

## Japan Equity High Conviction (I2) JPY

## SMD-AM FUNDS | MONTHLY FACTSHEET

Data as of 31 July 2024

## Investment Objective

Maximise total return over the medium-to-long term by focusing on fundamentals and concentrate investments on stocks that differ significantly between strategy's analysis and market expectations. The target return is the reference benchmark +5%.

## Product Description

This product is actively managed and seeks to achieve mid-to-long term capital growth through investing primarily in equities or equities-related securities issued by Japanese companies. The product is limited to a maximum of 30 holdings and aims to generate excess returns in any market environment by utilising a bottom-up investment approach focusing on "Micro Leading Indicators" that are directly linked to corporates' near-term earnings.

## Investor Profile

Institutional and wholesale investors seeking to participate in the capital market performance of an actively managed, SFDR Article 8 compliant, concentrated Japanese equity portfolio. The Sub-Fund is therefore suitable for investors who can afford to invest their capital over the longer term.

## Key Facts

ISIN [I2 - JPY]	LU2786909890
Bloomberg Ticker	SMHCJ12
Sub-Fund Domicile	Luxembourg
Legal Structure	SICAV
LEI	21380039FEH3QPIJV648
Regulatory Structure	UCITS
Investment Manager	Sumitomo Mitsui DS Asset Management Company, Limited
SMDAM (UK) LEI:	213800U65SVAMEAI6V90
Strategy Inception	February 2020
Sub-Fund Inception	27 March 2024
Share Class Inception	27 March 2024
Portfolio Manager	Hideyuki TANIUCHI, CMA CFA
Base Currency	JPY
Available Currencies	JPY, USD, EUR, GBP, HKD
Investment Style	Value
EU 2019/2088 SFDR Regs: Article 8	The Sub-Fund is categorised under SFDR as Article 8. The Sub-Fund promotes environmental and social characteristics but does not have a sustainable investment objective.
Reference Benchmark*	TOPIX (with div)
Number of Holdings	30 Maximum
Fund AUM (million)**	USD 7.80 JPY 1,172.88
Strategy Size (million)**	USD 421 JPY 63,331
Administrator	Brown Brothers Harriman (Luxembourg) S.C.A.
BBH LEI	222100V03Y766EM5TZ83

\* For performance comparison purposes and not to attain the SFDR environmental or social characteristics promoted by this Sub-Fund. \*\*As at 31 July 2024

## Investment Information

Investment Management Fee	Institutional (S) 0.45% p.a.
	Institutional (I2) 0.70% p.a.
	Wholesale (A) 1.20% p.a.
Max Man Co. Fee	0.05% p.a.
Trading Frequency	Daily
Dealing Cut-Off Time	16:00 CET

## Daily Fund Performance vs. Reference Benchmarks

Performance data for 12 months is not available, therefore, we cannot provide performance data as this would be deemed insufficient to provide a useful indication of past performance.

## Fund Performance Share class: (I2) JPY as at 31 July 2024

ISIN: LU2786909890 Fund: Net of Fees	May 2024 %	June 2024 %	July 2024 %	3 Months %	1 Year % p.a.	Since Inception % †
High Conviction	-	-	-	-	-	-
Reference benchmark: TOPIX (with div)	-	-	-	-	-	-
Excess Return	-	-	-	-	-	-

## Performance 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).

## Performance Disclaimers

Source for all Sub-Fund data is SMDAM and SMDAM (UK). Basis for (I2) JPY share class performance data: NAV based, total return (net of fees), in JPY.

Performance in the market commentary is shown in JPY terms.

Where the Japan Equity High Conviction UCITS Fund performance is compared to TOPIX (with div) index performance, this is done for reference purposes only as the UCITS Fund is benchmark-agnostic.

† Inception date of Japan Equity High Conviction UCITS Fund (I2) JPY is 27 March 2024.



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## CONTACTS

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**Management Company:**  
Kroll (Luxembourg) Management Company S.à.r.l.  
AIR Building, 1 rue Jean Piret,  
Luxembourg, L-2350.

## Paying / Information Agents:

**UK & Ireland:**  
FE fundinfo.

**Luxembourg:**  
Brown Brothers Harriman (Luxembourg) S.C.A.

**Switzerland:**  
Telco Bank Ltd. Bahnhofstrasse 4,  
6430 Schwyz,  
Switzerland.

The representative in Switzerland is 1741  
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The prospectus and the Key Information Document as well as the annual and semi-annual reports may be obtained free of charge from our website: [www.smd-am.co.uk](http://www.smd-am.co.uk)

## Market Commentary

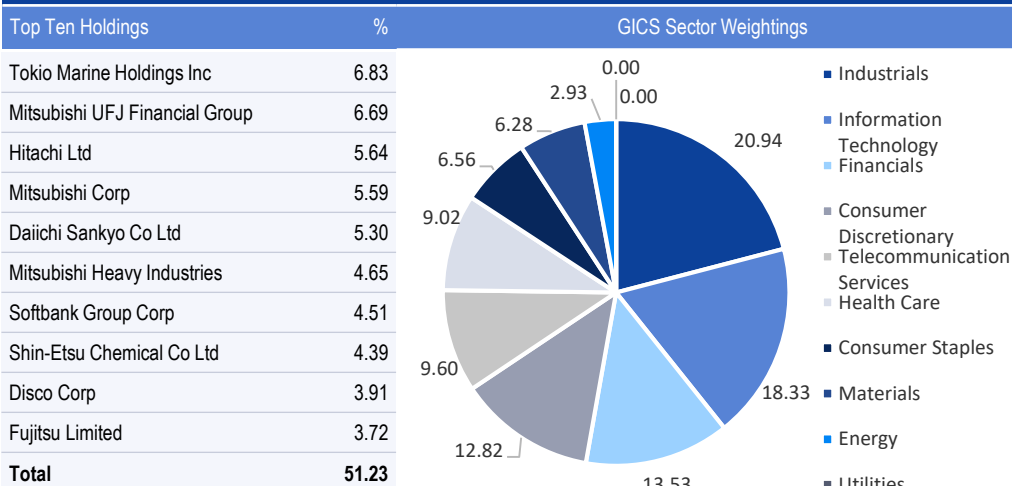
In July, the Nikkei Stock Average fell 1.2% month-on-month to 39,101.82, and the TOPIX declined 0.5% to 2,794.26. Both indices hit new highs early in the month, driven by foreign investors' buying, due to expectations of increased earnings from yen depreciation and rising US tech stocks. However, they fell back to near their starting levels due to the yen's appreciation. At the end of the month, the Bank of Japan raised its policy rate to around 0.25% and announced plans to taper Japanese Government Bond purchases. This came after a media report indicated that US President Joe Biden's administration would exclude Japan and South Korea from new regulations on exporting chipmaking equipment to China. This news led to a sharp rebound in the Japanese market, particularly in semiconductor-related stocks, before closing the month.

In July, investor interests were swayed by yen-dollar rate movements. Large-cap growth stocks led the market rally during the yen's weakness in the first half of the month, but then domestic demand-oriented/defensive names and small-caps outperformed once the yen began strengthening. By sector, the best performers included pharmaceuticals, construction, real estate, foods, and metal products. The worst performers included transportation equipment, electric power & gas, nonferrous metals, electric appliances, and machinery.

Performance data shown in JPY terms.

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## Fund Characteristics



Source: SMDAM, as at 31 July 2024.

**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.

**NB: Futures positions constitute 2.38% of the portfolio as at 31 July 2024.**

## Institutional (I &amp; S)

Share Class	ISIN	Minimum investment amount*	Subsequent investment amount*
I2, JPY	LU2786909890	JPY 30,000,000	JPY 6,000,000
S, JPY	LU2786909205	JPY 30,000,000	JPY 6,000,000
S, USD (UH)	LU2786909627	JPY 30,000,000	JPY 6,000,000

## Wholesale (A)

Share Class	ISIN	Minimum investment amount*	Subsequent investment amount*
A, USD (H)	LU1767077123	JPY 200,000	JPY 100,000
A, USD (UH)	LU2786910047	JPY 200,000	JPY 100,000
A, EUR (H)	LU1767076828	JPY 200,000	JPY 100,000
A, EUR (UH)	LU2788607526	JPY 200,000	JPY 100,000
A, HKD (H)	LU2786910120	JPY 200,000	JPY 100,000
A, HKD (UH)	LU2786909114	JPY 200,000	JPY 100,000

(H) indicates hedged share class. (UH) indicates unhedged share class.

\* JPY or the equivalent in other currencies



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The Sub-Fund is making disclosures as an Article 8 fund for the purposes of the SFDR.

