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MW Japan Fund
January 2026 Newsletter

% Returns	Month	2025	Since Inception (A&B: 4th August 1999) (C: 16th April 2015)
MW Japan Fund A ($)	+6.9%	+39.5%	+618.2%
MW Japan Fund B ($)	+6.9%	+39.4%	+584.7%
TOPIX Net Total Return ($)	+6.5%	+25.1%	+176.9%
MW Japan Fund C ($ hedged)	+5.3%	+44.7%	+329.0%
TOPIX Net Total Return (¥)	+4.6%	+25.0%	+174.5%

Sources: Bloomberg and Waystone Management Company (IE) Limited

TOPIX rose by 4.6% in local terms in January having reached an all-time high during the month, although equities, bonds and the yen were all volatile. Prime Minister Takaichi announced a snap election for February 8th on the back of her high approval rate and will campaign on a more expansionary fiscal policy, including a reduction in consumption tax on food to zero for two years. Yields on Japanese government bonds reached their highest levels in nearly three decades, with the 30-year yield approaching 4% at one point. The yen weakened to almost ¥160/$ before it snapped back sharply because of a "rate check" by the New York Fed and rumours of coordinated intervention.

As anticipated, the Bank of Japan left its policy interest rate unchanged at 0.75% but revised up its growth and inflation forecasts modestly. In December, nationwide core CPI (all items less fresh food) was +2.4% year on year while core-core inflation (all items less energy and fresh food) was +2.9%. The unemployment rate remained low at 2.6% and the ratio of job openings to applicants stood at 1.19x. The number of foreign visitors to Japan rose 3.7% year on year to 3.62m in December, a record high for the month. For 2025 overall, tourist numbers reached a new annual high of 42.7m.

Unlisted Toyota Fudosan raised its tender price for portfolio holding Toyota Industries by 15% to ¥18,800 per share, a bid that is being funded by the Toyota group. In response, activist investor Elliott published a detailed presentation explaining its valuation of over ¥26,000 per share. It believes that the company could eventually be worth more than double the bid price through governance reforms and unwinding cross-shareholdings, and has increased its stake in the company to 6.7%. We held meetings with both Elliott and Toyota Industries to discuss the revised offer, which we continue to believe undervalues the shares.

Another of our holdings, Nippon Densetsu, reported excellent third quarter results which showed profit more than doubling compared to last year. The company, which carries out railway and electrical engineering work, raised its full year forecasts substantially and also increased its dividend by 25%. Elsewhere, Sankei Real Estate Investment Corp., a Fuji Media-affiliated REIT, received a takeover offer at a 21% premium, with Fuji Media agreeing to sell its 5% stake. As part of a restructuring of non-core businesses, Kyocera announced it will sell its chemical business to Sumitomo Bakelite for ¥30bn.

Following a record number of management buyouts (MBOs) last year, Hisamitsu Pharmaceutical, best known for pain-relief patches, announced an MBO at a 35% premium to the closing price. Ariake Capital disclosed another large shareholding in a regional bank, this time Hyakugo Bank, highlighting the value in a sector where, in some cases, equity portfolios can be worth a significant portion of the banks' market capitalisations.

The Financial Services Agency (FSA) will revise the Corporate Governance Code in mid-2026 for the first time in five years. One of the main areas under consideration will be company disclosures regarding plans for the efficient use of cash. This will focus attention on many of the companies in our portfolio, where net cash and investments still represent well over 40% of the market capitalisation of our non-financial holdings. We have significant holdings in the financial, industrial and construction sectors.

Stephen Morant, Ian Wright, Richard Phillips, Tom Mermagen, Andrew Millward, Denis Clough, Nick Sinclair and Karin Ri

Fund	
Fund size	$88m
Number of holdings	57

Valuations	
Average PBR	1.03
Median EV/OP* (3/26e)	7.3
Weighted Average P/E (3/26e)	14.4
Net cash as % of market cap*	44%

**Net cash (including investment securities) and EV/OP figures exclude financials*

Top Ten Holdings	% Fund
The Hyakugo Bank	3.8
Sumitomo Mitsui Trust	3.2
Sumitomo Mitsui Financial Group	3.0
Tokyo Broadcasting System	2.9
Japan Wool Textile	2.8
Honda Motor Co. Ltd	2.7
Kurabo Industries	2.7
Inpex	2.7
Nippon Television Network	2.6
Dai-Ichi Life Holdings Inc	2.5

Market Cap Breakdown*	% Fund
Large Cap (>$10bn)	22.3
Mid Cap ($2 - 10bn)	28.6
Small Cap (< $2bn)	47.1
Cash	2.0

*Size categories have been changed as of December 2025 in line with market standards

NAV at 30th January 2026	
A Shares	$71.00
B Shares	$68.37
C Shares	$428.95

Dealing

If you would like to deal in the fund, please contact Waystone Management Company (IE) Limited. You can contact them by telephone on **+353 1 400 5300** or by emailing wfs-investordealing@waystone.com

Please refer to the further fund details and important regulatory information on the reverse of this document

AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY
REGISTERED IN ENGLAND NUMBER 3692692

Fund Information		Dealing Information	
Fund type	Offshore OEIC, domiciled in Ireland	Minimum investment	$100,000 (across all shares)
Fund currency	US Dollar	Dealing frequency	Daily
Launch date	August 1999	Deal cut-off point	11.00am (Irish time)
Geographic exposure	100% Japanese equities	Valuation point	12.00pm (Irish time)
AMC/OCF	A Shares: 1.0% A Shares: 1.25%* B Shares: 1.0% B Shares: 1.25%* C Shares: 1.0% C Shares: 1.25%* *Fund charges capped at 1.25% by Investment Manager	Settlement	T+4 (subscriptions/redemptions)
Share types	A Shares, B Shares, C Shares (hedged)	Fund administrator	Waystone Fund Administrators (IE) Limited 35 Shelbourne Rd, Ballsbridge, Dublin 4, D04 A4E0 Ireland wfs-dublinta@waystone.com Tel: +353 1 400 5300 Fax: +353 1 400 5350

Share Identifiers	Bloomberg code	SEDOL	ISIN
A Shares	MWJPNAI ID	BWCH400	IE00BWCH4002
B Shares	MWJPNBI ID	BWCH411	IE00BWCH4119
C Shares	MWJPNCI ID	BWCH422	IE00BWCH4226

TOPIX Net Total Return is used for the purpose of performance comparison only as it is a widely used benchmark which includes reinvestment of dividends (net of withholding tax) and which most closely reflects the type of companies in which the fund invests. All performance information is calculated by Morant Wright Management Limited using share price data provided by Waystone Management Company (IE) Limited Index data are taken from Bloomberg.

Performance is based on the Fund Nav and is shown net of charges. Data are as at 30th January 2026 and accurate as at that date.

This document is issued and approved by Morant Wright Management Limited which is authorised and regulated by the Financial Conduct Authority.

Disclaimer

Please remember that past performance is not a guide to future performance. The value of the Fund and any income from it can fall as well as rise as a result of both market and currency fluctuations and investors may not get back the amount originally invested. Investors must be willing to accept some risk to their capital. Consequently, the fund may be suitable for investors who are looking to set aside their capital for the longer term (i.e. at least 5 years).

Before making an investment in the Fund you must read the KIID which can be obtained from Waystone Management Company (IE) Limited or ourselves https://www.morantwright.co.uk/mw-fuji-yield-fund, along with the Fund Prospectus and the latest report and accounts. The Fund Manager, Waystone Management Company (IE) Limited, a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland which is authorised by the Central Bank of Ireland has appointed Morant Wright Management Limited as Investment Manager to this fund. Waystone Management Company (IE) Limited, has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive. A summary of investors rights may be found here: https://www.waystone.com/waystone-policies/.

A copy of the firm's ADV2A Brochure is available at https://adviserinfo.sec.gov/firm/summary/138189

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