

31 May 2024

OEIC

Scottish Widows Japan Growth A Acc

Fund Objective

To provide capital growth through investment in a broad portfolio of shares in Japanese companies. The benchmark index for the Fund is the MSCI Japan Index (the "Index"). The Investment Adviser seeks to outperform the Index by 1.25%* per annum on a rolling 3 year basis, before deduction of fees. The MSCI Japan Index has been selected as an appropriate benchmark as it provides a representation of the returns of securities in the Japanese equities market. For further information on this fund's policy and objectives, please refer to the Key Investor Information Document or the Prospectus. These documents can be accessed via the following link:

- 'KIID'
- 'Prospectus'
- 'Fund Changes'
- 'ESG Metrics'

This document is provided for the purpose of information only. This factsheet is intended for individuals who are familiar with investment terminology. Please contact your financial adviser if you need an explanation of the terms used. This material should not be relied upon as sufficient information to support an investment decision. The portfolio data on this factsheet is updated on a quarterly basis.

Information Statement

We are proposing to merge the Scottish Widows Japan Growth Fund with the Scottish Widows Global Growth Fund. We are writing to shareholders in the Scottish Widows Japan Growth Fund with details and are asking eligible shareholders to vote on our proposal. Further details will be included on our Fund Change webpage. Please see the fund changes link.

Scottish Widows produce Environmental, Social and Governance themed fund metrics. Selected data can be found using the ESG metric link.

Basic Fund Information

Fund Launch Date	31/05/1982
Fund Size	£123.8m
Target Benchmark	MSCI Japan Index + 1.25%
ISIN	GB0031904583
MEX ID	LBJGA
SEDOL	3190458
Manager Name	Mei Huang
Manager Since	01/07/2023
Yield	Historic 1.5%

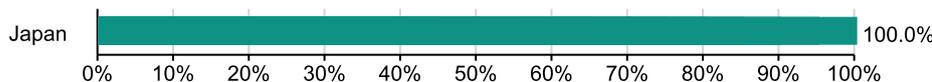
Asset Allocation (as at 28/03/2024)



Sector Breakdown (as at 28/03/2024)



Regional Breakdown (as at 28/03/2024)



Top Ten Holdings

(as at 28/03/2024)

TOYOTA MOTOR CORPORATION NPV	5.5%
TOKYO ELECTRON LIMITED	4.0%
MITSUBISHI UFJ FINANCIAL GROUP INCORPORATED NPV	3.7%
HITACHI LIMITED NPV	3.1%
SHIN-ETSU CHEMICAL COMPANY LIMITED NPV	2.9%
MITSUBISHI CORPORATION NPV	2.9%
MITSUI AND COMPANY LIMITED NPV	2.5%
TOKIO MARINE HOLDINGS INCORPORATED NPV	2.4%
NINTENDO COMPANY LIMITED NPV	2.3%
FAST RETAILING COMPANY LIMITED NPV	2.3%
TOTAL	31.6%

The composition of asset mix and asset allocation may change at any time and exclude cash unless otherwise stated

Past Performance



■ Japan Growth
■ Benchmark

The returns shown in the performance table illustrate past performance of the Fund and its benchmark index. The outperformance target is applied to the index and we illustrate it in the figures from 7th August 2019 onwards. Prior to this date the Fund aimed to outperform its benchmark.

Past performance is not a guide to future performance. Investment value and income from it may fall as well as rise, as a result of market and currency movements. You may not get back the amount originally invested.

The benchmark was created using index data. The index provider does not warrant the completeness, accuracy or timeliness of the data or results to be obtained by using the data and fund performance is not calculated by the index provider. For full index disclaimer, warranty or copyright details, please refer to the fund's prospectus.

Discrete Performance

	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022	31/03/2020 - 31/03/2021	31/03/2019 - 31/03/2020
Scottish Widows Japan Growth A Acc	27.5%	0.7%	-0.1%	24.9%	-6.5%
Benchmark	24.6%	2.2%	-0.8%	27.1%	-1.1%

Information is shown as unavailable if prior to the launch of fund.

Cumulative Performance

	30/04/2024 - 31/05/2024	29/02/2024 - 31/05/2024	31/05/2023 - 31/05/2024	31/05/2021 - 31/05/2024	31/05/2019 - 31/05/2024
Scottish Widows Japan Growth A Acc	0.5%	0.3%	18.9%	26.7%	45.8%
Benchmark	-0.2%	-1.0%	16.9%	24.6%	51.3%

Source: FE fundinfo as at 31/05/2024

Performance figures are in £ Sterling on a single pricing basis, with income (where applicable) reinvested net of UK tax and net of total annual fund charges. These figures do not include any initial charge or other product charge(s) that may be applicable.

Quarterly Fund Manager Review

The Japanese equity market experienced an exceptionally strong rally, with the TOPIX Total Return index recording a total return of 18.1% in Japanese yen terms. During the quarter, foreign investors played a leading role in driving the rally. This was fuelled by increasing optimism over Japan's positive economic cycle, characterised by mild inflation and wage growth. This quarter marked a historic moment as the Nikkei reached its all-time high and surpassed the 40,000 yen level. The Bank of Japan (BOJ) also took significant actions at its March policy meeting, contributing to the new high for the Nikkei 225. The market's performance has been driven by large-cap stocks, particularly value stocks in sectors such as automotive and financials. Additionally, the global boom in artificial intelligence (AI) and semiconductors has also contributed to the rise in stock prices of semiconductor-related companies. On the other hand, domestic and defensive sectors, including land transportation, services, food, and pharmaceuticals, have lagged. Corporate earnings in Japan have exceeded expectations, and there have been positive revisions for both the current and the next fiscal years. The weakening yen has provided support, but more importantly, the inflationary environment is expected to boost earnings for many Japanese companies, especially those with pricing power (the ability to raise prices by more than inflation). The BOJ's decision to overhaul its monetary policy measures, including lifting the negative interest rate policy, abandoning yield curve control (YCC), and ceasing the ETF purchase programme, was supported by the significant progress made in the spring wage negotiations known as Shunto. The initial figures released by the unions exceeded 5%, surpassing the previous year's levels and reaching a 34-year high. The BOJ set a short-term rate at 0.0-0.1%, indicating a shift to a positive policy rate, rather than just zero. This demonstrated the BOJ Governor Ueda's strong confidence in Japan's macroeconomic development. At the same time, the BOJ committed to maintaining its accommodative policy stance, providing some comfort to the currency market, and leading to further weakening of the Japanese yen.

Mei Huang 31/03/2024

The views, opinions and forecasts expressed in this document are those of the fund management house. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact, nor should reliance be placed on these views when making investment decisions.

Fund Rating Information

Overall Morningstar Rating
Morningstar Medalist Rating
FE fundinfo Crown Rating

Neutral

The FE fundinfo Crown Rating relates to this fund. However, the Morningstar ratings are based on the underlying fund. These are supplied by the respective independent ratings agencies and are the latest available at the time this factsheet was issued. Past performance is not a reliable indicator of future results.

Other Information

The views, opinions and forecasts expressed in this document are those of the fund manager. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statement of fact, nor should reliance be placed on these views when making investment decisions.

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Not all products have access to this fund, please refer to the relevant product literature. Full terms and conditions are available on request from us using the contact details provided. Charges, terms and the selection of funds we make available may change. Information on the general and specific risks associated with investing in this fund is available in the relevant fund guide, or KIID where applicable. All information is sourced from Scottish Widows or the relevant fund management group unless otherwise stated.