

Thornbridge Nissay Japan Equity Contrarian Value Fund

June 2024

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

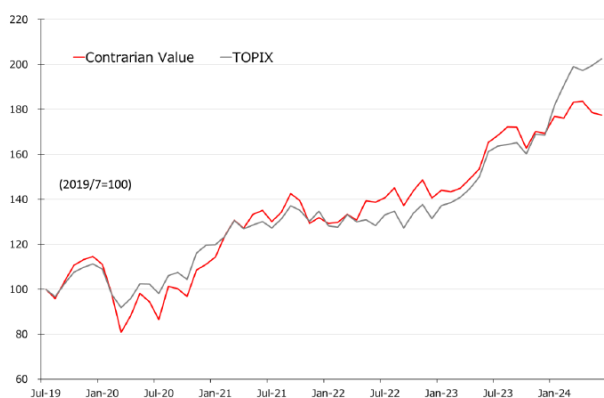
Japanese stocks rose in June on the back of expectations of a normalized monetary policy in Japan and the weakening of the Yen. However, political uncertainties globally also weighed on performance. Lower than expected CPI in the US eased inflation concerns, increasing expectations of a rate cut to boost US tech stocks and leading to strong performance in growth stocks. By month end, the yen depreciation and strong US tech stocks lifted the Japanese equity market, particularly in the semiconductor and financials sectors.

IHI was one of the top performers for the month. We saw the introduction of ROIC as a business valuation measure to enhance the profitability of the business. Additionally, overseas projects where there were concerns about losses subsided. We anticipated the company would become a stable and highly profitable enterprise by building up its stock of aero engines, which is a long-term growth business. We continue to expect that the profit mix will structurally improve as demand for aircraft is expected to recover over the medium-term horizon. The stock price rose following reports that the company is on track to post record profits in the next fiscal year.

On the other hand, TEIJIN was the largest detractor in June. In addition to the reaction from the previous month's stock price rise, the sale of the company's listed subsidiary "Infocom" for approximately 275 billion yen (approx. USD1.8 billion) led to a sentiment that all the near-term positive factors had been exhausted, causing the stock price to decline. However, we expect the proceeds from the sale to drive business structure reforms and share buybacks. Investment view remains intact, and we continue to hold.

Portfolio advisor	Eizo Tomimura
Strategy inception	August 2019
Fund inception	19 June 2023
Fund AUM	2,387,888,069 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	-0.61	1.45
Year-to-date	4.79	20.14
One-year	7.26	25.59
Three-year	9.52	15.88
Since inception (August 2019)	12.37	15.43

Gross performance

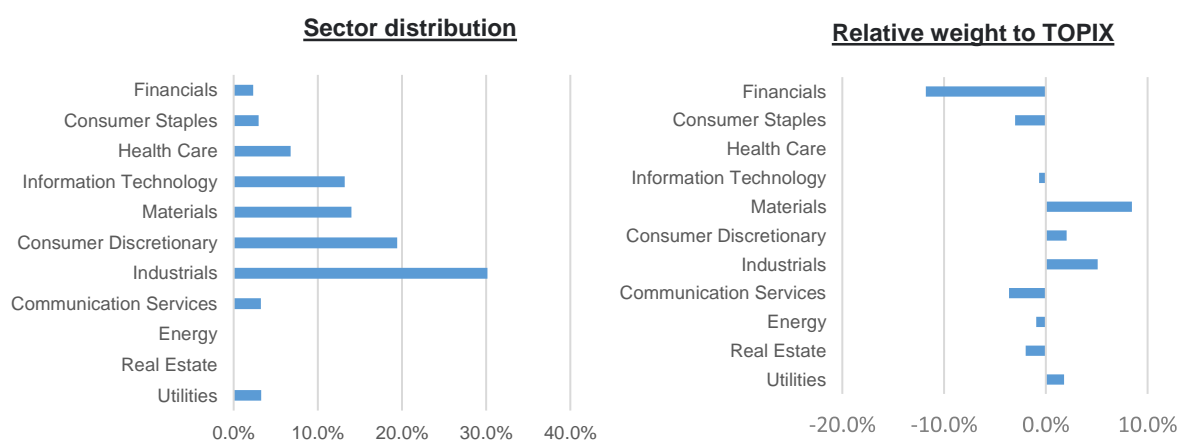
Track Record available in Morningstar under 'Strategy': **Nissay Japan Equity Contrarian Value Mother Fund F00001E8FK**, and the sister strategy: **Nissay Japan Equity Concentrated Core F00001EFTS**

Top 10 Holdings

- | | |
|---------------------------|----------------------|
| 1. MISUMI GROUP INC | 6. IHI CORP |
| 2. NIPPON SHINYAKU CO LTD | 7. H I S CO LTD |
| 3. MABUCHI MOTOR CO LTD | 8. SUZUKI MOTOR CORP |
| 4. SEIKO EPSON CORP | 9. RINNAI CORP |
| 5. TEIJIN LTD | 10. TOHO GAS CO LTD |

TOP TEN HOLDINGS TOTAL WEIGHT: 36.58%

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	IE000I3J112	Acc	0.40%	JPY Equivalent of USD 150m

Disclaimer

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