

# NIKKO AM JAPAN VALUE FUND

## May 2017 Factsheet

### Key Facts

**Total Fund Size:**

JPY 695,885,466

**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:**

Shigeru Aoyagi

**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 Fund will seek to achieve its investment objective through capital appreciation and dividends by primarily investing in Japanese companies listed on the Tokyo Stock Exchange. The Fund in normal market conditions will follow a value strategy, investing in companies identified as mispriced based on fundamental research.

### Fund Holdings

Top 5 Active Stock Weights	Fund	Benchmark
Nintendo Co Ltd	4.45%	0.91%
Sony Corp	3.79%	1.24%
Toray Industries Inc	2.04%	0.31%
Penta-Ocean Construction Co Ltd	1.40%	0.03%
Minebea Co Ltd	1.49%	0.14%

Top 10 Holdings	Fund	Benchmark
Nintendo Co Ltd	4.45%	0.91%
Sony Corp	3.79%	1.24%
Toyota Motor Corp	2.70%	3.15%
Softbank Group Corp	2.65%	1.75%
Mitsubishi Ufj Financial Group Inc	2.06%	2.26%
Toray Industries Inc	2.04%	0.31%
Ntt Docomo Inc	1.96%	0.86%
Sumitomo Mitsui Financial Group Inc	1.69%	1.37%
Kubota Corp	1.67%	0.38%
Mitsubishi Corp	1.60%	0.72%
Cash	1.01%	N/A

### Commentary

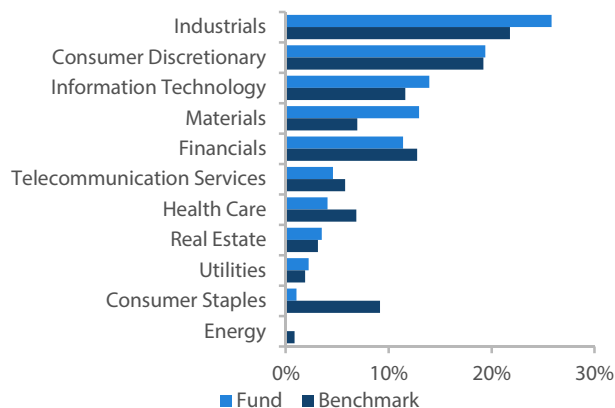
The fund underperformed this month primarily due to the momentum trend. Consequently, our contrarian investing style led to a negative contribution against the TOPIX reference benchmark. Other Products continued to be the best performing industry for the portfolio as sector names Nintendo (gaming) and TOMY (toy manufacturer) contributed positively to performance. Nintendo continued to show strong performance on the back of rising investor expectations for its newly introduced Switch gaming console. TOMY announced its full-year earnings during the month which showed a strong recovery in operating profits (+187% yoy). This was driven by growth of high margin products in Japan and restructuring overseas. JGC (plant engineering) contributed negatively to performance amidst deteriorating earnings caused by a delay in a construction project in the Middle East and an increase in costs of a domestic project. Seven Bank (banking) was purchased during the month. The company's primary business is the nationwide operation of its ATMs in Japan. We anticipate continued earnings growth domestically on the back of a net increase in Seven Eleven convenience stores at which Seven Bank ATMs are installed, as well as medium term profit contribution from its US operation. In contrast, we took profits and sold out of Sankyu (logistics/transport firm). The broader market was up slightly during the month as concerns regarding the political situation in Europe eased after the pro-EU 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 JPY	Fund	1.52%	1.89%	6.27%	18.23%	-	10.00%
	Benchmark	2.39%	3.09%	7.90%	16.11%	-	7.92%

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 and Class A JPY inception date is 1 February 2016.

## Sector Allocation



## Fund Information

	Launch Date	Nav Per Share	ISIN Code	Bloomberg Ticker	Valoren Number
Class A JPY	1 February 2016	JPY 1,135.00	LU1314308336	NKAJVAJ LX	31398395

## 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](http://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.  
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