

The NAV performance of the CC Japan Income & Growth Fund was worse than the index in January. Market sentiment during the month was impacted by two major international events: firstly, the discord between the United States and Iran following the military strike in which General Qassem Soleimani was killed, and secondly the outbreak of the coronavirus in the Wuhan province of China. The latter, and specifically with its impact on international travel in the near term, had a negative effect on the performance of a number of portfolio holdings including the cosmetic manufacturers and hotel REITs (both of which were also affected greatest by the SARS outbreak in 2003).

There is little to be gained in a forum such as this from discussing the medical implications of the virus itself. Much more pertinent to shareholders of the CC Japan Income & Growth Fund is the impact that concerns about the coronavirus had on our stocks. It is unsurprising that a company like Japan Hotel REIT which runs hotels popular with visitors to Japan, saw its share price fall. The same can also be said about cosmetics company Pola Orbis whose products are popular with Asian visitors to Japan. Given anecdotal evidence of the high levels of cancellations for bookings for Asian tourists visiting Japan, it seems likely that both these companies, and others, will see their sales and profits suffer over the coming months. However, given the long term investment horizons of the strategy, we believe that the share price weakness should present us with opportunities to purchase additional shares at prices which do not reflect the longer term goals of the Japanese Government to promote tourism in Japan.

These are two very different issues that have impacted the outlook from those that might have been expected when initially considering the prospects for 2020. While diplomacy has reduced the immediate concern over the situation in the Middle East, the impact of the rapid spread of the coronavirus is unknown. The potential recovery of the Chinese economy, still an important factor for many Japanese companies, is an important consideration for the coming year. Amongst the other issues on the horizon are BOJ Policy, the Tokyo Olympics in July, the US Presidential Election in November 2020, and, slightly further afield, the stance of Prime Minister Abe on re-election or otherwise in September 2021.

Book Exposures			Fund Highlights	Investment Objective
	No. Stks	%	CC Japan Income & Growth Fund offers investors a concentrated, conviction exposure to the Japanese market, with a focus on investing in companies that are seen as undervalued with strong balance sheets and sound business franchises, but also can offer a return to shareholders through either dividend yields or share buybacks.	To provide investors with long term capital appreciation and an income through an actively managed portfolio of equities listed in Japan.
Dividend Growth	31	80.5		
Special Situations	2	5		
Stable Yield	5	13.3		
Cash & Other	0	1.2		

Fund Statistics		Cumulative performance (%) <sup>(1)</sup>						
Fund Manager:	Richard Aston		1 mth	YTD	1 Yr	3 Yrs	5 Yrs	Inception
Fund Size:	USD 942m	JPY S Ac <sup>(2)</sup>	-2.92	-2.92	9.58	18.30	35.77	124.70
Launch Date	31.01.2013	GBP S Ac <sup>(2)</sup>	-2.92	-2.92	9.75	18.78	34.04	119.07
Dealing	Daily	USD S Ac <sup>(2)</sup>	-2.81	-2.81	11.82	24.54	42.26	131.54
Denomination	Yen	Index	-2.14	-2.14	10.17	18.46	32.74	104.42
Benchmark	TOPIX TR							
Structure	Irish OEIC, UCITS V							

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Dividend Yield *	Discrete annual performance (%) full calendar years <sup>(1)</sup>						
3.6%		2019	2018	2017	2016	2015	2014
	JPY S Ac <sup>(2)</sup>	19.04	-17.04	23.80	-1.80	18.73	18.94
	GBP S Ac <sup>(2)</sup>	19.15	-16.96	24.13	-3.59	18.84	18.40
	USD S Ac <sup>(2)</sup>	21.59	-15.53	25.26	-1.97	11.01	17.90
	Index	18.12	-15.97	22.23	0.31	12.06	10.27

\*Forecast gross portfolio yield of the underlying portfolio holdings, the net yield paid will be lower.

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. 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. All figures quoted are in JPY. Source: Independent returns are calculated daily by Northern Trust International Fund Administration Services (Ireland) Limited. All performance details shown are net NAV to NAV percentage returns with gross income re-invested.

Top 10 Holdings	
Holding	(%)
Nippon T&T	4.8
Itochu Corp	4.8
Tokio Marine Holdings	4.4
Shin-Etsu Chemical	4.1
Toyota Motor Corp	4.1
Invesco Office J-Reit	3.9
Sumitomo Mitsui Financial	3.8
Mitsubishi Corp	3.6
Bridgestone Corp	3.6
Invincible Investment Corp	3.5
<b>Total</b>	<b>40.6</b>

Top 10 Sectors	
Sector	(%)
Real Estate	12.3
Chemicals	11.2
Info & Communications	9.4
Banks	8.4
Wholesale	8.4
Machinery	6.7
Electrical Appliances	6.2
Services	5.4
Construction	5.4
Insurance	4.4
<b>Total</b>	<b>77.8</b>

Share Class Detail			
Share Class	GBP Accumulation Class	GBP Income Class	JPY Accumulation Class
NAV	Not launched	14.959	1261.692
Currency	GBP	GBP	YEN
Launch Price	£10	£10	¥1000
Dealing Frequency	Daily	Daily	Daily
Management Fee <sup>(4)</sup>	0.9%	0.9%	0.9%
Ongoing Charges Figure (incl. Mgmt Fee) <sup>(3)</sup>	1.08%	1.08%	1.08%
Performance Fee	n/a	n/a	n/a
Minim. Investment	£100,000	£100,000	¥10,000,000
Launch date	Not launched	19.8.2013	23.4.2013
Sedol	B827JW9	B8B2R10	B8J9SY3
ISIN	IE00B827JW93	IE00B8B2R107	IE00B8J9SY37
Bloomberg	CCJIGBA ID Equity	CCJIGBI ID Equity	CCJIGJA ID Equity
Share Class	JPY Income Class	USD Accumulation Class	USD Income Class
NAV	1183.501	22.023	13.581
Currency	YEN	USD	USD
Launch Price	¥1000	\$10	\$10
Dealing Frequency	Daily	Daily	Daily
Management Fee <sup>(4)</sup>	0.9%	0.9%	0.9%
Ongoing Charges Figure (incl. Mgmt Fee) <sup>(3)</sup>	1.08%	1.08%	1.08%
Performance Fee	n/a	n/a	n/a
Minim. Investment	¥10,000,000	\$100,000	\$100,000
Launch date	13.1.2015	7.2.2013	27.10.2014
Sedol	B886Z00	B8Y6JC4	B8L7SS9
ISIN	IE00B886Z009	IE00B8Y6JC44	IE00B8L7SS90
Bloomberg	CCJIGJI ID Equity	CCJIUSA ID Equity	CCJIUSI ID Equity

## Key Risks

Liquidity risk – The Fund 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 Fund 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 Fund holds a limited number of investments. If one of these falls in value, it can have a greater impact on the Fund's value than if the Fund 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.

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

## Important Information

- (1) The benchmark performance shown is that of TOPIX TR in Yen, since 04.02.2013. All share class performance since 04.02.2013 being inception date. NB Month end returns for March 2018 and August 2015 were calculated by CCAM.
- (2) Share class name change on 10th May 2016 from Founder to S.
- (3) Ongoing Charges Figure: as at 30.11.2019
- (4) The management fee was reduced from 1% to 0.9% from 14 August 2019.

All data as at 31.01.2020 unless stated otherwise. All information is sourced from CCAM unless stated otherwise.

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PROSPECTIVE INVESTORS SHOULD REVIEW THE PROSPECTUS, INCLUDING THE RISK FACTORS THEREIN, BEFORE MAKING A DECISION TO INVEST.

Please note that, in Switzerland, the distribution of the Fund is restricted to Qualified Investors only, as per Collective Investment Scheme Act (“CISA”), article 10 para 3. The representative in Switzerland is 1741 Fund Solutions Ltd, Burggraben 16, CH-9000 St. Gallen. The Swiss Paying Agent in Switzerland is Tellco Ltd, Bahnhofstrasse 4, CH-6430 Schwyz. The principal documents of the Fund being the prospectus, the relevant supplements, the key investor information documents, the articles of association and the annual and semi-annual reports may be obtained from the Representative by Qualified Investors only, free of charge. In respect of shares distributed in or from Switzerland to Qualified Investors, the place of performance and jurisdiction is at the registered office of the Representative.

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Copies of the Prospectus and the latest annual report and any subsequent half-yearly report of the Company in English, may be obtained free of charge from the Administrator, Northern Trust International Fund Administration Services (Ireland) Limited, George's Court, 54 – 62 Townsend Street, Dublin 2 or the Investment Manager, Coupland Cardiff Asset Management LLP, 31-32 St James's Street, London SW1A 1HD. Tel : 0207 321 3470.

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