

**SHINING A LIGHT ON THE.....  
GLG Japan CoreAlpha Fund**

**AT A GLANCE**

Investment Objective
The investment objective of the Fund is to provide capital growth by outperforming (net of fees) each of (i) TOPIX Total Return Index and (ii) the Russell/Nomura Large Cap Value Total Return Index, both converted to sterling, in a rolling five year period.

<b>Inception Date</b>	29 November 1999
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F0GBR04D3H">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F0GBR04D3H</a>

Management	
<b>Manager Name</b>	<b>Start Date</b>
Jeffrey Atherton	21 <sup>st</sup> March 2011

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2016 to 31<sup>st</sup> January 2021:

	2016	2017	2018	2019	2020	2021	2022
<b>Man GLG Japan CoreAlpha Fund</b>	32.43%	10.81%	-9.49%	7.46%	-13.99%	16.90%	5.61%
<b>TOPIX TR JPY</b>	23.41%	15.60%	-8.36%	14.64%	9.55%	2.02%	-3.98%

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

	1 year	3 years	5 years
<b>Man GLG Japan CoreAlpha Fund</b>	22.91%	8.42%	11.31%
<b>TOPIX TR JPY</b>	-0.45%	20.12%	27.79%

*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.*

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
12.47	77.78	90.84	116.86	44.44	1.2	-5.88	Value/Large

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Volatility Measurements	
3-Yr Std Dev (volatility)	18.36%
3-Yr Mean Return (average)	2.73%

Investment Style Details	
Giant	28.25%
Large	62.35%
Medium	8.07%
Small	0.00%
Micro	0.00%

Top 5 Holdings – 49 Equity Holdings		
Mitsubishi Estate Co Ltd	Real Estate	5.02%
Toyota Motor Corp	Consumer Cyclical	4.89%
Honda Motor Co Ltd	Consumer Cyclical	4.48%
Mitsubishi UFJ Financial Group Inc	Financial Services	4.05%
Sumitomo Mitsui Financial Group Inc	Financial Services	3.97%

Top 5 Sectors	
Financial Services	27.25%
Consumer Cyclical	20.87%
Industrials	17.20%
Real Estate	9.44%
Energy	4.90%

## UPDATE....

In the last review we expressed concerns on whether the fund could change, and whether taking on one of the existing managers on 1 April was the right choice. This is early days, but it appears that Jeff Atherton was very much the third man of the team and taking on the strategy has enabled him to stay true to the style bias, but reduce some of the risk within the strategy. This approach has seen a dramatic turn of fortune in terms of performance, and it will be interesting to see if this continues. If it does then clearly there was hidden talent within the team!

The strategy remains a large cap value fund. The main changes he has implemented are to reduce the risk of the portfolio by increasing the number of holdings, and reduce the weighting to the top ten holdings. He has reduced exposure to banks and invested into insurers and securities. He has increased exposure to autos and real estate. He has also moved away from deep value names and more towards quality value.

These changes are clearly something he has wanted to implement but was unable to do under the old team, and he confirmed that all the changes have now been made. The only changes now will be as opportunities arise within the market.

Although value as a style, and the fund, have done well recently, he believes there remains significant value within the market and that there will be a snow ball effect as the value within the market is recognised. There are few strategies left that invest in the part of the market he is targeting and therefore he is optimistic that the recent outperformance can continue.

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In terms of expressing the quality value, he turned to Toyota and Honda as examples. Both companies are leaders in the hybrid market and yet the valuations remain depressed. These are well run profitable businesses that are unrecognised by the market.

In summary, we came away from the call in a more positive frame than the last update. Jeff has taken on the fund and implemented changes that he believes can sustain long term outperformance. This includes reducing the risk, moving away from deep value, and also taking the opportunity to seek wider research from across the group. It is early days, but these changes mean that we will add this fund to our watchlist.

*The source of information in this note has been provided by Man GLG and is correct as of January 2022. 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.*