



Japan Equity Small Cap Absolute 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 Equity Small Cap Absolute Value Fund Class P JPY returned 3.04% versus the Russell/Nomura Small Cap JPY (including dividends) return of 4.86%.*

In particular, robust data centre investment once again drew significant investor attention, and semiconductor and optical communications stocks received notably strong buying interest. Because many of these are large-cap stocks, the TOPIX Total Return Index rose 6.56%, while the Russell/Nomura Small Cap Index (including dividends) gained only 4.86%.

Our fund holds very few semiconductor or optical communications names, and as a result, its return was 3.04%, underperforming the Russell/Nomura Small Cap Index (including dividends).

Recently, the stock market has become increasingly volatile. We do not believe the Iran issue will be resolved smoothly, and we believe that stocks that have surged recently, in particular, face heightened downside risk. Our fund remains committed to value investing, aiming for long-term appreciation while limiting downside risk.

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. Any forecasts, figures, opinions, or investment techniques and strategies contained are for information purposes only, and are based on certain assumptions and current market conditions that are subject to change without prior notice.

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

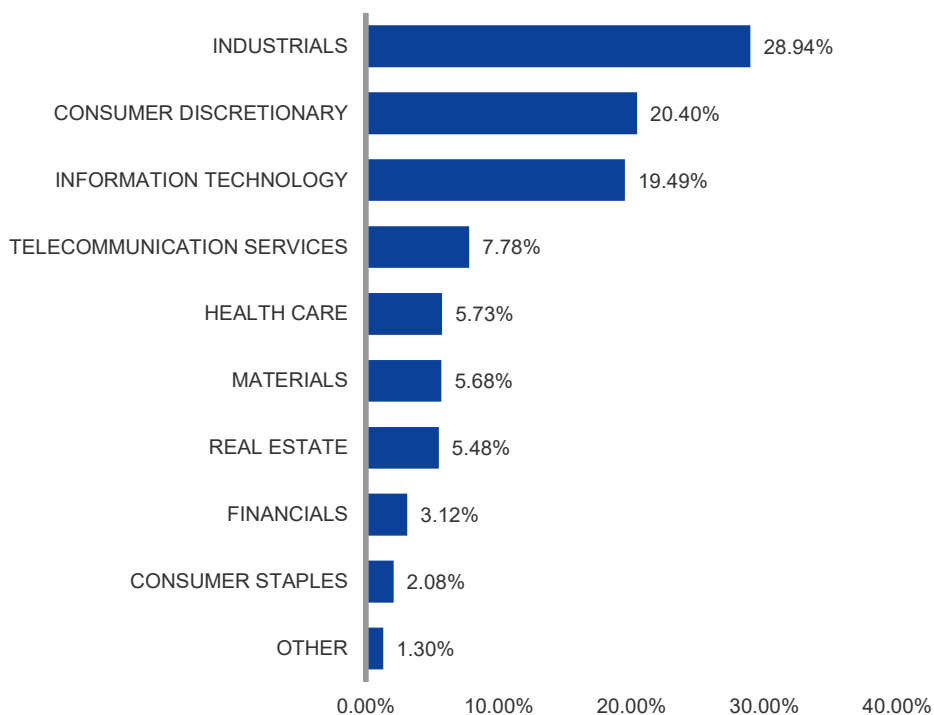
Top Buys

Share Name
MIRAINI HOLDINGS CO LTD
VITABRID JAPAN INC
TOKAI SOFT CO LTD

Top Sells

Share Name
HAGIWARA ELECTRIC HOLDINGS C
SATORI ELECTRIC CO LTD
JSB CO LTD

Sector Allocation



Source: SMDAM, as at 30 April 2026

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Top Holdings

Share Name	Portfolio Weight	MSCI Sector
INTERMESTIC INC	3.88%	Consumer Discretionary
INABATA & CO LTD	2.75%	Industrials
KONOIKE TRANSPORT CO LTD	2.60%	Industrials
TENTIAL INC	2.51%	Consumer Discretionary
MIMAKI ENGINEERING CO LTD	2.29%	Industrials

1. Interemestic Inc: Its key feature is the ability to offer low prices including standard lenses while maintaining a high quality, achieved by handling the entire process in-house from planning and manufacturing through to sales thereby reducing intermediate costs.

2. 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.

3. 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.

4. 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.

5. Mimaki Engineering Co Ltd: It's 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

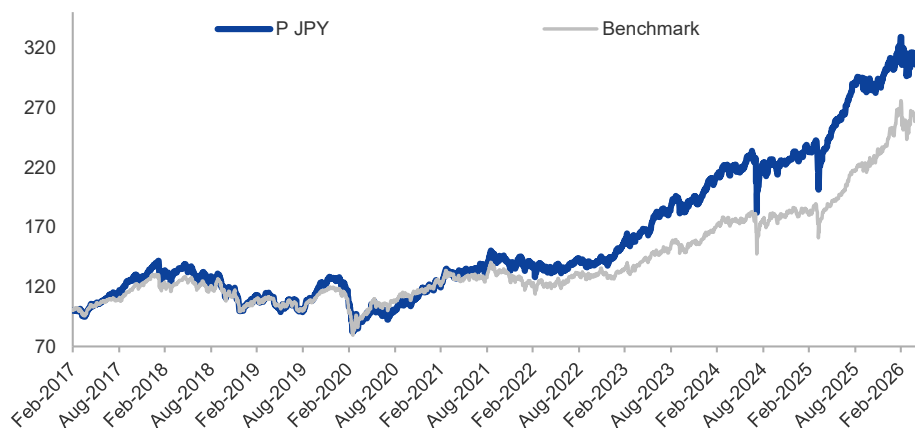
Share Name	Portfolio Weight	MSCI Sector
INTERMESTIC INC	3.88%	Consumer Discretionary
TENTIAL INC	2.51%	Consumer Discretionary
USONAR CO LTD	1.54%	Communication Services
ICHIKEN CO LTD	2.29%	Industrials
NS GROUP INC	1.74%	Real Estate

Top Detractors

Share Name	Portfolio Weight	MSCI Sector
PROGRESS TECHNOLOGIES GROUP	0.72%	Information Technology
MIMAKI ENGINEERING CO LTD	2.24%	Information Technology
CROWDWORKS INC	0.66%	Industrials
GIMIC CO LTD	0.53%	Health Care
INABATA & CO LTD	2.75%	Industrials

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Performance



Source: SMDAM and Bloomberg, data as at 30 April 2026. 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 (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	3.04	4.86
3m	0.93	5.17
12m	29.88	41.01
3yr p.a.	22.92	22.98
5yr p.a.	19.19	15.59
Since Inception p.a. (28/02/17)	12.98	11.01

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 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).



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