



Outlook for Japanese Economy & Stock Market

Monthly comments & views by
Sumitomo Mitsui DS Asset Management (SMDAM)

-November 2019-

Executive summary

■ Japanese Economy

SMDAM up-revised GDP forecast for both FY2019 and FY 2020 by 0.1%. Japanese economy is showing resilience and also the possibility of partial agreement between US and China increased. Anecdotal evidence shows that negative impact from the consumption tax hike from 1st October has been limited so far. Rush demand purchases happened only just before the tax hike and contraction of sales after the tax hike was short-lived. (P7,P9)

- Assuming already announced trade tariffs are imposed, maximum negative effect on the quarterly global real GDP growth is estimated to be -0.14% in 4Q 2019, and then after recedes rather rapidly from 2Q 2020. If US and China make a partial compromise such as China importing US agricultural products and meats meanwhile US stops imposing tariff scheduled in October and December, Bottoming can be even faster. (P4)
- BOJ's "TANKAN" business survey in September showed deterioration in business sentiment, for which manufacturing enterprises are hit harder than non-manufacturing enterprises. However, the survey also showed strong appetite for CAPEX. (P11)

■ Japanese Stock Market

The global stock market is expected to try upside assuming cyclical economic recovery in the beginning of 2020. Consumption tax hike in October in Japan so far made only a limited impact. If US-China can reach a partial agreement, investors' positive sentiment would continue. Risk factors such as breakup of US-China negotiation, Hong Kong situation and Middle East scare would bring volatility to the global stock markets. (P18)

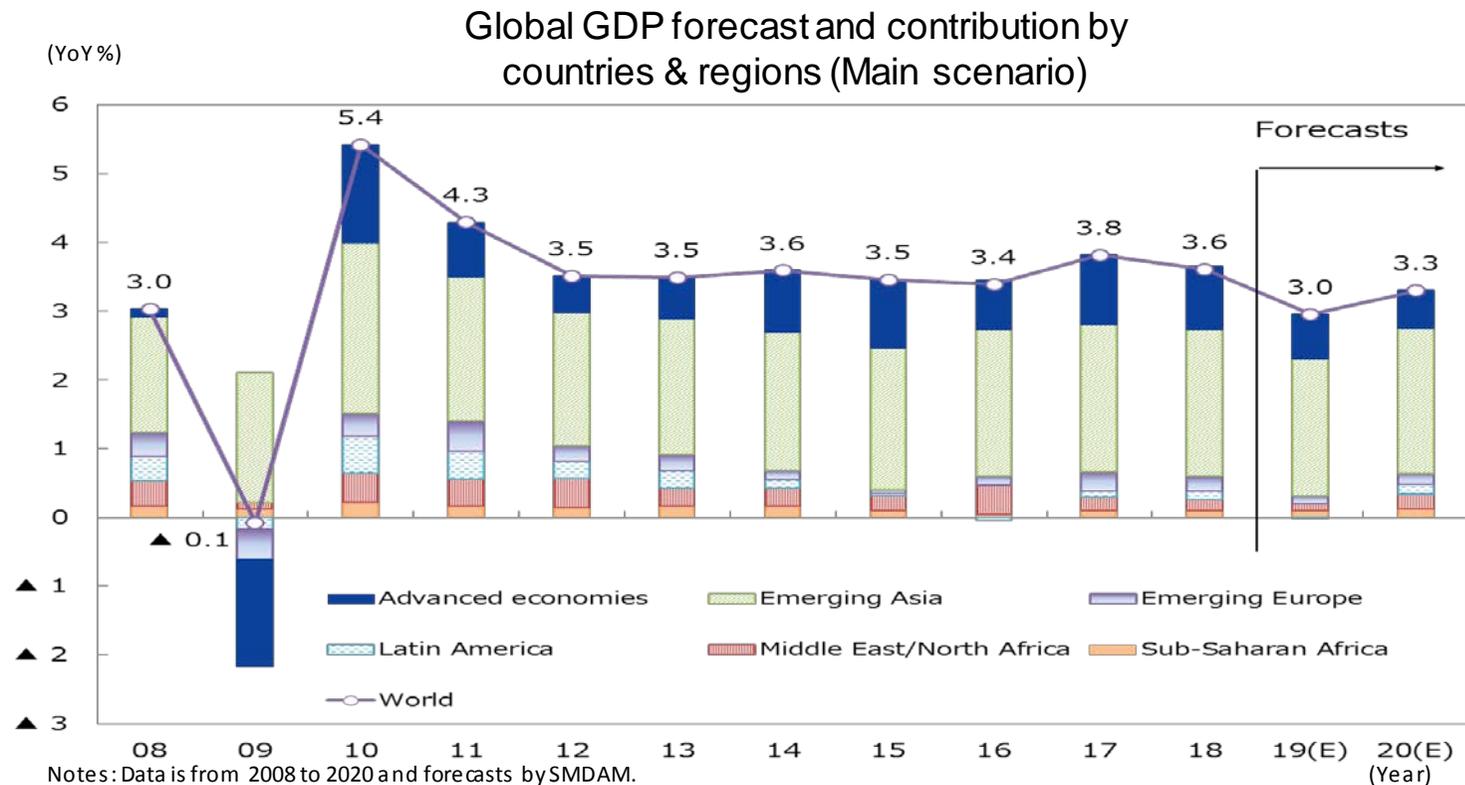
- 15 times PER has been the up side of the historical range since PM Abe started expansive policy mix in 2013. Considering global uncertainties to continue, SMDAM put upside of the current forecast range at 14's times. Current 13 times of PER has an upside room if current easing move of global tensions is sustainable. (P23)
- Earnings announcements for Jul-Sep quarter get busy in November, for which expectations are already low. From a contrarian view point, any unexpected positive turn could surprise investors. (P21)



Outlook for Japanese Economy

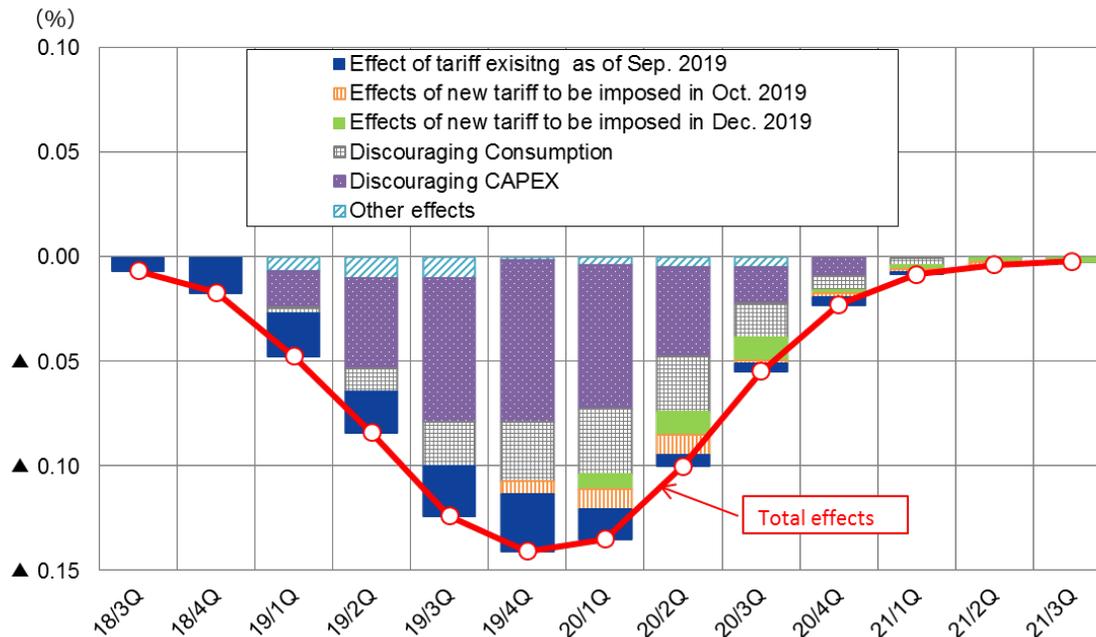
Outlook for the global economy

- SMDAM slightly cut forecasts for the global real GDP growth by 0.1%, which is now expected to slow down from 3.6% in 2018 to 3.0% in 2019, and then recover to 3.3% in 2020.
- Emerging economies are doing slightly worse than forecast in the previous month.



Negative effect of trade conflict is expected to bottom by 1Q 2020

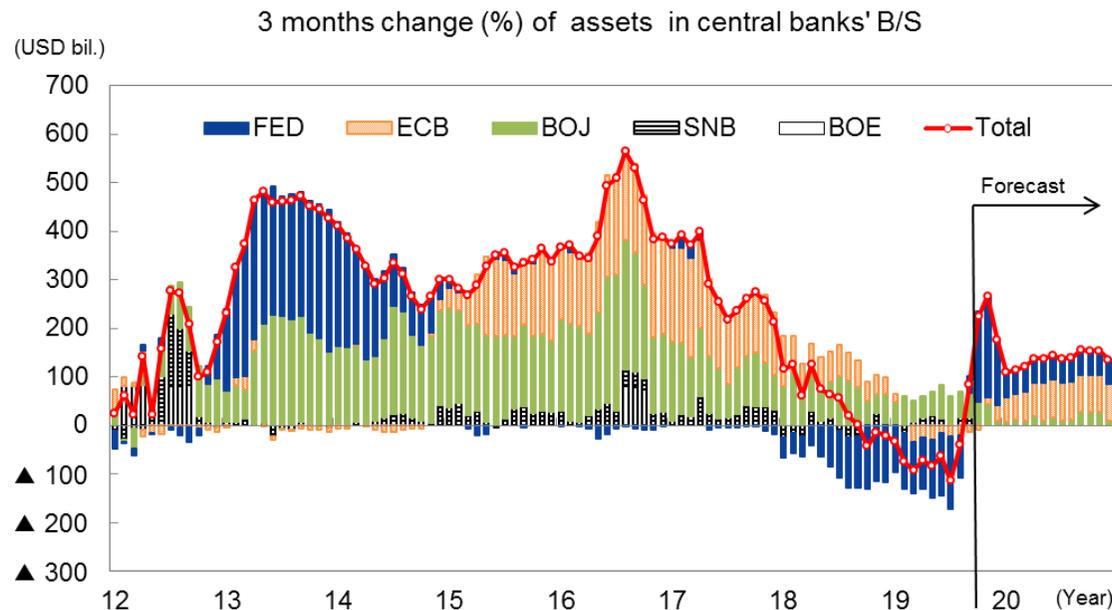
- Assuming already announced trade tariffs are imposed, maximum negative effect on the quarterly global real GDP growth is estimated to be -0.14% in 4Q 2019, and then after recedes rather rapidly from 2Q 2020.
- If US and China make a partial compromise such as China importing US agricultural products and meats meanwhile US stops imposing tariff scheduled in October and December, Bottoming can be even faster.



Note: Simulation by SMDAM. Assumes shock to be maximum in 1 to 2 quarters after the event and diminishes in 5 to 6 quarters.
 (Source) OECD and various statistics, compiled by SMDAM.

Global quantitative easing is starting again

- FRB started expanding its balance sheet as a reserve management in order for containing volatility of FF rates. FRB says this is not a quantitative easing, however, visible expansion could be interpreted as positive for financial markets.
- BOJ might make extra easing measures as early as on 30th and 31st of October when next Monetary Policy Committee Meeting is held.

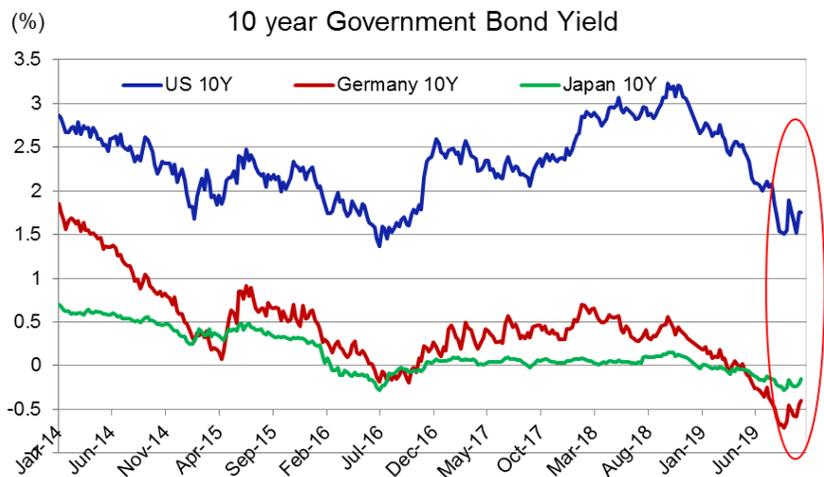


Note: Data is from Jan 2012 to Aug 2019 and SMDAM's forecasts to Dec 2020.

Assumes that ECB restarts monthly EUR 20 bil. bond purchases from Nov. 2019 and increase the purchasing to EUR 30 bil. from Mar. 2020. FED expands B/S as reserve management. BOJ maintains current purchasing pace.

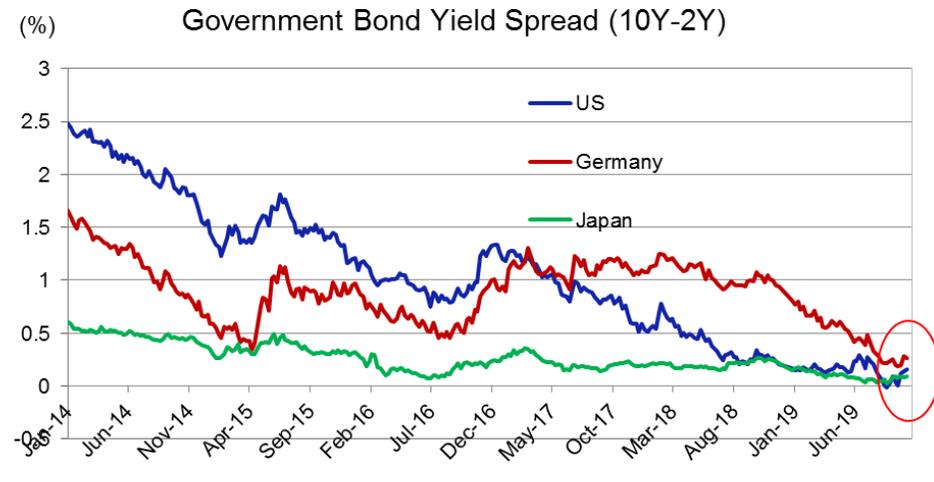
Long term interest rates rebounded as investors became risk on

- Expectation for a partial agreement between US and China, receding fear of no-deal Brexit and aggressive monetary easing by central banks made investors risk-on.



Note: Weekly data from 10th Jan. 2014 to 18th Oct 2019.
(Source) Datastream

(Month/Year)



Note: Weekly data from 10th Jan. 2014 to 18th Oct 2019
(Source) Datastream

(Month/Year)

SMDAM Japanese economic outlook for FY19-20

- SMDAM up-revised GDP forecast for both FY2019 and FY 2020 by 0.1%. Japanese economy is showing resilience and also the possibility of partial agreement between US and China increased.
- Japanese economy is forecast to keep moderate growth going into FY2020.

(YoY %)	FY15	FY16	FY17	FY18	FY19E	FY20E
Real GDP growth	1.3%	0.9%	1.9%	0.7%	0.7%	0.5%
Private Consumption Expenditure	0.7%	0.0%	1.1%	0.4%	0.2%	0.4%
Private Housing Investment	3.7%	6.3%	-0.7%	-4.3%	0.3%	-1.8%
Private Capital Investment	1.6%	-0.5%	4.5%	3.5%	0.7%	0.4%
Public Consumption Expenditure	1.9%	0.7%	0.4%	0.9%	1.4%	0.5%
Public Capital Investment	-1.6%	0.6%	0.5%	-3.9%	3.4%	1.5%
Net Exports (contrib. to GDP growth)	0.1%	0.8%	0.4%	-0.1%	-0.1%	0.0%
Exports	0.8%	3.6%	6.4%	1.3%	-0.8%	0.9%
Imports	0.4%	-0.9%	4.1%	2.0%	-0.1%	0.7%
Nominal GDP	2.8%	0.7%	2.0%	0.5%	1.3%	1.0%
GDP Deflator	1.5%	-0.2%	0.1%	-0.2%	0.6%	0.5%
Industrial Production	-0.7%	0.8%	2.9%	0.3%	-2.0%	0.6%
CPI (excl. fresh food)	-0.1%	-0.2%	0.7%	0.8%	0.4%	0.3%

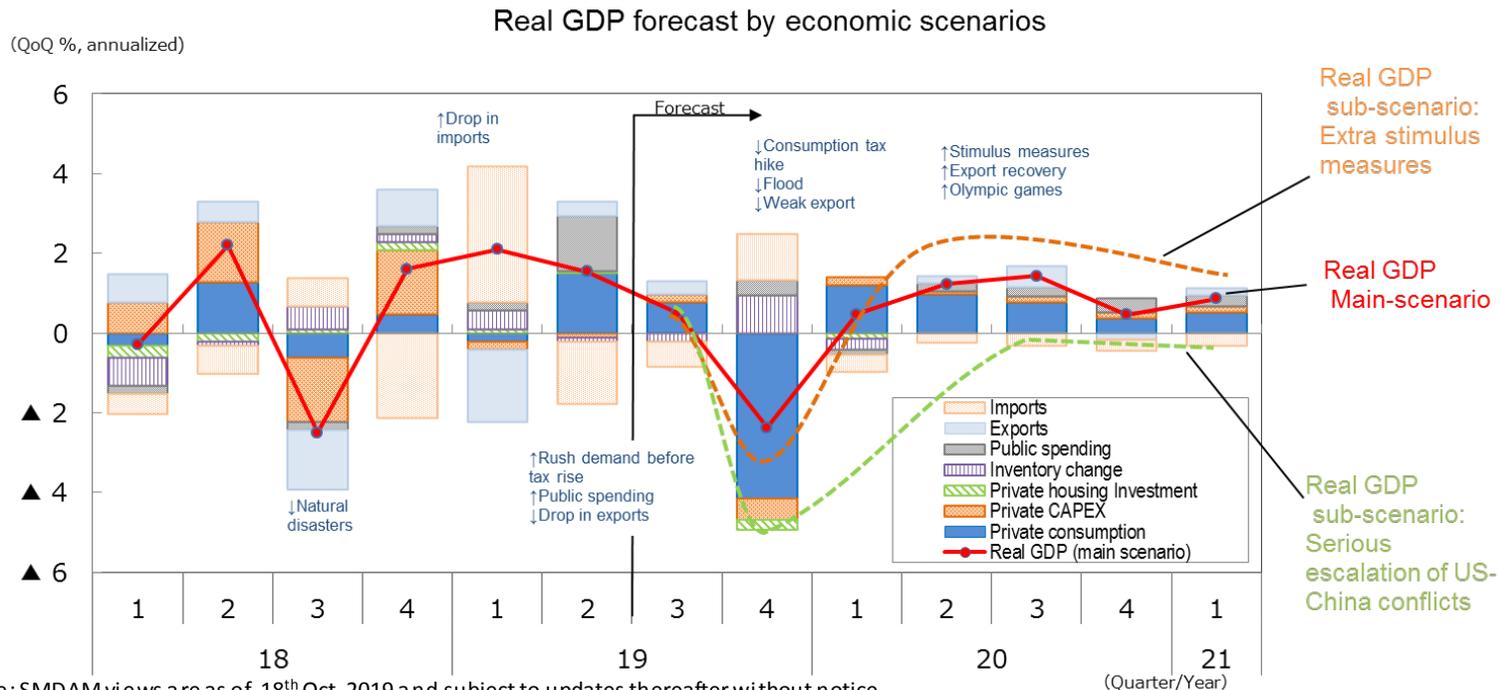
Note: E=SMDAM forecasts. SMDAM views are as of 18th.Oct. 2019 and subject to updates thereafter without notice

(%, YoY except Net Exports)

(Source) Cabinet Office, Bank of Japan, Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, SMDAM forecasts

Quarterly GDP forecast for Japan by economic scenarios

- In the current main scenario, Japan's GDP is forecast to hit a bottom in 4Q 2019 by experiencing a brief QoQ negative growth due to mild but existing negative effects of consumption tax hike in October.
- In the upside sub-scenario, large scaled extra stimulus measures are implemented responding to the economic downturn.
- In the downside sub-scenario, US-China negotiation breaks up sending serious negative effects globally.

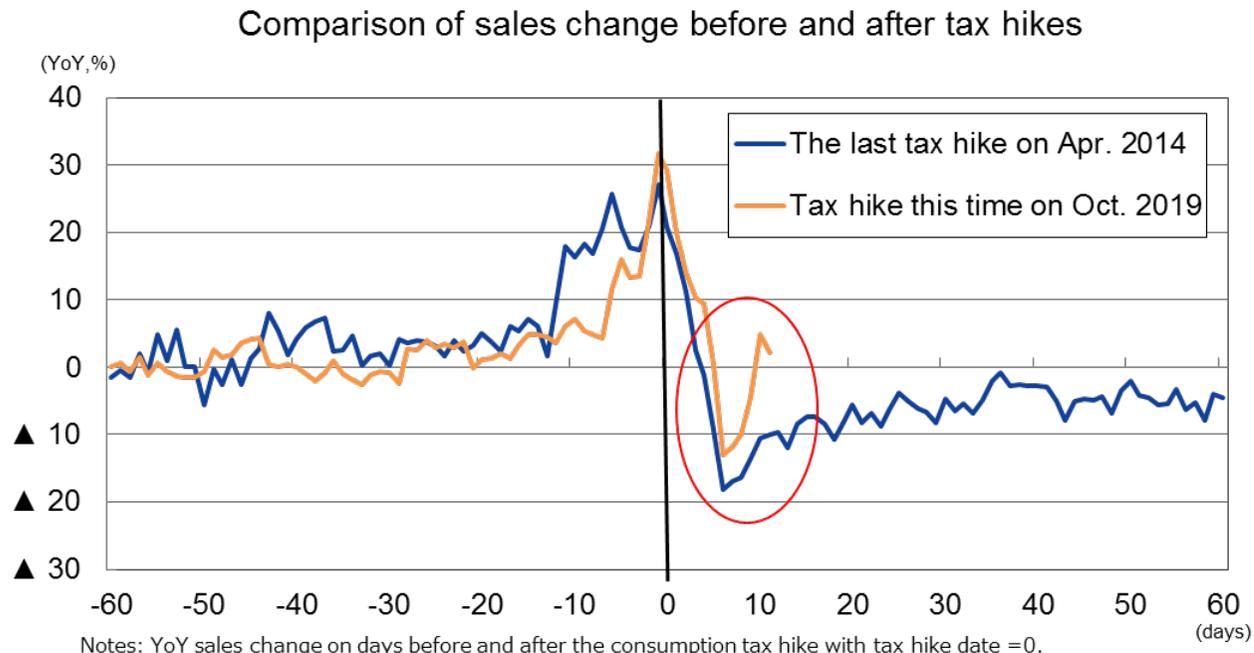


Note: SMDAM views are as of 18th Oct. 2019 and subject to updates thereafter without notice

(Source) Cabinet Office, Bank of Japan, Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, SMDAM forecasts

Daily sales data shows limited impact of this time's tax hike

- Nikkei CPINOW provides daily sales data derived from POS system of retailers nationwide in Japan.
- This time, rush demand purchases happened only just before the tax hike, and contraction of sales after the tax hike was short-lived as red circle shows in the chart.
- Strangely enough, you can often purchase goods cheaper after the tax hike than before owing to government led cash back program if you make payments cash-less using such as QR codes, credit cards or other digital monies.

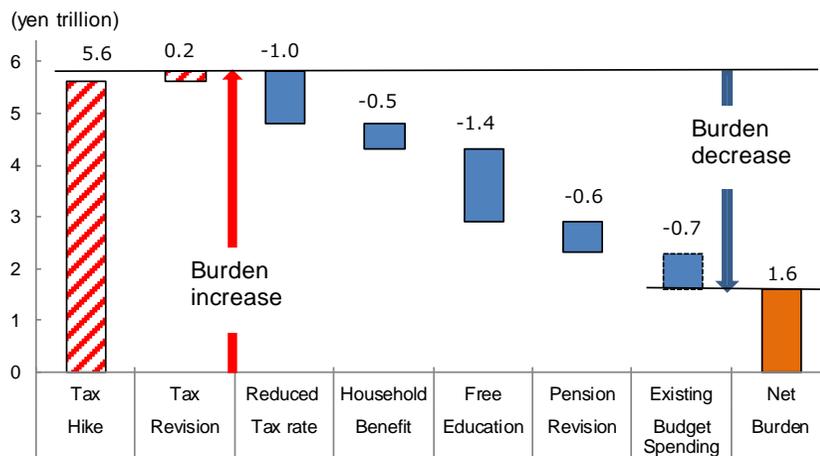


(Source) NOWCAST Inc., Nikkei CPINOW

Various counter measures are set to absorb negative impact of tax hike

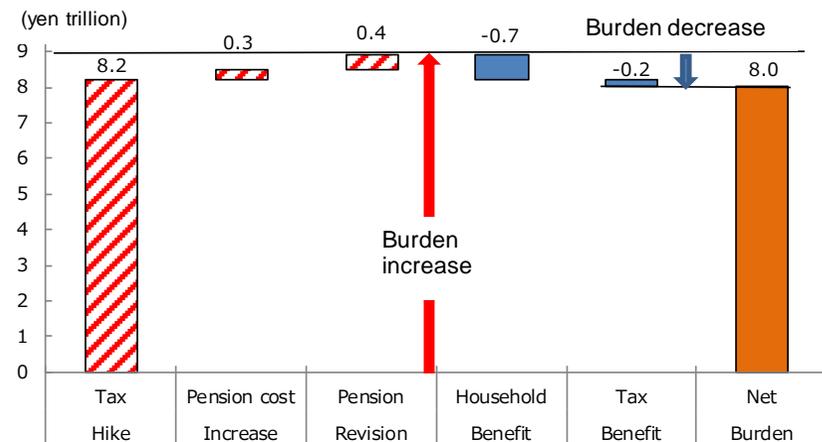
- Consumption tax was hiked from 8% to 10% in October.
- The last time in 2014, there were little counter measures and the net negative effect on Japanese households was as much as 8 trillion yen. However, this time, negative effect of 5.8 trillion yen is mostly offset by various counter measures and net negative effect is estimated to shrink to 1.6 trillion yen.
- The Japanese government is reported to be preparing tens of trillion yens of large fiscal stimulus in 2020 in order for fending off any possible recession.

Effect of consumption tax hike and counter measures on households (2019)



(Source) Bank of Japan, compiled by SMDAM

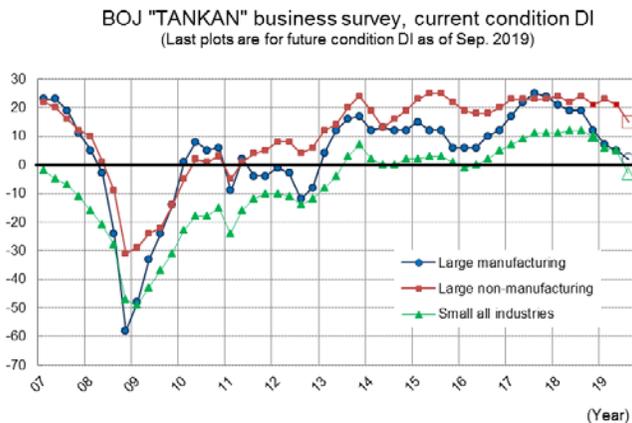
Effect of consumption tax hike and counter measures on households (2014)



(Source) Bank of Japan, compiled by SMDAM

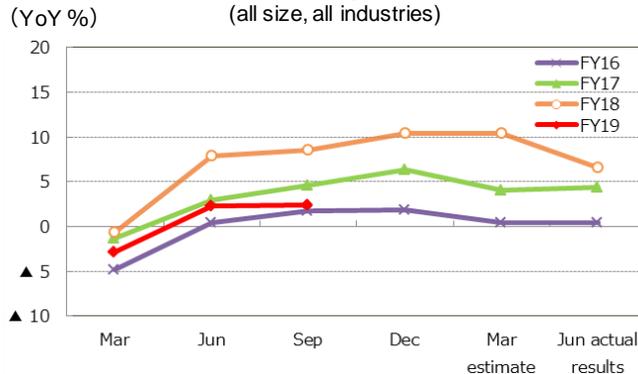
Appetite for CAPEX stays strong despite deteriorating business sentiment

- BOJ's "TANKAN" business survey in September showed deterioration in business sentiment, for which manufacturing enterprises are hit harder than non-manufacturing enterprises.
- FY2019 capital expenditure plan for software stayed at robust 12.8% YoY increase as the right end chart shows.
- Even excluding software, FY 2019 capital expenditure plan showed further 2.4% increase from the robust CAPEX in FY2018 as the middle chart shows.



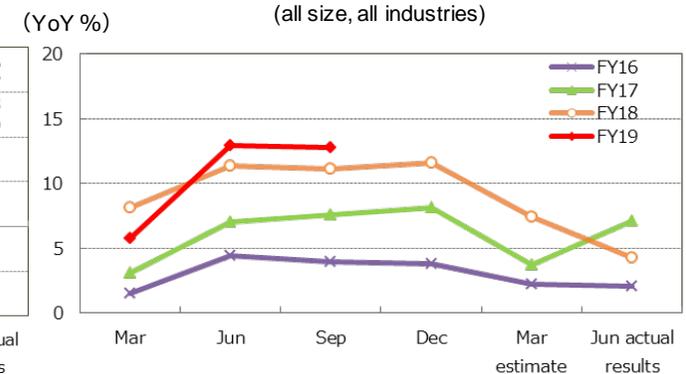
Note: Data is quarterly from Mar. 2007 to Sep. 2019
 Diffusion Index above 0 means condition is good.
 (Source) Bank of Japan

CAPEX plan, excluding software and R&D
(all size, all industries)



Note: The chart shows history of the CAPEX plan for each fiscal year. Mar estimate is at each fiscal year end and Jun actual results are surveyed after the end of each fiscal year.
 (Source) Bank of Japan

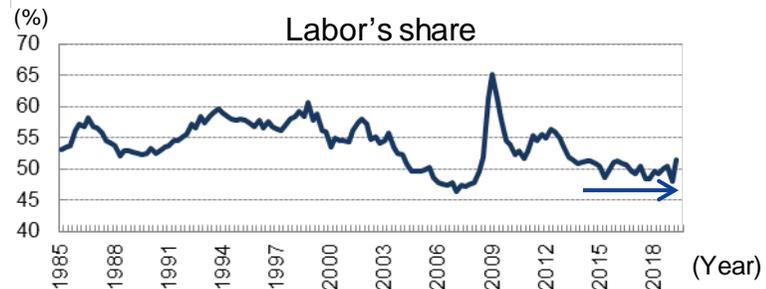
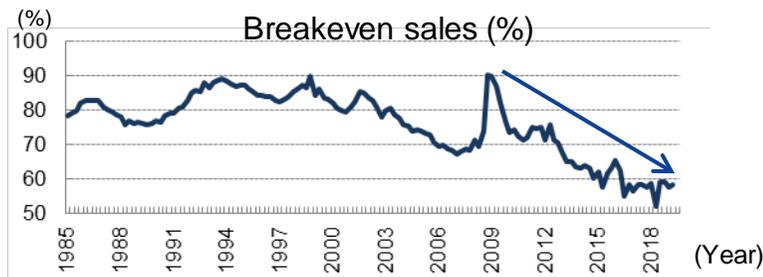
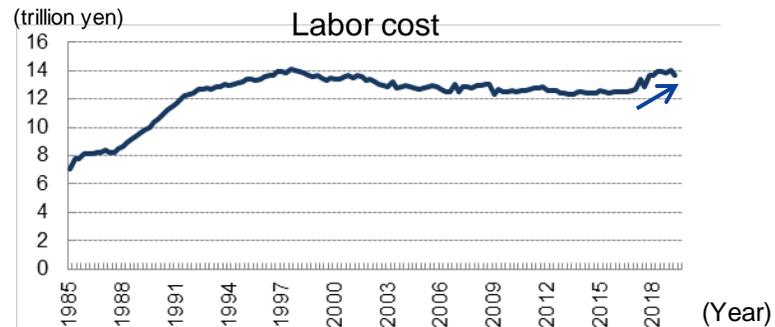
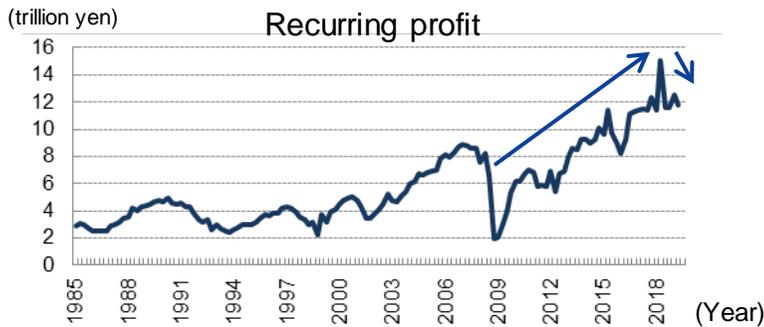
CAPEX plan for software
(all size, all industries)



Japanese companies have reasonably large buffer for bearing labor cost

- Japanese companies have reasonably large buffer for bearing labor cost despite recent contraction in revenue.
- Breakeven point is quite low in more than 30 years of history exhibited. Companies are still profitable even if sales decline by 40%. Also, labor share has been kept low despite robust revenue growth.
- Labor cost is mildly increasing due to labor shortage. From labor's side, household income could be sustained even if Japan experiences mild recession, which will be supportive for private consumption.

Corporate Financial Statement Statistics (Jun 2019, all size, all industries, seasonally adjusted)



Note: Data is quarterly from 1Q 1985 to 2Q 2019.

(Source) Ministry of Finance

Is US-China partial agreement possible at APEC in November?

- The biggest issue will be if US and China can reach an partial agreement at APEC summit meeting in November.
- Other events to watch will be such as possible extra easing by BOJ, Brexit and Hong Kong situation.

Upcoming key events

Month	Region/Country	Events	Notes	
2019	Japan	1 Consumption Tax was raised from 8% to 10%		
		30-31 BOJ Monetary Policy Committee Meeting & Perspective Report	Extra monetary easing?	
	US	29-30 FOMC meeting		
	October	EU	Lagarde becomes ECB president	
			24 ECB meeting	
	UK-EU	31 Time limit for Brexit		
	China	4th Plenary Central Committee of the Communist Party of China		
	Argentina	27 Presidential election		
	November	US-China	16-17 APEC summit meeting	Is a partial deal going to be reached between US president Trump and Chinese leader Xi-Jinping?
		US-Japan, EU	13 Limit for deciding US action on car tariffs	
December	Japan	18-19 Bank of Japan Monetary Policy Committee Meeting		
	US	10-11 FOMC meeting		
	US-China	15 Additional tariff is scheduled to be imposed on imports from China in US	Postponed?	
	Middle East	OPEC meeting		
	China	Central Economics Work Conference		
2020	January	US 28-29 FOMC meeting		
	Japan	20-21 BOJ Monetary Policy Committee Meeting & Perspective Report		
February	US	US Presidential Primary Election Campaigns are expected to begin		
Jul-Aug	Japan	Tokyo Olympic Games		

(Source) Various publications, assembled by SMDAM

Japan is still competitive in innovation, but has some weaknesses

- According to World Economic Forum, Japan was ranked 8th in innovation among 137 economies, which is still competitive, however on a moderate declining trend. As a strength, R&D in Japan is largely led by companies and producing the largest number of patents in this ranking.
- On the weak side, however, this company led R&D tends to be “progressive” rather than “innovative” and often lacks in global collaboration. Government initiative on innovation is stronger in economies such as US, Germany Singapore and China.
- Facing with strong global competition in developing key technologies such as AI or Autonomous Driving Technology, Japanese companies are changing approach to more open and more collaborating with global partners.

Global Competitiveness Ranking of Innovation among 137 economies

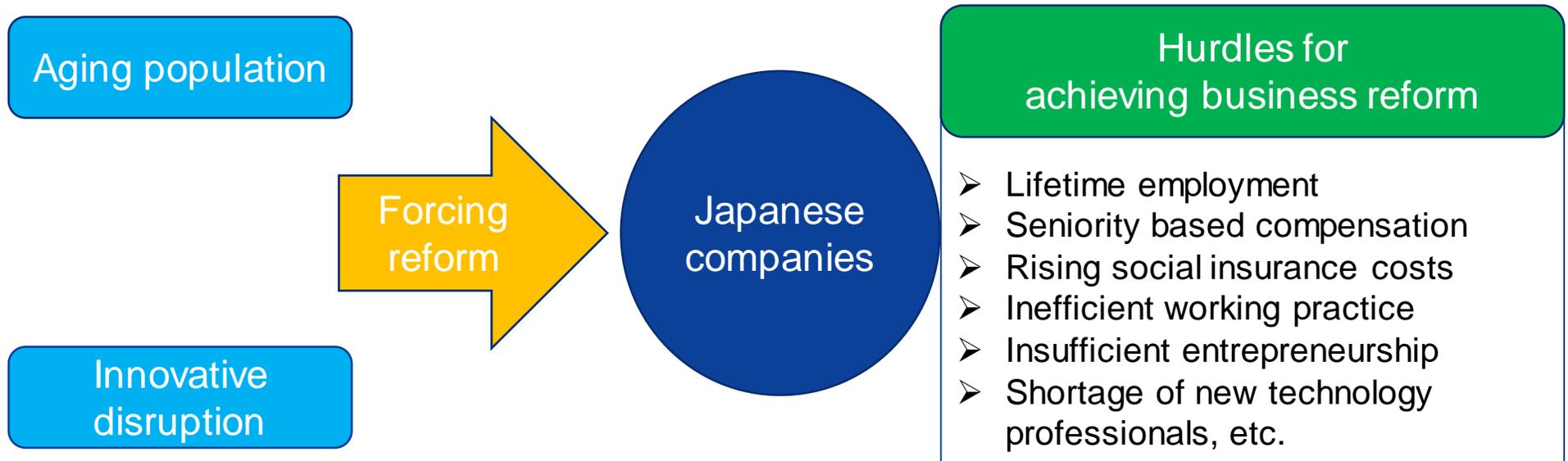
	Switzerland	U.S.	Israel	Finland	Germany	Netherlands	Sweden	Japan	Singapore	Denmark	China
Innovation total	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	28th
a) Capacity for innovation	1	2	3	7	5	6	4	21	23	16	44
b) Quality of scientific research institutions	1	5	3	8	11	4	13	14	12	16	36
c) Company spending on R&D	1	2	3	7	4	8	6	5	17	16	21
d) University-industry collaboration in R&D	1	2	3	4	7	5	10	23	8	21	28
e) Gov't procurement of advanced technology products	37	2	11	20	6	19	17	23	5	39	10
f) Availability of scientists and engineers	12	2	6	1	11	19	20	8	9	44	29
g) PCT patents	3	10	6	4	7	9	2	1	12	8	30

Note: All numbers are rankings among 137 economies. Top 10 rankings are highlighted in green. Japan's relative weakness is highlighted in orange.

(Source): World Economic Forum, The Global Competitiveness Report 2017–2018

Japanese society is changing slowly but steadily

- It may look slow or even stagnant from outside, but Japanese society is making necessary reforms.
- Many problems are stemming from deep rooted Japanese culture & social practice, which became apparent in the face of “aging population” and “innovative disruption”.
- Change of the deep rooted culture & practice should take time, however, it is making progress, and will eventually put Japan in an advantage over other advanced economies, which also have aging population lagging Japan.



Japanese society is changing slowly but steadily

■ Examples of long-term social challenges and progressing solutions

Source of problems	Challenges	Solutions
1. Aging population	a) Pension system reform	<ul style="list-style-type: none"> ● Unconventional "macro-slide" has been implemented to curb pension payment increase referring to "low birth rate" and so on. ● Encourage people to continue working into 70's. ● Encourage people to shift saving to investments. (NISA*, DC)
	b) Labor shortage	<ul style="list-style-type: none"> ● Capital investment for enhancing labor efficiency. (FA, AI, IoT, autonomous driving car, renovating software, etc.) ● Allowing more foreign workers. ● Encourage people to delay retirement. ● Support female workers. (increase nursery, etc.)
2. Weak consumption propensity	c) Clearing peoples worry for the future life	<ul style="list-style-type: none"> ● Pension system reform. ● Gradual adjustment of seniority based wage system to shift compensation from elderly to younger workers. ● Increase of new generation companies. ● Increase of young people working with non-seniority wage system.
3. Rigid employment practice	d) Encouraging business structure reform	<ul style="list-style-type: none"> ● Elder people to retire or continue working at lower wage. ● Gradual adjustment of seniority based wage system. ● More fluid labor market enabling companies to make restructuring. ● Young people are not expecting lifetime employments and focusing on building own career (already progressing).
4. Inefficient working practice	e) Enhancing labor efficiency	<ul style="list-style-type: none"> ● Work style reform to progress.
5. Insufficient entrepreneurship 6. Shortage of new technology professionals	f) Enhancing "challenge spirit" g) Education reform	<ul style="list-style-type: none"> ● Increase of successful new generation companies. ● Increase of young people with skills of new technologies. ● Young and talented people chose new generation companies rather than old & large firms (already progressing).

Note: *NISA is "Nippon Individual Savings Account". (Source) SMDAM



Outlook for Japanese Stock Market

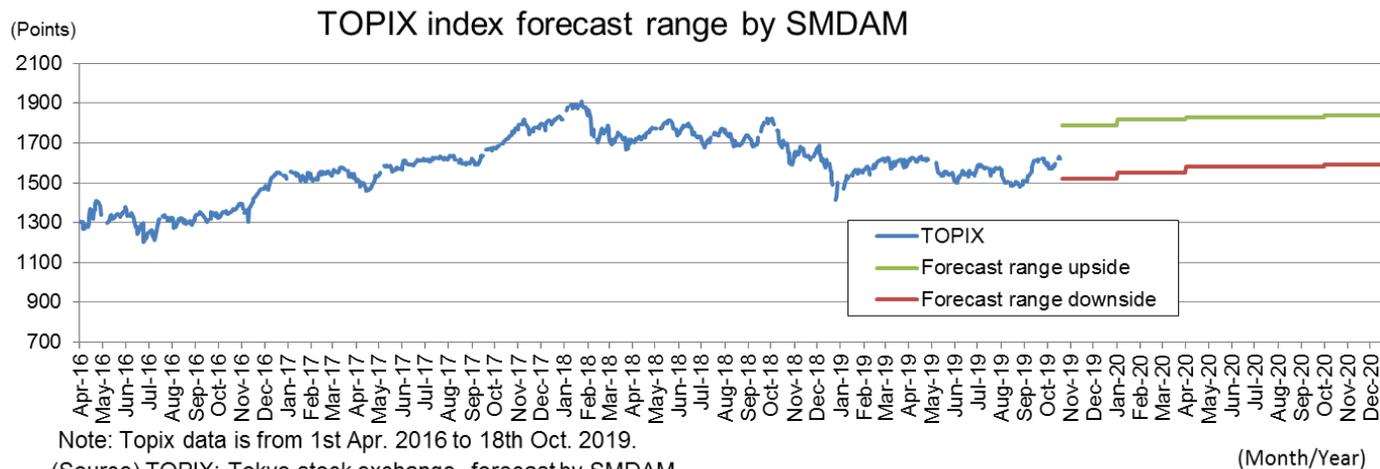
The global stock market is expected to try upside

■ SMDAM short-term view

➤ The global stock market is expected to try upside assuming cyclical economic recovery in the beginning of 2020. Consumption tax hike in October in Japan so far made only a limited impact. If US-China can reach a partial agreement, investors' positive sentiment would continue. Risk factors such as breakup of US-China negotiation, Hong Kong situation and Middle East scare would bring volatility to the global stock markets.

■ Longer-term outlook (6-months and beyond)

➤ Consumption tax was raised from 8% to 10% from 1st October. Negative effect is going to be mostly offset by various counter measures this time. US-China trade uncertainties are discouraging global capital investments, which is a matter of concern for capital goods sector, however, domestic capital investment is still strong in the face of labor shortage and obsolete system & software. Japanese government is preparing massive budget spending when necessary. Japanese stock market is forecast to gradually gain firmness prior to the bottoming of the global economy expected in the beginning of 2020.



Note: SMDAM's projection is as of 18th Oct. 2019 and subject to updates without notice.

Base scenario & Upside / Downside risks for our forecasts

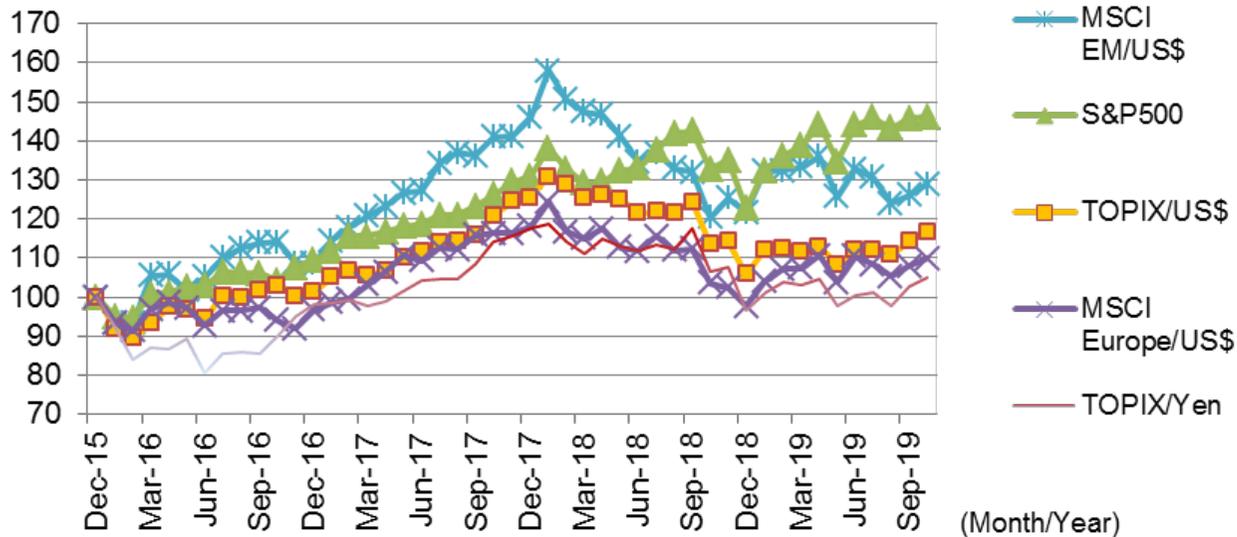
- Our **Base Scenario** is assuming the following views:
 - Severe tensions between US and China go on, however, US is going to avoid making a fatal blow to the global economy.
 - US economy keeps growing despite possible mild slowdown. Recession in 2019 is avoided.
 - Consumption tax hike in Japan in October will make a limited impact on private consumption.
 - Japanese yen does not get extremely stronger beyond 100 yen against US\$.
 - Tension in the East Asia or Middle East does not get out of control.
 - Central banks continue easing monetary policies.
- **Upside Risks** include:
 - China makes significant concession in the trade negotiation with US.
 - Stronger-than-expected global growth.
 - Denuclearization in Korean peninsula makes a visible progress.
 - Japanese economy gets stronger than expected boosted by large fiscal spending.
- **Downside Risks** include:
 - US economy significantly slows down and puts global economy into a recession.
 - Chinese economy falls into a significant slowdown spreading negative shock globally.
 - Trade negotiation between US and China completely breaks up igniting a decades of power struggle.
 - Seriously escalating geo-political tensions in Middle East & East Asia.
 - Political turmoil flares up in US running up to US presidential election in 2020.
 - Populism gains in Europe further destabilizing EU.
 - Japanese Consumption Tax Hike in October makes unexpectedly severe impact on private consumption.

Note: SMDAM's projection is as of 18th Oct. 2019 and subject to updates without notice.

Rebounds in global stock market continues

- US stock market hovers around historical-high level.
- Other stock markets made a catch-up to US.

US\$ based performance of stock markets (Dec 2015 = 100)



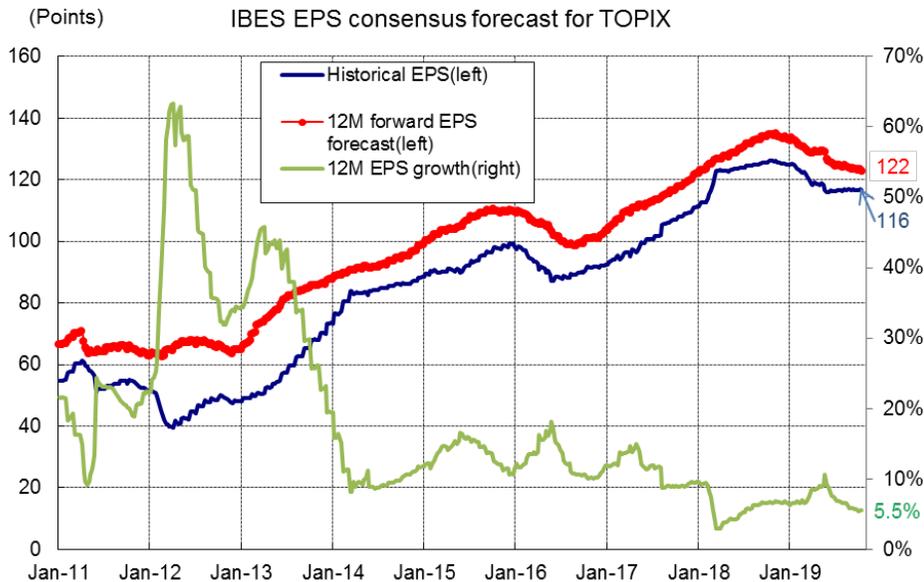
Notes: Data is up to 18th Oct 2019.

(Source) Datastream, MSCI and Tokyo Stock Exchange, compiled by SMDAM.

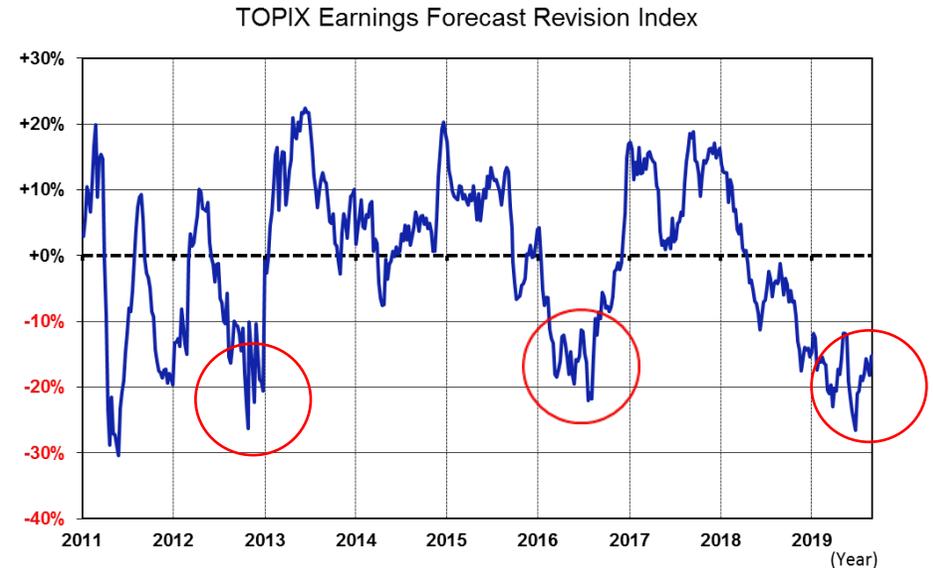


Downward earnings forecast revision is continuing

- Downward earnings forecast revision is a little getting prolonged compared to the previous setbacks in 2012 and 2016. Manufacturing sector has been hit hard by slowdown in China and prolonging trade conflicts between US and China discouraging capital investments.
- Earnings announcements for Jul-Sep quarter get busy in November, for which expectations are already low. From a contrarian view point, any unexpected positive turn could surprise investors.



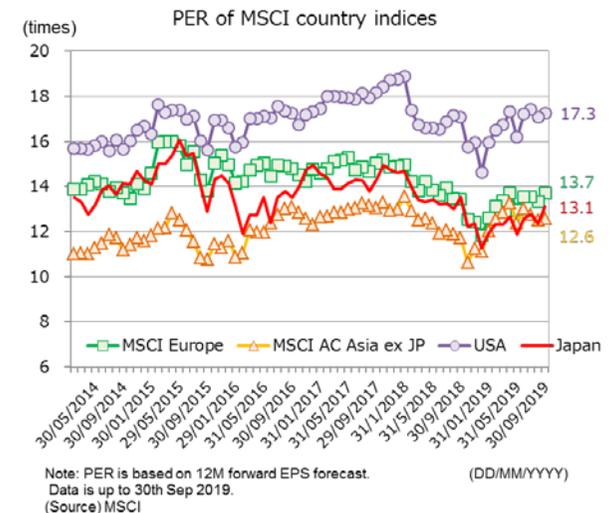
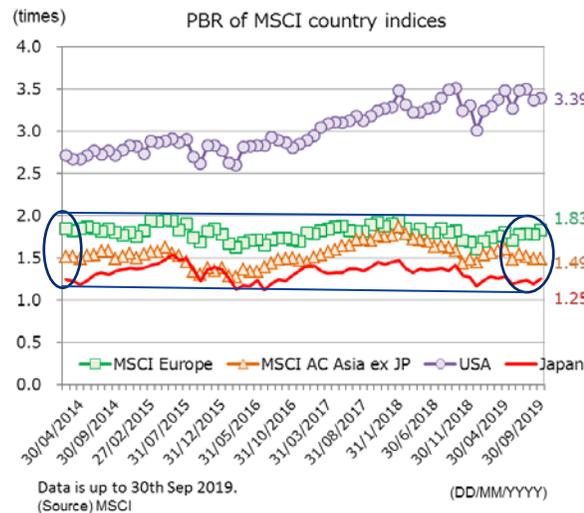
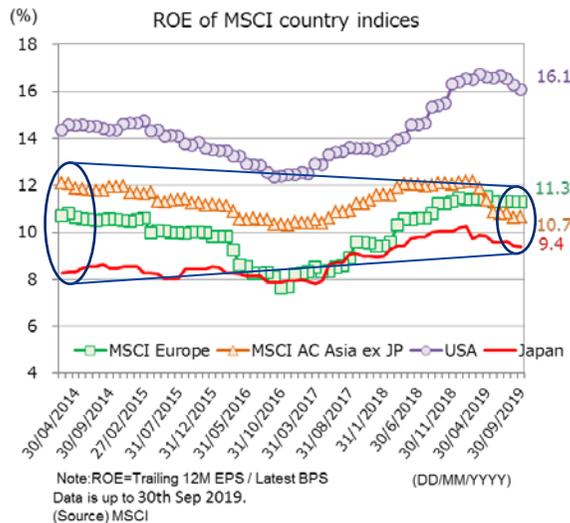
Note: Weekly data from 5th Jan. 2011 to 16th Oct. 2019. (Month/Year)
 (Source) Datastream, IBES



Notes: Revision index= % of Analyst upgrades out of total Topix firms - % of downgrades.
 Data is weekly from 5th Jan. 2011 to 16th Oct. 2019.
 (Source): IBES, SMDAM

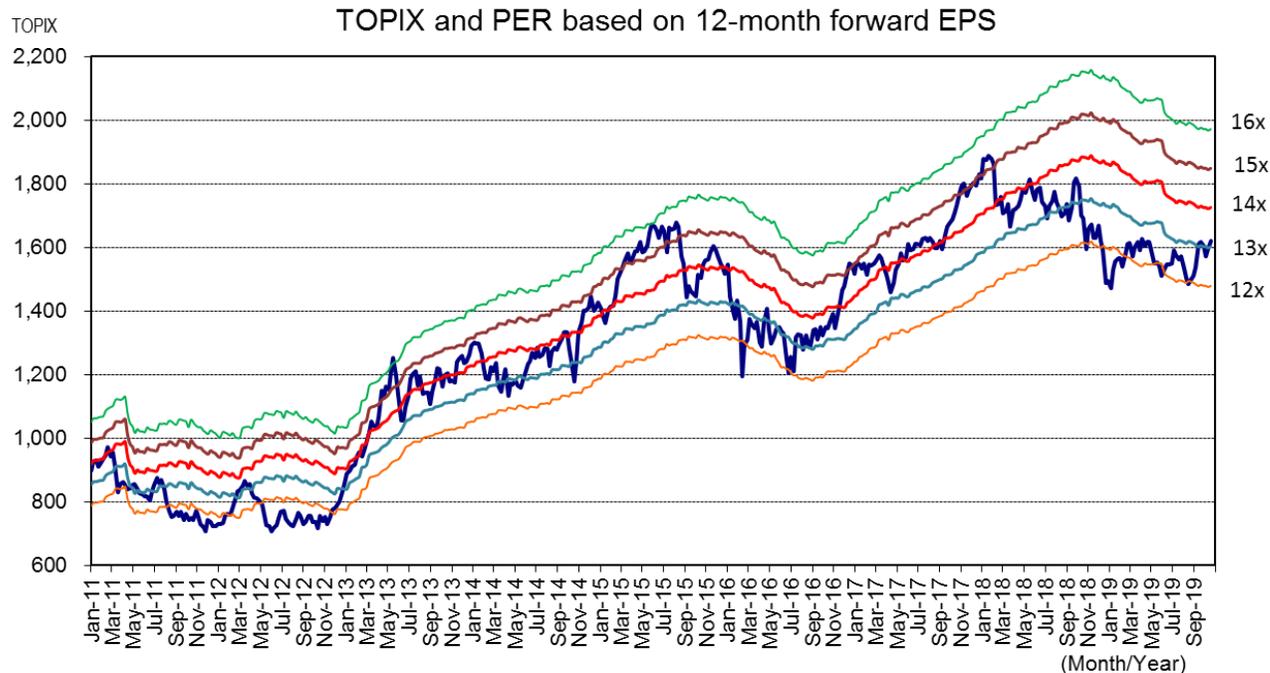
Relative stock valuation is getting attractive for the Japanese stocks

- ROE gap between Japan and Europe and also between Asia got narrower in the last five years, which is exhibited on the left chart.
- However, this improvement in ROE has not reflected on PBR (Price to Book Ratio), which stays at low level compared to other markets, which is shown in the middle chart.
- PE ratio also shows Japan attractive compared to peer stock markets.



SMDAM forecasts PER range between 12 to 14.5 times for TOPIX

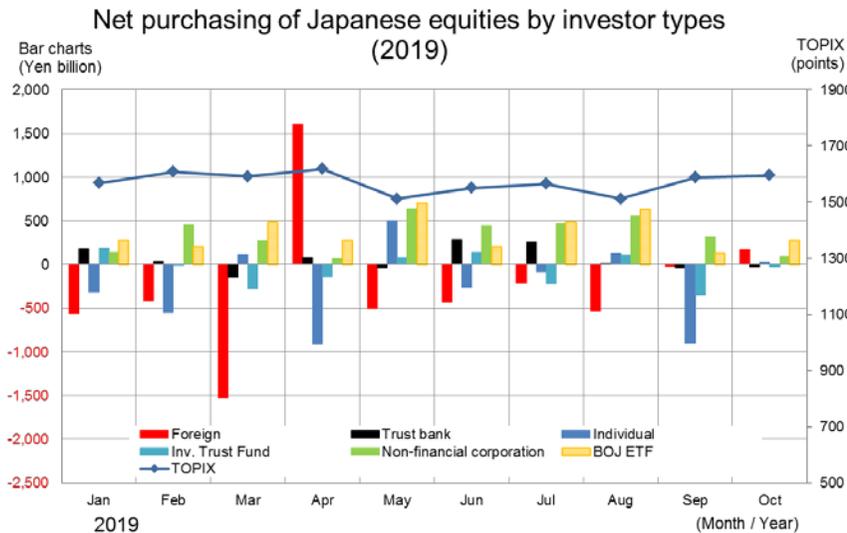
- After the last Global Financial Crisis, 12 times PER (PE Ratio) has been a strong support level for TOPIX index.
- 15 times PER has been the up side of the historical range since PM Abe started expansive policy mix in 2013. Considering global uncertainties to continue, SMDAM put upside of the current forecast range at 14's times.
- Current 13 times of PER has an upside room if current easing move of global tensions is sustainable.



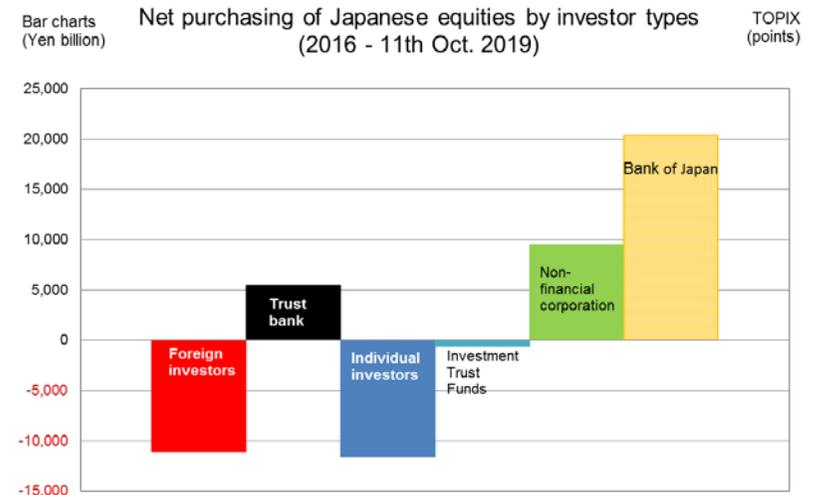
Note: Data is weekly from 5th Jan. 2011 to 18th Nov. 2019. TOPIX was 1621.99 at the end of the period.
 (Source) Tokyo Stock Exchange, Datastream and IBES, compiled by SMAM

BOJ and company share buybacks are supporting Japanese stock market

- Since 2016, foreign investors were net sellers. Foreign investors bought Japanese equities aggressively between 2013 and 2014, however, they have sold about 75% of the cumulative net purchases afterwards. Selling from Foreign investors stopped in September and so far in October.
- Net selling by individuals should be smaller or could be slightly positive if IPO participation is considered.
- Bank of Japan now holds stakes of more than 5% of the total listed Japanese companies. Admitting controversies that BOJ is distorting the stock market, existence of such political strong buyer is surely one of the advantages of the Japanese stock market compared to its global peers when the environments get sour.



Note: Data is for Tokyo stock exchange and Nagoya stock exchange up to 11th Oct. 2019.
BOJ ETF figure is officially released data from BOJ.
(Source) Japan Exchange Group, Bank of Japan



Note: Data is for Tokyo stock exchange and Nagoya stock exchange up to 11th Oct 2019.
BOJ ETF figure is officially released data from BOJ.
(Source) Japan Exchange Group, Bank of Japan

Advancing Corporate Governance Code and Stewardship Code

- Stewardship Code (SC) was set in February 2014. Investors are taking more pro-active approach in talking to the companies and exercising proxy voting rights. Financial Services Agency discloses the name of institutional investors, which publicly accepted SC.
- After inception of Corporate Governance Code (CGC) in June 2015, pressure has been increasing on companies to improve its governance, efficiency and shareholder returns.
- These two codes have been progressively reviewed and enhanced, and making visible impact on the corporate behavior and investors' attitudes as shareholders.
- In the most recent amendment of CGC, companies are required to explain the rationale of "cross holdings" or "strategic holdings" of other companies' shares, which implicitly provide protection against takeovers and hostile shareholder actions, and is often negative for achieving shareholder value.

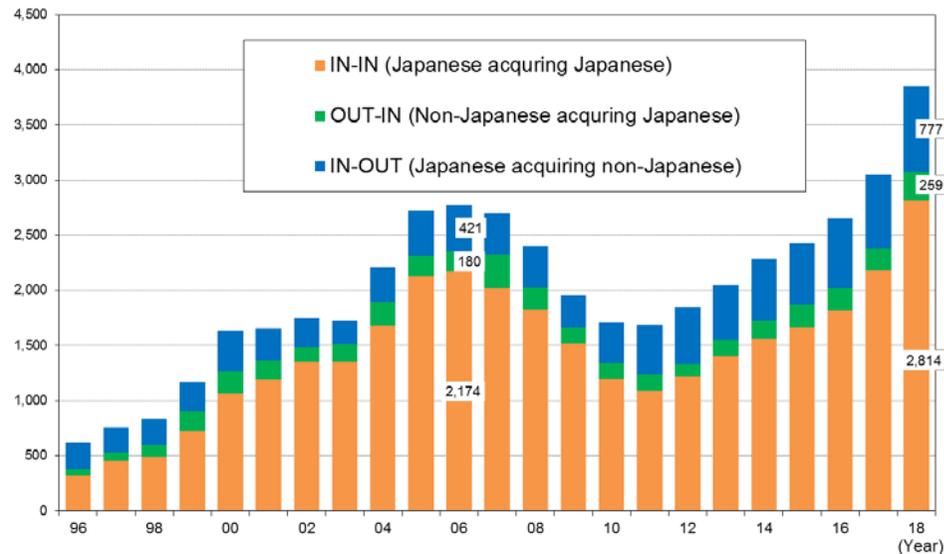
Total number of institutional investors, which publicly declared acceptance of the stewardship code	
Trust banks	6
Investment management companies	177
Insurance companies	23
Pension funds	35
Others (include proxy voting advising companies)	7
Total	248

Note: As of 8th May 2019.
(Source) Financial Services Agency

Business restructuring is progressing for Japanese companies

- Japanese companies are getting more and more willing to make positive business restructuring.
- Number of M&A deals between Japanese companies (IN-IN) rose from 2,174 in 2006 to 2,814 in 2018 increasing by 30%, which is an evidence that business restructuring is progressing in Japan.
- Number of the deals of Japanese companies acquiring overseas businesses also rose from 421 in 2006 to 777 in 2018, increasing by 84%.

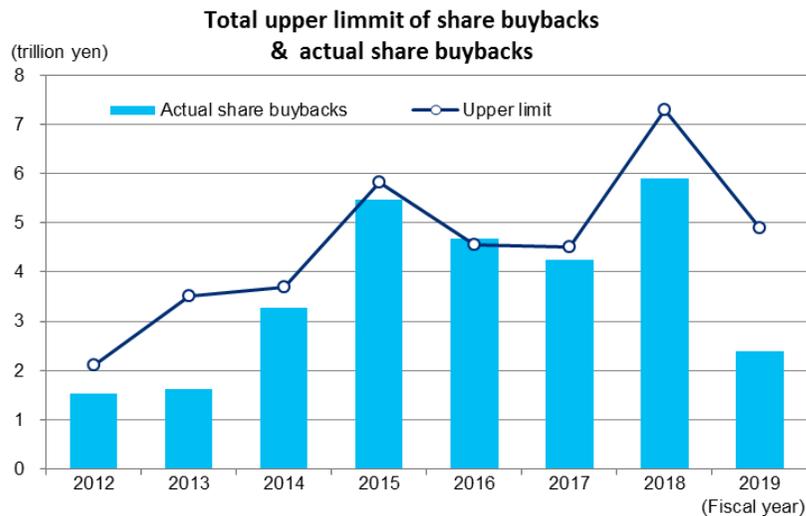
Number of M&A deals involving Japanese companies
(Excluding transactions among the same business group)



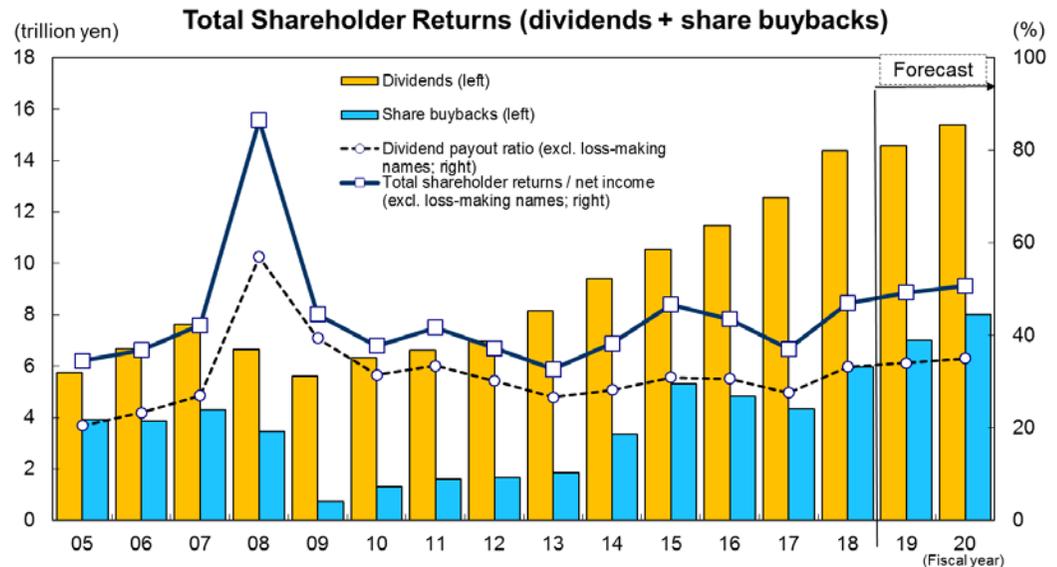
Note: IN-IN means Japanese company acquiring Japanese one, OUT-IN is for Non-Japanese company acquiring Japanese company, and IN-OUT is for Japanese company acquiring non-Japanese company.
(Source) RECOF and SMBC NIKKO Securities.

Behavior of Japanese companies are making positive changes

- Share buyback is one of the powerful tools for Japanese companies in disposing of accumulated liquidity in the B/S and enhancing EPS growth as well as ROE.
- In FY2018 (from April 2018 to March 2019), total upper limit of share buybacks, proposed as board of directors' resolutions, increased sharply and also actual share buybacks increased to renew a historical record.
- Dividends also renewed historical record in FY2018 and expected to increase further in FY2019.



Note: Share buyback proposals: As of 9th August, collected in units of one month based on the date of the Board of Directors' resolution. Share buybacks: As of end of July 2019. Universe is TSE stocks (excluding overseas firms). (Source) Astra Manager, Citi Research.



Note: All listed firms. Dividend projections are Toyo Keizai estimates, share buybacks forecast is by Daiwa Securities. Data as of Aug 2019. (Source) Toyo Keizai, QUICK, INDB, compiled by Daiwa Securities.

Disclaimer

Please read this disclaimer carefully.

- This material is for non-Japanese institutional investors only.
- The research and analysis included in this report, and those opinions or judgments as outcomes thereof, are intended to introduce or demonstrate capabilities and expertise of Sumitomo Mitsui DS Asset Management Company, Limited (hereinafter “SMDAM”), or to provide information on investment strategies and opportunities. Therefore this material is not intended to offer or solicit investments, provide investment advice or service, or to be considered as disclosure documents under the Financial Instruments and Exchange Law of Japan.
- The expected returns or risks in this report are calculated based upon historical data and/or estimated upon the economic outlook at present, and should be construed no warrant of future returns and risks.
- Past performance is not necessarily indicative of future results.
- The simulated data or returns in this report besides the fund historical returns do not include/reflect any investment management fees, transaction costs, or re-balancing costs, etc.
- The investment products or strategies do not guarantee future results nor guarantee the principal of investments. The investments may suffer losses and the results of investments, including such losses, belong to the client.
- The recipient of this report must make its own independent decisions regarding investments.
- The opinions, outlooks and estimates in this report do not guarantee future trends or results. They constitute SMDAM's judgment as of the date of this material and are subject to change without notice.
- The awards included in this report are based on past achievements and do not guarantee future results.
- The intellectual property and all rights of the benchmarks/indices belong to the publisher and the authorized entities/individuals.
- This material has been prepared by obtaining data from sources which are believed to be reliable but SMDAM can not and does not guarantee its completeness or accuracy.
- All rights, titles and interests in this material and any content contained herein are the exclusive properties of SMDAM, except as otherwise stated. It is strictly prohibited from using this material for investments, reproducing/copying this material without SMDAM's authorization, or from disclosing this material to a third party.

Registration Number: The Director of Kanto Local Finance Bureau (KINSHO) No.399

Member of Japan Investment Advisers Association, The Investment Trusts Association, Japan and Type II Financial Instruments Firms Association

© Sumitomo Mitsui DS Asset Management Company, Limited