CC JAPAN INCOME & GROWTH TRUST PLC

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

COMMENTARY — JULY 2023

The NAV of the CC Japan Income & Growth Trust rose by 1.0% in sterling terms during July. In local currency, the TOPIX Index has now risen in each month of the calendar year of 2023 reflecting a greater global risk appetite as well as improving prospects for recovery in the domestic economy and a positive corporate earnings outlook based on the Q1 results season to date.

Expectations for the Bank of Japan's monetary policy meeting, which was convened on 28 July, were a dominant feature of the month with the implications of each economic release and comment from BoJ officials heavily scrutinised. The board of the BoJ ultimately decided on a modest change to the existing policy which is designed to allow more flexibility with its yield curve control (YCC) operations going forward. Specifically its tolerance band for long term yield fluctuations are unchanged at +/-0.5% but it raised the level for fixed rate JGB-buying operations from 0.5% to 1.0%. In effect this has raised the upper limit on 10 year yields to 1.0% for the time being. The BoJ also raised its forecast for domestic inflation for 2023 (although not for the following years). These represent the first adjustments under the auspices of new Governor Ueda. Despite this, the Yen has continued to weaken (ignoring an initial spike when the policy adjustment was announced), seemingly responding to accompanying statements and also subsequent comments that are clearly seeking to dampen expectations for an early exit from the Central Bank's policy of maintaining the short term interest rate target at –0.1%. This position is based on the current state of the economy and inflation expectations and these will be monitored closely for further signs of progress.

We had the opportunity to host senior management from each of the three Japanese mega-banks at our offices in early July. It is very clear that they believe any moves towards a normalization of monetary policy in Japan, in isolation, will have a net positive effect on their operational prospects as they seek to boost their return on equity as a key performance indicator. Their current mid-term plans do not assume any benefits from the recent policy adjustment or any further changes. Japanese banks have operated under the challenging conditions of loose monetary policy for many years and their business operations and importantly risk management have been adapted accordingly. Although these banks still trade at Price-to-Book valuation of less than 1x, their management objectives are already consistent with the goals of the recent Tokyo Stock Exchange initiative to enhance business returns and improve corporate value and consequently unlikely to require a change to current management practices. Recent results from our two main holdings in the sector , SMFG and MUFG, continue to demonstrate that this is leading to the complementary objectives of an appropriate capital base; an expansion risk weighted assets and overall return through strategic investment; and enhanced shareholder returns.

FUND STATISTICS

Market Value	£238m
No. Ordinary Shares in issue	134,730,610
Launch date	Dec 2015
NAV per Ordinary Share cum Income GBp	176.47
NAV per Ordinary Share ex Income GBp	175.09
Ordinary Share Price GBp	168.50
Premium (Discount)	(4.5%)
Dividends Paid	Aug & Mar
Dividend Yield	3.00%[2]
Active Share	80.94%[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 (31.05.23):	
Gross	123.20 (% nav)
Commitment	121.83 (% 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.

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	3.50	3.35	3.20	3.10	2.50	2.30	2.00
Total	4.90	4.75	4.60	4.50	3.75	3.45	3.00

BOOK EXPOSURES

	No. Stocks	%
Dividend Growth	31	98.5
Special Sits.	6	12.3
Stable Yield	3	8.5
Total	40	119.3

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
Share Price	2.49	17.10	22.46	57.14	18.39	107.62
NAV (cum inc)	1.03	10.98	15.18	50.65	28.65	119.83
TOPIX TR in GBP	1.43	7.93	9.03	25.39	20.00	81.26

NOTES

(1) 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. 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.

TOP 10 HOLDINGS

Holding	(%)
Mitsubishi UFJ Financial	7.6
Sumitomo Mitsui Financial	7.4
Itochu Corp	5.2
Nippon Telegraph and Telephone	4.8
Shin-Etsu Chemicals	4.5
SBI Holdings	4.0
Sompo Holdings	4.0
Hitachi	4.0
DIP	4.0
Socionext	3.8
Total	**49.3**

TOP 10 SECTORS

Sector	(%)
Chemicals	17.3
Electrical Appliances	16.0
Banks	15.0
Info & Communications	13.9
Wholesale	8.8
Services	8.7
Insurance	7.5
Other Financial Business	5.3
Real Estate	5.1
Retail Trade	4.5
Total	**102.1**

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

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 31.07.2023 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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This document is based upon information which Chikara Investments LLP (Chikara) considers reliable, but no representation is made that it is accurate or complete and nor should it be relied upon as such. Past performance is no guarantee of future performance. You should note that your capital is at risk with this investment and you may get back less than you invested.

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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