



A Prudential plc company 

Eastspring Investments Japan Dynamic MY Fund ("Fund")

invested in rising opportunities in Japan

Capitalise on Japan's corporate revival story and seize the opportunity for long-term capital growth:

- ▶ Leverage on the target fund's fund manager proven 17-year track record and investment expertise
- ▶ Identify value opportunities with a differentiated investment approach
- ▶ Gain from a high conviction and unconstrained strategy



Insights into Japan

Japan is the world's 3rd largest economy and stock exchange by market capitalisation in the world, behind the US and China. It has outperformed other developed markets in terms of earnings per share growth over the last 10 years. Yet it is one of the most neglected, under-appreciated and under-owned markets.

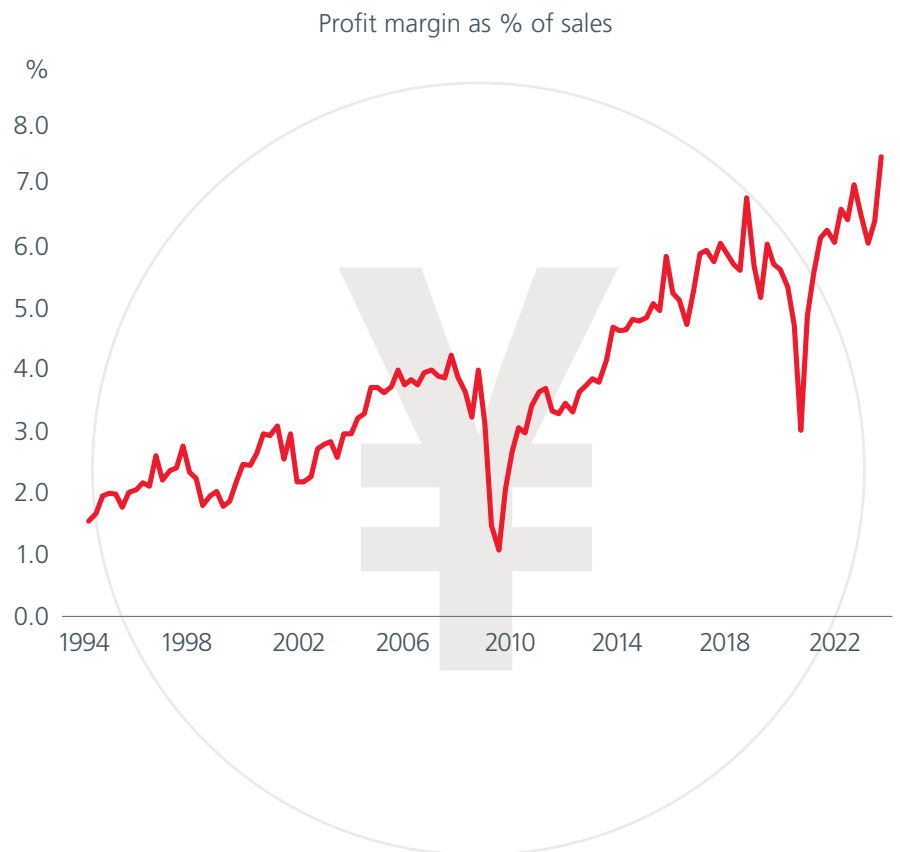
Japan is in a sweet spot due to a confluence of cyclical and structural tailwinds, which are leading to stronger than expected corporate earnings. To add, ongoing corporate reforms have resulted in improved trend profitability. With rising inflation, accompanied by wage growth, Japan may come out of a long period of economic stagnation. Over the longer term, Japanese companies are at the gateway of Asia where they can both facilitate and partake in the region's growth story – via the finance, retail, and consumer goods growth, but also by means of supporting factory automation, infrastructure, and energy transition.



Corporate reforms are driving profits

Profitability has generally improved on a trend basis and the long-term upward trajectory for earnings remain intact. Recent initiatives by the Tokyo Stock Exchange also aim to push listed companies and their management teams to further improve balance sheet efficiency and underlying profitability.

Fig 1 – Corporate Japan: Cyclical impact but rising trend





Attractive valuations compared to global peers

With resilient earnings and improved company fundamentals, the Japanese equity market has re-rated slightly, however it is still valued much lower than other major markets.



More Japanese companies are cash rich

Long-term restructuring efforts have included deleveraging of balance sheets, which has led to high levels of cash and offered many companies a level of flexibility in funding their ongoing operations. This has also helped Japan's corporates remain resilient even in times of escalating uncertainty in global financial markets. Moreover, going forward, we expect more companies to use excess cash for share buybacks which overall improves shareholder returns.

Fig 2 – Japan valuations are attractive

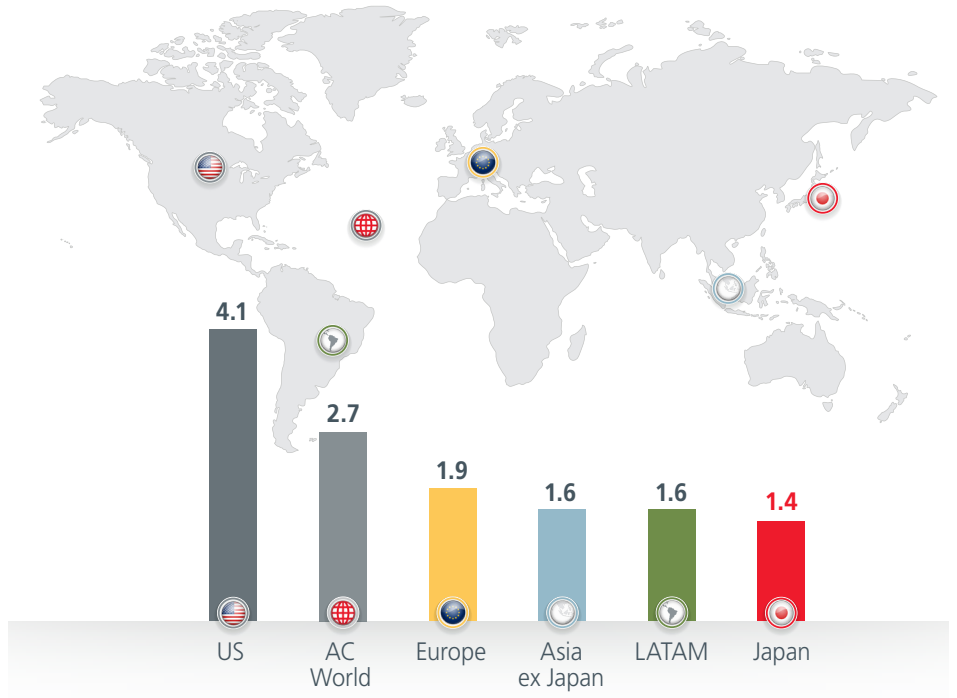
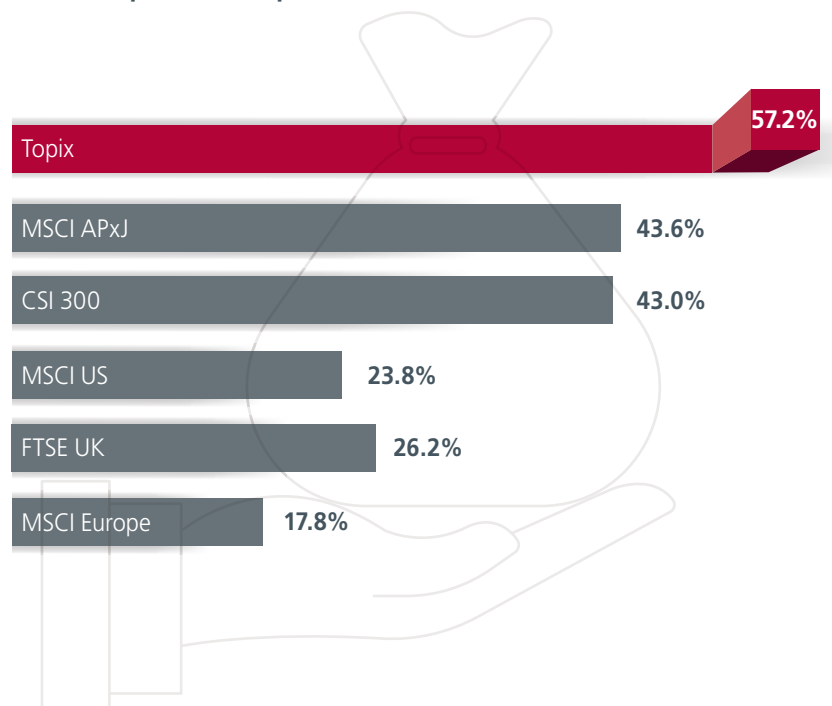


Fig 3 – More Japanese companies are cash rich



Sources: Fig 1. Profit Margin % of sales from Refinitiv Datastream MOF. For illustration purposes only. Latest data available as 30 September 2023. Current Profits of all Japanese Incorporated Enterprises Industries (Except Finance and Insurance) / Sales, in Japanese Yen. Fig 2. Eastspring Investments, IBES MSCI Indices, Refinitiv Datastream, as at 30 September 2023. Past performance is not an indication of the future or likely performance. For illustration purposes only. The indices described are unmanaged and not available for direct investment. Indices used: MSCI Japan Index, MSCI Europe Index, MSCI AC Asia Pacific ex-Japan, MSCI EM Latin America Index, MSCI AC World Index, MSCI USA Index Projections, forecasts, opinions on the economy, securities markets or the economic trends of the markets are based upon information and sources believed to be reliable at time of publication and subject to change without notice. Fig 3. "Cash rich" companies: Nomura, as at 10 October 2023. Companies ratio is the number of positive net cash companies divided by the number of index composite companies.

Reasons to invest in the Fund

Leverage on the target fund's fund manager proven track record and investment expertise

The target fund has a highly experienced team with a track record of 17 years since inception, navigating Japan's equity universe and delivering strong performance. It has a value tilt approach and are one of the very few true-to-label-based managers of Japan equity.

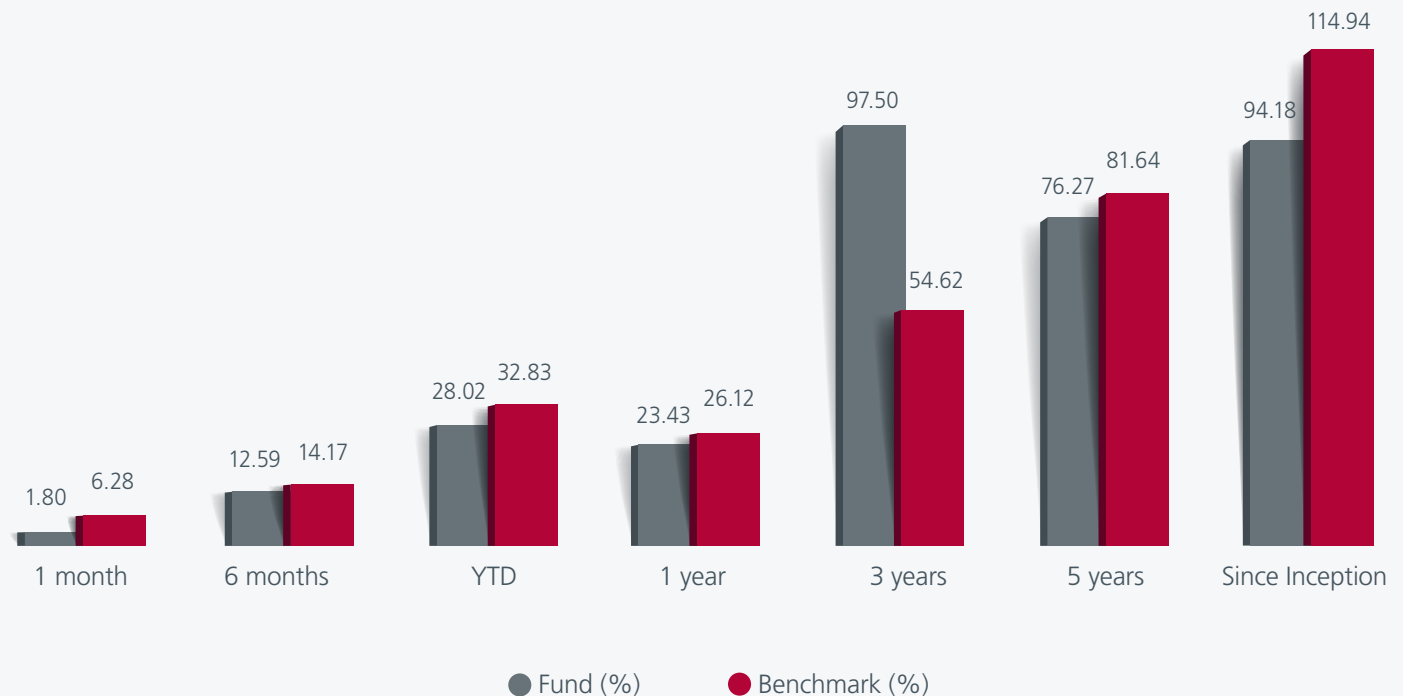
The target fund identifies value opportunities with a differentiated investment approach

The target fund's detailed analysis looks for the longer drivers of a company's sustainable earnings using a consistent valuation framework. It takes a contrarian approach to identify valuation outliers where earnings will be durable over time and market cycles.

The target fund gain from a high conviction and unconstrained strategy

The target fund's portfolio is unconstrained by market cap or benchmark or the market's thematic preferences. It contains 30-50 of our best idea stocks that are undervalued according to their fundamentals, or whose prices reflect a significant overreaction by the market.

Fig 4 – Performance of the Fund (as at 30 November 2023)



Source: Fig 4. Eastspring Investments Berhad. Benchmark: Morgan Stanley Capital International (MSCI) Japan Index (Net). Fund performance is sourced from Lipper for Investment Management and benchmark is from Eastspring Investments (Singapore) Limited and Bloomberg, 30 November 2023. Performance is calculated on a Net Asset Value ("NAV") to NAV basis with gross income or dividend reinvested. Past performance is not necessarily indicative of future performance.

Fig 5 – Investment approach



Idea generation

Systematically look for mispriced assets. Focus on extremes. Identify maximum impact opportunities



Fundamental analysis

Confirmation that value exists. Deepen understanding and test conviction



Portfolio construction

Establish & monitor the risk/reward relationship. Link research output to portfolio construction and review



Risk control and review

Ongoing feedback supports sell-discipline. Ensure integrity of investment process



Fund information

Fund category / Type	Wholesale (Feeder) / Growth	
Launch date	16 June 2015	
Base currency	JPY	
Fund objective	The Fund aims to generate long-term capital appreciation by investing in the Eastspring Investments – Japan Dynamic Fund ("Target Fund"), which invests primarily [^] in securities of companies in Japan. [^] primarily means at least 66% of the Target Fund's net asset value	
Investment strategy	to achieve the Fund's objective, the Fund will invest a minimum of 95% of the Fund's NAV in the Target Fund; the remaining Fund's NAV not invested in the Target Fund will be invested in liquid assets.	
Asset allocation	<ul style="list-style-type: none"> • Minimum of 95% of the Fund's NAV in the Target Fund; and • Maximum of 5% of the Fund's NAV in liquid assets. 	
Performance benchmark	Morgan Stanley Capital International (MSCI) Japan Index (Net)	
Income distribution policy	Distribution of income (if any) is incidental.	
Key risk	<ul style="list-style-type: none"> • Fund Management of the Target Fund risk • Country risk • Currency risk 	
Target fund key risk	<ul style="list-style-type: none"> • Single country risk • Foreign exchange/Currency risk • Counterparty risk • Custody risk • Liquidity risk 	<ul style="list-style-type: none"> • Derivatives risk • Income-producing securities risk • Risk of conflict of interest – investment in shares of Prudential plc or any affiliated entities
Investor's profile	This Fund is suitable for sophisticated investor who: <ul style="list-style-type: none"> • Seek capital appreciation; • Want to participate in Japan market; • Have high risk tolerance; • Are comfortable with the volatility and risk of a fund that invests in a single market; and • Adopt a long-term investment horizon. 	
Sales charge	Up to 5.50% of the NAV per Unit	
Annual management fee	Up to 1.80% of the NAV per annum	
Annual trustee fee	Up to 0.06% of the NAV per annum subject to a minimum of RM15,000 per annum	
Minimum initial investment	<ul style="list-style-type: none"> • Lump Sum: RM1,000 	<ul style="list-style-type: none"> • Regular Investment: RM100
Minimum additional investment	<ul style="list-style-type: none"> • Lump Sum: RM100 	<ul style="list-style-type: none"> • Regular Investment: RM100
Cooling-off period	The period of six (6) business days from the date the Manager receives the duly completed transaction form. A cooling-off right is only given to a qualified Sophisticated Investor.	

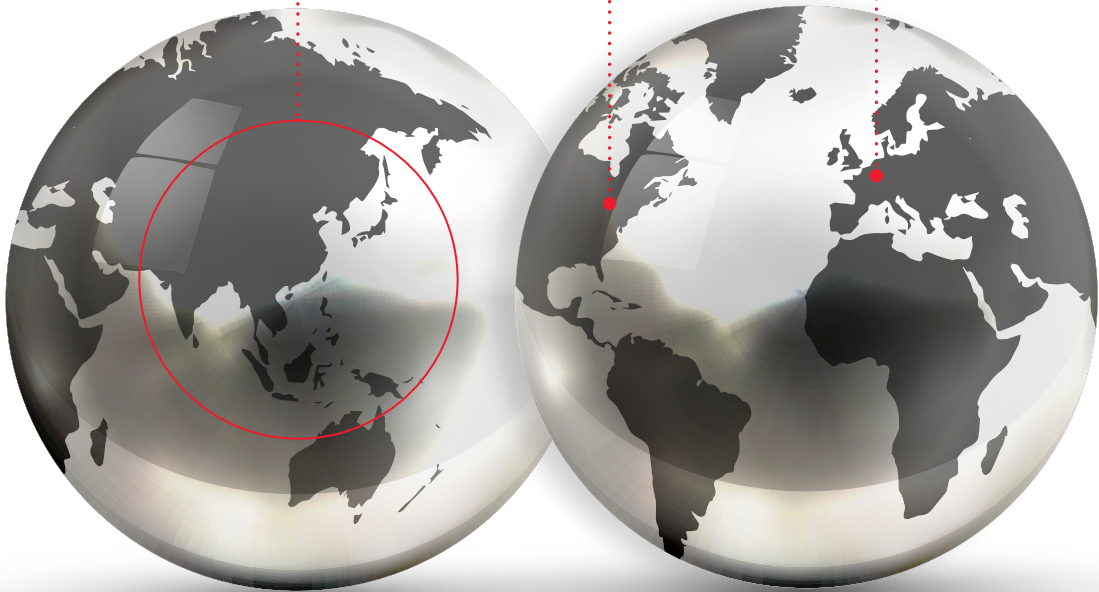
Asian DNA with global perspective

Eastspring Investments, part of Prudential plc, is a leading Asia-based asset manager that manages over USD271 billion of assets as of 30 September 2024. Operating since 1994, we have built an unparalleled on-the-ground presence in 11 Asian markets, as well as distribution offices in North America and Europe.

- Japan
- Indonesia
- Malaysia
- Singapore
- South Korea
- Taiwan
- Thailand
- Vietnam
- Hong Kong*
- China*
- India*

● Luxembourg

● United States



● Sales office ● Sales and investment office ●*Joint venture

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Investors are advised to read and understand the contents of the Eastspring Investments Japan Dynamic MY Fund ("Fund") Replacement Information Memorandum dated 6 March 2020, the Fund's First Supplementary Information Memorandum dated 2 February 2021, the Fund's Second Supplementary Information Memorandum dated 1 December 2023, the Fund's Third Supplementary Information Memorandum dated 8 November 2024, the Fund's Fourth Supplementary Information Memorandum dated 31 January 2025 (collectively, the "Info Memos") and the Fund's Product Highlights Sheet ("PHS") before investing. The Info Memos and PHS are available at offices of Eastspring Investments Berhad or its authorised distributors and investors have the right to request for a copy of the Info Memo and PHS. The Info Memos have been deposited with the SC who takes no responsibility for its contents. The lodgement of Info Memos with the SC does not amount to nor indicate that the SC has recommended or endorsed the product. Units will only be issued upon receipt of the application form. Past performance of the Fund is not an indication of the Fund's future performance. Unit prices and distribution payable, if any, may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the Net Asset Value ("NAV") per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Where a unit split is declared, investors are advised that the value of their investment in Malaysian Ringgit will remain unchanged after the issue of the additional units.

Investments in the Fund are exposed to fund management of the Target Fund risk, country risk and currency risk. Investors are advised to consider these risks and other general risks as elaborated in the Info Memos as well as fees, charges and expenses involved before investing. Investors may also wish to seek advice from a professional adviser before making a commitment to invest in units of any of our funds.

Eastspring Investments is an ultimately wholly owned subsidiary of Prudential plc. Prudential plc, is incorporated and registered in England and Wales. Registered office: 1 Angel Court, London EC2R 7AG. Registered number 1397169. Prudential plc is a holding company, some of whose subsidiaries are authorized and regulated, as applicable, by the Hong Kong Insurance Authority and other regulatory authorities. Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or with the Prudential Assurance Company Limited, a subsidiary of M&G plc. A company incorporated in the United Kingdom.



A Prudential plc company 

eastspring.com/my

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