

CC Japan Income & Growth Trust plc

ASSET MANAGEMENT LLP

CouplandCardiff

Commentary

October 2020

Japanese equity indices fell in October mirroring moves in other regions. Asset prices worldwide remain sensitive to any news concerning the Covid-19 pandemic and the potential for stimulus to cope with its effects on regional economies. Markets were initially buoyed by expectations for a resounding victory by Joe Biden and the Democratic Party in the US Presidential election. This raised the prospects for large scale fiscal spending and less emphasis on monetary policy out but closer to the November 3 polling the result looked likely to be closer and the enthusiasm petered out as fears over the pandemic intensified with a number of European countries reintroducing lockdown measures and reports of Covid-19 vaccine trials being halted.

As at the end of October the total number of coronavirus cases in Japan was just over 100,000 with approximately 1,800 deaths being recorded, figures much lower than in other regions. As a result the Japanese economy has continued its gradual recovery experienced since the end of the state of emergency at the end of May. Data shows that sales of goods of generally returned to pre-pandemic but those of services, such as travel and dining out, remained at depressed levels due to the implementation of social distancing measures and more cautious individual behaviour. Whether this structural change in household consumption patterns is a temporary phenomenon or has long lasting effects has become an important consideration.

These trends are clear in the Q2 reporting season which began in October. Also of note is the commitment to shareholder return in accompanying corporate announcements, with clarification on dividends and the re-emergence of share buybacks after a slowdown during the uncertainty of state of emergency. Notable amongst portfolio holdings were Shin-Etsu Chemical and Nippon Parking Development which both confirmed dividend increases for the current year despite a short period of tougher earnings while NTT (Y250bn) and KDDI (Y200bn) announced additional buyback programmes of 3.2% and 3.6% of outstanding equity respectively.

Fund Statistics		Investment Objective			Dividend (in GBP)					
Market Value	£184m	To provide shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.			Ex date	16/17	17/18	18/19	19/20	20/21
No. Shares in issue	134,730,610				Jun/Jul	1.00	1.15	1.25	1.40	1.40
Launch date	Dec 2015				Jan/Feb	2.00	2.30	2.50	3.10	
NAV per share cum Income GBP	136.84				Total	3.00	3.45	3.75	4.50	
NAV per share ex Income GBP	133.20	Book Exposures			Discrete performance (%) full calendar years ⁽¹⁾					
Share Price GBP	119.500		No. Stks	%	Total Return	2019	2018	2017	2016	
Premium (Discount)	(12.7%)	Dividend Growth	35	100.3	Share Price	10.79	-6.72	37.48	13.18	
Dividends Paid	Aug & Mar	Special Situations	3	6.6	NAV	20.75	-11.34	30.64	19.28	
Dividend Yield	3.77% ⁽²⁾	Stable Yield	5	11.2	TOPIX TR in GBP	15.65	-8.89	15.50	23.63	
Financial Calendar:		Total	43	118.1						
Year End	31 October	Cumulative performance (%) ⁽¹⁾								
Company Fees:		Total Return	YTD	1 Yr	2yr	3yr	Inception			
Ongoing charges ratio (OCR) per year (31.10.20)	1.04% ⁽³⁾	Share Price	-20.89	-17.33	-16.41	-13.52	35.60			
OCR includes Annual Management Fee:	0.75%	NAV	-11.05	-11.24	-2.91	1.31	51.96			
AIFMD Exposure Calculation at 30.06.20		TOPIX TR in GBP	-0.76	0.33	7.43	6.82	59.04			
Gross	117.7 (% nav)	Notes								
Commitment	120.4 (% 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. Share Price period returns displayed are calculated as Total Return. (2) The yield is calculated using the actual dividends declared during the past 12 months and the closing share price as at the date of this fact-sheet. This is rounded to 2 decimal places. (3) Source: OCR is calculated by PraxisIFM Fund Services (UK) Limited. This is rounded to 2 decimal places.								
Company Codes:										
ISIN	GB00BYSRM-H16									
Sedol	BYSRMH1 GB									
Bloomberg	CCJI LN									

Top 10 Holdings	
Holding	(%)
Shin-Etsu Chemical	6.0
West Holdings	5.5
Itochu Corp	5.2
Nippon T&T	4.7
GLP J-Reit	4.6
Tokio Marine Holdings	4.5
SBI Holdings	4.0
Tokyo Electron	4.0
Softbank	3.8
Japan Exchange	3.7
Total	46.0

Top 10 Sectors	
Sector	(%)
Info & Communications	19.3
Chemicals	17.0
Services	14.8
Real Estate	14.2
Electrical Appliances	12.3
Wholesale	8.0
Banks	6.0
Other Products	5.8
Insurance	4.5
Sec & Commodity	4.0
Total	105.9

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) or 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 30.10.2020 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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