

MORANT WRIGHT

MANAGEMENT LIMITED

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Morant Wright Sakura Fund December 2025 Newsletter

% Returns	Month	2025	Since Inception (7 th May 2013) (Yen B: 17 th April 2018)
Yen (unhedged)	+2.5%	+39.2%	+368.0%
TOPIX Net Total Return	+1.0%	+25.0%	+265.0%
Euro (hedged)	+2.7%	+41.0%	+361.8%
Sterling (hedged)	+2.9%	+43.3%	+395.0%
Swiss Franc (hedged)	+2.4%	+38.1%	+319.2%
US Dollar (hedged)	+2.9%	+44.2%	+440.5%
Yen B shares (unhedged)	+2.3%	+36.9%	+173.4%

*Performance given for accumulation shares
 Sources: Bloomberg and Waystone Management Company (IE) Limited*

Topix Net Total Return rose 1% over the month in local terms bringing the return for the year to 25%. The yen strengthened marginally against the dollar in 2025 but was substantially weaker against both sterling and the euro. The fund's outperformance was helped by the strong performance of value over growth and of small and mid-cap stocks compared to large cap companies. The former was particularly evident in the second half of the year. Overseas investors were much more of a factor this year buying a cumulative ¥3.8trn although Japanese companies remain the largest buyers of the market through share buybacks worth over ¥10trn.

After a strong steer in a speech by Governor Ueda earlier in the month, the BoJ raised its policy rate by 25 basis points to 0.75% at its meeting on 19th December. Inflation has now been running ahead of the Bank's 2% target for over three years. With the yen still weak and major unions demanding another 5% uplift in wages, it is no surprise that Mr. Ueda's guidance was for further hikes, commenting that interest rates remain "accommodative". The market consensus is for more increases in the coming years.

Prime Minister Takaichi's cabinet approved a record ¥122.3trn (\$785bn) budget for the next fiscal year which will include a notable increase in defence spending. Tax cuts outweigh tax increases and there are concerns that her policies are too expansionary. However, we believe that rising bond yields are more a reflection of core inflation remaining above 2% rather than fiscal concerns. The 10-year JGB yield reached 2.05% having started the year at 1.07%. The 30-year yield is now 3.4% and Japanese government bonds have produced a negative return for a sixth consecutive year.

During the month we were able to meet the independent director at Toyota Industries who is the chair of the 'special committee' established to supervise the proposed takeover by Toyota Fudosan. We were encouraged by the fact that there appears to be scope for the offer price, which we consider to be far too low, to be revised up based on the increase in the share prices of many of Toyota Industries' equity holdings. Activist investor Elliott has increased its stake in the company to 5%.

Events at Fuji Media have taken an unusual turn: the Murakami family is considering an offer of ¥4,000/share to increase its stake to 33% in the hope of forcing greater change at the company. More broadly, M&A continues to gather pace with the Nikkei newspaper reporting that the value of deals announced in 2025 reached an all-time high of ¥46.9trn, up 97% on last year. Japan Petroleum announced it will spend \$1.3bn to acquire oil and gas assets in Colorado and Wyoming after recently recording a gain on the sale of its gas pipeline assets in Hokkaido. Sampo is making a further small push into the agricultural space by announcing a bid at a roughly 50% premium for Nōsōken, an operator of a platform for selling produce. Private equity groups remain active with Carlyle set to take Hōgy Medical private and KKR making a higher counter bid for Mandom, a maker of cosmetics products, in response to a proposed MBO by the founding family. There is growing foreign interest in the valuable real estate held by Japanese corporates, with brewer Sapporo Holdings announcing the sale of property assets for \$3.1bn to a private equity consortium.

With around 40% of their market cap represented by net cash and investments, our companies can continue with record levels of share buybacks which are helping to bolster earnings growth. With more opportunities for value to be crystallised and improving capital allocation, companies have further scope to be rated more highly.

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

Fund	
Fund size	\$1,734m
Number of holdings	67

Valuations	
Average PBR	1.10
Median EV/OP* (3/26e)	9.0
Weighted Average P/E (3/26e)	14.0
Net cash as % of market cap*	40%

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

Top Ten Holdings	% Fund
Sumitomo Mitsui Financial Group	3.4
Yokohama Financial Group Inc	3.4
Kinden	3.2
Tokyo Broadcasting System	3.2
Sumitomo Mitsui Trust	3.1
Sumitomo Electric Industries	3.1
Dai-ichi Life Holdings Inc	3.0
Nippon Television Network	2.9
Honda Motor Co. Ltd	2.9
Toyota Industries Corp	2.9

Market Cap Breakdown	% Fund
Large cap (>\$5bn)	55.2
Mid cap (\$1-5bn)	40.2
Small cap (<\$1bn)	1.9
Cash	2.7

NAV at 31 st December 2025	
Yen	¥4,680.27
Sterling	£49.50
US Dollar	\$54.05
Euro	€46.18
Swiss Franc	CHF41.92
Yen B	¥2,733.73

Dealing
 The fund is now closed to new investors but existing investors can deal in the fund by contacting 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	UCITS OEIC, authorised in Ireland	Minimum investment	¥1,000,000 (Japanese Yen shares) US\$5,000 (US Dollar shares) £5,000 (Sterling shares) CHF5,000 (Swiss Franc shares) €5,000 (Euro shares)
Fund currency	Japanese Yen Hedged classes available in £, \$, €, CHF Unhedged classes available in ¥, €, £ and \$	Dealing frequency	Daily
Launch date	May 2013	Deal cut-off point	11.00am (Irish time)
Geographic exposure	100% Japanese equities	Valuation point	12.00pm (Irish time)
AMC	1.00% (JPY B Class: 0.75%)	Settlement	T+4 (subscriptions/redemptions)
OCF	1.16% (JPY B Class: 0.91%)		
Share types	Accumulation and Distributing	Fund administrator	Waystone Fund Administrators (IE) Limited 35 Shelbourne Rd, Ballsbridge, Dublin 4, D04 A4E0 Ireland wfs-dublnta@waystone.com Tel: +353 1 400 5300 Fax: +353 1 400 5350

Share Identifiers	Bloomberg code	SEDOL	ISIN
Euro Acc Hedged	MWSKEUR	B7ST847	IE00B7ST8472
Euro Dist Unhedged		BYWNV45	IE00BYWNV454
Yen Acc Unhedged	MWSKYEN	B9140F8	IE00B9140F89
Yen B Acc Unhedged	MWSKYBA	BF1FZN6	IE00BF1FZN69
Sterling Acc Hedged	MWSKSTL	B840XH9	IE00B840XH97
Sterling Dist Unhedged		BYWNV34	IE00BYWNV348
Swiss Franc Acc Hedged	MWSKCHF	B93V6N7	IE00B93V6N72
US Dollar Acc Hedged	MWSKUSD	B8JTQR2	IE00B8JTQR23
US Dollar Dist UnHedged	MWSUSDD	BYWNV56	IE00BYWNV561

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 given in sterling terms based on the Fund NAV. Data are at 31st December 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.

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 at <https://www.morantwright.co.uk/morant-wright-sakura-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/>.

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