CC Japan Income & Growth Trust plc

ASSET MANAGEMENT LLP
CouplandCardiff

This is a marketing communication. This is not a contractually binding document. Please refer to the Prospectus and to the relevant KID(s) and do not base any final investment decision on this communication alone.

Commentary

September 2022

The Japanese equity market fell sharply in September reflecting the prevailing global risk-off sentiment amongst investors as yields on US treasuries continued to rise and reach levels not seen for more than a decade. Domestic economic data and news flow continues to support our view that the immediate prospects for the Japanese economy are relatively robust compared to waning growth momentum in other parts of the world. The second preliminary Q2 GDP growth estimate was +3.5% on an annualised basis versus the +2.9% expected with positive revisions for private sector capex and private sector inventory adjustment indicating a desire for investment in the corporate sector. Following on from here, industrial production in August exceeded consensus expectations with particular strength in capital goods output. Also expected to provide a positive boost in the near term is the announcement that restrictions on business and tourist visitors to Japan will be lifted from 11 October after two and a half years. The strict policy on inbound travellers has had a devasting impact on segments of the economy, such as leisure, accommodation, retail and restaurants, which had experienced very favourable trends in the decade prior to the pandemic. The weak Yen has only increased the appeal of Japan as a destination in the meantime and a recovery in these trends is expected to return albeit a modest rate initially.

During the evening of 22nd September, The Ministry of Finance staged Japan's first Yen buying and US$ selling intervention in 24 years (since the Asian crisis in 1998; and at similar exchange rate levels). Currency intervention is perceived to have only a temporary impact but it is the 'statement' it infers that is likely to have greater influence. It is true that the size of the intervention is small compared to total FX transactions and also that the BoJ's existing policy (maintained at the most recent meeting in September) continues to supply Yen. Looking back however, it does appear that the previous intervention 'worked' in that the Yen strengthened in the months that followed. The immediate response this time was a ¥1.7 strengthening vs the US dollar and greater stability in the cross-rate since. The weak Yen might be one reason why there has been selling of equities by foreign investors in recent months however, from here, with the government officials setting a line in the sand for the exchange rate, strong corporate fundamentals and favourable shareholder return trend, this appears to be an opportune time to be looking at Japanese equities.

Fund Statistics

Market Value	£205m
No. Ordinary Shares in issue	134,730,610
Launch date	Dec 2015
NAV per Ordinary Share cum Income GBp	152.01
NAV per Ordinary Share ex Income GBp	148.19
Ordinary Share Price GBp	134.75
Premium (Discount)	(11.4%)
Subscription Share Price GBp	0.525
Dividends Paid	Aug & Mar
Dividend Yield	3.53% (2)
Active Share	79.87% (3)
Financial Calendar Year End	31 October
Company Fees:	
Ongoing charges ratio (OCR) per year (31.10.21)	1.05% (4)
OCR includes Annual Management Fee:	0.75%
AIFMD Exposure Calculation at 30.06.22	
Gross	118.41 (% nav)
Commitment	119.94 (% nav)
Company Codes:	
ISIN - Ordinary Share	GB00BYSRMH16
Sedol - Ordinary Share	BYSRMH1 GB
Bloomberg - Ordinary Share	CCJI LN
ISIN - Subscription Share	GB00BM90B010
Sedol - Subscription Share	BM90B01 GB
Bloomberg - Subscription Share	CCJS LN

Investment Objective

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

Dividend (in GBp)

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

Book Exposures

	No. Stks	%
Dividend Growth	30	96.7
Special Situations	5	13.0
Stable Yield	3	8.6
Total	38	118.3

Discrete performance (%) full calendar years (1)

Total Return	2021	2020	2019	2018	2017	2016
Ord Share Price	12.39	-9.09	10.79	-6.72	37.48	13.18
NAV (cum inc)	10.79	1.23	20.93	-10.96	30.49	21.13
TOPIX TR in GBP	2.22	9.49	15.65	-8.89	15.50	23.63

Cumulative performance (%) (1)

Total Return	1 mth	YTD	1 Yr	3 Yrs	5 Yrs	Inception
Share Price	-5.27	-7.63	-7.32	-3.59	12.05	60.88
NAV (cum inc)	-4.75	-7.64	-7.39	4.54	26.71	83.88
TOPIX TR in GBP	-4.76	-8.38	-12.61	3.08	16.09	61.30

Notes

(1) Source: Independent NAVs are calculated daily by Sanne Fund 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. 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 Sanne Fund Services (UK) Limited. This is rounded to 2 decimal places.

Top 10 Holdings	
Holding	**(%)**
Sumitomo Mitsui Financial	6.5
Nippon Telegraph and Telephone	6.4
Mitsubishi UFJ Financial	5.7
Sompo Holdings	4.9
DIP	4.7
Softbank Corp	4.5
Noevir Holding Co	4.3
Itochu Corp	4.2
SBI Holdings	4.2
Toyota Motor Corp	4.0
Total	**49.40**

Top 10 Sectors	
Sector	**(%)**
Info & Communications	20.1
Chemicals	14.6
Banks	12.2
Electrical Appliances	10.5
Services	8.9
Insurance	8.6
Real Estate	8.6
Wholesale	7.7
Transport Equipment	6.9
Other Products	4.4
Total	**102.5**

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	Coupland Cardiff Asset Management LLP 5th Floor, 31-32 St. James's Street London, SW1A 1HD.
Company Secretary	Sanne 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.

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 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 30.09.2022 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 ordinary and subscription shares will fluctuate. The price of the ordinary and subscription 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.

Each subscription share will confer the holder with the right (but not the obligation) to subscribe for one ordinary share on exercise of the rights attaching to the subscription shares and on payment of the subscription price, which is 161 pence (being the unaudited published NAV per ordinary share as at the close of business on 15 February 2021, plus a one per cent. premium to such NAV per ordinary share, rounded up to the nearest whole penny). Notice of the exercise of the subscription share rights may be given on the last business day of each calendar quarter commencing on 31 May 2021 and finishing on the last business day in February 2023, after which the subscription share rights will lapse except in the circumstances set out in the prospectus in respect of the subscription shares.

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All information and research material provided herein is subject to change and this document does not purport to provide a complete description of the funds, securities or other investments or markets referred to or the performance thereof. All expressions of opinion are subject to change without notice.

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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