

# Japan Equity High Conviction

## Investment Objective

This product is actively managed and seeks to achieve capital growth over the medium-to-long term through investing primarily in equities or equities-related securities issued by Japanese companies. The product contains around 30 holdings and aims to generate excess returns in any market environment by utilising a unique bottom-up, fundamentals based investment approach focussing on "Micro Leading Indicators" that are directly linked to corporates' near-term earnings. An ESG risk filter is applied to exclude stocks with bottom 20% of Sustainalytics ESG score and High ESG risk industries based on SMDAM's exclusion criteria.

## Key Facts

**Strategy Inception Date** 1 March 2020

**Portfolio Manager** Hideyuki TANIUCHI, CMA CFA

**Investment Manager** Sumitomo Mitsui DS Asset Management Company, Limited

**Base Currency** JPY

**Benchmark** TOPIX (with dividends)

**Performance Target** Benchmark +5% p.a.

**Number of Holdings** circa 30

**Strategy Size** mil USD 465 (as at 31/12/24)

**EU 2019/2088 SFDR Regs:** The strategy is categorised under SFDR as Article 8.

## Style Indicator

Large	Value	Blend	Growth
	Mid		
	Small		

A large brown circle is positioned in the 'Large Value' cell of the matrix.

## Contacts

**For investors outside the EEA**

Richard HAXE: +44 (0)20 7507 6431

Alex BARRY: +44 (0)20 7507 6419

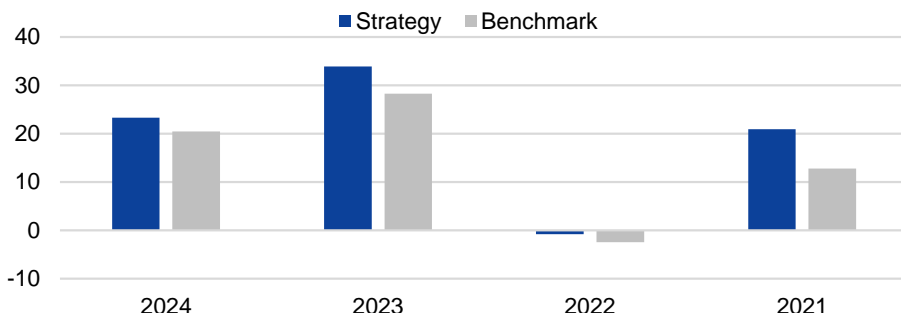
Chloé CHOQUIN: +44 (0)20 7507 6424

Thomas CARTWRIGHT: +44 (0)20 7507 6440

Email: [uksales@smd-am.co.jp](mailto:uksales@smd-am.co.jp)

## Performance %

Calendar year fund performance vs. benchmark



Source: SMDAM and Bloomberg, data as at 31 December 2024. The chart above shows calendar year performance in JPY against the benchmark TOPIX (with dividends) which is shown in JPY and is gross of fees.

## Composite Performance

(Net of fees)	Fund %	TOPIX (with div) %
<b>1m</b>	2.92	4.02
<b>3m</b>	23.03	18.14
<b>12m</b>	23.31	20.45
<b>3yr p.a.</b>	17.87	14.65
<b>Since Inception p.a. (01/03/20)</b>	<b>21.98</b>	<b>16.34</b>

Source: SMDAM, as at 31 December 2024.

**Risk warning:** Past performance is not a reliable indicator of future performance and may not be repeated. An investment's value and the income deriving from it may fall, as well as rise, due to market fluctuations. Investors may not get back the amount originally invested. Any minor discrepancies are due to rounding. Performance is shown in JPY, the return may increase or decrease as a result of currency fluctuations, and is net of fees (after trading expenses).

## Topix-17 Sector Breakdown (%)

Elec. Appl. & Precision Instr.	24.17
IT & Services, Others	16.30
Automobiles & Transportation	10.16
Equipment	9.49
Banks	9.49
Machinery	7.14
Financials (Ex Banks)	6.21
Raw Materials & Chemicals	5.99
Retail Trade	5.00
Pharmaceutical	4.37
Construction & Materials	3.58
Commercial & Wholesale Trade	3.14
Energy Resources	2.65
Steel & Nonferrous Metals	1.80
Foods	0.00
Electric Power & Gas	0.00
Transportation & Logistics	0.00
Real Estate	0.00
<b>Total</b>	<b>100.00</b>

## Top 10 Holdings (%)

Mitsubishi UFJ Financial Group	7.19
Tokio Marine Holdings Inc	6.21
Hitachi Ltd	4.84
Toyota Motor Corp	4.81
Softbank Group Corp	4.51
Sony Group Corp	4.34
Mitsubishi Heavy Industries	3.68
Panasonic Holdings Corp	3.67
Kajima Corp	3.58
Fujitsu Limited	3.55
<b>Total</b>	<b>46.38</b>

Source: SMDAM, as at 31 December 2024.

**Risk warning:** The organisations and/or financial instruments mentioned are for reference purposes only. Material content should not be construed as a recommendation for their purchase or sale.

Source: SMDAM and FactSet Research Systems Inc. of the US, as at 31 December 2024.

## Disclaimers

This document is issued by Sumitomo Mitsui DS Asset Management (UK) Limited. Registered in England and Wales. Registered office 100 Liverpool Street, London, EC2M 2AT; registered number 1660184. Authorised and regulated by the Financial Conduct Authority.

This document is distributed to and is directed only at: (a) persons who have professional experience in matters relating to investments and falling within the definition of “investment professional” in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Order”); (b) high-net-worth entities falling within article 49(2) of the Order; (c) certified sophisticated investors falling with article 50 of the Order; and (d) other persons to whom it may otherwise lawfully be communicated.

The information set out in this document is for information purposes only and is not intended to be investment advice, tax, financial or any other type of advice and is merely a brief summary of the main aspects of the strategy. The information is correct to the best of our knowledge at the date of issue. This document may not be copied, redistributed or reproduced in whole or in part without the prior written approval of Sumitomo Mitsui DS Asset Management (UK) Limited.

**Risk warning: Past performance is not a reliable indicator of future performance and may not be repeated. An investment’s value and the income deriving from it may fall, as well as rise, due to market fluctuations. Investors may not get back the amount originally invested. Performance is shown in Japanese Yen, the return may increase or decrease as a result of currency fluctuations.** The strategy’s performance shows gross of fees (after trading expenses and before the deduction of investment management fees) and total net returns (dividends, net of tax, have been reinvested in the portfolio). WM/Reuters 4pm exchange rates have been sourced from RIMES. Close-of-day stock mid-prices have been sourced from Bloomberg. Cash is included on a settlement-dated basis. The information contained in this document is to be used by the professional client that this document is issued to only. **Risk warning: This strategy is not available in the U.S., EEA or to EEA domiciled persons.**

Risk warning: On 1 January 2021 the UK left the EU transitional arrangements and no longer benefits from passporting rights into EEA countries.

This is a marketing communication. Please refer to the client’s legal agreement before making any final investment decisions.