

ATLANTIS JAPAN GROWTH FUND



| CUMULATIVE PERFORMANCE % (£) | YTD | 1M | 3M | 1Y | 3Y | 5Y | 2019 | 2018 | 2017 | 2016 | 2015 | ITD* |
|------------------------------|--------|-------|--------|--------|-------|-------|-------|--------|-------|-------|-------|--------|
| AJG Share Price | -23.70 | -4.88 | -23.70 | -16.43 | 7.67 | 25.58 | 24.32 | -15.53 | 51.56 | 3.96 | 17.30 | 160.94 |
| AJG Share NAV | -21.99 | -4.21 | -21.99 | -10.96 | 15.87 | 37.66 | 32.39 | -14.97 | 42.94 | 8.61 | 15.94 | 218.73 |
| Topix TR Index | -11.82 | -1.51 | -11.82 | -2.28 | 3.86 | 35.33 | 16.05 | -8.85 | 15.63 | 24.47 | 16.92 | 47.03 |

Sources: Northern Trust and Bloomberg.

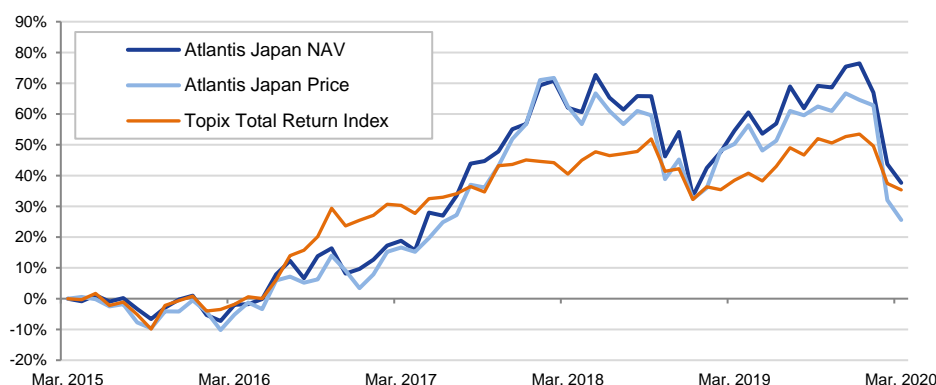
Notes: * Inception to date NAV return figure was converted to GBP based on the official USD NAV using Bloomberg FX rate.

NEW DIVIDEND POLICY

At the 2019 AGM, shareholders approved the Board's recommendation to replace the redemption facility with a regular dividend paid to all shareholders on a quarterly basis set at 1% of net asset value at the close of the preceding financial year.

The quarterly dividend will be paid out of capital resources at the end of each calendar quarter. The current dividend rate for quarterly payments through to June 2020 is 2.37p per share, being 1% of the average daily NAV per share in the final month of the Company's financial year ended 30 April 2019.

PERFORMANCE OVER 5 YEARS (£)



Sources: Northern Trust and Bloomberg.

Notes: The figures in the above table and chart refer to past performance which is not a reliable indicator of future results. An investment in the Fund would place an investor's capital at risk. Figures shown are net of all fees.

MANAGER'S COMMENTARY

Japanese equity markets closed sharply lower in March as investors reacted to the relentless climb of the COVID-19 infection curve, and the consequent mounting global death toll. In addition to the human toll recorded thus far, investors have begun to appreciate that without containment the economic costs will be staggering. Investor sentiment in March was also dented by the oil price collapse, the yen appreciation against the dollar, and shrinking in-bound visitor numbers. Midway into the month the major indices were down about 20% from end of February levels. However, expectations for economic stimulus packages in America, Japan, and Europe boosted investor confidence and the market began to claw back those previous losses during the remainder of the month.

In March, on a total return basis and in GBP terms, the Fund's performance dropped 4.21%. On the same basis, the TOPIX index declined 1.51% while the Nikkei 225 retreated 6.26%. The Fund also outperformed the TSE2 and the Nikkei OTC Average which each, respectively, gave away 8.70% and 6.11%.

The stocks that made positive contributions to performance over the course of the month included: staffing service provider Recruit (6098), SPE assembler Lasertec (6920), high tech chemical and gas supplier Japan Material (6055), and Japan Elevator Service (6544). Stocks that handicapped performance were: Fullcast (4848), MCUBS Mid-city Investment (3227), Peptidream (4587), and TKP (3479).

KEY FACTS

INVESTMENT OBJECTIVE

Aims to achieve long-term capital growth through investment wholly or mainly in listed Japanese equities.

FUND INFORMATION

| | |
|-------------------------|---------------------------|
| Lead portfolio adviser | Taeko Setaishi |
| Lead adviser start date | 1 st May 2016 |
| Total Net Assets (TNA) | GBP 87m |
| Shares in issue | 41,794,570 |
| Share price | 175.5p |
| NAV per share | 207.6p |
| Discount(-)/Premium | -15.5% |
| Net gearing | 0.0% |
| Active Share | 91.6% |
| Inception date | 10 th May 1996 |

ADMINISTRATIVE & DEALING INFORMATION

| | |
|-------------------------|--|
| Financial Year End | 30 th April |
| Company Domicile | Guernsey |
| Company Legal Structure | UK Investment Trust |
| Listing | London Stock Exchange |
| Valuation | Daily |
| Company Broker | Cantor Fitzgerald |
| Depository | Northern Trust |
| Administrator | Northern Trust |
| Auditor | PricewaterhouseCoopers |
| Investment Manager | Quaero Capital LLP |
| Investment Adviser | Atlantis Investment Research Corporation |

DIVIDEND

| | |
|-----------------------------|-------------------------------------|
| Prospective dividend yield* | 5.4% |
| Dividends paid | March, June, September and December |

COMPANY FEES & EXPENSES

| | |
|-----------------------|--|
| Ongoing Charges** | 1.63% |
| Annual Management Fee | 1.00% up to £125m 0.85% between £125m-£175m 0.70% greater than £175m |

FUND CODES

| | |
|-----------|--------------|
| Bloomberg | AJG LN |
| SEDOL | B61ND55 |
| ISIN | GG00B61ND550 |

* Annualised dividend yield based on indicated dividend payments in respect of the two quarters ending 31 March 2020 and 30 June 2020. Not a profit forecast.

** Based on the Company's Annual Financial Statements to 30 April 2019.

At the end of March the Company held 60 stocks, a net increase of one stock over the course of the month. Among the companies added to the portfolio were Sony (6758), insurer Tokio Marine Holdings (8766), the J-REIT specializing in office space, Japan Excellent (8987), and Mitsubishi UFJF (8306) a major bank. Maruwa (5344), Vision (9416), and Sanden (6444) were sold from the portfolio.

Investor data for March indicate non-resident investors aggressively sold equities valued at nearly JPY3.5tn. This selling was absorbed to some degree by net buying from nonfinancial business corporations, individuals, and trust banks. The BoJ, with its annual ETF budget recently doubled to JPY 12tn, was considerably more active in the market. The short sell ratio for the month averaged an unexceptional 45%. March's TSE average daily trading value was a robust JPY3.56tn, the highest level in seven years and about 40% higher than February's volume.

The market's decline in March encompassed 26 out of the TSE's 33 sectors. Concerns over a likely global economic slowdown directed investors to defensive, low risk sectors including electric power and gas, pulp/paper, land transportation, and foods. The worst performing sectors were mining, marine transportation, real estate, and air transportation. Despite the defensive orientation adopted by investors, large and small cap growth indices outperformed value.

At the end of March, the Fund held 5.4% in cash, with the rest invested in equities of publicly listed Japanese companies and J-REITs. The Fund had no exposure to any structured financial product, nor did it have any currency hedges in place during the month. JPY against the GBP closed the

month at 133.58, a gain of 4.8% from February's 139.95 close.

Economic data and survey results recently announced offer a picture of an economy which tipped into a (possibly) lengthy recession which began in the October-December 2019 quarter. The Japanese authorities have responded with a massive stimulus package (JPY 108tn) but economic recovery cannot be expected until there is evidence of COVID-19's containment.

In this uncertain environment the Investment Adviser believes the most appropriate course of action for the Fund is to invest in quality companies possessing high market shares in free cash generating businesses. It further believes the market sell-off sparked by COVID-19 has presented an opportunity for the Fund to judiciously acquire attractive businesses at bargain prices. The Investment Adviser remains committed to a growth oriented, bottom-up, stock-picking investment style with the objective being identification of, without respect to market capitalization, investment opportunities that will generate long term capital gain.

Earlier in March, given the increased risk to our daily lives due to the threat from COVID-19, we initiated our Business Continuity Plan (BCP). We would like to ensure shareholders that this has enabled our team to seamlessly operate all portfolio, research and support functions. We are currently alternating days in the office amongst our team, ensuring that anyone performing a similar function does not come to the office on the same day. We also, if needed, have the ability to operate remotely from our homes under the BCP. Currently, Government advice has not been as strict as in many parts of Europe and to date less disruptive on our daily lives and economy.

PORTFOLIO STATISTICS

MARKET EXPOSURE 94.6%

| TOP 10 HOLDINGS | (% TNA) |
|------------------|---------|
| Lasertec | 5.7 |
| Keyence | 3.6 |
| Asahi Intecc | 3.5 |
| Tokyo Electron | 3.3 |
| Nidec | 3.2 |
| Nihon M&A Center | 3.2 |
| Hikari Tsushin | 3.1 |
| Daifuku | 3.0 |
| Nittoku | 2.8 |
| S-Pool | 2.7 |

| SECTOR BREAKDOWN | (% TNA) |
|------------------------|---------|
| Consumer Discretionary | 6.2 |
| Financials | 1.9 |
| Health Care | 11.0 |
| Industrials | 39.3 |
| Information Technology | 23.6 |
| Materials | 1.4 |
| Real Estate | 6.4 |
| Communication Services | 3.2 |
| Utilities | 1.5 |

| MARKET CAPITALISATION | (% TNA) |
|-----------------------|---------|
| > 10bn | 15.5 |
| 5-10bn | 12.1 |
| 2-5bn | 13.7 |
| 0.5-2bn | 19.0 |
| < 0.5bn | 34.3 |

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KEY RISKS

- » Past performance is not a reliable indicator of future results. The value of your investment may go down as well as up and you may not get back the amount originally invested.
- » The Fund may be invested in securities denominated in currencies other than Sterling. Changes in exchange rates may cause your investment to decrease or increase in value.
- » The Fund, as an investment trust, is a public limited company, the shares of which are traded on the London Stock Exchange. Investment trusts are not authorised and regulated by the Financial Conduct Authority.
- » Investment trusts may borrow money in order to make further investments. This is known as 'gearing' or 'leverage'. The effect of gearing can enhance returns to shareholders in rising markets but will have the opposite effect on returns in falling markets.
- » The Fund may invest in smaller companies which are generally considered to carry a higher degree of risk as the market for their shares is often less liquid than that for larger companies.
- » An investment trust's exposure to a single market and currency may increase the level of risk.

IMPORTANT INFORMATION

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