CHIKARA

CHIKARA JAPAN INCOME and GROWTH FUND

August 2026

This is a marketing communication. This is not a contractually binding document. Please refer to the Prospectus and to the relevant KID(s)/KIID(s) and do not base any final investment decision on this communication alone.

COMMENTARY

The Fund returned +3.84% in August, marginally outpacing the Topix Net Total Return at +3.60% (both in Yen terms). As can often be the case during earnings season, volatility was elevated, though this period was exacerbated by yet another chapter of the market's intense love-hate relationship with the potential for return on AI investment overlaid with rising global bond yields.

This quarter's earnings for listed Japanese equities delivered the strongest revenue and recurring profit growth of the last 20 years, save for the aftermaths of the financial crisis and COVID. Whether one believes in the longevity of the capex boom or not, the fact is that there are many companies that are being paid cash today for their services. Japan plays a crucial role in the technology supply chain, often adding value through niche precision manufacturing methods or materials science applications. Less of the corporate value today is contingent on the AI products themselves generating an economic return than it is for, say, the hyperscalers. Hyperscaler capex was c.$40bn in 2020, and consensus has it at over $1tn a year for 2027-2030, a stark reminder of the scale of investment we are dealing with.

Japan is not only set to benefit from the build-out of AI but is also highly likely a beneficiary of the inevitable productivity gains that come from using it. Although we believe that in the past too much has been made of the supposed impending doom an ageing society would bring, it seems probable that labour productivity enhancements will be adopted more readily going forward as AI meets wage inflation. The demand BayCurrent, the IT consultant we wrote about last month, is seeing for AI implementation work at Japanese corporates may be an early sign that this process is already underway and he strong performance of the Company's shares in August may be a sign that the market is listening. BayCurrent was one of the top three contributors to performance, alongside two precious metal related companies: Furuya Metal, and ARE Holdings.

Tokio Marine was the largest negative contributor after a disappointing reaction to management holding full-year guidance flat despite a solid first quarter. The blow was softened somewhat later in the month by the announcement of a 15-for-1 stock split and a shareholder benefits programme.

Looking forward, we expect corporate Japan to remain on its path of consistent corporate governance improvement, productivity enhancement, and with a noticeably more ambitious growth mindset than we have observed for some time. In our view, investing in Japan can still offer significant balance sheet strength and genuine opportunities for operational efficiency improvements, which give us some comfort in a volatile market environment.

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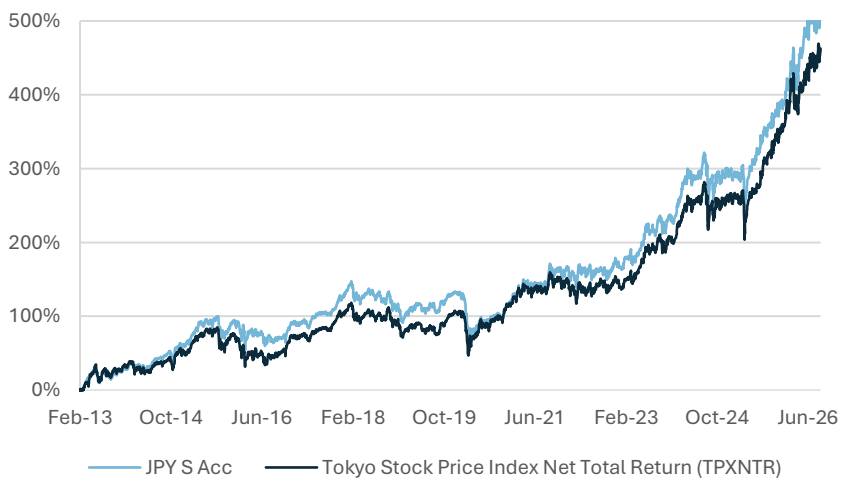
A total return strategy designed explicitly for the Japanese equities market, identifying growth businesses with complimentary returns to shareholders

FUND STATISTICS

Investment Team:	Richard Aston Megumi Takayama Theo Wyld
Fund Size:	USD 556m
Strategy Size:	USD 1,096m
Active Share [3]:	74.4%
Launch Date:	31.01.2013
Dealing:	Daily
Base Currency:	Yen
Benchmark [1]:	TOPIX Net Total Return
Structure:	Irish OEIC, UCITS V
Dividend Yield [4]:	2.5%

CUMULATIVE PERFORMANCE SINCE INCEPTION (%) [1]



BOOK EXPOSURE

	No. Stocks	(%)
Dividend Growth	28	72.4
Special Situations	5	12.7
Stable Yield	7	14.3
Cash and Other	0	0.5

CALENDAR YEAR PERFORMANCE (%) [1]

	2025	2024	2023	2022	2021
JPY S Acc [2]	22.6	18.5	26.3	1.7	17.2
GBP S Acc [2]	27.0	23.6	32.2	2.4	16.7
USD S Acc [2]	27.4	24.1	32.8	3.6	17.1
Index (JPY) [1]	25.0	20.0	27.8	-2.9	12.4

MARKET CAP EXPOSURE [3]

	% Fund	% TOPIX
Large Cap ($10bn+)	65.8	77.2
Mid Cap ($2-$10bn)	16.7	16.2
Small Cap (<$2bn)	17.5	6.6

TOTAL RETURN PERFORMANCE (%) [1]

	1 MTH	YTD	1 YR	2 YRS	3 YRS	5 YRS	ITD [1]
JPY S Acc [2]	3.8	25.4	36.8	57.7	89.9	146.7	511.9
GBP S Acc [2]	4.0	27.6	40.7	68.7	112.6	185.2	579.4
USD S Acc [2]	4.0	27.6	40.7	69.2	114.4	192.4	651.0
Index (JPY) [1]	3.6	22.9	37.5	59.2	88.7	134.4	462.6

Note: Past performance does not predict future returns. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. Investments denominated in foreign currencies expose investors to the risk of loss from currency movements as well as movements in the value, price or income derived from the investments themselves.

Source: Independent returns are calculated daily by Northern Trust International Fund Administration Services (Ireland) Limited. All performance details shown are net NAV to NAV percentage returns with gross income re-invested. All figures quoted are in the relevant share class currency.

STRATEGY OVERVIEW

We aim to provide investors with long term capital appreciation and an income through an actively managed portfolio of equities listed in Japan.

The investment philosophy of the strategy is based on total shareholder returns. We believe that reasonably valued companies that can deliver capital growth and stable and growing dividends are best placed to compound returns over time.

TOP 10 HOLDINGS

Holding	(%)
Sumitomo Mitsui Financial Group	5.4
Mitsubishi UFJ Financial Group	5.0
Tokio Marine Holdings	4.6
Tokyo Electron	4.1
Softbank Corp	3.6
Shin Etsu Chemicals	3.5
Sumitomo Mitsui Corp	3.5
Kyocera Corp	3.5
Mitsubishi Corp	3.4
Keyence Corp	3.3
Total	**39.9**

TOP 10 SECTORS

Sector	(%)
Electrical Appliances	23.1
Banks	13.8
Insurance	6.8
Wholesale	6.2
Chemicals	5.6
Machinery	5.3
Retail Trade	5.0
Services	4.7
Other Financing Business	4.5
Precious Instruments	4.1
Total	**79.1**

SHARE CLASS DETAILS

Share Classes	ISIN	Management Fee	Ongoing Charges Figure [5]	Minimum Initial Investment
JPY Acc	IE00B8J9SY37	0.90% [5]	1.15% (capped)	JPY equivalent of $1,000
JPY Inc	IE00B886Z009			JPY equivalent of $1,000
GBP (unhedged) Acc	IE00BKDSTX65			£1,000
GBP (unhedged) Inc	IE00BKDSTW58			£1,000
GBP Acc	IE00B827JW93			£1,000
GBP Inc	IE00B8B2R107			£1,000
USD Acc	IE00B8Y6JC44			$1,000
USD Inc	IE00B8L7SS90			$1,000
EUR (unhedged) Acc	IE000NJXY6U0			€1,000
S JPY Acc	IE00B7BZQ152	0.75%	1.00% (capped)	JPY equivalent of $1,000,000
S JPY Inc	IE00B8NX8L87			JPY equivalent of $1,000,000
S GBP (unhedged) Inc	IE00BKRC2Z78			£1,000,000
S GBP Acc	IE00B82WY521			£1,000,000
S GBP Inc	IE00B8DY1Q70			£1,000,000
S USD Acc	IE00B9FDM775			$1,000,000
S USD Inc	IE00B9503Q46			$1,000,000
S EUR (unhedged) Acc	IE000D0YXRW4			€1,000,000

Registered for sale in: UK, Ireland, Germany, Luxembourg, Finland, Sweden, Netherlands, Norway, Denmark and Switzerland, for Institutional Investors only in Belgium and France.
For KID/KIID documents and more information, please visit: www.chikarainvestments.com

KEY INVESTMENT RISKS

Liquidity Risk – The Fund may encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Credit and Counterparty Risks – The Fund may be exposed to credit and counterparty risks in relation to the securities and counterparties it invests in and with whom it transacts.

Concentration Risk – This Fund holds a limited number of investments. If one of these falls in value, it can have a greater impact on the Fund's value than if the Fund held a larger number of investments.

Currency Risk – Investing in assets in a currency other than your own exposes the value of your investment to exchange rate fluctuations.

Sustainability Risk – Environmental, social and governance events or conditions could occur that have an adverse impact on the value of the Fund's investments, either directly, or by contributing to the impact or materiality of other risks.

The Fund prospectus gives you further details about all the risks for this fund – see under "Important Information" for how to obtain a copy.

NOTES

1. Reference to the benchmark is made for comparison purposes only. The fund is not managed by reference to the benchmark, nor does the fund otherwise use the benchmark for the purposes of the Benchmark Regulation (Regulation (EU) 2016/1011. The benchmark performance shown is that of the TOPIX Net Total Return Index in Yen from inception date 04.02.2013. The benchmark performance used prior was TOPIX TR and this was used from 04.02.2013 until 31.12.2022. All share class performance since 4 February 2013 being inception date. NB: Month end returns for March 2018 and August 2015 were calculated by Chikara.
2. Share class name changed on 10 May 2016 from Founder to S.
3. Active Share and Market Cap Exposure source: Bloomberg, as at 28.08.2026
4. Figure represents the forecast gross portfolio yield of the underlying portfolio holdings, the net yield paid will be lower.
5. The management fee was reduced from 1.00% to 0.90% from 14 August 2019.

All data as at 28.08.2026 unless stated otherwise. All information is sourced from Chikara unless stated otherwise.

GLOSSARY OF TERMS

Active Share – A measure of how much a portfolio's holdings differ from those of its benchmark index.

IMPORTANT INFORMATION

This document does not purport to provide investment advice and should not be relied on for the purposes of any investment decision. It is not an offer to sell or the solicitation of an offer to purchase shares in Chikara Japan Income and Growth Fund (a sub-fund of Chikara Funds plc, an open-ended investment company with variable capital incorporated in Ireland and authorised by the Central Bank of Ireland as a UCITS pursuant to the UCITS Regulations). Any such offer or solicitation can only be made by means of the formal subscription documentation and the related Prospectus dated 16 July 2026 together with the Chikara Japan Income and Growth Fund Supplement dated 16 July 2026 (together the Prospectus) and only in those jurisdictions where it is permitted by law. Chikara, as investment manager, has discretion in managing the investments of the Chikara Japan Income and Growth Fund (the "Fund") and selects equities through research using fundamental, bottom-up stock selection techniques. The Fund is actively managed, which means that Chikara has discretion over the composition of the Fund's portfolio, subject to the Fund's stated investment objective and policy. Reference to the benchmark is made for comparison purposes only. The fund is not managed by reference to the benchmark, nor does the fund otherwise use the benchmark for the purposes of the Benchmark Regulation (Regulation (EU) 2016/1011).

In particular this document is not intended for distribution in the United States or for the account of U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the Securities Act)) except to persons who are "accredited investors" (as defined in Rule 501(a) under the Securities Act). Chikara Investments LLP (Chikara) is not registered with the United States Securities and Exchange Commission as an investment adviser.

IMPORTANT INFORMATION

Chikara Japan Income and Growth Fund will not be registered under the Securities Act or the securities laws of any of the states of the United States and shares may not be offered, sold or delivered directly or indirectly into the United States, or to or for the account or benefit of any US person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of such securities laws. The shares will be subject to restrictions on transferability and resale. Chikara Japan Income and Growth Fund will not be registered under the United States Investment Company Act of 1940. An investment in Chikara Japan Income and Growth Fund is speculative and is not suitable for all investors. It is intended for investors who are willing to bear the risks of the investment which are described in the Prospectus.

PROSPECTIVE INVESTORS SHOULD REVIEW THE PROSPECTUS, INCLUDING THE RISK FACTORS THEREIN, BEFORE MAKING A DECISION TO INVEST.

The representative in Switzerland is 1741 Fund Solutions Ltd, Burggraben 16, CH-9000 St. Gallen. The Swiss Paying Agent in Switzerland is Tellco Bank Ltd, Bahnhofstrasse 4, CH-6430 Schwyz. The prospectus, the articles of association, the Key Information Documents, as well as the annual and semi-annual reports may be obtained free of charge from the representative in English. In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative.

Chikara Investments LLP is authorised to provide investment services and activities as well as ancillary services on a cross-border basis in Denmark to eligible counterparties and per se professional clients pursuant to Section 41 of the Danish Investment firm and Investment Service and Activities Act.

Chikara Investments LLP is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (Cth) (the Act) in respect of the financial services it is providing and is regulated by the FCA under UK laws, which differ from Australian laws. This document may only be provided to and our services may only be provided to wholesale clients (as defined in section 761G of the Act). This document contains general information only, does not contain any personal advice and does not take into account any prospective investors' objectives, financial situation or needs.

Effective 1 August the Fund will be managed by Universal-Investment Ireland Fund Management Limited (the "Manager"). Chikara and or the Manager has the ability to terminate arrangements for marketing in accordance with Article 93a of Directive 2009/65/EC.

This document and its contents are confidential and must not be copied or otherwise circulated to any other person. Certain assumptions may have been made in the calculations and analysis in this document which have resulted in returns detailed herein. This document is based upon information which Chikara Investments LLP (Chikara) considers reliable, but no representation is made that it is accurate or complete and nor should it be relied upon as such. All information and research material provided herein is subject to change and this document does not purport to provide a complete description of the funds, securities or other investments or markets referred to or the performance thereof. All expressions of opinion are subject to change without notice.

Copies of the Prospectus in English, UCITS KIIDs in English and PRIIPS KIDs in English, German, French, Dutch and Swedish may be found at www.fundinfo.com and copies of the Prospectus and the latest annual report and any subsequent half-yearly report of the Company in English free of charge from Administrator, Northern Trust International Fund Administration Services (Ireland) Limited, George's Court, 54 – 62 Townsend Street, Dublin 2 or the Investment Manager, Chikara Investments LLP, 5-10 Bolton Steet, London W1J 8BA. Tel : 0207 321 3470. A summary of investor rights is available in English at https://www.chikarainvestments.com/summary-of-investor-rights.

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