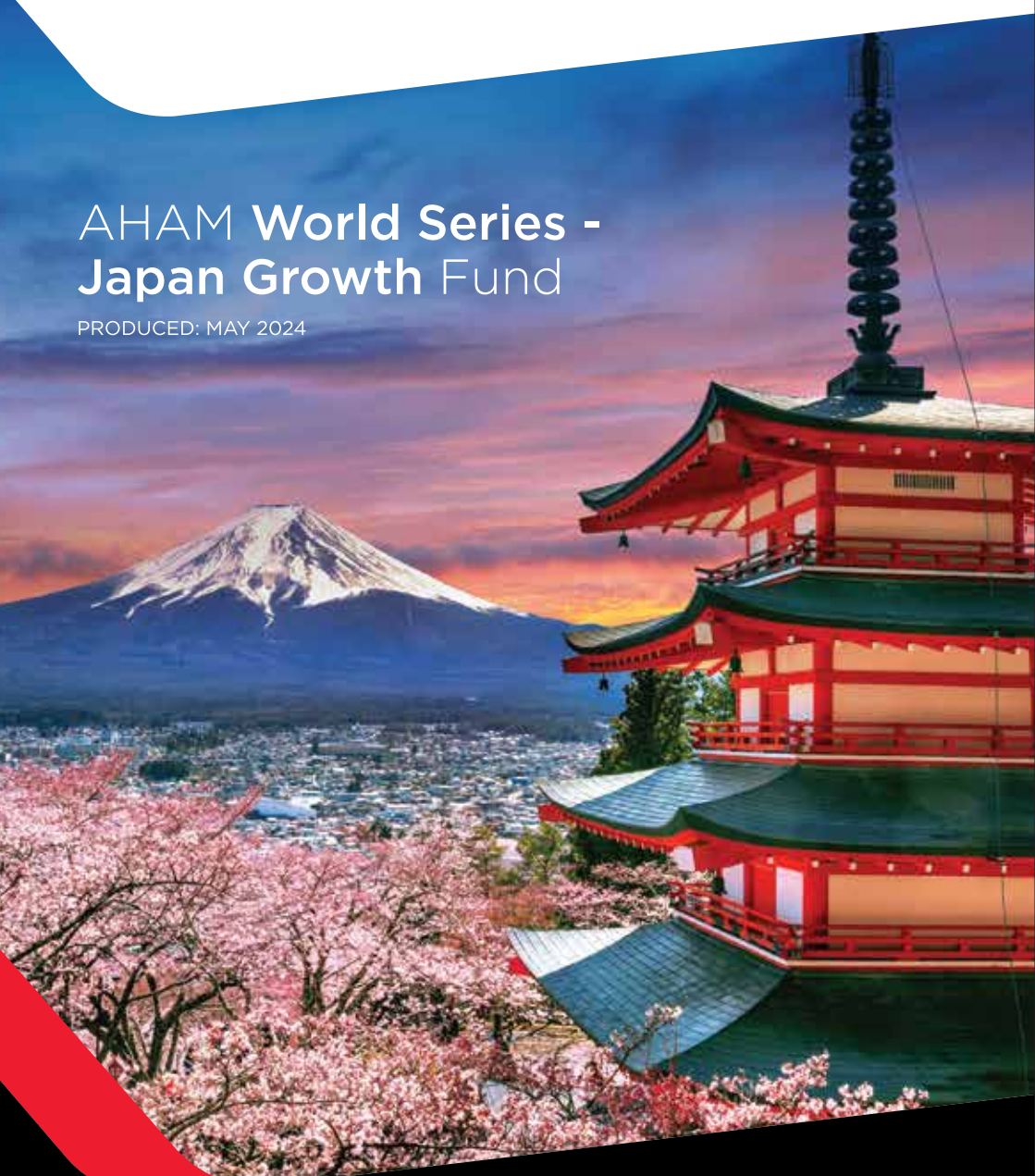


# AHAM World Series - Japan Growth Fund

PRODUCED: MAY 2024

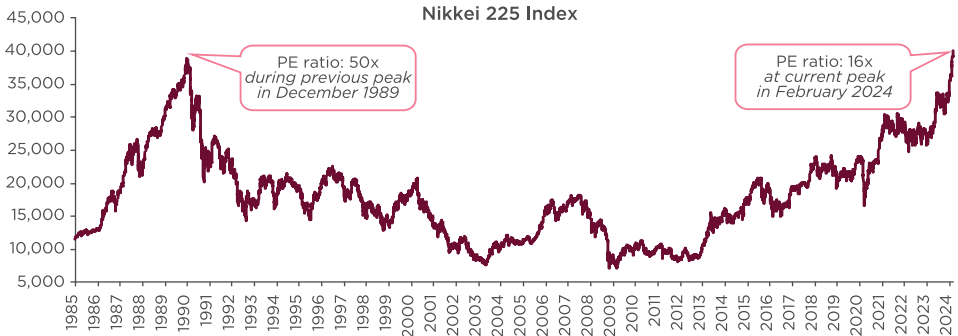


# Why invest in Japan now?



## Japan's Nikkei 225 Reaching All Time High

- Japan's main stock index, the Nikkei 225 reached an all-time high in February 2024. Despite this, the Price/Earnings (PE) ratio is at a reasonable level of 16x compared to 34 years ago during the previous peak in 1989 of 50x ratio.



Source: Bloomberg, as at March 2024.



## Japan Corporate Earnings are Also Growing

- Comparing TOPIX to the S&P 500 and MSCI Asia (Ex-Japan) EPS Growth Rates, TOPIX surprisingly takes the lead with an annualised growth rate of 8.5% p.a, surpassing 7.4% p.a and 0.2% p.a, respectively.

Source: Bloomberg as at March 2024.



## Market and Corporate Reforms

- Since 2012, Japan government has enacted reforms to enhance profitability, shareholder returns, and overall market valuations. These efforts have yielded success, shown by a threefold rise in TOPIX dividend per share and increased corporate buybacks since 2010.

Source: Bloomberg as at March 2024.



## Revamp of NISA

- In the beginning of 2024, significant changes were made to the Nippon Individual Savings Account ("NISA"), effectively extending lifetime tax benefits for investments under NISA, and doubling both its annual and lifetime limits.
- A majority of Japanese households continue to hold their wealth in currency and deposits, suggesting that retail participation may not yet be active.

Source: Bank of Japan as 2023, Reuters as at March 2024.

# External Fund Manager, Nikko Asset Management Investment Process

## Investment Philosophy

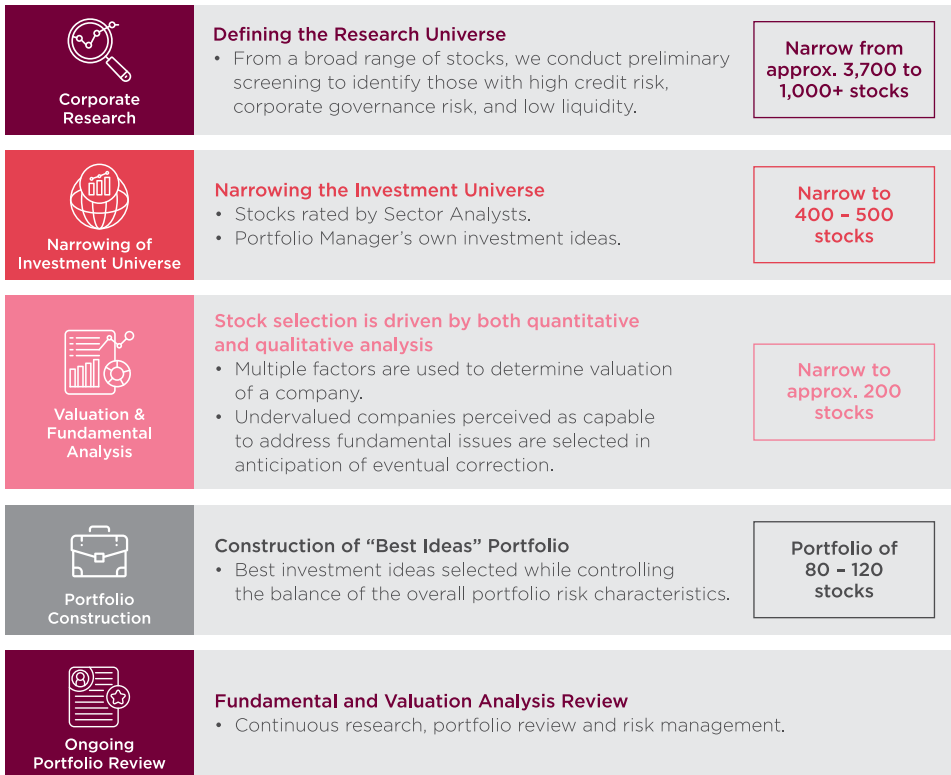
- Identify undervalued companies with the potential for improvement and turnover, which may lead to higher returns.
- Invest in undervalued companies particularly where market has excessively priced in negative news.
- Select companies with high chance of achieving earnings recovery, maintaining growth, or changing capital policies.
- Search for companies that are likely to accelerate Return on Equity and bias towards value stocks (undervalued stocks).
- Additional focus on small/mid-cap stocks overlooked by the market.

## Investment Strategy

- A strategy focused on investing in undervalued Japanese equities.
- Expected holding period of portfolio stocks of 3 years.
- Target outperformance against TOPIX index.

## Investment Process

- The investment process is rigorous, encompassing both quantitative and qualitative criteria.



## Fund Facts

Fund Category / Type	Equity / Growth						
Investment Objective	The Fund seeks to provide investors with capital appreciation over the medium to long term period.						
Investment Strategy	The Fund will focus on achieving its objective by investing in a portfolio consisting a minimum of 70% of its NAV in equities, while the remaining balance may be invested into liquid assets including money market instruments and deposits.						
Asset Allocation	<ul style="list-style-type: none"><li>• Equities: Minimum 70%</li><li>• Liquid assets including money market instruments and deposits: Maximum 30%</li></ul>						
Distribution Policy	The Fund is not expected to make distribution. However, incidental distribution may be declared whenever is appropriate.						
Minimum Investment	<table><tr><td><b>MYR Class</b></td><td><b>MYR Hedged-class</b></td></tr><tr><td>Initial: MYR 1,000</td><td>Initial: MYR 1,000</td></tr><tr><td>Additional: MYR 100</td><td>Additional: MYR 100</td></tr></table>	<b>MYR Class</b>	<b>MYR Hedged-class</b>	Initial: MYR 1,000	Initial: MYR 1,000	Additional: MYR 100	Additional: MYR 100
<b>MYR Class</b>	<b>MYR Hedged-class</b>						
Initial: MYR 1,000	Initial: MYR 1,000						
Additional: MYR 100	Additional: MYR 100						
Trustee	Deutsche Trustees Malaysia Berhad						

### WARNING STATEMENT

A copy of the Prospectus, Supplemental Prospectus (if any), and Product Highlights Sheet ("PHS") can be obtained at [aham.com.my](http://aham.com.my). Investors are advised to read and understand the contents of AHAM World Series - Japan Growth Fund (or the "Fund") Prospectus dated 24 March 2023, and the corresponding PHS before investing. There are fees and charges involved when investing in the Fund. Investors are advised to consider and compare the fees and charges as well as the risks carefully before investing. Investors should make their own assessment of the risks involved in investing and should seek professional advice, where necessary. The price of units and distribution payable, if any, may go down as well as up and the past performance of the Fund should not be taken as indicative of its future performance. The Securities Commission Malaysia has not reviewed this material and takes no responsibilities for the contents of this material and expressly disclaims all liability, however arising from this material.

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