

**GLG**  
**GLG Japan CoreAlpha (OEIC)**

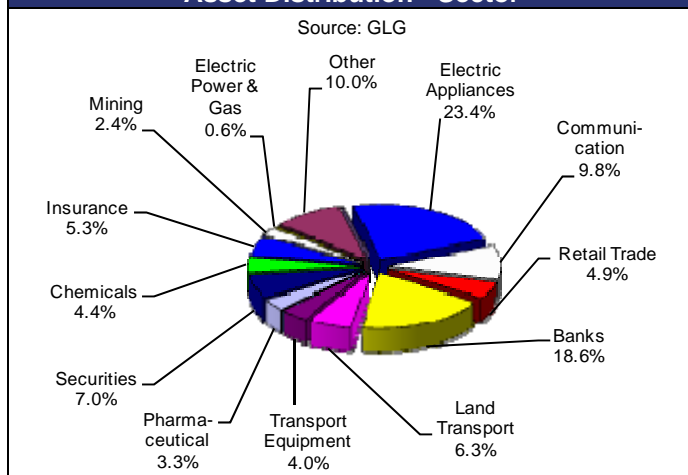
**OBSR Fund Rating**  
**AAA / Gold**

**obsr** FUND  
 RATINGS

**Key Information**

<b>Launch Date</b>	29 November 1999	
<b>Fund Size</b>	£1131.3m	
<b>Type of Shares Available</b>	Accumulation	
<b>Distribution Date</b>	31 July	
<b>Distribution Yield</b>	3.07%	
<b>ISA</b>	Yes	
<b>ISA Transfer</b>	Yes	
<b>Standard Fund Management Charges</b>	<b>Initial</b>	5.25%
	<b>Annual</b>	1.50%

**Asset Distribution - Sector**



**Top Ten Holdings**

	<b>%</b>
Mitsubishi Tokyo Financial	6.1
Sony	5.9
Sumitomo Mitsui Financial	5.4
Nomura Securities	5.2
Panasonic	4.6
Ricoh	4.4
Mizuho Financial	4.3
Seven & I Holdings	4.2
Toyota Motor	4.0
Rohm	3.8
Concentration (Top 10)	47.9
Total Number of Holdings	46

Source: GLG

**Classification**

<b>Sector</b>	Japan
<b>Market Cap / Style</b>	Large Cap / Value Bias
<b>Benchmark/Index</b>	Topix TR
<b>Management/Investment Style</b>	
<b>Fund Managers</b>	Stephen Harker (January 2006) Neil Edwards (January 2006) Jeffrey Atherton (March 2011)
Offers investors exposure to a portfolio of Japanese large and mega-cap equities, managed by an experienced fund manager and team who follow a value-bias, contrarian approach.	

**Investment Objective & Methodology**

The fund aims to achieve capital growth through investing in the quoted securities of companies operating in Japan.

The fund is managed by Stephen Harker and his team based in London. Mr Harker has been investing in Japan for over 25 years and leads the team, which includes Neil Edwards and Jeffrey Atherton who are senior portfolio managers and external consultant Robert Brooke.

The emphasis is on bottom-up stock selection and little consideration is paid to top-down factors. The fund concept rests on a strategic view that large caps have underperformed the market significantly since the late 1990s and the team now believes they are likely to outperform over the next 5 to 10 years. The stock selection is deeply contrarian, driven by the belief that cyclicity is a strong influence in virtually every sector of the market and that outperformance often follows underperformance. This means they tend to buy stocks when they are undervalued by the broader market and increase the weighting as the stock price falls further. They will remain patient to see the value realised. The crux of the process is the application of a screen over various time periods to identify opportunities amongst the top 500 companies by market cap in the TSE1 index. The screen includes a stock's price to book ratio and dividend yield relative to the market and relative to the company's own share price history. The selection process is virtually as straight-forward as buying companies that look cheap based on these ratios, and selling those that look expensive. As a safety check the team analyses the business franchise and balance sheet strength through company visits, broker research and news flow in order to make sure that the company is not likely to go bankrupt before the share price can revert to the long-term average. The objective is to determine that the company in question is capable of getting itself out of trouble over time, rather than to forecast its stream of earnings or assess in depth business quality. They rely on the experience they have built in the industry since the mid 1980s and they are continuously gauging the flow of news.

The team aim to keep transaction costs down because they believe such costs undermine returns. Typically fully invested, the portfolio will feature 35-70 holdings and individual positions are dependent on size, conviction and a balancing of risk. The top 20 holdings are each given initially a 3% weighting, the next 20 are given each 2% weighting and the 20 after 1% weighting. In addition there are positions that as the relative share performance goes down, these positions are increased as the team's conviction increases. While the team is willing to deviate significantly from the index, they will consider including some positions for risk management purposes (the banks sector is addressed as a risk issue in its own right). As a guideline sector weights are restricted to +/-15% relative to the market. The fund has tracking error range of 4%-7%. Please note that due to the nature of the fund, returns can deviate significantly from the index.

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Date as at 31 December 2011  
 Last Updated January 2012