

### Quick facts

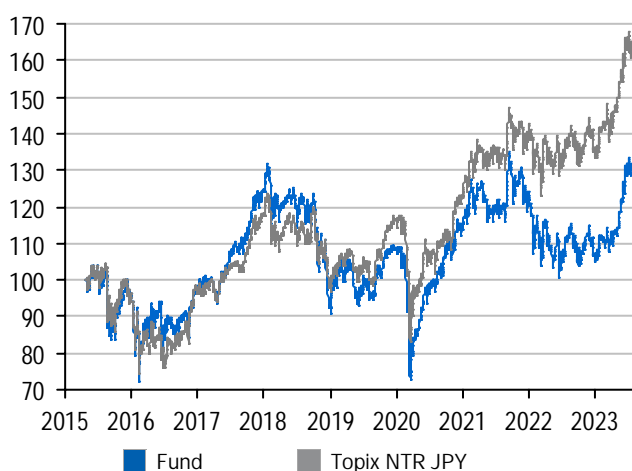
<b>Fund category</b>	Japan Equities
<b>Reco. placement period</b>	10 years
<b>Last NAV (JPY)</b>	6 947.31
<b>NAV frequency</b>	Daily
<b>ISIN</b>	LU1205057935
<b>Distributed in</b>	LU, CH, FR, UK
<b>Risk indicator</b>	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 15px; height: 15px; margin-right: 2px;"></div> <div style="border: 1px solid black; width: 15px; height: 15px; margin-right: 2px;"></div> <div style="border: 1px solid black; width: 15px; height: 15px; margin-right: 2px; background-color: #0070C0; color: white; display: flex; align-items: center; justify-content: center; font-size: 8px;">4</div> <div style="border: 1px solid black; width: 15px; height: 15px; margin-right: 2px;"></div> <div style="border: 1px solid black; width: 15px; height: 15px; margin-right: 2px;"></div> <div style="border: 1px solid black; width: 15px; height: 15px; margin-right: 2px;"></div> <div style="border: 1px solid black; width: 15px; height: 15px; margin-right: 2px;"></div> </div> <div style="display: flex; justify-content: space-between; width: 100%; font-size: 8px; margin-top: 2px;"> <span>Lower Risk</span> <span>Higher Risk</span> </div>

### Investment objective

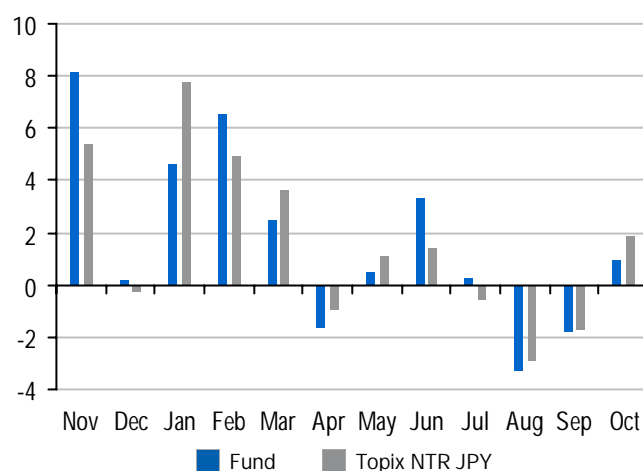
The Fund is a long-only open-ended fund incorporated in Luxembourg. Its objective is to carry out long-term investments and generate capital gains. The Fund seeks returns on an absolute basis in Japanese equities listed exclusively in Japan.

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	0.97%	12.50%	-4.08%	-0.05%	21.94%	22.12%	53.87%	6.89%	4.63%
Benchmark	1.88%	16.01%	-2.73%	-0.75%	21.99%	43.55%	100.49%	12.80%	7.58%

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>	5 202 930 393.00
<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.

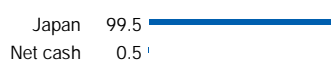
### NAV analysis

3 years figures (ann.)	Fund	Bench.	Value	Date
<b>Annual volatility</b>	14.42	11.73	<b>52-week NAV high</b>	7 603.29 17/07/2024
<b>Beta</b>	1.05		<b>52-week NAV low</b>	5 696.23 05/08/2024
<b>Tracking error</b>	5.84		<b>Max drawdown (%)</b>	-25.08 18/07/24-05/08/24
<b>Sharpe</b>	0.54	1.10		
<b>Information ratio</b>	-1.02			

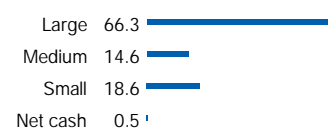
### Sectorial allocation (%)



### Geographical allocation (%)



### Market cap breakdown (%)



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

### Top 10 holdings (%)

SoftBank	3.7	ITOCHU Corporation	3.0
Daifuku	3.3	Sumitomo Mitsui Financial Group	2.9
Tokyo Electron	3.3	Keyence Corporation	2.7
Mitsubishi UFJ Financial Group	3.2	Sony	2.6
Toyota Motor	3.1	Olympus Corporation	2.6
<b>Top 5 positions</b>	<b>16.6</b>	<b>Top 10 positions (%)</b>	<b>30.3</b>

### Other information

<b>ROE (weighted av.)</b>	15.32%
<b>P/E Ratio</b>	15.36x
<b>Price-to-book ratio</b>	1.80x
<b>Dividend yield</b>	2.07
<b>Number of holdings</b>	47

### 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

This list of costs is not exhaustive. The sub-fund incurs other expenses, as further detailed in the Prospectus/KID.

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

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## Commentary

Back in the green! Following three months of negative performances, Japanese indices managed to return to positive territory for the month. The Topix gained +1.87%, while the Nikkei 225 managed to add +3.06%, thanks to its heavyweights such as Fast Retailing, Softbank, but especially Advantest which contributed the most. As for sectors, the top three positive returns were: Banks +7.13%, Pharma +5.93% and Utilities +4.98%. Meanwhile, the worst three negatives were: Steel -3.89%, Paper -3.13% and Chemicals -2.16%. The JPY for its part, weakened quite a lot to 152 vs the USD, or a drop of about -6% (!).

Back to the dollar/yen pair: it seems that various forces are in place, with the so-called "Trump trade" playing an active role in the US currency strength. Also, the fact that the Japanese ruling coalition which has lost its majority, seems to have pushed back any will from the Bank of Japan to raise rates any time soon (Saisei believes the chances to see a renewed rise in rates, will not be in place in 2024 anymore). If politics do play a role globally, a few lines of what is happening in Japan shall also draw readers' interest. As we know by now, the ruling coalition cannot and will not put in place any of PM Ishiba policies, i.e. raise taxes to fund an expanded military budget. The only party in the opposition willing to have serious talks with the LDP-Komeito alliance is the Democratic Party for the People, or the DPP, led by charismatic Tamaki-san. Although he made it clear that his party (28 seats) will not join the ruling coalition, he nonetheless remains quite open to discuss various policies on "item-by-item". And according to latest news, it seems right to understand that an approach has already been tested, and it looks like they might find some agreements already. Interestingly, Mr Tamaki has said: "Until we achieve nominal wage growth 2% above inflation, we should continue with monetary easing and proactive fiscal spending". Also: "we are still in a very important phase, trying to get out of 30 years of deflation, so we want to make that our top priority first. We will avoid any increase in the burden on people". Also, worth noting that Mr Tamaki is pushing hard for the government to increase the threshold for paying income tax from the current 1.03 million JPY to 1.78 million JPY. To recap, given that raising taxes was a core policy for PM Ishiba, this "alliance" demonstrates the desperation of the LDP. This also highlights that a weaker LDP is probably good for the markets since this means Ishiba's tax hikes are now much less likely.

As for SAISEI: If it wasn't for the ASML "shock" in the middle of the month which promptly bruised the Fund's performance at one point, the high volatile earnings season has had its good and worst moments, somehow impacting the Fund's performance. Out of 20 companies that already released their earnings, three were "Poor", five were "Neutral", while twelve were deemed "Good". Generally, the performances of these stocks has been mixed, except for the "poor" which were slammed. Anyway, by sectors: Financials fared the best with a +68bp positive contribution, while Industrials fared the worst with a -32bp negative contribution. By market cap: Large +92bp, Mid +60bp and Small -13bp. By buckets: Benchmark +94bp, Core -37bp, Satellite +81bp

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

- SOFTBANK GROUP (+12.7%, +41bp): The stock was up on regain in IA story led by its affiliate ARM (listed in the US). Yet, the discount is still high at more than 50%.
- NIKON (+28.5%, +40bp): Nikon has shot up following news of Essilor Luxottica taking an 8% stake in the company. This is on top of last month 8% taken by Silchester. Will they push to unlock value? Results were poor with a downward revision for the year ending March '25, but this was "accompanied" by a +8.7% share buyback (!)
- SHIFT (+16.9%, +35bp): The software solution testing service company issued decent results. Meanwhile this fast-growing company, still down -57% YTD, re-assured investors that growth is well back on track. Saisei bought the stock on October 2nd at rock bottom levels.

The top three negative contributors were:

- SMS (-20.0%, -40bp): the high quality-growth company issued earnings that made investors panic. The company revised down its H1 results, yet confirmed that full-year target has not changed. Still, the downbeat mood for H1 prevailed and the stock was heavily sold.
- WEST HOLDINGS (-18.0%, -39bp): stock plunged following earnings release & fear among investors of a drop in OP for H1. Yet, the company raised its guidance for 2025 figures. Saisei bought some stocks after the plunge, on 10x estimated PER and double-digit ROE. The stock is too oversold.
- TOKYO ELECTRON (-7.5%, -25bp): TEL has been a clear "victim" of the ASML sell-off that took place on October 15th. Earnings to be released on November 12th and Saisei believes they will be solid.

## Disclaimer

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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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