



Japan Equity Small Cap Absolute Value

Monthly Commentary - March 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 March, the Japan Equity Small Cap Absolute Value Fund Class P JPY returned -9.70% versus the Russell/Nomura Small Cap JPY (including dividends) return of -9.92%.*

Tensions remained high throughout the month, and stock prices had already risen rapidly up to the previous month, resulting in sharp declines for both the TOPIX Total Return JPY, which fell 10.33%, and the Russell/Nomura Small Cap JPY (including dividends), which fell 9.92%.

For the time being, the market is expected to remain sensitive and volatile, swayed by developments in the situation involving Iran. However, if the situation begins to stabilize, bargain-hunting particularly in undervalued stocks can be expected.

Our fund will continue to maintain its disciplined focus on value investing.

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.

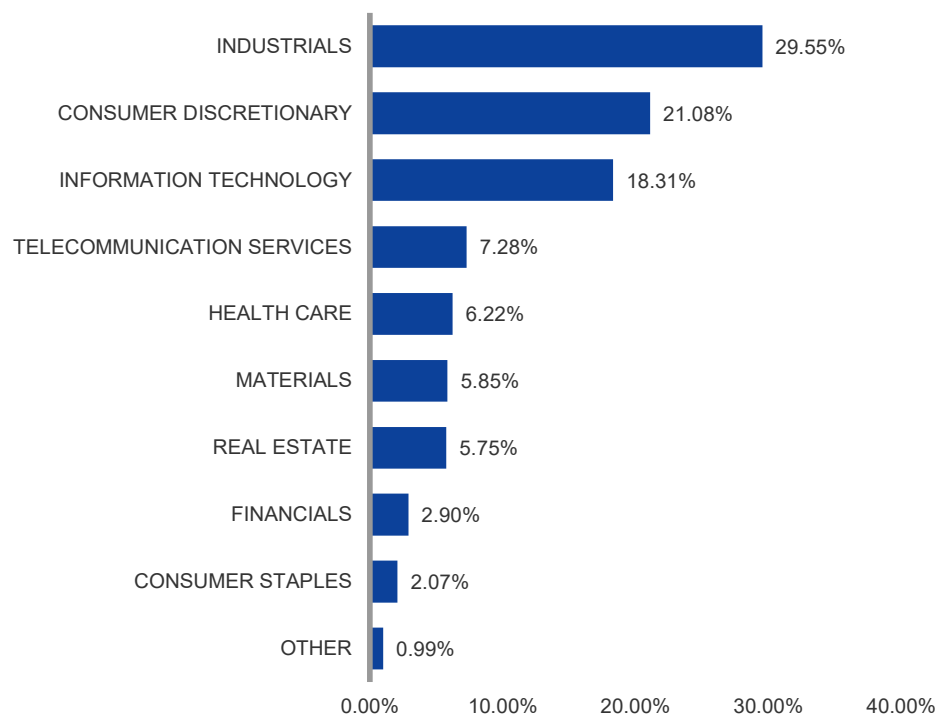
Top Buys

Share Name
RAKSUL INC
STAR MICA HOLDINGS CO LTD
INFORICH INC

Top Sells

Share Name
ULS GROUP INC
SYSTEM SUPPORT HOLDINGS INC
FCE INC/JAPAN

Sector Allocation



Source: SMDAM, as at 31 March 2026

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Top Holdings

Share Name	Portfolio Weight	MSCI Sector
INTERMESTIC INC	3.55%	Consumer Discretionary
INABATA & CO LTD	2.96%	Industrials
KONOIKE TRANSPORT CO LTD	2.80%	Industrials
MIMAKI ENGINEERING CO LTD	2.47%	Information Technology
TENTIAL INC	2.29%	Consumer Discretionary

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. 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.

5. 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.

Top Contributors

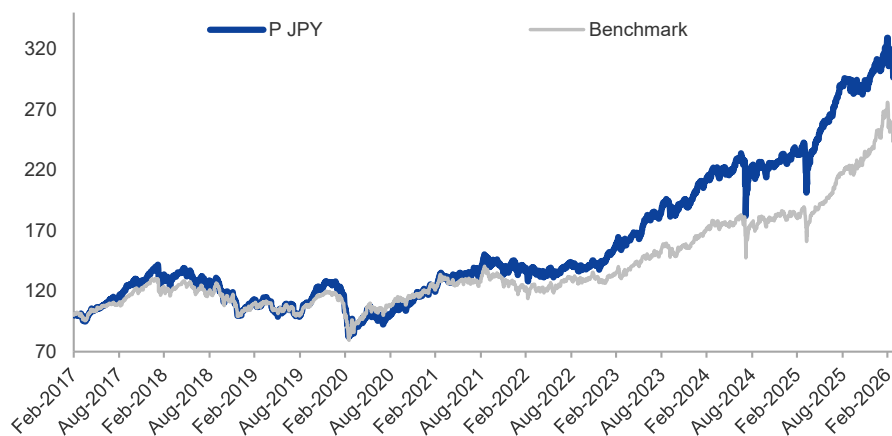
Share Name	Portfolio Weight	MSCI Sector
SUNCALL CORP	1.39%	Consumer Discretionary
JSB CO LTD	0.35%	Real Estate
NORTHSAND INC	1.08%	Information Technology
BEAUTY GARAGE INC	1.85%	Consumer Discretionary
HUMAN MADE INC	0.15%	Consumer Discretionary

Top Detractors

Share Name	Portfolio Weight	MSCI Sector
ICHIKEN CO LTD	2.19%	Industrials
TENTIAL INC	2.29%	Consumer Discretionary
KONOIKE TRANSPORT CO LTD	2.80%	Industrials
LOADSTAR CAPITAL KK	1.60%	Real Estate
MIMAKI ENGINEERING CO LTD	2.47%	Information Technology

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Performance



Source: SMDAM and Bloomberg, data as at 31 March 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	-9.70	-9.92
3m	-1.36	4.56
12m	25.48	35.24
3yr p.a.	22.40	22.10
5yr p.a.	17.61	13.81
Since Inception p.a. (28/02/17)	12.73	10.54

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 31 March 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).



Contact Details

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