

MORANT WRIGHT

MANAGEMENT LIMITED

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Morant Wright Sakura Fund July 2025 Newsletter

% Returns	Month	Year to date	Since Inception (7 th May 2013) (Yen B: 17 th April 2018)
Yen (unhedged)	+6.6%	+14.7%	+285.5%
TOPIX Net Total Return	+3.2%	+6.9%	+212.2%
Euro (hedged)	+6.7%	+15.6%	+278.6%
Sterling (hedged)	+7.0%	+16.6%	+302.6%
Swiss Franc (hedged)	+6.5%	+14.2%	+246.7%
US Dollar (hedged)	+7.0%	+17.1%	+338.8%
Yen B shares (unhedged)	+6.1%	+13.5%	+126.6%

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

TOPIX Net Total Return rose by 3.2% in local terms. The stock market has been dominated by two events: the result of the upper house election and the agreement between Japan and America over tariffs. The outcomes of both were better than feared, particularly on tariffs which led to TOPIX reaching an all-time high of 2,978 on the 24th. Foreign investors have been net purchasers each week since the middle of April.

As anticipated, the ruling coalition of the Liberal Democratic Party and Komeito lost control of the upper house but only failed to achieve a majority by three seats whereas a much greater loss of seats had been expected. The coalition had already lost control of the lower house so this result is unlikely to lead to any significant change in policy. The tax cuts proposed by opposition parties will probably be avoided which has led to bond yields retreating from recent highs. Prime Minister Ishiba has vowed to stay on despite the defeat although press comments suggest his days are numbered. There are many details to be determined in the agreement between Japan and the United States on tariffs but the headline figure of 15% was an improvement on the 25% previously suggested.

The Bank of Japan's (BOJ) monthly meeting, which occurred after these two events, left monetary policy unchanged. In its quarterly outlook, the BOJ raised its core inflation forecast for FY 2025 to 2.7%, up from its April forecast of 2.2%, reflecting the higher prices of rice and food products, expecting it to ease to around 1.8% in FY 2026 before edging up to 2.0% in FY 2027. Inflation is becoming increasingly entrenched with the Nikkei newspaper reporting that commercial landlord Mitsubishi Estate will introduce inflation-linked rents, while Tokyo rents rose 4.5% year on year in June. The BOJ also revised economic growth marginally upwards for this fiscal year from 0.5% to 0.6%. As uncertainty has diminished, there is speculation that it will raise rates before the end of the year. It is worth noting that the BOJ has unrealised losses on its bond holdings of ¥28.6trn but an unrealised gain on its equity ETF position of ¥32.9trn.

The AGM season has finished. Sumitomo Trust reported that a record number of 114 companies had received resolutions from investors up by 23 from last year. Nomura estimates that 91 companies have faced activist campaigns in the first half. Many of these relate to better shareholder returns through buybacks and dividends but are increasingly focused on better utilisation of real estate and idle assets, as we have seen with Fuji Media, as well as optimising business portfolios. An activist in Fuji Media has raised its stake to 16% demanding the company achieve a PBR of 1 through sales of cross shareholdings and the spin-off of Sankei Building, its real estate subsidiary. The board is proposing to implement anti-takeover measures if this stake is increased further.

The Nikkei has reported that M&A has reached unprecedented levels in the first half with 2,509 deals, up 7% year on year, while value was up 2.1 times at ¥20.7trn. There have been more bids announced, notably a private equity company has bid for lift maker Fujitec. Although this was below the market price the bid is roughly 5 times the price it was in 2019 before activists started to get involved.

The trends of the last few years regarding the restructuring of Japanese companies remain firmly in place and if anything are accelerating. We believe that our portfolios are well placed to benefit from them.

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

Fund	
Fund size	\$1,445m
Number of holdings	67

Valuations	
Average PBR	0.99
Median EV/OP* (3/26e)	7.5
Weighted Average P/E (3/26e)	12.7
Net cash as % of market cap*	45%
*Net cash (including investment securities) and EV/OP figures exclude financials	

Top Ten Holdings	% Fund
Sumitomo Electric Industries	3.8
Tokyo Broadcasting System	3.4
Kinden	3.4
Concordia Financial Group Ltd	3.3
Sumitomo Mitsui Financial Group	3.3
Toyota Industries Corp	3.3
Sumitomo Mitsui Trust	3.2
Honda Motor Co. Ltd	3.2
Mitsubishi UFJ Financial Group	3.1
Nippon Television Network	3.1

Market Cap Breakdown	% Fund
Large cap (>\$5bn)	53.9
Mid cap (\$1-5bn)	41.7
Small cap (<\$1bn)	2.0
Cash	2.4

NAV at 31 st July 2025	
Yen	¥3,854.62
Sterling	£40.26
US Dollar	\$43.88
Euro	€37.86
Swiss Franc	CHF34.67
Yen B	¥2,266.41

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 July 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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