CHIKARA CC JAPAN INCOME & GROWTH TRUST PLC

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COMMENTARY — November 2023

The Net Asset value of the CC Japan Income & Growth Trust rose by 3.4% during November almost keeping pace with the increase in the benchmark index. Global equity indices rose significantly as macroeconomic data releases in the US indicated a potential easing of the inflationary trends that have forced the Federal Reserve into its recent cycle of interest rate increases. This resulted in a sharp reversal of the notable downward pressures on many 'growth' stocks which have suffered disproportionately over the last quarter.

With the recent emergence and persistence of inflation in Japan, households are now, for the first time in decades, experiencing a sharp decline in real yields on their bank deposits. Over time, this should encourage individuals to consider alternative investment strategies to preserve and enhance the purchasing power of their savings. The Nippon Individual Savings Account (NISA) scheme, first introduced in 2014, will be relaunched on 1 January 2024 and is a key pillar of Prime Minister Kishida's plan to double asset-based income to address this issue. The tax benefits and annual investment limits have both been raised, considerably increasing their appeal for investors. We would expect an asset allocation shift to have positive consequences for the domestic equity market and particularly stocks that are able to offer consistent income streams.

This initiative also creates exciting business opportunities for financial companies such as SBI Holdings. Its subsidiary SBI Securities has established a strong position in the provision of NISAs and notably has seen a strong acceleration of new account openings in recent months ahead of the industry revamp. Combined with the launch of attractive investment products in its asset management business, it believes it is well positioned to provide long term asset building services to wealthy client base re-emerging from a long-term investment hiatus.

The initiative announced by the Tokyo Stock Exchange to improve awareness of corporate value will be an important driver in increasing confidence in the domestic equity market amongst individual investors. We have consistently highlighted the increasing distribution to shareholders through dividends and share buybacks as a primary indicator of changing management attitudes in Japan and the evidence here remains very encouraging. In October, we noted the increased payout announced by Zozo in response to the TSE objectives and this was replicated this month by Japan Securities Finance, in which we also have a holding. On the basis of the discussions with company management and recent corporate press releases we believe that awareness of the TSE goals is also a significant factor in the increase in cross-shareholding unwind and Management Buy Out (MBO) events this month.

FUND STATISTICS

Market Value	£243m
No. Ordinary Shares in issue	134,730,610
Launch date	Dec 2015
NAV per Ordinary Share cum Income GBp	180.39
NAV per Ordinary Share ex Income GBp	176.60
Ordinary Share Price GBp	172.25
Premium (Discount)	(4.5%)
Dividends Paid	Aug & Mar
Dividend Yield	2.93%(2)
Active Share	80.8%(3)
Financial Calendar Year End	31 October
Company Fees:	
Ongoing charges ratio (OCR) per year (31.10.23)	1.06%(4)
Annual Management Fee	0.75%
AIFMD Exposure Calculation (30.11.23):	
Gross	117.57 (% nav)
Commitment	117.54 (% 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	30	95.7
Special Sits.	5	10.1
Stable Yield	4	11.2
Total	39	117.0

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	6.00	19.71	16.18	35.39	33.94	112.24
NAV (cum inc)	3.37	13.45	14.14	31.48	41.19	124.71
TOPIX TR in GBP	3.66	9.21	9.50	8.32	24.84	83.41

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	(%)
Sumitomo Mitsui Financial	7.7
Mitsubishi UFJ Financial	7.3
Shin-Etsu Chemicals	5.0
Itochu Corp	5.0
Nippon Telegraph and Telephone	4.6
Softbank Corp	4.3
Hitachi Ltd	4.2
Sompo Holdings	4.1
SBI Holdings	3.9
Tokio Marine	3.8
Total	**49.9**

TOP 10 SECTORS

Sector	(%)
Chemicals	17.2
Banks	15.0
Electrical Appliances	14.0
Info & Communications	11.9
Wholesale	8.3
Insurance	7.9
Services	7.6
Other Financial Business	7.5
Retail Trade	5.6
Sec&Cmdty	3.9
Total	**98.9**

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, John Charlton-Jones.

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 30.11.2023 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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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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