

# FACTSHEET

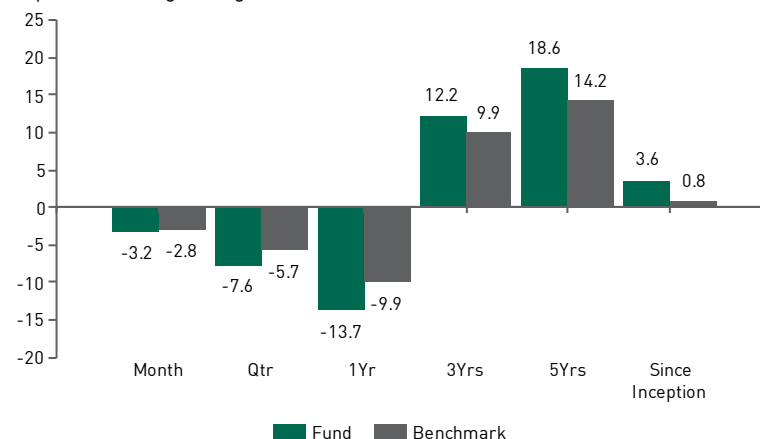
# PineBridge Japan Small & Mid Cap Equity Fund

The Fund seeks to achieve capital growth by investing in at least two-thirds of its assets in small to medium sized Japanese companies, whose capitalisation at the time of purchase is within the market cap range of the MSCI Japan Small & Mid Cap Net Index.

Benchmark	MSCI Japan SMID DTR Net (see footnote) [JPY]
Inception Date of Class	1 Aug 2006
Inception Date of Predecessor Class	N/A
Base Currency	USD
Class	C3
Class Currency	JPY
Min. Investment	JPY 125,000
Management Fee	2.25%
Listing/Dealing	Unlisted / Daily
Distribution Policy	Income and capital gains may be distributed
ISIN	IE00B1B80X26
Bloomberg	PBIJSMC
Domicile & Type	Ireland / Sub-fund of UCITS Umbrella Open-ended Unit Trust
Investment Manager(s)	PineBridge Investments Japan Co., Limited
Authorised for Public Distribution	Austria, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Spain, Sweden, Switzerland, United Kingdom
Fund Manager(s)	Noriko Umino Midori Katsumi
Rating(s)	Morningstar ★★

## PERFORMANCE %

For periods ending 31 August 2016



Calendar Year	2016 YTD	2015	2014	2013	2012
Fund %	-15.2	15.0	16.9	72.2	30.5
Benchmark %	-12.5	12.7	14.1	53.8	16.2
Difference %	-2.7	2.3	2.8	18.4	14.3

## FUND ANALYSIS

	1 Yr	3 Yr		
Information Ratio	-0.6	0.4	No. of Securities	67
Sharpe Ratio	-0.7	0.7	Wtd Avg Mkt Cap USDm	6,716
Alpha %	-5.0	2.4		
Tracking Error %	6.1	5.8	P/E Ratio	17.5
Standard Deviation %	19.1	16.5	P/Book	1.9
Beta	0.91	0.98	ROE %	13.3
R Squared	90.8	87.8	Debt to Equity	34.5

Fund Size USDm	27.5
NAV per Unit (JPY)	1609.4762

## MARKET REVIEW

- The Japanese small and mid-cap market lost 1.83% in the local currency base in August. The market style and sector reversal continued since its start in July. By style, micro-caps and growth underperformed against large caps and value. By sector global cyclicals and financials continued to reverse while domestic cyclicals and defensives faced profit taking.

## FUND ATTRIBUTION & POSITIONING

- The fund underperformed its benchmark index during August.
- Stock selection was the major drag to fund performance, especially among the domestic cyclicals, financials and global cyclicals sectors. Additionally, growth bias had a negative impact. Sector selection was slightly positive due to an overweight in global cyclicals and underweight in defensives. The top stock contributor was Topcon, a global cyclical measurement equipment maker. Its share price gained 36.2% amid the return reversal rally of the market. The top stock detractor was Kakaku.com, a domestic stable growth Internet price comparison site operator. Its share price declined 19.23% as first quarter results were short of expectations.
- The team trimmed the fund's exposure to stocks with richer valuations and sold Family Mart. A couple of new stocks with improving fundamental progress at reasonable valuations were introduced. A minor change was made to sector allocation, namely trimming domestic cyclicals and retail and raising exposure to global cyclicals and defensive food.

## MARKET OUTLOOK

- Over the short-term, the market may remain volatile due to the speculation over global monetary policies. However, the team remains bullish on the market due to the underlying structural changes of Japanese companies over the long-term. In terms of valuation, price to earnings ratio (PER) is 15x for fiscal year 2016 with static earnings growth among domestic businesses and depressed valuations among global cyclicals.

Indicative gross performance before fees and all charges. Returns over one year are annualised. Past performance is not indicative of future results.

# PineBridge Japan Small & Mid Cap Equity Fund

## ABOUT PINEBRIDGE INVESTMENTS

- Global asset manager with experience in emerging and developed markets, and investment capabilities in multi-asset, fixed income, equities and alternatives.
- On the ground investment teams that provide global fundamental perspectives and analytical insights.
- Global client base that includes institutions, insurance companies, and intermediaries.

[www.pinebridge.com](http://www.pinebridge.com)

## TEN LARGEST HOLDINGS

	Sector	Fund %
Fuji Heavy Industries Ltd.	Consumer Discretionary	3.2
Topcon Corp.	Information Technology	2.7
Heiwa Real Estate REIT, Inc.	Real Estate	2.5
Kakaku.com, Inc.	Information Technology	2.5
Ntt Urban Development Corporation	Real Estate	2.3
Temp Holdings Co., Ltd.	Industrials	2.2
Murata Manufacturing Co., Ltd.	Information Technology	2.1
Asahi Group Holdings, Ltd.	Consumer Staples	2.1
Shimadzu Corporation	Information Technology	2.0
Morinaga & Co., Ltd.	Consumer Staples	1.9
TOTAL		23.7

## TOP TEN ACTIVE POSITIONS

	Sector	Fund %
Fuji Heavy Industries Ltd.	Consumer Discretionary	3.2
Topcon Corp.	Information Technology	2.7
Heiwa Real Estate REIT, Inc.	Real Estate	2.5
Kakaku.com, Inc.	Information Technology	2.5
Ntt Urban Development Corporation	Real Estate	2.3
Murata Manufacturing Co., Ltd.	Information Technology	2.1
Asahi Group Holdings, Ltd.	Consumer Staples	2.1
Temp Holdings Co., Ltd.	Industrials	2.2
Hitachi Transport System, Ltd.	Industrials	1.9
Morinaga & Co., Ltd.	Consumer Staples	1.9

## SECTOR BREAKDOWN

	Fund %
Industrials	23.7
Information Technology	22.3
Consumer Discretionary	20.7
Consumer Staples	9.2
Materials	6.5
Health Care	6.3
Real Estate	5.7
Financials	4.4
Cash	1.1
TOTAL	100.0

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