

# MUFG Japan Equity Small Cap Fund

## MUFG Global Fund SICAV FACTSHEET At 31 Oct 2024

MUFG Asset Management

Marketing Communication for Professional Investors

### INVESTMENT OBJECTIVE

MUFG Japan Equity Small Cap Fund ("Fund") focuses on idiosyncratic Japanese stocks with pioneering business models and long-term growth potential through economic cycles. The Fund tries to identify attractive Japanese small-cap companies, which are overlooked by other market participants, based on rigorous bottom-up research. The reference index is indicated for information purposes only and the Fund does not intend to track it. The minimum recommended investment term is five years.

### FUND PROFILE/STATISTICS

Fund Domicile	Luxembourg
UCITS Launch Date	20 March, 2015
JPY Class I Launch Date	20 March, 2015
Strategy Inception Date	1 October, 2005
Management Company	Waystone Management Company (Lux) S.A. *
Investment Manager	Mitsubishi UFJ Asset Management (UK) Ltd.
Sub-Investment Manager	Mitsubishi UFJ Trust and Banking Co.
Portfolio Manager	Yoshiro Mizukami
Asset Class	Japan Equity
Reference Index	MSCI Japan Small Cap Index gross dividends denominated in JPY
Base Currency	JPY
Total Net Assets	12,861 M JPY
Cash Weight*	1.17%
Risk Profile (SRR1 rank)	6 JPY Class I (JPY)
Number of Holdings	103

\* registration number B96744, regulated by the Commission de Surveillance du Secteur Financier (CSSF)

### FUND REVIEW

Japanese small cap equities gained in October, with MSCI Japan Small Cap Index returning +0.4%. By size, large cap stocks outperformed small- and mid-cap stocks. By factor, value stocks outperformed growth stocks.

Early in the month, Japanese equities advanced due to the solid U.S. employment data and expectations for the FRB's gradual rate cuts. Japan's Prime Minister Ishiba's statement of caution against further rate hikes soon helped the Japanese yen depreciate against the U.S. dollar, which supported the Japanese equity market. In the middle of the month, Japanese equities declined as the investor sentiment was soured since a Dutch SPE maker, ASML, announced sluggish earnings results, prompting the selling of Japanese semiconductor-related stocks. Later in the month, the Japanese equity market remained soft since it was reported that the LDP-Komeito coalition was unlikely to obtain a majority in the House of Representatives election. However, Japanese market rebounded as the market priced in the results that the LDP-Komeito coalition would lose the majority.

The Fund returned +0.3%, underperforming the index by 0.1%. In terms of our investment theme, the best performer was "FinTech", while "Other" contributed negatively the most to the portfolio.

The largest contributor was Monex Group (8698), a global financial services firm focused especially on online securities. In October, the firm released lower-than-expected Q2 FY2024 earnings results due to valuation losses on dollar-denominated securities and ad-hoc fee payment relating to subsidiary Coincheck's preparation to be listed on the NASDAQ. However, the share price advanced as the firm announced a special dividend funded by the sales of two subsidiaries. Another notable contributor was CTS (4345), a leading one-stop service provider of Information and Communication Technology (ICT) solutions to construction. Although there were no specific catalysts in October, the share price rose on the back of the increasing DX demand in the construction industry, as well as the mounting expectation towards its Q2 FY2024 earnings results which were released at the end of October.

On the other hand, the bottom contributor was Syuppin (3179), an operator of online boutiques for high end used cameras, watches, and pens. Its Q1 FY2024 earnings results released in August was solid thanks to strong sales growth in watch business driven by an increase in duty-free sales. However, signs of a slowdown in sales began to appear due to rapidly appreciating yen from July to middle of September, which led to a decline in the share price. Another notable detractor was MCJ (6670), a provider of high-end personal computers and related products, mainly in Europe. Although there were no specific catalysts in October, the firm contributed negatively to the portfolio. The stock was performing well after its favorable Q1 FY2024 earnings announcement in August, driven by the solid sales of its own products and the anticipated growth in demand for PC-related products. However, the share price pulled back due to the share price adjustment before the Q2 earnings announcement.

### AWARDS



Asia Asset Management  
BEST OF THE BEST AWARDS 2024

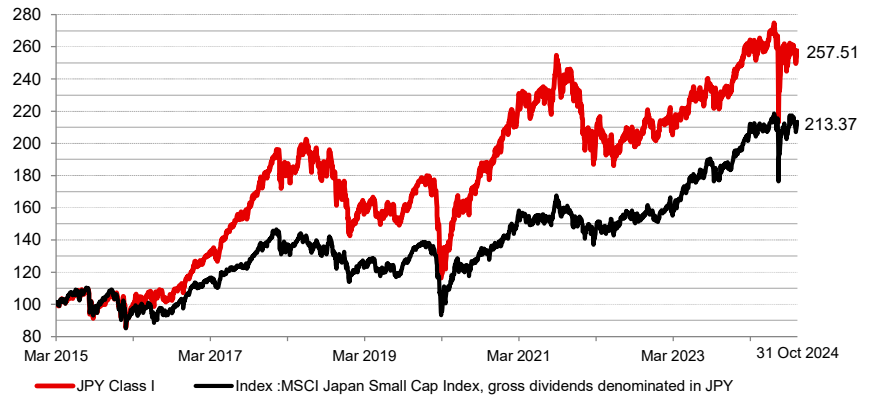
The fund won the award for its ten-year period performance (10/2013-9/2023) provided by independent third parties, in the category: Japan Equity



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Source & Copyright: Citywire • MUFG Asset Management are Silver rated in the Equity - Japanese Small & Medium Companies Sector by Citywire for their rolling risk adjusted performance, across the sector, over the last 7 years.

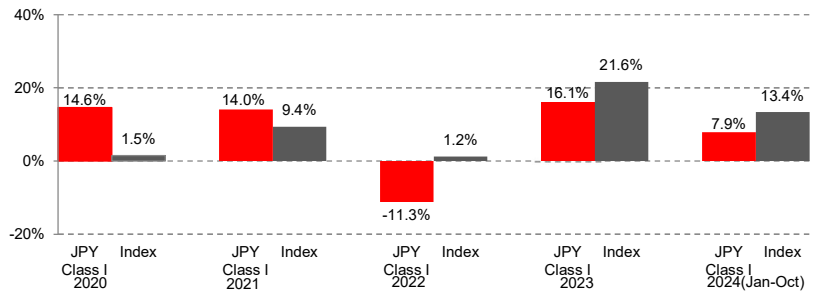
### FUND PERFORMANCE SINCE INCEPTION (Inception Date Value = 100)



### HISTORICAL PERFORMANCE (Net of fees, Dividend reinvested, in JPY)

(%)	Cumulative				Annualized			Since Inception
	1M	3M	6M	1Y	3Y	5Y		
JPY Class I (JPY)	0.3	-3.5	-1.0	14.8	2.2	8.8	10.3	
Index (JPY)	0.4	-1.0	1.4	18.4	10.5	9.8	8.2	
Difference (JPY)	-0.1	-2.5	-2.4	-3.6	-8.3	-1.1	2.1	

The figures shown above are calculated by referring the NAV as of every full bank of business day in Luxembourg, Japan and the UK as defined in the Prospectus.



Past performance is not a reliable indicator of future results. Returns may increase or decrease as a result of currency fluctuations. All performance data is calculated NAV to NAV, net of fees, and does not take account of costs incurred by the issue and redemption of shares. Past performance of the benchmark is not a reliable indicator of the Fund.

### SECTOR WEIGHTS

Sector*	Weight(%)	
	Fund	Index
Top10		
Services	15.1	5.4
Electric Appliances	13.1	6.5
Information & Communication	11.5	5.9
Banks	6.3	4.8
Machinery	6.1	7.7
Retail Trade	5.4	7.9
Real Estate	5.2	2.6
Wholesale Trade	4.2	5.9
Glass & Ceramics Products	4.1	2.3
Pharmaceutical	4.0	2.4

\*Tokyo Stock Exchange sector groupings

Source : Mitsubishi UFJ Asset Management (UK) Ltd. and Morgan Stanley Capital International Inc.

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### INVESTMENT MANAGEMENT FEE \*

Class A : 1.40%, Class B & Z : 0%, Class I & I2 : 0.75%

### ISIN CODE & TICKER

Currency	Class	ISIN Code	TICKER
USD	A	LU1163551325	MJESCUA LX
	B	LU1163551671	MJESCUB LX
	I	LU1163551838	MJESCUI LX
EUR	I2	LU1623353593	MJESIJ2 LX
	A	LU1163549261	MJESCEA LX
	B	LU1163549428	MJESCEB LX
GBP	I	LU1163549857	MJESCEI LX
	I2	LU1815303679	MJEEI2 LX
	A	LU1163550434	MJESCGA LX
JPY	B	LU1163550608	MJESGB LX
	I	LU1163551168	MJESCGI LX
	A	LU1163552059	MJESCYA LX
Z***	B**	LU1163552216	MJESCYB LX
	I	LU1163552489	MJESCYI LX
	Z***	LU2455529474	MJESCYZ LX

\* For full applicable fees and investor type please refer to the latest MUFG Global Fund SICAV Prospectus.

\*\* JPY Class B shares are only accessible to institutional investors who live in Japan.

\*\*\* JPY Class Z shares are only accessible to Mitsubishi UFJ Trust and Banking Corporation for injection of seed money.

### CONTACT

Mitsubishi UFJ Asset Management (UK) Ltd.  
Client Relations and Marketing Department  
24 Lombard Street London, EC3V 9AJ United Kingdom  
Tel: +44 (0) 20 7648 5100 Fax: +44 (0) 20 7283 7727  
Email: info.muamuk@uk.am.mufig.jp  
Website: <https://www.uk.am.mufig.jp>

### LARGEST 10 HOLDINGS

Name	Sector*	Weight (%)	
		Fund	Index
EIKEN CHEMICAL	Pharmaceutical	2.63	0.05
MCJ	Electric Appliances	2.60	0.06
ANEST IWATA	Machinery	2.45	-
TOCALO	Metal Products	2.37	0.07
OPEN HOUSE GROUP	Real Estate	2.33	0.30
CTS	Services	2.17	-
MONEX GROUP	Securities & Commodity Futures	2.17	0.09
KAGA ELECTRONICS	Wholesale Trade	2.17	0.07
TRE HOLDINGS	Services	1.97	0.05
77 BANK	Banks	1.96	0.16

\*Tokyo Stock Exchange sector groupings

### PORTFOLIO CHARACTERISTICS (Equity Only)

	Fund	Index
Dividend Yield (%)	2.8	2.7
Price to Earning (FY1) (x)	11.8	13.2
Price to Book (x)	1.1	1.1
Price to Sales (x)	0.8	0.7
ROE (%)	9.9	8.9
Weighted Average Market Cap (Million JPY)	139,278	425,281

### HISTORICAL PERFORMANCE (Net of fees)

(%)	1M	3M	6M	1Y	3Y	5Y	Since Inception	Inception Date
USD Class I	-5.8	-4.7	2.3	14.1	-20.1	7.8	102.8	2 Oct 2015
EUR Class I	-3.2	-5.0	0.7	-	-	-	-4.1	12 Apr 2024

Source : Mitsubishi UFJ Asset Management (UK) Ltd. and Morgan Stanley Capital International Inc.

### RISK RATINGS

**High risk/return:** This Fund presents a high volatility risk (SRRI of 6). The potential for growth is high with a corresponding level of risk. Funds in this category can often experience extreme fluctuations in value especially over the shorter term.

Any such risk rating is intended only as a general guide and does not provide any guarantee or assurance that a particular level of risk will or will not be attained. A risk rating may also change in the future.

It is important that you read the appropriate risk category description. The name of the Fund is not a description of its risk. Investment funds are rated on a scale of Low risk/return to High risk/return. An increase in the level of risk can represent an increase in the potential for your money to grow, but it also means an increase in the likelihood of the value of your fund fluctuating dramatically or falling and your losing all or part of your money.

### Risks materially relevant to the Sub-Fund which are not captured by the indicator

**Liquidity risk:** Some of the assets of the Sub-Fund may become difficult to sell at a certain time and for a reasonable price.

**Counterparty risk:** If a counterparty does not fulfil its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed).

**Operational risk:** The risk of loss resulting from inadequate internal processes or system breakdowns, human errors or from external events.

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The Prospectus and KIIDs are available and can be obtained from Mitsubishi UFJ Asset Management (UK), the fund manager of the funds, any approved distributors or from the website <https://www.waystone.com/our-funds/waystone-managed-funds/>.

The summary of investor rights can be obtained from the website [https://www.waystone.com/wp-content/uploads/2021/08/Waystone\\_Management\\_Company\\_Lux\\_S.A\\_Summary\\_of\\_Investor\\_Rights\\_-\\_August\\_2021.pdf](https://www.waystone.com/wp-content/uploads/2021/08/Waystone_Management_Company_Lux_S.A_Summary_of_Investor_Rights_-_August_2021.pdf) in English.

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