MORANT WRIGHT
MANAGEMENT LIMITED

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# MW Japan Fund
# July 2026 Newsletter

Marketing Material | For Investment Professionals Only

| % Returns | Month | Year to Date | Since Inception (A&B: 4th August 1999) (C: 16th April 2015) |
|---|---|---|---|
| MW Japan Fund A ($) | +5.6% | +15.2% | +673.6% |
| MW Japan Fund B ($) | +5.6% | +15.2% | +637.5% |
| TOPIX Net Total Return ($) | +1.7% | +16.1% | +201.9% |
| MW Japan Fund C ($ hedged) | +4.4% | +19.4% | +386.4% |
| TOPIX Net Total Return (¥) | +0.2% | +18.6% | +211.2% |

*Sources: Bloomberg and Waystone Management Company (IE) Limited*

Topix rose by just 0.2% in local currency and as with other markets there was a sharp sell off in AI related stocks. For most of the month the yen remained weak but intervention towards the end of the month led to a partial recovery.

A powerful earthquake in the south western island of Kyushu killed at least 25 people and has disrupted production at a number of factories. The area has a number of electronics and car related plants many of which have suspended production in the short term.

Japan's state pension fund, GPIF, published its figures as at the end of March 2026. Total assets are now ¥293tn with a return of 16% over the year. Since 2020 the scheme has had equal target weightings of 25% in yen bonds, Japanese equities, foreign bonds and foreign equities. As a result of historic rebalancing yen bonds are at 26.9% and the three other categories slightly below target. There had been some speculation that these pension assets might be used to support domestic growth plans but recent statements emphasising investment returns suggest no change in policy at present.

Results for the three months to June have been published by around one third of our holdings. Despite the conflict in the Middle East these have been generally favourable although, as normal, most companies are reluctant to revise forecasts this early in the fiscal year. We had a positive meeting with chemical producer Zeon at the end of May so it was encouraging to see a 35% rise in quarterly profits during the last three months which was driven by specialty materials. Demand for cyclo olefin polymer, a high performance transparent resin which is used in a range of medical, electronics and semiconductor products, remains strong and battery materials are also recovering. The company continues to forecast a 4% rise in profits for the full year which now looks conservative given the strong start.

Steel manufacturer Yamato Kogyo revised up its outlook. The key factor has been the performance of its joint venture with Nucor in the US which has enjoyed robust demand and favourable pricing. The company now expects a 33% rise in pretax profits versus its original estimate of 4%. Medipal completed its takeover of its listed subsidiary Paltac. There will be some extra costs associated with the purchase but the acquisition will boost EPS by 10% and the company also announced a 29% rise in the dividend.

Elsewhere, regional bank Iyogin Holdings, the largest in Shikoku, announced plans to merge with its local peer Ehime Bank. There are still over 60 listed regional banks but they are coming under increasing pressure to consolidate.

Profit growth continues to be strong, following on from last year, with continued improvements in shareholder returns providing an encouraging backdrop for the portfolio.

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

| Fund | |
|---|---|
| Fund size | $97m |
| Number of holdings | 57 |

| Valuations | |
|---|---|
| Average PBR | 1.02 |
| Median EV/OP* (3/26e) | 6.6 |
| Weighted Average P/E (3/26e) | 14.6 |
| Net cash as % of market cap* | 46% |

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

| Top Ten Holdings | % Fund |
|---|---|
| The Hyakugo Bank Ltd | 3.8 |
| Sumitomo Mitsui Trust | 3.6 |
| Sumitomo Mitsui Financial Group | 3.3 |
| Dai-Ichi Life Holdings Inc | 3.1 |
| Tokyo Broadcasting System | 2.8 |
| Japan Post Insurance Co Ltd | 2.8 |
| Nippon Television Network | 2.7 |
| Yokohama Financial Group Inc | 2.7 |
| Kurabo Industries | 2.5 |
| Japan Wool Textile | 2.5 |

| Market Cap Breakdown | % Fund |
|---|---|
| Large Cap (>$10bn) | 24.0 |
| Mid Cap ($2 - 10bn) | 25.6 |
| Small Cap (< $2bn) | 46.7 |
| Cash | 3.7 |

| NAV at 31st July 2026 | |
|---|---|
| A Shares | $76.48 |
| B Shares | $73.65 |
| C Shares | $486.36 |

**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**

| 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%*<br>B Shares: 1.0% B Shares: 1.25%*<br>C Shares: 1.0% C Shares: 1.25%*<br><br>*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<br>35 Shelbourne Rd,<br>Ballsbridge,<br>Dublin 4,<br>D04 A4E0<br>Ireland<br>wfs-dublinta@waystone.com<br>Tel: +353 1 400 5300<br>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 31st July 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.*

<u>Disclaimer</u>

**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**