

Thornbridge Nissay Japan Equity Contrarian Value Fund

31 August 2023

Fund Description

Investment Objective: To achieve capital appreciation over the medium-to long-term by identifying and acquiring Japanese equities which are believed by the Investment Manager to be significantly undervalued, with a focus on improving the environmental, social or governance credentials of those equities.

Philosophy: Nissay Asset Management (NAM) invests with a long-term investment horizon, focusing on fundamentals and cash flow return on investment (CFROI) to exploit inefficiencies in the Japanese market and avoid value traps. NAM exploits a greater inefficiency in the Small/Mid Cap segment of the Japanese market due to lack of professional sell side analyst coverage, and a move to passive investments by large institutional investors.

Investment Strategy: The Fund invests in 30-40 companies, with a high active share and a focus on the inefficient mid-cap segment. It follows an unconstrained all cap approach availing itself of all the opportunity set across the market. The Fund has a core value investment style and is diversified across all sectors (rather than being biased to traditional value sectors such as financials and energy), allowing investors to hold the Fund throughout the cycle.

Monthly Commentary

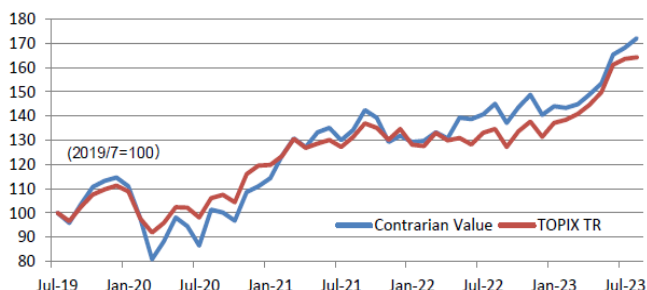
The Contrarian Value strategy returned +2.29% in August whilst the reference benchmark (TOPIX TR) returned +0.43%. Japanese stocks were mixed in August while interest rate movements and speculation on monetary policies continued to swing the equity market sentiment and flows. In addition, the market decline was also fueled by widespread concerns over further economic slowdown of China stemming from the deterioration of the financial system and consumer spending.

Amidst unstable and rising interest rates, highly valued sectors such as the semiconductor industry experienced larger downward pressures on stock prices, resulting in weaker performance for the month. Top performing sectors included: Marine Transportation, Mining, Oil Coal Products whilst bottom performing sectors included: Precision Instruments, Electric Appliances, Air Transportation.

Interest rates are expected to remain in the center of investors focus as a key driving factor, which could lead to a biased interest toward certain industries and specific stocks. Impact of foreign investor flows should also be closely monitored. However, the equity market has priced in inflation and rising interest rates too far relative to fundamentals, whereas the end of the cycle is getting closer. We would not be surprised to see corrections at any moment. If those happen, downward revisions are likely to occur on overstated stock prices, e.g interest rate sensitive stocks. We will not be swayed by short sighted views, but rather will be committed to selecting stocks based on valuations from a mid to long term perspective.

Portfolio advisor	Eizo Tomimura
Strategy inception	August 2019
Fund inception	19 June 2023
Fund AUM	1,932,795,317 JPY
Reference index	TOPIX (Total Return)
Investment style	All Cap Value ESG
SFDR classification	Article 8
Number of holdings	30-40 stocks
Dealing frequency and cut-off	Daily, T-1 noon (Ireland)
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited
Investment advisor	Nissay Asset Management
Investment manager	Thornbridge Investment Management LLP
Management Company	Harrington Cooper Asset Management Limited
Legal structure	Irish UCITS

Strategy performance



*Past performance does not predict future returns

Annualised statistics

Time period	Contrarian Value (%)	TOPIX TR (%)
Month-to-date	2.29	0.43
Year-to-date	22.52	25.06
One-year	18.68	22.04
Three-year	19.34	15.71
Since inception (August 2019)	14.23	12.94

Gross performance

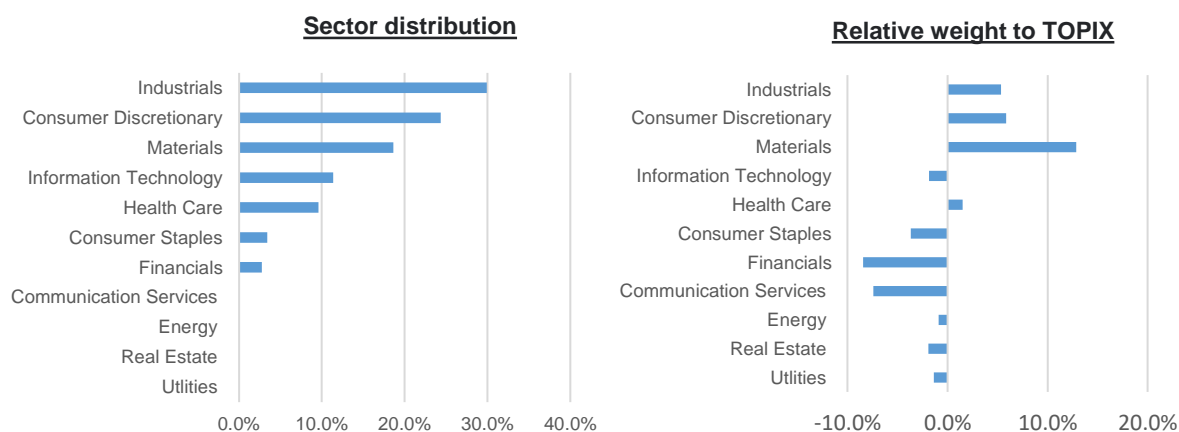
Track Record available in Morningstar under 'Strategy': **Nissay Japan Equity Contrarian Value Mother Fund F00001E8FK**, and the sister strategy: **Nissay Japan Equity Concentrated Core F00001EFTS**

Top 10 Holdings

- | | |
|---------------------------|-----------------------------------|
| 1. NIPPON SHINYAKU CO LTD | 6. SANTEN PHARMACEUTICAL CO LTD |
| 2. MABUCHI MOTOR CO LTD | 7. MITSUBISHI ELECTRIC CORP |
| 3. RYOHN KEIKAKU CO LTD | 8. TOPCON CORP |
| 4. SUZUKI MOTOR CORP | 9. SOHGO SECURITY SERVICES CO LTD |
| 5. SEIKO EPSON CORP | 10. KAO CORP |

TOP TEN HOLDINGS TOTAL WEIGHT: 34.67%

GICS Sector Distribution



Key Risks

Key risks – performance risk, risk of capital loss, regional geopolitical risks, foreign currency risk, liquidity risk, volatility risk

Share Class Details

Share Class	Currency	ISIN	Acc/Inc	AMC	Minimum Investment
EUR FOUNDER ACC	EUR	IE000Z33EKO0	Acc	0.40%	EUR Equivalent of USD 150m
GBP FOUNDER INC	GBP	IE000PEITUT9	Inc	0.40%	GBP Equivalent of USD 150m
GBP FOUNDER ACC	GBP	IE0002VVA3V5	Acc	0.40%	GBP Equivalent of USD 150m
JPY FOUNDER ACC	JPY	IE000I3J11I2	Acc	0.40%	JPY Equivalent of USD 150m

Disclaimer

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