



SMD-AM Japan Mid Small Cap Value

Monthly Commentary - November 2025

For professional investors only

Japan Equity Research Team

SMDAM

We are one of the largest investment management companies in Japan, offering discretionary investment management, investment trusts and advisory services to a range of institutional investors, pension funds, government agencies and retail investors worldwide.

Portfolio Update

Over the month of November, the SMD-AM Japan Equity Mid Small Cap Fund Class P JPY returned 5.70% versus the Russell/Nomura Mid-Small Cap Index (including dividends) JPY of 4.05%.*

In early November, concerns about high valuations, especially among AI-related stocks, increased due to the decline in U.S. high-tech stocks. However, expectations for the reopening of U.S. government agencies provided a counterbalance to this and led to the market rallying a little.

In the middle of the month, there were periods of gains driven by increased interest in companies with strong earnings. These gains were offset by concerns over worsening Japan-China relations and diminished expectations for additional U.S. interest rate cuts.

In late November, investor sentiment improved and the market rose again, supported by renewed expectations for rate cuts following comments from senior officials of the Federal Reserve Board (FRB).

By sector, mining, real estate, and construction outperformed the market, while information and communications, shipping, and machinery underperformed.

Our fund outperformed both the TOPIX (including dividends) and the Russell/Nomura Small Cap Index (including dividends) thanks to a positive stock selection effect.

Looking ahead, we will pay attention to the companies that have increased or are likely to increase the market share of their products in Japan without resorting to a low-price strategy. We will also maintain our focus on the companies that have increased shareholder returns as well as names with high free cash flow (FCF) yields.

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. Past performance is not a reliable indicator of future performance and may not be repeated.

* For further information on performance please refer to page 4.



Focus Stock: MinebeaMitsumi Inc

The company holds a leading global market share in several products, including miniature bearings. We believe that the company will continue to improve its profitability towards achieving its mid-term management plan target of a 15% ROE. Additionally, the company is focusing on humanoid robots as a growth driver, and we anticipate strong expansion in this area. While there are concerns about access to rare earth metals needed for this production to expand and the impact of US reciprocal tariffs, we believe the company can maintain its competitiveness in the mid to long term.

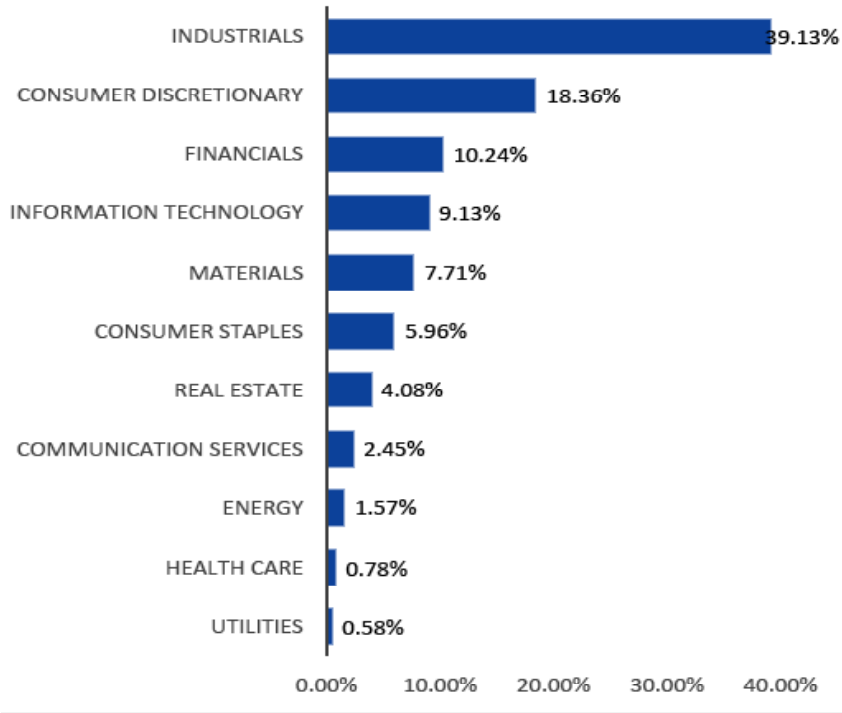
Top Buys

Share Name
AISIN CORP
YOKOHAMA RUBBER CO LTD
ALSOK CO LTD

Top Sells

Share Name
NEC CORP
NIPPON YUSEN KK
HAMAMATSU PHOTONICS KK

Sector Allocation



Source: SMDAM, as at 30 November 2025

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Top Holdings

Share Name	Portfolio Weight	MSCI Sector
TOKYO TATEMONO CO LTD	3.59%	Real Estate
FUJI ELECTRIC CO LTD	3.26%	Industrials
SUMITOMO ELECTRIC INDUSTRIES LTD	3.02%	Consumer Discretionary
CCI GROUP INC	2.93%	Financials
SOJITZ CORP	2.84%	Industrials

1. Tokyo Tatemono Co Ltd: It is one of Japan's leading real estate companies deeply involved in various aspects of the real estate industry. We expect that the acquisition of a substantial interest in the company by an activist fund will continue to result in an increase in the value of its shares.

2. Fuji Electric Co Ltd: It specializes in the manufacture and sale of electrical equipment and systems. It operates in several key sectors, including power electronics systems, industrial equipment, energy, and environmental solutions. Due to the increase in orders in the energy sector and the expansion of profit margins, the expectation for profit growth has been elevated.

3. Sumitomo Electric Industries Ltd: It operates in several key business segments, including Automotive, Information & Communications and Industrial Materials. We appreciate its ability to develop advanced technologies across various sectors.

4. CCI Group Inc: It is a holding company aiming to innovate regional finance, integrating operations in banking, securities, and insurance. Its strengths lie in improving customer convenience through digital transformation and promoting cashless transactions, as well as offering community-focused services and an extensive financial network.

5. Sojitz Corp: It operates globally and engages in a wide range of businesses, including trading, investment, and services in sectors such as chemicals, machinery, energy, metals, consumer goods, and industrial goods.

Top Contributors

Share Name	Portfolio Weight	MSCI Sector
MODEC INC	1.57%	Energy
TOKYO TATEMONO CO LTD	3.59%	Real Estate
SWCC CORP	1.26%	Industrials
SOJITZ CORP	2.84%	Industrials
NIHON DENGI CO LTD	1.18%	Industrials

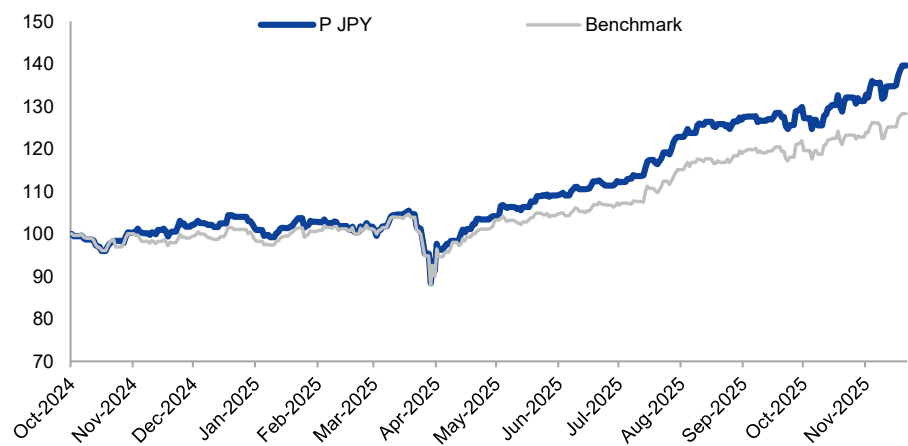
Top Detractors

Share Name	Portfolio Weight	MSCI Sector
YONEX CO LTD	1.11%	Consumer Discretionary
JIMOTY INC	0.50%	Communication Services
YAMASHIN-FILTER CORP	0.65%	Industrials
RIKEN KEIKI CO LTD	1.12%	Information Technology
KONAMI GROUP CORP	1.32%	Communication Services

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Source: SMDAM, as at 30 November 2025

Performance



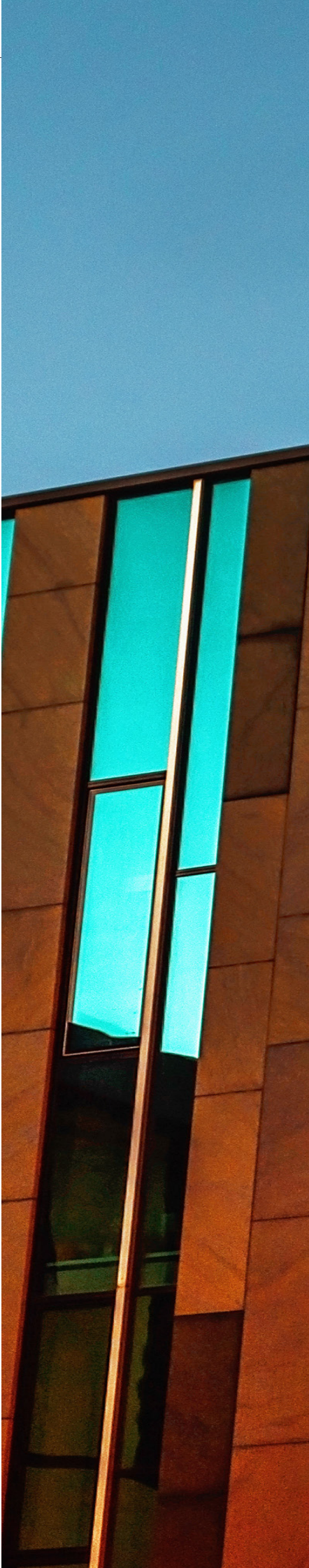
Source: SMDAM and Bloomberg, data as at 30 November 2025. Rebased to 100 at inception of the share class (10 October 2024). The chart above shows daily performance, in the currency stated for the UCITS Fund (JPY) against the benchmark Russell/Nomura Mid-Small Cap Index (including dividends) which is shown in JPY. Performance is illustrated net of fees.

Fund Performance Share Class: (P) JPY		
(Net of fees)	Fund %	Benchmark %
1m	5.70	4.05
3m	10.97	9.81
6m	28.27	22.27
12m	38.93	31.00
Since Inception p.a. (10/10/24)	34.05	24.43

Investment Information	
Investment Management Fee	Total Expense Ratio
Institutional (I) 0.80% p.a.	Institutional (I) 1.10% p.a.
Institutional (P) 0.45% p.a.	Institutional (P) 0.50% p.a.
Wholesale (A) 1.50% p.a.	Wholesale (A) 1.80% p.a.
Dealing Frequency: Daily	

Source: SMDAM, as at 30 November 2025

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).



Contact Details

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