

## Market Review for September 2023

This is a marketing communication. Please note past performance information does not predict future returns.

### MONTHLY REVIEW

The Japanese equity market saw TOPIX hit its highest level since March 1990, while the Nikkei 225 slid for the third consecutive month. Expectations for further US rate hikes fell in the first half of the month, providing a boost for Japanese equities. However in the second half of the month the Federal Open Market Committee members raised their policy rate projections amidst strong US economic indicators, causing Japanese equities to slide. Large cap value stocks outperformed in the beginning of the month but small and large cap growth stocks picked up towards the end of the month.

TABLE 1. MARKET PERFORMANCE

2023	As of the end of September 2023	Sep-23	Year to Date
TOPIX	2,323.39	-0.37%	22.82%
Nikkei 225	31857.62	-2.34%	22.09%
USD/JPY*	149.37	145.54 (Aug-23)	131.12 (end of 2022)

\*Bloomberg's preferred default source of generic FX data

FIGURE 1. TOPIX and USD/JPY

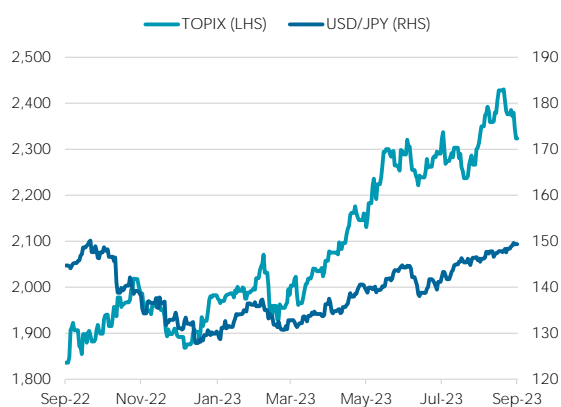


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as of the end of September 2023, local currency)

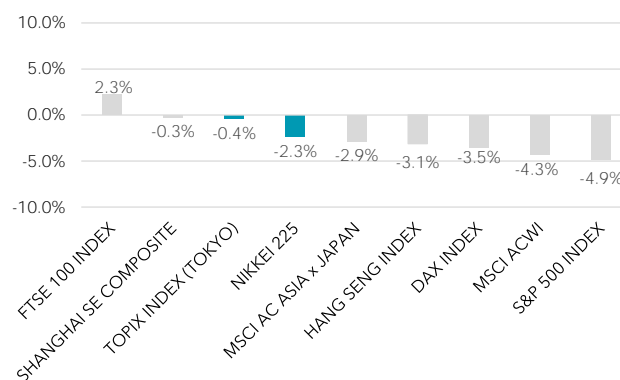


TABLE 2. TOP 5 PERFORMING SECTORS

Sectors	Return
Mining	21.53%
Oil & Coal Products	14.71%
Marine Transportation	13.35%
Pulp & Paper	9.28%
Transportation Equipments	9.04%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sectors	Return
Precision Instruments	-9.76%
Air Transportation	-6.87%
Electric Appliance	-6.49%
Services	-4.47%
Nonferrous Metals	-3.55%

TABLE 4. TOP 5 PERFORMING STOCKS\*

Name	Ticker	Return
AISIN	7259 JT Equity	16.09%
TOYOTA INDUSTRIES	6201 JT Equity	14.32%
DAI-ICHI LIFE HOLDINGS	8750 JT Equity	14.22%
MITSUBISHI MOTOR	7211 JT Equity	13.74%
JAPAN POST BANK	7182 JT Equity	11.34%

TABLE 5. BOTTOM 5 PERFORMING STOCKS\*

Name	Ticker	Return
SOCIONEXT	6526 JT Equity	-18.12%
CAPCOM	9697 JT Equity	-12.34%
RECRUIT HOLDINGS	6098 JT Equity	-11.70%
GMO PAYMENT GATEWAY	3769 JT Equity	-11.39%
SHISEIDO	4911 JT Equity	-11.26%

\*Stocks with a market cap of over JPY 500 billion

Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of September 2023)

FIGURE 3. VALUE-GROWTH SPREAD



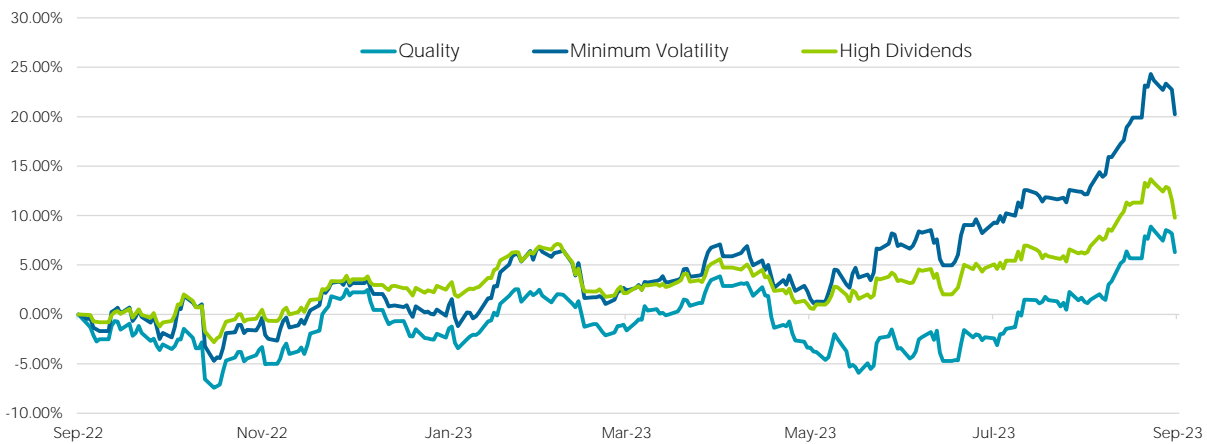
Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



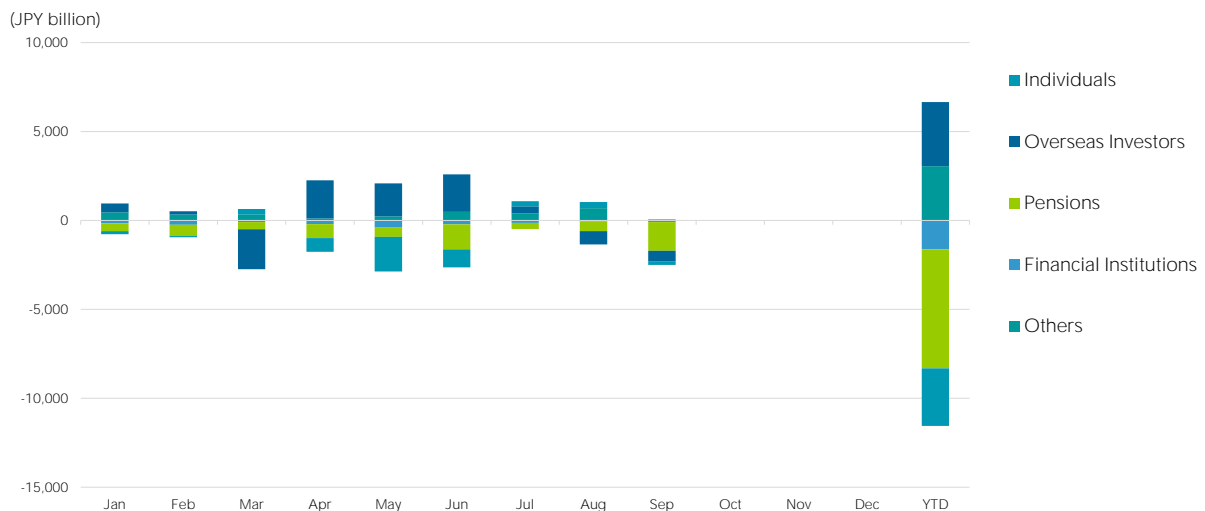
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

FIGURE 5. MSCI JAPAN FACTOR INDEXES SPREAD AGAINST MSCI JAPAN\*



\*The measurement begins from the end of September 2022, starting from 0%.

FIGURE 6. MONTHLY INVESTMENT ACTIVITIES BY INVESTOR TYPE IN THE JAPANESE EQUITY MARKET\*\*



\*\*Latest month figures are until the 3rd week of the month

Note: Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of September 2023)

## Disclaimer – UK

This marketing communication is issued by Sumitomo Mitsui Trust International Limited (“SMTI”). SMTI is authorised and regulated by the United Kingdom’s Financial Conduct Authority (the “FCA”), whose address is 12 Endeavour Square, London, E20 1JN, United Kingdom.

This marketing communication has been made available to you only because SMTI has classified you as a professional client in accordance with the FCA’s rules. If you have received this marketing communication from a source other than SMTI, you should contact SMTI before using it or relying on it. You must not send this marketing communication to any other person without first having received written approval from SMTI.

The information contained in this marketing communication (the “Material”) is being made available for information purposes only and is designed to provide information on the investment services which SMTI may offer to clients.

Nothing in the Material amounts to or should be construed as an actual offer by SMTI to provide any investment services to any person. If SMTI agrees to provide any investment services to any person, those services will be the subject of a separate written agreement between SMTI and that person. Furthermore, the Material has not been prepared with any consideration of the individual circumstances of any person to whom it is communicated.

Accordingly, it is not intended to, and does not, constitute a personnel recommendation in relation to the purchase or sale of, or exercise of any rights in relation to, any financial instruments or advice in relation to any investment policy or strategy to be followed. The Material also does not contain the results of any investment research carried out by SMTI and is not intended to amount to a financial promotion of any particular financial instrument which may be referred to in it.

While SMTI uses all reasonable endeavours to ensure the Material is accurate, it has not been prepared with a view to any person relying on it. Accordingly, SMTI accepts no responsibility for any loss caused to any recipient of this document as a result of any error, inaccuracy or incompleteness in the Material, nor for any error in the transmission or receipt of this communication.

Any enquiries regarding the products should be made to:

Shigeo Mito

Head of Investment Management Department

Sumitomo Mitsui Trust International Limited

155 Bishopsgate, London EC2M 3XU, United Kingdom

Direct: +44 (0)20 7562 8446

Email: [imd@smtil.com](mailto:imd@smtil.com)

Sumitomo Mitsui Trust International Limited is authorised and regulated by the Financial Conduct Authority

© Sumitomo Mitsui Trust International Limited 2023