Sumitomo Mitsui DS Asset Management

Japan Equity Small Cap Absolute Value

Monthly Commentary - September 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 0.81% versus the Russell/Nomura Small Cap (with div) of 2.04%.*

The Japanese stock market rose in September supported by the optimistic sentiment around global markets since mid-April. Particularly, major stocks with large market capitalizations drew investor attention, which led to the TOPIX outperforming the Russell/Nomura Small Cap Index. Due to the fact that our fund focuses on small and mid-cap stocks, we have lagged behind both indices.

Considering that the uncertainties in the global economy caused by U.S. President Trump's policies have not been resolved yet, there is a sense of unease about the optimism in the markets over the past six months.

However, if the market enters a correction phase, our fund should be well-positioned to show resilience due to its limited exposure to popular stocks whose valuations have risen over this time period.

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

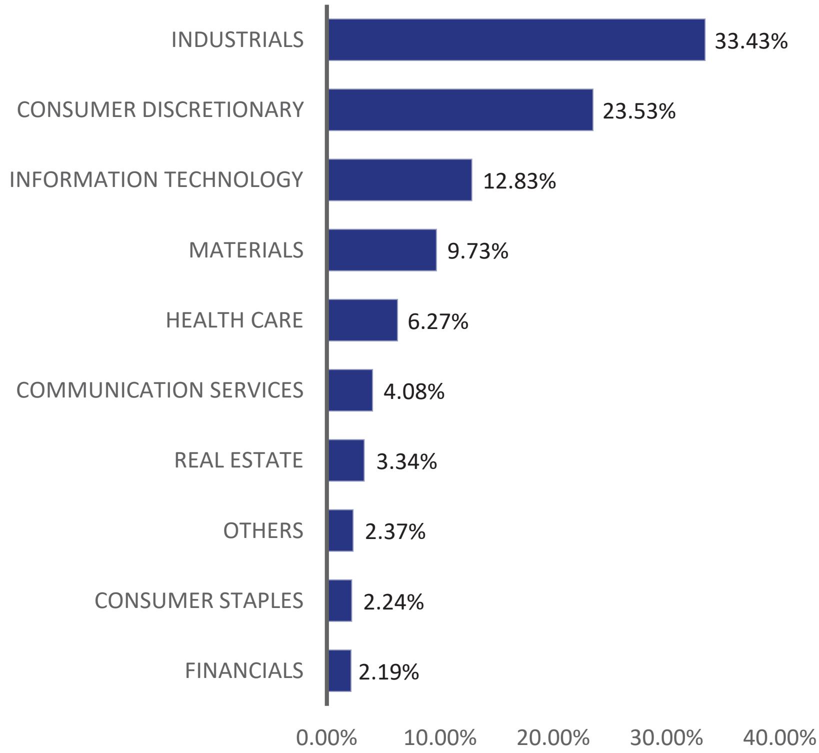
Top Buys

Share Name
MANAGEMENT SOLUTIONS CO LTD
UNICON HOLDINGS CO LTD
ZERO CO LTD

Top Sells

Share Name
ASHIMORI INDUSTRY CO LTD
NARUMIYA INTERNATIONAL CO LT
SYSTEM SUPPORT HOLDINGS INC

Sector Allocation



Source: SMDAM, as at 30 September 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
KONOIKE TRANSPORT CO LTD	2.81%	Industrials
TENTIAL INC	2.79%	Consumer Discretionary
MIMAKI ENGINEERING CO LTD	2.57%	Information Technology
AISAN INDUSTRY CO LTD	2.32%	Consumer Discretionary
INABATA & CO LTD	2.27%	Industrials

1. 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.

2. Tential Inc: It offers self-branded health and fitness conditioning 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.

3. 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.

4. Aisan Industry Co Ltd: 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.

5. 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. Global bases, long-standing reliable relationships with manufacturers, and diversification are the sources of stable growth.

Top Contributors

Share Name	Portfolio Weight	MSCI Sector
SOKEN CHEMICAL & ENGINEERING	1.07%	Materials
AB&COMPANY CO LTD	0.56%	Consumer Discretionary
SUNCALL CORP	0.94%	Consumer Discretionary
LOADSTAR CAPITAL KK	1.63%	Real Estate
NIPPON DRY-CHEMICAL CO LTD	0.27%	Industrials

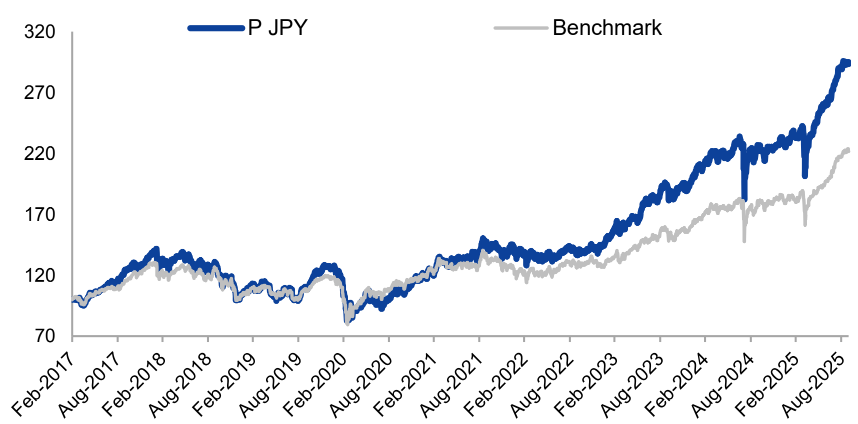
Worst Detractors

Share Name	Portfolio Weight	MSCI Sector
TENTIAL INC	2.79%	Consumer Discretionary
BEAUTY GARAGE INC	1.95%	Consumer Discretionary
RAKSUL INC	1.69%	Industrials
PORT INC	1.00%	Communication Services
KONOIKE TRANSPORT CO LTD	2.81%	Industrials

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 September 2025

Performance



Source: SMDAM and Bloomberg, data as at 30 September 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	0.81	2.04
3m	11.91	12.23
12m	32.18	24.69
3yr p.a.	29.07	20.44
5yr p.a.	22.53	14.41
Since Inception p.a. (28/02/17)	**13.35**	**9.71**

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	

Source: SMDAM, as at 30 September 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 Tellco 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.