

NIKKO AM JAPAN VALUE FUND

August 2018 Factsheet

Key Facts

Total Fund Size:	JPY 759,387,877
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., Limited
Management Company:	Nikko Asset Management Luxembourg S.A
Portfolio Manager:	Shigeru Aoyagi
Depository:	Brown Brothers Harriman (Luxembourg) S.C.A
Management Fee:	Class A: 0.60 %
On-Going Charges (Includes Management Fee):	Class A: 0.90 %
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.

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 Index is used as a reference benchmark. Portfolio launch date and Class A JPY inception date is 1 February 2016.

Net Performance Returns

		1Mth	3Mths	6Mths	1Yr	SI
Class A	Fund	0.62%	1.50%	-2.94%	8.96%	10.34%
JPY	Benchmark	-1.00%	-0.47%	-0.72%	9.58%	9.14%

12 Month Performance Periods

		From: 31 Aug 2017 To: 31 Aug 2018	31 Aug 2016 31 Aug 2017	31 Aug 2015 31 Aug 2016	31 Aug 2014 31 Aug 2015	31 Aug 2013 31 Aug 2014
Class A JPY	Fund	8.96%	24.40%	-	-	-
	Benchmark	9.58%	24.31%	-	-	-

Commentary

The fund outperformed this month helped in large part by strong stock selection. The Other Products sector was among the portfolio's best performing industries thanks to a large contribution from Nintendo (gaming console/software company). The stock gained momentum as sales of the firm's new game console, Switch, are showing signs of recovery. Meanwhile, the Construction sector detracted as Taisei (construction company) contributed negatively after investors appeared to overreact to its first quarter earnings. The results showed a temporary decline in year-on-year profits after the high bar set in the previous year. The sole new purchase during the month was Nippon Paper Industries (paper products). Nippon Paper is expected to benefit from structural reforms as well as growing demand for paper products amid a shift in demand from plastics to paper due to increased awareness of environmental issues. We sold out of Nippon Steel (steel manufacturer), NTT Docomo (telecom operator) and Electric Power Development (power utility) to seek names that offer higher risk-adjusted returns.

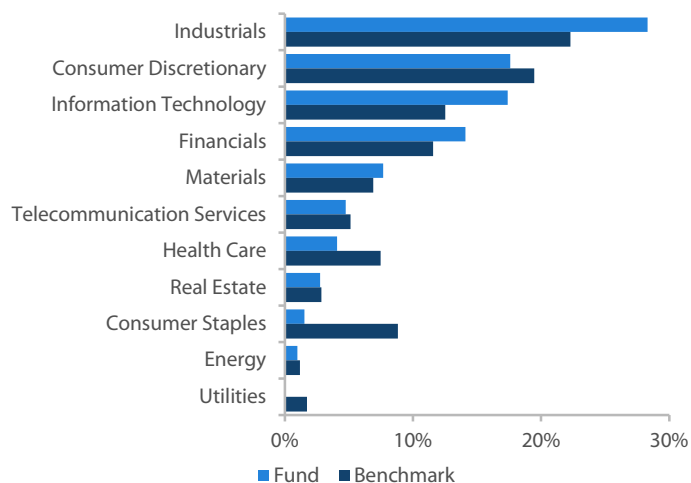
In the broader market, the TOPIX declined for the first time in two months. Early in the month, Japanese stocks declined on lingering concerns of a US-China trade war, as well as on the sell-off in Chinese stocks and the renminbi. The market was also somewhat affected by the sudden decline in the Turkish lira. However, a solid US equity market and a weaker yen helped boost the Japanese market amid thin trading volumes towards the end of the month.

Fund Holdings

Top 10 Holdings	Fund	Benchmark
Sony Corp	4.96%	1.72%
Nintendo Co Ltd	3.78%	1.00%
Toyota Motor Corp	2.89%	3.40%
Mitsubishi Ufj Financial Group Inc	2.84%	1.86%
Softbank Group Corp	2.77%	1.85%
Sumitomo Mitsui Financial Group Inc	2.12%	1.32%
Kddi Corp	1.98%	1.03%
Hitachi Ltd	1.95%	0.70%
Jgc Corp	1.93%	0.09%
Mitsui & Co Ltd	1.92%	0.61%
Cash	0.82%	N/A

Top 5 Active Stocks Weights	Fund	Benchmark
Sony Corp	4.96%	1.72%
Nintendo Co Ltd	3.78%	1.00%
Jgc Corp	1.93%	0.09%
Anritsu Corp	1.87%	0.05%
Sumitomo Metal Mining Co Ltd	1.79%	0.18%

Sector Allocation



Fund Information

	Launch Date	Nav Per Share	ISIN Code	Bloomberg Ticker	Valoren Number
Class A JPY	1 February 2016	JPY 1,289.00	LU1314308336	NKAJVAJ LX	31398395

Business Development / Further Information

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Information sources include Bloomberg, Brown Brothers Harriman (Luxembourg) S.C.A., SMBC Nikko Bank (Luxembourg) S.A., Nikko Asset Management Asia and Nikko Asset Management Co., Ltd. All information as of 31 August 2018

Authorised and regulated by the Financial Conduct Authority.

Number 122084

Risk Information

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.

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 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 en.nikkoam.com or can be obtained free of charge from the Funds registered office in Luxembourg: 80, route d'Esch, L-1470 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.