CHIKARA CC JAPAN INCOME & GROWTH TRUST PLC

COMMENTARY — September 2023

The NAV in sterling of the CC Japan Income & Growth Trust rose by 3.0% in September while the Topix Total Return increased by 2.0%. The index rose marginally in local currency terms during the month and the modest reversal of recent GBP strength versus the Yen boosted returns. The best performing sectors were consequently commodity related and financials and a large dispersion was seen between that performance of Topix Value index over its Growth counterpart.

Prime Minister Kishida gave a speech at the Economic Club of New York highlighting the diplomatic and economic progress made during his 2 years of leadership. He reiterated his commitment to increase corporate productivity, labour market mobility, and wages. Further incentives to promote these initiatives are expected to be announced in the upcoming supplementary economic stimulus package. He also highlighted the opportunities to develop the asset management industry in Japan where there are over Y2,000trn of personal financial assets, the majority of which is held as cash deposits. He is seeking ways to reform current practices and encourage more sophisticated techniques to increase the appeal of financial assets for the domestic population. The extension of the NISA offering from January 2024 is the first stage and unifies existing lump sum and regular savings types and importantly offers lifetime tax exemption.

We are excited to have discovered an interesting investment candidate in the field of healthcare a global leading manufacturer of niche medical equipment – ophthalmic knives, rotary tools for dental work and eyeless needles for sutures. This is an area where companies can often exhibit many of the stable operational and financial characteristics well suited to this strategy.

For many years the company has held top market shares in the domestic market for eyeless needles and dental products and has had significant success penetrating markets in the Asian region (particularly China). The current Mid-Term Plan emphasizes the global opportunities for expansion and recent sales growth in India has been a notable highlight of the progress so far. The company has net cash on the balance sheet and has accumulated treasury stock of 8% of outstanding equity. The policy of rewarding shareholders with a ‘stable dividend increase’ is expected to deliver double digit annual growth going forward.

FUND STATISTICS

Market Value	£242m
No. Ordinary Shares in issue	134,730,610
Launch date	Dec 2015
NAV per Ordinary Share cum Income GBp	179.93
NAV per Ordinary Share ex Income GBp	176.15
Ordinary Share Price GBp	172.25
Premium (Discount)	(4.3%)
Dividends Paid	Aug & Mar
Dividend Yield	2.93%[2]
Active Share	81.23%[3]
Financial Calendar Year End	31 October
Company Fees:	
Ongoing charges ratio (OCR) per year (30.04.23)	1.05%[4]
OCR includes Annual Management Fee	0.75%
AIFMD Exposure Calculation (30.09.23):	
Gross	124.63 (% nav)
Commitment	123.29 (% nav)
Company Codes:	
ISIN - Ordinary Share	GB00BYSRMH16
Sedol - Ordinary Share	BYSRMH1 GB
Bloomberg - Ordinary Share	CCJI LN

INVESTMENT OBJECTIVE

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

BOOK EXPOSURES

BOOK EXPOSURES	No. Stocks	%
Dividend Growth	33	100.9
Special Sits.	5	10.6
Stable Yield	3	8.3
Total	41	119.8

DIVIDEND (IN GBP)

Dividends Declared	YE Oct 2023	YE Oct 2022	YE Oct 2021	YE Oct 2020	YE Oct 2019	YE Oct 2018	YE Oct 2017	YE Oct 2016
Jun/Jul	1.55	1.40	1.40	1.40	1.40	1.25	1.15	1.00
Jan/Feb		3.50	3.35	3.20	3.10	2.50	2.30	2.00
Total	1.55	4.90	4.75	4.60	4.50	3.75	3.45	3.00

DISCRETE PERFORMANCE (%) FULL CALENDAR YEAR [1]

Total Return	2022	2021	2020	2019	2018	2017
Ord Share Price	1.79	12.39	-9.09	10.79	-6.72	37.48
NAV (cum inc)	-0.51	10.79	1.23	20.93	-10.96	30.49
TOPIX TR in GBP	-4.60	2.22	9.49	15.65	-8.89	15.50

CUMULATIVE PERFORMANCE (%) [1]

Total Return	1 month	YTD	1 year	3 years	5 years	Inception
Ord Share Price	3.14	19.71	31.92	51.94	24.02	112.24
NAV (cum inc)	2.97	13.16	21.90	39.29	29.93	124.14
TOPIX TR in GBP	1.98	9.33	13.84	14.35	17.18	83.62

Source: Independent NAVs are calculated daily by Apex Listed Companies Services (UK) Limited (by Northern Trust Global Services Limited pre 01.10.17). From January 2021 Total Return performance details shown are net NAV to NAV returns (including current financial year revenue items) with gross dividends re-invested. Prior to January 2021 Total Return performance details shown were net NAV to NAV returns (excluding current financial year revenue items) with gross dividends re-invested. Ordinary Share Price period returns displayed are calculated as Total Return on a Last price to Last price basis. Past performance may not be a reliable guide to future performance. 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 based on a midday FX rate consistent with the valuation point. 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.

TOP 10 HOLDINGS

Holding	(%)
Mitsubishi UFJ Financial	8.3
Sumitomo Mitsui Financial	8.0
Nippon Telegraph and Telephone	5.1
Itochu Corp	4.8
Shin-Etsu Chemicals	4.3
Sompo Holdings	4.0
DIP	4.0
SBI Holdings	4.0
Softbank Corp	3.9
Hitachi Ltd	3.9
Total	**50.3**

TOP 10 SECTORS

Sector	(%)
Chemicals	16.7
Banks	16.3
Info & Communications	14.1
Electrical Appliances	13.6
Wholesale	8.3
Services	8.0
Insurance	7.7
Other Financial Business	6.9
Real Estate	5.2
Retail Trade	4.7
Total	**101.5**

COMPANY INFORMATION

Launch date	15 December 2015
AIC sector	Japan
Fund manager	Richard Aston
Directors	Harry Wells (Chairman), June Aitken, Craig Cleland, Kate Cornish-Bowden, Peter Wolton.

CONTACT DETAILS

Address	Chikara Investments LLP 5th Floor, 31-32 St. James's Street London, SW1A 1HD.
Company Secretary	Apex Listed Companies Services (UK) Limited
Stockbroker	Peel Hunt
Market makers	Peel Hunt, Winterflood Securities.
Website	www.ccjapanincomeandgrowthtrust.com

NOTES

(1) 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 Ordinary Share price as at the date of this factsheet. This is rounded to 2 decimal places.

(3) Source: Refinitiv Eikon

(4) Source: OCR is calculated by Apex Listed Companies Services (UK) Limited. This is rounded to 2 decimal places.

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.

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

Emerging market risk – Investment in emerging markets may be considered speculative. Commonly legal and accounting regimes can offer less protection to investors than in developed markets.

Sustainability Risk - Environmental, social and governance events or conditions could occur that have an adverse impact on the value of the Fund's investments, either directly, or by contributing to the impact or materiality of other risks.

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

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 30.09.2023 unless stated otherwise. All information is sourced from Chikara 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 ordinary and subscription shares will fluctuate. The price of the ordinary shares in the Company is determined by market supply and demand. The price of the ordinary shares 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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