



Japan Equity Small Cap Absolute Value

Monthly Commentary - July 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 July, the Japan Equity Small Cap Absolute Value Class P JPY returned 4.99% versus the Russell/Nomura Small Cap Index (including dividends) of 4.97%.*

The optimistic mood that had been prevailing globally since mid-April continued, but within Japan, the focus of investment shifted from growth stocks to value stocks. Given the high proportion of value stocks in the small-cap investment universe, the Russell/Nomura Small Cap Index (including dividends) outperformed the TOPIX (including dividends). Our fund achieved significant appreciation, outperforming the market by a wide margin due to its continuous commitment to undervalued stocks and the fact that one of our top holdings, Pacific Industrial Co., Ltd. (7250), became the target of a tender offer.

Considering that the uncertainties in the global economy caused by U.S. President Trump's policies have still not been finally resolved, there is a heightened sense of uncertainty within the market. This has developed over the past four months, and we expect this to remain in place. However, since our fund holds very few stocks that have risen based on expectations of future growth, we believe that even if the market turns to a correction, our fund will demonstrate resistance to downward pressure. This is one of the many reasons we remain committed to locating and exploiting the value factor in our process.

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.

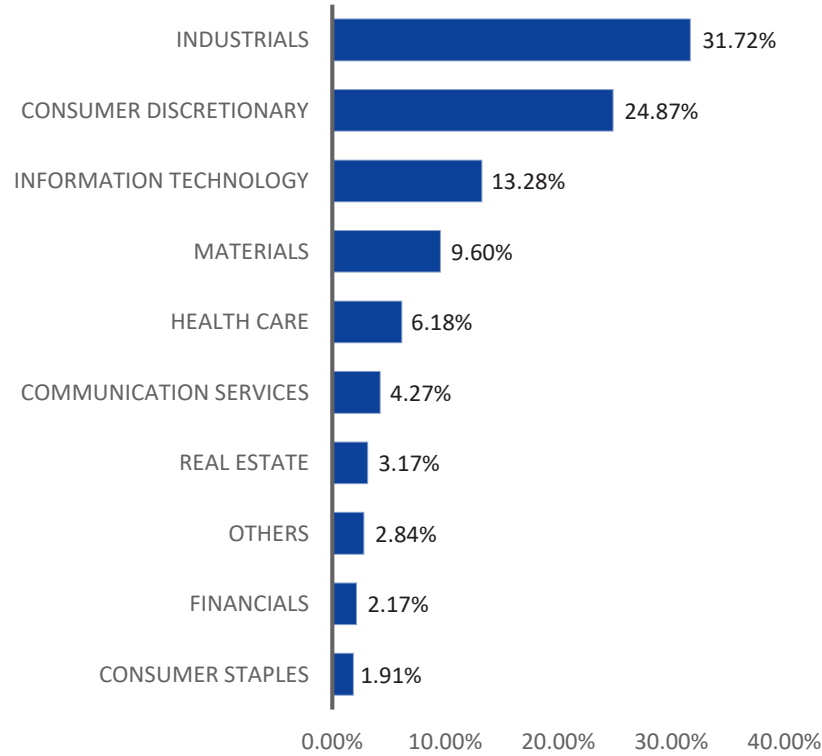
Top Buys

Share Name
H-ONE CO LTD
WELLNET CORP
HAKUYOSHA COMPANY LTD

Top Sells

Share Name
NIHON DENGI CO LTD
TECHNO RYOWA LTD
SE HOLDINGS AND INCUBATIONS

Sector Allocation



Source: SMDAM, as at 31 July 2025

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Top Holdings

Share Name	Portfolio Weight	MSCI Sector
MIMAKI ENGINEERING CO LTD	3.70%	Information Technology
BEAUTY GARAGE INC	2.58%	Consumer Discretionary
AISAN INDUSTRY CORP LTD	2.42%	Consumer Discretionary
CUC INC	2.27%	Health Care
KONOIKE TRANSPORT CO LTD	2.18%	Industrials

1. Mimaki Engineering Co Ltd - The company is a global leader in the manufacture of wide-format inkjet printers and cutting plotters.

2. Beauty Garage Inc - The company launched the online trading site 'BEAUTY GARAGE Online Shop' for professional beauty products in 2003.

3. Aisan Industry Corp Ltd - The company is mainly engaged in the manufacture and sale of automotive parts.

4. CUC Inc - Its main sources of revenue are business support for medical institutions, hospice services, and home-visit nursing services. With the advent of a super-aging society, the company's field of activity is expected to expand further.

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

Top Performers

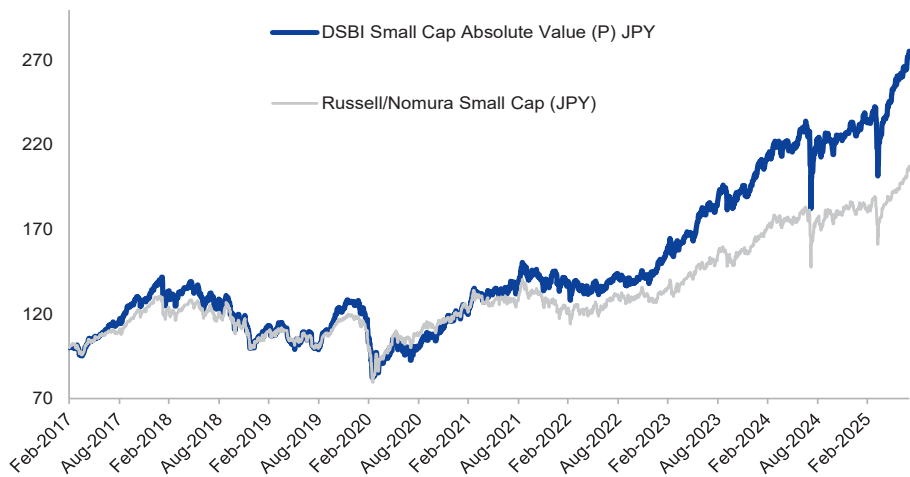
Share Name	Portfolio Weight	MSCI Sector
PACIFIC INDUSTRIAL CO LTD	0.96%	Consumer Discretionary
PROPERTY TECHNOLOGIES INC	0.00%	Real Estate
SUNCALL CORP	0.10%	Consumer Discretionary
SEIYU KOGYO CO LTD	0.02%	Industrials
LIPPS CO LTD	0.57%	Not Available

Worst Performers

Share Name	Portfolio Weight	MSCI Sector
COLUMBIA WORKS INC	0.04%	Real Estate
HOWTELEVISION INC	0.02%	Information Technology
ZIG-ZAG INC	0.43%	Not Available
TENTIAL INC	1.71%	Consumer Discretionary
PROGRIT INC	1.38%	Consumer Discretionary

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Performance



Source: SMDAM and Bloomberg, data as at 31 July 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 (with div) which is shown in JPY. Performance is illustrated net of fees.

Fund Performance Share Class: (P) JPY		
(Net of fees)	Fund %	Russell/Nomura Small Cap (with div) %
1m	4.99	4.97
3m	16.76	12.16
12m	20.83	14.35
3yr p.a.	25.65	17.44
5yr p.a.	24.38	15.68
Since Inception p.a. (28/02/17)	12.77	9.04

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 July 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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