

**SHINING A LIGHT ON THE.....
Legg Mason IF Japan Equity Fund**

AT A GLANCE

Investment Objective	
The Fund seeks to achieve its capital growth objective by investing principally in the securities of Japanese companies, which have above average growth prospects relative to the shares of Japanese companies as a whole. The Fund may also invest in other investments, to the extent permitted by the FCA Rules, as applicable from time to time and as explained in the Prospectus.	

Inception Date	28/10/1996
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=FOGBR04D85

Management	
Manager Name	Start Date
Hideo Shiozumi	22 October 1996

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	3.82%
Large	16.68%
Medium	63.28%
Small	15.53%
Micro	0.68%

Top 10 Holdings		
Total number of holdings	39	
Assets in Top 10 Holdings	57.31%	
Name	Sector	% of Assets
Nihon M&A Center Inc	Financial Services	9.61%
M3 Inc	Technology	9.32%
PeptiDream Inc	Healthcare	8.02%
Pan Pacific International Holdings Corp	Consumer Defensive	6.95%
SMS Co Ltd	Healthcare	4.67%
GMO Payment Gateway Inc	Technology	4.14%
Welcia Holdings Co Ltd	Healthcare	4.06%
Benefit One Inc	Industrials	3.79%
Nintendo Co Ltd	Technology	3.73%
Asahi Intecc Co Ltd	Healthcare	3.00%

Volatility Measurements	
3-Yr Std Dev (volatility)	19.25%
3-Yr Mean Return (average)	7.74%

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FUND PERFORMANCE

Performance from 1 January 2014 to 31 March 2020:

	2014	2015	2016	2017	2018	2019	2020
Legg Mason IF Japan Equity Fund	-1.35%	49.35%	28.69%	35.71%	-10.80%	24.61%	-13.19%
Xtrackers MSCI Japan ETF	0.07%	14.20%	23.48%	13.19%	-8.64%	14.37%	-10.60%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
Legg Mason IF Japan Equity Fund	-2.15%	25.07%	115.44%	554.87%
Xtrackers MSCI Japan ETF	-2.77%	2.64%	28.42%	-

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

***This update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.**

This was a brief update with the team following the recent falls in global markets. More details are contained in the last update in February. As a brief summary, the fund looks to invest in high growth businesses with a focus on changing consumer lifestyles, and therefore has a domestic focus.

They are patient long-term investors with many of the holdings being held for 5 to 10 year plus. Examples are Pan Pacific International, which was added in 1996, and M3, which was added in 2005. In terms of the recent market correction the top ten holdings contributed to much of the downside protection and as a result they have made very few changes to the portfolio.

Healthcare has increased due to its outperformance and they have cut back on their allocation to human resourcing as it is unclear of the potential impact on this part of the market in the short term. Long term they expect the story to remain and are likely to add to these once things become clearer.

Specific stocks which have done well in the downturn include GMO, M3 and Nintendo. Moving forward they believe that the companies they have are well positioned and will likely benefit from what is happening within the markets. The fund continues to be positioned with the third arrow of Abenomics, which is on consumer spending and stimulating the creation of new businesses and industries.

In summary, the team have made few changes in recent weeks and if anything, see that the market has opened up opportunities for them. They think the companies they have are well positioned to benefit and long term they are in the right place to benefit from a changing Japan.

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The source of information in this note has been provided by Legg Mason and is correct as at April 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.