

Fund fact sheet as of 31 May 2022

### Quick facts

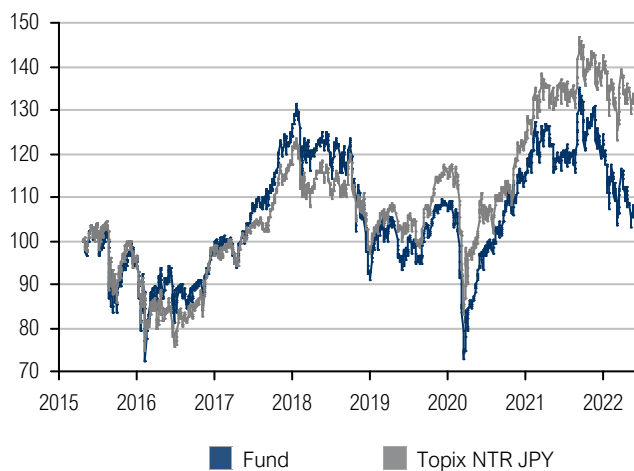
<b>Fund category</b>	Japan Equities
<b>Reco. placement period</b>	10 years
<b>Last NAV (JPY)</b>	4 961.91
<b>NAV frequency</b>	Daily
<b>ISIN</b>	LU1205057935
<b>Distributed in</b>	LU, CH, FR, UK
<b>Risk and reward profile</b>	<span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">2</span> <span style="border: 1px solid black; padding: 2px;">3</span> <span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">5</span> <span style="border: 1px solid black; padding: 2px;">6</span> <span style="border: 1px solid black; padding: 2px;">7</span>
	Lower Risk Higher Risk

### Investment objective

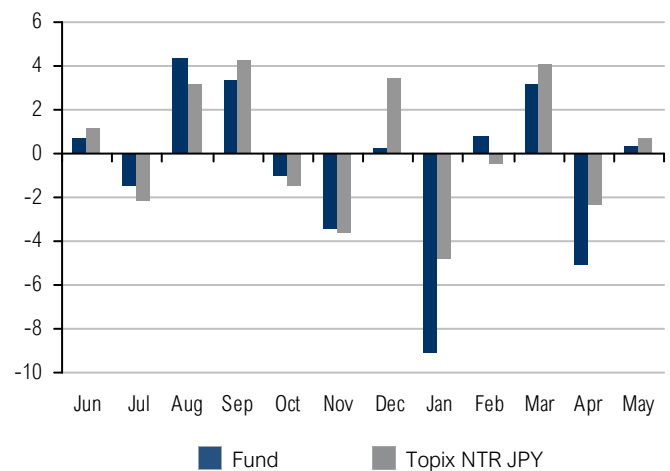
The Fund is a long-only open-ended fund incorporated in Luxembourg. Its objective is to carry out long-term investments and generate capital gains. The Fund seeks returns on an absolute basis in Japanese equities listed exclusively in Japan.

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
<i>Fund</i>	0.37%	-9.88%	-1.71%	-9.65%	-7.55%	16.15%	9.90%	5.12%	1.34%
<i>Benchmark</i>	0.77%	-2.97%	2.40%	0.35%	1.47%	34.32%	35.10%	10.33%	4.33%

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>	3 703 698 448.00
<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 manager</b>	Probus Middle East Ltd
<b>Investment advisor</b>	Probus Compagnie SA
<b>Custodian bank</b>	Banque Degroof Petercam
<b>Auditor</b>	E&Y Luxembourg

### Investment advisor

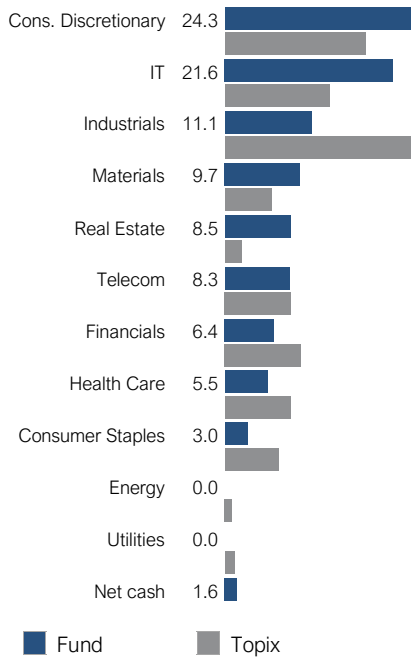
#### Frédéric Annoni

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 10th year managing the Saisei.

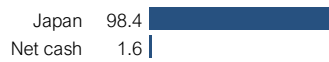
### NAV analysis

3 years figures (ann.)	Fund	Bench.	Value	Date
<b>Annual volatility</b>	16.13	14.95	<b>52-week NAV high</b>	6 108.63 14/09/2021
<b>Beta</b>	0.96		<b>52-week NAV low</b>	4 655.13 12/05/2022
<b>Tracking error</b>	7.21		<b>Max drawdown (%)</b>	-33.24 10/12/19-16/03/20
<b>Sharpe</b>	0.40	0.74		
<b>Information ratio</b>	-0.78			

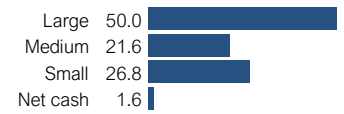
### Sectorial allocation (%)



### Geographical allocation (%)



### Market cap breakdown (%)



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

### Top 10 holdings (%)

Nikon Corporation	5.5	MANI	3.8
Ryohin Keikaku	4.1	SoftBank	3.6
SBI Holdings	4.0	Keyence Corporation	3.5
Mitsubishi Heavy Indust	3.9	Disco Corporation	3.4
Tokyo Electron	3.8	FANUC	3.2
<b>Top 5 positions</b>	<b>21.3</b>	<b>Top 10 positions (%)</b>	<b>38.7</b>

### Other information

ROE (weighted av.)	11.86%
P/E Ratio	13.983x
Price-to-book ratio	1.51x
Dividend yield	2.18
Number of holdings	37

### 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*	2.35%	Up to 3%/Nil
AH - CHF	LU1941828300	PRSJAHC LX	CHF	A	22/11/2019	CHF 100 000	1.75%	10% with HWM*	2.45%	Up to 3%/Nil
AH - EUR	LU1205058156	IGSAAHE LX	EUR	A	01/12/2017	EUR 100 000	1.75%	10% with HWM*	2.45%	Up to 3%/Nil
AH - GBP	LU1941827914	PRSJAHG LX	GBP	A	10/10/2019	GBP 100 000	1.75%	10% with HWM*	2.44%	Up to 3%/Nil
AH - USD	LU1205058313	SAISEAH LX	USD	A	01/12/2017	USD 100 000	1.75%	10% with HWM*	2.45%	Up to 3%/Nil
I2H - CHF	LU1941828565	PRSI2HC LX	CHF	A	Not launched	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*	1.81%	Up to 3%/Nil
I2H - GBP	LU1941828219	PRSI2HG LX	GBP	A	Not launched	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*	1.81%	Up to 3%/Nil

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

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## Commentary

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May was another hectic month for global equities, but Japanese shares behaved somewhat better than average, as the Nikkei 225 gained +1.6%, while the Topix was up + 0.69%. The Yen strengthened slightly towards the 128 level vs USD.

Earnings overall in Japan were fine, with corporates understandably cautious going forward, at least for now. Still, in this context it is relevant to note that most Japanese companies in the semi-con industry continued to give upbeat numbers. At the close of third week of May, the figures are as follows: excluding volatile Softbank Group, net profits rose 75% YoY (+36% YoY including Softbank) for the year ending March 2022. Meanwhile, it appears that earnings missed consensus by 3.5%, but again, if you strip Softbank, they actually beat consensus by 4.1%. Going forward, company guidance for March 2023 is (very) conservative, with a downward guidance for net profits of -3.6%. Importantly for shareholders, buy-backs are on fire: share repurchased announced as of the third week of May (latest data), are up 63% YoY year-to-date, while 74% of Topix companies hiked their dividends. And the “party” may well continue, with over 40% of Topix (non-financials) holding a net cash over 20% of equity. A really “nice” place to be.

As for the Fund's components earnings, it was a very decent showing although price movements were somewhat disappointing. As an example, Shimano shed a whopping -12% the day after its earnings release although a), numbers were a beat and b), the company yet again announced another 1% share buy-back program. Nonetheless, Saisei continues to trust the family-owned company's management and even slightly increased its weighting there. Overall, 73% of the Fund's components beat their estimates, yet only 40% of the same constituents had a positive price advance following their earnings release.

In May, Saisei sold-off its entire position in Digital Holdings and Z-Holdings. For the former, the company has been very hard to read, and despite our repeated calls to the company (that went unanswered) it was decided to sell in order to reinforce existing holdings like Ryohin Keikaku for example. As for Z-Holdings, Saisei was very disappointed following the company's earnings release. Indeed, it seems to Saisei that Z-Holdings will continue to emphasize spending on future growth rather than looking at profits and shareholders' return. The proceeds were used to initiate a new position on Alps Logistics. The company is in majority owned by Alps-Alpine Ltd. Not only the company seems cheap on various metrics like PER (11x), it also pays 2.8% dividend yield and its price-to-book is at 0.76x. But the main reason why Saisei bought the stock is a bet by the Fund that, following the recent path, its mother company will buy-out the remaining shares it does not already own in order to privatise it. In the past (2016), Saisei made the similar bet with Alpine being bought by Alps and it proved to be the correct bet.

The top three positive contributors to the Fund's performance this month were: Ryohin K. (+57bp), Nikon (+49bp) and Mitsubishi Heavy (+44bp). Meanwhile, the top three negative contributors were: Medpeer (-61bp), SBI Holdings (-47bp) and Z-Holdings (-39bp).

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**Source:** Probus Group & MorningStar for performance figures.

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