

# MUFG Japan Equity Small Cap Fund

MUFG Global Fund SICAV  
FACTSHEET  
At 31 Aug 2017

Professional Investors Only

## CLASS JPY I SHARES VS. INDEX (performance since inception (inception date=100))

(At 31 Aug 2017)



(Source : Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. ("MIBL") and Nomura Securities)

### 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 minimum recommended investment term is five years. The Fund will invest less than 15% in cash, cash-equivalent and short-term fixed income securities.

### FUND REVIEW

Japanese small-cap stocks continued to gain in August, with the Russell/Nomura Small Cap Index returning +1.6%. The month started on a positive note, buoyed by robust corporate earnings. Thereafter, Japanese stocks were dragged down by heightened tensions between the U.S. and North Korea and a stronger yen trend reflecting the Federal Reserve's wary outlook on the U.S. inflation rate in mid-August. However, an aggressive policy tightening was not mentioned at Jackson Hole, and this drove the market higher in late August. While small-cap stocks generally performed strongly, the TSE Mothers retreated 4.7% reflecting risk-off sentiment among individual investors. The Fund gained +2.7%, outperforming the benchmark by 1.1%. Positive contribution came from a number of stocks with strong earnings results. In particular, holdings related to Automotive and Human Resources & Outsourcing themes contributed positively. The top contributor was Outsourcing Inc. (2427), a manufacturing staffing/placement agency. The company posted strong FY17H1 earnings, with +84.4% sales and +50.5% operating profit growth. Strong performance in overseas operations was also supportive.

### FUND PROFILE/STATISTICS

Launch Date	20 March, 2015
Management Company	MUFG Lux Management Company 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
Benchmark Index	Russell/Nomura Small Cap Total Index
Base Currency	JPY
Total Net Assets (At 31 Aug 2017)	7,483 M JPY
Cash Weight (At 31 Aug 2017)	4.94%
Risk Profile	High
Number of Holdings (At 31 Aug 2017)	104

(Source : MIBL)

### HISTORICAL PERFORMANCE (Net of fees) (At 31 Aug 2017)

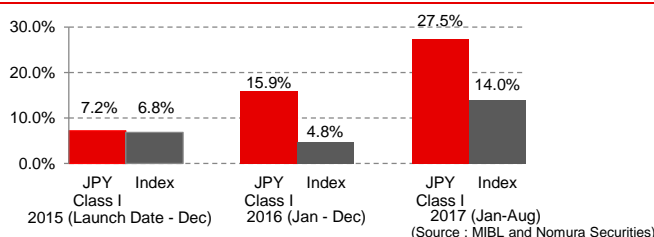
(%)	1M	3M	6M	1Y	3Y	5Y	Since Inception
JPY Class I (JPY)	2.7	10.4	22.1	53.2	-	-	58.3
Index (JPY)	1.6	6.5	10.7	35.0	-	-	27.6
Difference (JPY)	1.1	3.9	11.4	18.1	-	-	30.7
USD Class I (USD)*	3.0	10.7	23.9	43.7	-	-	74.7

\*Performance calculation in USD started on 2 Oct, 2015.

(Source : MIBL and Nomura Securities)

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 units.

### YEARLY PERFORMANCE (Net of fees, JPY Performance, %) (At 31 Aug 2017)



(Source : MIBL and Nomura Securities)

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 units.

### SECTOR WEIGHTS (Equity Only) (At 31 Aug 2017)

Sector*	Rank	Weight(%)		
		Fund	Index	Dif.
<b>Top</b>				
Services	1	23.9	6.7	17.2
Electric Appliances	2	15.8	7.9	7.9
Pharmaceutical	3	4.8	2.3	2.5
Real Estate	4	4.6	2.5	2.2
Glass & Ceramics Products	5	3.3	1.5	1.8
<b>Bottom</b>				
Construction	1	0.0	6.4	-6.4
Chemicals	2	2.1	8.3	-6.2
Wholesale Trade	3	3.6	6.6	-3.0
Information & Communication	4	3.1	6.0	-2.9
Machinery	5	5.2	7.7	-2.5

\*Tokyo Stock Exchange sector groupings (Source : Mitsubishi UFJ Trust and Banking, MIBL and Nomura Securities)

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## MANAGEMENT FEE

Class A : 1.40%, Class B & C : N/A Class I & I2 : 0.75%

## ISIN CODE & TICKER

Currency	Class	ISIN Code	TICKER
USD	A	LU1163551325	MJESCUA LX
	B	LU1163551671	MJESCUB LX
	I	LU1163551838	MJESCU I LX
	I2	LU1623353593	MJESI2 LX
EUR	A	LU1163549261	MJESCEA LX
	B	LU1163549428	MJESCEB LX
	I	LU1163549857	MJESCEI LX
GBP	A	LU1163550434	MJESCGA LX
	B	LU1163550608	MJESCEB LX
	C	LU1163550863	MJESCGC LX
JPY	I	LU1163551168	MJESCGI LX
	A	LU1163552059	MJESCYA LX
	B*	LU1163552216	MJESCYB LX
	I	LU1163552489	MJESCYI LX

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

## CONTACT

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## LARGEST 10 HOLDINGS (31 Aug 2017)

Name	Sector*	Fund Weight(%)
OUTSOURCING	Services	2.5
TOSHO	Services	2.1
PRESTIGE INTERNATIONAL	Services	2.0
MCJ	Electric Appliances	2.0
FUNAI SOKEN HOLDINGS	Services	2.0
TSUKUI	Services	2.0
SANYO DENKI	Electric Appliances	1.9
EIKEN CHEMICAL	Pharmaceutical	1.9
STAR MICA	Real Estate	1.9
SOGO MEDICAL	Retail Trade	1.8

\*Tokyo Stock Exchange sector groupings  
(Source : Mitsubishi UFJ Trust and Banking, MIBL)

## PORTFOLIO CHARACTERISTICS at 31 Aug 2017 (Equity Only)

	Fund
Dividend Yield (%)	1.3
Price to Earning (FY1) (x)	20.7
Price to Book (x)	3.5
Price to Sales (x)	3.2
ROE (%)	12.2
Annualised 3 Year Historic EPS Growth Rate (%)	21.4
Weighted Average Market Cap (Million JPY)	92,916

(Source : Mitsubishi UFJ Trust and Banking, FactSet)

Portfolio characteristics are weighted average of the constituents and calculated by Mitsubishi UFJ Trust and Banking from FactSet.

## RISK RATINGS

**High risk/return:** 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

**Credit risk:** It represents the risks associated with an issuer's sudden downgrading of its signature's quality or its default.

**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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