Nomura Funds Ireland plc

Japan High Conviction Fund

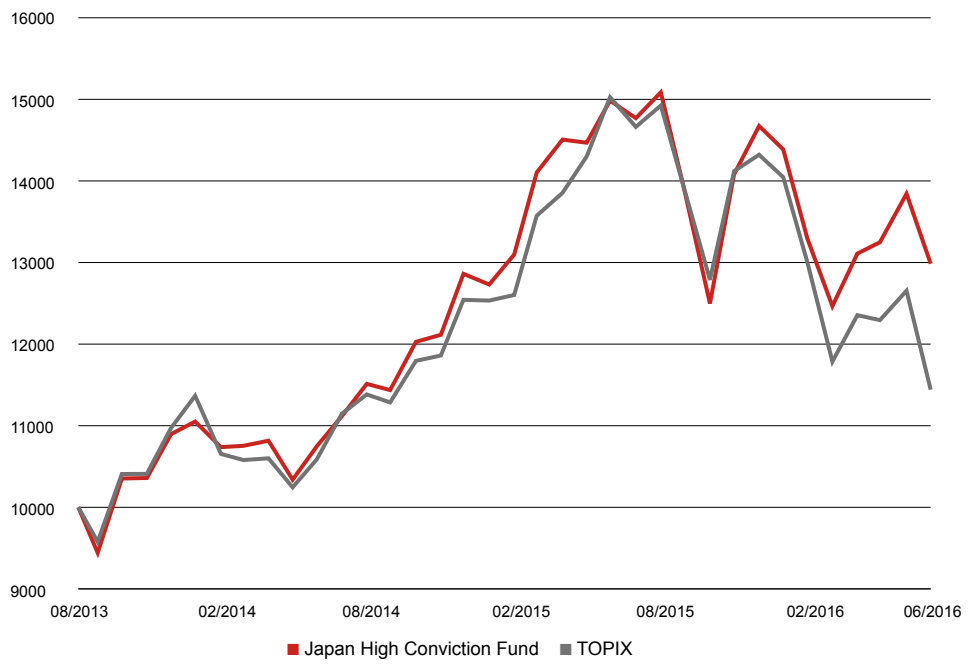
Fund Review

The fund outperformed the benchmark by 3.39% during June (net of fees and other expenses).
The Tokyo Stock Price Index (TOPIX) closed at 1,245.82, falling by -9.71% for the month of June. Market weakness at the beginning of the month was partly due to disappointment at Prime Minister Shinzo Abe's failure to mention specific policies in relation to economic measures he referred to during a press conference on 1st June, when he also confirmed plans to postpone the next consumption tax increase until October 2019. A recovery towards the middle of June ended abruptly when the TOPIX was sent tumbling as investor sentiment plummeted following the result of the referendum on the United Kingdom's membership of the European Union. At the same time, the value of the yen surged, briefly strengthening to as much as 99 yen against the US dollar. The TOPIX ended the month deep in negative territory despite stabilising toward the month end.

Prices of several core stocks, such as M3, Paramount Bed and Park24, rose last month after they continued to display positive earnings results, while Unicharm rebounded strongly having been sold off a month earlier following a disappointing earnings announcement. However, many stocks in the portfolio were unable to avoid price dips as they were undermined by the deterioration in investor sentiment following the result of the UK referendum, and the portfolio returned -6.06% in June.

We increased the positions in Unicharm, Asics, Fast Retailing, Kubota and Rakuten. These stocks tend to lag behind an initial recovery, but our medium to long-term outlook has not changed. On the other hand, we reduced our positions in Sysmex, M3, MonotaRO, COSMOS Pharmaceuticals, Nihon M&A Center and Park24 for rebalancing purposes given their strong stock price performances.

Performance of JPY 10,000 since inception against Benchmark



Cumulative performance in JPY (%) of Class I shares

	1 Mth	3 Mth	6 Mth	YTD	1 Yr	3 Yr	Since Inception
Fund	-6.20	-0.95	-9.73	-9.73	-12.08	n/a	29.85
Benchmark	-9.59	-7.39	-18.54	-18.54	-21.97	n/a	14.41

Standardised performance as at 30 June 2016 in JPY (%) of Class I shares

	2016/2015	2015/2014	2014/2013	2013/2012
Fund	-12.08	32.87	n/a	n/a
Benchmark	-21.97	31.55	n/a	n/a

Source: Nomura Asset Management U.K. Ltd based on Net Asset Value per share calculated by BBH, in JPY. Performance is shown since the inception date, 7th August 2013, of the Class I shares.

June 2016

Investment Objective

To achieve long-term capital growth through investment in a concentrated, actively managed portfolio of Japanese equity securities.

Investment Style

- Bottom up stock selection based on fundamental research.
- Focus on companies' sustainability of top line growth.

Benchmark

Topix (total return) (Reference Index)

Key Facts

Launch Date	7th August 2013
Fund Type	ICVC
Domicile	Ireland
Base Currency	JPY
NAV Currencies	EUR, GBP, USD
Year End	31 December
Morningstar Sector	Japan Large-Cap Equity
Bloomberg Code	NOMJHIJ (JPY, I)
ISIN Code	IE00BBT38576 (JPY, I)
Trading Cutoff	12:00 GMT
Trading Frequency	Daily
Valuation Frequency	Daily
Valuation Time	15:00 GMT
Settlement	T + 4
Fund Size	USD 15.07 m
Number of holdings	32
NAV	JPY 12985.29 (I Class)

Nomura Funds Ireland plc

Japan High Conviction Fund

Top 10 Holdings

	% active weight
NIDEC	7.24
Keyence	6.39
Unicharm	5.96
M3	5.49
Daikin Ind	5.34
Isuzu Motors	4.59
Kakaku.Com	4.37
Sysmex	4.25
SMC	3.78
Makita	3.71

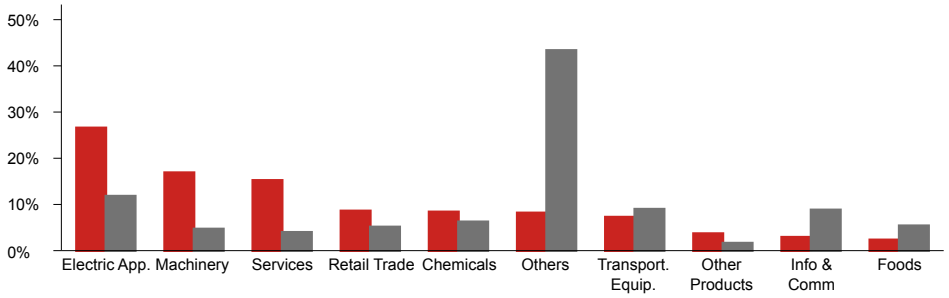
Top 10 Overweight

	% active weight
NIDEC	6.74
Unicharm	5.70
Keyence	5.55
M3	5.31
Daikin Ind	4.67
Isuzu Motors	4.40
Kakaku.Com	4.29
Sysmex	3.95
Makita	3.47
SMC	3.36

Top 10 Underweight

	% active weight
Toyota Motor	-3.41
NTT	-1.99
Mitsubishi UFJ Fin Group	-1.96
KDDI	-1.65
Honda Motor	-1.26
Sumitomo Mitsui Fin Group	-1.25
Sony	-1.14
Mizuho Fin Group	-1.13
NTT Docomo	-1.11
Astellas Pharma	-1.02

Sector Breakdown



	Electric App.	Machinery	Services	Retail Trade	Chemicals	Others	Transport. Equip.	Other Products	Info & Comm	Foods
Fund	26.57	16.88	15.21	8.60	8.39	8.17	7.26	3.69	2.91	2.33
Benchmark	11.80	4.69	3.97	5.13	6.24	43.34	8.98	1.63	8.82	5.39

The fund is a sub-fund of Nomura Funds Ireland plc, which is authorised by the Central Bank of Ireland as an open-ended umbrella investment company with variable capital and segregated liability between its sub-funds, established as an undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011. This document was prepared by Nomura Asset Management U.K. Ltd and is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. The shares in the fund have not been and will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons. This document is not intended in any way to indicate or guarantee future investment results as the value of investments may go down as well as up. Values may also be affected by exchange rate movements and investors may not get back the full amount originally invested. Investors should note that due to the highly concentrated nature of the portfolio, the fund is likely to have a higher annualised volatility than a more diversified portfolio.

Before purchasing any investment fund or product, you should read the related prospectus and fund documentation, including full details of all the risks associated with it, to form your own assessment and judgement on whether this investment is suitable in light of your financial knowledge and experience, investment objectives and financial or tax situation and whether to obtain specific advice from an investment professional. The prospectus and Key Investor Information Document are available in English from the Nomura Asset Management U.K. Ltd website at www.nomura-asset.co.uk

Nomura Asset Management U.K. Ltd. is authorised and regulated by the Financial Conduct Authority. Portfolio data source: Nomura Asset Management U.K. Ltd

Investment Manager

Nomura Asset Management Co Ltd

Fund Manager

Shintaro Harada has over 20 years of investment experience and has been managing Japanese equity portfolios since 1993.

Share Class Details

Management Fee	1.00% (I Class)
	1.50% (A Class)
Min Initial Sub	$1m (I Class)
	$5,000 (A Class)
Min Further Sub	$250k (I Class)
	$2,500 (A Class)
Initial Commission	0.00% (I Class)
	Max 5.00% (A Class)

Registered for sale

Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, Norway, Spain, Sweden, United Kingdom

Fund Dealing

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