



# Atlantis Japan Growth Fund Limited

**Condensed Interim Report and Financial Statements**

for the six month financial period ended 31 October 2021

**UNAUDITED**



# ATLANTIS JAPAN GROWTH FUND LIMITED

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All references to "USD" or "\$" throughout this report are to the currency of the United States.  
All references to "GBP" or "£" throughout this report are to the currency of the United Kingdom.  
All references to "JPY" or "¥" throughout this report are to the currency of Japan.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
FINANCIAL HIGHLIGHTS AND PERFORMANCE TO 31 OCTOBER 2021

### Capital performance

	31-Oct-21	30-Apr-21	% change
Total net assets	120,634	116,501	3.6%

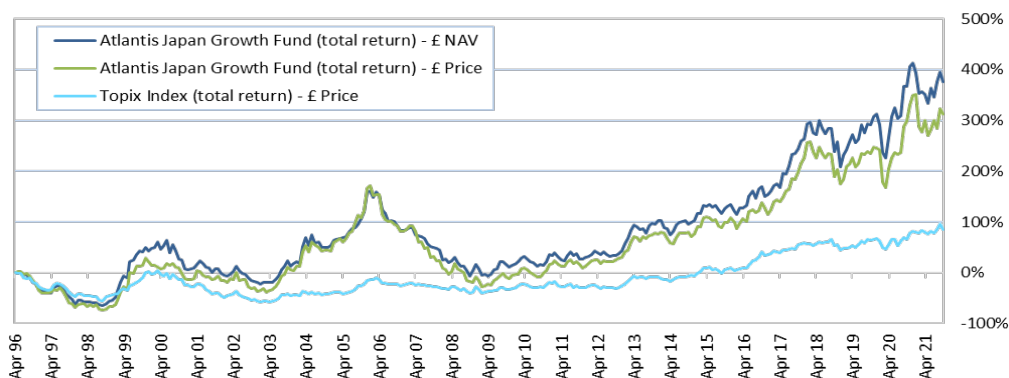
### Ordinary share performance

	31-Oct-21	30-Apr-21	% change
Net asset value (GBP)	2.89	2.79	3.6%
Net asset value (with dividends added back)*	–	–	5.5%
Middle market share price (GBP)	2.55	2.53	0.8%
Share price total return (with dividends added back)	–	–	2.9%
Dividends paid (pence), 12 months period	9.39p	8.88p	5.7%
TOPIX Total Return in GBP (Benchmark)	20.35	19.76	3.0%
Discount to net asset value (%)*	-11.7%	-9.2%	–
Ongoing charges* <sup>1</sup>	1.60%	1.58%	–

\*Alternative performance measure.

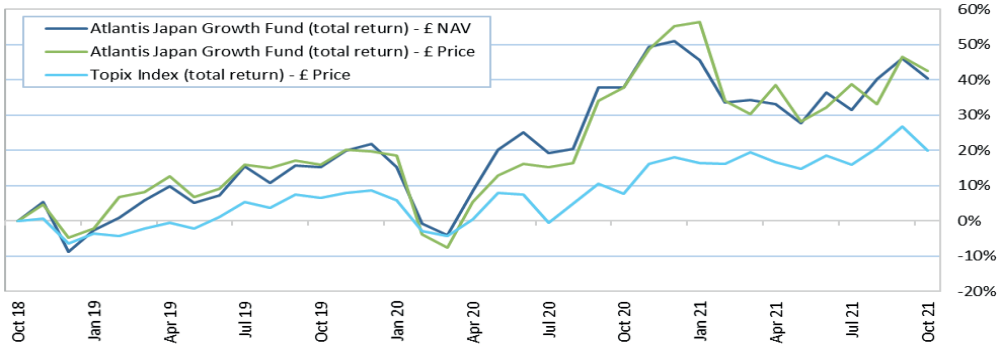
<sup>1</sup> For further information please see ongoing charges in Appendix 1, page 32.

### Fund Performance versus benchmark since inception



**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**FINANCIAL HIGHLIGHTS AND PERFORMANCE TO 31 OCTOBER 2021**

**Fund performance versus benchmark for the three years ended 31 October 2021**

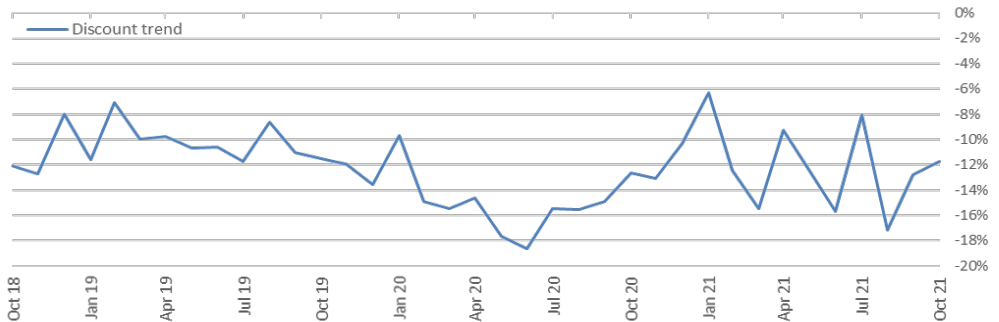


Note: NAV performance is diluted by historical Subscription Rights.

Net Asset Value Total Return (GBP)	1 Year	3 Years	5 Years	Since Inception	Annualised Return
Atlantis Japan Growth Fund	1.9%	40.5%	76.5%	376.4%	6.3%
Topix TR	11.5%	20.0%	31.2%	84.4%	2.4%

Note: NAV performance is diluted by historical Subscription Rights.  
 Source: Quaero Capital LLP, Northern Trust and Bloomberg.

**Discount trend over the last three years**

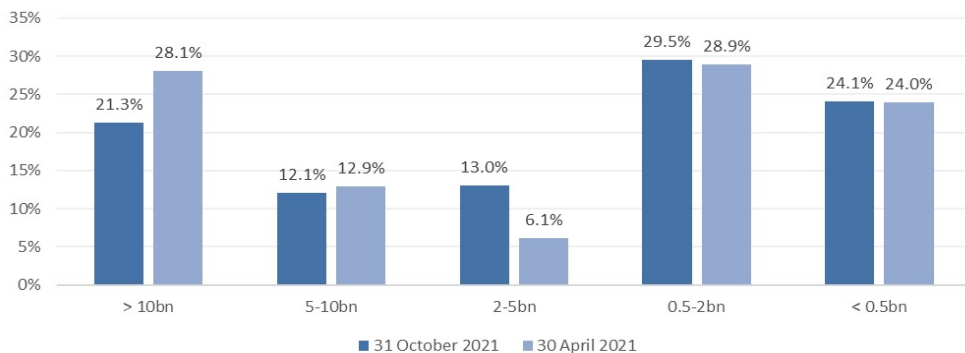


Source: Quaero Capital LLP, Northern Trust and Bloomberg.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**FINANCIAL HIGHLIGHTS AND PERFORMANCE TO 31 OCTOBER 2021**

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**Portfolio market capitalisation breakdown in GBP**



Source: Quaero Capital LLP, Northern Trust and Bloomberg.

# ATLANTIS JAPAN GROWTH FUND LIMITED

## INTRODUCTION

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### INVESTMENT OBJECTIVE

Atlantis Japan Growth Fund Limited (the “Company”) aims to achieve long term capital growth through investment wholly or mainly in listed Japanese equities.

### INVESTMENT POLICY

The Company may invest up to 100 per cent of its gross assets in companies quoted on any Japanese stock exchange including, without limitation, the Tokyo Stock Exchange categorised as First Section, Second Section, JASDAQ, Mothers and Tokyo PRO, or the regional stock exchanges of Fukuoka, Nagoya and Sapporo. The Company’s benchmark index is the TOPIX Total Return index “benchmark total return index” and the Company will not be restricted to investing in constituent companies of the benchmark.

The Company may also invest up to 20 per cent of its Net Asset Value (the “NAV”) at the time of investment in companies listed or traded on other stock exchanges but which are either controlled and managed from Japan or which have a material exposure to the Japanese economy.

The Company may also invest up to 10 per cent of its NAV at the time of investment in securities which are neither listed nor traded on any stock exchange or over-the-counter market.

In general, investment will be through investments in equity shares in, or debt issued by, investee companies. However, the Company may also invest up to 20 per cent of its NAV at the time of investment in equity warrants and convertible debt.

The Company will not invest in more than 10 per cent of any class of securities of an investee company. The Company will not invest in derivative instruments save for the purpose of efficient portfolio management.

The Company may not invest more than 10 per cent in aggregate of the value of its total assets in other listed closed-ended investment funds except in the case of investment in closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent of their total assets in other listed closed-ended investment funds, in which case the limit is 15 per cent.

The Company may borrow, with a view to enhancing capital returns, up to a maximum of an amount not exceeding 20 per cent of NAV at the time of borrowing.

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.



**ATLANTIS JAPAN GROWTH FUND LIMITED**  
INTRODUCTION (continued)

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**INVESTMENT MANAGER AND INVESTMENT ADVISER**

Quaero Capital LLP has been appointed as the Investment Manager of the Company since 1 August 2014.

Atlantis Investment Research Corporation (“AIRC”) has been appointed as the Investment Adviser to the Company since 1 August 2014.

AIRC, established in Tokyo, through Taeko Setaishi, as lead adviser, and her colleagues, advises the Investment Manager on the day-to-day conduct of the Company’s investment business, the role it has played since the launch of the Company in May 1996.

**DIVIDEND POLICY**

There are regular quarterly dividend payments of 1% of the Company’s NAV (based on the average daily NAV in the final month of the financial year). The dividends will be paid out of capital reserves and will be paid in March, June, September and December (please see Dividend Policy on page 11 for further details).

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**CHAIRMAN'S STATEMENT**  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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## **MARKET AND PERFORMANCE**

Over the six months ended 31 October 2021, the Japanese market ended up modestly, as stock markets adjusted to the continued stresses of the pandemic and political machinations ahead of Yoshihide Suga stepping down as Prime Minister in September. Our Net Asset Value total return increased by +5.5% in sterling terms comparing favourably with the TOPIX Total Return Index in sterling terms, which rose +3.0% over the same period.

It was encouraging to see a period of steady performance, given the competing challenges of global inflationary concerns and the extension of the Japanese government's state of emergency to counter the effects of a rise in Covid-19 ahead of the Tokyo Olympic Games. Whilst the Bank of Japan continued its highly accommodative monetary policy, markets see-sawed over the prospect of rising interest rates in the US in response to the rapid rise in inflation. Meanwhile the Japanese government's handling of COVID-19, both in dealing with the Olympics and disappointment over the implementation of the stimulus measures around progressive structural reform, claimed the scalp of Mr. Suga, barely a year after taking office. Our Company's low exposure to those cyclicals that performed well through the interim period on the back of the global recovery in trade and economic recovery weighed on the portfolio. In such an environment it was a robust effort to see outperformance being driven by the Company's chosen thematic exposure to global leaders in the renewable energy, electronic components, and biotech spaces.

## **DISCOUNT MANAGEMENT AND SHARE BUYBACKS**

The Board continues to review the discount on a regular basis, maintaining a vigilant stance in pursuing a policy of lower deviation between the share price and NAV and will opportunistically use the share buyback facility when shares trade at wider discount levels. During the six months ended 31 October, the discount widened from 9.2% to 11.7% and the Board took the opportunity to buy shares at a discount.

## **OUTLOOK**

Looking forward, the Japanese market remains supported by attractive valuations and fundamentals. The new Prime Minister, Mr. Kishida, appears ready to set his government on a more politically assertive approach than his predecessor, favouring more proactive government intervention and regulatory actions. Policy makers are focused on a likely new 'Kishidanomics' stimulus package, which should continue the focus on Japan's DX (digital transformation) Initiative, alongside spending on major domestic infrastructure projects and aid for the renewable energy sector. Corporate change continues to gather pace, which should help drive value creation. The Chair of Toshiba was voted out over events surrounding the 2020 AGM, which has opened up Toshiba to major foreign investor involvement. Also, Carlyle recently completed the first ever hostile takeover by a financial buyer in Japan when it bought Japan Asia Group. This acquisition could well focus corporate management on increasing valuations to defend against further hostile takeovers, thereby acting as a catalyst to drive corporate change.

We see these factors serving to concentrate focus on company valuations and growth, which should continue to benefit the Company's performance.

**Noel Lamb**

14 December 2021



**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**INVESTMENT ADVISER'S INTERIM REPORT**  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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## **PERFORMANCE**

Domestic challenges over the six month financial period, ended 31 October, cast a shadow over the Japanese market, causing it to underperform most global markets. Three issues were of note: first was the government's repeated failure to roll out vaccines in a timely manner; second was their preoccupation with holding the Tokyo Olympics at all costs, in spite of public concern about a possible super-spreader event; and finally the steep decline in public support helping spur Mr Suga's resignation in September. This led to a Lower House election at the end of October, ushering in a new government. Equity investor sentiment improved markedly on such developments but faded on concerns about the signposted policies of the new Kishida administration. It was encouraging to see positive returns in such an environment with the Company reporting, on a total return NAV basis, a gain of 5.5% in GBP terms for the financial period, compared to 3.0% for the TOPIX TR Index in GBP terms. The new Kishida government also walked back from earlier comments on raising taxes on investment income, the Olympics having no negative impact, and with over 70% of the population fully vaccinated, sentiment in the Japanese market improved at the end of the reporting period. Foreign investors also turned net buyers of JPY693.4bn in Japanese equities during the month of October, the first net buying since April and the largest amount since Nov 2020.

The Company was overweight Information and Communications, Electric Power & Gas, and Pharmaceuticals sectors, and underweight in Machinery, Transportation Equipment, and Real Estate sectors. The overweight in Electric Power & Gas enhanced performance whilst Information and Communications exposure detracted from the Company's performance. Stocks that made positive contributions included biotech play CellSource (4880), outsourced software testing pioneer Shift (3697), cashless payments specialist GMO Financial Gate (4051), and renewable energy provider Renova (9519). Stocks that contributed negatively included ethical drug discovery play PeptiDream (4587), HR tech and marketing media specialist Recruit Holdings (6098), semiconductor materials firm Tri Chemical Laboratories (4369), and brushless motor leader Nidec (6594).

The Company started the financial period with 66 holdings and ended the period with 61 holdings, four more than that of a year ago. The Company has no exposure to convertible bonds or any other class of equity derivative; neither does it have any foreign exchange hedges in place. Turnover during the period did not differ from average periods, and gearing was at 1.8% at the end of the period.

## **MARKET COMMENT AND INVESTMENT STRATEGY**

Earlier in the financial period, there had been a bias towards value over growth, reflecting rising interest rates, rising raw material costs, concerns about inflation, component shortages and possible systemic contagion from the beleaguered Chinese real estate market. Even though inflationary fears had diminished slightly, by the end of the financial period, component and semiconductor shortages continued to be an issue for many firms and potential production disruption driven by supply chains dislocation.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
INVESTMENT ADVISER'S INTERIM REPORT (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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**MARKET COMMENT AND INVESTMENT STRATEGY** (continued)

Rising raw material costs also remain a concern. Improved vaccination rates, especially in developed countries, are helping fuel global recovery hopes but are offset, to some extent, by concerns over strict Covid-19 policies in China and the consequential impact on regional growth and resumption of tourist travel. The value bias that we saw in the first half of the financial period is giving way to the growth bias outperforming, as demonstrated by the TOPIX Growth TR Index in GBP gaining 4.76% in the second quarter of the financial period (Aug-Oct 2021). This contrasts to the TOPIX Value TR Index in GBP only rising 2.91%. This was a reversal of the first quarter (May-Jul 2021) when value outperformed growth.

The Bank of Japan's ETF buying policy has also changed during this financial period. Though continuing to maintain an overall easy monetary stance, the BOJ is now only buying on particular volatility. Toward the end of September, the BOJ bought JPY70bn worth of ETFs for the first time since June 2021, and then again in early October, remaining fairly inactive over the rest of the month.

Although uncertainty remains high around global macro, inflationary, and supply chain issues, the Investment Adviser notes that Japan's domestic concerns have been fading in the past few months. Japan's Q2 FY21 earnings reporting season is unfolding and while there are one-off negatives and many companies will likely guide cautiously, we believe that the underlying fundamentals and performance of Japanese companies remain robust. We are cautiously optimistic and expect sales growth of 6% to 7% and operating profit to rise approximately 30% for the fiscal year ending in March 2022. The TOPIX Index is trading on a PER of 15.8x and a PBR of 1.31x as of the end of October.

The Company's aim remains to invest in fundamentally undervalued companies with a competitive advantage and strong medium to long-term growth potential. The Company favours growth and a bottom-up approach to stock picking based on fundamental analysis. The Investment Adviser conducts extensive interviews with company management teams as an essential part of its process to capture alpha and identify growth opportunities. The Investment Adviser believes that the Japanese economy is undergoing significant structural changes which should produce a wide range of investment opportunities for the Company.

**Atlantis Investment Research Corporation**  
14 December 2021

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**DIRECTORS' INTERIM REPORT AND**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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The Directors are pleased to present their Condensed Interim Report and Unaudited Financial Statements of the Company for the six month financial period ended 31 October 2021.

In the opinion of the Company's Directors, the Condensed Directors' Interim Report and Unaudited Financial Statements enable investors to make an informed assessment of the results and activities of the Company for the financial period.

The Condensed Interim Report and Unaudited Financial Statements have not been audited or reviewed by the Company's auditor.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors confirm, to the best of our knowledge, that:

- the Condensed Interim Report and Unaudited Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting;
- as required by DTR 4.2.7R of the FCA's Disclosure and Transparency Rules, the Directors' Interim Report and Investment Adviser's Interim Report include a fair review of important events that have occurred during the first six months of the financial year and their impact on the Condensed Interim Report and Unaudited Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year, and;
- the Condensed Interim Report and Unaudited Financial Statements include a fair review of the information concerning related party transactions required by DTR 4.2.8R.

### **CAPITAL VALUES**

At 31 October 2021 the value of net assets available to shareholders was £120,633,551 (30 April 2021: £116,501,330) and the NAV per share was £2.89 (30 April 2021: £2.79).

### **PRINCIPAL RISKS AND UNCERTAINTIES**

As an investment trust, the Company invests in securities for the long term. The financial investments held as assets by the Company comprise equity shares (see the Schedule of Investments on pages 15 to 16 for a breakdown). As such, the holding of securities, investing activities and financing associated with the implementation of the investment policy involve certain inherent risks. Events may occur that could result in either a reduction in the Company's net assets or a reduction of revenue profits available for distribution.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**DIRECTORS' INTERIM REPORT AND**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

Principal risks should include, but are not necessarily limited to, those that could result in events or circumstances that might threaten the Company's business model, future performance, solvency or liquidity and reputation. In deciding which risks are principal risks companies should consider the potential impact and probability of the related events or circumstances, and the timescale over which they may occur. The annual report does not make references to robust assessment on principal risks relating to events or circumstances that might threaten the Company's business model, future performance, solvency or liquidity and reputation.

The Board has considered the risks and uncertainties facing the Company and prepares and reviews regularly a risk matrix which documents the significant and emerging risks.

The risk matrix document considers the following information:

- Identifying and reporting changes in the risk environment;
- Identifying and reporting changes in the operational controls;
- Identifying and reporting on the effectiveness of controls and remediation of errors arising; and
- Reviewing the risks faced by the Company and the controls in place to address those risks.

**Performance**

Inappropriate investment policies and processes may result in under-performance against the prescribed benchmark index and the Company's peer group. The Board manages these risks by ensuring a diversification of investments and regularly reviewing the portfolio asset allocation and investment process. The Board also regularly monitors the Company's investment performance against a number of indices and the AIC Japanese smaller companies' sub-sector peer group. In addition, certain investment restrictions have been set and these are monitored as appropriate.

**Discount**

A disproportionate widening of the discount relative to the Company's peers could result in loss of value for shareholders. The Board reviews the discount level regularly.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
DIRECTORS' INTERIM REPORT AND  
STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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**PRINCIPAL RISKS AND UNCERTAINTIES** (continued)

**Regulatory**

The Company operates in a complex regulatory environment and faces a number of regulatory risks. Breaches of regulations, such as Section 1158 of the Corporation Tax Act 2010, The Companies (Guernsey) Law, 2008, the UKLA Listing Rules and the Disclosure and Transparency Rules ("DTR"), could lead to a number of detrimental outcomes and reputational damage. The Company conforms with the Alternative Investment Fund Managers Regulations 2013, as amended by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019. The Board relies on the services of the Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited, and its professional advisers to ensure compliance with The Companies (Guernsey) Law, 2008, the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the "POI Law"), the Authorised Closed-Ended Investment Scheme Rules 2008 (the "Authorised Closed-ended Rules"), the UKLA Listing Rules and Prospectus Rules, the DTR and the rules of the London Stock Exchange.

**Operational**

Like most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent on the control systems of the Investment Manager, Investment Adviser and the Company's Administrator. The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements depends on the effective operation of these systems. These are regularly tested, monitored and are reviewed by the Directors at the quarterly board meetings.

**Financial**

The financial risks faced by the Company, including the impact of changes in Japanese equity market prices on the value of the Company's investments, are disclosed in Note 15 of the annual Financial Statements. The financial risks disclosed in Note 15 of the annual Financial Statements are detailed for compliance with IFRS.

**COVID-19**

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. COVID-19 has adversely affected the global economy and this may negatively impact the Company's performance. In responding to the risks of COVID-19, the Directors have established business continuity plans and have inquired and are satisfied that service providers have a process in place to continue to provide required services to the Company and maintain compliance with laws and regulations in the face of the challenges encountered. Furthermore, the Company invests wholly in Japanese listed equities and, although the Japanese authorities have been slow to vaccinate the population, there has in general been good control of the virus in Japan which reduces the potential impact on the Company.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**DIRECTORS' INTERIM REPORT AND**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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### **GOING CONCERN**

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Whilst the Company is obliged to hold a continuation vote every 4 years, the Directors do not believe this should automatically trigger the adoption of a non-going concern basis. A continuation vote was held at the annual general meeting on 10 September 2020, whereby the resolution was passed for the Company to continue in existence. This is in line with the AIC's Statement of Recommended Practice ("SORP") which states that it is more appropriate to prepare financial statements on a going concern basis unless a continuation vote has already been triggered and shareholders have voted against continuation. Therefore, the Directors believe the use of the going concern basis is appropriate as there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Company to continue to meet its ongoing obligations.

### **DIVIDEND POLICY**

There is 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 June 2021 dividend was made at the rate of 2.17p per share, being 1% of the average daily NAV per share in the final month of our financial year ended the 30 April 2020. The quarterly dividend will be paid out of capital resources at the end of each calendar quarter. The September 2021, December 2021 and March 2022 dividend payments will be made at the rate of 2.88p per share, being the average daily NAV per share in the final month of our financial year ended 30 April 2021.

### **BOARD OF DIRECTORS COMPOSITION**

Yuki Soga was appointed as a Director on 1 July 2021.

There were no other changes to the Board of Directors during the financial period.

**Noel Lamb**  
**Chairman**

**Philip Ehrmann**  
**Director**

14 December 2021



**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**DETAILS OF TEN LARGEST INVESTMENTS**  
AS AT 31 OCTOBER 2021

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The ten largest investments comprise a fair value of £43,154,802 (30 April 2021: £42,121,255) representing 35.7% of the Net Asset Value (30 April 2021: 36.2%) with details as below:

**Nidec (66,000 shares)**

Nidec is the world's leading manufacturer of electric motors, from miniature to large sizes with leadership in the production of brushless motors which reduce noise and vibration and improve efficiency in electricity usage. Brushless motors, which are more expensive than traditional motors, were previously used mainly for high-end products such as PCs, but a shift in focus across all industries, and product categories, towards efficiency and lower noise output has significantly increased Nidec's Total Addressable Market (TAM). In addition to numerous household appliances, Nidec motors are used in industrial and machinery applications which require increasingly high levels of precision and efficiency. They are also expanding into supplying motors for EVs. The company has grown both organically and transactionally, with an aggressive M&A strategy under the leadership of founder and Chairman Shigenobu Nagamori, who has been nurturing its next generation of leaders. Jun Seki was recently appointed as President and CEO following a long career in the auto industry at Nissan Motor. Nidec has a proven track record for innovation and execution as a premier low-cost mass producer, and continues to offer high growth potential.

Fair value of £5,295,861 representing 4.4% of Net Asset Value (30 April 2021: 4.7%)

**CellSource (123,000 shares)**

CellSource is a high-growth biotech regenerative medical play, well known for working on blood products such as PFC-FD (Platelet-Derived Factor Concentrate Freeze Dry). The company was founded in 2015 and listed on the TSE Mothers market in 2019. It is unique among newly listed biotech firms as it has been profitable since listing (with recent OPMs exceeding 30%). CellSource obtains blood and fat (adipose) cells from patients with knee pain (knee osteoarthritis), which it then cultivates (grows) and sends back to the clinic to inject into the same patients' knees as replacement cells. These cushion the knee joint in the form of tailor-made solutions from their own genetic material. This is considered superior to knee replacement surgery. Knee pain is more prevalent with an ageing population, usually affects both knees and represents a large potential growth market. The company is also expanding into other areas and has tied up with Fuji Pharma, a specialist in female medical treatments, to extract blood and fat cells from breast cancer patients to cultivate and use for breast reconstruction.

Fair value of £5,056,481 representing 4.2% of Net Asset Value (30 April 2021: 3.2%)

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
DETAILS OF TEN LARGEST INVESTMENTS (continued)  
AS AT 31 OCTOBER 2021

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**Lasertec (31,000 shares)**

Lasertec is a niche player in inspection equipment for the semiconductor production equipment (SPE) market, and has become highly regarded as a specialist in extreme ultraviolet lithography (EUV) mask inspection, which is critical to the manufacturing process. Because production equipment is very expensive, often exceeding \$100mil for one EUV stepper, cost per wafer is high and any faults which are microscopic and difficult to detect are prohibitive. At the leading edge, such as with their Actis A150 Actinic mask inspection system, Lasertec holds a 100% global market share. Lasertec is normally ahead of competitors in development of leading-edge equipment because of the strength of its long standing highly-skilled sales engineers, who work closely with clients to help anticipate and propose solutions for next-generation products. This close collaboration and innovation has helped Lasertec to continue to be the first to come to market with the latest equipment. The barrier to entry is high in this specialized niche market, given that it is too small to make it worthwhile for larger players and too expensive for smaller players to enter.

Fair value of £4,953,132 representing 4.1% of Net Asset Value (30 April 2021: 4.9%)

**Tokyo Electron (14,000 shares)**

Tokyo Electron (TEL) is a leading global SPE assembler, with high market share in front-end processes such as coater/developers (100% market share for EUV), etching including for 3D NAND, deposition and cleaning systems. Traditionally, semiconductors were used mainly to store (via DRAM, NAND, etc.) and process (via CPUs, etc.) data, while humans created and analysed the data. Given the high speed and real-time requirements of new technologies such as AI and Big Data, semiconductors are now being used to create, detect, analyse and act on data (via DPUs, etc.) without human intervention. Over the next 5 years, global data volume is expected to increase fourfold with approximately three-quarters created and used by semiconductors. Global semiconductor revenues in 2020 were \$440bil and are expected to grow two to three times over the next 5 years. TEL's high market share in SPE processes for EUV and 3D NAND stacking, which is essential for rising data workloads, as well as having launched two new production facilities in 2020, put it in a strong position to grow faster than the market.

Fair value of £4,723,135 representing 3.9% of Net Asset Value (30 April 2021: 5.2%)

**Renova (143,000 shares)**

Renova is a major supplier of energy generated from renewable energy sources including photovoltaic, biomass, and offshore wind farm systems. The company entered the market in 2012 following the introduction of feed-in-tariffs by the government to promote renewable energy. The Japanese government recently committed to aggressive decarbonization targets of reducing greenhouse gases by 46% by 2030 and reaching carbon neutrality by 2050. The company is developing a major offshore wind power generation project in Akita prefecture, which should contribute significantly to earnings in the second half of the 2020s, with other projects planned in other regions. The shift from fossil fuels to renewable energy is accelerating and Renova is one of the few listed pure renewable plays in Japan. The company also has a proven strong management team, and good ESG metrics such as on the governance side, with outside directors accounting for a majority of its board members.

Fair value of £4,564,187 representing 3.8% of Net Asset Value (30 April 2021: 4.1%)

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
DETAILS OF TEN LARGEST INVESTMENTS (continued)  
AS AT 31 OCTOBER 2021

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**Shift (27,000 shares)**

Shift was founded in 2005 and has grown rapidly to be the leading outsourced software testing company in Japan. Software testing was traditionally done internally by software developers who considered software testing to be lower-level work. Consequently, there has been a lack of motivation and consistent standards, and so far only about 5% of software testing has been outsourced. Shortages of engineers in recent years have exacerbated the situation. The outsourced software testing market is growing at 20% per year and Shift is growing faster than the market. The company generates growth organically as well as through M&A which also helps increase its pool of engineers. It is establishing software testing standards and expertise, as well as accumulating data, that has helped reduce costs for both itself and clients. As such it is able to increase pay for engineers, and is becoming known as an attractive place to work which makes it easier to hire. It has a diversified customer base including gaming companies, retailers, and financial services, and is rapidly expanding coverage to other industries.

Fair value of £4,507,055 representing 3.7% of Net Asset Value (30 April 2021: 2.5%)

**Nihon M&A Center (190,000 shares)**

Nihon M&A Center is Japan's largest M&A consulting and advisory specialist for SMEs. The firm works with growth-oriented companies seeking to expand market share as well as firms facing succession or structural issues. A unique feature is that it works with both buyers and sellers, charging fees to both sides of transactions. The company has a wide network of accountants, tax advisors, and various financial institutions - from regional banks and cooperatives to major investment banks - as a pipeline for potential buyers and sellers. It conducts seminars to educate SME owners on growth, succession strategy and M&A. Over the next 10 years, more than 600,000 profitable Japanese SMEs, whose owners average 69 years in age, are at risk of going out of business because of a lack of a successor. The firm has added a professional structure with specialists in all aspects of M&A advisory, including post-acquisition support services, compliance and governance. Sales compensation is based largely on performance, and annual transactions have recently exceeded 900 deals. The company is expected to show double digit growth for the next several years and is also expanding overseas with an office in Singapore to develop cross-border capabilities, increasingly in demand by SMEs.

Fair value of £4,226,820 representing 3.5% of Net Asset Value (30 April 2021: 3.3%)

**GMO Financial Gate (20,000 shares)**

GMO Financial Gate (GMO FG) is a new company in the cashless payments processing business, founded in 1999, and listed in 2020. It is a consolidated subsidiary of GMO Payment Gateway (GMO PG). GMO PG focuses on on-line cashless payments with top market share, while GMO FG was set up to focus on face-to-face (F2F) cashless payments, where it has a 1% and growing share of the much larger F2F cashless processing market. The company's mission is to offer an omnichannel platform for merchants to manage their combined on-line and off-line cashless payments from one interface in real-time through multi-payment "Stera terminals" This was difficult for them to do previously.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
DETAILS OF TEN LARGEST INVESTMENTS (continued)  
AS AT 31 OCTOBER 2021

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**GMO Financial Gate (20,000 shares)** (continued)

Cashless payments have been accelerating during Covid-19, but overall penetration in Japan remains low at 29.7% in 2020, up from 26.8% in 2019. The company is expected to show double digit earnings growth for several years, and also benefits from a tie up with Sumitomo Mitsui Financial Group. An attractive feature for merchants is that the Stera terminals make it easier for on-line and cashless payments which will help expand their overall business.

Fair value of £3,764,975 representing 3.1% of Net Asset Value (30 April 2021: 2.1%)

**Keyence Corporation (7,000 shares)**

Keyence is Japan's largest maker of sensors used for factory automation. In addition to sensors, products include a range of measuring and control instruments, image processing and R&D equipment, business information equipment, optical micrometers, digital microscopes, and 3-D printers. The company operates an asset-light fabless model and is known for having pioneered a "sales-engineer" approach, working directly with customers (without intermediary vendors) to help design solutions and products. Direct sales and marketing based on analysis of data and an extensive portfolio of standardized solutions from past experience lowers costs and enables consistent gross margins in excess of 80% and OPMs above 50%. The company has over 300,000 customers across 110 countries in automotive and transportation, electronics and precision, semiconductors and LCD, metals and machine tools, food and pharmaceuticals among other industries. Automation is seeing a rapid growth trend expanding to all sectors and Keyence is expected to maintain significant and sustainable growth for the next several years.

Fair value of £3,061,325 representing 2.5% of Net Asset Value (30 April 2021: 2.7%)

**Daifuku (45,000 shares)**

Daifuku is the leading global supplier of distribution and material handling systems used in warehouses, airport baggage handling, automated factory assembly lines, and semiconductor/flat panel fabrication lines. The company is known for high quality products and services that optimize efficiency. Daifuku has been growing sharply with the growth of factory automation in the automotive, e-commerce and fast fashion apparel, and semiconductor industries across the world, and has a large orderbook with long lead times and good sales visibility. It offers a full line-up of material handling systems and services from consulting through engineering, design, manufacture, and installation. Growth of services is adding stable recurring revenue, raising margins, and includes regular inspections, troubleshooting, remote maintenance, safety instruction, early warning systems, maintenance, on-site services, repairs and upgrades. Daifuku's clients include blue-chip companies such as Toyota and Fast Retailing, and while the automotive, e-commerce, semiconductor and airport sectors are cyclical in nature they are also undergoing major secular and structural growth with regards to the automation of their logistics and manufacturing processes. Organic expansion has been complemented with an active overseas M&A strategy.

Fair value of £3,001,831 representing 2.5% of Net Asset Value (30 April 2021: 3.1%)

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**UNAUDITED SCHEDULE OF INVESTMENTS**  
AS AT 31 OCTOBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value	
		£'000	% of NAV
	<b>Chemicals: 4.15% (30 April 2021: 4.51%)</b>		
100,000	Nihon Tokushu Toryo	636	0.53
17,000	Shin-Etsu Chemical	2,198	1.82
100,000	Tri Chemical Laboratories	2,174	1.80
	<b>Construction: 2.36% (30 April 2021: 0.68%)</b>		
170,000	Besterra	1,606	1.33
75,000	Phil	1,245	1.03
	<b>Electric Appliances: 21.80% (30 April 2021: 26.03%)</b>		
140,000	Chino	1,255	1.04
20,000	Iriso Electronics	664	0.55
7,000	Keyence Corporation	3,061	2.54
31,000	Lasertec	4,953	4.11
66,000	Nidec	5,296	4.39
48,000	Oxide	2,316	1.92
30,000	Sony	2,516	2.09
14,000	Tokyo Electron	4,723	3.92
320,000	Wacom	1,499	1.24
	<b>Electric Power &amp; Gas: 3.78% (30 April 2021: 0.00%)</b>		
143,000	Renova	4,564	3.78
	<b>Glass and Ceramics Products: 0.75% (30 April 2021: 0.00%)</b>		
25,000	AGC	905	0.75
	<b>Information &amp; Communication: 17.98% (30 April 2021: 16.33%)</b>		
65,000	Giftee	1,591	1.32
20,000	GMO Financial Gate	3,765	3.12
90,000	GMO Internet	1,801	1.49
16,000	Hikari Tsushin	1,792	1.49
12,000	JMDC	654	0.54
45,000	Plus Alpha Consulting	862	0.71
100,000	PR TIMES	2,330	1.93
100,000	SB Technology	1,995	1.65
27,000	Shift	4,507	3.74
60,000	VisasQ	2,394	1.99

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**UNAUDITED SCHEDULE OF INVESTMENTS (continued)**  
AS AT 31 OCTOBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value	
		£'000	% of NAV
	<b>Machinery: 8.79% (30 April 2021: 11.60%)</b>		
45,000	Daifuku	3,002	2.49
11,000	Disco	2,149	1.78
45,000	Giken	1,247	1.03
150,000	Okada Aiyon	1,247	1.03
55,000	Nittoku Engineering	1,385	1.15
360,000	Yamashin-Filter	1,579	1.31
	<b>Metal Products: 0.80% (30 April 2021: 0.56%)</b>		
70,000	SUMCO	967	0.80
	<b>Others: 4.53% (30 April 2021: 4.62%)</b>		
2,050	Industrial & Infrastructure Fund Investment Reits	2,728	2.26
620	Japan Logistics Fund Reits	1,348	1.12
2,000	Renewable Japan Energy Infrastructure Fund Reits	1,386	1.15
	<b>Other Financing Business: 1.97% (30 April 2021: 1.74%)</b>		
120,000	Premium	2,378	1.97
	<b>Pharmaceutical: 5.46% (30 April 2021: 7.49%)</b>		
123,000	CellSource	5,056	4.19
50,000	Mizuho Medy	837	0.69
40,000	PeptiDream	703	0.58
	<b>Precision Instruments: 4.55% (30 April 2021: 3.73%)</b>		
300,000	3-D Matrix	555	0.46
140,000	Asahi Intecc	2,680	2.22
110,000	Hirayama	955	0.79
100,000	Topcon	1,296	1.08
	<b>Real Estate: 1.87% (30 April 2021: 0.96%)</b>		
140,000	House Do Reits	844	0.70
120,000	TKP	1,409	1.17
	<b>Rubber Products: 0.55% (30 April 2021: 0.51%)</b>		
55,000	Toyo Tires	663	0.55



**ATLANTIS JAPAN GROWTH FUND LIMITED**  
 UNAUDITED SCHEDULE OF INVESTMENTS (continued)  
 AS AT 31 OCTOBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value £'000	% of NAV
	<b>Services: 21.33% (30 April 2021: 21.62%)</b>		
45,000	Amvis Holdings	2,367	1.96
200,000	Bell System24 Holdings	1,864	1.55
37,000	Bengo4.com	1,616	1.34
40,000	Funai Soken	806	0.67
28,000	IR Japan Holdings	1,879	1.56
100,000	Japan Elevator Service Holdings	1,574	1.31
250,000	Japan Material	2,525	2.09
70,000	Kanamoto	1,088	0.90
31,000	M3	1,327	1.10
190,000	Nihon M&A Center	4,227	3.50
270,000	S-Pool	2,192	1.82
40,000	Recruit Holdings	1,933	1.60
90,000	Writeup	2,330	1.93
	<b>Wholesale Trade: 0.62% (30 April 2021: 0.00%)</b>		
100,000	Bike O	748	0.62
	<b>Total Japan (30 April 2021: 100.38%)</b>	<b>122,192</b>	<b>101.29</b>
	<b>Total listed equities (30 April 2021: 100.38%)</b>	<b>122,192</b>	<b>101.29</b>
	<b>Total investments held at fair value through profit or loss</b>	<b>122,192</b>	<b>101.29</b>
	<b>Bank overdraft (30 April 2021: (0.56%))</b>	<b>(1,663)</b>	<b>(1.38)</b>
	<b>Other net assets (30 April 2021: 0.18%)</b>	<b>105</b>	<b>0.09</b>
	<b>Net assets attributable to equity shareholders</b>	<b>120,634</b>	<b>100.00</b>

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
 FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

Notes	31 October 2021			31 October 2020			
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	
	<b>Income</b>						
3	Net gains on investments held at fair value through profit or loss	-	6,784	6,784	-	27,058	27,058
	Net (losses)/gains on foreign exchange	-	24	24	-	(117)	(117)
	Dividend income	563	-	563	506	-	506
		<u>563</u>	<u>6,808</u>	<u>7,371</u>	<u>506</u>	<u>26,941</u>	<u>27,447</u>
	<b>Expenses</b>						
5	Investment management fees	(585)	-	(585)	(574)	-	(574)
6	Depository fees	(49)	-	(49)	(51)	-	(51)
7	Administration fees	(72)	-	(72)	(74)	-	(74)
8	Directors' fees and expenses	(57)	-	(57)	(62)	-	(62)
	Insurance fees	(3)	-	(3)	-	-	-
	Audit fees	(21)	-	(21)	(19)	-	(19)
	Printing and advertising fees	(6)	-	(6)	(4)	-	(4)
	Legal and professional fees	(48)	-	(48)	(44)	-	(44)
9	Research costs	(47)	-	(47)	(49)	-	(49)
	Miscellaneous expenses	(47)	-	(47)	(23)	-	(23)
		<u>(935)</u>	<u>-</u>	<u>(935)</u>	<u>(900)</u>	<u>-</u>	<u>(900)</u>
	<b>Finance cost</b>						
	Interest expense and bank charges	(7)	-	(7)	(6)	-	(6)
	<b>(Loss)/profit before taxation</b>	<b>(379)</b>	<b>6,808</b>	<b>6,429</b>	<b>(400)</b>	<b>26,941</b>	<b>26,541</b>
10	Taxation	((86)	-	(86)	(77)	-	(77)
	<b>(Loss)/profit for the financial period</b>	<b>(465)</b>	<b>6,808</b>	<b>6,343</b>	<b>(477)</b>	<b>26,941</b>	<b>26,464</b>
	<b>Total comprehensive (loss)/income for the financial period</b>	<b>(465)</b>	<b>6,808</b>	<b>6,343</b>	<b>(477)</b>	<b>26,941</b>	<b>26,464</b>
11	<b>(Deficit)/earnings per ordinary share</b>	<u>£(0.011)</u>	<u>£0.163</u>	<u>£0.152</u>	<u>£(0.011)</u>	<u>£0.645</u>	<u>£0.634</u>

In arriving at the result for the financial period, all amounts above relate to continuing activities.

The total column in this statement represents the Company's Unaudited Condensed Statement of Comprehensive Income, prepared in accordance with IAS 34. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies.

The notes on pages 26 to 37 form an integral part of these financial statements.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**  
 FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

Notes	Ordinary capital £'000	Share premium £'000	Revenue reserve £'000	Capital realised £'000	Capital reserve/ unrealised £'000	Capital reserve/ exchange £'000	Accumulated comprehensive income £'000	Total £'000
<b>Balances at 1 May 2021</b>	-	-	(25,337)	89,356	60,776	(14,437)	6,143	116,501
<b>Movements during the financial period</b>								
13	-	-	(99)	-	-	-	-	(99)
3	-	-	(3,939)	3,939	-	-	-	-
3	-	-	(2,845)	-	2,845	-	-	-
	-	-	(24)	-	-	24	-	-
17	-	-	-	(2,111)	-	-	-	(2,111)
	-	-	6,343	-	-	-	-	6,343
<b>Balances at 31 October 2021</b>	-	-	(25,901)	91,184	63,621	(14,413)	6,143	120,634

The notes on pages 26 to 37 form an integral part of these financial statements.



**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**  
AS AT 31 OCTOBER 2021

Notes	31 October 2021 £'000	30 April 2021 £'000	
<b>Non-current assets</b>			
14	Investments held at fair value through profit or loss	122,192	116,946
<b>Current assets</b>			
	Cash and cash equivalents	14	12
	Due from brokers	79	322
	Dividends receivable	240	398
	Prepaid expenses and other receivables	3	25
		336	757
<b>Current liabilities</b>			
	Bank overdraft	(1,677)	(667)
	Due to brokers	-	(291)
	Payables and accrued expenses	(217)	(244)
		(1,894)	(1,202)
	<b>Net current liabilities</b>	(1,558)	(445)
	<b>Non-current liabilities</b>	-	-
16	<b>Net assets</b>	120,634	116,501
<b>Equity</b>			
	Ordinary share capital	-	-
	Share premium	-	-
	Revenue reserve	(25,901)	(29,048)
	Capital reserve	140,392	139,406
	Accumulated other comprehensive income	6,143	6,143
	<b>Net assets attributable to equity shareholders</b>	120,634	116,501
	<b>Net asset value per ordinary share*</b>	£2.89	£2.79

\*Based on the Net Asset Value at the financial period/year end divided by the number of shares in issue: 41,754,570 (30 April 2021: 41,794,570) (See Note 16).

Approved by the Board of Directors on 14 December 2021.

The notes on pages 26 to 37 form an integral part of these financial statements.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

Notes	31 October 2021 £'000	31 October 2020 £'000
<b>Cash flows from operating activities</b>		
Profit before taxation	6,429	26,541
Adjustments to reconcile profit before taxation to net cash flows from operating activities:		
Net realised gains on investments held at fair value through profit or loss	(3,939)	–
Net unrealised gains on investments held at fair value through profit or loss	(2,845)	(27,058)
Net exchange losses on cash and cash equivalents	(7)	–
Interest expense and bank charges	7	6
Decrease/(increase) in due from brokers	243	(754)
Decrease in dividends receivable	158	186
Decrease in prepaid expenses and other receivables	22	13
(Decrease)/increase in due to brokers	(291)	38
Decrease in payables and accrued expenses	(27)	(11)
Taxation paid	(86)	(77)
	(336)	1,116
Purchase of investments	(27,947)	(28,026)
Sale of investments	29,484	28,885
	1,537	859
<b>Net cash inflow/(outflow) from operating activities</b>	1,201	(257)
<b>Cash flows from financing activities</b>		
Interest paid	(6)	(7)
17 Distributions paid to shareholders	(2,111)	(1,897)
13 Shares bought into treasury	(99)	–
<b>Net cash outflow from financing activities</b>	(2,216)	(1,904)
<b>Net decrease in cash and cash equivalents</b>	(1,015)	(2,161)
Net exchange gains on cash and cash equivalents (Bank overdraft)/cash and cash equivalents at beginning of financial period	7 (655)	– 3,184
<b>(Bank overdraft)/cash and cash equivalents at end of financial period</b>	<b>(1,663)</b>	<b>1,023</b>

The notes on pages 26 to 37 form an integral part of these financial statements.



**ATLANTIS JAPAN GROWTH FUND LIMITED**  
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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**1. GENERAL INFORMATION**

Atlantis Japan Growth Fund Limited (the “Company”) was incorporated in Guernsey on 13 March 1996. The Company commenced activities on 10 May 1996. The Company is an authorised closed-ended investment scheme registered and domiciled in P.O. Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL, Channel Islands. The Company’s equity shares are traded on the London Stock Exchange.

As an investment trust, the Company is not regulated as a collective investment scheme by the Financial Conduct Authority. However, it is subject to the UKLA Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules and the rules of the London Stock Exchange.

The Company’s investment objective is to achieve long term capital growth through investing wholly or mainly in listed Japanese equities.

The Company’s investment activities are managed by Quaero Capital LLP (“Investment Manager”) with the administration delegated to Northern Trust International Fund Administration Services (Guernsey) Limited.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The Condensed Interim Report and Unaudited Financial Statements for the six month financial period ended 31 October 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting and the Association of Investment Companies (“AIC”) Statement of Recommended Practice (“SORP”) for Investment Trust Companies and Venture Capital Trusts to the extent it is not in conflict with IAS 34 and the Principal Documents.

The Condensed Interim Report and Unaudited Financial Statements do not include all of the information required for annual financial statements, and should be read in conjunction with the Company’s Financial Statements as at and for the financial year ended 30 April 2021 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). These Condensed Interim Report and Unaudited Financial Statements have not been audited or have not been reviewed by the Company’s auditors pursuant to the Auditing Practices Board guidance on Review of Condensed Interim Financial Information.

The significant accounting policies adopted in these Unaudited Condensed Financial Statements are consistent with those applied by the Company in its Financial Statements as at and for the financial year ended 30 April 2021.

**New standards not yet adopted**

There are no applicable new standards that have not been adopted by the Company.

**ATLANTIS JAPAN GROWTH FUND LIMITED**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

**3. NET GAINS ON INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS**

	31 October 2021 £'000	31 October 2020 £'000
Realised gains on investments held at fair value through profit or loss	8,904	11,253
Realised losses on investments held at fair value through profit or loss	(4,965)	(1,073)
Net realised gains on investments held at fair value through profit or loss	<u>3,939</u>	<u>10,180</u>
Unrealised gains on investments held at fair value through profit or loss	<u>14,321</u>	<u>24,371</u>
Unrealised losses on investments held at fair value through profit or loss	(11,476)	(7,493)
Net unrealised gains on investments held at fair value through profit or loss	<u>2,845</u>	<u>16,878</u>
Net gains on investments held at fair value through profit or loss	<u><u>6,784</u></u>	<u><u>27,058</u></u>

**4. RELATED PARTY DISCLOSURES**

The Investment Manager, Depository, Administrator and Directors are considered related parties to the Company under IAS 24 as they have the ability to control, or exercise significant influence over, the Company in making financial or operational decisions. See Notes 5 to 8 for details of transactions with these related parties during the financial period ended 31 October 2021.

The Company has a credit facility with the Depository, Northern Trust Guernsey (limited). Please see Note 12 for details.

Certain Directors had a beneficial interest in the Company by way of their investment in the ordinary shares of the Company.

The details of these interests as at 31 October 2021 and 30 April 2021 are as follows:

	Ordinary Shares 31 October 2021	Ordinary Shares 30 April 2021
Philip Ehrmann	50,000	50,000
Noel Lamb	26,000	23,250
Richard Pavry	40,000	40,000
Michael Moule	40,000	40,000
Yuki Soga	–	–

## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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### 4. RELATED PARTY DISCLOSURES (continued)

The above interests of the Directors were unchanged as at the date of this report.

As at 31 October 2021, a family member of the President of the Investment Adviser held 900,800 (30 April 2021: 900,800) ordinary shares of the Company.

### 5. INVESTMENT MANAGEMENT AND INVESTMENT ADVISER FEES

Under the terms of the Investment Management Agreement, the Investment Manager, Quaero Capital LLP, will continue in office until a resignation is tendered or the contract is terminated. In both circumstances, a resignation or termination must be given with a notice period which must not be less than three months, and be in accordance with the Investment Management Agreement.

The Company pays to the Investment Manager a fee accrued daily and paid monthly in arrears at the annual rate of 1% of the daily NAV of the Company on the first £125m of net assets, 0.85% on net assets between £125m and £175m and 0.70% on net assets above £175m.

The Investment Adviser Fees are 75% of the total Investment Management Fees and are paid by the Investment Manager.

For the six month financial period ended 31 October 2021, total investment management fees were £584,886 (31 October 2020: £574,373) of which £94,932 (30 April 2021: £100,170) is due and payable as at that date.

Investment Manager fees were £146,222 (31 October 2020: £140,455), with £23,733 (30 April 2021: £25,043) payable as at 31 October 2021.

Investment adviser fees were £438,665 (31 October 2020: £421,364), with £71,199 (30 April 2021: £75,127) payable as at 31 October 2021.

### 6. DEPOSITARY FEES

Under the terms of the Depositary Agreement, fees are payable to the Depositary, Northern Trust (Guernsey) Limited, monthly in arrears, on the Gross Asset Value (Net Asset Value before investment management fees) of the Company as at the last business day of the month at an annual rate below:

<u>Gross Asset Value</u>	<u>Annual Rate</u>
Up to \$50,000,000	0.035%
\$50,000,001 to \$100,000,000	0.025%
Thereafter	0.015%

## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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### 6. DEPOSITARY FEES (continued)

The Depositary is also entitled to a global custody fee of 0.03% per annum of the NAV of the Company, subject to a minimum fee of \$20,000, and transaction fees as per the Depositary Agreement.

For the six month financial period ended 31 October 2021, total depositary fees were £48,923 (31 October 2020: £50,755), of which £14,750 (30 April 2021: £23,251) was due and payable as at that date.

### 7. ADMINISTRATION FEES

Under the terms of the Administration Agreement, the Company pays to the Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited, a fee accrued weekly and paid monthly in arrears at the annual rate of:

<u>Net Asset Value</u>	<u>Annual Rate</u>
Up to \$50,000,000	0.18%
\$50,000,001 to \$100,000,000	0.135%
\$100,000,001 to \$200,000,000	0.0675%
Thereafter	0.02%

For the six month financial period ended 31 October 2021, total administration fees were £71,835 (31 October 2020: £73,817), of which £24,457 (30 April 2021: £12,406) was due and payable as at that date.

### 8. DIRECTORS' FEES AND EXPENSES

Each of the Directors is entitled to receive a fee from the Company, being £33,000 per annum for the Chairman, £28,500 per annum for the Chairman of the Audit Committee and £26,000 per annum for each of the other Directors. In addition, the Company reimburses all reasonably incurred out-of-pocket expenses of the Directors.

For the six month financial period ended 31 October 2021, total directors' fees and expenses were £57,463 (31 October 2020: £62,064), of which £817 (30 April 2021: £7,589) was due and payable as at that date.

### 9. RESEARCH COSTS

In line with the introduction of revised rules in respect of the use of dealing commission as part of the implementation of the Directive 2014/65/EU on Markets in Financial Instruments and amending Directive 2004/39/EC ("MiFID II"), effective from 3 January 2018, the Investment Manager no longer pays for its investment research via dealing commission.

The Investment Manager has established a research budget and will pay for research services independently of trade execution. All transactions are placed and executed on the basis that best execution is achieved. Research costs incurred for the six month financial period ended 31 October 2021 amounted to £47,423 (31 October 2020: £49,308).

**ATLANTIS JAPAN GROWTH FUND LIMITED**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

**10. TAXATION**

The Company is exempt from taxation in Guernsey under the provisions of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 and has paid an annual exemption fee of £1,200, however the Company is subject to UK tax as a UK tax resident and must comply with the Section 1158 of the Corporation Tax Act 2010. The main rate of corporation tax in the UK was 19% effective from 1 April 2017 and effective 1 April 2023 the rate will increase to 25%.

	<b>31 October 2021</b>	<b>31 October 2020</b>
	<b>£'000</b>	<b>£'000</b>
Irrecoverable overseas tax	86	77
Tax charge in respect of the current financial period	<u>86</u>	<u>77</u>

**Current taxation**

The current taxation charge for the financial period is different from the standard rate of corporation tax in the UK. The differences are explained in the following table:

	<b>31 October 2021</b>	<b>31 October 2020</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	6,429	26,541
Capital loss for the financial period	(6,808)	(26,941)
Revenue loss for the financial period	<u>(379)</u>	<u>(400)</u>

	<b>31 October 2021</b>	<b>31 October 2020</b>
	<b>£'000</b>	<b>£'000</b>
Theoretical tax at UK corporation tax rate of 19% (31 October 2020 – 19%)	(72)	(76)
Effects of:		
Excess management expenses	88	91
Notional relief for overseas tax suffered	(16)	(15)
Overseas tax written off	86	77
Actual current tax charge	<u>86</u>	<u>77</u>

The Company is an investment trust and therefore is not taxable on capital gains.

## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

### 10. TAXATION (continued)

#### Factors that may affect future tax charges

As at 31 October 2021, the Company has excess management expenses of £43,845,760 that are available to offset future taxable revenue. Whilst this represents management's best estimate based on the carried forward balance in the previous financial year ended 30 April 2021 of £39,614,339 the estimated value could differ from actual amounts. However, the potential impact is not expected to be significant.

A deferred tax asset has not been recognised in respect of these amounts as they will be recoverable only to the extent that there is sufficient future taxable revenue.

### 11. EARNINGS/(DEFICIT) PER ORDINARY SHARE

The earnings/(deficit) per ordinary share figure is based on the profit for the financial period of £6,343,047 (31 October 2020: £26,464,217) divided by the weighted average number of shares in issue during the six month financial period ended 31 October 2021, being 41,792,179 (31 October 2020: 41,794,570).

The earnings/(deficit) per ordinary share figure can be further analysed between revenue and capital, as below:

	31 October 2021 £'000	31 October 2020 £'000
Net loss	(465)	(477)
Net capital profit	6,808	26,941
<b>Net total profit</b>	<b>6,343</b>	<b>26,464</b>
Weighted average number of ordinary shares in issue during the financial period	41,792,179	41,794,570
	£	£
Loss per ordinary share	(0.011)	(0.011)
Capital profit per ordinary share	0.163	0.645
<b>Total profit per ordinary share</b>	<b>0.152</b>	<b>0.634</b>

## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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### 12. LOANS PAYABLE

As at 30 October 2021, the Company has not drawn down on the credit facility (30 April 2021: not drawn down). ¥1,500,000,000 (£9,911,569) is borrowable under the terms of the facility agreement.

Under the terms of the facility agreement with NTGL, the Company is required to comply with the following financial covenant:

Borrowings on the accounts in the name of the Company may not exceed at any time the lesser of (a) 20 per cent of the value of unencumbered, listed and daily priced assets held in custody by the Depository for the Company or (b) 100 per cent of any borrowing limit set out in the constitutional documents of the Company.

The Company complied with all of the above financial covenants during the six month financial period ended 31 October 2021 and the financial year ended 30 April 2021.

### 13. SHARE CAPITAL AND SHARE PREMIUM

#### Authorised

The Company is authorised to issue an unlimited number of ordinary shares of no par value. The Company has issued two subscriber shares for the purposes of incorporation of the Company. The subscriber shares do not participate in the profits of the Company.

The Company may also issue C shares being a convertible share in the capital of the Company of no par value. C shares shall not have the right to attend or vote at any general meeting of the Company. The holders of C shares of the relevant class shall be entitled, in that capacity to receive a special dividend of such amount as the Directors may resolve to pay out of the net assets attributable to the relevant C share class and from income received and accrued attributable to the relevant C share class for the period up to the conversion date payable on a date falling before, on or after the conversion date as the Directors may determine. There are no C shares currently in issue.

The rights which the ordinary shares confer upon the holders thereof are as follows:

#### Voting rights

On a show of hands, every member who is present shall have one vote; and on a poll, a member present in person or by proxy shall be entitled to one vote per ordinary share held.

## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

### 13. SHARE CAPITAL AND SHARE PREMIUM (continued)

#### Entitlement to dividends

The Company may declare dividends in respect of the ordinary shares which are paid out of capital reserves. Treasury shares do not confer an entitlement to any dividends declared.

#### Rights in a winding-up

The holders of ordinary shares will be entitled to share in the Net Asset Value of the Company as determined by the Liquidator.

#### Issued Ordinary Shares

	Number of Shares	Share Capital £'000	Share Premium £'000
In issue at 31 October 2021	41,754,570	–	–
In issue at 30 April 2021	41,794,570	–	–

	Number of Shares 31 October 2021	Number of Shares 30 April 2021
<b>Shares of no par value</b>		
Issued shares at the start of the financial period	41,794,570	41,794,570
Purchase of shares into Treasury	(40,000)	–
<b>Number of shares at the end of the financial period</b>	<u>41,754,570</u>	<u>41,794,570</u>
<b>Shares held in Treasury</b>		
Opening balance	4,687,186	4,687,186
Shares bought in to Treasury during the financial period	40,000	–
<b>Number of shares at the end of the financial period</b>	<u>4,727,186</u>	<u>4,687,186</u>

During the financial period ended 31 October 2021, 40,000 shares were purchased into treasury at a total cost of £99,300 (30 April 2021: £nil).

Shareholders are entitled to receive any dividends or other distributions out of profits lawfully available for distribution and on winding up they are entitled to the surplus assets remaining after payment of all the creditors of the Company.



## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

### 14. FAIR VALUE HIERARCHY

The fair value of investments traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the Statement of Financial Position date. The quoted market price used for investments held by the Company is the last traded price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of investments that are not traded in an active market is determined by using valuation techniques.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models may be used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The following table sets out fair value measurements using the IFRS 13 fair value hierarchies:

#### At 31 October 2021

##### Investments at fair value through profit or loss

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity Investments	122,192	–	–	122,192
	<u>122,192</u>	<u>–</u>	<u>–</u>	<u>122,192</u>

#### At 30 April 2021

##### Investments at fair value through profit or loss

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity Investments	116,946	–	–	116,946
	<u>116,946</u>	<u>–</u>	<u>–</u>	<u>116,946</u>

## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

### 14. FAIR VALUE HIERARCHY (continued)

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 - valued using quoted prices in active markets for identical assets or liabilities.
- Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1.
- Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

### 15. INVESTMENTS HELD AT FAIR VALUE THROUGHOUT PROFIT OR LOSS

	31 October 2021	30 April 2021
	£'000	£'000
Opening book cost	77,919	61,302
Opening investment gains	39,027	33,495
	116,946	94,797
<b>Analysis of transactions</b>		
Purchases at cost	27,947	52,294
Sales proceeds received	(29,484)	(53,568)
Gains on investments	6,783	23,423
	<b>122,192</b>	<b>116,946</b>
Closing book cost	80,320	77,919
Closing investment gains	41,872	39,027
	<b>122,192</b>	<b>116,946</b>

The Company received £29,484 (30 April 2021: £53,568) from investments sold during the financial period. The book cost of these investments when they were purchased was £27,947 (30 April 2021: £52,294). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of investments.

## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

### 16. NAV HISTORY

	31 October 2021	30 April 2021	30 April 2020
NAV	£120,633,551	£116,501,330	£97,913,074
Number of Shares in Issue	41,754,570	41,794,570	41,794,570
NAV per Ordinary Share	£2.89	£2.79	£2.34

### 17. DIVIDENDS

All amounts held in the Company's revenue reserve are distributable to shareholders by way of dividends. There are regular quarterly payments of 1% of the company's NAV (based on the average daily NAV in the final month of the financial year). These will be paid in March, June, September and December.

The Company declared the following dividends during the financial period ended 31 October 2021:

Date	Dividend rate per share (pence)	Dividend (£)	Record date	Ex-dividend date	Pay date
24 May 2021	2.17	906,942	04 June 2021	03 June 2021	30 June 2021
25 August 2021	2.88	1,203,684	03 Sept 2021	02 Sept 2021	30 Sept 2021

### 18. EXCHANGE RATES

The following exchange rates were used during the financial period/year:

	31 October 2021	30 April 2021	30 April 2020
	GBP	GBP	GBP
USD	\$1.3708	\$1.3846	\$1.2614
JPY	¥156.2999	¥151.3383	¥134.8825

The following average exchange rates were used during the financial period:

	31 October 2021	31 October 2020	31 October 2019
	GBP	GBP	GBP
USD	\$1.3856	\$1.2782	\$1.2735
JPY	¥153.0093	¥137.5213	¥139.6658

### 19. CHANGES IN THE PORTFOLIO

A list, specifying for each investment the total purchases and sales which took place during the six month financial period ended 31 October 2021 may be obtained, upon request, at the registered office of the Company.

## ATLANTIS JAPAN GROWTH FUND LIMITED

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)  
FOR THE SIX MONTH FINANCIAL PERIOD ENDED 31 OCTOBER 2021

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### 20. EVENTS DURING THE FINANCIAL PERIOD

Yuki Soga was appointed as a Director on 1 July 2021.

There were no other significant events during the financial period ended 31 October 2021 which require adjustment to or additional disclosure in the Financial Statements.

### 22. EVENTS AFTER THE FINANCIAL PERIOD

There were no significant events subsequent to the financial period ended 31 October 2021 which require adjustment to or additional disclosure in the Financial Statements.

**ATLANTIS JAPAN GROWTH FUND LIMITED**  
**ADMINISTRATION**

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**DIRECTORS**

Noel Lamb (Chairman)  
Philip Ehrmann (Audit Committee Chairman)  
Richard Pavry  
Michael Moule  
Yuki Soga (Appointed 1 July 2021)

**REGISTERED OFFICE**

P.O. Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL, Channel Islands  
[www.atlantisjapangrowthfund.com](http://www.atlantisjapangrowthfund.com)

**INVESTMENT MANAGER, ALTERNATIVE INVESTMENT FUND MANAGER  
AND MARKETING AGENT**

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(Telephone no: +44 20-7747-5770)  
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**INVESTMENT ADVISER**

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**DEPOSITARY**

Northern Trust (Guernsey) Limited  
P.O. Box 71, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3DA, Channel Islands

**ADMINISTRATOR AND SECRETARY**

Northern Trust International Fund Administration Services (Guernsey) Limited  
P.O. Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL, Channel Islands  
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**REGISTRAR**

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**CORPORATE BROKER AND FINANCIAL ADVISER**

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[www.singercm.com](http://www.singercm.com)

**INDEPENDENT AUDITOR**

Grant Thornton Limited  
House Lefebvre, Lefebvre Street, Saint Peter Port, Guernsey, GY1 3TF, Channel Islands

**COMPANY IDENTIFIERS**

**LEI:** 5493004IW0LDG0OPGL69

**ISIN:** GG00B61ND550

**SEDOL:** B61ND55

**Ticker:** AJG

## **DISCOUNT MANAGEMENT**

The Board reviews the discount level on a regular basis and will opportunistically buy back stock if the discount is perceived to be too wide. During the financial period under review, the Company did not buy back Ordinary shares. At 31 October 2021 there were 4,727,186 Ordinary shares held in Treasury. The discount to NAV per Ordinary share was 11.7% at the end of the financial period.

## **PRIIPS KEY INFORMATION DOCUMENT**

We are required by the Packaged Retail and Insurance-based Investment Products (“PRIIPs”) regulations introduced at the beginning of 2018 to provide investors with a key information document (“KID”) which includes performance projections which are the product of prescribed calculations based on the Company’s past performance. Whilst the content and format of the KID cannot be amended under the applicable UK law incorporating the EU directive, the Board does not believe that these projections are an appropriate or helpful way to assess the Company’s future prospects.

Accordingly, the Board urges shareholders also to consider the more complete information set out in these Condensed Interim Report and Unaudited Financial Statements, together with the monthly fact sheets and daily net asset value announcements, when considering an investment in the Company’s shares. These documents, together with a link to some useful third party research coverage of the Company are published at [www.atlantisjapangrowthfund.com](http://www.atlantisjapangrowthfund.com).

## **GENERAL DATA PROTECTION REGULATIONS**

### **Changes to our Data Privacy Notice**

Our Privacy Notice is in align with the data privacy law in the European Union, known as the General Data Protection Regulation (“GDPR”) to which we are subject. Data protection and the security of your information always has been and remains of paramount importance to us.

Where a data subject’s details are provided to the Company as a consequence of an investment in the Company, then the Company, acting as a data controller may itself (or through a third party such as the Administrator, the Registrar or the Investment Manager) process that personal data. When processing such personal data, there may also be times where the Investment Manager will act as a data controller.

You are not required to take any action in respect of this notice, but we encourage you to read our Privacy Notice. Our Privacy Notice can be found on our website, [www.atlantisjapangrowthfund.com](http://www.atlantisjapangrowthfund.com). In the event that you hold your shares as a nominee, we request that you promptly pass on the details of where to find our Privacy Notice to the underlying investors and/or the beneficial owners.

## **ALTERNATIVE PERFORMANCE MEASURE**

The European Securities and Markets Authority has published guidelines on Alternative Performance Measures (“APMs”). APMs are defined as being a “financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.” The guidelines are aimed at promoting the usefulness and transparency of APMs included in regulated information and aim to improve comparability, reliability and/or comprehensibility of APMs. The following APMs are used throughout the Condensed Interim Report, Financial Statements and Notes to the Financial Statements.

### **Benchmark total return index**

A total return index is a type of equity performance index that tracks both the capital gains of a group of stocks over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index.

### **Discount**

The amount, expressed as a percentage, by which the share price is less than the net asset value (‘NAV’) per share.

### **Gearing**

Gearing is the borrowing of cash to buy more assets for the portfolio with the aim of making a gain on those assets larger than the cost of the loan. However, if the portfolio doesn’t perform well the gain might not cover the costs. The more an investment Company gears, the higher the risk.

### **Mid-market price**

The mid-market price is the mid-point between the buy and the sell prices.

### **NAV per share**

The NAV is the value of the investment Company’s asset less its liabilities. The NAV per share is the NAV divided by the number of shares in issue. The difference between the NAV per share and the share price is known as the discount or premium.

### **Ongoing charges**

Ongoing charges are the total expenses including both the investment management fee and other costs but excluding performance fees, expressed as a percentage of NAV. The total expenses for the financial period ended 31 October 2021 were £942,434 (£1,884,868 annualised) which expressed as a percentage of the weighted average NAV of £117,654,806 is 1.60% (30 April 2021 1.58%).

### **Premium**

The amount, expressed as a percentage, by which the share price is more than the NAV per share.

### **RETAIL DISTRIBUTION OF NON-MAINSTREAM PRODUCTS**

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

### **ADVICE TO SHAREHOLDERS**

In recent years investment related scams have become increasingly sophisticated and difficult to spot. We are therefore warning all our shareholders to be cautious so that they can protect themselves and spot the warning signs.

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they are only making the offer available to you
- ask you to not tell anyone else about it

You can avoid investment scams by:

- **Rejecting unexpected offers** – Scammers usually cold call but contact can also come by email, post, word of mouth or at a seminar. If you have been offered an investment out of the blue, chances are it's a high risk investment or a scam.
- **Checking the FCA Warning List** – Use the FCA Warning List to check the risks of a potential investment. You can also search to see if the firm is known to be operating without proper FCA authorisation.
- **Getting impartial advice** – Before investing get impartial advice and don't use an adviser from the firm that contacted you.

If you are suspicious, report it.

- You can report the firm or scam to the FCA by contacting their Consumer Helpline on 0800 111 6768 or using their online reporting form.
- If you have lost money in a scam, contact Action Fraud on 0300 123 2040 or [www.actionfraud.police.uk](http://www.actionfraud.police.uk)

For further helpful information about investment scams and how to avoid them please visit [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart).



## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) POLICIES**

Although the Company does not have specific ESG or sustainability objectives, the Board is convinced that integrating ESG risks into the Company’s financial analysis will support making better decisions for its shareholders. As a long-term investor it is fundamentally important that the Company understands the environmental, social and governance risks and opportunities affecting its investments. Strong relationships built over many years in the market enable the Company to use its position to encourage transparency and flag areas of high ESG risk.

The Investment Manager, in consultation with the Investment Adviser, operates an exclusion policy which incorporates exclusion lists to screen investments across all applicable investment strategies. These exclusion lists include any companies involved in the production or distribution of indiscriminate and controversial weapons, in line with international convention. Additionally, companies whose conduct is in systematic and severe breach of UN Global Compact principles are also excluded from investment consideration. So too are companies that have a significant part of their business exposed to coal mining and coal powered energy without any public plans for significant reduction.

The Investment Manager and the Investment Adviser support all the Principles of the Japan Stewardship Code for responsible institutional investors and seek to fulfil their stewardship responsibilities under the Code. Whilst using both external and internal analysis, the Investment Manager, in consultation with the Investment Adviser, seeks to vote on all investee companies’ matters in line with its responsible investment philosophy with the aim of contributing positively and promoting the sustainable growth and long-term success of investee companies and stakeholders.

The Investment Manager is a signatory/member of the following:

- UN PRI (United Nations Principles for Responsible Investment) to demonstrate commitment to responsible investment. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society.
- IIGCC (Institutional Investors Group on Climate Change), which looks to influence corporations to address long term risks associated with climate change.
- CDP (Carbon Disclosure Project), which looks to influence companies to disclose their carbon footprint and address risks associated with climate change. The project also provides a wealth of environmental data reported by companies.
- TCFD (Task Force for Climate-related Financial Disclosure). The Investment Manager has signed the statement of support for the Financial Stability Board’s Task Force on Climate-related Financial Disclosures. As such as it will make annual disclosures in line with the recommendation in its annual Sustainability Report, outlining its strategy and its targets.

### **MANAGING YOUR SHAREHOLDING ONLINE**

If your shareholding is held in your own name you will have been allocated a unique Shareholder Reference Number “SRN” which is quoted on your share certificate. All correspondence in respect of your shareholding should be sent to: Computershare Investor Services (Guernsey) Limited, c/o 1st Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB. General shareholder queries can also be sent to [info@computershare.co.je](mailto:info@computershare.co.je).

If you wish to register to manage your shareholding online, you can do so by registering on the Computershare Investor Centre website at [www.investorcentre.co.uk/je](http://www.investorcentre.co.uk/je). Investor Centre can also be used to check your current shareholding balance and confirm the details of any transactions. In addition, Investor Centre allows you to securely update your address and change your payment details for any dividend payments.

To register for Investor Centre you will need to select the ‘Register’ button on the home page which will direct you to the online registration form. You will then be required to enter ‘Atlantis Japan Growth Fund Limited’ under the Company name and enter your personal Shareholder Reference Number (SRN). UK & Channel Islands resident shareholders should insert a post code, whereas other shareholders should select the appropriate country. You will also be required to enter a security code and accept the terms and conditions.

For security reasons, an activation code will be sent to your registered postal address, should your holding be valued at over £25,000. In the event that your holding is valued under the threshold, no activation code will be necessary and you will be able to view your account information immediately online.

**INTERNATIONAL TAX REPORTING**

For the purposes of the US Foreign Account Tax Compliance Act, the Company registered with the US Internal Revenue Services (“IRS”) as a Guernsey reporting Foreign Financial Institution (“FFI”), received a Global Intermediary Identification Number PYT2PS.99999.SL.831, and can be found on the IRS FFI list.

The Common Reporting Standard (“CRS”) is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development (“OECD”), which has been adopted by Guernsey and which came into effect on 1 January 2016. The Board has taken the necessary action to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.