

MORANT WRIGHT

MANAGEMENT LIMITED

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WS Morant Wright Japan Fund March 2026 Newsletter

£ Returns	Month	Year to Date	Since Inception (23 rd May 2003)
B Accumulation	-9.9%	+9.0%	+829.6%
TOPIX Net Total Return	-10.8%	+3.4%	+474.5%

Sources: Bloomberg and Waystone Management (UK) Ltd

Topix tumbled 11.2% in local terms over the month in response to conflict in the Middle East and surging oil prices. Unsurprisingly, the best performing stock in the portfolio was Inpex, the oil and gas producer whose main asset is in Australia, which rose by over 23%. The yen weakened and briefly traded below ¥160/\$ prompting speculation about possible intervention.

Japan imports around 95% of its crude oil from the Middle East, with most of it coming from just two countries, Saudi Arabia and the UAE, so the disruption in the Strait of Hormuz is no small matter. Energy is high on Prime Minister Takaichi's agenda and she has been quick to deploy countermeasures. As at the end of 2025, Japan had a substantial 254 days' worth of strategic oil reserves. Towards the end of the month, METI released 53 million barrels or a month's domestic consumption. Furthermore, the government has decided to cap the retail petrol (gasoline) price at ¥170/l (81p) from 19th March, a measure which Nomura has calculated will cost the government ¥20bn per day at current prices.

At its monthly meeting the Bank of Japan held interest rates at 0.75% but the consensus is now indicating further increases this year as inflationary pressures remain apparent. A preliminary survey by the Japan Trade Union Confederation reported that Japanese firms have agreed to an average wage hike of 5.3% making it the third straight year of increases above 5%. Official figures showed that land prices last year rose by an average 2.8% nationwide, the fifth consecutive year of growth. Commercial land in urban areas showed the largest increase including a 9.3% rise in Tokyo. Interestingly, real estate acquisitions by foreign investors reached a record ¥2.4trn. Blackstone and Brookfield announced their intention to invest \$15bn and \$10bn respectively in Japanese property in the coming years.

Toyota Fudosan was ultimately successful in its pursuit of Toyota Industries after raising its offer price to ¥20,600. We tendered all of our shares and consequently have a higher cash position than usual at month end. In a further development at the Toyota Group, Denso has approached Rohm with a view to acquiring the business to strengthen its position in power semiconductors. Rohm is now considering an alternative merger with Toshiba's and Mitsubishi Electric's semiconductor businesses which could prompt Denso's approach to become hostile.

Honda has decided to stop the development of three new EV models for the US market as it reassesses its electrification strategy. The losses are estimated to be \$16bn which will be spread across this financial year and next. Most of the losses relate to cash compensation to suppliers. We spoke with the company during the month and, whilst the loss is clearly disappointing, the balance sheet remains strong and there continues to be significant value in the motorcycle and financial services businesses.

Berkshire Hathaway has added to its Japanese holdings by taking a 2.5% stake in property and casualty insurer Tokio Marine with which it intends to establish a long term partnership. Events in the Middle East remain highly uncertain but the weak yen, the continuing levels of corporate activity and the latent value mean our portfolio continues to look attractive.

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

Fund	
Fund size	£1,008m
Number of holdings	64

Valuations	
Average PBR	1.10
Median EV/OP* (3/26e)	8.6
Weighted Average P/E	15.3
Net cash as % of market cap*	41%

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

Top Ten Holdings	% Fund
Inpex	4.0
Japan Post Insurance Co.	3.2
Tokyo Broadcasting System	3.2
Dai-ichi Life Holdings	3.1
Nippon Television Network	3.1
Sumitomo Mitsui Trust	3.0
Honda Motor Co.	3.0
Sumitomo Mitsui Financial	2.9
Yokohama Financial Group	2.9
Mitsubishi UFJ Financial Group	2.7

Market Cap Breakdown	% Fund
Large Cap (>\$10b)	33.3
Mid Cap (\$2b - \$10b)	48.4
Small Cap (<\$2b)	12.4
Cash	5.9

NAV at 31 st March 2026	
B Accumulation	929.58p
B Income	761.38p

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%	+829.6%
TOPIX Net Total Return	+16.6%	+10.1%	+12.3%	-5.0%	+1.9%	+9.1%	+474.5%

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 31st March 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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