

Following the very sharp declines in global equity markets and AJOT's NAV in March, performance during April has been somewhat brighter with a positive return of +7.2% over the month – ahead of the Benchmark's return of +4.3%.

We do not yet know what the full extent of COVID-19 will be on the operations of our portfolio companies. Some companies are in businesses that will be more resilient its effects, whilst others will be affected either by virtue of their connectivity to the global manufacturing supply chain, or because they operate in sectors of the economy that will have been impacted by lockdown regulations. Early indications from portfolio companies are that the impact will not be as bad as feared, but we will have to wait for further clarity and detail in order to get a fuller picture.

We argued in our March newsletter/mid-month update that many of our portfolio companies had suffered price falls that appeared to be overly harsh, and un-justified given their very strong balance sheets. Average valuations on the portfolio declined to an EV/EBIT multiple of 2.1x and over 96% of the market capitalisations were covered by cash and investment securities. These were levels far below any we have observed during the life of this Company. Unsurprisingly, many companies rallied sharply from these levels and this has boosted these valuation metrics. Whilst they appear to be less extreme than they were one month ago, they are still far below the levels we think they should be. At the end of April, the two metrics stood at 2.9x and There has been some comment regarding the future of corporate governance improvements and shareholder activism in Japan, seeing that it could be argued that Japanese attitudes towards cash-hoarding for a "rainy day" have been vindicated. Strong balance sheets have meant that far fewer companies will face financial distress, or require state bailouts, in Japan than elsewhere in the world. Undoubtedly, the strong financial position of all our portfolio companies will ensure that they are well-insulated from the financial impact of COVID-19. And whilst some may opt to defer intended share buybacks, we do not believe this will spell the end of share buybacks or of corporate governance reform. It has taken several years for companies to start to address the various governance shortcomings that exist in Japan. We do not consider it realistic that they will hastily scale back on these initiatives. Indeed, over the past two months four portfolio companies have announced share buybacks, and although only partially through results season, only one company has cut its dividend, whilst three have increased it.

It is important to recognise that our shareholder engagement activities, and those of other so-called "activists" are not solely focused on the return of cash in Japan. There are a whole host of factors that give rise to the under-valuation problem in Japan, and as long-term investors we aim to work with companies to address all of these. We are increasingly seeing domestic institutional investors engage with companies in the same way, adding a powerful voice to the debate. We expect further pressure on companies to take actions to improve shareholder value, focusing not solely on returning cash to shareholders. Indeed, the thrust of the corporate governance code is to encourage companies to put their cash to productive use thereby boosting returns for shareholders.

In this vein, at the start of May we launched a new campaign calling for Fujitec to adopt fundamental reforms after years of poor performance. A detailed presentation has been published on a dedicated website www.takingfujitec.tothenextlevel.com, which analyses in detail three interconnected areas that require fundamental reform: a flawed strategy, undisciplined capital policy, and weak governance. We encourage you to visit the website.

Investment Objective: To achieve capital growth through investing in a focused portfolio of over-capitalised small-cap Japanese equities. Asset Value Investors will leverage its three decades of experience investing in asset-backed companies to engage with company management and help to unlock value in this under-researched area of the market.

Performance Total Return¹

This investment management report relates to performance figures to 30 April 2020.

% Return	Month	Since Inception*	2020 Calendar Yr
AJOT Share Price	3.8%	-4.4%	-15.5%
AJOT NAV	7.2%	-0.2%	-12.7%
MSCI Japan Small Cap	4.3%	-4.1%	-11.1%

Cumulative Return	1 mo	2 mo	3 mo	6 mo	1 yr
AJOT Share Price	3.8%	0.5%	-14.2%	-7.9%	-7.2%
AJOT NAV	7.2%	1.1%	-9.8%	-5.8%	-4.1%
MSCI Japan Small Cap	4.3%	-11.1%	-8.5%	-10.9%	-3.4%

Statistics

Share Price (pence)	95.6
NAV (pence)	97.8
Premium / (Discount)	-2.2%

Fund Facts

Launch Date	23 October 2018
Net Assets	£111.2m
Investment Manager	Asset Value Investors Limited
AJOT Shares owned by the Manager***	1,302,463
Shareholder Services	Link Asset Services
Management Fee**	1.0% of lower of market cap or NAV
Website	www.ajot.co.uk
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

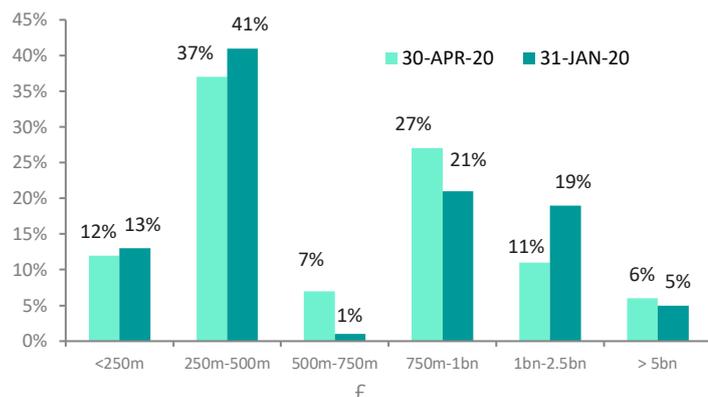
¹ All performance shown in GBP Total Return

* 23 October 2018 Start Date

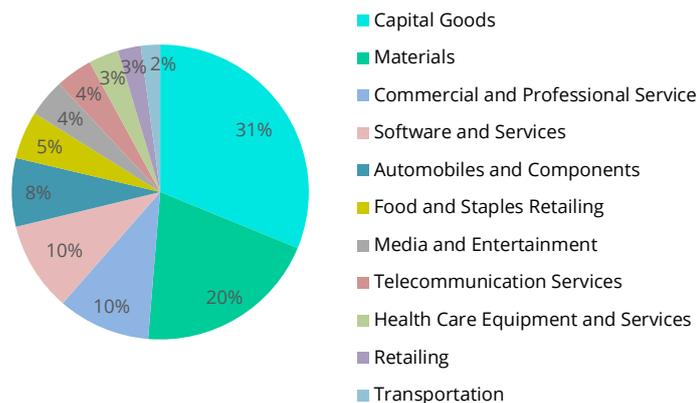
** 25% of Management Fee to be reinvested in shares of AJOT

*** Shares owned by AVI Ltd & AVI employees

Market Cap Breakdown (% of Portfolio)



Sector Breakdown (% of Portfolio)



Top Ten Equity Holdings % of NAV

Holding	31-JAN-20	Holding	30-APR-20
SK Kaken	7.5	Fujitec	8.1
Teikoku Sen-I	7.4	Teikoku Sen-I	7.8
Fujitec	5.7	SK Kaken	7.7
Toyota Industries	5.5	Secom Joshinetsu	6.1
Tokyo Broadcasting System	5.3	Kato Sangyo	5.9
Kato Sangyo	5.3	Digital Garage	5.7
Secom Joshinetsu	5.2	Konishi	5.6
Digital Garage	5.2	Pasona Group	5.2
Daiwa Industries	5.1	Daiwa Industries	5.0
C Uyemura	5.1	Sekisui Jushi	4.8
TOTAL	57.3	TOTAL	61.9
% Gearing	103.1	% Gearing	112.8
No. of Holdings	29	No. of Holdings	28

Further Information

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The share price can be found under 'INVESTMENT COMPANIES' in The Financial Times.

Information may be found on the following websites.

www.ajot.co.uk

www.assetvalueinvestors.com

IMPORTANT INFORMATION

All figures are as at the period under review unless otherwise stated. All sources Asset Value Investors Ltd ("AVI") unless otherwise stated. AVI is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") and is a registered investment adviser with the Securities and Exchange Commission of the United States. While AVI is registered with the SEC as an investment adviser, it does not comply with the Advisers Act with regard to its non-U.S. clients. This document does not constitute an offer to buy or sell shares in AVI Japan Opportunity Trust plc (the "Trust"). The contents of this message are not intended to constitute, and should not be construed as, investment advice. Potential investors in the Trust should seek their own independent financial advice. AVI neither provides investment advice to, nor receives and transmits orders from, investors in the Fund.