



Japan Equity Small Cap Absolute 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 Japan Equity Small Cap Absolute Value Class P JPY returned 2.59% versus the Russell/Nomura Small Cap (with div) of 4.92%.*

The Japanese stock market continued to experience high volatility. Many AI-related stocks which had surged in the previous month reversed and began to decline, while other stocks generally showed strength.

As a result, the TOPIX Total Return Index posted only a modest increase across the month, whereas the Russell/Nomura Small Cap Index Total Return, which has a lower weighting of AI-related stocks, recorded solid gains.

Our fund underperformed the index, mainly due to a decline in Loadstar Capital (3482), one of our top holdings, as it failed to make as much progress as had been expected.

Observing the sharp price fluctuations and the extreme concentration of investment trends, we feel that the market may be entering the final phase of an optimistic cycle. We believe the risk of a market correction has now increased.

However, after an adjustment, we expect the market to shift its focus back to fundamentals. Small and mid-cap value stocks have often been undervalued, and compared to large-cap stocks, there is still room to strengthen shareholder returns. Accordingly, we still consider them attractive investment opportunities. Our fund will continue to focus on investing in undervalued 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.

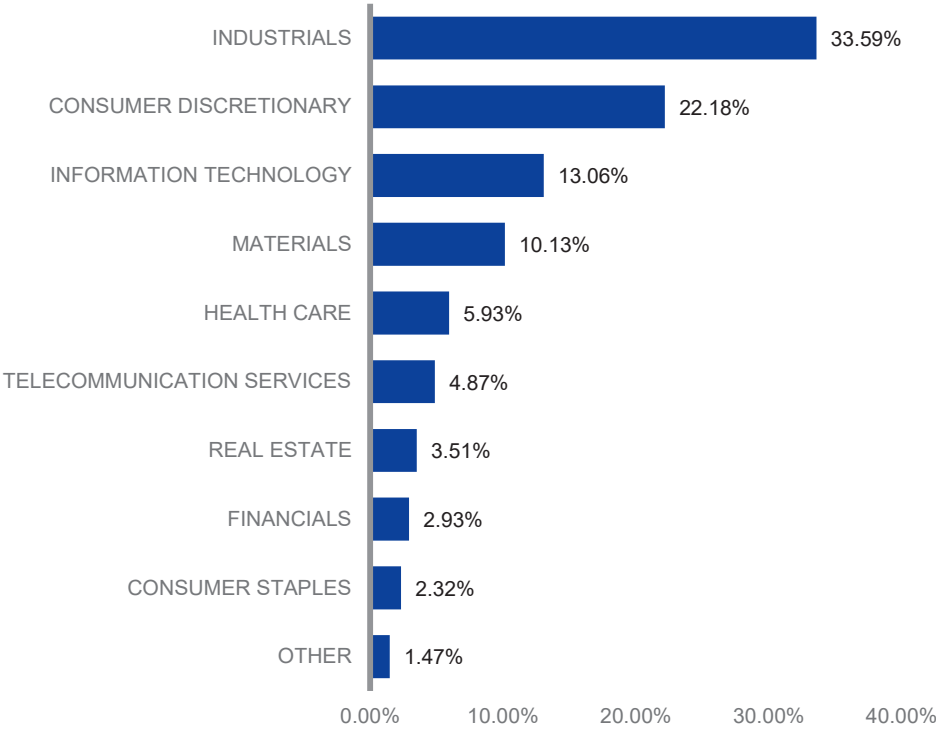
Top Buys

Share Name
HUMAN MADE INC
PARKER CORP
INTERLIFE HOLDINGS CO LTD

Top Sells

Share Name
SANYO TRADING CO LTD
OUTLOOK CONSULTING CO LTD
STARZEN CO LTD

Sector Allocation



Source: SMDAM, as at 30 November 2025

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.



Top Holdings

Share Name	Portfolio Weight	MSCI Sector
RAKSUL INC	3.06%	Industrials
KONOIKE TRANSPORT CO LTD	3.04%	Industrials
TENTIAL INC	2.81%	Consumer Discretionary
INABATA & CO LTD	2.64%	Industrials
MIMAKI ENGINEERING CO LTD	2.48%	Information Technology

1. Raksul Inc: It works to improve the efficiency of existing industries and serves its customers by offering a sharing-based platform across a wide range of areas, from printing to logistics and advertising.

2. Konoike Transport Co Ltd: It is a comprehensive logistics company that operates a wide range of businesses both domestically and internationally. It focuses on logistics operations within and outside Japan in a variety of services including production outsourcing, airport operations, and more.

3. Tential Inc: The company is mainly engaged in the manufacture and sale of automotive parts. 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.

4. Inabata & Co Ltd: The company is a comprehensive trading company with strengths in chemicals, resins, and electronic materials. Equipped with manufacturing and technical support functions, it operates globally not just as a distributor but as a development partner.

5. Mimaki Engineering Co Ltd: The company is a global leader in the manufacture of wide-format inkjet printers and cutting plotters. The company is known for its innovation in digital printing technologies, including advancements in UV-curable, solvent, and dye-sublimation inks.

Top Contributors

Share Name	Portfolio Weight	MSCI Sector
RAKSUL INC	3.06%	Industrials
ICHIKEN CO LTD	2.13%	Industrials
KANAMIC NETWORK CO LTD	1.35%	Health Care
INABATA & CO LTD	2.64%	Industrials
METALART CORP	0.72%	Consumer Discretionary

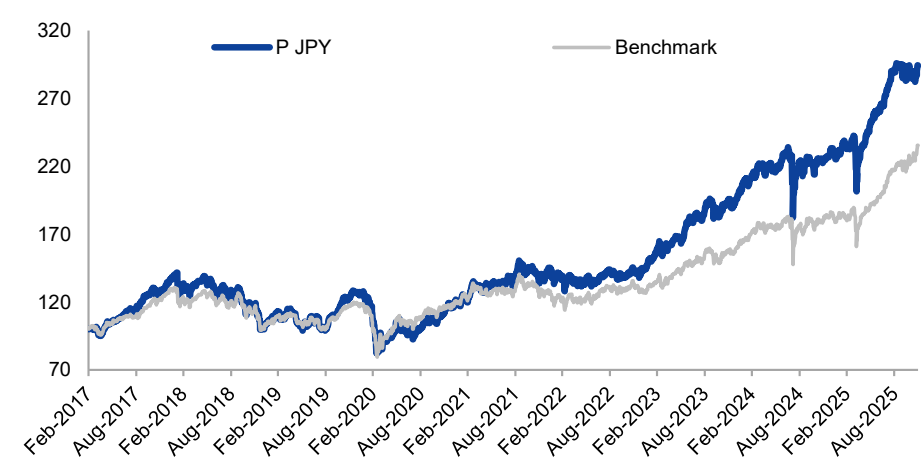
Worst Detractors

Share Name	Portfolio Weight	MSCI Sector
MIMAKI ENGINEERING CO LTD	2.48%	Information Technology
LOADSTAR CAPITAL KK	1.64%	Real Estate
CUC INC	1.82%	Health Care
SEMITEC CORP	0.87%	Information Technology
INTERMESTIC INC	1.29%	Consumer Discretionary

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.

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 (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.

Fund Performance Share Class: (P) JPY		
(Net of fees)	Fund %	Benchmark %
1m	2.59	4.92
3m	1.10	8.35
12m	31.59	30.87
3yr p.a.	27.04	20.90
5yr p.a.	21.42	15.44
Since Inception p.a. (28/02/17)	13.12	10.27

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.
Dealing Frequency: Weekly	

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

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

Disclosures

This document is distributed to and is directed only at: (a) persons who have professional experience in matters relating to investments and falling within the definition of “investment professional” in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Order”); (b) high-net-worth entities falling within article 49(2) of the Order; (c) certified sophisticated investors falling with article 50 of the Order; and (d) other persons to whom it may otherwise lawfully be communicated.

The information set out in this document is for information purposes only and is not intended to be investment advice, tax, financial or any other type of advice and is merely a brief summary of the main aspects of the Sub-Fund. This document is for information only and should not be construed as an offer to purchase shares of the Sub-Fund. The information is correct to the best of our knowledge at the date of issue. This document may not be copied, redistributed or reproduced in whole or in part without the prior written approval of Sumitomo Mitsui DS Asset Management (UK) Limited. For detailed information about the Sub-Fund please refer to the prospectus and the Key Information Document (“KID”). Financial information about the Sub-Fund is provided in the latest audited annual report or semi-annual report, whichever is newest. The KID, the prospectus and the most recent annual report and the latest semi-annual report, if published thereafter, are the only binding basis for the purchase of shares and investment decisions should be based solely on this. The documents can be obtained free of charge at Sumitomo Mitsui DS Asset Management (UK) Limited, and on <http://www.smd-am.co.uk/>. Sumitomo Mitsui DS Asset Management (UK) Limited suggests that you read the KID, the prospectus and the last annual report or semi-annual report and that you contact a professional adviser for personalised advice before deciding on any investment. Sumitomo Mitsui DS Asset Management (UK) Limited assumes no responsibility for the use of this document or its contents. This document does not contain any representation made by the management company of the Sub-Fund. Opinions and data expressed herein are subject to change without notice.

In Switzerland, the representative in Switzerland is 1741 Fund Solutions Ltd, Burggraben 16, CH-9000 St. Gallen. The paying agent is Telco Bank Ltd., Bahnhofstrasse 4, 6430 Schwyz, Switzerland. The Sub-Fund prospectus, the KID, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative.

Risk warning: On 1 January 2021 the UK left the EU transitional arrangements and no longer benefits from passporting rights into EEA countries. The shares issued in the Sub-Fund may only be offered for sale or sold in jurisdictions where such offer or sale is legally permitted. In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative.
Risk warning: Shares of the Sub-Fund are not available for purchase/sale in the U.S. or to U.S. persons residing outside the U.S., or in the EEA or to EEA domiciled persons.

Any document regarding the Sub-Fund and/or the information may not be distributed in the U.S., or the EEA. Publication and distribution of this document and offer and sale of shares in the Sub-Fund may also be subject to special restrictions in other jurisdictions than the U.S., and the EEA.

Risk warning: Investments in the Sub-Fund can both increase and decrease in value due to market fluctuations, the Sub-Fund’s risk and costs associated with subscription and redemption, administration, etc., and you can lose the entire amount invested. The Sub-Fund’s historical development should not be considered a reliable indicator of future returns. Sumitomo Mitsui DS Asset Management (UK) Limited is authorised and regulated by the Financial Conduct Authority.

This is a marketing communication. Please refer to the prospectus of the UCITS and to the KID before making any final investment decisions.