

Pelargos Capital and Universal Investment launch dedicated Japan equity fund with governance focus

- **Pelargos Japan Reiwa Fund made available for the broader European market through Luxembourg**
- **Bottom-up, fundamental value-oriented strategy with a strong corporate governance angle**
- **Aim is to outperform the local TOPIX equity index by a substantial margin**

The Hague / Luxembourg, April 6, 2020. Netherlands based Pelargos Capital and the in Germany headquartered fund service company Universal-Investment are joining forces to launch a new Japan equity fund with a strong engagement angle. The fund's strategy is identical to the one Pelargos Capital has used for its Japanese equity management. Pelargos has been managing a Japan equity long/short fund since 2008. On the back of the fund's long book and its strong performance, the fund initiator is now launching the long only Pelargos Japan Reiwa Fund. The fund is a sub-fund of the UI I SICAV setup registered in Luxembourg, and showed a positive return since its launch on 17 February despite the negative market sentiment.



Pelargos Capital's fund manager Michael Kretschmer

Pelargos Capital applies a bottom-up, stock picking approach with both quantitative and qualitative factors. Fundamental, on the ground research plays a large role in the investment process. The aim is to outperform the TOPIX equity index by a substantial margin over an economic cycle. This outperformance originates from the rigorous stock specific research carried out by Pelargos as well as its focus on corporate governance. Pelargos Capital is a subscriber to the Japan Stewardship Code, and actively votes at AGMs of companies held in its portfolios.

Pelargos Capital is convinced that there is going to be a major revolution in Japan in terms of corporate governance. Supported by the Japanese government and regulator, foreign and local investors are starting to become more vocal in their dialogue with listed companies, resulting in corporate events such as share buy backs, increased dividend payments or buy out of subsidiaries – all measures which are in the interest of shareholders. For many years, Japanese equities have been considered a value-trap by foreign investors. That is starting to change. Pelargos Capital expects tremendous (hidden) value on corporate balance sheets in combination with the tools and willingness to unlock that value provide for a unique and powerful set-up to generate attractive returns.

The fund launch is a testament to Universal-Investment's growing international business with fund initiators in the Netherlands, Scandinavia, Switzerland and the United Kingdom. By means of its Luxembourg hub, the fund service company provides access to the broader European market with UCITs and AIF structures for all asset classes.

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Fund data at a glance:

Sub-fund name	UI I - Pelargos Japan Reiwa Fund
Fund advisor	Pelargos Capital B.V., The Hague
Management company	Universal-Investment-Luxembourg S.A., Luxemburg
WKN / ISIN	A2PU3Z / LU2079398629
Fund category	Equity fund, international
Fund currency	Euro (EUR)
Appropriation of earnings	Distributing
Ongoing charges (TER)	1,13 %
Subscription fee	No
Minimum initial investment	EUR 100.000
Performance fee	No

ABOUT PELARGOS CAPITAL BV

Pelargos Capital is an AIFMD licensed asset management company regulated by Autoriteit Financiële Markten in the Netherlands. The firm was established in 2008 as subsidiary of Dutch Aegon insurance group, which is still a substantial shareholder in the firm. The remaining shares are held by Pelargos staff. Pelargos Capital is a dedicated Japan equity specialist, and has managed a Japan long/short equity fund since its inception in 2008. Pelargos Japan Reiwa Fund builds on the strong results of the long book of that fund. For more information, please visit www.pelargoscapital.com.

ABOUT UNIVERSAL-INVESTMENT

With fund assets of around EUR 505 billion under administration, thereof EUR 386 billion in own vehicles and around EUR 119 billion in, inter alia, insourcing, well over 1,400 mutual and special investment mandates and a workforce of around 750, Universal-Investment is the largest independent investment company in the German-speaking region. With the acquisition of UI labs in January 2019, the industry-leading IT data specialist now completes the Group's service portfolio by adding front office and data solutions. The investment company is the central platform for independent asset management and unifies the investment know-how of portfolio managers, private banks, asset managers and investment boutiques. Founded in 1968, the Universal-Investment Group is headquartered in Frankfurt/Main and has subsidiaries, branches and holdings in Luxembourg, Poland and Austria. It is one of the pioneers of the investment industry and has meanwhile become the market leader in the areas of master-KVG and private label funds. According to the 2019 PwC ManCo Survey, Universal-Investment is the largest AIFM ManCo in Luxembourg; among the Third-Party-ManCos, Universal-Investment also ranks in first place (as of February 29, 2020).

More information available at: www.universal-investment.com

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