CC Japan Income & Growth Trust plc

ASSET MANAGEMENT LLP
CouplandCardiff

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Commentary — June 2023

The NAV of the CC Japan Income & Growth Trust rose by 4.6% in GBP during June reflecting the strong performance of the Japanese equity market in local currency terms partially offset by a weaker Japanese Yen which fell from Y173.3/£ to Y183.2/£ over the month. Socionext, in which we established a position in the fund following its Initial Public Offering (IPO) in October 2022, was the standout contributor to performance during the month as the potential of its 'System on Chip' business in advanced technology applications such as Artificial Intelligence was recognised. The trading companies, Mitsubishi Corp and Itochu Corp, also performed well after Berkshire Hathaway increased their stake in the leading industry players. The banks held in the portfolio, Mitsubishi UFJ Financial Group and Sumitomo Mitsui Financial Group, recovered the share price falls they had experienced after the collapse of a number of US regional banks earlier in the year.

Nomura highlighted that during Fiscal Year 2022 to end-March, total shareholder returns for the Japanese market were Y21.8trn, exceeding Y20trn for the first time. As a % of after tax profits, the dividend payout ratio was 36.4%, which was comparable with the previous year, while share buybacks were equivalent to 18.5%. The total shareholder return ratio was consequently 54.9%. The attractiveness of these returns has garnered further attention in recent weeks and is one reason cited for the favourable relative performance of Japanese equities year-to-date. Its recognition and importance within Japan continues to rise with the Nikkei launching two new relevant indices at the end of June - the "Nikkei Consecutive Dividend Growth Stock Index" and the "Nikkei Progressive and High Dividend Stock Index". The former is composed of approximately 70 stocks that have increased their dividends for at least 10 consecutive years whilst the later has a smaller number of notably high yield stocks that have seen dividend progression for more than 10 years, meaning that they may have been maintained or increased but not reduced. It seems appropriate to reinforce the message that, in our view, it is important that shareholder return is considered a complement to underlying business expansion. In this light a recent survey of capital investment intentions of Japanese companies by the Nikkei gives us a great deal of encouragement. It predicts that investment in current fiscal year will exceed Y30trn and reach a new record high. Domestic investment accounts for approximately two thirds of the total and has been rising steadily. Overseas investment has been rising more sharply, expanding notably in the US and EU, although direct expenditure in China is falling.

Fund Statistics

Market Value	£237m
No. Ordinary Shares in issue	134,730,610
Launch date	Dec 2015
NAV per Ordinary Share cum Income GBp	176.24
NAV per Ordinary Share ex Income GBp	173.34
Ordinary Share Price GBp	166.00
Premium (Discount)	(5.8%)
Dividends Paid	Aug & Mar
Dividend Yield	2.11%[(2)]
Active Share	80.92%[(3)]
Financial Calendar Year End	31 October
Company Fees:	
Ongoing charges ratio (OCR) per year (31.10.22)	1.06%[(4)]
OCR includes Annual Management Fee:	0.75%
AIFMD Exposure Calculation at 31.05.23	
Gross	118.91 (% nav)
Commitment	116.97 (% 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. Stks	%
Dividend Growth	32	97.7
Special Situations	5	11.2
Stable Yield	3	8.0
Total	40	116.9

Discrete performance (%) full calendar years[(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 mth	YTD	1 Yr	3 Yrs	5 Yrs	Inception
Share Price	2.31	14.26	26.04	55.03	17.13	102.58
NAV (cum inc)	4.61	9.85	18.51	39.10	27.73	117.60
TOPIX TR in GBP	0.50	6.40	13.47	12.62	18.63	78.70

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	7.1
Sumitomo Mitsui Financial	6.8
Itochu Corp	5.2
Nippon Telegraph and Telephone	5.0
Socionext Inc	4.7
Shin-Etsu Chemicals	4.6
Sompo Holdings	4.1
Hitachi Ltd	3.8
DIP	3.8
SBI Holdings	3.7
Total	**48.8**

Top 10 Sectors	
Sector	**(%)**
Chemicals	17.2
Electrical Appliances	17.0
Banks	13.9
Info & Communications	13.8
Wholesale	8.6
Services	8.5
Insurance	7.7
Other Financial Business	5.1
Real Estate	4.9
Retail Trade	4.5
Total	**101.2**

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	Apex Listed Companies 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 30.06.2023 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 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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