

The NAV of the CC Japan Income & Growth Trust rose in January reflecting better global sentiment for equities and reversing some of the sharp sell-off at the end of 2018. Rising expectations for bilateral talks between China and the US, combined with comments from Chairman of the Federal Reserve that the central bank would be patient in raising rates and flexible in the ongoing reduction of its balance sheet, calmed short term fears. Many of the economically sensitive stocks which led the falls in the Trust's NAV in December, such as Tokyo Electron, Komatsu and Amada, were the major positive contributors for the month. Economic data in China continues to highlight the prospect of a deteriorating short term outlook and this was reflected in the weak performance of the share prices of companies such as Shoen, Noevir and Kao which are seen as beneficiaries of higher local consumption.

We believe that immediate concerns about an economic slowdown increases the importance of shareholder return and particularly the robustness of these returns if the corporate earnings outlook deteriorates. An article in the Nikkei newspaper this month highlighted the progress that has been made in recent years and the fact that this was featured prominently on the front page confirms our view that a more favourable treatment of shareholders has gained widespread recognition in Japan. The newspaper estimates that total shareholder returns, incorporating dividend and share buybacks, will exceed Y15trn (approximately \$140bn) in fiscal year 2018 (ending in March 2019). This establishes a new record amount and represents a doubling over the past five years. The total dividends for all listed companies are expected to reach Y10.7trn up 15% from the previous year while the value of share buybacks is expected to rise 57% to Y4.6trn. The sharp rise in buybacks after two consecutive years of decline is confirmation of the 'flexible' approach to repurchasing shares detailed by most companies in their shareholder return policies. The equity market weakness during 2018 has provided the opportunity for management to acquire shares at substantially lower prices and clearly represents a prudent approach aimed at improving capital efficiency.

It is interesting to note that the Tokyo Stock Exchange is considering a revision to the benchmark Topix index with the purpose of improving the investment appeal of the Japanese equity market, which currently suffers from a long tail of small companies whose reason for listing and treatment of shareholders is often questionable. Further details are expected in April with the TSE's "review of equity market structure" and adds weight to our belief that there is no lack of momentum in the goal of improving corporate governance in Japan.

Fund Statistics		Investment Objective		Cumulative performance (%) ⁽¹⁾					
Market Value	£ 178m	To provide shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.				YTD	1 Yr	2yr	Inception
No. Shares in issue	129,201,781				Share Price	-3.10	-13.83	19.19	44.23
Launch date	Dec 2015				NAV	6.22	-9.81	20.07	49.94
NAV per share cum Income GBp	138.14				TOPIX TR GBP	3.29	-5.82	6.62	43.12
NAV per share ex Income GBp	137.12								
		Book Exposures		Discrete performance (%) full calendar years ⁽¹⁾					
Share Price GBp	138.00		No. Stks	%		2018	2017	2016	
Premium (Discount)	(0.1%)	Dividend Growth	32	97.3	Share Price	-6.72	37.48	13.18	
Dividends Paid	Aug & Mar	Special Situations	4	9.9		NAV	-11.34	30.64	19.28
Dividend Yield	2.72% ⁽²⁾	Stable Yield	4	13.1	TOPIX TR GBP	-8.89	15.50	23.63	
Financial Calendar:		Total	40	120.3					
Year End	31 October								
Company Fees:		Dividend (in GBp)							
Ongoing charges ratio (OCR) per year (31.10.18)	1.09%		2016/17	2017/18	2018/19				
		Aug	1.00	1.15	1.25				
		Feb/Mar	2.00	2.30	2.50				
OCR includes Annual Management Fee:	0.75%	Total	3.00	3.45	3.75				
AIFMD Exposure Calculation at		Notes							
Gross	128.5 (% nav)	(1) Source: Independent NAVs are calculated daily by PraxisIFM Fund Services (UK) Limited (by Northern Trust Global Services Limited pre 01.10.17.) Total return performance details shown are net NAV to NAV returns with gross income re-invested; Share price total return is on a mid to mid price basis. 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 and investors may not get back the full amount invested. All figures are in GBP or Sterling adjusted. Inception date 15th December 2015. Investments denominated in foreign currencies expose investors to the risk of loss from currency movements as well as movements in the value, price or income derived from the investments themselves and some of the investments referred to herein may be derivatives or other products which may involve different and more complex risks as compared to listed securities. CC Japan Income & Growth Trust plc (the Company) does not currently intend to hedge the currency risk. (2) The yield is calculated using the actual dividends declared during the past 12 months and the closing share price and exchange rate as at the date of this factsheet. This is rounded to 2 decimal places.							
Commitment	123.7 (% nav)								
Company Codes:									
ISIN	GB00BYSRMH16								
Sedol	BYSRMH1 GB								
Bloomberg	CCJI LN								

Top 10 Holdings	
Holding	(%)
Nippon T&T	4.8
Japan Hotel Reit	4.7
Mitsubishi Corp	4.7
Itochu Corp	4.5
Toyota Motor Corp	4.4
Tokio Marine Holdings	4.4
Invesco Office J-Reit	4.3
Sumitomo Mitsui Financial	4.2
Bridgestone Corp	4.1
Daiwa House Industry	3.3
Total	43.4

Top 10 Sectors	
Sector	(%)
Services	17.2
Real Estate	14.9
Info & Communications	11.6
Banks	10.6
Chemicals	9.3
Wholesale	9.2
Machinery	8.4
Electrical Appliances	7.7
Construction	6.4
Transport Equipment	6.0
Total	101.3

Company Information

Launch date	15 December 2015
AIC sector	Japan
Fund manager	Richard Aston
Directors	Harry Wells (Chairman), Kate Cornish-Bowden, John Scott, Mark Smith, Peter Wolton.
Share buy back	The Company has authority to purchase up to 14.99% of issued share capital (as at 31.01.17) for cancellation/to 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

Key Risks

Liquidity risk – The Company may encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Credit and counterparty risks – the Company may be exposed to credit and counterparty risks in relation to the securities and counterparties it invests in and with whom it transacts.

Concentration risk – This Company holds a limited number of investments. If one of these falls in value, it can have a greater impact on the Company's value than if the Company held a larger number of investments.

Currency risk – Investing in assets in a currency other than your own exposes the value of your investment to exchange rate fluctuations. Changes in the exchange rate between Sterling and Yen may lead to a depreciation in the value of the Company assets as expressed in Sterling.

Derivatives – the Company may use derivatives as investments or to manage the risk profile of the Company. Their use may increase the risk of losses as well as enhance potential gains as compared to funds that do not use derivatives.

The Company prospectus gives you further details about all the risks for this fund – see under “Important Information” for how to obtain a copy.

Important Information

The Key Information Document and the latest prospectus of the Company are available on the Company's website:

www.ccjapanincomeandgrowthtrust.com.

All data as at 31.01.2019 unless stated otherwise. All information is sourced from CCAM unless stated otherwise.

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

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

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