

The Topix Index advanced 6.8% in May. Headline grabbing economic statistics from around the world highlighted the severity of the current downturn but equity markets rallied on expectations for a resurgence of economic activity as restrictions on movement are lifted and for the support offered by stimulus spending packages. The increase in the number of Covid –19 cases showed signs of being controlled in Japan such that the state of emergency, which was introduced on April 7, was lifted in stages and on May 25 the government announced that the restrictions would be removed nationwide. The performance of the fund failed to match the strong run of the index due to a deterioration in the performance of the telecommunications and consumer staples holdings which were weaker despite delivering dividend growth and the prospect of further improvements ahead.

The earnings season was as torrid as might have been expected with analysis from Daiwa Securities reporting (for the 95% of non-financial companies that have reported) that sales in the first quarter of the calendar year fell by 11.9% y/y and operating profits by 51.9%. There is also a clear indication from management comments that worse is to follow in the April-June quarter as this will incorporate the period most significantly affected by the efforts to curb the pandemic. With this likely to be the third consecutive quarter of negative GDP growth the Government approved a second supplementary budget of measures totalling Y117.1trn, the same size as the one announced on April 20. This second budget features rent subsidies, adjustments to the terms regarding furloughed employees, and cash payments to low income households, all aimed at supporting companies through the current crisis. It doesn't however include many specific initiatives for stimulating demand going forward so many questions will remain to be answered in the aftermath.

Despite the obvious challenges and uncertainties, the majority of companies have delivered on their shareholder return commitment for the year just completed and very importantly indicated the intention to continue this with their forecasts for the current year. Additional data from Daiwa Securities indicates that aggregate dividends in Japan are likely to be flat year on year for FY19 and see a small decline in FY20. These are very different from the trends in other geographic regions where large dividend cuts have become common place. Of note are the holdings in the banking sector, Sumitomo Mitsui Financial Group and Mitsubishi UFJ Holdings, which will be maintaining dividends at the same level year on year despite a tougher operating outlook and companies in the telecommunication (NTT, KDDI and Softbank Corp) and trading company (Itochu and Mitsubishi Corp) sectors which will be increasing the level of dividend payment compared to last year. This contrasts starkly with their international peers and offers attraction for income starved investors.

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	28	87.0		
Special Situations	2	5.2		
Stable Yield	4	7.3		
Cash & Other	0	0.5		

Fund Statistics		Cumulative performance (%) ⁽¹⁾						
Fund Manager:	Richard Aston		1 mth	YTD	1 Yr	3 Yrs	5 Yrs	Inception
Fund Size:	USD 689m	JPY S Ac⁽²⁾	4.33	-17.20	-6.81	-3.64	-2.13	91.63
Launch Date	31.01.2013	GBP S Ac⁽²⁾	4.23	-18.08	-7.68	-4.35	-4.64	84.85
Dealing	Daily	USD S Ac⁽²⁾	4.32	-16.92	-5.39	1.37	2.78	97.91
Denomination	Yen	Index	6.82	-7.99	6.15	7.03	4.66	92.19
Benchmark	TOPIX TR							
Structure	Irish OEIC,UCITS V							

Registered for sale in: UK, Ireland, Germany, Luxembourg, Finland & Sweden. Available to Qualified Investors only in Switzerland and Institutional and Accredited Investors only in Singapore.

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Dividend Yield *	Discrete annual performance (%) full calendar years ⁽¹⁾						
3.6%		2019	2018	2017	2016	2015	2014
	JPY S Ac⁽²⁾	19.04	-17.04	23.80	-1.80	18.73	18.94
	GBP S Ac⁽²⁾	19.15	-16.96	24.13	-3.59	18.84	18.40
	USD S Ac⁽²⁾	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

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	5.4
Itochu Corp	5.3
Shin-Etsu Chemical	5.3
Bridgestone Corp	4.4
Tokio Marine Holdings	4.2
SBI Holdings	4.2
Shoei Co Ltd	4.1
Mitsubishi Corp	4.1
Sumitomo Mitsui Financial	4.0
Softbank Corp	3.9
Total	44.9

Top 10 Sectors	
Sector	(%)
Info & Communications	17.3
Chemicals	14.6
Real Estate	9.4
Wholesale	9.4
Banks	6.9
Other Products	6.4
Services	6.2
Electrical Appliances	5.3
Rubber Products	4.4
Insurance	4.2
Total	84.1

Share Class Detail			
Share Class	GBP Accumulation Class	GBP Income Class	JPY Accumulation Class
NAV	Not launched	12.349	1075.493
Currency	GBP	GBP	YEN
Launch Price	£10	£10	¥1000
Dealing Frequency	Daily	Daily	Daily
Management Fee ⁽⁴⁾	0.9%	0.9%	0.9%
Ongoing Charges Figure (incl. Mgmt Fee) ⁽³⁾	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	988.304	18.818	11.364
Currency	YEN	USD	USD
Launch Price	¥1000	\$10	\$10
Dealing Frequency	Daily	Daily	Daily
Management Fee ⁽⁴⁾	0.9%	0.9%	0.9%
Ongoing Charges Figure (incl. Mgmt Fee) ⁽³⁾	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 in 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 29.05.2020 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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