

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 USD 7.45 / JPY 1,134.65 (as at 31/10/24)

Strategy Size USD 486 / JPY 69,552 (as at 30/09/24)

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 Daily

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

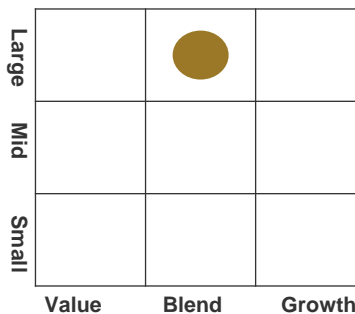
Performance data for 12 months is not available, therefore, we cannot provide performance data as this would be deemed insufficient to provide a useful indication of past performance.

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 October 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 USD, 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	%
Tokio Marine Holdings Inc	6.11
Hitachi Ltd	6.04
Mitsubishi Ufj Financial Gro	6.00
Softbank Group Corp	4.90
Mitsubishi Corp	4.81
Daiichi Sankyo Co Ltd	4.50
Fujitsu Limited	4.23
Toyota Motor Corp	3.91
Mitsubishi Heavy Industries	3.74
Shin-Etsu Chemical Co Ltd	3.71
Total	47.95

Source: SMDAM, as at 31 October 2024.

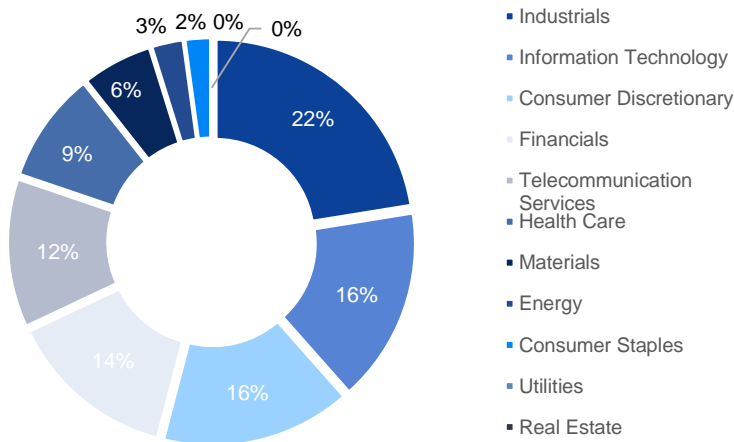
Risk warning: The organisations and/or financial instruments mentioned are for reference purposes only. Material content should not be construed as a recommendation for their purchase or sale.

Monthly Commentary

The Japanese stock market rose in October. In the beginning of the month, it increased due to expectations of a soft landing for the U.S. economy and the progress of the U.S. dollar's appreciation and the yen's depreciation, driven by the rise in U.S. interest rates. In the middle of the month, it turned downward due to growing observations of the ruling party's weakness in the House of Representatives election and uncertainty surrounding domestic political affairs. In the latter part of the month, although the ruling party fell short of a majority in the House of Representatives election, it led to a buying back movement as the results were in line with prior observations. Subsequently, as Japanese companies began announcing their financial results for the July-September quarter of 2024, selective buying intensified. By sector, banking, pharmaceuticals, and electric & gas outperformed the market, while steel, pulp & paper, and chemicals underperformed. We expect the Japanese stock market to rise in November, albeit with short-term volatility.

With the Republican sweep, we anticipate that the administration will prioritize fiscal policies, such as making the temporary tax cuts introduced during Trump's first term permanent and increasing spending on manufacturing support. There is a higher likelihood of increased U.S. interest rates, higher stock prices, and a stronger dollar. We anticipate investors to enter to a more risk-taking phase in the second half of the month, after wait-and-see mood in the first half regarding central banks' monetary policies and political development in key countries. As uncertainty factors recede, we anticipate that stock prices will move in line with the fundamentals of individual companies as uncertainties.

GICS 11 Sector Classification - Fund



NB: Futures positions constitute 2.37% of the portfolio as at 31 October 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

Disclaimers

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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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