

JK Japan Fund

JK Japan Fund

July 2022

The Fund rose +4.18% in July, (Yen Class, Net of Fees, performance data below).

Overview

The Yen rose in the second half of July from 139 to 133 to the US Dollar, as the markets felt the Fed's future interest hikes were factored into the dollar price for the moment. There was no change to the outlook for Japanese interest rates, but the 10-year JGB did strengthen a little from 0.25% yield to 0.17% at month end.

Unlike the West, covid restrictions are still in force in many parts of Asia, most notably in China. Japan's COVID-19 death rate is the lowest among the world's wealthiest nations, but there are currently around 220,000 people a day testing positive in Japan's seventh wave of covid infections. Prime Minister Kishida said last Friday that the government still has no plans to impose COVID-19 restrictions on people's movements despite recent record infections caused by the highly transmissible BA.5 Omicron subvariant.

JK Japan Fund

During July, the Fund sold Nippon Yusen KK (9101), Tokyo Electron (8035), Mitsubishi Corp (8058), Mitsui Corp (8031), further reducing the Fund's exposure to commodities, SPEs and cyclicals. The Fund added to M3 Inc (2413).

Earnings season is now fully underway in Japan now for reporting numbers for Q1 ending 30th June. Around 80% of the Fund's holdings have reported and in aggregate, earnings are +8% ahead of the Bloomberg estimates, with sales about +4% ahead, showing surprising earnings resilience, despite the headwinds.

As regards earnings looking forward, most Japanese companies are making very cautious forecasts, due to the uncertain outlook on COVID-19, inflation, the Yen, political tensions between the US and China and commodity prices. Japanese companies quite often make very conservative forecasts.

We are conducting a series of "company visits" by Zoom in September, so should get a clearer idea from these interviews. However, valuations of the companies in the Fund remain attractive, backed up by strong balance sheets and solid business fundamentals.

Top 5 Winners in month	% Contribution	Top 5 Losers in month	% Contribution
MIURA CO LTD	0.44	AISIN CORP	-0.13
M3 INC	0.40	TOKYO ELECTRON LTD	-0.13
KEYENCE CORP	0.38	NIPPON TELEGR & TELEPH	-0.12
SYSMEX CORP	0.35	MAKITA CORP	-0.11
TERUMO CORP	0.27	MITSUBISHI ELECTRIC CORP	-0.08

NAV as at 31-Jul-22	
YEN class	14,893.62
GBP class	148.79
USD class	150.74
Euro Class	118.01
GBP (Unhedged)	98.23

Source: Apex Fund Services (Ireland) Ltd.

JK Japan Fund is a daily dealing UCITS fund. It can be held by ISA's, SIPP's, Pensions, Charities, Family Offices, Endowments, as a direct holding or through a Private Wealth Manager. All classes have UK Reporting Status.

For more information on the Fund, please see www.jkim.co.uk

Administrator for JK Japan Fund (Orders by Noon, Dublin time Daily)

Apex Group Ltd, Dublin Tel: +353 1 411 2949, Fax: +353 1 411 2948

Email: ApexTA@apexfunds.ie

Historic performance is not a guide to future returns.

Yen Class (%) ISIN IE00BJBY7C47													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2022	-8.82	+0.02	+6.20	-4.69	+1.22	-5.90	+4.18						-8.41
2021	-0.84	+0.07	+4.41	-0.48	+1.99	+2.70	-2.02	+4.55	+3.58	-0.29	-1.93	+2.10	+14.40
2020			-1.90*	+7.29	+7.23	+2.46	-0.05	+4.34	+2.58	-1.31	+14.42	+1.74	+42.13

*Yen Class started on 03-Mar-20 Source: Apex Fund Services (Ireland) Ltd

GBP Class (%) ISIN IE00BJBY7B30													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2022	-8.83	+0.08	+6.24	-4.58	+1.21	-5.92	+4.28						-8.15
2021	-0.83	+0.07	+4.47	-0.42	+1.89	+2.74	-1.98	+4.49	+3.60	-0.35	-1.95	+2.02	+14.33
2020			-2.16*	+7.28	+7.15	+2.58	-0.03	+4.31	+2.59	-1.32	+14.37	+1.74	+41.69*

*GBP Class started on 03-Mar-20 Source: Apex Fund Services (Ireland) Ltd

USD Class (%) ISIN IE00BJBY7911													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2022	-8.78	+0.06	+6.20	-4.64	+1.25	-5.90	+4.47						-8.00
2021	-0.79	+0.09	+4.49	-0.39	+1.99	+2.70	-1.97	+4.55	+3.58	-0.26	-1.94	+2.21	+14.92
2020			-2.02*	+7.44	+7.21	+2.56	-0.03	+4.35	+2.62	-1.29	+14.40	+1.84	+42.57*

*USD Class started on 03-Mar-20 Source: Apex Fund Services (Ireland) Ltd

EUR Class (%) ISIN IE00BJBY7D53													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2022	-8.92	+0.00	+6.00	-4.74	+1.06	-6.01	+4.30						-8.90
2021	-0.81	+0.01	+4.38	-0.51	+1.91	+2.69	-2.03	+4.50	+3.52	-0.34	-1.89	+2.05	+14.01
2020										-2.26*	+14.29	+1.71	+13.62*

*EUR Class started on 28-Oct-20 Source: Apex Fund Services (Ireland) Ltd

GBP (Unhedged) Class (%) ISIN IE00BMY4TW65													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2022	-8.28	+0.34	+2.48	-6.58	+1.84	-7.67	+6.09						-12.11
2021	-2.47	-3.22	+1.53	+0.53	-1.08	+4.08	-1.26	+5.38	+4.50	-4.18	+1.68	-1.32	+3.70
2020										-3.69*	+11.72	+0.17	+7.78*

*GBP (Unhedged) Class started on 14-Oct-20 Source: Apex Fund Services (Ireland) Ltd

For the use of Professional Investors only

Disclaimer: You should carefully consider the investment objectives, risks, charges and expenses of the JK Funds before making an investment decision. The current Prospectus, Supplements, Key Investor Information Documents (KIIDs) and/or other Offering Documents contain this and other information about the JK Funds. These may be obtained by visiting www.jkim.co.uk. Please read these documents carefully before investing as they explain the risks associated with investing in any of the JK Funds. **Past performance is not a guide to future returns. If you invest in any of the JK Funds, you may lose some or all of your capital invested.** Future performance may be subject to taxation, which depends on the personal situation of each investor and which may change in the future. Please also read the Important Notice on the last page of this document.

For further information please contact

Joe Armstrong
01483 401 525
JA@JKIM.CO.UK

Francis Kirkpatrick
01483 401 521
FK@JKIM.CO.UK

JK Investment Management LLP
Bury House, 3 Bury Street
Guildford
Surrey GU2 4AW
Tel: +44 1483 301 142

Important Notice

This document is issued by JK Investment Management LLP ("JKIM") only to, and is directed only at persons who are professional clients and eligible counterparties for the purposes of the Markets in Financial Instruments Directive ("MiFID"). Information contained in this document must not be relied or acted upon by any other persons. This document is only intended for use by investors registered or domiciled in EEA jurisdictions.

Please contact JKIM if you require any further information on your status.

JKIM is authorised and regulated by the Financial Conduct Authority of the United Kingdom ("FCA") and is registered in England under Registration No: OC304800. The registered office address of JKIM is Bury House, 3 Bury Street, Guildford, Surrey GU2 4AW. The regulatory status of JKIM can be confirmed on the FCA website at <http://www.fsa.gov.uk/register/>.

The material contained in this document is directed only at persons or entities in any jurisdiction or country where such access to information contained herein and use thereof is not contrary to local law or regulation. Accordingly, all persons who read this document are required to inform themselves of and to comply with any such restrictions.

Information Only: Nothing in this document constitutes or forms part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, shares, units or other interests ("Shares") in investments referred to herein. Nor shall this document form the basis of, or be relied on in connection with, any contract for Shares. Applications to invest in any product referred to in this document must only be made on the basis of the documentation relating to the specific investment and you should refer to your investment adviser. If you are in any doubt about the information contained in this document please call us on 01483 301142 or consult a professional financial adviser.

No Reliance and No Advice: The information contained in this document is provided solely on the basis that you make your own investment decision and does not constitute a personal recommendation or investment advice. You alone will bear the sole responsibility of evaluating the merits and risks associated with the use of any such information, opinions, estimates and content. JKIM only provides information on its own products. The information contained in this document is provided without obligation on the party of JKIM or its associates and on the understanding that any person who acts upon it or changed his investment position in reliance on it does so entirely at his own risk. Furthermore, the firm is not in a position to advise retail clients (as defined in the FCA Handbook) on your particular circumstances and particular merits of investing in the products.

Nothing contained in this document constitutes investment, legal, tax or other advice nor is to be relied on in making an investment or other decision. You should obtain relevant and specific professional advice before making any investment decision.

Accuracy of Information: Although JKIM has taken all reasonable care to ensure that the information contained in this document is accurate at the time of publication, no representation or warranty, express or implied, is made as to the accuracy, reliability or completeness of such information and no liability is accepted by JKIM for the accuracy or completeness of such information. All information, opinions, estimates and content in this document are provided by JKIM for information purposes only and are subject to change without notice. Information contained in this document is current only at the date it is first posted and may no longer be true or complete when received by you.

Risk Factors: Past performance may not be repeated and should not be seen as a guide to future performance. The value of investments and the income from them may go down as well as up, and investors may not get back the amount originally invested. Exchange rates may cause the value of overseas investments and the income arising from them to rise or fall. The levels and bases of and reliefs from taxation may change. Investors should consult their own tax adviser in order to understand any applicable tax consequences. This list of risk factors is not complete and reference should be made to the documentation relating to the specific investment. An investment should only be made after receiving and reviewing the prospectus or offering memorandum and the risk factors contained therein.

No Warranty: The information, opinions, estimates and content in this document are provided without any representations or warranties of any kind (including, without limitation, representations or warranties as to their accuracy, reliability or completeness), whether express or implied.

Limitation of Liability: JKIM does not accept any liability for any direct, indirect, special or consequential loss or damage (in each case, including but not limited to: business interruption, loss of profits, loss of revenue, loss of anticipated savings and/or loss of good will), arising from, or in connection with the use of information contained in this document; or any decisions you make based on the information, opinions, estimates and content made available to you in this document whether or not such loss is reasonable foreseeable as at the date you read this document or JKIM has been advised of the possibility of you incurring such loss or damage, and whether occasioned by the negligence of JKIM or its employees, agent or subcontractors. This is not intended to exclude or restrict any duty or liability that JKIM has to its customers under the "regulatory system" in the United Kingdom (as defined in the FCA Handbook) or which may not be excluded or restricted as a matter of applicable law.