

# ASSET MANAGEMENT LLP CouplandCardiff

## CC Japan Income & Growth Trust plc

31st May 2017

### Investment Objective

To provide shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.

### Book Exposure

Book	Exposure	No Stocks
<b>Dividend Growth</b>	93.3%	30
<b>Special Situations</b>	11.0%	3
<b>Stable Yield</b>	14.9%	5
<b>Total</b>	119.2%	38

Source: CCAM as at 31.05.2017

### Fund Statistics

<b>Market Value</b>	£111m
<b>No. Shares in issue</b>	84,168,162
<b>NAV cum Income GBP</b>	131.91
<b>NAV ex Income GBP</b>	129.96
<b>Share Price GBP</b>	135.25
<b>Premium (Discount)</b>	2.53%
<b>Dividends Paid</b>	Aug & Mar
<b>Financial Calendar:</b>	
<b>Year End</b>	31 October
<b>Company Fees:</b>	
<b>Ongoing charges figure (OCF) per year (31.10.16)</b>	1.12%
<b>OCF includes Annual Management Fee:</b>	0.75%

### Company Codes:

<b>ISIN</b>	GB00BYSRMH16
<b>Sedol</b>	BYSRMH1 GB
<b>Bloomberg</b>	CCJI LN

AIFMD - as at 31.12.2016

Exposure by Calculation Method	% NAV
Gross	122
Exposure by Calculation Method	% NAV
Commitment	120

Source: CCAM as at 31.05.2017

Performance (%)	1yr	Since Inception
<b>Share Price</b>	25.81	35.25
<b>NAV cum</b>	29.12	31.91
<b>TOPIX TR GBP</b>	32.57	36.13

Source: Independent returns are calculated daily by Northern Trust Global Services Limited. The NAV performance details shown are net NAV to NAV percentage returns with gross income re-invested. You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise. All figures are in GBP or Sterling adjusted. Inception date 14th December 2015.

### Fund Commentary

The NAV (cum) of the CC Japan Income & Growth Trust rose by 6.51% in May a positive return over the rise of the Topix Total Return index.

The Company issued an additional 900,000 shares during the month to raise approximately £1.17m. These funds were used to establish a holding in Resona Bank, a financial group which operates three banks, in the vibrant Kanto and Kansai regions of Japan. Since the financial crisis the management have demonstrated a clear commitment to delivering sustainable and stable dividends to their shareholders particularly through the repurchase and cancellation of preferred stock and a reallocation of cash dividends to the ordinary shares.

The Japanese equity market benefited from the generally more sanguine geopolitical backdrop which followed the result of the French election. The Topix index actually rose to its highest levels since December 2015 during the month in response to a generally healthy fiscal year end reporting season. After a few quarters of subdued growth, both sales and profits grew strongly in the final three months of the year. According to Nomura Securities the RoE of their large cap index universe exceeded 8% and is approaching its recent peak.

Highlights from the recent full year results and fiscal year 2017 projections include the confirmation of the steady progression of shareholder returns from the major banks despite the tough operating conditions. Mitsubishi UFJ Financial Group announced a stable dividend (2.5% yield), a sixth consecutive half year share buyback and reaffirmed its commitment to shareholders in its long term planning to the year 2024. In recent years this policy at Japan's leading financial organization has equated to an increase in the annual shareholder return ratio to 50%. Sumitomo Mitsui Financial Group announced a dividend increase for FY17, equivalent to a 3.9% yield. These positive developments reflect the healthy capital positions of each bank and the recent recovery in their core lending income.

NTT, Japan's leading fixed line telephone operator, announced the plan to increase its dividend for FY17 to Y150 from Y120 paid in 2016. This 25% yoy increase is an acceleration of the growth rate and is further evidence of the management's clearly expressed intention to offer stable and sustainable returns to shareholders.

Favourable dividend indications from Hikari Tsushin and Yamada Consulting as well as a share buyback announcement from Canon were all well received and contributed to the strong performance of the Trust in the month.

### Top 10 Sectors

Sector	(%)
Services	19.1
Info & Comms	14.6
Chemicals	11.3
Real Estate	11.1
Banks	10.5
Electrical Appliances	10.0
Machinery	7.4
Transport Equipment	6.5
Rubber Products	4.4
Construction	4.2
<b>Total</b>	<b>99.1</b>

Source: CCAM as at 31.05.2017

### Top 10 Holdings

Holding	(%)
Tokyo Electron	5.2
Nippon T&T	5.1
Kao Corp	4.5
Tsubaki Nakashima	4.4
Bridgestone Corp	4.4
Daiwa House	4.2
Japan Tobacco	4.1
Noevir Holdings	4.1
KDDI Corp	4.0
Yamada Consulting	4.0
<b>Total</b>	<b>44.0</b>

## Portfolio Characteristics:

	Stable Yield	Dividend Growth	Special Situation	Portfolio
<b>Weighting</b>	14.9%	93.3%	11.0%	119.2%
<b>Holdings</b>	5	30	3	38
<b>(of which are REIT Holdings)</b>	1	2	0	3
<b>Average Market Cap</b>	\$38,282m	\$20,724m	\$17,195m	\$22,400m
<b>Dividend Yield</b>	4.3%	3.2%	2.7%	<b>3.9%*</b>
<b>5 Year Dividend Growth (Historic)</b>	6.6%	26.2%	23.0%	23.5%
<b>Payout Ratio</b>	61.2%	51.0%	42.3%	51.9%
<b>PER</b>	12.7x	16.3x	17.8x	16.0x
<b>PBR</b>	1.0x	2.8x	2.8x	2.6x

Source: CCAM and Bloomberg, all data as at 31.05.2017. \*Estimated gross portfolio yield, the net yield paid will be lower.

## COMPANY INFORMATION

Launch date	14 December 2015
AIC sector	Japan
Benchmark	TOPIX TR GBP
Fund manager	Richard Aston
Directors	Harry Wells (Chairman), John Scott, Mark Smith, Peter Wolton.
Share buy back	The Company has authority to purchase up to 14.99% for cancellation / hold in Treasury.

## CONTACT DETAILS

Address	Coupland Cardiff Asset Management LLP 5th Floor, 31-32 St. James's Street London, SW1A 1HD.
Company Secretary	PraxisIFM Fund Services (UK) Limited
Stockbroker	Peel Hunt
Market makers	Peel Hunt, Winterflood Securities.
Website	www.ccjapanincomeandgrowthtrust.com

## Important Information

This factsheet is to provide you summary information about the Company and should not be taken as advice or a recommendation to buy or sell its shares. If you are unsure of the suitability of this product for your investment needs, please contact a financial adviser.

The value of the trust's shares will fluctuate. The price of shares in the trust is determined by market supply and demand. The share price may be different to the net assets of the trust.

The trust may enter into long only contracts for difference or equity swaps for gearing and efficient portfolio management purposes. It may also use borrowing to seek to enhance investment returns. This will exaggerate market movements both up and down. Generally gearing, through borrowings and/or entering into long only contracts for difference or equity swaps, will not exceed the net asset value by more than 20% at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate. Where the trust utilises such instruments, it is likely to take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default.

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Shareholders should read the trust's product documentation before investing, including the latest Report and Accounts, the Alternative Investment Fund Managers Directive Disclosure Document as they contain important information regarding the trust, including charges, tax and specific risk warnings and will form the basis of the investment.

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