CHIKARA 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 — January 2024

The NAV of the CC Japan Income & Growth Trust increased by 5.2% in sterling terms during January. The Board of the Trust announced a final dividend of 3.75p, payable on 1st March, which represents an increase 7.1% on the same period in the previous year and a full year increase of 8.2%. This distribution to shareholders was fully covered by the income receipts of the Trust from the underlying portfolio holdings and further highlights how the improved corporate governance attitudes in Japan are benefitting shareholders.

On 15 January, the Tokyo Stock Exchange (TSE) published the list of companies that have complied with its request to disclose information regarding action to implement management that is conscious of the cost of capital and stock price. According to the TSE, 40% of Prime Market are considered to have disclosed the information required in the initial consultation from January 2023 while 9% are deemed to have these under consideration. These are up from 20% and 11% respectively on the first review in July 2023 and reflect the growing influence of this corporate governance initiative on corporate management attitudes which we have observed in our meetings. For example, we have previously highlighted two companies in the portfolio, Japan Securities Finance and Zozo, that have explicitly raised their dividend payout targets giving explicit reference to the requirements of the TSE as a factor in the decision.

Twenty-nine of the Trust's forty holdings (or 72%) are included in this list which is a good reflection of the approach of the underlying investment strategy. We seek to invest in the companies that can demonstrate commitment to corporate governance and shareholder return, rather than targeting companies that don't and expecting change. This is not to say that further improvement cannot be expected from companies already included in the list and we will continue to encourage appropriate actions to improve capital efficiency and governance standards through direct contact with management and our voting responsibilities. There is a size bias in aggregated data and also the companies in our current holdings that have not been included in this review. Analysis by Mizuho Securities highlights the disclosure rates at large cap companies with PBR<1.0x at 78% and 46% for those with PBR>1.0x at 46%. There are also industry biases with financial sectors such as Banking and Insurance scoring very highly. We will confirm in meetings that the companies held within portfolio that do not currently feature on the list are aware of the TSE Initiatives and plan to comply with the request and raise their disclosure levels. The promotion of higher standards by the Tokyo Stock Exchange may well prove to be a pivotal event for Japanese equity investors and has provided additional support for our discussions with corporate managers.

We have continued to see improvement in the distribution to shareholders from companies in the portfolio in this quarter results season. Japan Securities Finance and Macnica have raised their projected dividend for the full year and Mitsubishi Corp has announced a buyback up to 10% of outstanding shares.

FUND STATISTICS

Market Value	£265m
No. Ordinary Shares in issue	134,730,610
Launch date	Dec 2015
NAV per Ordinary Share cum Income GBp	196.38
NAV per Ordinary Share ex Income GBp	192.50
Ordinary Share Price GBp	183.75
Premium (Discount)	(6.4%)
Dividends Paid	Aug & Mar
Dividend Yield	2.88%(2)
Active Share	80.4%(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	119.66 (% nav)
Commitment	117.22 (% 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	31	96.2
Special Sits.	5	9.6
Stable Yield	4	11.4
Total	40	117.2

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	3.75	3.50	3.35	3.20	3.10	2.50	2.30	2.00
Total	5.30	4.90	4.75	4.60	4.50	3.75	3.45	3.00

DISCRETE PERFORMANCE (%) FULL CALENDAR YEAR (1)

Total Return	2023	2022	2021	2020	2019	2018
Ord Share Price	23.01	1.79	12.39	-9.09	10.79	-6.72
NAV (cum inc)	17.39	-0.51	10.79	1.23	20.93	-10.96
TOPIX TR in GBP	12.76	-4.60	2.22	9.49	15.65	-8.89

CUMULATIVE PERFORMANCE (%) (1)

Total Return	1 month	YTD	1 year	3 years	5 years	Inception
Ord Share Price	3.81	3.81	19.64	45.47	52.54	126.41
NAV (cum inc)	5.21	5.21	17.98	39.55	61.48	144.63
TOPIX TR in GBP	3.72	3.72	13.54	16.18	39.83	96.42

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	7.0
Mitsubishi UFJ Financial	6.7
Itochu Corp	5.4
Shin-Etsu Chemicals	5.2
Softbank Corp	4.5
Hitachi Ltd	4.4
Sompo Holdings	4.3
SBI Holdings	4.1
Nippon Telegraph and Telephone	4.1
Tokio Marine	3.7
Total	**49.4**

TOP 10 SECTORS

Sector	(%)
Chemicals	17.4
Electrical Appliances	14.9
Info & Communications	14.1
Banks	13.7
Wholesale	8.7
Insurance	8.0
Other Financial Business	7.1
Services	6.4
Retail Trade	5.4
Sec&Cmdty	4.1
Total	**99.8**

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: S&P Capital IQ Pro

(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 31.01.2024 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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