

Fund fact sheet as of 31 March 2021

### Quick facts

Fund category	Japan Equities
Reco. placement period	10 years
Last NAV (JPY)	5,622.35
NAV frequency	Daily
ISIN	LU1205057935
Distributed in	LU, CH, FR, UK
Risk and reward profile	<div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div> <div>Lower Risk Higher Risk</div>

### Investment objective

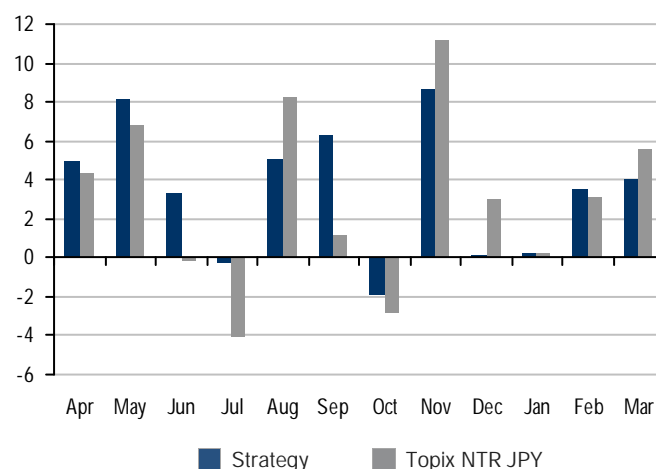
The Fund is a long-only open-ended fund incorporated in Luxembourg. Its objective is to carry out long-term investments and generate capital gains. The Fund seeks returns on an absolute basis in Japanese equities listed exclusively in Japan.

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	4.04%	7.95%	7.95%	15.13%	50.22%	4.37%		1.44%	
Benchmark	5.57%	9.10%	9.10%	21.28%	41.69%	20.83%	35.18%	6.51%	5.21%
Strategy	4.04%	7.95%	7.95%	15.13%	50.22%	4.37%	24.53%	1.44%	3.76%

Strategy: 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

Legal form	SICAV UCITS
Fund domicile	Luxembourg
Fund launch date	01/12/2017
Strategy launch date	24/04/2015
Total AUM (JPY)	3,651,693,299.00
Fiscal year end	December 31st
Fund currency	JPY
Reference index	Topix NTR JPY
Cut-off time	12pm Lux. Time
Investment manager	Probus Middle East Ltd
Investment advisor	Probus Compagnie SA
Custodian bank	Banque Degroof Petercam
Auditor	E&Y Luxembourg

### Investment advisor

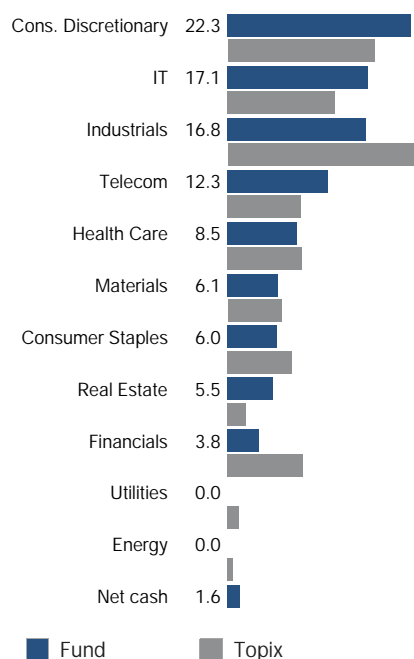
Frédéric Annoni

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.

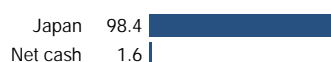
### NAV analysis

3 years figures (ann.)	Strategy	Index	Value	Date
Annual volatility	19.87	17.26	52-week NAV high	5,749.29
Beta	1.05		52-week NAV low	3,590.65
Tracking error	8.10		Max drawdown (%)	-41.66
Sharpe	0.18	0.46		14/06/18-16/03/20
Information ratio	-0.67			

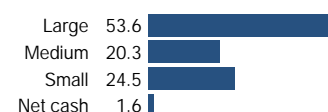
### Sectorial allocation (%)



### Geographical allocation (%)



### Market cap breakdown (%)



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

### Top 10 holdings (%)

Nikon Corporation	4.3	NEC	3.6
Hoya Corporation	3.9	Taiheiyo Cement Corpo	3.5
Bridgestone	3.9	Kobe Bussan Co.,Ltd.	3.4
Sony	3.8	Shimano Inc.	3.0
SBI Holdings	3.8	ASKUL	3.0
Top 5 positions	19.7	Top 10 positions (%)	36.3

### Other information

ROE (weighted av.)	14.64%
P/E Ratio	18.91x
Price-to-book ratio	2.01x
Dividend yield	1.35
Number of holdings	38

### 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*	2.48%	Up to 3%/Nil
AH - CHF	LU1941828300	PRSJAH LX	CHF	A	22/11/2019	CHF 100 000	1.75%	10% with HWM*	2.55%	Up to 3%/Nil
AH - EUR	LU1205058156	IGSAAH LX	EUR	A	01/12/2017	EUR 100 000	1.75%	10% with HWM*	2.58%	Up to 3%/Nil
AH - GBP	LU1941827914	PRSJAH LX	GBP	A	10/10/2019	GBP 100 000	1.75%	10% with HWM*	2.49%	Up to 3%/Nil
AH - USD	LU1205058313	SAISEAH LX	USD	A	01/12/2017	USD 100 000	1.75%	10% with HWM*	2.58%	Up to 3%/Nil
I2H - CHF	LU1941828565	PRSI2H LX	CHF	A	Not launched	CHF 2 000 000	1.10%	10% with HWM*		Up to 3%/Nil
I2H - EUR	LU1689249503	PRSI2E LX	EUR	A	15/01/2018	EUR 2 000 000	1.10%	10% with HWM*	1.92%	Up to 3%/Nil
I2H - GBP	LU1941828219	PRSI2H LX	GBP	A	Not launched	GBP 2 000 000	1.10%	10% with HWM*		Up to 3%/Nil
I2H - USD	LU1739245006	PRSI2H LX	USD	A	25/01/2018	USD 2 000 000	1.10%	10% with HWM*	1.90%	Up to 3%/Nil

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

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### Commentary

Japanese indices in March ended in the green, with the Nikkei 225 gaining a timid + 0.73% following heavy selling of FAST RETAIL which detracted 600 points, following BOJ comments (see below). Meanwhile, the Topix gained +4.8% with much of the so-called value sectors leading the charge. Indeed, the top three sectors this month were: Shipping +20.5%, Steel +17% and Utilities +11%. Also note that Banks gained +7% for the month. The top three worst sectors were: Mining -3.5%, Rail -1.3% and Airlines -0.7%.

Quarterly figures among best and worst sectors are even more dramatic with: Shipping +36.5%, Steel +32%, Oil +31.8% while Banks gained +24% vs. the Topix +8.27%. At the same time, Nikkei which is more "growth" oriented was up by +6.3% YTD.

Since November last year, Saisei believes that the so-called "reflation" style has run most of its course. Nonetheless, it is still possible that the outperformance of "value" style may continue until the 10-year treasury yield in the US stabilizes.

Market participants eagerly awaited the Bank of Japan's March 19th policy changes. Although well flagged on monetary policy, the BOJ did indeed surprise on its ETF policy.

At the March 19th monetary policy meeting, the BOJ decided to remove from its purchase list ETF's tracking the Nikkei index as of April 1st, 2021. The short-term impact has been rough, as top heavyweight names, such as Fast Retailing succumbed to heavy selling. It is no surprise then to observe the large discrepancy in this month's performance of the Nikkei 225 vs. the Topix index. Yet, this phenomenon shall prove to be short lived, as the BOJ has already substantially reduced its Nikkei index purchases since 2016. Meanwhile, the BOJ also decided to delete the 6 trillion JPY (annually) guideline for ETF purchases, but rather announced they will take a more flexible approach, while maintaining the maximum 12 trillion JPY ceiling. Having said that, Saisei does not think the BOJ was behind the very large performance gap between the Nikkei and the Topix over the past 10 years (+56% relative for the former). Rather, the top 5 names in 2005 accounted for 12.4% of the Index, while today, the top five names account for a much larger 29.3%, with heavy weight Fast Retailing alone claiming a 10% weight. Since the Nikkei 225 is a price weighted index, the company hasn't done any share split since the early 2000's to maintain or even increase its weight in the index.

In March Saisei has executed only two trades:

- Sold Tokyo Electron (8035) after a 220% profit. Although the future still looks bright for this leading tech company, over the short term it seems to Saisei that the stock is overbought. With the proceeds, the same amount has been invested in HOYA (7741). Another high-quality stock (average 5 years ROE 18%, ROIC 17% while the company boast a large 25% average OP margin). Despite these attractive ratios, the stock was languishing on its 200-day MA and is due at some point to take off. The company should show strong growth in photomasks blanks and HDD substrates, while COVID-19 headwinds in the Life Care business are also easing.

- After reducing some high performers, Saisei build a new position in KAO (4452). In fact, this hugely profitable company is trading at multi-year lows following all the fuzz on the "value" and cyclicals. The stock is a standout and Saisei felt it was a good opportunity to build a position. It's 10-year average ROE stand at 15%, while the company is net cash and has one of the industry's highest operating profit (OP) margin (3 years average at 13%).

Both stocks enter the Fund as "core" positions. And, as Saisei has at multiple times stated, it looks at high quality-growth companies, irrespective of the "value"- "growth" debate.

In March, the top three positive contributors to the Fund's performance were: Askul (+56bp), Taisei (+51bp) and Nikon (+49bp) while the top three negative returns were: Giftee (-73bp), Z-Holdings (-48bp) and PKSHA (-42bp).

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Source: Probus Group & MorningStar for performance figures.

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