

31 January 2019

The fund aims to provide long term growth and is designed for investors who are looking for exposure to the Japanese equity market. The fund invests predominantly in the shares of companies listed on the Japanese stock markets and it is actively managed. Please note that the Japanese equity exposure in this fund is currently managed by Sumitomo Mitsui Trust Bank, one of Japan's leading domestic equity managers.

Past performance is not a guide to future returns and future returns are not guaranteed. The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment. The fund may use derivatives to reduce risk or cost, or to generate additional capital or income at low risk. Usage of derivatives is monitored to ensure that the fund is not exposed to excessive or unintended risks. The value of assets held within the fund may rise and fall as a result of exchange rate fluctuations.

OEIC Fund

Equity Fund

Monthly

Fund Manager	Sumitomo Mitsui Trust Asset Management
--------------	--

Fund Manager Start	27 Oct 2010
--------------------	-------------

Launch Date	16 Nov 1998
-------------	-------------

IA Sector	IA Japan
-----------	----------

Benchmark	IA Japan Sector
-----------	-----------------

Current Fund Size	£269.9m
-------------------	---------

Base Currency	GBP
---------------	-----

No. of Holdings	44
-----------------	----

**This document is intended for use by individuals who are familiar with investment terminology. To help you understand this fund and for a full explanation of specific risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website – [www.standardlifeinvestments.com](http://www.standardlifeinvestments.com).**

**Aberdeen Standard Investments has not considered the suitability of investment against your individual needs and risk tolerance. If you are in any doubt as to whether this fund is suitable for you, you should seek advice. An adviser is likely to charge for advice. We are unable to provide investment advice.**

## Fund Information \*

### Composition by Sector

	Fund %
Industrials	20.9
Consumer Discretionary	17.8
Information Technology	13.1
Health Care	12.6
Consumer Staples	9.9
Financials	8.7
Real Estate	5.8
Communication Services	5.1
Cash and Other	3.0
Energy	2.3
Materials	0.8

### Top Ten Holdings

Stocks	Fund %
Sony	4.6
Mitsubishi UFJ Financial	4.0
Mitsubishi	3.7
Recruit	3.3
Shionogi	2.9
Daiwa House	2.9
Suzuki	2.9
Mitsui Fudosan	2.9
Bandai Namco	2.8
NTT Data	2.7
Assets in top ten holdings	32.7

## Fund Performance \*

### Price Indexed



The performance of the fund has been calculated over the stated period using bid to bid basis for a UK basic rate tax payer. The performance shown is based on an Annual Management Charge (AMC) of 0.75%. You may be investing in another shareclass with a higher AMC. The charges for different share classes are shown on the next page. For details of your actual charges please contact your financial adviser or refer to the product documentation.

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

### Year on Year Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	Year to 31/12/2018 (%)	Year to 31/12/2017 (%)	Year to 31/12/2016 (%)	Year to 31/12/2015 (%)	Year to 31/12/2014 (%)
Retail Fund Performance	-11.5	20.6	16.0	12.9	-3.8
Institutional Fund Performance	-11.1	21.3	16.6	13.7	-3.0
Platform One	-11.2	21.2	16.6	13.7	-3.1
IA Japan Sector	-11.3	17.8	23.5	16.2	0.4

### Cumulative Performance

Source: Aberdeen Standard Investments (Fund) and Morningstar (Sector)

	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Retail Fund Performance	-12.3	-11.8	32.2	39.3
Institutional Fund Performance	-12.1	-11.4	34.0	43.4
Platform One	-12.1	-11.4	33.8	43.1
IA Japan Sector	-8.9	-8.4	40.0	60.8

Note: Past Performance is not a guide to future performance. The price of shares and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

For full details of the fund's objective, policy, investment and borrowing powers and details of the risks investors need to be aware of, please refer to the prospectus.

For a full description of those eligible to invest in each share class please refer to the relevant prospectus.

The fund does not have an index-tracking objective.

#### Definitions

Cash and Other - may include bank and building society deposits, other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs), Money Market Funds and allowances for tax, dividends and interest due if appropriate.

## Investment Review and Outlook

### Market review

Japanese equities made a robust start to the year, with the MSCI Japan Index rising 5.3% (in local currency terms). Several issues initially sent investors running for safety. These included the US/China trade dispute, global growth fears and higher interest rates. However, the month ended in a much more positive fashion. The most significant development was the emergence of a possible trade deal. Moreover, comments from the US Federal Reserve (Fed) indicated a slower pace of interest rate hikes than expected. This encouraged equity markets around the globe. The market was mostly led by the economically sensitive technology and industrial sectors.

### Activity

Hitachi Corporation was a key addition. Profitability improvements are expected following the expansion of its information and telecommunications business through increased penetration by its IT platform. Its industrial business should also see better earnings after restructuring with more to come. Takeda Pharmaceutical's recent purchase of Shire should lead to better sales and improved costs. Seven and I Holdings was also purchased. The retailer is seeing food sales improve in its

convenience stores business. In addition, it is restructuring its supermarket chain, which should lead to better results. The company also has the potential to grow its convenience stores' format overseas.

Selling involved reducing our position in Ryohin Keikaku. We have concerns about the line-up of new products, which seem to be mismatched with customer needs. Furthermore, we don't like the front-loaded costs ahead of increased expenditure. Kose was sold due to tougher competition in the US and slowing demand from China. Lastly, Chugai Pharmaceutical was removed from the Fund as it reached its price target.

### Performance

The Fund's return was behind its benchmark for January.

Kose was one of the key detractors from performance. The cosmetics manufacturer was affected by a fall in sales. The main factors were falling duty-free sales in Japan, a weaker renminbi and slower Chinese economy. Pan Pacific International Holdings also held back the Fund's return. A decline in tourists and the failure of a widely expected bid led to the shares of the general retailer weakening. Ryohin Keikaku, owner of the Muji brand, also suffered from weaker consumer

demand. The business was forced into guiding its profit lower.

On the upside was Komatsu. The shares of the construction and mining equipment manufacturer rebounded after a difficult December. Easing trade tensions between the US and China was the main driver. Recruit Holdings was another positive for the Fund. It recovered some lost ground after investors absorbed the implications of increased competition from the entry of Google-for-jobs (Gfj) in the local recruitment market. Rohm added value as it recovered from worries about falling demand for smartphones.

### Outlook and Strategy

The market rebound can be seen as a result of the Fed toning down its hawkish interest rate policy and trade tensions fading between the US and China. However, earnings results were also largely positive. We believe that the market overreacted at the end of 2018 as we are seeing improving profitability at many companies.

Despite the rally, uncertainties surrounding global politics persist. These remain the Sino-US trade dispute, Brexit and Chinese economic policies. While market turmoil has presented investment opportunities, we are alert to the possible shifts in global markets.

## Other Fund Information

	Retail Acc	Retail Inc	Institutional Acc	Institutional Inc
Lipper	60011525	n/a	60011524	n/a
Bloomberg	STJEQGR LN	n/a	STJEQGI LN	n/a
ISIN	GB0004483656	n/a	GB0004483219	n/a
SEDOL	448365	n/a	448321	n/a

	Platform One Acc	Platform One Inc
Lipper	68165278	n/a
Bloomberg	STJRPLT LN	n/a
ISIN	GB00B76C7M93	n/a
SEDOL	B76C7M9	n/a

	Interim	Annual	Valuation Point	12:00 (UK time)
Reporting Dates	31 Aug	28 (29) Feb	Type of Share	Accumulation
XD Dates	n/a	28 (29) Feb	ISA Option	Yes
Payment Dates (Income)	n/a	30 Apr		

	Retail	Institutional	Platform One
Initial Charge	4.00%	0.00%	0.00%
Annual Management Charge	1.30%	0.75%	0.75%
Ongoing Charges Figure	1.34%	0.87%	0.92%

The Ongoing Charge Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Fund. It is made up of the Annual Management Charge (AMC) shown above and the other expenses taken from the Fund over the last annual reporting period. It does not include any initial charges or the cost of buying and selling stocks for the Fund. The OCF can help you compare the costs and expenses of different funds.

\*Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by Standard Life Aberdeen\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, Standard Life Aberdeen\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Past performance is no guarantee of future results. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

\*\*Standard Life means the relevant member of the Standard Life Aberdeen group, being Standard Life Aberdeen plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

"FTSE®", "FT-SE®", "Footsie®", ["FTSE4Good®" and "techMARK] are trade marks jointly owned by the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited ("FTSE") under licence. ["All-World®", "All-Share®" and "All-Small®" are trade marks of FTSE.]

The Fund is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), by the London Stock Exchange Plc (the "Exchange"), Euronext N.V. ("Euronext"), The Financial Times Limited ("FT"), European Public Real Estate Association ("EPRA") or the National Association of Real Estate Investment Trusts ("NAREIT") (together the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE EPRA NAREIT Developed Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, none of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

"FTSE®" is a trade mark of the Exchange and the FT, "NAREIT®" is a trade mark of the National Association of Real Estate Investment Trusts and "EPRA®" is a trade mark of EPRA and all are used by FTSE under licence."

[www.aberdeenstandard.com](http://www.aberdeenstandard.com)

Useful numbers -

Investor Services

0345 113 69 66.

Call charges will vary.

**Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.**  
Standard Life Investments Limited is registered in Scotland (SC123321) at 1 George Street, Edinburgh EH2 2LL.  
Standard Life Investments Limited is authorised and regulated by the Financial Conduct Authority.  
Calls may be monitored and/or recorded to protect both you and us and help with our training.  
[www.aberdeenstandard.com](http://www.aberdeenstandard.com) © 2019 Standard Life Aberdeen

201902191501 INVRT664 0119 XJ