

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

Nov-24

The NAV of the CC Japan Income & Growth Trust rose by 4.9% during November. The most significant event was the re-election of Donald Trump as US President which has raised many questions about the path of the US economy and the approach of the new administration to foreign policy. The president-elect has announced specific plans to impose additional tariffs on imported goods from China, Mexico and Canada but nothing specific at this stage that will impact Japanese companies directly. Reflecting this the Yen strengthened from Y154.6/\$ to Y149.8 from the date of the US election to the end of the month, reversing some of its recent weakness.

Holdings in the financial sector were strong contributors to performance during the month. The leading banks Sumitomo Mitsui Financial Group and Mitsubishi UFJ Group reported strong interim results with substantial improvements in core profits and net equity related gains. Both companies accompanied this operating performance with an enhancement to their shareholder returns. SMFG raised its annual dividend per share payment from Y110 to Y120 and a buyback of Y150bn. MUFG increased its dividend projection for the year from Y50 to Y60 and a Y300bn share buyback. These moves are consistent with their stated policies of improving capital efficiency over the medium term and are supported by further plans to reduce strategic cross-shareholdings over the next few years. Insurer Sampo Holdings announced an increase in its annual dividend for the current financial year from Y112 to Y132 and a share buyback of Y155bn based on its policy of returning surplus capital to shareholders. It also raised its target for reductions of strategic shareholdings in the years to come. The acceleration of cross shareholding unwind has been a notable feature of the market over the past twelve months and is one factor contributing to the sharp increase in aggregate buybacks. Year-to-date the total amount of share buyback programs announced is close to Y14trn, almost double the amount at the same point in FY23. Put into context, the market cap of Topix, the major equity index, is currently Y525trn (5/11/2024) and total dividends paid in FY23 were approximately Y20trn.

Japan's Financial Services Agency have been responsible for implementing and monitoring many of the regulatory standards that have, for example, encouraged a more rapid sell down of cross-shareholding in the insurance sector. This month they reconvened a review of the Stewardship Code with goal of improving the transparency of beneficial ownership of shares and to encourage collaborative engagement by institutional investors. The purpose of these proposals is to improve the efficiency and effectiveness of the dialogue between company management and shareholders. We see this as further evidence that the pressure for corporate governance change within Japan is undiminished regardless of political events either domestically or overseas. Significant progress has been made since the Stewardship Code was first introduced in 2014. However, we believe that through the process of constant review and enhancement, the opportunities for investors remain just as attractive, if not more so, as the overall environment in Japan becomes increasingly aware of the responsibilities and requirements of active shareholders.

FUND STATISTICS		INVESTMENT OBJECTIVE	BOOK EXPOSURES			No. Stocks		%			
Market Value	£279m	To provide shareholders with dividend income combined with capital growth, mainly through investment in equities listed or quoted in Japan.	Dividend Growth		28	86.7					
No. Ordinary Shares in issue	134,730,610		Special Sits.		6	16					
Launch date	Dec 2015		Stable Yield		4	12.2					
			Total		38	114.9					
NAV per Ordinary Share cum Income GBP	206.89	DIVIDEND (IN GBP)									
NAV per Ordinary Share ex Income GBP	203.21	Dividends Declared	YE Oct 2024	YE Oct 2023	YE Oct 2022	YE Oct 2021	YE Oct 2020	YE Oct 2019	YE Oct 2018	YE Oct 2017	YE Oct 2016
Ordinary Share Price GBP	186.00	Jun/Jul	1.60	1.55	1.40	1.40	1.40	1.40	1.25	1.15	1.00
Premium (Discount)	-10.01%	Jan/Feb		3.75	3.50	3.35	3.20	3.10	2.50	2.30	2.00
Dividends Paid	Aug & Mar	Total	1.60	5.30	4.90	4.75	4.60	4.50	3.75	3.45	3.00
Dividend Yield	2.88% ⁽²⁾	DISCRETE PERFORMANCE (%) FULL CALENDAR YEAR⁽¹⁾									
Active Share	81% ⁽³⁾	Total Return	2023	2022	2021	2020	2019	2018			
Financial Calendar Year End	31 October	Ord Share Price	23.01	1.79	12.39	-9.09	10.79	-6.72			
Company Fees:		NAV (cum inc)	17.39	-0.51	10.79	1.23	20.93	-10.96			
Ongoing charges ratio (OCR) per year (30.04.24)	1.05% ⁽⁴⁾	TOPIX TR in GBP	12.76	-4.60	2.22	9.49	15.65	-8.89			
Annual Management Fee	0.75%	CUMULATIVE PERFORMANCE (%)⁽¹⁾									
AIFMD Exposure Calculation (30.11.24):		Total Return	1 month	YTD	1 year	3 years	5 years	Inception			
Gross	115.95 (% NAV)	Ord Share Price	4.06	8.16	11.14	38.65	39.32	135.88			
Commitment	115.50 (% NAV)	NAV (cum inc)	4.86	13.84	17.80	36.22	50.69	164.71			
Company Codes:		TOPIX TR in GBP	3.49	9.65	13.22	18.67	32.02	107.65			
ISIN - Ordinary Share	GB00BYSRMH16	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.									
Sedol - Ordinary Share	BYSRMH1 GB										
Bloomberg - Ordinary Share	CCJI LN										

TOP 10 HOLDINGS	
Holding	(%)
Sumitomo Mitsui Financial Group	9.0
Mitsubishi UFJ Financial Group	6.5
Nintendo Co Ltd	5.3
ITOCHU Corporation	5.0
SoftBank Corp	4.9
Tokio Marine Holdings Inc	4.5
SBI Holdings Inc	4.5
Shin-Etsu Chemical Co Ltd	4.3
Japan Securities Finance Co	4.2
TOKYO METRO CO	4.1
Total	52.2

TOP 10 SECTORS	
Sector	(%)
Chemicals	19.4
Banks	15.4
Info & Communications	9.6
Electrical Appliances	9.1
Wholesale	8.4
Other Financing Business	7.3
Insurance	7.2
Other Products	6.4
Services	6.0
Retail Trade	5.7
Total	94.7

COMPANY INFORMATION

Launch date	15 December 2015
AIC sector	Japan
Fund manager	Richard Aston
Directors	June Aitken (Chair), 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.
- 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 29.11.2024 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 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.

This document and its contents are confidential and must not be copied or otherwise circulated to any other person. Certain assumptions may have been made in the calculations and analysis in this document which have resulted in returns detailed herein.

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.

This document is issued by Chikara Investments LLP, 31-32 St. James's Street, London SW1A 1H who are authorised and regulated by the Financial Conduct Authority. The Company operates under the Companies Act 2006 and is not regulated as a collective investment scheme by the Financial Conduct Authority.