


### Quick facts

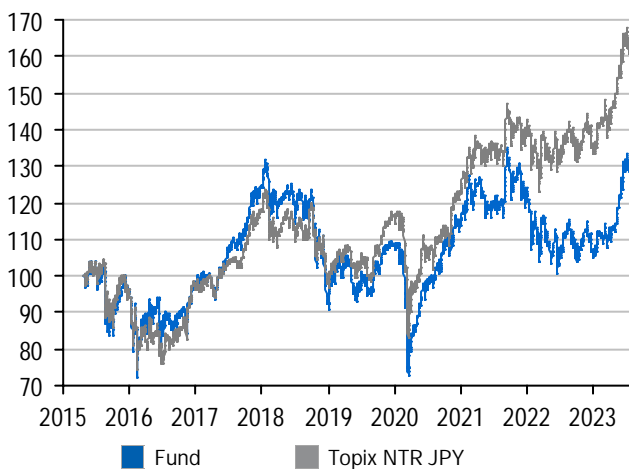
<b>Fund category</b>	Japan Equities
<b>Reco. placement period</b>	10 years
<b>Last NAV (JPY)</b>	7 242.75
<b>NAV frequency</b>	Daily
<b>ISIN</b>	LU1205057935
<b>Distributed in</b>	LU, CH, FR, UK
<b>Risk indicator</b>	 Lower Risk Higher Risk

### Investment objective

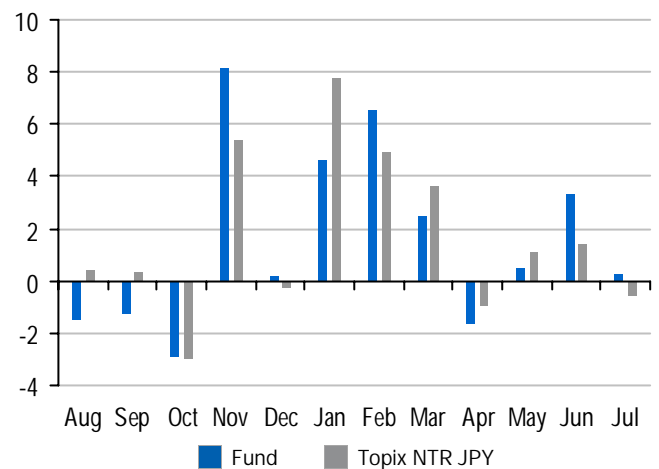
The Fund is a long-only open-ended fund incorporated in Luxembourg. Its objective is to carry out long-term investments and generate capital gains. The Fund seeks returns on an absolute basis in Japanese equities listed exclusively in Japan.

The approach is both thematic and bottom-up, with high conviction selection with between 35 and 40 names in the portfolio. It is benchmark and sector agnostic. The Fund offers great flexibility among market caps in which it has no limits, although it tries to keep a certain balance to capture market directions.

### Cumulative performance



### Monthly performances over 1 year (%)



### Past performance (%) - Net returns

	Cumulative						Annualised		
	Month-to-date	Year-to-date	3 months	6 months	1 year	3 years	Origin	3 years	Origin
Fund	0.30%	17.29%	4.20%	12.04%	20.04%	35.98%	60.42%	10.78%	5.23%
Benchmark	-0.54%	19.27%	2.04%	10.63%	22.64%	56.44%	106.12%	16.08%	8.11%

From 24/04/2015 to 30/11/2017, the Saisei Strategy (the "Strategy") has been applied to the sub-fund "IGNI Saisei Japan Opportunities Fund", existing under the laws of the Grand Duchy of Luxembourg, and registered under Part II of the law dated December 17, 2010 on Undertakings for Collective Investment (the "2010 Law"). From 01/12/2017, following the merger by way of absorption of the "IGNI Saisei Japan Opportunities Fund" to the new sub-fund "Probus Investment Fund UCITS - Saisei Japan Equity" (UCITS fund), existing under the laws of the Grand Duchy of Luxembourg and registered under Part I of the 2010 Law, the Saisei Strategy is continuously applied to this new sub-fund.

### Fund information

<b>Legal form</b>	SICAV UCITS
<b>Fund domicile</b>	Luxembourg
<b>Fund launch date</b>	24/04/2015
<b>Total AUM (JPY)</b>	5 412 087 042.00
<b>Fiscal year end</b>	December 31st
<b>Fund currency</b>	JPY
<b>Benchmark</b>	Topix NTR JPY
<b>Cut-off time</b>	12pm Lux. Time
<b>Investment mger</b>	Pleion S.A.
<b>Custodian bank</b>	Banque Degroof Petercam
<b>Auditor</b>	E&Y Luxembourg

### Investment team

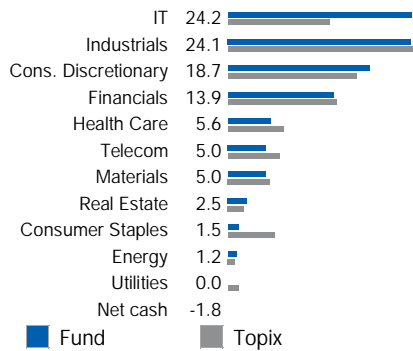
#### Frédéric Annoni

Frédéric joined the Group in 2016, bringing along his 32 years of experience in Japanese equities. Frédéric began his career at Nomura, spent 8 years at Nikko, where he helped set up the Japanese desk for Switzerland, and 9 years with Citigroup. He is currently in his 10th year managing the Saisei.

### NAV analysis

3 years figures (ann.)	Fund	Bench.	Value	Date
<b>Annual volatility</b>	14.41	11.65	<b>52-week NAV high</b>	7 603.29 17/07/2024
<b>Beta</b>	1.06		<b>52-week NAV low</b>	5 568.58 26/10/2023
<b>Tracking error</b>	5.90		<b>Max drawdown (%)</b>	-25.52 15/09/21-20/06/22
<b>Sharpe</b>	0.79	1.35		
<b>Information ratio</b>	-0.92			

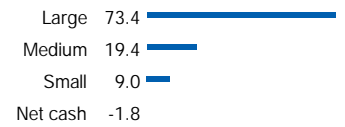
### Sectorial allocation (%)



### Geographical allocation (%)



### Market cap breakdown (%)



Note: Allocations and Breakdowns are not adjusted from derivatives positions.

### Top 10 holdings (%)

Sumitomo Mitsui Financial Group	4.2	Nidec Corporation	3.3
Toyota Motor	3.7	ITOCHU Corporation	3.2
Sony	3.5	Murata Manufacturing	3.2
Mitsubishi UFJ Financial Group	3.4	BayCurrent Consulting	2.9
Taiyo Yuden	3.4	Recruit Holdings	2.7
<b>Top 5 positions</b>	<b>18.1</b>	<b>Top 10 positions (%)</b>	<b>33.5</b>

### Other information

<b>ROE (weighted av.)</b>	15.54%
<b>P/E Ratio</b>	17.23x
<b>Price-to-book ratio</b>	1.76x
<b>Dividend yield</b>	1.77
<b>Number of holdings</b>	49

### Available share classes

Class Name	ISIN	BLMG ticker	Curr.	Type	Launch date	Min. invest.	Mgt. fees	Perf. fees	OGC	Front / back load
A - JPY	LU1205057935	SAISEIA LX	JPY	A	01/12/2017	JPY 10 000 000	1.75%	10% with HWM*	2.5%	Up to 3%/Nil
AH - CHF	LU1941828300	PRSJAHC LX	CHF	A	22/11/2019	CHF 100 000	1.75%	10% with HWM*	2.6%	Up to 3%/Nil
AH - EUR	LU1205058156	IGSAAHE LX	EUR	A	01/12/2017	EUR 100 000	1.75%	10% with HWM*	2.6%	Up to 3%/Nil
AH - GBP	LU1941827914	PRSJAHG LX	GBP	A	10/10/2019	GBP 100 000	1.75%	10% with HWM*	2.6%	Up to 3%/Nil
AH - USD	LU1205058313	SAISEAH LX	USD	A	01/12/2017	USD 100 000	1.75%	10% with HWM*	2.6%	Up to 3%/Nil
I2H - CHF	LU1941828565	PRSI2HC LX	CHF	A	18/01/2023	CHF 2 000 000	1.10%	10% with HWM*		Up to 3%/Nil
I2H - EUR	LU1689249503	PRSI2HE LX	EUR	A	15/01/2018	EUR 2 000 000	1.10%	10% with HWM*	2.0%	Up to 3%/Nil
I2H - GBP	LU1941828219	PRSI2HG LX	GBP	A	19/01/2023	GBP 2 000 000	1.10%	10% with HWM*		Up to 3%/Nil
I2H - USD	LU1739245006	PRSI2HU LX	USD	A	25/01/2018	USD 2 000 000	1.10%	10% with HWM*	2.0%	Up to 3%/Nil

\*HWM = High Water Mark, for more information please refer to the fund prospectus.

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## Commentary

A wild ride in Japanese equities characterized the month of July. After touching a new all-time high of 42'426 on the Nikkei on July 11th, the index settled at 39'101 on the last day of the month to end up with a loss of -1.22%. The same pattern took place for the Topix, though at a lesser degree with a monthly loss of -0.55%, thanks to the fact it is less "tech" dependent. As for sectors, the top three were: Pharma +7.98%, Construction +5.85% and Real Estate +4.93%. Meanwhile, the bottom three were: Transport (include Autos) -7.27%, Utilities -4.89% and Non-Ferrous Metals -4.79%. The JPY was all over the place, yet following large interventions by the MOF and the BOJ move on interest rates (see below), appreciating by a huge +6.7% to settle at around 150.1 vs the USD. It also appreciated vs the Euro by +5.65% at 162 and by +4.66% vs the CHF. Does this signal an end to the crowded Yen carry-trade? Although too early to say, it surely warrants more attention to it.

So, at last on July 31, the BOJ increased its benchmark rates to 0.25% from 0.1%, with only 14 out of 54 economists expecting the central bank to do so. Meanwhile, the central bank also announced it would lower its bond purchase program from 6 trillion/month to 3 trillion/month. Strangely, the BOJ sounded more hawkish than usual, indicating that further rises are a (strong) possibility. Yet, the bank also said that from now on it will be more data dependent (sounds familiar?) than it has been so far. Saisei believes the CPI has reached its maximum range and even though gasoline subsidies by the Japanese government are still in place, the Fund does not believe inflation will continue to spike given the recent appreciation of the JPY, as well as the rise in rates. Hopefully the BOJ is not wrong, and its recent action should be welcomed as it signals an end to deflation, while the long awaited virtuous economic cycle is in sight. Meanwhile, with the FED to reduce rates sooner than later, it should also alleviate pressure on the JPY weakness thus Saisei does not believe the BOJ will have to raise rates further.

Meanwhile, corporate earnings are deployed in full force, and so far in July, Q1 seems to beat the consensus by 4%. The Fund will deploy more on the subject next month with a total recap of the subject.

As for SAISEI: although the Fund initially rose a lot thanks to its exposure in techs, it lost most of the gains, and yet still managed to finish the month in the green, albeit slightly. By market cap, the Fund Medium cap outperformed and brought a positive return of +143bp, while Small cap brought +27bp both better than the benchmark. For once, the Large cap holdings were responsible for -103bp negative contribution to the performance. By sector, the top three positive contributors were: Industrials (+67bp), Real Estate (+21bp) and Health Care (+21bp). The top three negative contributors were: Communication (Softbank) -34bp, Consumer Discretionary (-18bp) and Tech (-16bp) with all of them better than the index, except for the Communication sector and the Fund's over exposure in Softbank.

By stocks, the top three positive contributors to this month's performance were:

1. BAYCURRENT CONSULTING (+87bp). Very strong numbers out from their earnings results. High quality stock that was massively oversold attracted short covering as well as new buyers.
2. SEIBU HOLDINGS (+38bp). Strong numbers for overseas travellers to Japan help to better the mood on the company, as its theme parks and hotels are well frequented.
3. TAIYO YUDEN (+36bp). Continues to rise on potential end of negative economic cycle for their MLCC, as well as strong upgrades from various analysts.

The top three negative contributors were:

1. RENESAS (-44bp). Company issued poor quarterly results, as well as a drop in expected returns for the year. Saisei strongly reduced its over-weight position there to approx. 2% total weight.
2. TOYOTA MOTOR (-40bp). Victim of a stronger JPY. Yet, their results were not as bad as feared although they were not very inspiring neither.
3. SOFTBANK GROUP (-31bp). Stock sold off following the recent rout on ARM Holdings as well as the slowdown in IA hype in the US.

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**France:** The centralizing correspondent is CACEIS Bank, 1/3 place Valhubert - 75206 Paris Cedex 13. The official prospectus as well as the Key Investor Information Documents for France and the annual and semi-annual reports in French are available free of charge from CACEIS Bank, 1/3 place Valhubert - 75206 Paris Cedex 13.

**Source:** Probus Pleion Group figures.

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