

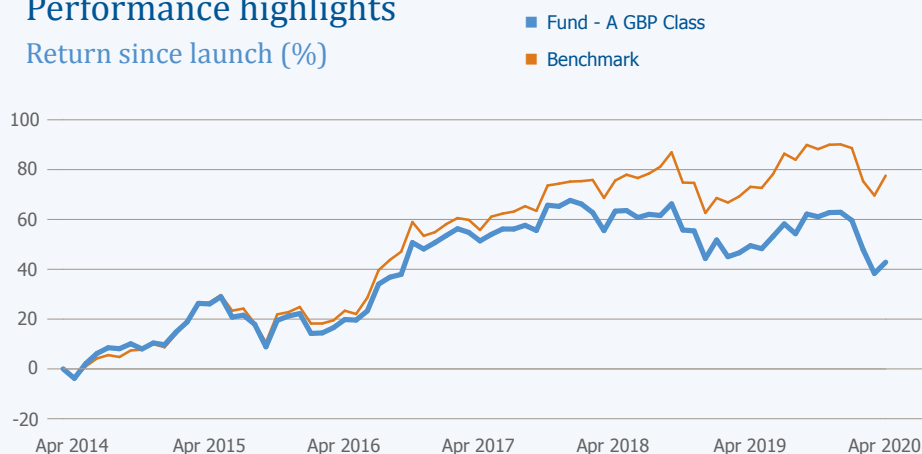
# JOHCM Japan Dividend Growth Fund

## Fund overview

- Objective: to generate long-term total returns through active management of a portfolio of Japanese equities
- Experienced Japanese equities investors Scott McGlashan and Ruth Nash target Japan's growing dividend culture
- The fund has a large cap focus and incorporates a blend of dividend growth and dividend yield

## Performance highlights

Return since launch (%)



## Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A GBP Class	3.27	-10.51	-4.44	-5.64	13.28	-	42.83	6.03
Benchmark	4.69	-5.86	2.59	14.01	40.15	-	77.57	9.89
Quartile**	4	4	3	4	4	-	4	-

## Discrete 12 month performance to

	30.04.2020	30.04.2019	30.04.2018	30.04.2017	30.04.2016
A GBP Class	-4.44	-8.49	7.90	26.34	-4.97

### Past performance is no guarantee of future performance.

The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. The annual management charge is deducted from the capital of the Fund. This will increase the income from the Fund but may constrain or erode potential for capital growth. We recommend that you read the Prospectus and Key Investor Information Document available from the address overleaf or from our website.

Source: JOHCM/Tokyo Stock Exchange/Bloomberg, NAV of Share Class A in GBP, net income reinvested, net of fees. The A GBP Class was launched on 31 March 2014. Benchmark: Topix 100 TR (adjusted). Performance of other share classes may vary and is available on request.

\*Annualised since launch. \*\*Sector quartile ranking: IA Japan, and Lipper Global Equity Japan domiciled in the UK, offshore Ireland, or offshore Luxembourg.

A GBP Class

ISIN: IE00BKS8NS44

## Fund details

Fund size	GBP 5.54m
Launch date	31 March 2014
Benchmark	Topix 100 TR (adjusted)
No. of holdings	33
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP, EUR, USD
Valuation point	12pm Dublin time
XD date	31-Dec
Pay date	28-Feb

## Fund managers



### Scott McGlashan

Senior Fund Manager

Scott has managed the Fund since launch. He joined JOHCM in 2004 and has 43 years of industry experience.



### Ruth Nash

Senior Fund Manager

Ruth has managed the Fund since launch. She joined JOHCM in 2005 and has 34 years of industry experience.

## Contact details

OEIC Dealing & Investing

**0845 450 1970 / 1972**

+44 (0) 20 7747 5646  
(international calls)

Fax

**+353 1613 1132**

Email [info@johcm.co.uk](mailto:info@johcm.co.uk)



## Portfolio analysis (%)

Data as at 30 April 2020

### Top 10 holdings

	Absolute	Relative
Toyota	6.0	-0.1
KDDI	5.0	3.1
Hitachi	3.9	2.6
TDK	3.8	3.8
Mitsubishi Corporation	3.7	2.4
Toyota Industries	3.6	3.6
Taisei	3.6	3.6
Nippon Express	3.5	3.5
Mitsubishi Estate	3.5	2.5
Sekisui House	3.5	3.0
<b>Total</b>	<b>40.1</b>	

### Sector breakdown

	Absolute	Relative
Construction	7.1	5.6
Transport & Communications	18.9	5.3
Finance & Insurance	13.6	2.7
Real Estate	3.5	1.2
Mining	0.0	-0.3
Commerce	7.0	-0.5
Services	3.4	-0.8
Electric Power & Gas	0.0	-1.1
Manufacturing	43.9	-14.8
Cash	2.6	2.6

### Active bets

Top 5	Relative
TDK	3.8
Toyota Industries	3.6
Taisei	3.6
Nippon Express	3.5
Yahoo Japan	3.4
<b>Bottom 5</b>	<b>Relative</b>
Sony	-3.5
SoftBank	-2.9
Keyence	-2.8
Takeda Pharmaceutical	-2.6
NTT	-2.6

### Market cap breakdown

	Absolute
Large	70.9
Mid	26.5
Small	0.0
Cash	2.6

Large = Top 100 on TOPIX Index, Mid = Next 400 on TOPIX Index, Small = Remainder on TOPIX Index

## Attribution & contribution (%)

### Stock attribution

Top contributors	Relative return
Yahoo Japan	0.64
TDK	0.27
NTT	0.25
NTT DoCoMo	0.22
Kao	0.17
<b>Top detractors</b>	
SoftBank	-0.44
Takeda Pharmaceutical	-0.30
Sekisui Chemical	-0.22
KDDI	-0.21
FANUC	-0.20

### Sector attribution\*

	Relative return
Transport & Communications	0.17
Electric Power & Gas	0.12
Real Estate	0.09
Commerce	0.03
Mining	-0.03
Construction	-0.05
Services	-0.11
Finance & Insurance	-0.17
Manufacturing	-1.26

\*Excludes cash

Source: JOHCM/Tokyo Stock Exchange/Bloomberg. Benchmark: Topix 100 TR (adjusted). Please note that due to rounding breakdowns may not add to 100.00%. All Attribution figures are as at end of day and are calculated on a gross basis.



## Fund manager's commentary

- Although the news flow could hardly be described as positive, global markets performed well in April.
- The Fund underperformed its benchmark in April with much of the damage coming from not owning Softbank.
- A few of our companies have already announced results with Shinetsu, a manufacturer of semiconductor silicon, producing strong numbers.

## Investment background

Although the news flow could hardly be described as positive, global markets performed well in April. It was a month of records. The consumer sentiment index posted its biggest ever fall. Machine tool orders fell by a record 41%. And the Japanese government announced its biggest ever fiscal stimulus package, which, at ¥108 trillion, is equivalent to 20% of GDP and includes a ¥100,000 cash payment to every Japanese citizen.

Although Japan is now under a state of emergency, the government has no authority to compel citizens to stay at home, or businesses to close. Many shops and restaurants remain open (albeit closing earlier than normal). This might sound reckless, however, since recording its first case of the virus in mid-January, Japan has suffered just 432 Covid-19-related deaths.

To date, 31 of the companies in the Topix 100 index have reported their earnings numbers. Of these, only 14 have felt able to give forecasts for the current year. More (18) have given dividend guidance. Of which just one will lower dividends this year.

## Fund review

The Fund underperformed its benchmark in April. Much of the damage came from not owning Softbank, which accounts for just under 3% of the index and rose by over 20% during the month. We have listed our concerns about Softbank, Mr Son and the Vision Fund too many times in the past to repeat them again. Suffice to say that we do not believe that Softbank is investible.

A few of our companies have already announced results. Shinetsu, a manufacturer of semiconductor silicon, produced strong numbers. Semiconductor demand remains robust, driven by higher data centre utilisation and 5G investment. Sekisui Chemical, an industrial conglomerate, which as well as being a housebuilder, makes specialty glass and infrastructure-related products such as railway sleepers, announced solid results, a dividend increase for the 11th consecutive year and a share buyback. It is interesting to note that the conglomerate structure, often subject to criticism from foreign investors, means that companies such as Sekisui, which derive their profits from a variety of businesses, are proving to be relatively defensive.

The (admittedly limited) results announcements to date suggest that Japanese companies' strong balance sheets are proving to be an asset in this crisis, as dividend cuts look to be modest. Price to book multiples are back to 50 year lows. As usual, foreign investors have reacted to a global crisis by reducing their Japanese exposure. The four most dangerous words in investment are said to be "this time is different". But perhaps this time it is.

Performance over 1 month	%
Fund - A GBP Class	3.27
Benchmark	4.69

## Statistics

	Annualised since launch
Active share* (%)	73.63
Fund volatility (%)	16.89
Benchmark volatility (%)	15.74
Alpha	-3.44
R squared	0.87
Correlation	0.93
Tracking error (%)	6.05
Information ratio	-0.64
Sharpe ratio	0.36

Source: JOHCM/Tokyo Stock Exchange/Bloomberg (calculated weekly).

\*The proportion of stock holdings in a fund's composition is different from the composition found in its benchmark. The greater the difference between the composition of the fund and its benchmark, the greater the active share.

## Country registration

	A GBP	A GBP H	A EUR	B EUR	A USD	A USD H	B USD
Austria	✓	✓	✓	✓	✓	✓	✓
Denmark	✓	✓	✓	✓	✓	✓	✓
Finland	✓	✓	✓	✓	✓	✓	✓
France	✓	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓	✓	✓
Ireland	✓	✓	✓	✓	✓	✓	✓
Luxembourg	✓	✓	✓	✓	✓	✓	✓
Netherlands	✓	✓	✓	✓	✓	✓	✓
Norway	✓	✓	✓	✓	✓	✓	✓
Singapore	✓	✓	✓	✓	✓	✓	✓
Spain	✓	✓	✓	✓	✓	✓	✓
Sweden	✓	✓	✓	✓	✓	✓	✓
Switzerland	✓	✓	✓	✓	✓	✓	✓
UK	✓	✓	✓	✓	✓	✓	✓

### Regulatory documents

English language KIIDs can be found on our website at [www.johcm.com](http://www.johcm.com)

Foreign language versions are available on request by calling +44 (0) 20 7747 5646

## Share class details (Further details on additional share classes are available on request)

	ISIN	SEDOL	Bloomberg	WKN	Initial charge	Annual charge	Ongoing charge	Minimum investment*
A GBP Class	IE00BKS8NS44	BKS8NS4	JOHJDSA	A110YZ	Up to 5%	0.625%	1.00%	£1,000
A GBP H Class	IE00BKS8NT50	BKS8NT5	JOHJSHA	A110Y0	Up to 5%	0.625%	1.00%	£1,000

**Performance fee:** 15% on excess if Fund outperforms benchmark, calculated daily. Any underperformance carried forward.

Ongoing Charge is as at 30 April 2020.

\*Other currency equivalents apply.

## Important information

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Sources for all data: JOHCM/FTSE International/Bloomberg (unless otherwise stated).

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