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Nikko Asset Management

NIKKO AM JAPAN VALUE FUND

February 2024 Factsheet



Key Facts

Total Fund Size:	JPY 23,583,929,589
Minimum Investment:	USD 1,000,000 equivalent
Legal Structure:	Sub-fund of Luxembourg SICAV qualifying as a UCITS
Investment Manager:	Nikko Asset Management Co., Limited
Management Company:	Nikko Asset Management Luxembourg S.A
Portfolio Manager:	Takaaki Harashima
Depository:	BNP Paribas, Luxembourg Branch
Management Fee:	Class A: 0.60 %
On-Going Charges (Includes Management Fee):	Class A: 0.80 %
Dealing:	Daily

Investment Objective

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. The Sub-Fund promotes certain environmental and social characteristics within the meaning of article 8 of the SFD Regulation but does not have a sustainable investment objective.

Performance Information

Past performance is not a guide to future returns. 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 Gross Index is used as a reference benchmark. Portfolio launch date and Class A JPY inception date is 1 February 2016.

Net Performance Returns

		1Mth	3Mth	6Mth	1Yr	3Yr	5Yr	SI
Class A JPY	Fund	3.25%	9.85%	10.32%	34.34%	16.75%	15.05%	11.20%
	Benchmark	4.93%	12.87%	16.01%	37.64%	15.58%	13.46%	10.28%

12 Month Performance Periods

	From:	28 Feb 2023	28 Feb 2022	26 Feb 2021	28 Feb 2020	28 Feb 2019
	To:	29 Feb 2024	28 Feb 2023	28 Feb 2022	26 Feb 2021	28 Feb 2020
Class A JPY	Fund	34.34%	8.89%	8.78%	29.66%	-2.31%
	Benchmark	37.64%	8.52%	3.36%	26.40%	-3.65%

Commentary

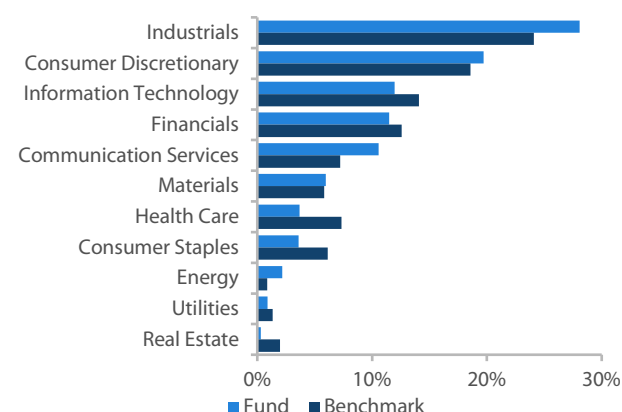
The fund underperformed the broad market in February as selected large cap stocks drove the overall market. The Transportation Equipment sector was among the portfolio's best contributing sectors as shares of Kawasaki Heavy Industry (diversified industrials) continued to move higher after its solid 3Q earnings announcement and upward revision to its operating profit guided for the fiscal year ending March 2024. On the other hand, the Electric Appliances sector detracted from performance as high valuation large cap growth stock Tokyo Electron (semiconductor manufacturing), which we did not own, showed significant outperformance over the broad market during the month. The sole new purchase during the month was SUMCO (semiconductor manufacturing/silicon wafers). SUMCO appears to be in a different situation from past adjustment phases, as long-term contract prices have been maintained despite the severe market environment. We expect structural demand growth for advanced semiconductors such as AI servers, for which silicon use is continually expanding, benefiting the company. There were no stocks sold out of during the month. In the broader market, a number of positives bolstered stocks, including overall solid domestic corporate earnings and comments from the governor of the Bank of Japan (BOJ) implying that even if the BOJ were to scrap its negative interest rate policy, it would maintain monetary easing. This in turn led the yen to weaken further against the US Dollar amid the outlook for the prolongation of the BOJ's ultra-loose policy, and spurred expectations for strong earnings for exporters. At the same time, investors are anticipating enhanced shareholder returns as a result of the Tokyo Stock Exchange's push to encourage listed companies to improve capital efficiency. Japanese equities were also supported by the rise in US equities on the back of strong earnings results at major semiconductor firms benefitting from the generative AI boom.

Fund Holdings

Top 10 Holdings	Fund	Benchmark
Toyota Motor Corp	4.92%	5.24%
Mitsubishi Ufj Financial Group Inc	4.00%	2.44%
Nintendo Co Ltd	3.79%	1.40%
Sony Corp	3.79%	2.41%
Hitachi Ltd	3.13%	1.62%
Sumitomo Mitsui Financial Group Inc	2.73%	1.54%
Kawasaki Heavy Industries Ltd	2.27%	0.09%
Mitsubishi Corp	2.25%	1.72%
Fujifilm Holdings Corp	2.25%	0.47%
Mitsui & Co Ltd	2.03%	1.38%
Cash	1.50%	0.00%

Top 5 Active Stocks Weights	Fund	Benchmark
Nintendo Co Ltd	3.79%	1.40%
Kawasaki Heavy Industries Ltd	2.27%	0.09%
Fujifilm Holdings Corp	2.25%	0.47%
Mitsubishi Ufj Financial Group Inc	4.00%	2.44%
Kadokawa Dwango Corp	1.58%	0.04%

Sector Allocation



Fund Information

	Launch Date	Nav Per Share	ISIN Code	Bloomberg Ticker	Valoren Number
Class A JPY	01 February 2016	2358.39	LU1314308336	NKAJVAJ LX	31398395

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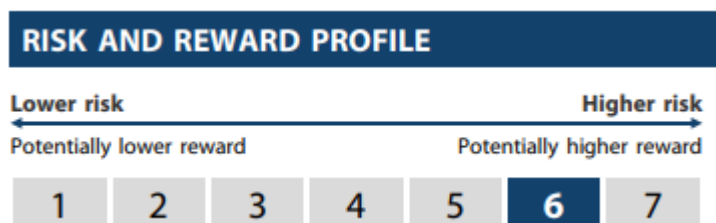
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Operational risk - due to issues such as natural disasters, technical problems and fraud.

Liquidity risk - investments that could have a lower level of liquidity due to (extreme) market conditions or issuer-specific factors and or large redemptions of shareholders. Liquidity risk is the risk that a position in the portfolio cannot be sold, liquidated or closed at limited cost in an adequately short time frame as required to meet liabilities of the Sub-Fund.

Derivative risk - the Sub-Fund may use derivatives as described in the Objectives and Investment Policy. Use of derivatives results in higher chances of loss due to the use of leverage, or borrowing. Derivatives allow investors to earn large returns from small movements in the underlying asset's price. However, investors could lose large amounts if the price of the underlying assets moves against them significantly.

Counterparty risk - the possibility that the counterparty, such as brokers, clearing houses and other agents be unable to perform its obligations due to insolvency, bankruptcy or other causes.

Sustainability Risk

The risk arising from any environmental, social or governance events or conditions that, were they to occur, could cause material negative impact on the value of the investment. Specific sustainability risk can vary for each product and asset class, and include but are not limited to: Transition Risk, Physical Risk, Social Risk and Governance Risk.

Important Information

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