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**”) refers to the announcement made by the Company on 18 January 2017 in relation to the intended appointment of SRE Capital Pte. Ltd. (“**SRE Capital**”), an indirect subsidiary of the Company, as investment adviser by Nikko Asset Management Asia Limited (“**Nikko**”) in respect of the NikkoAM-StraitsTrading Asia Ex Japan REIT ETF (the “**Fund**”).
- 1.2** The Board wishes to announce that SRE Capital and Nikko have today entered into a definitive investment advisory agreement, pursuant to which SRE Capital has been appointed as Nikko’s investment adviser for the provision of certain investment advisory services in relation to the Fund.

#### 2. INVESTMENT ADVISORY AGREEMENT

- 2.1** SRE Capital will provide to Nikko under the investment advisory agreement, prior to the inception of the Fund and thereafter during the life of the Fund, on a periodic basis or on such frequencies as SRE Capital and Nikko may from time to time decide, advice to Nikko on *inter alia*, any of the following: the appropriateness or suitability for the Fund to continue to track the FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index (the “**Index**”) or use the Index as a benchmark, the methodology and effectiveness of the Index in enabling the Fund to achieve its investment objective, the investments including the constituent and (where applicable) non-constituent securities made by Nikko to track the Index as closely as possible, the investment techniques used by Nikko in seeking to closely track the Index, the rebalancing of the Fund’s portfolio to minimise the tracking error, and (where applicable) a successor index and the Fund’s investments in financial derivative instruments, securities lending or repurchase transactions. SRE Capital shall also conduct performance reviews on the ability of Nikko to track the Index on a quarterly basis.
- 2.2** SRE Capital does not have any decision-making capabilities with respect to the management of the Fund. SRE Capital will remain as an investment adviser to Nikko until its appointment is terminated in accordance with the terms of its appointment under the investment advisory agreement. Nikko will pay to SRE Capital an investment advisory fee for the investment advisory services provided, and such investment advisory fee will not be paid out of the Fund.

### **3. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS**

None of the Directors or controlling shareholders of the Company have any interest (whether direct or indirect) in the investment advisory agreement, other than through their respective interests (if any) in the Company.

By Order of the Board

Aldric Tan Jee Wei  
Company Secretary  
**The Straits Trading Company Limited**

28 February 2017  
Singapore

This Announcement will be available at the Company's website at <http://www.stc.com.sg>

#### **About The Straits Trading Company Limited**

Incorporated in 1887, The Straits Trading Company Limited is an investment company with stakes in real estate, hospitality, resources and investments that span the Asia Pacific region. It owns an 89.5% stake in Straits Real Estate Pte. Ltd., a co-investment vehicle that seeks out real estate related investments and opportunities. It also owns a 20.1% stake in SGX-listed ARA Asset Management Limited, one of the largest real estate fund managers in the region, and has a 30% interest in Far East Hospitality Holdings Pte. Ltd., one of the largest hospitality operators in Asia Pacific. Straits Trading also engages in tin mining and smelting through its 54.8% owned subsidiary, Malaysia Smelting Corporation Berhad, that is dual listed on Bursa Malaysia and SGX-ST.