

Eurizon Fund - Sustainable Japan Equity Z, EUR Accumulation



Data as of 04/30/2024

This Sub-Fund is managed by Eurizon Capital S.A.

NAV (in EUR) 304.40  
Morningstar Rating <sup>TM</sup> ★★★★★  
Morningstar Rating <sup>TM</sup> referred to 03/29/2024

Fund Size (in EUR) 1,020 mil  
Fund Manager Joel Le Saux

Class Unit Inception Date 10/06/2017  
Number of Holdings 51

Investment / Performance Objectives & policy

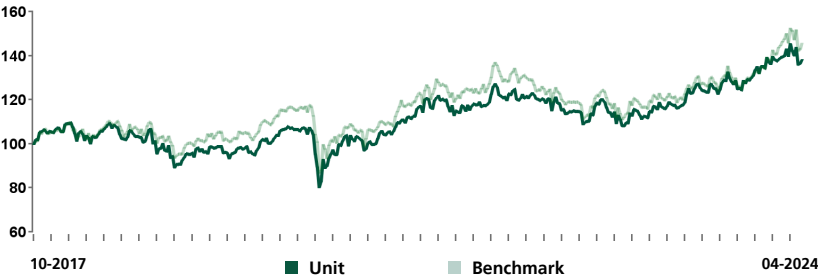
The fund mainly invests in Japanese equities. The fund generally favours direct investment but may at times invest through derivatives. Specifically, the fund normally invests at least 70% of total net assets in equities and equity-related instruments, including convertible bonds, that are traded or issued by companies that are located, or do most of their business, in Japan. The fund may use derivatives for reducing risks (hedging) and costs, and to gain additional investment exposure. For more information read the Prospectus or Key Information Document (KID).

Benchmark

TOPIX Index®

Performance and NAV Evolution\*

NAV Evolution since launch



Cumulative and Annualized Performance

	Unit	Benchmark	Unit	Benchmark
	Cumulative		Annualized	
YTD	2.19%	8.18%	-	-
1M	-2.93%	-3.12%	-	-
3M	-1.04%	2.31%	-	-
1Y	17.37%	21.41%	-	-
3Y	20.47%	20.27%	6.39%	6.34%
5Y	39.82%	38.93%	6.91%	6.77%
Since Launch	38.25%	45.83%	5.05%	5.91%

Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
Annualized Volatility Unit	9.58%	11.11%	12.54%	13.64%	13.80%
Annualized Volatility Benchmark	9.80%	12.14%	13.62%	14.75%	14.60%
Tracking Error Volatility	4.59%	4.05%	3.52%	3.39%	3.12%
Sharpe Ratio	2.08	1.27	0.43	0.48	0.35
Information Ratio	-2.94	-0.99	0.01	0.04	-0.28
Beta	0.87	0.86	0.89	0.90	0.92

Annual Performance (Calendar Year)

	Unit	Benchmark
2023	20.42%	15.53%
2022	-7.15%	-9.99%
2021	7.36%	8.80%
2020	5.69%	3.32%
2019	17.56%	20.98%

\*Past performance and/or of relevant benchmark if applicable is not guarantee of future performance. The performances are net of ongoing charges and performance fees and exclude any entry and exit fees. Dividend reinvested / Dividend distributed (depending on the case). Reference period: YTD (year to date) from 01/01/2024 to the date of this reporting. The returns calculations do not take into account taxes applicable to an average professional client in his or her country of residence. When the currency presented differs from yours, there is a currency risk that may result in a decrease in value.

Risk and Reward Profile



The risk indicator assumes you keep the product for 5 years. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions are could impact the capacity to pay you.

For any further details on investment risks, please refer in particular to the Risks section of the Fund’s Prospectus.

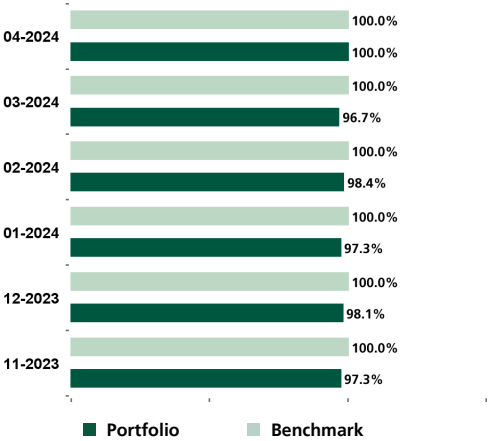
Data as of 04/30/2024

Portfolio Information

Top 10 Stocks

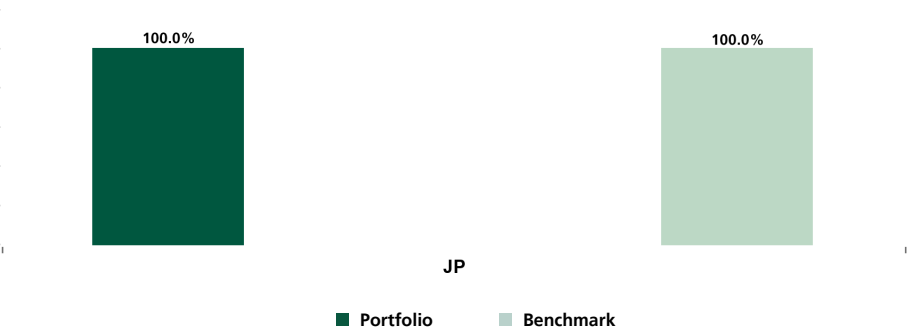
	Portfolio	Sector	Country
SONY GROUP CORP/TOKIO	5.00%	Consumer Discretionary	JP
TOYOTA MOTOR CORP.	4.28%	Consumer Discretionary	JP
LY CORPORATION	3.94%	Communication Services	JP
MIZUHO FINANCIAL GR.	3.59%	Financials	JP
KDDI CORPORATION	3.36%	Communication Services	JP
MARUBENI CORPORATION	3.11%	Industrials	JP
BRIDGESTONE CORP	3.08%	Consumer Discretionary	JP
MITSUBISHI UFJ FIN	2.78%	Financials	JP
SHIN-ETSU CHEMICAL	2.73%	Materials	JP
EAST JAPAN RAILWAY	2.68%	Industrials	JP

Equity Exposure Evolution

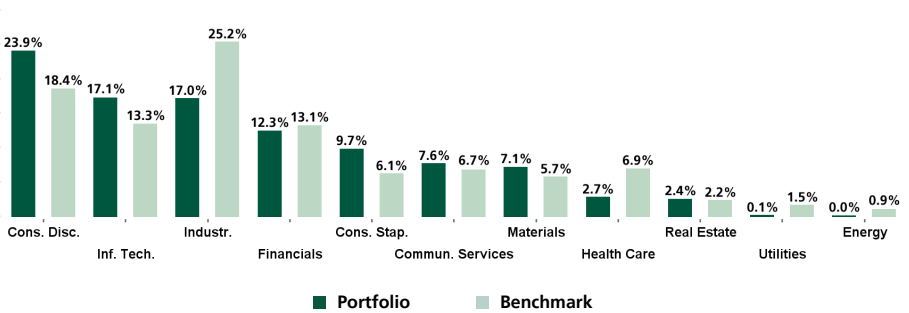


Market Cap	Weight
> 10 billion	92.59%
5-10 billion	3.77%
1-5 billion	3.63%
0-1 billion	-

Geographical Breakdown (Equity)



Sector Breakdown (Equity)



Currency Risk Exposure\*

	Portfolio	Benchmark
JPY	100.53%	100.00%

\*The figure refers only to classes not covered by exchange rate risk.

Allocation subject to change. Reference in this document to specific securities should not be construed as recommendation to buy or sell these securities.

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Data as of 04/30/2024

Sustainability characteristics

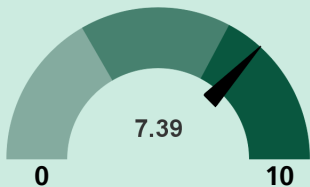
ESG score

The ESG score considers environmental, social and governance factors based on data on the individual issuer provided by MSCI ESG, which are then aggregated according to the underlying securities in the portfolio. The same methodology is also applied to the product benchmark.

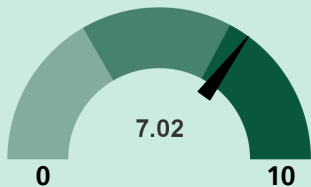
**SFDR Category**  
**Article 8**

The fund is qualified pursuant to Article 8 of Regulation (EU) 2019/2088; see the Sustainability Report for more details.

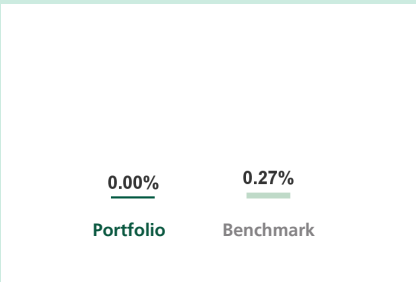
ESG score  
Eurizon Fund - Sustainable Japan Equity Z



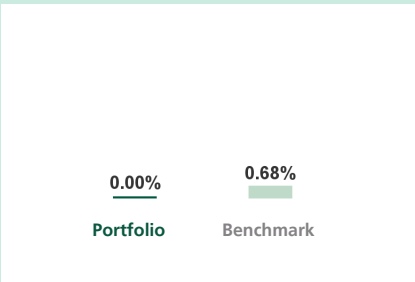
ESG score  
Benchmark



Percentage of issuers involved in controversial sectors



Percentage of critical issuers



Values other than zero may be due to (i) discontinued issuers, in the best interest of participants and in accordance with current legislation, (ii) issuers for which an engagement activity is in progress or (iii) indirect exposures.

Source: Internal processing of data provided by MSCI ESG Research  
Survey period: 12-month rolling average

Appendix

Percentage of issuers involved in controversial sectors

Issuers operating in sectors deemed controversial (not "socially responsible"), to which restrictions or exclusions apply with respect to the entirety of the individual assets under management, are companies (i) that have a clear direct involvement in the manufacture of unconventional weapons; (ii) at least 25% of whose turnover is generated from thermal coal mining or power generation activities; (iii) at least 10% of whose turnover is generated from the exploitation of oil sands.

More specifically, unconventional weapons are understood as: anti-personnel mines; cluster bombs; nuclear weapons\*; impoverished uranium; biological weapons; chemical weapons; stealth cluster bombs; blinding lasers; incendiary weapons; white phosphorus.

These provisions do not apply to the activities permitted by the following treaties and/or conventions:

- The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; the Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster bombs;
- The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons;
- The Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons;
- Regulation (EU) 2018/1542 concerning restrictive measures against the proliferation and use of chemical weapons;

These exclusions are also intended to comply with the requirements established by Law no. 220 of 9 December 2021 on measures to counter the financing of companies producing antipersonnel mines, cluster bombs and submunitions.

\*With regard to exclusions on nuclear weapons, issuers based in states that have adhered to the "Nuclear Non-Proliferation Treaty" stipulated on 1 July 1968 are not considered.

Percentage of critical issuers

"Critical" issuers are those companies having a higher exposure to environmental, social and corporate governance risks, i.e. which have a lower ESG sustainability rating level (equal to "CCC" assigned by the specialized info-provider) in the equity and bond investment category and for which an escalation process has been activated, or is being assessed, which determines restrictions and/or exclusions with respect to the entirety of the individual assets under management ("ESG Binding screening").

Percentage of issuers selected on the basis of positive and negative criteria

The weight of government issuers that comply with the specific positive and negative selection criteria identified by the Product, i.e. (i) issuers of green/sustainable bonds and (ii) companies publicly engaged in the energy transition process, particularly through the progressive reduction in Scope 1 and Scope 2 emissions to reach climate neutrality by 2050 ("Net Zero" goal).

Percentage of assets in government issuers meeting the screening criteria

The weight of government issuers that meet the selection criteria defined on the basis of the indicators of the "Sustainable Development Report" and Regulation (EU) 2019/2088 to monitor the principal adverse impacts relating to government issuers.

Percentage of assets in ESG or sustainable investment type UCIs

This is understood as assets of UCITS that promote environmental and/or social characteristics pursuant to Article 8 of Regulation 2019/2088 or which pursue sustainable investment objectives pursuant to Article 9 of said Regulation.

Carbon footprint

The value represents tonnes of carbon dioxide (direct - Scope 1 and indirect - Scope 2) of the investee companies in relation to their turnover.

Sustainable investment

Weighting (i) of issuers with net positive alignment with at least 1 of the United Nations' 17 Sustainable Development Goals (SDG) and no misalignment with any of the SDGs and (ii) of green, social and sustainability bonds.

Data as of 04/30/2024

## Investment Manager Commentary

### Market Development

The TOPIX Net Total Return slid by -1% in April, lagging the global market in JPY. Mega value caps supported the market with an almost flat return. Growth names underperformed the broad market. TSE REIT Index gained +1%. By sectors, Utilities led the market, +5%, on the back of gradual restarting of nuclear power plants, followed by Industrials, +3%, driven by trading companies on the back of an elevated commodities prices and the early signs of a bottoming out of the industrial cycle. On the other hand, Information Technology and Communication Services lost -5% each. The semiconductor industry lost -13% giving up some of its +38% gain in the first quarter. Following the solid US employment data and the Bank of Japan maintaining its monetary policy the yen continued to slide and hit a new 34-year low at 160 per US dollar. At the end of the month, the Ministry of Finance intervened in the market selling over 30 billion of USD, and the yen ended the month at 158 per dollar, losing -4%.

### Performance and Investment Choices

In April, the Fund performed broadly in line with the benchmark. Sector allocation was negative, but the stock selection was positive. Stock selection was particularly good within Information Technology but poor within Industrials. Contribution by style and size was mostly neutral. The main contributors were Marubeni, Hirose Electric up +8% each and Resona Holdings +7%. Marubeni, a laggard within the trading companies, gained on commodities rallying. Hirose Electronic, the laggard within the electronics components, rallied on the industrial cycle bottoming out. Resona Holdings, which is the largest regional bank, outperformed the mega banks, following the end of unconventional monetary policy. The main detractors were Technopro -10%, ZOZO -9% and MatsukiyoCocokara -7%. Despite solid IT demand, Technopro continued to slide over the month, dropping post-results on concerns about increasing turnover in its IT staffing business and sluggish overseas earnings. ZOZO reversed its March gains from being included in the NIKKEI 225. Along with the domestic retail industry, MatsukiyoCocokara dropped despite solid same-store sales. Oriental Land which entered the portfolio last month was topped upped further as the share price continue to slide despite solid business and pricing power, a unique feature in Japan. Taisei Corp and Toyo Suisan exited the portfolio. The fund is currently overweight on Consumer Discretionary by, while underweight on Industrials and Health Care. Cash is at the maintenance level. The ESG profile is broadly unchanged and continues to outperform the benchmark, comparing particularly favourable in its carbon emission intensity. The Fund is trading at 14.8x 12-month forward P/E, 1.43x P/B and 2.2% dividend yield respectively broadly in line with the market but focusing on reasonably priced free cash flow generators. The team is keeping an eye on quality names with reasonable valuations that can weather the potential volatility in currency moves.

### Outlook and Investment Strategy

With the US rate cuts expectation pushed back to the end of the year thanks to a solid US economy, global companies' earnings will remain supported by the weak yen. At the same time, the likelihood for the Bank of Japan to hike rates sooner than later has increased considerably following the currency market intervention and that would be positive for the banks. That said Mega cap, which are mostly international companies including megabanks, are trading at 1.9x price-to-book ratio, the highest valuations since pre-GFC and the supportive macro conditions look mostly priced in. On the other hand, sustained weak yen will continue to import inflation and would likely weigh on domestic consumption as pensioners with limited wage hikes account for nearly 40% of personal consumption. The low valuations of Large and Mid-caps, which are more domestic names in nature, can be explained by the aforementioned. However, certain companies with solid underlying business, especially the economic resilient food & retail industries, look completely overlooked amidst the Mega cap rally. TOPIX valuations are at 14.8x 12-month forward P/E, 1.43x P/B and 2.1% dividend yield.

Source: Eurizon Capital SGR S.p.A., the Investment Manager of the Sub-Fund.

**This commentary constitutes opinions that are subject to change. Past performance is no guarantee of future performance.**

## Fund Overview

<b>Legal Status</b>	Fonds Commun de Placement (FCP)/UCITS
<b>Home jurisdiction of the Fund</b>	Luxembourg
<b>ISIN Code</b>	LU1543693680
<b>Class Unit Inception Date</b>	10/06/2017
<b>Valuation</b>	Daily
<b>Bloomberg Code</b>	EUREJZE LX
<b>Entry costs</b>	-
<b>Exit costs</b>	-
<b>Management fees and other administrative or operating costs</b>	0.88% (of which management commission constitutes 0.70%)
<b>Transaction costs</b>	0.08%
<b>Performance fees</b>	The performance fee calculation is based on a comparison of the net asset value per unit against the High Water Mark where the High Water Mark is defined as the highest net asset value per unit recorded at the end of the five previous financial years, increased by the year-to-date return of the fund's benchmark. The actual amount will vary depending on how well your investment performs.
<b>Minimum amount</b>	3,000,000 EUR
<b>Taxes</b>	The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Please refer to your financial and tax advisor.
<b>Management Company</b>	Eurizon Capital S.A.
<b>Investment Manager of the Sub-Fund</b>	Eurizon Capital SGR S.p.A.
<b>Category</b>	JAPAN FLEX-CAP EQUITY

The fund is qualified pursuant to Article 8 of Regulation (EU) 2019/2088; see the Sustainability Report for more details.

The Sub-Fund is not an Index-tracking UCITS and then does not intend to passively replicate, track or leverage the performance of a Benchmark through synthetic or physical replication.

Data as of 04/30/2024

## Access to Fund documents and other information in your country

Before making an investment decision, you must read the Prospectus and KIDs, as well as the Management Regulations and the last available annual or semi-annual financial report and in particular the risk factors pertaining to an investment in the Sub-Fund and may be obtained at any time, free of charge on the Management Company's website [www.eurizoncapital.com](http://www.eurizoncapital.com). These documents are available in English (and the KIDs in an official language of your country of residence) and paper copies may also be obtained from the Management Company upon request. This document does not constitute any investment, legal or tax advice. Please liaise with your tax and financial advisor to find out whether the Unit is suitable to your personal situation and understand the related risks and tax impacts.

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## IMPORTANT INFORMATION

Source of information and data related to the Unit of the Sub-Fund: Eurizon Capital SGR S.p.A, Società di gestione del risparmio, a public limited company (società per azioni) incorporated in Italy under number 15010 and having its registered office Via Melchiorre Gioia, 22 - 20124 Milan and authorized to act as investment manager under the supervision of CONSOB.

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Société Anonyme - R.C.S. Luxembourg N. B28536 - V.A.T. number : 2001 22 33 923 - N. I.B.L.C. : 19164124 - IBAN LU19 00241631 3496 3800.  
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