

Japan: opportunities in entertainment

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Investment manager Jared Anderson unveils the digital revolution in media happening in Japan, spotlighting Sony and Nintendo as key players

Your capital is at risk. Past performance is not a guide to future returns.

Jared Anderson: The internet has upended many aspects of our lives, and in turn many industries. Nowhere has this been more profound than in media. Content like music, movies, and video games are more abundant and accessible than ever. In music for example, about 100 thousand new songs are uploaded to the internet every day. The proliferation of content has played into the hands of those who have a deep back catalogue of IP. And it's iconic Japanese companies like Sony and Nintendo who have the keys to these increasingly valuable content catalogues.

Over 70% of music streamed in the US is not new music but catalogue music. These back catalogues are becoming more valuable over time as the very best content crowds out the rest. This is why Sony Music, the world's number one music publisher, has been aggressively investing in its portfolio, acquiring the rights to timeless artists like Queen, Bruce Springsteen, and Michael Jackson. And the same holds true in other mediums.

Nintendo has been making video games for more than forty years, yet its worlds and characters remain as relevant as ever. The mobile game Pokémon Go reached 50 million users in just 19 days a feat that took Facebook four years to accomplish. Nintendo's hold doesn't end with gaming. The Super Mario Movie was the second highest grossing film at the box office last year, incredible for a character who first appeared in a 1981 arcade game.

By investing in Japan, you get access to this best-in-class content. And as technology improves, content will only become more engaging and far-reaching. Japan has many globally renowned companies that shape the industries they are in, media is just one example, and one where the future looks especially bright.

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