

The logo for AJOT, where 'A' is white, 'J' is teal, 'O' is teal, and 'T' is teal. The background is split into a dark grey triangle on the left and a green triangle on the right, separated by a white diagonal line.

AJOT

AVI Japan Opportunity Trust

## 2023 AGM Presentation

Joe Bauernfreund & Daniel Lee

# AJOT Overview

Market Cap: £172m

AJOT Total Assets: £187m

Benchmark: MSCI Japan Small Cap

Average Annual Turnover: 28%<sup>1</sup>

% Active Share: >98%

Target Holdings: 20-25

Premium / (Discount): -1.0%

Redemption Opportunity: Every two years at close to NAV from October 2024

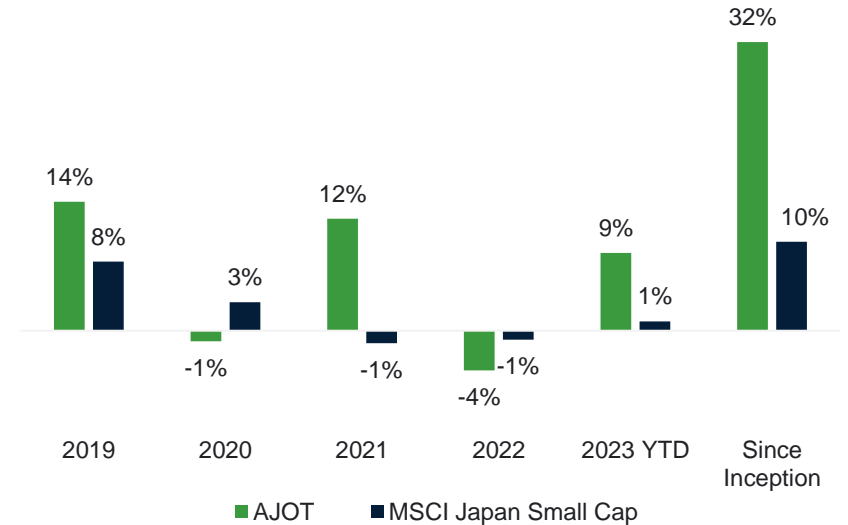
Management Fee: 1.0% (o/w 25% reinvested<sup>2</sup>)

AVI Ltd & AVI Employee Ownership: 2.6m shares (£3.1m)

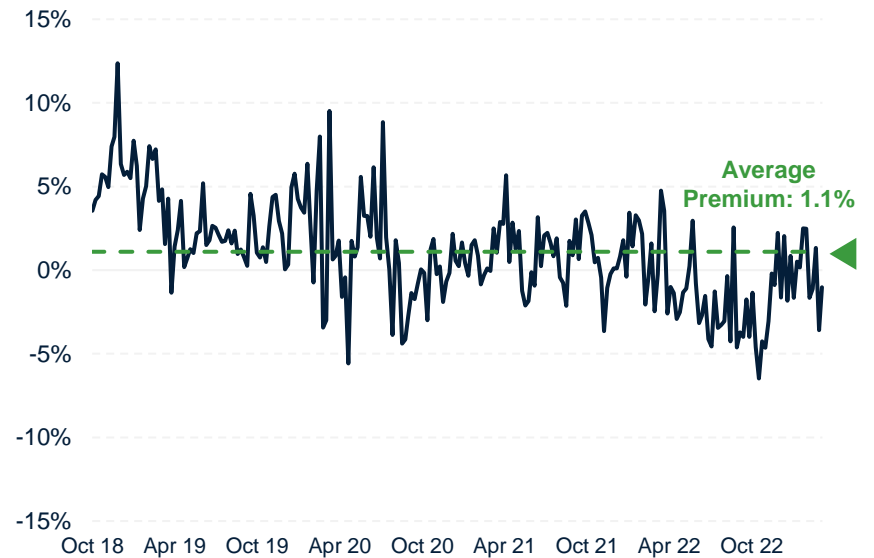
# +22.0%

AJOT outperformance since inception Oct-18<sup>3</sup>

## AJOT NAV Total Return (GBP)



## AJOT Premium/Discount



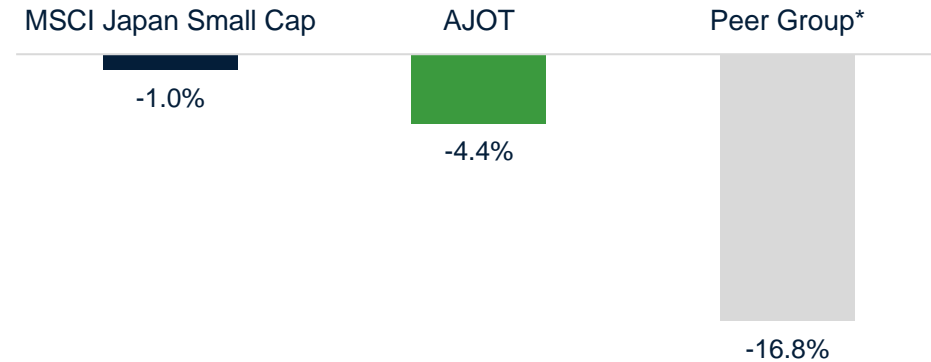
**Note:** (as of 31/03/2023) <sup>1</sup>Average annual turnover since inception. <sup>2</sup>25% reinvested into AJOT shares <sup>3</sup>Return figure since inception and not annualised to 27/04/2023, net of fees (GBP). AJOT inception date is 23/10/2018

**Source:** AVI, Morningstar (as at 27/04/2023). **Note:** all returns in GBP, net of fees. 2019 is a combination of 2018 and 2019, given October 2018 inception date.

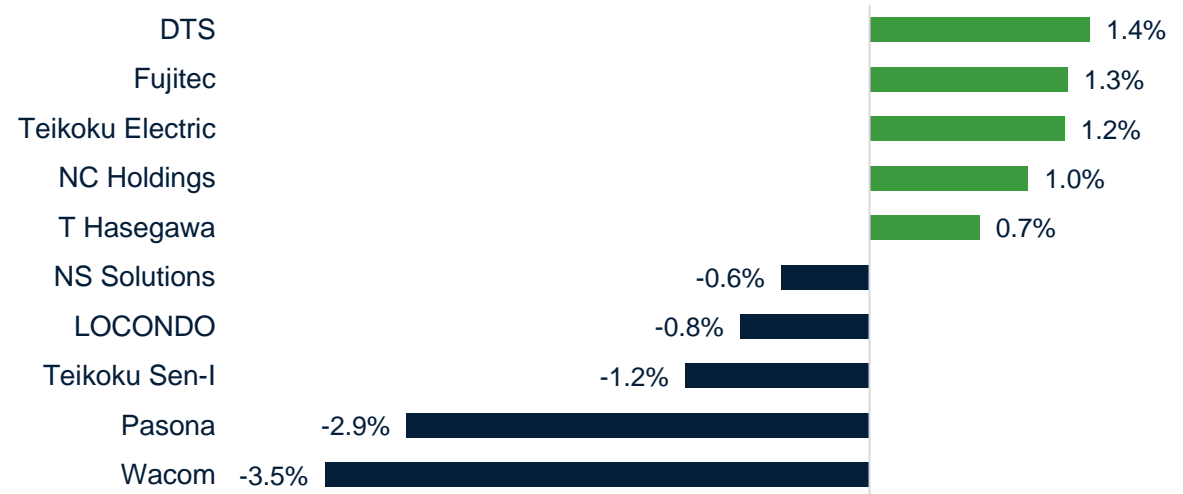
# Review of 2022

- **INCREASED** concentration of the portfolio towards higher-quality companies with more open shareholder registers
- **INITIATED** new positions in TSI Holdings and Nihon Kohden
- **EXITED** positions where our engagement was being frustrated and reduced positions on share price strength

## 2022 NAV TR

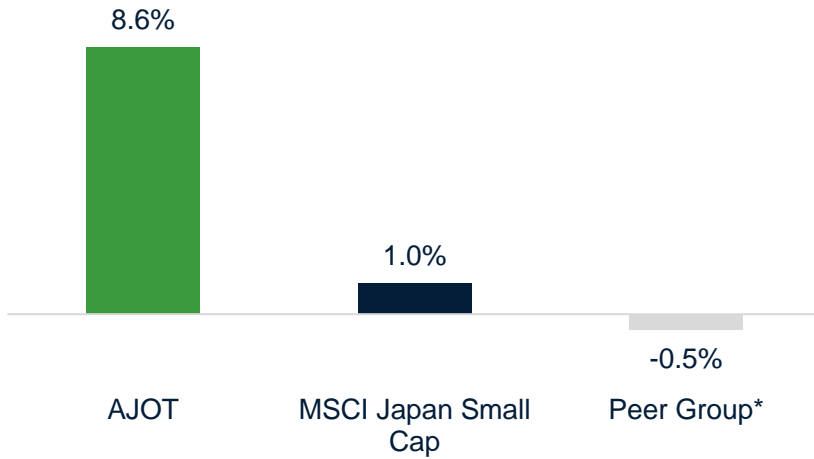


## Contribution to Returns 2022

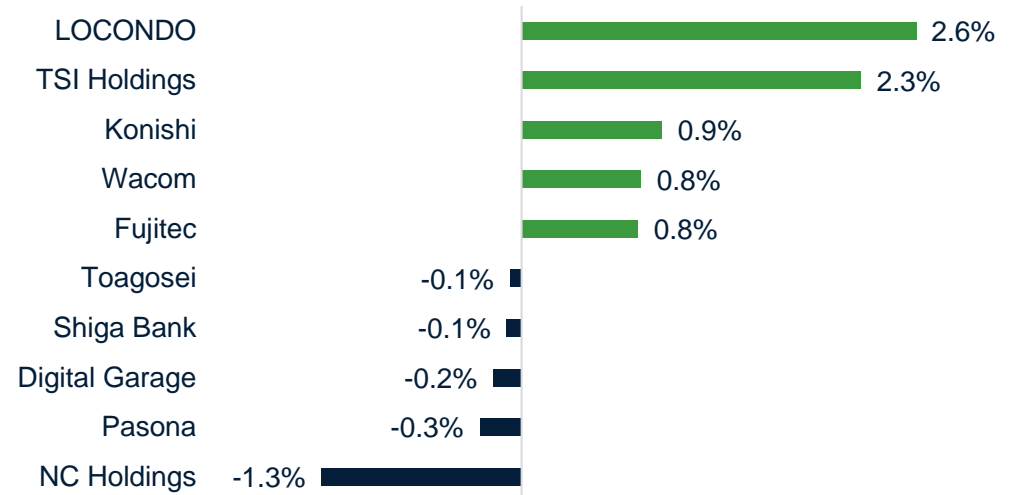


# 2023 Performance Year-to-Date

## 2023 YTD NAV TR



## Contribution to Returns 2023 YTD



# Currency Impact

JPY to GBP Since Inception  
(Oct-18 to Apr-23)



AJOT Performance in GBP vs JPY

	GBP	JPY
<b>AJOT</b>	<b>31.8%</b>	<b>51.6%</b>
MSCI Japan Small Cap	9.8%	26.3%
Relative Outperformance	22.0%	25.3%

Source: AVI, Morningstar (as at 27/04/2023). Note: all returns in GBP, net of fees



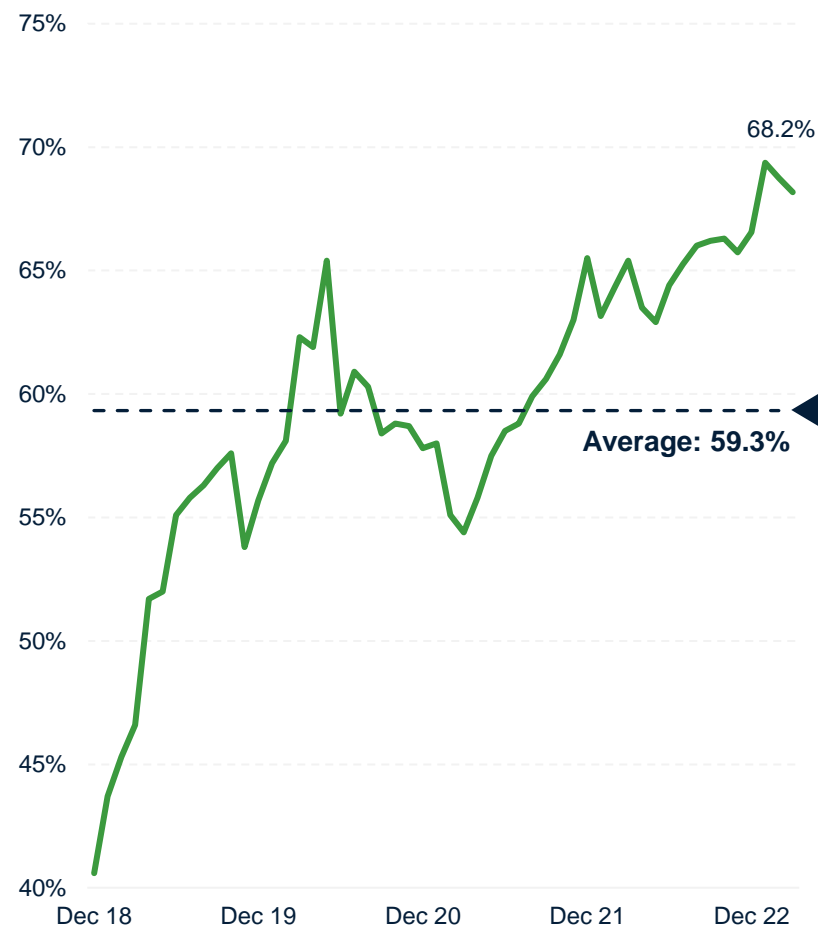
# High Conviction Portfolio

## Top 20 Holdings: 31-Mar-2023

Name	% NAV	Business	AVI Ownership <sup>1</sup>
DTS	8.4%	IT Services	9.0%
Nihon Kohden*	8.4%	Medical Equipment	2.9%
TSI Holdings*	7.7%	Apparel Ecommerce	5.3%
Shin-Etsu Polymer	7.6%	Moulded Plastics	2.3%
Konishi	7.0%	Adhesives and Civil Engineering	5.8%
Wacom	7.0%	Digital Writing Solutions	10.3%
T Hasegawa	5.7%	Flavour & Fragrance	2.1%
NC Holdings	5.7%	Conveyor Belts, Car Parking Systems and Renewables	22.2%
Fujitec	5.5%	Elevator & Escalators	2.1%
Digital Garage	5.2%	Payments Settlement	1.8%
Sk Kaken	4.4%	Construction Paints	3.1%
Locondo	4.2%	Apparel Ecommerce	10.6%
Pasona	3.3%	Recruitment	3.6%
A-one Seimitsu	3.2%	Machine Tools	11.0%
Toagosei	2.9%	Diversified Chemicals	1.3%
Alps Logistics	2.3%	Electronics Logistics	1.4%
Teikoku Sen-i	2.1%	Disaster Prevention Equipment	3.0%
Ns Solutions	2.0%	IT Services	1.0%
Soft99	1.9%	Vehicle Cleaning Products	2.2%
Aichi Corp	1.6%	Aerial Truck Manufacturer	0.8%
Other (6)	4.0%		

\*New position in past 12 months

## AJOT Top Ten % Concentration

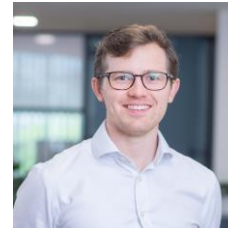


# AVI Japan Investment Team



**Joe Bauernfreund**  
CEO


Joined AVI in 2002  
Portfolio Manager of AJOT  
Became sole portfolio manager of AVI Global Trust in 2015



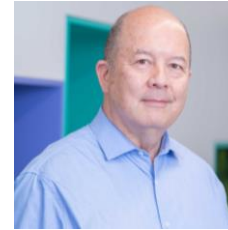
**Daniel Lee**  
Head of Japan Research


Joined AVI in 2015  
Previously ABS analyst at Pamplona Capital  
Management and Investment Consultant at Mercer



**Kaz Sakai**   
Senior Investment Analyst

Joined AVI in 2021  
Previously Engagement Manager at McKinsey &  
Company's Strategy and Corporate Finance Practice in  
Tokyo, Senior associate at Lonestar



**Jason Bellamy (Tokyo-based)**   
Senior Engagement Consultant

Joined AVI in 2020  
More than 30 years experience in financial services  
industry, including Sumitomo Mitsui Trust Bank, First  
Trust Advisors, and Aberdeen Standard



**Yukiko Nicholas**   
Japan Team Assistant

Joined AVI in 2020  
Previously worked for BZW Tokyo



**Shimpei Ochi**   
Investment Analyst

Joined Oct-2022 on a 9-month secondment from law  
firm Mori Hamada & Matsumoto  
Graduated from the University of Tokyo (2012) and  
Columbia Law School (2021)



**New Investment Analyst hire** 



**Luke Hutcherson**  
Junior Investment Analyst

Joined AVI in February 2023. Before joining AVI, Luke  
completed internships at Tico Capital Management and  
Ernst & Young. He is currently completing a Masters in  
Financial Analysis at London Business School





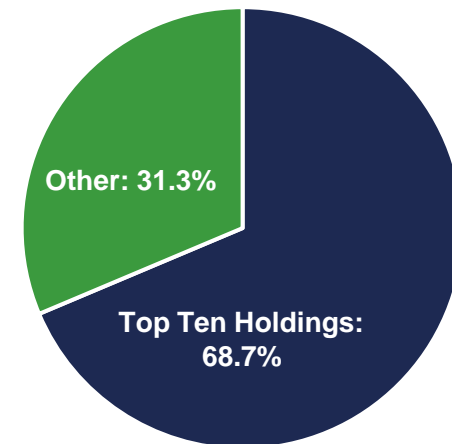
# Outlook

- **Macro economic** environment more supportive of Japan story
- Increased **shareholder activism**, companies more receptive to change
- AVI has credibility and **success** engaging with companies
- **Undervalued portfolio** when investor interest in Japan is increasing

**+4.2%**  
 Annualised  
 outperformance since  
 inception<sup>1</sup>

## Top Ten: 31-Mar-2023

Name	% NAV
Nihon Kohden	8.4%
DTS	8.4%
TSI Holdings	7.7%
Shin-Etsu Polymer	7.6%
Konishi	7.1%
Wacom	6.8%
NC Holdings	5.9%
T Hasegawa	5.9%
Fujitec	5.6%
Digital Garage	5.3%



Source: AVI (as at 27/04/2023). Note: <sup>1</sup>Outperformance of AJOT vs. the MSCI Japan Small Cap, measured using NAV total return net of fees (GBP). AJOT inception date is 23/10/2018



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