

NIKKO AM JAPAN FOCUS FUND

May 2017 Factsheet

Key Facts

Total Fund Size:

JPY 3,861,801,634

Minimum Investment:

USD 1,000,000 (Class A)

Legal Structure:

Sub-fund of Luxembourg SICAV qualifying as a UCITS

Investment Adviser:

Nikko Asset Management Co., Ltd

Management Company:

Nikko Asset Management Luxembourg S.A

Portfolio Manager:

Yuki Watanabe

Depository:

Brown Brothers Harriman (Luxembourg) S.C.A

Management Fee:

Class A: 0.75 %

On-Going Charges:

Class A: 1.05 %

Dealing:

Daily

Base Currency:

JPY

Unit Type:

Accumulation

Investment Objectives

The investment objective of the Fund is to achieve a long term capital appreciation by investing in a relatively concentrated portfolio of Japanese mid and large cap companies.

Fund Holdings

Top 5 Active Stock Weights	Fund	Benchmark
Nidec Corp	5.04%	0.62%
Daikin Industries Ltd	4.92%	0.65%
Keyence Corp	5.25%	1.00%
Shin-Etsu Chemical Co Ltd	4.64%	0.82%
Shimizu Corp	3.99%	0.17%

Top 10 Holdings	Fund	Benchmark
Keyence Corp	5.25%	1.00%
Nidec Corp	5.04%	0.62%
Daikin Industries Ltd	4.92%	0.65%
Shin-Etsu Chemical Co Ltd	4.64%	0.82%
Nippon Telegraph & Telephone Corp	4.11%	1.84%
Suzuki Motor Corp	4.11%	0.45%
Smc Corp/Japan	4.02%	0.48%
Shimizu Corp	3.99%	0.17%
Makita Corp	3.97%	0.24%
Koito Manufacturing Co Ltd	3.97%	0.15%
Cash	1.49%	N/A

Commentary

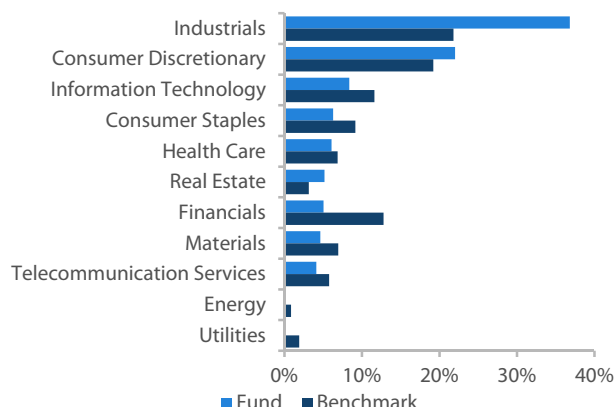
The fund's outperformance this month was supported by the momentum trend. Stocks that have a value factor, as represented by a low price-to-book ratio and low price-to-earnings ratio, showed negative returns. Consequently, our low exposure to this value factor led to a positive contribution against the TOPIX reference benchmark. The Electric Appliances sector, in which we have been overweight, was amongst the best performing industries as it outperformed the overall market. Keyence (factory automation) and Nidec (precision motors) were amongst the stocks that contributed positively to performance amidst the momentum trend and solid earnings announcements. New purchases this month included Outsourcing Inc (outsourcing services) and Recruit Holdings (HR & staffing services). Both companies are well positioned to benefit from the increasing demand of staffing services amidst the tight labour market in Japan. We sold out of Subaru (car manufacturer) along with some Mitsubishi Chemical Holdings Corporation (integrated chemical manufacturer) and NSK Limited (bearings manufacturer). Subaru's high exposure to the US market (approximately 70%) is likely to weigh on profits if the continued rise in interest rates negatively affects auto sales. The broader market was up slightly during the month as concerns regarding the political situation in Europe eased after the pro-EU candidate, Emmanuel Macron, was elected President of France and as full-year earnings for companies in Japan with a March fiscal year-end were solid.

Net Performance Returns

		1Mth	3Mths	6Mths	1Yr	2yrs	Since Inception
Class A GBP	Fund	5.81%	2.19%	4.17%	-	-	7.40%
	Benchmark	3.57%	0.44%	7.89%	-	-	19.07%

Fund returns are presented net of investment management fees, trading commissions and administrative fees. Returns for periods in excess of one year have been annualised. NAV returns are calculated to 4 decimal places. For risk and performance purposes only, the TOPIX Total Return Index is used as a reference benchmark. Portfolio inception date is 29 February 2016. Class A GBP inception date is 03 August 2016.

Sector Allocation



Fund Information

	Launch Date	Nav Per Share	ISIN Code	Bloomberg Ticker	Valoren Number
Class A GBP	03 August 2016	GBP 10.74	LU1314312015	NKAJFAG LX	32689343

Business Development / Further Information

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Important Information

Nikko AM Global Umbrella Fund is an open-ended investment company established in Luxembourg (the "Fund"). This information has been issued by Nikko Asset Management Europe Ltd and is not aimed at or intended to be read by investors in any country in which the Fund is not authorised.

The Fund is registered in Finland, France, Germany, Italy, Luxembourg, Netherlands, Singapore (restricted registration) Spain, Sweden, Switzerland and the UK. Some sub-funds and/or share classes may not be available in all jurisdictions. This information is intended for institutional investors only and should not be redistributed. This material is for information only and is not a recommendation to sell or purchase any investment.

Any investment in the Fund may only be made on the basis of the current Prospectus and the Key Investor Information Document (KIID), as well as the latest annual or interim reports. Please refer to the "Risk Factors" for all risks applicable in investing in this Fund. These documents are available from our website www.emea.nikkoam.com or can be obtained free of charge from the Funds registered office in Luxembourg: 2-8, Avenue Charles de Gaulle, L-1653 Luxembourg. Swiss representative, Swiss paying agent and place of jurisdiction in Switzerland: BNP Paribas Securities Services, succursale del Zurich, Foreign Fund Representation, Selnaustrasse 16, 8002 Zurich. Telephone: +41 582 126374, Fax: +41 582 126360.

Past performance is not a guide to future performance. Market and currency movements may cause the capital value of shares and income from them to fall as well as rise and you may get back less than you invested.

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Information sources include Bloomberg, Brown Brothers Harriman (Luxembourg) S.C.A, Nikko Asset Management Europe Ltd & Nikko Asset Management Co Ltd. All information as of 31 May 2017
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