Aberdeen Japan Investment Trust PLC

Investment Trust

Performance Data and Analytics to 31 January 2019

Investment objective

To achieve long-term capital growth principally through investment in listed Japanese companies which are believed by the Investment Manager to have above average prospects for growth.

Benchmark

Topix Index (in sterling terms) - from 8 October 2013. MSCI All Countries Asia Pacific (including Japan) Index (in sterling terms) - to 7 October 2013.

Cumulative performance (%)

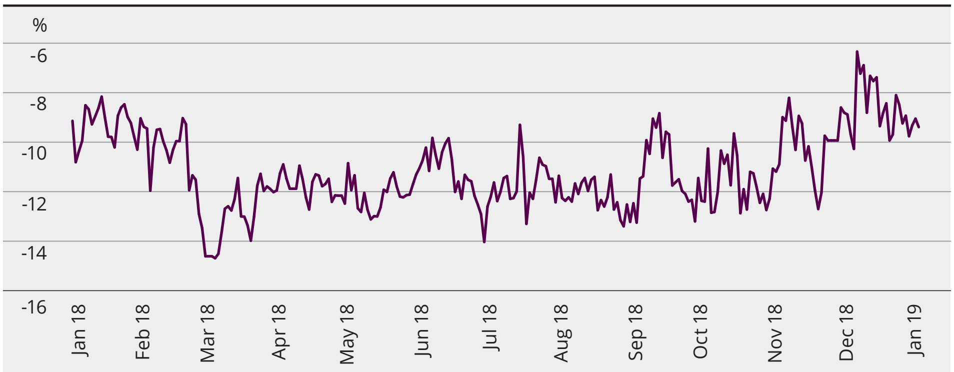
	as at 31/01/19	1 month	3 months	6 months	1 year	3 years	5 years	Since Portfolio Change Cumulative 07/10/2013
Share Price	527.5p	0.5	(2.3)	(12.1)	(18.2)	20.9	57.0	61.1
NAV[A]	582.1p	1.1	(5.6)	(14.8)	(17.6)	19.2	60.0	61.8
Benchmark		2.4	(3.9)	(7.3)	(5.4)	40.1	66.8	65.4

Discrete performance (%)

Year ending	31/01/19	31/01/18	31/01/17	31/01/16	31/01/15
Share Price	(18.2)	21.6	21.4	(0.2)	30.2
NAV[A]	(17.6)	18.6	22.0	3.9	29.2
Benchmark	(5.4)	12.5	31.7	6.0	12.4

The investment objective of the Company changed on 7 October 2013, with the Company moving from an All Asia to a Japan only mandate. The performance figures shown, therefore, reflect periods of time when the Company ran with these 2 different objectives.
Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis.
Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value.
Source: Aberdeen Asset Managers Limited, Lipper and Morningstar.
Past performance is not a guide to future results.

1 Year Premium/Discount Chart (%)



[A] Including current year revenue.
[B] The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit http://global.morningstar.com/managerdisclosures.

Morningstar Rating™

★★

[B] **Morningstar RatingTM for Funds**
Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

Ten largest equity holdings (%)

Keyence	4.6
Shin-Etsu Chemical	4.5
Shionogi & Co	3.7
Sysmex	3.6
Chugai Pharmaceutical	3.5
Seven & i	3.4
Daikin	3.2
Asahi Intecc	3.2
KDDI	3.1
Japan Exchange	3.0
Total	**35.8**

Sector allocation (%)

	Trust	Benchmark
Consumer Goods	24.3	22.7
Industrials	17.5	22.9
Health Care	15.5	7.9
Consumer Services	13.9	12.3
Technology	9.0	5.4
Basic Materials	8.6	6.3
Financials	7.7	14.1
Telecommunications	3.1	5.4
Utilities	–	2.0
Oil & Gas	–	1.0
Cash	0.4	–
Total	**100.0**	**100.0**

Total number of investments	48

All sources (unless indicated):
Aberdeen Asset Managers Limited 31 January 2019.

Private investors 0808 500 0040
Institutional investors
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Fund managers' report

Japanese equities rebounded in January after the previous month's sell off. Boosting the market mood was the US Federal Reserve's more dovish outlook. Share prices also rose amid perceived progress in US-China trade talks. These outweighed worries about a slowdown in the mainland. Meanwhile, the yen advanced against both the US dollar and the euro.

On the data front, consumer confidence waned for a fourth month in January. It was dampened by poorer prospects for jobs, lifestyle and savings. The man-in-the-street was also less keen to buy big-ticket items. In December, retail sales rose and topped forecasts, with large stores faring worse. The manufacturing sector bounced back from a 15-month low on higher output of machines and cars. Meanwhile, services grew albeit at a slower pace. Tepid new sales outweighed faster job creation and a better business outlook.

In January, we introduced Tokio Marine Holdings that was trading at an attractive valuation. It is the most progressive of the three largest local property and casualty insurers. The trio's dominance allows each to produce stable cash flow. Tokio Marine uses its cash pile to fuel its overseas forays in niche segments. Almost half of its profits are derived abroad, while its overseas operations allow it to spread its risks. Of note is its positive view on shareholder returns, which we expect will grow gradually as it makes further inroads abroad that add value to its business.

Share buybacks at Japanese companies reached a record in 2018, up almost a fifth from the previous year. This stemmed from investors and activists staying engaged with their holdings. We are encouraged by the positive outcomes last year. SCSK is one example. In January, it will buy out minority shareholders at two units, privatising them make them more streamlined. Even so, many companies continue to amass excess cash. As the proxy-voting season nears, we will maintain our efforts to improve our holdings' balance sheet efficiency.

The outlook appears cloudy. Challenges abound: China's economic slowdown, unrelenting stress on trade and an approaching end to ultra-loose monetary policy globally. Japan faces its own issues, such as cost pressures from an ageing population and prospects of October's consumption tax hike. However, it is important to remember that these tend to be shorter-term cyclical issues, whereas prospects for Japanese companies, based on structural growth in the medium- to longer-term, remain intact. We also believe our engagement with companies should help to improve shareholder returns over time. As such, the near-term macro-induced volatility should present patient investors with more attractive valuations. The challenge is to uncover companies that possess structural growth drivers, wide competitive moats and solid balance sheets that imbue them with resilience, led by able management who will help them navigate these difficult times.

The risk outlined overleaf relating to The risks outlined overleaf relating to gearing and exchange rate movements are particularly relevant to this trust but should be read in conjunction with all warnings and comments given.

Important information overleaf

[C] Previously managed by Gartmore Investment Limited.
[D] Expressed as a percentage of average daily net assets for the year ended 31 March 2018. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The Ongoing Charges figure can help you compare the annual operating expenses of different Companies.
[E] Calculated using the Company's historic net dividends and month end share price.
[F] Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.
[G] The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	11.50	12.76
Beta	0.87	0.98
Sharpe Ratio	0.38	0.72
Annualised Tracking Error	5.54	5.76
Annualised Information Ratio	(0.75)	0.04
R-Squared	0.79	0.80

Source: Aberdeen Asset Management, BPSS & Datastream, Basis: Total Return, Gross of Fees, GBP. Please note that risk analytics figures are calculated on gross returns whereas the performance figures are based on net asset value(NAV) returns. In addition, the risk analytics figures lag the performance figures by a month.

Key information Calendar

Year end	**31 March**
Accounts published	**June**
Annual General Meeting	**July**
Dividend paid	**July**
Launch date[C]	**October 1998**
Fund manager	**Asian Equities Team**
Ongoing charges[D]	**1.18%**
Annual management fee	**0.75% of net assets**
Premium/(Discount)	**(9.4)%**
Yield[E]	**1.0%**
Net gearing[F]	**13.5%**
Active share[G]	**85.7%**

AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Assets/Debt (£m)

Gross Assets	96.6
Debt	11.9
Cash	0.5

Capital structure

Ordinary shares	14,549,039
Treasury shares	1,272,533

Allocation of management fees and finance costs

Capital	60%
Revenue	40%

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Trading details

Reuters/Epic/ Bloomberg code	AJIT
ISIN code	GB0003920757
Sedol code	0392075
Stockbrokers	J.P. Morgan Cazenove
Market makers	CANA, CFEP, INV, JPMS, STFL, WEST, WINS

Important information

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

Risk factors you should consider prior to investing:

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

Other important information:

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