Japan Sector Performance

Commentary

For the current market cycle 2012-09 until 2015-09, positions were held in Japan making up roughly 20% of the portfolio. For Portfolio Alpha, Fidelity Japan Smaller Companies Fund was chosen to capture this sector. For Portfolio Beta, Fidelity Japan Advantage Fund was used. As I am currently waiting data on Portfolio Beta, I will discuss Alpha's position.

There are a few elements here to point out. The Nikkei (Fig. 1) shows a healthy move to the upside for the period 2013-06 until 2015-08. Fidelity Japan Smaller Companies Fund (Fig. 2) is approximately a direct relationship to the Nikkei during the same period. On my excel calculations (Fig. 3) here is an example of how I calculate the ROI for this fund: it has no regular contributions and we 'dollar-costed' in 5 switchings with an average entry price of 1397. We then decided to exit in one lot at 1872 leading to a completed ROI of 34% and at 20% holdings this leads to 6% being added to the portfolio gains during this period. That's how real performance is calculated in my books, and I will be doing a webinar on this at some stage detailing other positions.

Best,
Michael

Fig 1: Nikkei Performance 2013-06 until 2015-09 (Source: Stockcharts.com)

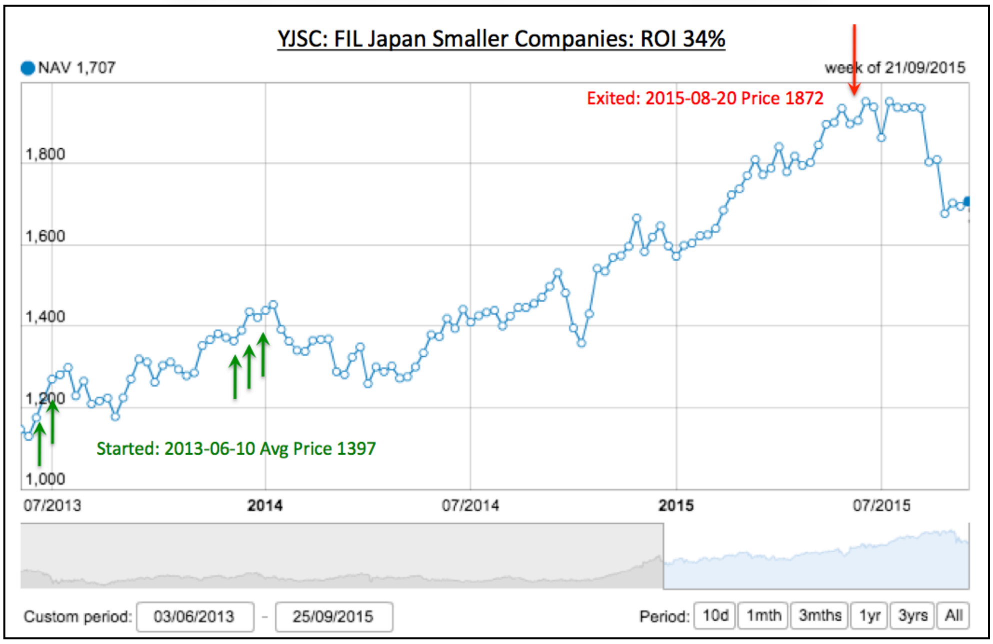

Fig 2: Fidelity Japan Smaller Companies Fund Performance (Source: Fidelity.com.hk)

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	OCT 2012 - PRESENT	FIL - YJSC		YEN
	Date	NAV	# of Units	Calculation
Switching	**05/10/2012**	**FIL - Japan Smaller Companies**		
Contribution	01/11/2012			
Switching	**03/12/2012**			
Contribution	03/12/2012			
Swtiching	**18/12/2012**			
Contribution	02/01/2013			
Contribution	01/02/2013			
Contribution	01/03/2013			
Switching RB1	**15/03/2013**			
Contribution	02/04/2013			
Contribution	02/05/2013	**FIL - Japan Smaller Companies**		
Contribution	03/06/2013	Started 2013-06-10		
Switching RB2	**10/06/2013**	1303.000	840.200	1094780.600
Switching RB2	**28/06/2013**	1328.000	766.780	1018283.840
Contribution	02/07/2013			
Switching RB3	**11/07/2013**			
Other+Contribution	01/08/2013			
Contribution	02/09/2013			
Contribution	02/10/2013			
Contribution	01/11/2013			
Switching RB4	**15/11/2013**	1461.000	1892.250	2764577.250
Contribution	Discount and more funds 29/11/2013	1381.998	278.520	384914.213
Contribution	Discount and more funds '02/12/2013			
Switching RB5	**16/12/2013**	1360.000	191.760	260793.600
Switching RB6	**27/12/2013**	1436.000	677.430	972789.480
Contribution	02/01/2014			
Switching RB7	**17/01/2014**			
Switching	**12/08/2015**			
Other	17/08/2015			
Switching	**20/08/2015**	1872.000	-4646.940	-8699071.680
Switching	**01/09/2015**			
	Average Purchase Price	**1397.939**	4646.940	6496138.983
	EXIT NAV PRICE			
	1			
	2			
	3			
	4			
	5			
	Last or What If	1872.000 20/08/2015	-4646.940	-8699071.680
	Average Exit Price	**1872.000**	**-4646.940**	-8699071.680
	Remaining Units			
	ROI	**33.91%**		
			COMPLETED 2015-08-20	

Fig 3: Calculations illustrating dollar-cost average into this sector and one switch out for Fidelity Japan Smaller Companies Fund

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