



JPY Class S Dist | ISIN: IE00B8843R79

### NAV per Share

JPY Class S Dist      ¥426.3

### Fund Details

Fund Size      ¥34,045 m  
Base Currency      JPY  
Denominations      JPY/USD/GBP/EUR  
Fund Structure      UCITS  
Domicile      Ireland  
Launch Date      31 October 2012  
Investment Manager      Polar Capital LLP  
SFDR Classification      Article 8

### Fund Managers



**Gerard Cawley**  
Fund Manager

Gerard has managed the fund since launch, he joined Polar Capital in 2005 and has 23 years of industry experience.



**Chris Smith**  
Co-manager

Chris has managed the fund since 2018, he joined Polar Capital in 2012 and has 12 years of industry experience.



### Fund Ratings



Ratings are not a recommendation.

## Fund Profile

### Investment Objective

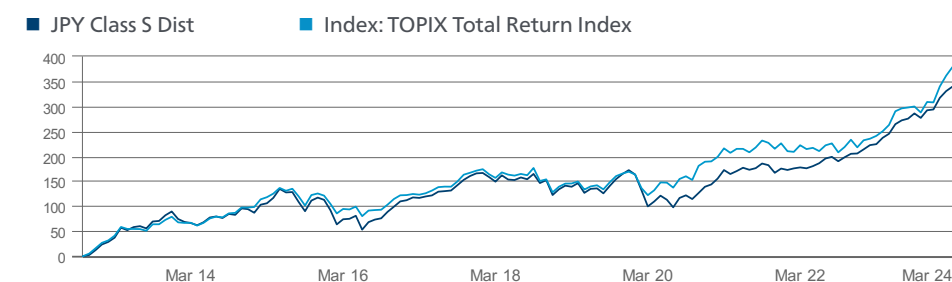
The Fund aims to generate long-term capital growth by investing in the shares of Japanese companies, or companies that generate a significant amount of their business in Japan. The Fund will apply a 'value' based stock picking approach, investing in a concentrated portfolio of large, medium and small capitalisation companies.

### Key Facts

- Team of two industry and investment specialists
- Typically 45-55 positions
- No benchmark or tracking error constraints
- Fundamentally-driven analysis and stock selection

## Share Class Performance

### Performance Since Launch (%) <sup>1 2</sup>



|                  | Since Launch |       |       |       |       |       |        |              |
|------------------|--------------|-------|-------|-------|-------|-------|--------|--------------|
|                  | 1m           | 3m    | YTD   | 1yr   | 3yrs  | 5yrs  | 10 yrs | Cum. Ann.    |
| JPY Class S Dist | 2.09         | 11.61 | 11.61 | 35.51 | 61.30 | 83.85 | 164.05 | 339.49 13.85 |
| Index            | 3.76         | 17.38 | 17.38 | 40.43 | 51.55 | 94.93 | 186.70 | 378.72 14.71 |

### Discrete Annual Performance (%)

| 12 months to     | 28.03.24 | 31.03.23 | 31.03.22 | 31.03.21 | 31.03.20 |
|------------------|----------|----------|----------|----------|----------|
| JPY Class S Dist | 35.51    | 16.77    | 1.94     | 36.42    | -16.45   |
| Index            | 40.43    | 5.81     | 1.99     | 42.13    | -9.50    |

### Calendar Year Performance (%)

|                  | 2023  | 2022  | 2021  | 2020   | 2019  | 2018   | 2017  | 2016  | 2015  | 2014  |
|------------------|-------|-------|-------|--------|-------|--------|-------|-------|-------|-------|
| JPY Class S Dist | 28.83 | 10.96 | 15.24 | -12.23 | 22.40 | -16.32 | 26.76 | -1.46 | 9.59  | 2.47  |
| Index            | 28.26 | -2.45 | 12.74 | 7.39   | 18.12 | -15.97 | 22.23 | 0.31  | 12.06 | 10.27 |

**Performance relates to past returns and is not a reliable indicator of future returns.**

Performance for the JPY Class S. The class launched on 31 October 2012. Performance data is shown in JPY **with income (dividends) reinvested**. Source: Northern Trust Investment Fund Administration Services (Ireland) Ltd. Benchmark performance shown in JPY. Source: Bloomberg.

If this is not your local currency, exchange rate fluctuations may cause performance to increase or decrease when converted into your local currency.

Performance data takes account of fees paid by the fund but does not take account of any commissions or costs you may pay to third parties when subscribing for or redeeming shares or any taxes or securities account charges that you may pay on your investment in the fund. Such charges will reduce the performance of your investment. A 5% subscription fee can be charged at the Investment Managers discretion.

1. All Institutional share classes of the Japan Value Fund were changed to S share classes as at 29 December 2016. 2. On 12 January 2018 the Polar Capital Japan Alpha Fund was renamed the Polar Capital Japan Value Fund. The Polar Capital Japan Value strategy change occurred as at 29 July 2016. Investors can review the Fund's prospectus for further information and a full explanation of the strategy for the Fund.

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Source & Copyright: CITYWIRE. Gerard Cawley & Chris Smith have been awarded an A rating by Citywire for their 3 year risk-adjusted performance for the period 28/02/2021 - 28/02/2024.

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## Portfolio Exposure & Attribution

As at 28 March 2024

### Top 10 Positions (%)

|                           |     |
|---------------------------|-----|
| Sumitomo Mitsui Financial | 4.1 |
| Mitsubishi UFJ Financial  | 3.7 |
| Daiwa Industries          | 3.2 |
| Dai-ichi Life Insurance   | 3.2 |
| SK Kaken                  | 3.1 |
| Medikit                   | 3.0 |
| Suzuki Motor              | 2.8 |
| Ushio                     | 2.7 |
| Rohm                      | 2.6 |
| Toyota Industries         | 2.5 |

**Total** **31.0**
**Total Number of Positions** **55**
**Active Share** **92.88%**

### Market Capitalisation Exposure (%)

|                        | Fund | Index |
|------------------------|------|-------|
| Large (Topix 100)      | 18.4 | 66.8  |
| Medium (Topix mid 400) | 23.7 | 25.2  |
| Small (Topix small)    | 55.2 | 8.0   |
| Cash                   | 2.7  | -     |

### Performance Attribution - 1 Month (%)

#### Top Contributors

|                         | Active Weight | Attrib. Effect |
|-------------------------|---------------|----------------|
| Dai-ichi Life Insurance | 2.72          | 0.30           |
| Daiwa Industries        | 3.09          | 0.24           |
| Soracom                 | 0.03          | 0.23           |
| Japan Eyewear Holdings  | 0.85          | 0.15           |
| Oriental Land Co/Japan  | -0.72         | 0.10           |

Performance attribution is calculated in JPY on a relative basis over the month. Attribution effect is shown gross of fees.

#### Top Detractors

|                         | Active Weight | Attrib. Effect |
|-------------------------|---------------|----------------|
| M&A Capital Partners Co | 2.36          | -0.52          |
| Cash and Others         | 3.48          | -0.23          |
| Rohm                    | 2.62          | -0.21          |
| Square Enix Holdings Co | 1.59          | -0.18          |
| Vital KSK Holdings      | 1.49          | -0.14          |

### Sector Exposure - Top Overweights & Underweights Relative to Index (%)

|                             | Fund | Relative |
|-----------------------------|------|----------|
| Services                    | 12.2 | 7.7      |
| Banks                       | 11.7 | 4.4      |
| Information & Communication | 11.3 | 4.1      |
| Precision Instruments       | 4.4  | 2.2      |
| Machinery                   | 7.6  | 2.0      |
| Air Transportation          | 2.4  | 2.0      |
| Glass & Ceramics Products   | 1.8  | 1.2      |
| Metal Products              | 1.5  | 1.0      |
| Other Financing Business    | 0.0  | -1.2     |
| Construction                | 0.0  | -2.1     |
| Real Estate                 | 0.0  | -2.1     |
| Electric Appliances         | 15.1 | -2.3     |
| Land Transportation         | 0.0  | -2.5     |
| Pharmaceutical              | 1.5  | -2.8     |
| Foods                       | 0.0  | -3.1     |
| Retail Trade                | 0.0  | -4.2     |

The column headed "Fund" refers to the percentage of the Fund's assets invested in each sector. The column headed "Relative" refers to the extent to which the Fund is overweight or underweight in each sector compared (relative) to the index.

Note: Totals may not sum due to rounding. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

## Fund Managers' Comments

### Market review

Global equities continued to make headway in March with a 'Goldilocks' scenario in the US economy increasingly discounted in equity prices. Federal Reserve Chair Jerome Powell continued to suggest interest cuts are likely later in 2024 as inflation falls further support risk appetite. Elsewhere, ongoing tensions in the Middle East pushed the oil price higher.

In Japan, a higher-than-expected outcome in spring wage negotiations was quickly followed by news the Bank of Japan (BoJ) would bring an end to their negative interest rate policy. There is further evidence of Japan emerging from deflation and supporting equity prices, with the TOPIX Total Return Index finishing the month up 3.8%, in yen terms. Market leadership was mixed with real estate, high oil price beneficiaries and utilities among the top performers. Factor-wise, momentum was a winning strategy with particularly strong returns from 12-month share price momentum.

### Fund performance

The Fund (S JPY Share Class) rose 2.1% versus a 3.8% increase in the benchmark TOPIX Total Return Index over the period (up to 28 March, the last working day of the month before the Easter holiday). The main driver of underperformance in the month was poor stock selection within smaller and mid-cap companies. Stock selection was notably weak within services (M&A Capital Partners), technology (Rohm), utilities (METAWATER) and wholesale trade (Vital KSK Holdings; Kato Sangyo).

### Portfolio turnover

Paltac: a new position was taken in Paltac, a wholesaler focused on the drugstore industry, following a recent company meeting. Paltac's relative valuation has derated significantly over the past 12 months presenting an excellent entry point. The shares offer optionality around capital allocation improvements and a potential change in the parent company's shareholding alongside the attractive valuation levels.

Sanken Electric: we initiated a holding in Sanken Electric following a period of pronounced share price weakness. The share price has suffered following news its domestic business was temporarily disrupted by earthquake damage to production facilities and its key US subsidiary is suffering from an ongoing inventory correction. We believe the current problems will prove to be short term in nature and hope the value of its US subsidiary will be fully reflected in Sanken's market cap in time, with the help of two leading activist shareholders.

Fujitsu General: a new position was taken in Fujitsu General, an air conditioning manufacturer, who is a listed subsidiary of Fujitsu. Following a difficult period for earnings, the parent company has appointed new management and we believe the business is currently at the bottom of its earnings cycle. Ultimately, we expect Fujitsu to sell Fujitsu General as it is considered a non-core part of the wider group and suspect any deal will also be accretive for minority shareholders.

Sohgo Security Services: having previously owned Secom within the security industry, we elected to initiate a holding in their smaller competitor, Sohgo Security, following a recent research visit. The valuation disparity between Secom and Sohgo Security has expanded sharply in recent years as Secom has shifted to a more shareholder-friendly capital allocation approach. We believe Sohgo Security is likely to follow a similar path to Secom in terms of evolving their capital allocation policy given the cashflow-generative nature

of the business, with a shift in policy likely to lead to a valuation rerating over time.

Soracom: we decided to participate in the initial public offering of Soracom, an interesting small-cap play on the Internet of Things connectivity through their partnerships with leading global telecom companies. The company has been profitable for a number of years given the high degree of recurring revenue and has a blue-chip shareholder register including portfolio holdings KDDI, Hitachi, Sony and Secom. The shares got off to a strong market debut and we elected to exit our position shortly thereafter.

Japan Eyewear Holdings: we sold the holding in Japan Eyewear Holdings as it reached our fair value estimate. The shares have rerated since listing in November last year as both results and guidance have exceeded expectations. With the shares now trading at a more appropriate valuation for a high margin luxury goods manufacturer, we decided to recycle the funds into higher conviction new ideas.

JSP: contrary to our expectations that JSP would be bought in by its parent company, Mitsubishi Gas Chemical\*, the company announced a share buyback from the parent company to reduce their shareholding to below 50%. With the primary catalyst for realising value no longer likely to occur, the decision was taken to exit given abundant opportunities elsewhere in the market.

Nitto Kohki: we sold the long-standing position in Nitto Kohki into short-term share price strength following a share buyback announcement. Longer term, the shares have disappointed versus our expectations, with enhanced shareholder returns over the holding period being offset by weaker earnings than assumed.

### Outlook and strategy

The BoJ's decision to finally end their negative interest rate policy is another important milestone in the resurgence of the Japanese equity market. The board of the BoJ will be pleased to have had minimal market impact around the change in policy, with the yen actually weakening somewhat further in March. The question now is whether inflation will remain above target sustainably leading to further rates hikes in 2024.

The Japanese stock market has enjoyed a phenomenal start to 2024 (Nikkei 225 21%, TOPIX 18%) amid rising expectations a virtuous cycle for prices, wages and profits is emerging as Japan finally defeats deflation. The other important pillar for market returns has been the capital efficiency drive instigated by the Tokyo Stock Exchange in early 2023. Our recent research trip to Japan supported our belief many companies will be announcing reforms to their capital allocation policies at the upcoming April/May full-year reporting season. Despite the portfolio struggling to keep up with market returns in the first quarter due to the concentration of returns in large-cap momentum stocks, we continued to identify numerous new investment opportunities in smaller and mid-cap companies, which we believe bodes well for future portfolio returns as the rally in Japanese equities broadens.

\* not held

Gerard Cawley & Chris Smith

5 April 2024

*It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.*

## Share Class Information

| Share Class      | Bloomberg   | ISIN         | SEDOL   | Minimum Investment | OCF <sup>†</sup> | Ann. Fee | Perf. Fee <sup>††</sup> |
|------------------|-------------|--------------|---------|--------------------|------------------|----------|-------------------------|
| USD R Dist       | PCJARUI ID  | IE00B3KK5164 | B3KK516 | -                  | 1.44%            | 1.35%    | 10%                     |
| JPY R Dist       | PCJARJI ID  | IE00B8857N36 | B8857N3 | -                  | 1.44%            | 1.35%    | 10%                     |
| GBP R Dist       | POJVLRS ID  | IE00BK63S973 | BK63S97 | -                  | 1.44%            | 1.35%    | 10%                     |
| EUR R Dist       | POJVLRE ID  | IE00BK63S866 | BK63S86 | -                  | 1.44%            | 1.35%    | 10%                     |
| USD R Dist Hdg   | PCJARUH ID  | IE00B88DDG32 | B88DDG3 | -                  | 1.44%            | 1.35%    | 10%                     |
| GBP R Dist Hdg   | PCJARBH ID  | IE00B4WY8142 | B4WY814 | -                  | 1.44%            | 1.35%    | 10%                     |
| EUR R Dist Hdg   | PCJAREH ID  | IE00B7G7VV19 | B7G7VV1 | -                  | 1.44%            | 1.35%    | 10%                     |
| CHF R Dist Hdg   | POJVRHC ID  | IE00BK63DD68 | BK63DD6 | -                  | 1.44%            | 1.35%    | 10%                     |
| USD I Dist       | POJAVIU ID  | IE00BYW63S21 | BYW63S2 | -                  | 1.09%            | 1.00%    | 10%                     |
| JPY I Dist       | PCJAIJY ID  | IE00BYMD0W65 | BYMD0W6 | -                  | 1.09%            | 1.00%    | 10%                     |
| GBP I Dist       | POJAVIG ID  | IE00BYW63T38 | BYW63T3 | -                  | 1.09%            | 1.00%    | 10%                     |
| EUR I Dist       | POJAVIE ID  | IE00BYW63V59 | BYW63V5 | -                  | 1.09%            | 1.00%    | 10%                     |
| USD I Dist Hdg   | POJAIUH ID  | IE00BFX4HR96 | BFX4HR9 | -                  | 1.09%            | 1.00%    | 10%                     |
| GBP I Dist Hdg   | POJAIGH ID  | IE00BFX4HT11 | BFX4HT1 | -                  | 1.09%            | 1.00%    | 10%                     |
| EUR I Dist Hdg   | POJAIEH ID  | IE00BFX4HW40 | BFX4HW4 | -                  | 1.09%            | 1.00%    | 10%                     |
| CHF I Dist Hdg   | POJVIHC ID  | IE00BK63DF82 | BK63DF8 | -                  | 1.09%            | 1.00%    | 10%                     |
| USD S Dist       | POJVLSE ID  | IE00BK63DB45 | BK63DB4 | USD 1m             | 0.69%            | 0.60%    | 10%                     |
| JPY S Dist*      | PCJAIJI ID  | IE00B8843R79 | B8843R7 | USD 1m             | 0.69%            | 0.60%    | 10%                     |
| GBP S Dist*      | PCJAIIB ID  | IE00B6TBKM73 | B6TBKM7 | USD 1m             | 0.69%            | 0.60%    | 10%                     |
| EUR S Dist       | POJVLSE ID  | IE00BK63DC51 | BK63DC5 | USD 1m             | 0.69%            | 0.60%    | 10%                     |
| USD S Dist Hdg*  | PCJAIUH ID  | IE00B7JYM942 | B7JYM94 | USD 1m             | 0.69%            | 0.60%    | 10%                     |
| GBP S Dist Hdg*  | PCJAIIBH ID | IE00B8C0M523 | B8C0M52 | USD 1m             | 0.69%            | 0.60%    | 10%                     |
| EUR S Dist Hdg*  | PCJAIIEH ID | IE00B8C1QM02 | B8C1QM0 | USD 1m             | 0.69%            | 0.60%    | 10%                     |
| CHF S Dist Hdg   | PJPVSHC ID  | IE00BKPWG137 | BKPWG13 | USD 1m             | 0.69%            | 0.60%    | 10%                     |
| USD I Acc        | PCJAIUS ID  | IE000KLS6DQ2 | BNG26N5 | -                  | 1.09%            | 1.00%    | 10%                     |
| USD I Acc Hedged | PCJIUHA ID  | IE000VBA67C9 | BNG26R9 | -                  | 1.09%            | 1.00%    | 10%                     |
| EUR I Acc        | PCJAIIEA ID | IE000B4WLVU3 | BNG26P7 | -                  | 1.09%            | 1.00%    | 10%                     |
| EUR I Acc Hedged | PCJIEHD ID  | IE0001XAJEX3 | BNG26S0 | -                  | 1.09%            | 1.00%    | 10%                     |
| JPY I Acc        | PCJAIJP ID  | IE0006XBIGM0 | BNG26M4 | -                  | 1.09%            | 1.00%    | 10%                     |

\*These share classes are closed to new investors.

<sup>†</sup>Ongoing Charges Figure (OCF) is the latest available, as per the date of this factsheet. The Ongoing Charges Figure is based upon the expenses incurred by the Fund for the previous 12 month period. The OCF incorporates the Annual Fee charged by the Fund.

<sup>††</sup>Performance Fee 10% of outperformance of Topix Index TR.

## Risks

- **Capital is at risk and there is no guarantee the Fund will achieve its objective. Investors should make sure their attitude towards risk is aligned with the risk profile of the Fund before investing.**
- **Past performance is not a reliable guide to future performance. The value of investments may go down as well as up and you might get back less than you originally invested as there is no guarantee in place.**
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Please see the Fund's Prospectus for details of all risks.
- The Fund invests in the shares of companies, and share prices can rise or fall due to several factors affecting global stock markets.
- The Fund uses derivatives which carry the risk of reduced liquidity, substantial loss, and increased volatility in adverse market conditions, such as failure amongst market participants.
- The Fund invests in assets denominated in currencies other than the Fund's base currency. Changes in exchange rates may

have a negative impact on the Fund's investments. If the share class currency is different from the currency of the country in which you reside, exchange rate fluctuations may affect your returns when converted into your local currency. Hedged share classes may have associated costs which may impact the performance of your investment.

- The Fund invests in a relatively concentrated number of companies and industries based in one country. This focused strategy can produce high gains but can also lead to significant losses. The Fund may be less diversified than other investment funds.

## Important Information

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A decision may be taken at any time to terminate the marketing of the Fund in any EEA Member State in which it is currently marketed. Shareholders in the affected EEA Member State will be given notification of any decision and provided the opportunity to redeem their interests in the Fund, free of any charges or deductions, for at least 30 working days from the date of the notification.

Investment in the Fund is an investment in the shares of the Fund and not in the underlying investments of the Fund. Further information about fund characteristics and any associated risks can be found in the Fund's Key Investor Document or Key Investor Information Document ("KID" or "KIID"), the Prospectus (and relevant Fund Supplement), the Articles of Association and the Annual and Semi-Annual Reports. Please refer to these documents before making any final investment decisions. These documents are available free of charge at Polar Capital Funds plc, Georges

## Important Information (contd.)

Court, 54-62 Townsend Street, Dublin 2, Ireland, via email by contacting Investor-Relations@polarcapitalfunds.com or at www.polarcapital.co.uk. The KID is available in the languages of all EEA member states in which the Fund is registered for sale; the Prospectus, Annual and Semi-Annual Reports and KIID are available in English.

The Fund promotes, among other characteristics, environmental or social characteristics and is classified as an Article 8 fund under the EU's Sustainable Finance Disclosure Regulation (SFDR). For more information, please see the Prospectus and relevant Fund Supplement.

ESG and sustainability characteristics are further detailed on the investment manager's website: (<https://www.polarcapital.co.uk/ESG-and-Sustainability/Responsible-Investing/>).

A summary of investor rights associated with investment in the Fund is available online at the above website, or by contacting the above email address. This document is provided and approved by both Polar Capital LLP and Polar Capital (Europe) SAS.

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**Benchmark** The Fund is actively managed and uses the TOPIX Total Return Index as a performance target and to calculate the performance fee. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Fund invests. The performance of the Fund is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found <http://www.jp.x.co.jp/>

english/markets/indices/topix. The benchmark is provided by an administrator on the European Securities and Markets Authority (ESMA) register of benchmarks which includes details of all authorised, registered, recognised and endorsed EU and third country benchmark administrators together with their national competent authorities.

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**Spain** The Fund is registered in Spain with the Comisión Nacional del Mercado de Valores ("CNMV") under registration number 771.

**Switzerland** The principal fund documents (the prospectus, KID/KIIDs, memorandum and articles of association, annual report and semi-annual report) of the Fund may be obtained free of charge from the Swiss Representative. The Fund is domiciled in Ireland. The Swiss representative and paying agent is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, Switzerland.

**Austria / Belgium / Denmark (professional only) / Finland / France / Germany / Gibraltar / Ireland / Italy / Liechtenstein / Luxembourg / Netherlands / Norway / Portugal / Spain / Sweden / Switzerland and the United Kingdom** The Fund is registered for sale to all investors in these countries. Investors should make themselves aware of the relevant financial, legal and tax implications if they choose to invest.

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