

MW Japan Fund September 2026 Newsletter

Marketing Material | For Investment Professionals Only

% Returns	Month	Year to Date	Since Inception* (A&B: 4 th August 1999) (C: 16 th April 2015)
MW Japan Fund A (\$)	+2.3%	+22.6%	+723.6%
MW Japan Fund B (\$)	+2.3%	+22.6%	+685.1%
TOPIX Net Total Return (\$)	+1.5%	+22.3%	+218.1%
MW Japan Fund C (\$ hedged)	+0.8%	+25.2%	+409.9%
TOPIX Net Total Return (¥)	-0.2%	+22.7%	+221.9%

Sources: Bloomberg and Waystone Management Company (IE) Limited

TOPIX including dividends finished the month almost flat in local terms. The yen continued to appreciate after August's coordinated intervention by the US and Japan and finished the month almost 2% stronger against the dollar. JGB yields continued to rise with 10-year bonds exceeding 3% for the first time in 30 years.

As had been widely expected, the Bank of Japan raised overnight interest rates by a quarter point to 1.25% at its September policy meeting. The vote was not unanimous, however, with two committee members dissenting. Nationwide CPI for August was broadly as expected at 1.9% and CPI excluding fresh food was slightly lower at 1.7%. The producer price index, however, showed that wholesale inflation was 7.6% in August, predominantly reflecting increases in oil and other imported goods.

The Bank of Japan released its latest quarterly data of Japanese household assets. As at 30th June, the value of equities and investment trusts held by households rose by 44% compared to a year ago, the fourteenth consecutive quarterly increase, due to rising equity markets and greater use of tax-efficient NISAs (Nippon Individual Savings Accounts). Conversely, cash fell to 45% of total assets, the lowest proportion for several decades. Money is also increasingly being invested by households into Japanese government bonds as yields rise.

The M&A market continues to be buoyant. After a record year in 2025, there was a further 5% increase in the number of transactions between January and August. September saw several new announcements including a preliminary offer for Kobayashi Pharmaceutical from two private equity companies which valued it at \$3.2bn. KKR has sold a chain of 16 hotels to Singapore's sovereign wealth fund GIC for \$800m. Two environmental engineering companies, Tsukishima Kikai and Mitsubishi Kakoki, announced that they would merge in a share swap to improve their competitiveness and profitability. Finally, Hikari Tsushin announced a bid worth \$1.7bn for apartment builder Leopalace, of which it already owned 18%. Hikari Tsushin is a provider of telecoms services to smaller companies but also holds investments in more than 350 Japanese listed companies, some of which are held in our accounts.

We were interested to see that an activist investor has called for an EGM at Medipal, which is held in the portfolio. The investor has made four proposals including a buyback for 16% of outstanding shares and a substantial increase in the dividend. They have also proposed the dismissal of the executive chairman, who was re-elected at the June AGM with only 61% shareholder approval. Elsewhere, an injunction was issued by the Tokyo District Court to stop a poison pill being used by Toho Holdings against an activist. The takeover defence had been narrowly approved by shareholders at the recent AGM to prevent the investor increasing its 24% stake in the company.

The steady increase in M&A activity continues to highlight the opportunities available in the Japanese market. Our portfolio remains attractive on a P/E of 14x, while the average company (excluding financials) has 50% of its market cap in net cash and investments.

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

Fund	
Fund size	\$104m
Number of holdings	57

Valuations	
Average PBR	1.02
Median EV/OP* (3/26e)	6.6
Weighted Average P/E (3/26e)	14.0
Net cash as % of market cap*	50%
*Net cash (including investment securities) and EV/OP figures exclude financials	

Top Ten Holdings	% Fund
Hyakugo Bank Ltd/The	3.9
Sumitomo Mitsui Trust	3.8
Sumitomo Mitsui Financial Group	3.2
Japan Post Insurance Co Ltd	3.2
Tokyo Broadcasting System	2.9
Kurabo Industries	2.9
Dai-ichi Life Holdings Inc	2.9
Nippon Television Network	2.8
Yokohama Financial Group Inc	2.7
Topre Corp	2.6

Market Cap Breakdown	% Fund
Large Cap (>\$10bn)	24.3
Mid Cap (\$2 - 10bn)	27.4
Small Cap (< \$2bn)	46.8
Cash	1.5

NAV at 30 September 2026	
A Shares	\$81.42
B Shares	\$78.40
C Shares	\$509.87

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%*	Settlement	T+4 (subscriptions/redemptions)

*Fund charges capped at 1.25% by Investment Manager

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
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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 30 September 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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