

SCHRODER Tokyo (UT)

OBSR Fund Rating
AA / Silver

obsr FUND
RATINGS

Key Information

Launch Date	27 February 1981	
Fund Size	£677.8m	
Type of Units Available	Income & Accumulation	
Distribution Dates	30 April, 31 October	
Historic Yield	0.30%	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	5.25%
	Annual	1.50%

Classification

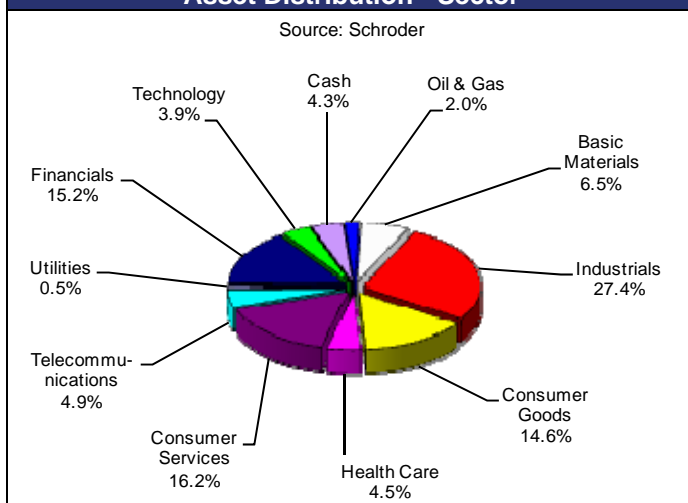
Sector	Japan
Market Cap / Style	Large Cap Bias / Blend
Benchmark/Index	Japan TSE First Section

Management/Investment Style

Fund Manager	Andrew Rose (April 2004)
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Offers investors a large-cap oriented Japanese equity fund managed by an experienced manager based in London, but supported by a well-resourced team in Japan. The investment style is flexible and undogmatic, but with a preference for investing in established, profitable companies with attractive relative valuations.

Asset Distribution - Sector



Investment Objective & Methodology

The fund aims to provide capital growth by investing in Japanese equities. The fund is benchmarked against the Japan (TSE) First Section Index.

The fund manager is Andrew Rose, a senior fund manager based in London. He joined Schroders in 1981 and has been a member of the Japanese desk since this time. He is supported by Schroders' extensive resource in Japan, which includes four fund managers, twelve analysts and the four-strong small-cap team based in Tokyo. There is also one fund manager based in Singapore. The team is headed by Shogo Maeda.

The investment approach adopted by the team is bottom-up and is based on proprietary research. Schroders looks at a company's long-term earnings stream and then takes a view on what its value should be. It then assesses this fair valuation relative to the market valuation in order to seek investment opportunities. More specifically, it considers its analysts' three-year earnings forecasts in conjunction with a broad measure of quality in establishing a fair value for companies. The quality ranking criteria include: future earnings visibility; long-term growth prospects; balance sheet strength; the quality of management and the company's focus on its shareholders. The fund managers and analysts discuss market fair values and new stocks are proposed by the analysts, however the overall stock grade is determined by the fund managers. These grades range from one (a strong buy) to four (a strong sell). There are three separate model teams; one is responsible for portfolios with a TOPIX benchmark, another for portfolios with an MSCI or FTSE benchmark, and the other for portfolios with specialist requirements. Each team decide on the relative weights of a newly graded stock.

The manager has considerable freedom in the running of his fund. The portfolio may include significant individual stock positions and this is reflected in the concentration in the top ten holdings, which can constitute a significant proportion of the fund. The portfolio is however, quite diversified and will typically comprise about 75 stocks. Exposure to medium-sized and smaller companies may be increased at times when the manager views these as offering better value than large companies. However, as part of the fund's risk controls, such exposure will not usually exceed one-third of the portfolio by value.

Top Ten Holdings

	%
Toyota Motor	4.3
Mitsui & Co	4.1
SK Kaken	3.0
East Japan Railway	3.0
Bridgestone	2.8
Hi Lex	2.7
KDDI	2.5
Nippon Telegraph & Telephone	2.4
Sumitomo Mitsui Financial	2.4
Seven & I Holdings	2.4
Concentration (Top 10)	29.6
Total Number of Holdings	83

Source: Schroder

www.obsrfundratings.co.uk

Data as at 31 December 2011
Last Updated January 2012