

# Thornbridge Nissay Japan Equity Contrarian Value Fund

September 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

Despite the recent decline in the Japanese stock market, the Contrarian Value Fund delivered a positive return of +0.9% in September and +2.3% quarter-to-date (as of 30/09/24). As such, the Fund outperformed the reference benchmark (TOPIX TR) by +7.2% over the last quarter (Q3 2024). The Contrarian Value strategy does not simply invest in undervalued stocks, but rather carefully selects stocks that have medium-long term individual investment themes and identifies the asymmetry between the downside and upside potential of the stock price, which many investors typically do not focus on ("disliked stocks").

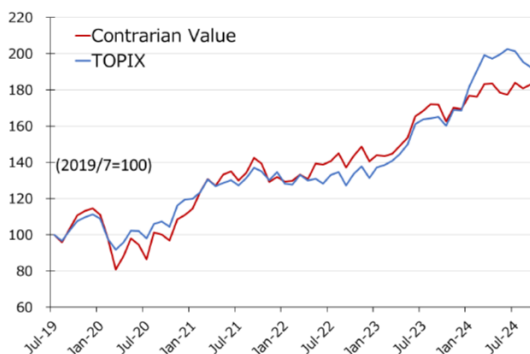
In the third quarter of 2024 the Japanese stock market saw the TOPIX index decline by -4.9%. Initially, stocks rose in July due to a strong US market and a weaker yen. However, mid month concerns over US semiconductor regulations and rising expectations for Bank of Japan rate hikes led to a stronger yen and declines in export-oriented sectors, particularly technology and automotive. August brought significant declines, with the TOPIX dropping -2.9% for the month, driven by recession fears in the US and a stronger yen. A brief recovery followed dovish comments from Deputy BOJ Governor Uchida, but volatility increased, and the banking sector fell by -11.8%

In September, the TOPIX fell by -1.5%, influenced by fluctuations in the dollar yen exchange rate. Concerns over a slowing US economy initially led to declines, but a positive US economic data provided some relief. However, after the election of Shigeru Ishiba in the LDP presidential race, the market experienced a significant drop.

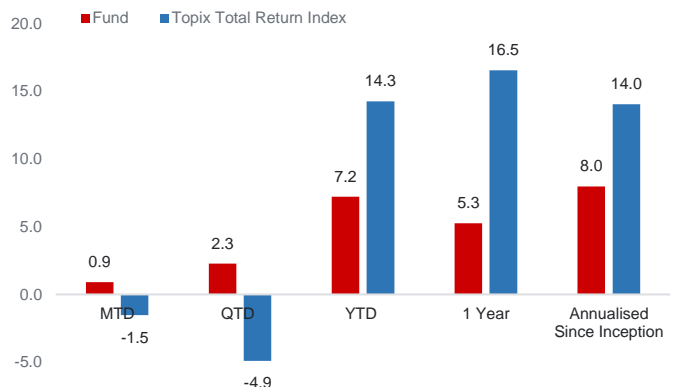
|                               |   |
|-------------------------------|---|
| Portfolio advisor             | Eizo Tomimura   |
| Strategy inception            | August 2019   |
| Fund inception                | 03 July 2023  |
| Fund AUM                      | 2,875,262,288 JPY   |
| Reference index               | 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   |

## Performance

### Strategy Performance



### Fund Performance



Past performance does not predict future returns.

Fund returns are for GBP Founder Acc class shares. Performance is net of fees and in Japanese Yen. Fund performance inception date is 3rd July 2023.

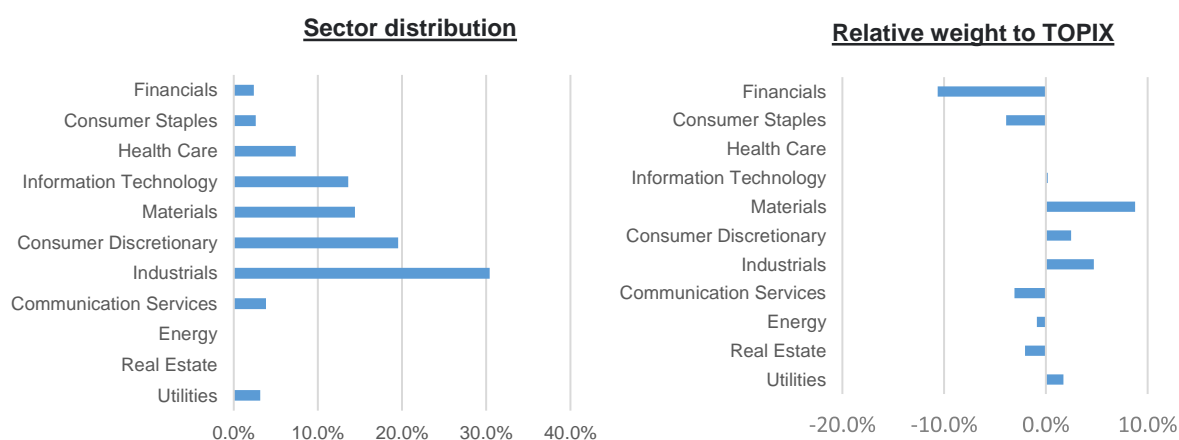
Track Record available in Morningstar under 'Strategy': Nissay Japan Equity Contrarian Value Mother Fund F00001E8FK, and the sister strategy: Nissay Japan Equity Concentrated Core F00001EFTS.

## Top 10 Holdings

- |                                |                                |
|--------------------------------|--------------------------------|
| 1. NIPPON SHINYAKU CO LTD      | 6. TEIJIN LTD                  |
| 2. MISUMI GROUP INC            | 7. MABUCHI MOTOR CO LTD        |
| 3. TOTO LTD                    | 8. HIS CO LTD                  |
| 4. SQUARE ENIX HOLDINGS CO LTD | 9. TORAY INDUSTRIES INC        |
| 5. SEIKO EPSON CORP            | 10. SOHGO SECURITY SERVICES CO |

TOP TEN HOLDINGS TOTAL WEIGHT: 38.43%

## 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

## Important Notice

The information on this document should be considered non-independent as Harrington Cooper LLP and Harrington Cooper Asset Management Limited have been retained by Nissay Asset Management (NAM) for the promotion of the strategies and funds to professional investors in the United Kingdom and the European Union.

This document does not constitute or form part of any offer to issue or sell, or any solicitation by Harrington Cooper LLP, Harrington Cooper Asset Management Limited, NAM, or any of their affiliates, of any offer to subscribe or purchase any securities mentioned herein. The information in this document should not be construed as the making of a personal recommendation or the giving of investment advice or recommending the undertaking of any investment activity either within or outside the United Kingdom.

No investment decisions should be made without first reviewing the prospectus for the [Harrington Cooper UCITS Funds ICAV] the key investor information document ("KIID") for the share class, a summary of the investor rights and any other supplementary information, which can be obtained free of charge from <http://harringtoncooper.com/harrington-cooperasset-management-funds/>. The Prospectus and supplements for the fund are available in English. The KIID for the [Class F (EUR/Income) ] is available in English. Where required under national rules, the key investor information document/the key information document will also be available in the local language of the relevant EEA Member State. A decision may be taken at any time to terminate the arrangements made for the marketing of the Funds on the Harrington Cooper UCITS Funds ICAV in any EEA Member State in which it is currently marketed. In such circumstances, Shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the Fund free of any charges or deductions for at least 30 working days from the date of such notification. The value of all investments and any income derived therefrom can decrease as well as increase and capital may be lost.

This information is not for use within any country or with respect to any person(s) where such use could constitute a violation of the applicable law. This document is only for professional clients or eligible counterparties (or such persons whom it may lawfully be issued or directed) In particular, any investment or services to which this document may relate are not intended for retail clients and will not be made available to retail clients.

No representation, warranty or undertaking, expressed or implied, is given as to the accuracy, timeliness or completeness of the information and no liability is accepted by Harrington Cooper LLP or Harrington Cooper Asset Management Limited or NAM or their affiliates for the information or opinions contained in this document.

Management company and distributor (European Union): Harrington Cooper Asset Management Limited, which is regulated by the Central Bank of Ireland. Registered office: Block A, One Park Place, Upper Hatch Street, Dublin 2, Ireland. Harrington Cooper UCITS Funds ICAV is authorised and regulated by the Central Bank of Ireland.

Distributor (UK): Harrington Cooper LLP, which is authorised and regulated by the Financial Conduct Authority, is a Limited Liability Partnership registered in England and Wales under registration number OC319697. Registered office: The Royal Exchange, 2 Royal Exchange Steps, London, EC3V 3DG, United Kingdom. Telephone: +44 0 207 043 0500.

## Contact details

**For further information, please contact:**

Edward Higgin (Head of Sales): +44 20 7043 0503 - [ehiggin@harringtoncooper.com](mailto:ehiggin@harringtoncooper.com)

Jonathan Francis (Head of Research): +44 20 7043 0504 - [jfrancis@harringtoncooper.com](mailto:jfrancis@harringtoncooper.com)