

ATLANTIS JAPAN GROWTH FUND



| CUMULATIVE PERFORMANCE % (£) | YTD | 1M | 3M | 1Y | 3Y | 5Y | 2020 | 2019 | 2018 | 2017 | 2016 | ITD* |
|------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|--------|
| AJG Price (total return) | -10.64 | 5.02 | 0.14 | 20.44 | 22.86 | 79.68 | 29.58 | 25.62 | -15.52 | 51.56 | 3.96 | 300.86 |
| AJG NAV (total return) | -13.02 | -3.72 | -1.27 | 10.24 | 19.05 | 71.12 | 24.07 | 33.60 | -14.97 | 42.94 | 8.62 | 345.78 |
| Topix Index (total return) | -1.83 | -2.19 | -0.60 | 16.47 | 11.37 | 43.71 | 8.73 | 16.05 | -8.85 | 15.63 | 24.47 | 77.99 |

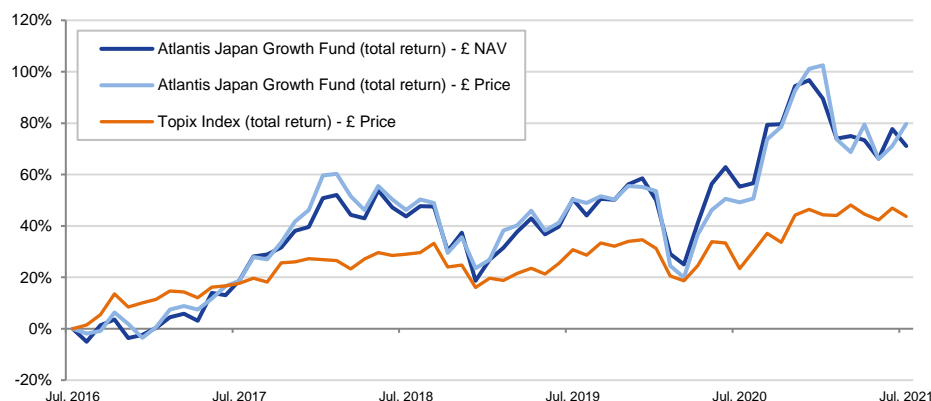
Sources: Northern Trust, Bloomberg and Quaero. The Fund's total return performance is calculated with dividends added back on ex-dividend date.
Notes: * Inception to date NAV return figure was converted to GBP based on the official USD NAV using Bloomberg FX rate.

DIVIDEND POLICY

At the 2019 AGM, shareholders of the Company approved the Board's recommendation to replace the six monthly redemption facility with a regular dividend paid to all shareholders on a quarterly basis set at 1% of the average net asset value per share during the final month of the preceding financial year.

The average daily NAV per share for April 2021 was 288p, thus the four payments in respect of the financial year ended 30 April 2021 will be at 2.88p per share payable at the end of September 2021, December 2021, March 2022 and June 2022. The quarterly interim dividend will be paid out of capital resources.

PERFORMANCE OVER 5 YEARS (£)



Sources: Northern Trust, Bloomberg and Quaero. The Fund's total return performance is calculated with dividends added back on ex-dividend date.
Notes: The figures in the above table and chart refer to past performance which is not a reliable indicator of future results. An investment in the Fund would place an investor's capital at risk. Figures shown are net of all fees.

MANAGER'S COMMENTARY

In sterling terms and on a total return basis, the Atlantis Japan Growth Fund fell by 3.72% in July. This represented an underperformance against the TOPIX Total Return Index which declined by 2.19%. For the calendar year 2021 to the end of July, the Fund was down by 13.02%, while the TOPIX Total Return Index has lost 1.83%.

In July, the Tokyo equity market drifted lower as the number of new COVID cases rose relentlessly. Particularly unnerving was the rapid transmission of the Delta variant and the potential for the recently completed Tokyo Olympics to be a super-spreader event. Investor sentiment was also depressed by the slowing of the Chinese economy, lingering semiconductor supply-chain issues, and the dimming outlook for Mr Yoshihide Suga to continue as Japan's prime

minister beyond autumn's elections.

The stocks that made positive contributions to the Fund's performance over the course of the month included second hand bike dealer Bike O (3377), software tester Shift ((3697), alternative energy supplier Renova (9519), and Asahi Intecc (7747). Stocks that hindered performance included Besterra (1433), Cellsource (4880), Oxide (6521) and Lasertec (6920).

At the end of July, the Company held 65 stocks, having added over the course of the month Bike O (3377), urban developer Phil (3267), and measuring-equipment maker Topcon (7732). Positions in Airtec (6291), Elan (6099), and Interaction (7725) were sold.

KEY FACTS

INVESTMENT OBJECTIVE

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

FUND INFORMATION

| | |
|-------------------------|---------------------------|
| Lead portfolio adviser | Taeko Setaishi |
| Lead adviser start date | 01 May 2016 |
| Total Net Assets (TNA) | GBP 114m |
| Shares in issue | 41,794,570 |
| Share price | 251.0p |
| NAV per share | 273.0p |
| Discount(-)/Premium | -8.1% |
| Net gearing | 2.2% |
| Active Share | 88.7% |
| Inception date | 10 th May 1996 |

ADMINISTRATIVE & DEALING INFORMATION

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

DIVIDEND

| | |
|--------------------------|-------------------------------------|
| 12 months dividend yield | 3.5% |
| Quarterly interim paid | March, June, September and December |

COMPANY FEES & EXPENSES

| | |
|-----------------------|--|
| Ongoing Charges* | 1.58% |
| Annual Management Fee | 1.00% up to £125m 0.85% between £125m-£175m 0.70% greater than £175m |

FUND CODES

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

* Based on the Company's Annual Financial Statements to 30 April 2021.

Investor data for July indicates that nonresident investors continued to be net sellers of equities but this was offset by trust bank and individual investor equity purchases. Average daily turnover on the TSE1 was JPY2.26trn, a month-on-month decline of approximately 6%. The other market participants were neutral. The Bank of Japan was again inactive in the ETF market while short sellers accounted for a relatively low 44% of turnover.

The sluggish demand for equities was confirmed by individual sector performances. Only eleven of TOPIX's thirty-three sectors ended the month in positive territory (including marine transportation, insurance, fishery agriculture & forestry, warehousing & harbor transportation services, precision instruments and machinery).

Excluding cash, the Fund was entirely invested in equities of publicly listed Japanese companies and J-REITs. The

portfolio is overweight information & communication and services stocks. The Fund had no exposure to any structured financial product, nor did it have any currency hedges in place during the month. At the end of July, the JPY rate against the GBP was 152.93 and so virtually unchanged from June 152.91 close.

The Investment Adviser notes that preliminary indications of earnings-results for the first quarter of the financial year to March 2022 have been positive, although one needs to bear in mind that many companies are emerging from a deep hole. That said, with 80% of companies having reported, sales were 20% higher year-on-year on an aggregate basis 2x and operating profit is showing 98% growth. There have been 156 upward revisions announced by companies. New guidance for the current fiscal year suggests 7% sales growth and 30% operating profit expansion.

PORTFOLIO STATISTICS

MARKET EXPOSURE 102.2%

TOP 10 HOLDINGS (% TNA)

| | |
|-----------------------------|-----|
| Nidec | 4.6 |
| Renova | 4.5 |
| Lasertec | 3.9 |
| Cellsource | 3.7 |
| Tokyo Electron | 3.6 |
| Nihon M&A Center | 3.3 |
| Shift | 3.1 |
| Daifuku | 2.7 |
| Industrial & Infrastructure | 2.5 |
| Keyence | 2.4 |

SECTOR BREAKDOWN (% TNA)

| | |
|------------------------|------|
| Consumer Discretionary | 6.1 |
| Financials | 2.3 |
| Health Care | 13.3 |
| Industrials | 28.3 |
| Information Technology | 33.4 |
| Materials | 2.3 |
| Real Estate | 6.1 |
| Communication Services | 5.8 |
| Utilities | 4.5 |

MARKET CAPITALISATION (% TNA)

| | |
|---------|------|
| > 10bn | 23.6 |
| 5-10bn | 12.0 |
| 2-5bn | 16.5 |
| 0.5-2bn | 25.9 |
| < 0.5bn | 24.1 |

CONTACTS

INVESTOR RELATIONS

Contact: Philip Kay
 Phone: +44 (0)20 7747 5351
 Email: InvestorServices.uk@quaerocapital.com

FUND BROKER

Contact: James Waterlow
 Phone: +44 (0)20 7496 3031
 Email: James.Waterlow@singercm.com

KEY RISKS

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

IMPORTANT INFORMATION

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