



2 March 2021

YARRA CAPITAL MANAGEMENT ANNOUNCES PARTNERSHIP WITH NIKKO ASSET MANAGEMENT'S AUSTRALIAN BUSINESS

- *Creates one of Australia's largest independently owned Australian funds management businesses, with approximately \$A20 billion¹ of funds under management*
- *Nikko Asset Management and Yarra Capital Management to enter into partnership focussed on long-term growth, providing Nikko Asset Management with a 20% stake and board representation in the enlarged group and expanding Nikko Asset Management's distribution capacity in Australia*

Independent Australian fund manager Yarra Capital Management (Yarra) and global funds management group Nikko Asset Management Co., Ltd (Nikko AM) today announced that they have entered into a binding agreement through which Yarra will acquire Nikko AM's Australian business.

Under the terms of the agreement, Yarra will assume ownership of Nikko AM's Australian subsidiary, Nikko AM Limited, and its associated entities. The combination will create one of Australia's largest independently owned Australian equities and fixed income fund managers.

The transaction, which remains subject to certain regulatory approvals, is expected to close in April 2021. Following completion:

- Nikko AM's Australian equities business, comprising an 11-person investment team that has worked together for more than 15 years, will be rebranded which will see a return of the Tyndall brand. The Tyndall franchise will be led by Brad Potter (Nikko AM's Head of Australian Equities) and will remain separate to Yarra's style-neutral Australian equities business, with no crossover in investment management activity and no change to its value investment philosophy, process or team;
- Nikko AM's Australian fixed income business, a highly regarded franchise with 15 years' experience managing assets for a diverse range of local and offshore clients, will be combined with Yarra's growing fixed income operations. The new business, which will benefit from a significantly broadened capability, will be jointly led by Roy Keenan (Yarra's Head of Australian Fixed Income) and Darren Langer (Nikko AM's Head of Australian Fixed Income), as Co-Heads of Australian Fixed Income;
- Dion Hershan, currently Yarra's Managing Director and Head of Australian Equities, will become Executive Chair and Head of Equities (Yarra). In his new role, he will devolve all day-to-day management responsibilities. A search for a new Managing Director to lead the combined business has commenced, with an appointment expected to be confirmed in the coming months. Until then, Garvin Louie will serve as Interim Managing Director. Garvin is Yarra's General Counsel and currently leads the Firm's Business Operations function;
- Nikko AM will become a 20% shareholder in the enlarged group and will appoint one director to its Board, while Michael Gordon (Non-Executive Director, Yarra) will join Tyndall's Board as Chairman;
- All existing Australian clients of Nikko AM Limited are assured of a seamless transition to the new organisation;

¹ As at 31 December 2020

- The partnership will benefit from an enhanced product suite, with Nikko AM’s global business gaining access to Yarra’s Australian equity and fixed income products, and Yarra assuming responsibility for the distribution of Nikko AM’s global suite of products in the Australian market.

Commenting on behalf of Yarra, Dion Hershan said:

“The combination of these two outstanding franchises will create one of Australia’s largest independent fund managers, with approximately \$20 billion of assets under management. The transaction will enable us to continue strengthening our partnerships with clients and will provide the additional scale to support greater investment in talent, technology and operational excellence.

Yarra was attracted to the quality of the people within Nikko AM’s Australian business and we are delighted to welcome them into the Yarra team. We are also extremely pleased to bring Nikko AM on board as a strategic investor alongside TA Associates. This partnership will help us expand the global reach of our investment strategies, in particular in Japan where we have achieved significant growth in recent years.”

Commenting on behalf of Nikko AM, Nikko AM President and Co-CEO, Hideo Abe, remarked:

“This partnership takes our commitment in Australia to the next stage. We are confident that our investment in Yarra will be the catalyst to enhance the capabilities that Australian investors are looking for, while sales, distribution and back and middle office functions will complement each other and thus continue to provide quality service to our clients. We are also excited to be able to expand our Australian equity and fixed income product offering to Japanese and global investors in this new capacity.”

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For further information

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INVESTMENT TEAM LEADERSHIP (POST COMPLETION)

- Dion Hershan, Executive Chair, Head of Australian Equities, Yarra Capital Management
- Brad Potter, Head of Australian Equities, Tyndall
- Tim Johnson, Deputy Head of Australian Equities, Tyndall
- Katie Hudson, Head of Small Caps, Yarra Capital Management
- Joel Fleming, Head of Microcap, Yarra Capital Management
- Roy Keenan, Co-Head of Australian Fixed Income, Yarra Capital Management
- Darren Langer, Co-Head of Australian Fixed Income, Yarra Capital Management
- Tim Toohey, Head of Macro and Strategy, Yarra Capital Management

NOTES TO EDITORS

About Yarra Capital Management

Yarra Capital Management is a leading independent, active Australian fund manager. With approximately \$8.0bn of assets under management, the firm's offering includes its fundamental Australian equities product set, consisting of long-only, concentrated strategies, and fixed income capabilities which provide clients with access to credit products. The firm serves the Australian institutional and retail markets, and its Australian investment products are accessed from various international markets, including Japan and New Zealand.

For more information, please visit www.yarracm.com.

About Nikko Asset Management

With US\$284.4 billion* under management, Nikko Asset Management is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of equity, fixed income, multi-asset and alternative strategies. In addition, its complementary range of passive strategies covers more than 20 indices and includes some of Asia's largest exchange-traded funds (ETFs).

Headquartered in Asia since 1959, the firm employs approximately 200** investment professionals, representing approximately 30 nationalities across 11 countries. More than 400 banks, brokers, financial advisors and life insurance companies around the world distribute the company's products.

The investment teams benefit from a unique global perspective complemented by the firm's historic Asian DNA, striving to deliver consistent excellence in performance. The firm also prides itself on its progressive, solution-driven approach, which has led to many innovative funds launched for its clients.

For more information about Nikko Asset Management and to access its investment insights, please visit the firm's homepage <http://en.nikkoam.com/>.

* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of 31 December 2020.

** As of 31 December 2020, including employees of Nikko Asset Management and its subsidiaries.