



SMD-AM Japan Mid Small Cap Value

Monthly Commentary - April 2026

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 April, the Japan Mid Small Cap Value Fund Class P JPY returned 5.62% versus the Russell/Nomura Mid-Small Cap Index (including dividends) JPY of 6.26%.*

The market opened higher after President Trump spoke about an early end to military operations against Iran. It then extended its gains following a two-week ceasefire agreement. From the mid-month onward, semiconductor and AI-related stocks led gains in Japan as well, supported by strong U.S. high-tech stocks. However, the market remained heavy at the top due to uncertainty over the outlook for the ceasefire and caution surrounding the future direction of Japanese and U.S. monetary policy. Toward the end of the month, as domestic companies began announcing earnings results, stock picking at the individual company level became more pronounced.

By sector, nonferrous metals, electric appliances, and glass & ceramics products outperformed the market, while mining, oil & coal products, and fisheries, agriculture & forestry underperformed.

Our fund underperformed both the TOPIX (including dividends) and the Russell/Nomura Small Cap Index (including dividends) mainly due to our exposure to value factor.

We will focus on 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: Miura Co Ltd

It is a company with a strong position in industrial boilers. In particular, its products are differentiated by strong energy-saving performance and ease of maintenance. Reflecting the geopolitical situation in the Middle East, we believe that attention to energy efficiency could increase. In the previous fiscal year, the company accelerated its global expansion, including executing a major overseas acquisition. Through these initiatives, we expect earnings to grow over the medium to long term.

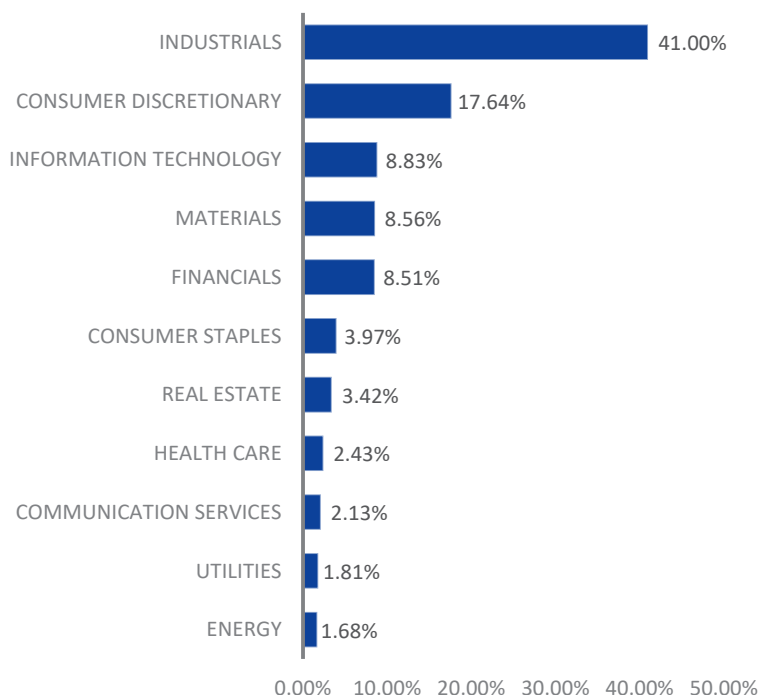
Top Buys

Share Name
CKD CORP
TOPPAN HOLDINGS INC

Top Sells

Share Name
HIKARI TSUSHIN INC
-

Sector Allocation



Source: SMDAM, as at 30 April 2026

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Top Holdings

Share Name	Portfolio Weight	MSCI Sector
FUJI ELECTRIC CO LTD	3.96%	Industrials
SUMITOMO ELECTRIC INDUSTRIES	3.92%	Consumer Discretionary
TOKYO TATEMONO CO LTD	3.07%	Real Estate
EBARA CORP	2.83%	Industrials
SOJITZ CORP	2.66%	Industrials

1. Fuji Electric Co Ltd: It specialises 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.

2. Sumitomo Electric Industries: It operates in several key business sectors, including automotive, information & communications and industrial materials. We appreciate its ability to develop advanced technologies across various sectors.

3. 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.

4. Ebara Corp: It serves infrastructure, energy, water treatment, and semiconductor-related markets worldwide. The company is recognized for engineering expertise and strong exposure to semiconductor equipment through its precision machinery business. EBARA focuses on technological innovation, global expansion, and sustainable solutions for industrial and social infrastructure..

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

Top Contributors

Share Name	Portfolio Weight	MSCI Sector
FUJI ELECTRIC CO LTD	3.96%	Industrials
GLTECHNO HOLDINGS INC	1.26%	Information Technology
EBARA CORP	2.83%	Industrials
SUMITOMO ELECTRIC INDUSTRIES	3.92%	Consumer Discretionary
DAIFUKU CO LTD	2.51%	Industrials

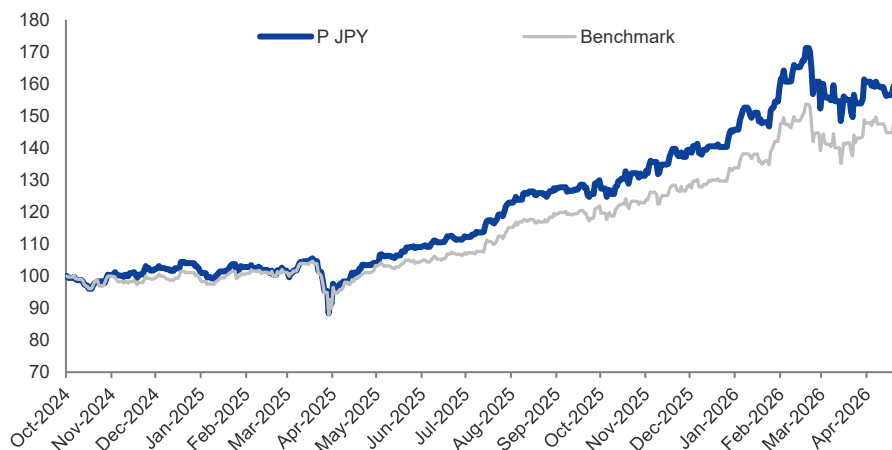
Top Detractors

Share Name	Portfolio Weight	MSCI Sector
SOJITZ CORP	2.66%	Industrials
YONEX CO LTD	1.03%	Consumer Discretionary
KIMURA KOHKI CO LTD	0.65%	Industrials
SHIKOKU ELECTRIC POWER CO	0.75%	Utilities
MODEC INC	0.73%	Energy

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Source: SMDAM, as at 30 April 2026

Performance



Source: SMDAM and Bloomberg, data as at 30 April 2026. 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.

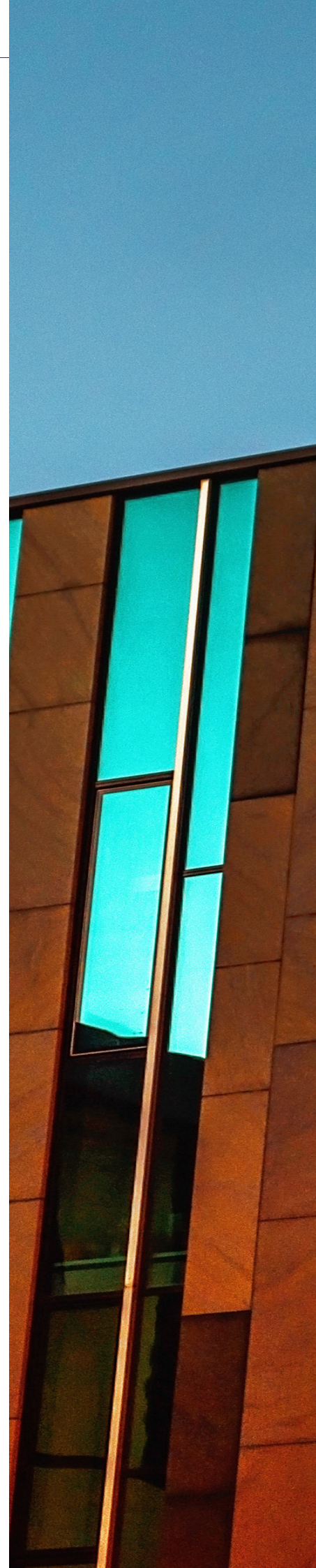
Fund Performance Share Class: (P) JPY		
(Net of fees)	Fund %	Benchmark %
1m	5.62	6.26
3m	6.79	7.54
6m	19.59	18.57
12m	52.63	45.27
Since Inception p.a. (10/10/24)	34.24	27.69

Source: SMDAM, as at 30 April 2026

Investment Information	
Investment Management Fee	Total Expense Ratio
Institutional (I) 0.80% p.a.	Institutional (I) 1.00% 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 April 2026

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

Sumitomo Mitsui DS Asset Management (UK) Limited.

100 Liverpool Street, London

EC2M 2AT, United Kingdom

www.smd-am.co.uk - uksales@smd-am.co.jp



Richard HAXE

*Managing Director, Head of
Business Development*

+44 20 7507 6431

richard_haxe@smd-am.co.jp



Alex BARRY

*Executive Director, Head of
Sales, UK and Ireland*

+44 20 7507 6419

alex_barry@smd-am.co.jp



Chloé CHOQUIN

*Director, Business
Development*

+44 20 7507 6424

chloe_choquin@smd-am.co.jp



Thomas CARTWRIGHT

*Director, Business
Development*

+44 20 7507 6440

thomas_cartwright@smd-am.co.jp

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