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
October 2025 Newsletter

% Returns	Month	Year to date	Since Inception (7th May 2013) (Yen B: 17th April 2018)
Yen (unhedged)	+3.3%	+28.1%	+330.8%
TOPIX Net Total Return	+6.2%	+22.0%	+256.3%
Euro (hedged)	+3.3%	+29.5%	+324.1%
Sterling (hedged)	+3.5%	+31.2%	+353.3%
Swiss Franc (hedged)	+3.1%	+27.3%	+286.4%
US Dollar (hedged)	+3.5%	+31.9%	+394.5%
Yen B shares (unhedged)	+3.6%	+27.1%	+153.8%

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

TOPIX Net Total Return rose by 6.2% in October in local terms and finished the month at a new high, led by significant moves in large cap technology stocks.

Sanae Takaichi won a surprise victory in the LDP leadership election. Komeito, which has been the LDP's coalition partner since 1999, ended their partnership, reportedly due to a dispute over reforms to political donations. The LDP has instead entered into an alliance with the centre-right Japan Innovation Party which prioritises fiscal discipline. Ms. Takaichi was subsequently confirmed by parliament as Japan's first female prime minister and begins her tenure with the highest cabinet approval rating since 2002 at 74%. It is not yet clear what the two parties have agreed in their coalition pact. In any case, they are just short of majorities in both houses of parliament so will need to negotiate to pass legislation.

The Bank of Japan left its 0.5% policy rate unchanged at its October meeting, which contributed to the yen weakening to an eight month low of ¥154. Inflation accelerated in September to 2.9% and with Japan's largest trade union federation announcing it will seek another 5% wage hike next year it seems likely that the Bank of Japan will continue normalising interest rates.

Companies have begun reporting interim results. The picture has been generally positive with an improved pricing environment benefitting automobile parts and construction companies in particular. In the portfolio, auto parts company Tokai Rika revised up its operating profit forecast by 45% thanks to healthy production volumes at its main customer, Toyota Motor. Steel maker Yamato Kogyo raised its net profit forecast thanks to strong performance at its US joint venture in Arkansas and announced a 2% buyback.

Sumitomo Electric Industries reported strong results and raised forecasts in all segments thanks to robust growth in energy infrastructure, optical components, and automobile wire harnesses. It was also encouraging to see the company tidy up more listed subsidiaries, announcing a 21% premium bid to buy in rubber parts maker Sumitomo Riko at 1.3x PBR, and the sale of its electrical engineering subsidiary Sumitomo Densetsu to Daiwa House at a 28% premium representing a valuation of 3.0x PBR. The company visited us in London this month on its first overseas IR trip in a decade, where the president emphasised improving capital efficiency by unwinding cross-shareholdings, withdrawing from loss-making areas, and expanding capacity to meet growing demand from data centres.

M&A is clearly on the rise, providing another avenue for unlocking the value in our portfolio. It was interesting to see Taiwanese electronics company Yageo prevail in the bidding war for Shibaura Electronics, buying it for 3.1x PBR and paying a 130% premium to the initial undisturbed price. This illustrates the benefits that can accrue to shareholders from competitive bids and that there are now fewer barriers to acquisitions by foreign companies. Research group Recofdata reported that acquisitions in Japan by investment funds totalled ¥5trn in the nine month period to September, an 80% increase on last year.

The FSA has begun discussions to revise the Corporate Governance Code next year. One proposed change is to require companies to disclose plans for using their cash, thereby increasing the pressure on those with inefficient balance sheets. It may also seek to ensure that independent directors are suitably qualified. We believe our portfolio is well placed to benefit from the trend of improving corporate governance in Japan and we see ample scope to improve returns by returning cash to shareholders and divesting non-core assets, while earnings multiples remain modest.

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

Fund	
Fund size	$1,590m
Number of holdings	67

Valuations	
Average PBR	1.08
Median EV/OP* (3/26e)	8.3
Weighted Average P/E (3/26e)	13.9
Net cash as % of market cap*	41%

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

Top Ten Holdings	% Fund
Sumitomo Electric Industries	4.5
Kinden	3.7
Yokohama Financial Group Inc	3.3
Tokyo Broadcasting System	3.2
Sumitomo Mitsui Financial Group	3.2
Nippon Television Network	3.2
Sumitomo Mitsui Trust	3.1
Toyota Industries Corp	3.0
Mitsubishi UFJ Financial Group	2.9
Inpex	2.9

Market Cap Breakdown	% Fund
Large cap (>$5bn)	55.3
Mid cap ($1-5bn)	39.7
Small cap (<$1bn)	2.0
Cash	3.0

NAV at 31st October 2025	
Yen	¥4,307.56
Sterling	£45.33
US Dollar	$49.45
Euro	€42.41
Swiss Franc	CHF38.64
Yen B	¥2,537.77

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 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 OCF	1.00% (JPY B Class: 0.75%) 1.16% (JPY B Class: 0.91%)	Settlement	T+4 (subscriptions/redemptions)
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 31st October 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/.