

1 October 2014

NIKKO AM SHENTON HORIZON INVESTMENT FUNDS - HORIZON ASIA EX JAPAN EQUITY FUND (THE "SUB-FUND") – MEETING OF HOLDERS

Frequently Asked Questions ("FAQ")

This FAQ is only prepared as a summary of the information contained in the Circular and Notice of Meeting of Holders dated 23 June 2014 and you should refer to the Circular and Notice of Meeting of Holders for full details.

1. Why is there a Meeting of Holders?

The managers of the Sub-Fund (the "**Managers**") are proposing changes to the investment objective, policy, focus and approach of the Sub-Fund, and seek your vote to approve the proposed changes at the meeting of unitholders of the Sub-Fund ("**Holders**") to be held at **9.30am on 30 October 2014**, at the **office of Nikko Asset Management Asia Limited at 12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961**.

2. What are the key proposed changes to the Sub-Fund and the rationale behind them?

The key proposed changes to the Sub-Fund are as follows:

1. To change the investment focus of the Sub-Fund from Asian equities (with Russell Investment Group Private Limited as investment adviser to the Managers) to Australian dividend-producing equities (with Nikko AM Limited (formerly known as Tyndall Investment Management Limited), which is part of the Nikko Asset Management Group, as sub-managers of the Sub-Fund).
2. To lower the annual management participation of the Sub-Fund from 1.75% to 1.50%.
3. To introduce new classes of units in the Sub-Fund that will target to pay out monthly distributions of approximately 5-7% p.a.¹.

Rationale

The Managers are of the view that the proposed change in investment objective, policy, focus and approach would be beneficial to Holders because the Managers are of the view that:

1. Companies with relatively strong sustainable cash flows, stable growth and stable dividend payout can generate consistent total returns over time.
2. Australian equities can potentially offer attractive and sustainable dividend payments.
3. Nikko AM Limited (formerly known as Tyndall Investment Management Limited and whom the Managers intend to appoint as the sub-managers of the Sub-Fund), is an award-winning² Australian investment manager specialising in Australian equities and bonds.

3. What are the proposed changes to the Sub-fund?

Please refer to the following table for a summary of the other proposed changes:

	Current	Proposed
Name of Sub-Fund	Horizon Asia ex-Japan Equity Fund	Nikko AM Australia Dividend Equity Fund
Annual Management Participation	1.75% p.a.	1.50% p.a.

¹ The distributions are not guaranteed and are at the discretion of the Managers who will decide whether a distribution is to be made based on various factors, including dividend and/or interest income and/or capital gains derived from the underlying investments of the Sub-Fund. In the event that income and dividends generated from the underlying investments of the Sub-Fund are insufficient to fund a distribution, the Managers may in their discretion, with the consent of the trustee of the Sub-Fund ("**Trustee**") determine that such distributions be paid out of capital of the Sub-Fund.

² Please refer to www.tyndall.com.au/about/awards for the list of awards from 2003 to 2013.

Nikko Asset Management Asia Limited

12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961
 Tel : 1800 535 8025 DID: +65 6535 8025 Fax : +65 6534 5183
www.nikkoam.com.sg

Co. Registration No. 198202562H

	Current	Proposed
Investment Objective	To achieve medium to long term capital appreciation.	To provide a total return of capital growth and income over the medium to long term by investing in shares that are listed on stock exchanges in Australia and that offer attractive and sustainable dividend payments.
Investment Policy, Focus and Approach	<p>The Sub-Fund seeks to achieve its investment objective by investing all or substantially all of its assets in the shares of Russell Pacific Basin Equity Fund, a sub-fund within the Russell Investment Company plc.</p> <p>The investment objective of Russell Pacific Basin Equity Fund is to achieve capital appreciation by investing primarily in equity securities listed on the stock exchanges in Hong Kong, Singapore, Malaysia, Thailand, Philippines, Korea, Indonesia, Australia and New Zealand.</p>	The Sub-Fund will seek to achieve its investment objective by investing directly in a diversified portfolio of dividend-producing equity investments that offer attractive and sustainable dividends from companies in Australia with relatively strong sustainable cash flows, stable growth and stable dividend payout. There will be no target industry or sector.
Investment Adviser	Investment Adviser: Russell Investment Group Private Limited.	Nil.
Sub-Managers	Nil.	Nikko AM Limited (formerly known as Tyndall Investment Management Limited and part of the Nikko Asset Management Group).
Base currency of the Sub-Fund	Singapore dollar (“ SGD ” or “ S\$ ”)	Australian dollar (“ AUD ” or “ A\$ ”)
Benchmark	Russell Asia Pacific ex Japan (All cap) Index.	The Sub-Fund’s performance will not be measured against any benchmark because the investments of the Sub-Fund will be managed on a total return basis.
Classes of Units	<p>2 Classes of Units (each a “Class” and collectively the “Classes”), namely:</p> <p>1. S\$ Class Units; and</p> <p>2. United States dollars (“US\$”) Class Units.</p>	<p>5 Classes of Units, namely:</p> <p>1. S\$ (Acc) Class Units*;</p> <p>2. US\$ (Acc) Class Units*;</p> <p>3. S\$ (Dist) Class Units^;</p> <p>4. US\$ (Dist) Class Units^; and</p> <p>5. A\$ (Dist) Class Units^.</p> <p><i>* The existing S\$ Class will be re-designated to the S\$ (Acc) Class, and the existing US\$ Class will be re-designated to the US\$ (Acc) Class.</i></p> <p><i>^ To be established on the effective date, but such Classes will only be launched at such date(s) as may be determined by the Managers with prior written notice to the Trustee.</i></p>
Distribution Policy	The Sub-Fund does not make any distributions.	<p>Monthly distributions of approximately 5% to 7% per annum of the net asset value per Unit to Holders of the proposed new S\$ (Dist) Class, US\$ (Dist) Class and A\$ (Dist) Class¹.</p> <p>The Sub-Fund will continue not to make any distributions to Holders of the S\$ (Acc) Class and the US\$ (Acc) Class.</p>

4. What action should existing Holders take to vote at the Meeting of Holders?

You may vote at the Meeting of Holders through the following channels:

- **Units Purchased Using Cash**

Please note that if you have purchased your Units using cash through any distributors of the Managers, your Units would be registered in the name of the distributor or its nominee for your account. Therefore, unless you instruct the distributor for your account specifically on how you wish them to exercise your votes on your behalf by submitting a voting form to them, the distributor for your account would be able to exercise or decline to exercise your votes at their discretion, and in such manner as they deem fit.

If you wish to instruct the distributor for your account specifically on how you wish them to exercise your votes on your behalf, please contact the distributor to obtain a copy of the voting form. The voting form should be completed and returned to the distributor by such deadline as determined by the distributor. Kindly check with the distributor from whom you bought your Units on the deadline that is applicable to you. Duly completed voting forms received prior to such deadline will be valid for the meeting and any adjourned meeting.

- **Units Purchased Using Central Provident Fund (“CPF”) or Supplementary Retirement Scheme (“SRS”) Monies**

If you have purchased your Units using CPF monies or SRS monies through any distributors of the Managers, your Units may be registered (i) in the name of the distributor or its nominee for your account, or (ii) in your own name. Please confirm with the distributor whether (i) or (ii) applies to you. If (i) applies to you, unless you instruct the distributor for your account specifically on how you wish them to exercise your votes on your behalf by submitting a voting form to them, the distributor for your account would be able to exercise or decline to exercise your votes at their discretion, and in such manner as they deem fit.

If (ii) applies to you and you cannot attend the meeting in person but would like your vote to be considered, please complete and return the enclosed proxy form enclosed with the accompanying notice on the adjourned meeting so that it will arrive at the **office of Nikko Asset Management Asia Limited at 12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961**, sent to the attention of **Mr Christopher Yik** no later than **9.30am on 28 October 2014**. Duly completed proxy forms received prior to such deadline will be valid for the meeting. Submission of a proxy form will not preclude you from attending and voting at the meeting in person if you so wish.

Important Information:

This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. Any securities mentioned herein are for illustration purposes only and should not be construed as a recommendation for investment. You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. Investments in unit trusts are not deposits in, obligations of, or guaranteed or insured by Nikko Asset Management Asia Limited (“**Nikko AM Asia**”).

Past performance or any prediction, projection or forecast is not indicative of future performance. The funds may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the funds are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product highlights sheet obtainable from appointed distributors of Nikko AM Asia or our website (www.nikkoam.com.sg) before investing.

The information contained herein may not be copied, reproduced or redistributed without the express consent of Nikko AM Asia. While reasonable care has been taken to ensure the accuracy of the information as at the date of publication, Nikko AM Asia does not give any warranty or representation, either express or implied, and expressly disclaims liability for any errors or omissions. Information may be subject to change without notice. Nikko AM Asia accepts no liability for any loss, indirect or consequential damages, arising from any use of or reliance on this document.

The Central Provident Fund (“**CPF**”) interest rate for the Ordinary Account (“**OA**”) is based on the 12-month fixed deposit and month-end savings rates of major local banks, subject to a minimum 2.5% interest per annum. The interest rate for Special, Medisave and Retirement Accounts (“**SMRA**”) is pegged to the 12-month average yield of 10-year Singapore Government Securities yield plus 1%. A 4% floor rate will be maintained for interest earned on SMRA until 31 December 2014, after which a 2.5% minimum rate will apply. An extra 1% interest is paid on the first S\$60,000 of a member's combined balances, including up to S\$20,000 in the OA. The first S\$20,000 in the OA and the first S\$40,000 in the Special Account cannot be invested under the CPF Investment Scheme.