MORANT WRIGHT

MANAGEMENT LIMITED

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MW Japan Fund
September 2025 Newsletter

% Returns	Month	Year to date	Since Inception (A&B: 4th August 1999) (C: 16th April 2015)
MW Japan Fund A ($)	+1.3%	+33.6%	+543.6%
MW Japan Fund B ($)	+1.3%	+33.6%	+513.5%
TOPIX Net Total Return ($)	+2.3%	+21.7%	+152.9%
MW Japan Fund C ($ hedged)	+2.2%	+30.1%	+266.3%
TOPIX Net Total Return (¥)	+2.8%	+14.9%	+141.2%

Sources: Bloomberg and Waystone Management Company (IE) Limited

TOPIX Net Total Return increased by 2.8% in September in local terms and reached a new high during the month.

Prime Minister Ishiba resigned as LDP leader, taking responsibility for July's election defeat and his weak approval ratings. This paves the way for a leadership election on 4th October and a new prime minister. There are five candidates standing, of which the front-runners appear to be Ms. Sanae Takaichi, who would be Japan's first female leader, and Mr. Shinjiro Koizumi, son of a former prime minister. The main concern identified in opinion polls is inflation, but any new policies would need parliamentary support from opposition parties after the loss of the government's majority.

The Bank of Japan kept monetary policy unchanged at its September meeting as expected. The decision was not unanimous, however, with two board members voting for a rate rise to tackle inflation. August CPI excluding fresh food rose by 2.7% and has exceeded the 2% target level every month since March 2022. Expectations for a rate rise in the future have therefore risen slightly. The BOJ also announced that it would start selling its ETF holdings. Governor Ueda commented that the BOJ expects to take more than 100 years to sell its entire holding, which is currently worth around ¥75trn. The announced pace of selling is estimated to account for less than 0.1% of current trading volume.

The latest data on land prices showed a rise of 1.5% nationwide in the first half of the year and a much larger increase of 4.3% in the three main cities of Tokyo, Osaka and Nagoya. Over the same period, foreign investment in real estate totalled $7.8bn according to data from property services company CBRE. The Tokyo office market remains attractive: the vacancy rate was only 2.9% in August and rent per square foot in Tokyo is about 20% cheaper than New York in dollar terms, according to real estate firm Jones Lang LaSalle. The continued positive news on real estate has focused investor attention on underused property at Japanese companies, which can often be a source of significant "hidden" value. At portfolio holding Mitsubishi Logistics, for example, the gain on property not recorded on the balance sheet is equivalent to two-thirds of its market cap.

In the portfolio, TV broadcaster Fuji Media announced an updated "Reform Action Plan". The company now aims to achieve ¥250bn in share buybacks by March 2030, equivalent to one-third of its market cap, and announced a partial sale of shares in Toei Animation worth ¥30bn. TBS Holdings, another TV broadcaster held in the fund, announced it was booking a gain of ¥39bn on a sale of shares. Elsewhere, Sony listed its wholly-owned subsidiary Sony Financial while Seven & I Holdings announced the sale of a retail subsidiary to a US private equity firm in order to focus on its core convenience store chain Seven-Eleven.

Our recent meetings have confirmed that our holdings continue to make the necessary changes to slim down balance sheets and raise ROE. Our companies have net cash and investments worth over 40% of their market cap on average (excluding financials) which shows the potential for further dividend increases and share buybacks. Meanwhile, an increasing number of companies are contemplating other ways of unlocking value, such as the sale of real estate and non-core businesses.

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

Fund	
Fund size	$117m
Number of holdings	61

Valuations	
Average PBR	0.97
Median EV/OP* (3/26e)	6.8
Weighted Average P/E (3/26e)	13.4
Net cash as % of market cap*	46%

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

Top Ten Holdings	% Fund
Tokyo Broadcasting System	3.4
Nippon Television Network	3.4
Sumitomo Mitsui Financial Group	3.0
Toyota Industries Corp	2.9
Sumitomo Mitsui Trust	2.9
Hyakugo Bank Ltd/The	2.9
Mitsubishi UFJ Financial Group	2.8
Japan Wool Textile	2.8
Dai-Ichi Life Holdings Inc	2.6
Kinden	2.6

Market Cap Breakdown	% Fund
Large cap (>$5bn)	38.5
Mid cap ($1-5bn)	39.0
Small cap (<$1bn)	20.4
Cash	2.1

NAV at 30th September 2025	
A Shares	$63.62
B Shares	$61.26
C Shares	$366.33

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 September 2025 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.