MORANT WRIGHT
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MW Japan Fund
June 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 ($)	+0.1%	+9.1%	+632.9%
MW Japan Fund B ($)	+0.2%	+9.1%	+598.6%
TOPIX Net Total Return ($)	-0.9%	+14.2%	+197.0%
MW Japan Fund C ($ hedged)	+2.1%	+14.4%	+365.8%
TOPIX Net Total Return (¥)	+1.0%	+18.3%	+210.5%

Sources: Bloomberg and Waystone Management Company (IE) Limited

Topix ended a volatile month up 1.0% in local terms with sharp moves in stocks related to AI infrastructure and semiconductor capex. The Japanese yen fell to its lowest level against the US dollar in almost 40 years.

As expected, the Bank of Japan raised its policy rate from 0.75% to 1%. Prime Minister Takaichi set out a ¥370trn, 14-year investment plan combining public and private funding for 17 strategic sectors including semiconductors and shipbuilding, although details are scant.

Over 80% of Japan's AGMs fell in the final week of June and a record number of companies received shareholder proposals from institutional investors. Morant Wright voted against the re-election of directors at 19 companies and supported shareholder proposals at five. Shareholder support for the president of Medipal fell to a new low of 61%, a level which has historically provoked action by management. There is growing pressure generally to improve use of capital with the Nikkei reporting that several domestic asset managers have instituted new voting guidelines. Amova (formerly Nikko) Asset Management, for instance, has raised its minimum acceptable three-year ROE threshold from 5% to 8% for companies with a PBR below 1x, while Mitsubishi UFJ Trust Bank will adopt the same policy from April 2027. Sumitomo Mitsui DS Asset Management has also tightened its stance on cross-shareholdings, lowering its target from 20% to 15% of net assets.

Bloomberg reported that Fuji Media's real estate subsidiary has fetched bids in excess of ¥1trn from a variety of domestic and international investors, far higher than book value and shaping up to be Japan's largest ever real estate deal. Meanwhile, the same activist investor that called for Fuji Media to sell its real estate has declared a new stake in TV Asahi, another broadcaster in which we are invested and which we estimate has net cash, investments and real estate worth considerably more than its market capitalisation.

Companies continue to dispose of non-core assets to improve returns. Life insurer T&D Holdings announced it will sell its low margin bancassurance subsidiary T&D Financial Life to NASDAQ-listed PayPay for 1x embedded value and 24x adjusted profit. By comparison, T&D Holdings as a whole trades on just 0.5x embedded value and 13x adjusted profit and has committed to using half of the sale proceeds for share buybacks. Elsewhere, Toyota Motor sold its 4.7% stake in property and casualty insurer MS&AD worth around ¥300bn, and Yodogawa Steel announced the sale of its struggling Chinese subsidiary.

M&A is growing in importance to the market. Makino Milling confirmed it has received a takeover offer from a local investment fund, reported to be around ¥16,000 per share, a significant increase on the previous ¥11,751 bid made by a Korean private equity firm. Warburg Pincus launched a tender offer to buy student accommodation provider JSB at a 30% premium.

Our companies have ample scope to improve capital efficiency by unwinding cross-shareholdings, returning excess cash to shareholders and disposing of surplus real estate and businesses. June's AGM results show that they are under increasing pressure to do so.

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

Fund	
Fund size	$92m
Number of holdings	57

Valuations	
Average PBR	1.00
Median EV/OP* (3/26e)	6.4
Weighted Average P/E (3/26e)	13.5
Net cash as % of market cap*	48%

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

Top Ten Holdings	% Fund
The Hyakugo Bank Ltd	4.0
Sumitomo Mitsui Trust	3.5
Sumitomo Mitsui Financial Group	3.2
Tokyo Broadcasting System	3.1
Dai-Ichi Life Holdings Inc	3.0
Nippon Television Network	2.8
Kurabo Industries	2.7
Yokohama Financial Group Inc	2.6
Japan Post Insurance Co Ltd	2.5
Japan Wool Textile	2.4

Market Cap Breakdown	% Fund
Large Cap (>$10bn)	23.3
Mid Cap ($2 - 10bn)	26.0
Small Cap (< $2bn)	46.6
Cash	4.1

NAV at 30th June 2026	
A Shares	$72.45
B Shares	$69.77
C Shares	$465.83

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%* 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 June 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