



# Japan Equity Small Cap Absolute Value

Monthly Commentary - August 2025

## 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 August, the Japan Equity Small Cap Absolute Value Class P JPY returned 5.74% versus the Russell/Nomura Small Cap (with div) of 4.78%.\*

The Japanese stock market rose in August, driven by the continued global optimism since mid-April. Both the TOPIX and the Russell/Nomura Small Cap (with div) increased, with value stocks tending to be the main contributors in each.

Our fund, partly due to its focus on undervalued stocks, outperformed the Russell/Nomura Small Cap (with div).

Despite the ongoing global economic uncertainties stemming from President Trump's policies, global stock markets have remained resilient. We are potentially concerned about this continued rise in stock prices seen over the past five months and what it might mean for valuations.

However, if the market were to enter a correction phase, our fund should be well-positioned to show resilience due to its limited exposure to overbought, popular stocks.

**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.

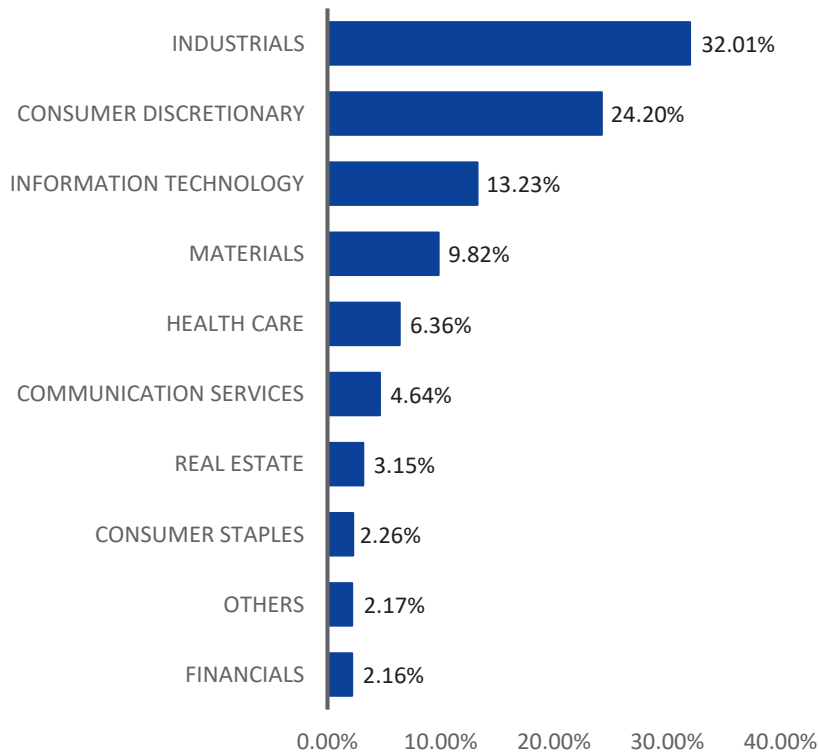
Top Buys

| Share Name         |
|--------------------|
| MAEDA KOSEN CO LTD |
| -                  |
| -                  |

Top Sells

| Share Name                |
|---------------------------|
| PACIFIC INDUSTRIAL CO LTD |
| TOKYO BASE CO LTD         |
| COLUMBIA WORKS INC        |

Sector Allocation



Source: SMDAM, as at 31 August 2025

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## Top Holdings

| Share Name                | Portfolio Weight | MSCI Sector            |
|---------------------------|------------------|------------------------|
| MIMAKI ENGINEERING CO LTD | 2.80%            | Information Technology |
| AISAN INDUSTRY CO LTD     | 2.63%            | Consumer Discretionary |
| BEAUTY GARAGE INC         | 2.45%            | Consumer Discretionary |
| TENTIAL INC               | 2.42%            | Consumer Discretionary |
| KONOIKE TRANSPORT CO LTD  | 2.13%            | Industrials            |

**1. Mimaki Engineering Co Ltd:** The company is known for its innovation in digital printing technologies, including advancements in UV-curable, solvent, and dye-sublimation inks.

**2. Aisan Industry Co:** The company leverages its technological expertise, commitment to quality, and global reach to maintain its position as a key player in the automotive components industry.

**3. Beauty Garage Inc:** Currently, the company has over 600,000 member accounts, and the scope of their business has expanded beyond just merchandise sales to include a wide range of start-up and management support.

**4. TENTIAL Inc:** The company offers self-branded health and conditioning improvement products, such as insoles and recovery wear. By integrating D2C and B2B models, the company enhances functionality through sports science and data utilization, aiming for growth in the health management and sports markets.

**5. Konoike Transport Co Ltd:** The company is a comprehensive logistics company that operates a wide range of businesses both domestically and internationally.

## Top Contributors

| Share Name                   | Portfolio Weight | MSCI Sector            |
|------------------------------|------------------|------------------------|
| TENTIAL INC                  | 2.42%            | Consumer Discretionary |
| AISAN INDUSTRY CO LTD        | 2.63%            | Consumer Discretionary |
| MITSUBISHI KAKOKI KAISHA LTD | 2.03%            | Industrials            |
| INTERMESTIC INC              | 1.00%            | Consumer Discretionary |
| SUNCALL CORP                 | 0.20%            | Consumer Discretionary |

## Top Detractors

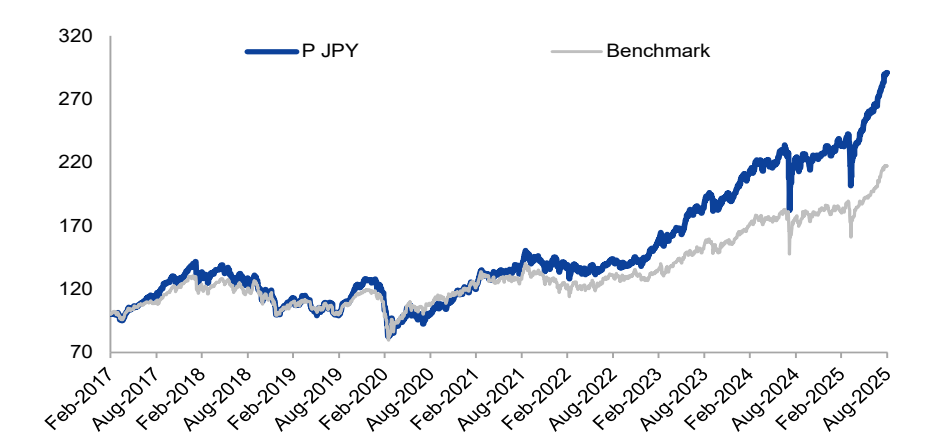
| Share Name                | Portfolio Weight | MSCI Sector            |
|---------------------------|------------------|------------------------|
| MIMAKI ENGINEERING CO LTD | 2.80%            | Information Technology |
| ZIG-ZAG INC               | 0.38%            | Not Available          |
| CROWDWORKS INC            | 1.20%            | Industrials            |
| RISE CONSULTING GROUP INC | 0.68%            | Industrials            |
| ENDO LIGHTING CORP        | 1.26%            | Industrials            |

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Source: SMDAM, as at 31 August 2025



Performance



Source: SMDAM and Bloomberg, data as at 31 August 2025. Rebased to 100 at inception of the share class (28 February 2017). The chart above shows daily performance, in the currency stated for the UCITS Fund (JPY) against the reference benchmark Russell/Nomura Small Cap Index (with div) which is shown in JPY. Performance is illustrated net of fees. Source for all Sub-Fund data is SMDAM and SMDAM (UK). Basis for (P) JPY share class performance data: NAV based, total return (net of fees), in JPY.

| Fund Performance Share Class: (P) JPY |        |             |
|---------------------------------------|--------|-------------|
| (Net of fees)                         | Fund % | Benchmark % |
| 1m                                    | 5.74   | 4.78        |
| 3m                                    | 15.17  | 13.08       |
| 12m                                   | 30.11  | 22.89       |
| 3yr p.a.                              | 26.84  | 18.45       |
| 5yr p.a.                              | 23.86  | 15.18       |

| Investment Information          |                              |
|---------------------------------|------------------------------|
| Investment Management Fee       | Total Expense Ratio          |
| Institutional (I) 0.80% p.a     | Institutional (I) N/A p.a.   |
| Institutional (P) 0.80% p.a.    | Institutional (P) 1.00% p.a. |
| Institutional (S) 0.50% p.a.    | Institutional (S) 0.95% p.a. |
| Wholesale (A) 1.20% p.a.        | Wholesale (A) N/A p.a.       |
| Trading Frequency: Weekly       |                              |
| Dealing Cut Off Time: 16:00 CET |                              |

Source: SMDAM, as at 31 August 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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