

Japan Equity High Conviction (I2) JPY

Investment Objective

Maximise total return over the medium-to-long term by focusing on fundamentals and concentrate investments on stocks that differ significantly between strategy’s analysis and market expectations. The target return is the reference benchmark +5%.

This product is actively managed and seeks to achieve mid-to-long term capital growth through investing primarily in equities or equities-related securities issued by Japanese companies. The product is limited to a maximum of 30 holdings and aims to generate excess returns in any market environment by utilising a bottom-up investment approach focusing on “Micro Leading Indicators” that are directly linked to corporates’ near-term earnings.

For institutional and wholesale investors seeking to participate in the capital market. The Sub-Fund is therefore suitable for investors who can afford to invest their capital over the longer term

Key Facts

Strategy Inception Date February 2020

Sub-Fund Inception Date 27 March 2024

Portfolio Manager Hideyuki TANIUCHI, CMA CFA

Investment Manager Sumitomo Mitsui DS Asset Management Company, Limited

ISIN (I2 JPY) LU2786909890

LEI 213800U65SVAMEAI6V90

Domicile Luxembourg

Fund & Type Structure UCITS (Luxembourg SICAV)

Base Currency JPY

Reference Benchmark TOPIX (with div)

(For performance comparison purposes and not to attain the SFDR environmental or social characteristics promoted by this Sub-Fund.)

Number of Holdings 30 Maximum

Fund AUM (MM) USD 7.37 / JPY 1,158 (as at 31/12/24)

Strategy Size (MM) USD 480 / JPY 320,000 (as at 30/11/24)

Administrator Brown Brothers Harriman (Luxembourg) S.C.A.

EU 2019/2088 SFDR Regs Article 8 The Sub-Fund promotes environmental and social characteristics but does not have a sustainable investment objective.

Investment Information

Investment Management Fee

Institutional (S) 0.45% p.a.

Institutional (I2) 0.70% p.a.

Wholesale (A) 1.20% p.a.

Max Man Co. Fee 0.05% p.a.

Trading Frequency Weekly

Dealing Cut Off Time 16:00 CET

The prospectus and the Key Information Document as well as the annual and semi-annual reports may be obtained free of charge from our website: www.smd-am.co.uk

Contacts

For investors outside the EEA

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Performance %

Daily fund performance vs. reference benchmark

Performance data for 12 months is not available, therefore, we cannot provide performance data as this would be deemed insufficient to provide a useful indication of past performance.

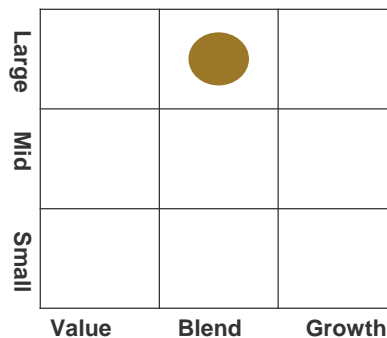
Fund Performance Share Class: (I2) JPY

(Net of fees)	Fund	TOPIX (with div)
1m	-	-
3m	-	-
6m	-	-
12m	-	-
Since Inception (27/03/24)	-	-

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).

Style Indicator



Performance Disclaimers

Source for all Sub-Fund data is SMDAM and SMDAM (UK). Basis for (I2) JPY share class performance data: NAV based, total return (net of fees), in JPY.

Where the Japan Equity High Conviction UCITS Fund performance is compared to TOPIX (with div) index performance, this is done for reference purposes only as the UCITS Fund is benchmark-agnostic.

Top 10 Holdings %

Mitsubishi UFJ Financial Gro	7.04
Tokio Marine Holdings Inc	6.11
Toyota Motor Corp	4.96
Hitachi Ltd	4.90
Sony Group Corp	4.68
Softbank Group Corp	4.61
Fujitsu Limited	3.89
Panasonic Holdings Corp	3.84
Mitsubishi Heavy Industries	3.68
Ibiden Co Ltd	3.46
Total	47.17

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.

Monthly Commentary

In December, the Japanese stock market rose.

Early in the month, the market was buoyed by improved supply-demand expectations, driven by adjustments in the yield targets of public pension funds, the U.S. government's semiconductor export restrictions on China meeting expectations, and optimism regarding the effects of China's economic stimulus measures.

However, in mid-December, the market declined, influenced by a downturn in the U.S. stock market after the FOMC (Federal Open Market Committee) indicated a slowdown in the pace of interest rate cuts.

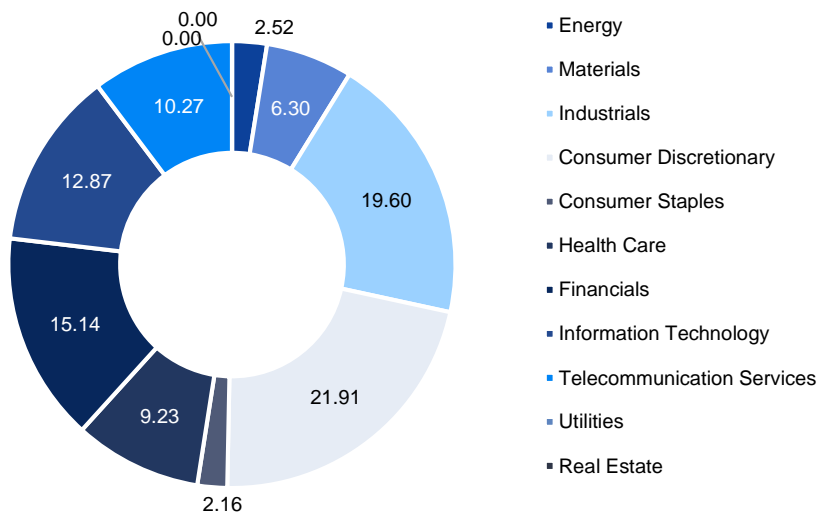
In late December, the market rose again, driven by a weaker yen against the U.S. dollar, following the Bank of Japan's decision not to implement additional rate hikes, as well as announcements of large-scale share buybacks and increased ROE (Return on Equity) targets by automobile manufacturers, which boosted automotive stocks.

By industry, transportation equipment, marine transportation, and other products outperformed the market, while electric power and gas, land transportation, and pharmaceuticals underperformed.

Looking ahead, we anticipate a recovery in the Japanese stock market from January to March. With the global economy, led by the U.S., remaining robust, we expect market expectations to rise for sustained strong performance, improved capital efficiency among Japanese companies, and stronger domestic demand due to higher wages.

Monthly commentary in JPY terms.

GICS 11 Sector Classification – Fund (%)



NB: Futures positions constitute 2.41% of the portfolio as at 31 December 2024.

Institutional (I & S)			
Share Class	ISIN	Minimum investment amount*	Subsequent investment amount*
I2, JPY	LU2786909890	JPY 30,000,000	JPY 6,000,000
S, JPY	LU2786909205	JPY 30,000,000	JPY 6,000,000
S, USD (UH)	LU2786909627	JPY 30,000,000	JPY 6,000,000

Wholesale (A)			
Share Class	ISIN	Minimum investment amount*	Subsequent investment amount*
A, USD (H)	LU1767077123	JPY 200,000	JPY 100,000
A, USD (UH)	LU2786910047	JPY 200,000	JPY 100,000
A, EUR (H)	LU1767076828	JPY 200,000	JPY 100,000
A, EUR (UH)	LU2788607526	JPY 200,000	JPY 100,000
A, HKD (H)	LU2786910120	JPY 200,000	JPY 100,000
A, HKD (UH)	LU2786909114	JPY 200,000	JPY 100,000

(H) indicates hedged share class. (UH) indicates unhedged share class.
 * JPY or the equivalent in other currencies

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This is a marketing communication. Please refer to the prospectus of the UCITS and to the KIID before making any final investment decisions.

The Sub-Fund is making disclosures as an Article 8 fund for the purposes of the SFDR.

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Paying / Information Agents:

UK & Ireland: FE fundinfo.

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