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# JPMorgan Japanese Investment Trust plc Annual General Meeting

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December 2017

Nicholas Weindling, Portfolio Manager

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## Summary of our view on Japan

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- Stable government
- Stronger economy
- Earnings have been positive
- Reasonable valuations
- Significant improvements in corporate governance

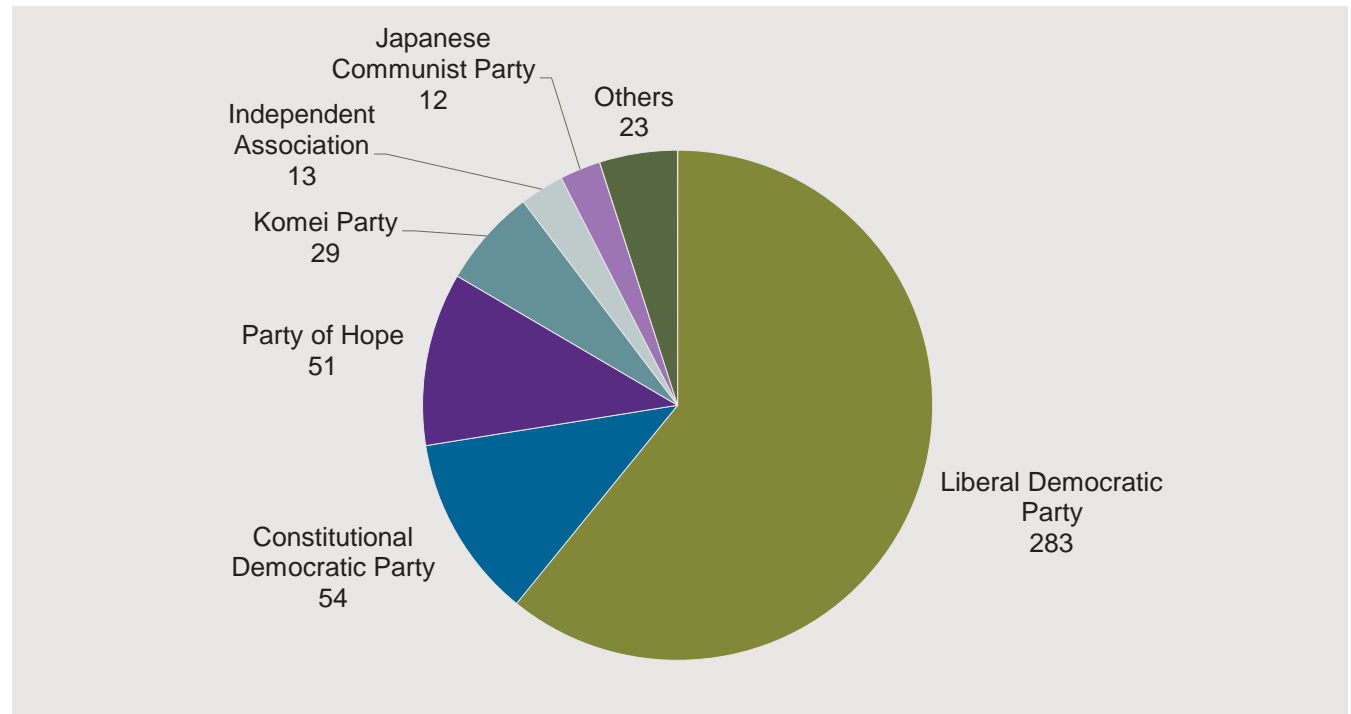
Source: J.P. Morgan Asset Management, data as of 31 October 2017. Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

# The election result in Japan has secured four more years of stable government



Prime Minister Shinzo Abe  
Source: Shutterstock

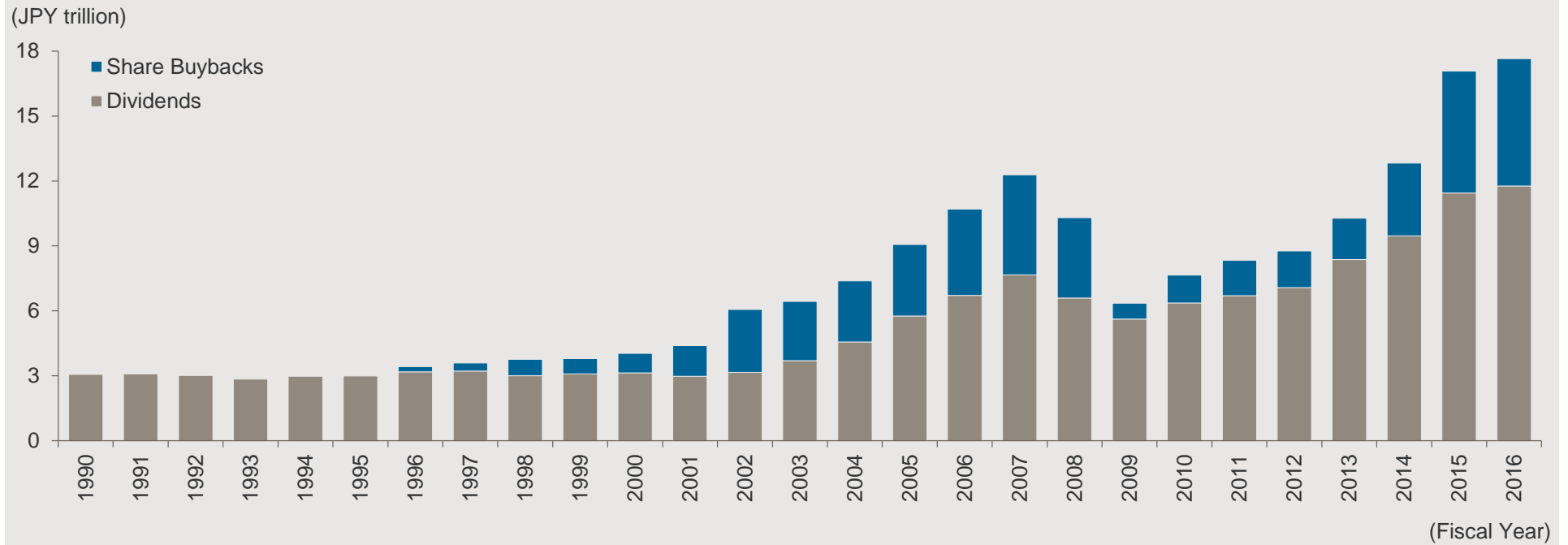
## Composition of the House of Representatives of Japan



Source: Nikkei, J.P. Morgan Asset Management. Data as at 1 November 2017

# Improving corporate governance - change in Japan looks structural

## Dividends and Buybacks



**Past performance is not a reliable indicator of current and future results.**

Note: (1) Share buyback data are for repurchases of common stock, excluding repurchases from Resolution and Collection Corp and repurchases of preferred stock. (2) FY14 dividend and share buyback amounts are Nomura estimates.

Sources: Nomura, based on company disclosures and Toyo Keizai data, J.P. Morgan Asset Management. As at 31 July 2017.

# Focus on the future – not the past!

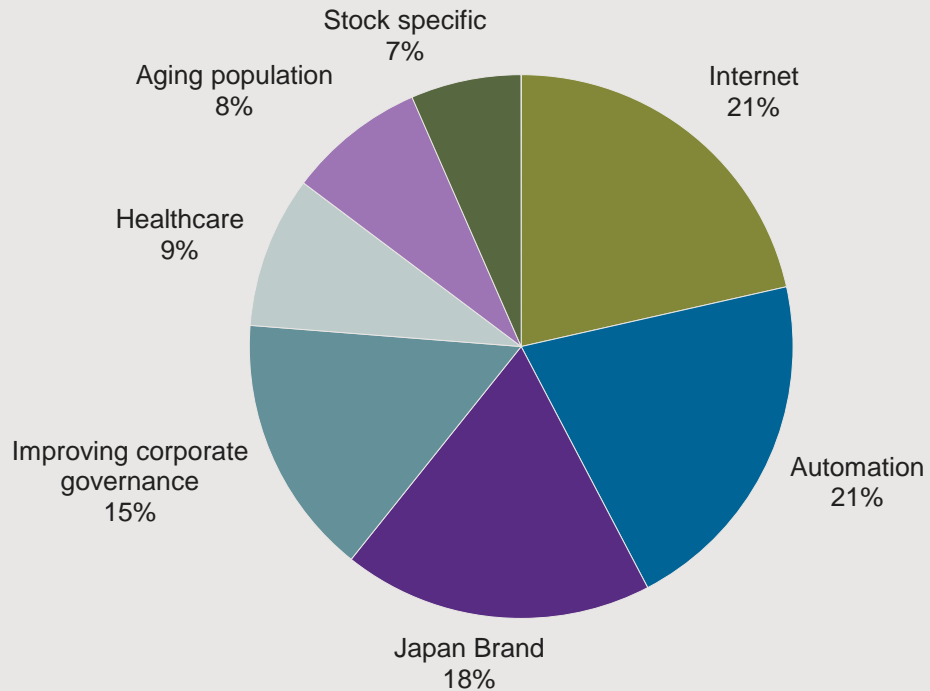


Sources: Shuttlestock, J.P. Morgan Asset Management, data as of 30 April 2016. The companies above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell.

# Key Investment Themes and Positioning

JPMorgan Japanese Investment Trust plc as at 31 October 2017

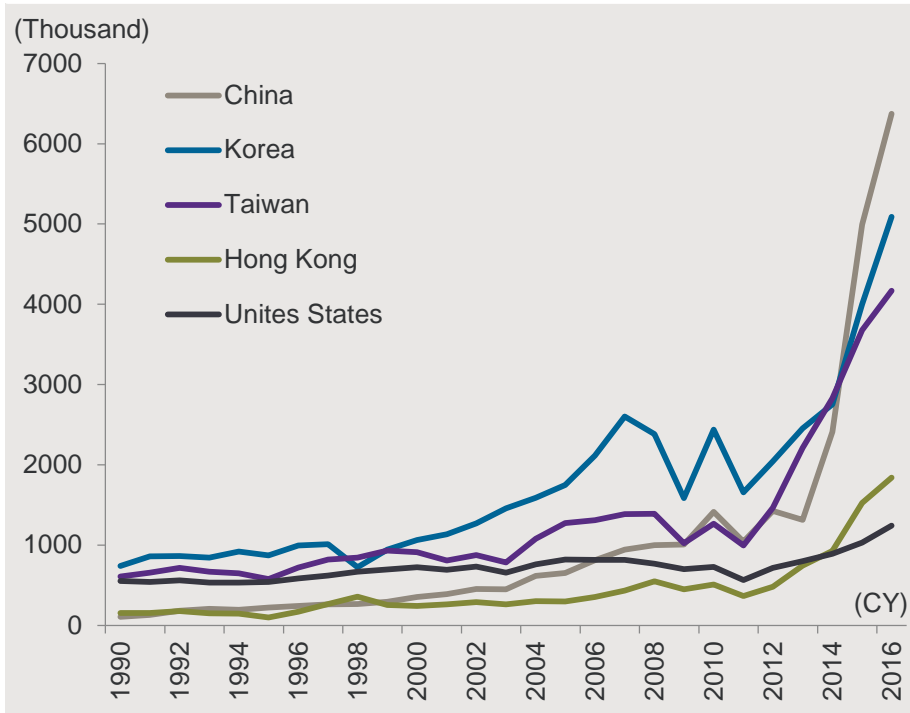
## Key investment themes breakdown



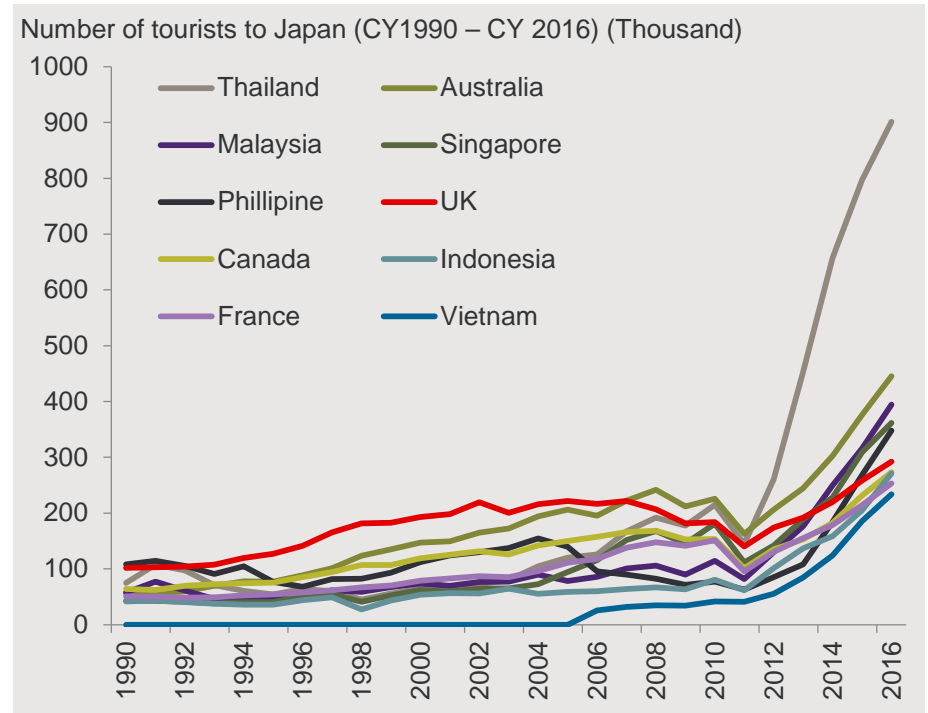
Source: J.P. Morgan Asset Management. \*Portfolio weight numbers are only indicative and illustrative purpose only. The fund is an actively managed portfolio. Holdings, sector weights, allocations and leverage, as applicable, are subject to change at the discretion of the investment manager without notice.

# Japan Brand / Tourism - Japan benefits from the emerging middle class in Asia

Top 5 countries by number of visitors as at 2016



6th – 15th countries by number of visitors as at 2016



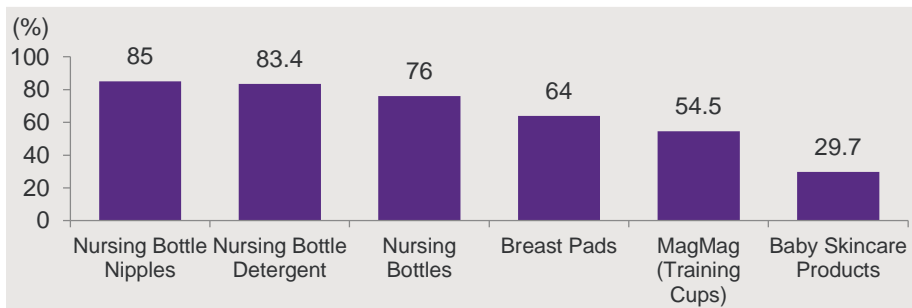
Sources: CLSA, Japan National Tourism Organization, Data from 1 January 1990 to 31 December 2016.

# Pigeon

## A baby product maker

- Overwhelming market share in Japan and China
- Strong brand in a niche market of high-end baby products
- Expanding sales in Asia

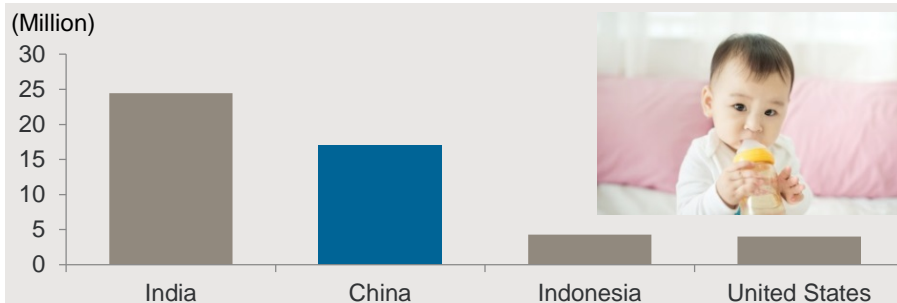
### Pigeon's domestic market share



Sources: Pigeon, J.P. Morgan Asset Management. The latest data available as at 31 May 2017

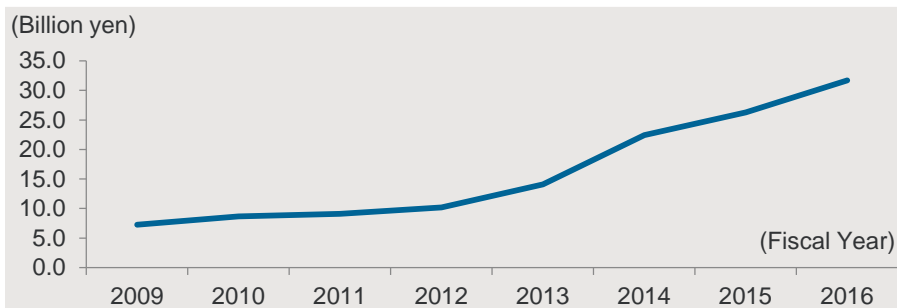
The securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell.

### Number of babies born in 2015



Sources: Shutterstock, Pigeon, J.P. Morgan Asset Management. Data as at 31 May 2017.

### Pigeon's sales in China

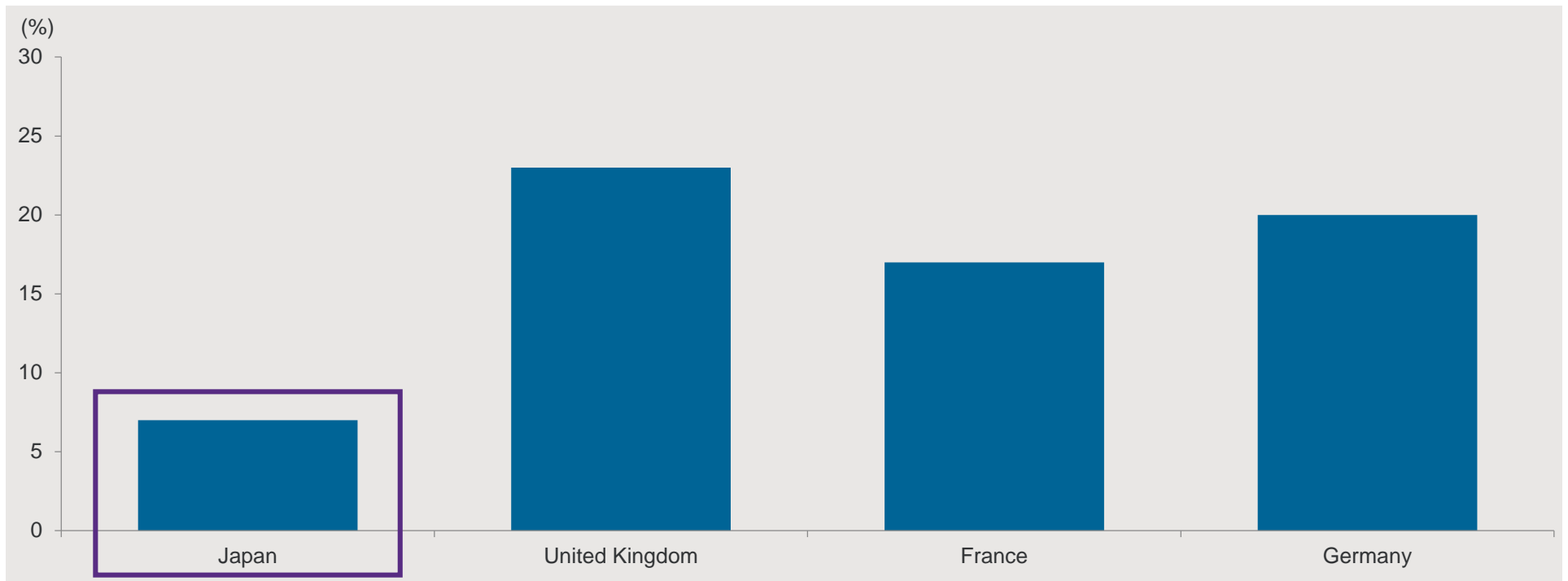


Sources: Pigeon, J.P. Morgan Asset Management., chart as at 31 May 2017 based on data from Fiscal Year 2009 to Fiscal Year 2017.



## Internet – new dynamic Japan

### E-commerce penetration to overall apparel sales



Source: J.P. Morgan Asset Management, Haver, Office of National Statistics, and Bernstein analysis, data as of 31 December 2016.

# Invest in future growth, not in old Japan

## Softbank

- telecom and Internet



## Seria

- 100 yen shop operator



## Shiseido

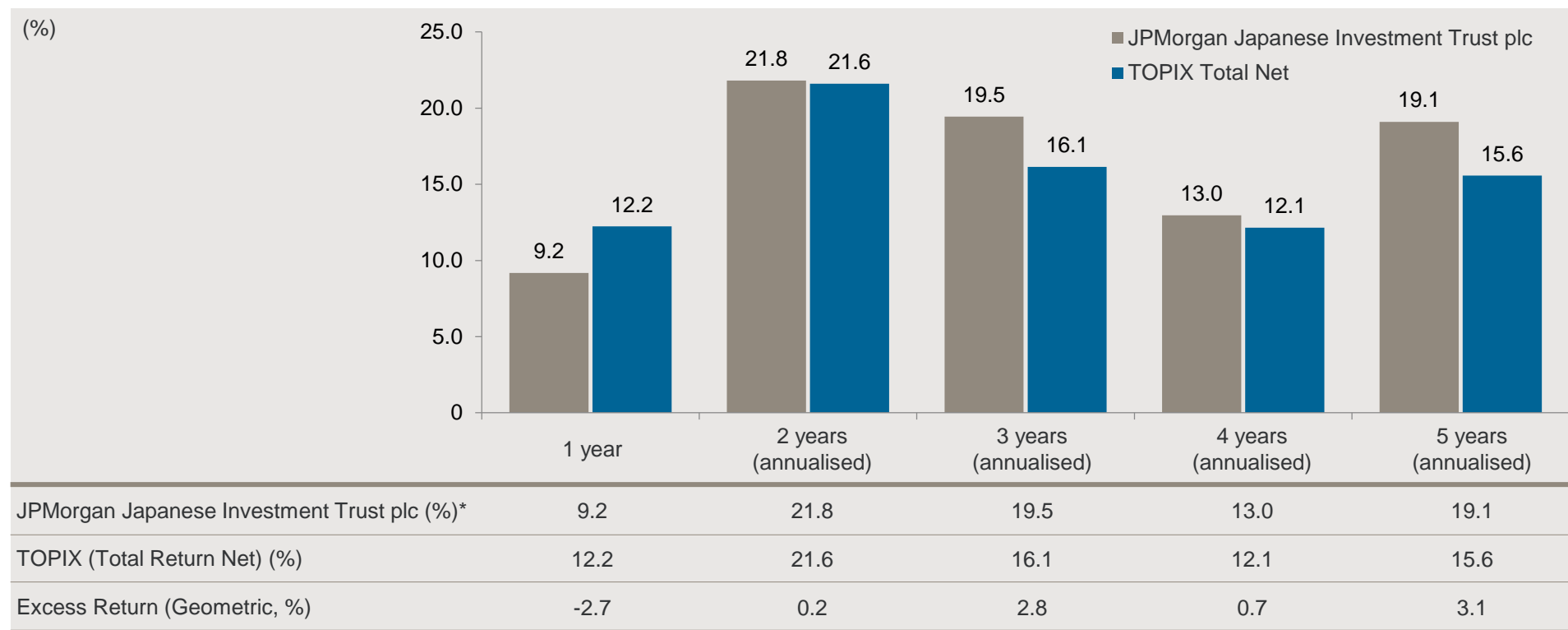
- cosmetics



Sources: Shutterstock. J.P. Morgan Asset Management. Data as at 31 May 2017. The companies above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. The use of their logos is in no way an endorsement of those companies by J.P. Morgan Asset Management nor is it intended to indicate an endorsement of J.P. Morgan Asset Management by those companies.

## Performance (GBP)

JPMorgan Japanese Investment Trust plc as of 30th September 2017



**Past performance is not a reliable indicator of current and future results.**

Source: J.P. Morgan Asset Management. Performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment. \* Cum Income only NAV with debt at par, diluted for treasury and/or subscription shares if applicable. Benchmark = Tokyo Stock Price Index (TOPIX) (Total Return Net).

## Performance (GBP)

JPMorgan Japanese Investment Trust plc – Quarterly rolling 12m ending 30 September 2017

	2016/17	2015/16	2014/15	2013/14	2012/13
Share Price (%)	12.3	31.5	19.4	7.4	57.9
Net asset value (%)*	9.7	35.9	14.7	4.4	45.9
Benchmark (%)	12.2	31.7	6.0	1.0	30.3

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