

Press Release
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Sumitomo Mitsui Trust Asset Management Co., Ltd.

SuMi TRUST launches new Japanese Growth Opportunity equity fund

Sumitomo Mitsui Trust Asset Management (SuMi TRUST), one of Asia's largest asset management groups with over USD 626 billion AUM, has launched a new Japanese equities fund for institutional investors.

The Japan Growth Opportunity (JGO) fund aims to outperform the Japanese TOPIX index by 4.0% p.a. by investing in Japanese companies with high-growth potential. The portfolio will comprise 50-80 listed Japanese equities.

The JGO fund will be managed by Hiroyasu Sato who has 30 years' experience in the industry. Hiroyasu joined SuMi TRUST in 2019 from a Japanese asset management firm where he managed its flagship Japanese equity fund, an all-cap growth orientated strategy for international investors, for seven years. He has a master's degree in nuclear engineering from Kyoto University and started his career as an investment analyst researching electronics companies.

The fund's stock selection process will focus on the beneficiaries of long-term trends in the economy, such as Japan's aging population, combined with a catalyst strategy, picking out companies that generate momentum through M&A or intelligent restructuring. The research and selection process will be entirely bottom-up.

The top holdings of the fund currently include Kikkoman Corporation, a Japanese food manufacturer, Shoei, a manufacturer of motorcycle and motorsport helmets, and Nihon M&A Center, a company providing strategic M&A advice and support services to small and medium-sized business. The fund is currently overweight in industrials and information technology services and is underweight in financial services companies.

Portfolio manager Hiroyasu Sato said: "COVID-19 has accelerated existing trends in the Japanese market and created new opportunities. Our focus will be on stocks with strong growth drivers that tap into long-term trends. The fund's stock selection process, combining elements of two strategies will lead to stable alpha generation over the mid-to-long term and resilience in the face of market decline."

Hiroki Moritani, General Manager of SuMi TRUST's Global Business Development department said, "There are over 3,000 stocks in the Japanese equity market, most of them under researched compared to American or European markets. The launch of the JGO fund forms part of our global strategy to build a portfolio of specialist equity products, leveraging our knowledge and experience of the Japanese stock market to allow international investors to access opportunities they may otherwise overlook."

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