

MORANT WRIGHT

MANAGEMENT LIMITED

43 St James's Place, London, SW1A 1NS

Telephone: 020 7499 9980 Email: enquiries@morantwright.co.uk Website: www.morantwright.co.uk

Morant Wright Sakura Fund January 2026 Newsletter

% Returns	Month	2025	Since Inception (7 th May 2013) (Yen B: 17 th April 2018)
Yen (unhedged)	+6.6%	+39.2%	+398.7%
TOPIX Net Total Return	+4.6%	+25.0%	+281.9%
Euro (hedged)	+6.7%	+41.0%	+392.7%
Sterling (hedged)	+6.8%	+43.3%	+428.6%
Swiss Franc (hedged)	+6.5%	+38.1%	+346.5%
US Dollar (hedged)	+6.7%	+44.2%	+476.9%
Yen B shares (unhedged)	+6.2%	+36.9%	+190.5%

Performance given for accumulation shares

Sources: Bloomberg and Waystone Management Company (IE) Limited

TOPIX rose by 4.6% in local terms in January having reached an all-time high during the month, although equities, bonds and the yen were all volatile. Prime Minister Takaichi announced a snap election for February 8th on the back of her high approval rate and will campaign on a more expansionary fiscal policy, including a reduction in consumption tax on food to zero for two years. Yields on Japanese government bonds reached their highest levels in nearly three decades, with the 30-year yield approaching 4% at one point. The yen weakened to almost ¥160/\$ before it snapped back sharply because of a “rate check” by the New York Fed and rumours of coordinated intervention.

As anticipated, the Bank of Japan left its policy interest rate unchanged at 0.75% but revised up its growth and inflation forecasts modestly. In December, nationwide core CPI (all items less fresh food) was +2.4% year on year while core-core inflation (all items less energy and fresh food) was +2.9%. The unemployment rate remained low at 2.6% and the ratio of job openings to applicants stood at 1.19x. The number of foreign visitors to Japan rose 3.7% year on year to 3.62m in December, a record high for the month. For 2025 overall, tourist numbers reached a new annual high of 42.7m.

Unlisted Toyota Fudosan raised its tender price for portfolio holding Toyota Industries by 15% to ¥18,800 per share, a bid that is being funded by the Toyota group. In response, activist investor Elliott published a detailed presentation explaining its valuation of over ¥26,000 per share. It believes that the company could eventually be worth more than double the bid price through governance reforms and unwinding cross-shareholdings, and has increased its stake in the company to 6.7%. We held meetings with both Elliott and Toyota Industries to discuss the revised offer, which we continue to believe undervalues the shares.

Another of our holdings, Canon Marketing, reported excellent full-year results ahead of expectations driven by its expanding and high-margin IT solutions business. The company raised its dividend and announced another share buyback worth almost 5% of shares outstanding. This follows significant progress in corporate governance over the last two years, including buying back over 20% of its shares to reduce Canon's stake and ending the practice of keeping cash on deposit at the parent company. Elsewhere, Sankei Real Estate Investment Corp., a Fuji Media-affiliated REIT, received a takeover offer at a 21% premium, with Fuji Media agreeing to sell its 5% stake. As part of a restructuring of non-core businesses, Kyocera announced it will sell its chemical business to Sumitomo Bakelite for ¥30bn.

Following a record number of management buyouts (MBOs) last year, Hisamitsu Pharmaceutical, best known for pain-relief patches, announced an MBO at a 35% premium to the closing price. Ariake Capital disclosed another large shareholding in a regional bank, this time Hyakugo Bank, highlighting the value in a sector where, in some cases, equity portfolios can be worth a significant portion of the banks' market capitalisations.

The Financial Services Agency (FSA) will revise the Corporate Governance Code in mid-2026 for the first time in five years. One of the main areas under consideration will be company disclosures regarding plans for the efficient use of cash. This will focus attention on many of the companies in our portfolio, where net cash and investments still represent almost 40% of the market capitalisation of our non-financial holdings. We have significant holdings in the financial, industrial and construction sectors.

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

AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY
REGISTERED IN ENGLAND NUMBER 3692692

Fund	
Fund size	\$1,882m
Number of holdings	68

Valuations	
Average PBR	1.15
Median EV/OP* (3/26e)	9.0
Weighted Average P/E (3/26e)	15.1
Net cash as % of market cap*	39%

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

Top Ten Holdings	% Fund
Sumitomo Mitsui Financial Group	3.5
Yokohama Financial Group Inc	3.5
Sumitomo Mitsui Trust	3.1
Tokyo Broadcasting System	3.1
Sumitomo Electric Industries	3.0
Nippon Television Network	3.0
Toyota Industries Corp	3.0
Mitsubishi UFJ Financial Group	3.0
Inpex	2.9
Honda Motor Co. Ltd	2.9

Market Cap Breakdown*	% Fund
Large Cap (>\$10b)	40.7
Mid Cap (\$2b - \$10b)	46.7
Small Cap (< \$2b)	11.4
Cash	1.2

*Size categories have been changed as of December 2025 in line with market standards

NAV at 30 th January 2026	
Yen	¥4,986.96
Sterling	£52.86
US Dollar	\$57.69
Euro	€49.27
Swiss Franc	CHF44.65
Yen B	¥2,904.56

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-investordealings@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-dublinta@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 30th January 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 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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