

MORANT WRIGHT

MANAGEMENT LIMITED

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WS Morant Wright Japan Fund April 2026 Newsletter

£ Returns	Month	Year to Date	Since Inception (23 rd May 2003)
B Accumulation	+2.3%	+11.5%	+850.9%
TOPIX Net Total Return	+5.7%	+9.3%	+507.3%

Sources: Bloomberg and Waystone Management (UK) Ltd

TOPIX rose 6.6% in yen terms in April, recovering quickly from the weakness seen the previous month. Gains were led by a narrow group of large-cap technology and semiconductor stocks, which did not help the fund's relative performance. The yen strengthened sharply towards the end of the month to ¥157/\$ after the Bank of Japan intervened in the foreign exchange market.

The BoJ left interest rates unchanged at its April monetary policy meeting. Unusually, however, the vote was split 6-3, with the minority calling for a rate rise. At the same time, the BoJ upgraded its inflation forecasts and now expects core CPI to exceed its 2% target for the next two fiscal years. Bond yields continued to rise with the 10-year JGB yield reaching 2.5%, its highest level in more than 25 years.

Companies have begun reporting results for the year ended 31st March which have generally been positive, with construction companies notably strong. Kinden reported excellent results alongside a significant dividend increase and a share buyback of almost 17%, aimed at halving the stake held by parent company Kansai Electric Power. We have been encouraging management to address this issue for many years. Kyocera, which has been slow in tackling its inefficient balance sheet, announced a more generous dividend policy alongside a buyback of 7% of its shares. It has also appointed a new president who was previously responsible for business transformation.

Denso announced a 6% buyback to repurchase the stake held by Toyota Industries, which was recently taken private. Denso also withdrew its proposed bid for semiconductor company Rohm, which is itself discussing a three-way merger with two competitors. Canon Marketing, which published Q1 results, again reported strong numbers driven by its IT business.

M&A activity increased by 90% last fiscal year to a record ¥43 trillion. In April, KKR launched a bid for ink manufacturer Taiyo Holdings and EQT is exploring a deal to acquire Kakaku.com. Swedish group EQT had recently raised \$15.6bn for an Asia-focused private equity fund, the largest ever capital raising for the region. More than twenty investors are reportedly considering bids for some or all of Fuji Media's real estate portfolio, valuing it at ¥500-800 billion. Elsewhere, the government recommended that Asian private equity group MBK withdraw its bid for machine tool maker Makino Milling on national security grounds. A Japanese private equity fund has since made a higher offer for Makino. Ahead of the AGM season in June, an investor has submitted proposals to portfolio holding Medipal calling for a higher dividend and a substantial buyback to improve ROE.

Recent earnings announcements confirm the continued improvement in corporate governance and shareholder returns, which has accelerated since the Tokyo Stock Exchange campaign began three years ago and has been helped by pressure from activists and institutional investors. Consensus forecasts for TOPIX earnings for the new fiscal year have declined over the past month due to higher oil prices, although Nomura still forecasts EPS growth of 12% for the year to March 2027. We remain positive on the outlook for improving shareholder returns and greater operational improvement from our portfolio.

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

Fund	
Fund size	£1,035m
Number of holdings	66

Valuations	
Average PBR	1.15
Median EV/OP* (3/26e)	8.5
Weighted Average P/E	15.8
Net cash as % of market cap*	37%

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

Top Ten Holdings	% Fund
Inpex	3.4
Sumitomo Mitsui Financial	3.1
Sumitomo Mitsui Trust	3.0
Dai-ichi Life Holdings Inc	3.0
Tokyo Broadcasting System	3.0
Yokohama Financial Group Inc	3.0
Japan Post Insurance Co Ltd	3.0
Nippon Television Network	3.0
Honda Motor Co Ltd	2.9
Mitsubishi UFJ Financial Group	2.8

Market Cap Breakdown	% Fund
Large Cap (>\$10b)	39.1
Mid Cap (\$2b - \$10b)	45.0
Small Cap (<\$2b)	12.3
Cash	3.6

NAV at 30 th April 2026	
B Accumulation	950.91p
B Income	778.85p

Dealing
If you would like to deal in the fund, please contact Waystone Management (UK) Ltd. Their telephone number is **0345 922 0044** or by email ordergroup@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	UK authorised OEIC	Minimum investment	£5,000
Fund currency	Sterling	Dealing frequency	Daily
Launch date	May 2003	Deal cut-off point	12pm
Geographic exposure	100% Japanese equities	Valuation point	12pm
AMF	1.0%	Settlement	T+4 (subscriptions/redemptions)
OCF	1.15%	ACD	Waystone Management (UK) Limited
Share types	Accumulation and Income	Fund administrator	Waystone Fund Administrators Limited Central Square 29 Wellington Square Leeds, LS1 4DL wtas-investorservices@waystone.com Tel: 0345 922 0044 Fax: 0113 224 6001

Share Identifiers	Bloomberg code	SEDOL	ISIN
B Accumulation	CFMWJBA LN	3301012	GB0033010124
B Income	CFMWJBI LN	3359806	GB0033598060

Performance	2025	2024	2023	2022	2021	2020	Since inception (May 2003)
B Accumulation Shares	+29.3%	+18.8%	+21.4%	+4.3%	+6.3%	-6.3%	+850.9%
TOPIX Net Total Return	+16.6%	+10.1%	+12.3%	-5.0%	+1.9%	+9.1%	+507.3%

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 (UK) Limited. Index data are taken from Bloomberg. Performance is given in sterling terms based on the Fund NAV. Data are as at 30th April 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 (UK) Limited (<https://www.fundsolutions.net/uk/morant-wright-management-limited/ws-morant-wright-japan-fund/ws-morant-wright-japan-fund/>) or ourselves, along with the Fund Prospectus and the latest report and accounts.

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