

Fund fact sheet as of 31 May 2017

Quick facts

Fund category	Japan Equities
Reco. placement period	10 years
Last NAV (JPY)	4 594.00
NAV frequency	Daily
ISIN	LU1205057935
Distributed in	LU, CH
Risk and reward profile	 Lower Risk Higher Risk

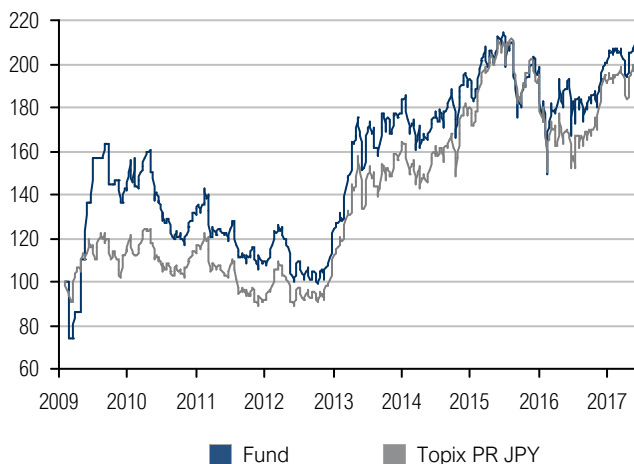
Investment objective

The IGNI SAISEI JAPAN OPPORTUNITIES 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.

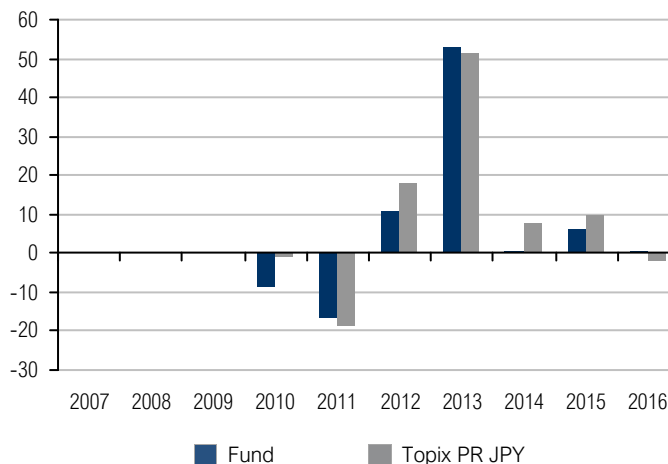
The approach is both thematic and bottom-up, with high conviction selection with between 35 and 40 names in the portfolio. It is benchmark and sector agnostic. The Fund offers great flexibility among market caps in which it has no limits, although it tries to keep a certain balance to capture market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

Cumulative performance

Calendar year performance (%)



The fund has changed its strategy from hedge fund to equity long-only on 30/01/2009.



Past performance (%) - Net returns

	Cumulative					Annualised			
	Month-to-date	Year-to-date	1 year	3 years	5 years	Origin	3 years	5 years	Origin
<i>Fund</i>	2.66%	4.81%	8.29%	24.50%	103.09%	109.68%	7.58%	15.23%	9.29%
<i>Benchmark</i>	2.39%	3.28%	13.67%	30.54%	117.98%	97.52%	9.29%	16.87%	8.51%

Origin: 30/01/2009 (The fund has changed its strategy from hedge fund to equity long-only on 30/01/2009.)

Fund information

Legal form	SICAV Part 2
Fund domicile	Luxembourg
Fiscal year end	December 31st
Fund currency	JPY
Reference index	Topix PR JPY
Cut-off time	4pm Lux. Time
Investment manager	Degroof Petercam AS
Investment advisor	Probus Compagnie SA
Custodian bank	Banque Degroof
Auditor	KPMG

Investment advisor

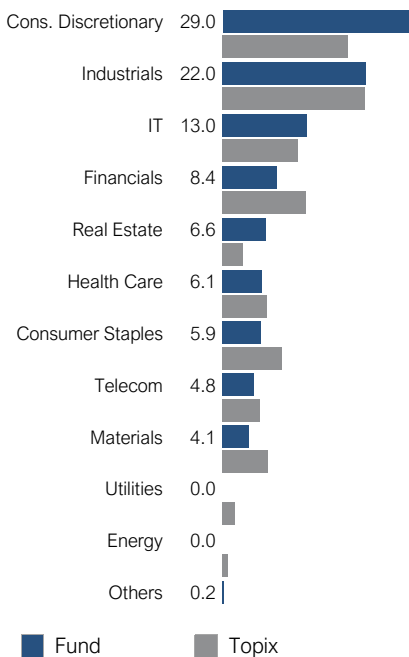
Frédéric Annoni

Frédéric joined Probus Group in 2016, bringing along his 32 years of experience in Japanese equities. Prior to Probus, 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 8th year managing the Saisei.

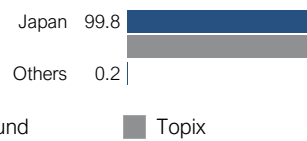
NAV analysis

3 years figures (ann.)	Fund	Bench.	Value	Date
Annual volatility	15.21	16.31	52-week NAV high	4 611.00 10/05/2017
Beta	0.86		52-week NAV low	3 654.98 24/06/2016
Tracking error	6.51		Max drawdown (%)	-30.34 25/06/15-12/02/16
Sharpe	0.56	0.63		
Information ratio	-0.61			

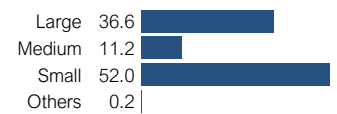
Sectorial allocation (%)



Geographical allocation (%)



Market cap breakdown (%)



Top 10 holdings (%)

MUFG Inc.	6.3	Fanuc Corp.	3.6
Sony Corp.	5.5	Megmilk Snow Brand C	3.6
United Arrows	4.9	West Japan Railway	3.5
SoftBank Group	4.8	Mitsubishi Motors	3.5
Peptidream Inc.	3.9	Janome Sewing Machin	2.8
Top 5 positions	25.3	Top 10 positions (%)	42.3

Other information

ROE (weighted av.)	17.1
E2017 P/E Ratio	24.9x
Price-to-book ratio	1.79x
Dividend yield	1.36
Number of holdings	36

Available share classes

Class Name	ISIN	BLMG ticker	Curr.	Type	Launch date	Min. invest.	Mgt. fees	Perf. fees	TER	Front / back load
A - JPY	LU1205057935	SAISEIA LX	JPY	A	30/04/2007	1 Share	2.00%	10% with HWM*	2.90%	Up to 3%/up to 1.5%
AH - EUR	LU1205058156	IGSAAHE LX	EUR	A	12/11/2015	1 Share	2.00%	10% with HWM*	2.90%	Up to 3%/up to 1.5%
AH - USD	LU1205058313	SAISEIAH LX	USD	A	03/07/2015	1 Share	2.00%	10% with HWM*	2.90%	Up to 3%/up to 1.5%

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

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Commentary

Equities in Japan had a positive run in May, with the main Topix index gaining +2.39%, while the Nikkei 225 had a flirt with the 20k mark. Simultaneously, smaller markets such as the JASDAQ hit an all-time high in May, while the Topix Small reached a 22-year high. And if it wasn't for the poor performance of the two largest sectors in the Topix, i.e. Autos and Financials (around 24% of total), the Topix index would have probably topped its high of 2015.

The three best performing sectors in May were 'Other Products' (mostly Nintendo...again) +11.81%, 'Foods' +8.12% and 'Info & Comm.' +6.83%. The three main losers were 'Shipping' -6.60%, 'Oil & Coal' -5.26% and 'Mining' -4.68%.

March 2017 earnings massively beat market expectations, with cumulative net profits rising by +16% YoY. More than 3/4 of companies beat guidance, but this has not yet led consensus analysts to upgrade their figures, as March 2018 expectations have been left largely unchanged from previous estimates. This is probably the result of following the typically timid guidance set by companies, based on JPY strengthening to the 108 level. However, it is interesting to note that companies are expecting a 4.8% growth rate and that analysts are forecasting 11.3% over the same period. Looking closer, most of the gap comes from the auto sector, which is forecasting an 8% YoY fall in NP, while analysts are looking for an 11% increase! This difference comes from the auto industry's extreme caution on the JPY, with estimates at 105 vs US\$ for the year, not to mention the bearish outlook on the US domestic market, where inventories seem stubbornly high. It is also worth pointing out that robot manufacturer giant FANUC leads the way in conservatism, with an assumption for the JPY-US\$ at... 100. Still, the Japanese equity market remains the cheapest market on various valuation metrics, with its PER being cheaper than in Europe and (of course) in the US.

Moreover, Japan Corp. being very cyclical, global growth matters more than the level of its currency. In fact, judging by the recent IMF report or by the latest world PMI's, we still believe global economic growth is set for continuous, albeit not excessive, growth. While the US and China might slow down somewhat, we don't think it will be serious enough to derail world growth. Finally, the release of the latest set of Japanese economic figures has sent very encouraging signs to investors, which at some point will be translated into its stock market.

This month's main performance contributors of Saisei came from the Consumer Discretionary sector (56bp), particularly with HIS, Sony and Janome Sewing. The second largest contributor (38bp) is found in the R/E sector, with Open House clearly adding the most, while the Material sector came third (35bp) through the W-Scope exposure. On the other side of the coin, the Health Care sector (-35bp) through the Peptidream position and the Consumer Staples sector (-20bp) were the main detractors of the fund.