

Investment Strategy

- Bottom up stock picking strategy, based on company interviews/fieldwork and fundamental research/analysis.
- We seek to identify exceptional companies able to sustain consistent earnings growth through economic cycles.
- The strategy seeks to outperform the market by selectively buying and holding stocks over the mid-to-long term, typically three to five years. Consequently, the turnover of our portfolio is low.
- We do not invest in stocks for purposes of managing risk against benchmarks.
- Stable earnings volatility of our holdings allows us to build a concentrated portfolio of 20-30 names.

Strategy Facts

Inception Date: October 1, 2011

Advisor: Clearbrook Investment Consulting, LLC.

Sub-Advisor: Mitsubishi UFJ Trust and Banking Corporation

Net Assets as of 01/31/2025: \$341.8M USD

Management Fee: 0.75%

Benchmark: TOPIX Total Return Index

Portfolio Characteristics

	Japan Focus Growth*	TOPIX Total Return Index
Number of Holdings	37	1,696
Wtd. Avg. Mkt. Cap. (\$)	47.7B	53.5B
P/E	19.20	15.91
P/B	2.36	1.46
ROE %	16.30	11.80
Dividend Yield %	1.75	2.40

*Based on representative portfolio

All data as of 01/31/2025 unless noted

Contact Information

Natasha Koprivica

nkoprivica@clbrk.com or 857.919.1048

Clearbrook Investment Consulting

21 West 46th St., Suite 1507

New York, NY 10036

Performance (%) USD as of (01/31/2025)

Composite	1 Mon*	3 Mon*	6 Mon*	YTD*	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Incept
Focus Growth Gross	0.80	-0.75	-5.37	0.80	0.88	-2.01	2.04	2.23	6.18	7.30
Focus Growth Net	0.73	-0.94	-5.73	0.73	0.13	-2.74	1.28	1.47	5.39	6.51
TOPIX Total Return Index	1.63	1.94	-1.91	1.63	5.62	5.67	5.50	3.41	6.52	6.94
Excess Return (Gross-TOPIX)	-0.84	-2.69	-3.46	-0.84	-4.73	-7.68	-3.46	-1.18	-0.34	0.36

*Returns for periods under one year are not annualized.

Performance data quoted represents past performance; past performance does not guarantee future results. Gross returns are presented before management and custodial fees, but after all trading expenses and reflect the investment of dividends and other income. Net returns are net of investment management fees in effect for the respective time period and are derived using the maximum highest published rate. Fees charged are at the discretion of Clearbrook. The strategy does not invest in an index. The strategy uses the (TOPIX) Total Return Index as a benchmark only. Performance may be attributable to profits from IPO securities. IPO securities have no trading history and the prices may be volatile. There is no guarantee this level of performance will be repeated. Japanese issuers and underwriters prioritize allocations of IPO securities to domestic investors; therefore, overseas investors (not based in Japan) may have less access to small and mid-cap IPO securities allocations than a domestic investor. The investment return and principal value of an investment will change so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the strategy may be lower or higher than the performance quoted. Composite data is calculated in JPY and converted to USD using the WM/Reuters Closing Spot Rates 4pm London close. The TOPIX is also converted from JPY to USD using the same exchange rate source.

Market and Strategy Commentary: Q1, Jan 2025 (USD Net)

Japan Markets:

- Japanese equities were up in January, with the TOPIX Index returning +1.63% USD.
- In the first half of the month, Japanese equities declined matching the volatility of U.S. equities. Japanese equities then fell toward the middle of the month due to reports about tighter U.S. restrictions on exports of advanced semiconductors and the prevailing outlook for a rate hike by the BOJ.
- In the second half of the month, the Japanese equities began to recover, with large semiconductor stocks leading a rebound in Japanese equities on the back of prospects for increased investment in AI development. As the BOJ raised the policy rate by 25bps at the Monetary Policy Meeting, Japanese equities rebounded, regaining some of their lag. However, the Japanese equities markets were sluggish as concerns over future demand for advanced semiconductors emerged following reports that a Chinese start-up DeepSeek had developed a low-cost, high-performance generative AI.

MUFG Japan Focus Growth Strategy:

- The strategy returned +0.73% USD, underperforming the Index by 0.90%.
- The top contributor was Nomura Research Institute, Ltd., one of the largest consulting service providers and information technology solution providers in Japan. Although its Q3 FY3/25 (Apr-Dec) earnings results were in line with market expectations, the share price rose sharply on the back of a recovery in orders for the Industrial IT Solutions business, in addition to an upward revision to its full-year earnings target and increased dividends.
- Another notable contributor was Asics Corp., a world's leading manufacturer of sports shoes. The share price rose due to strong sales confirmed in the earnings results of overseas competitors, as well as bullish statements by the company's president regarding future management, which raised expectations for potential performance.
- The largest detractor was Tokio Marine Holdings, Inc., one of the world's largest and globally diversified insurance groups. The share price was weighed down by concerns over expanded allowances for U.S. CRE loan losses, as well as squeezed earnings due to increased insurance payments regarding the Los Angeles wildfire.
- Another detractor was Fuji Electric Co., Ltd., an innovator in electric and thermal energy technologies, including sensing technologies, control technologies, power electronics technologies, and electricity optimization. Although its Q3 FY3/25 (Apr-Dec) earnings results exceeded the market expectations, the share price fell as their full-year earnings plan remained unchanged due to downward revisions in their semiconductors and industry businesses disappointed the market.

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MUFG Japan Focus Growth Strategy

About the Portfolio (as of 01/31/2025)

Returns Based Statistics vs TOPIX Total Return Index

	One Yr	Three Yr	Five Yr	Ten Yr
Excess Return	-4.73	-7.68	-3.46	-0.34
Beta	1.03	1.01	1.00	0.97
Information Ratio	-2.15	-1.32	-0.42	-0.04
Sharpe Ratio*	0.08	-0.12	0.12	0.39
Tracking Error %	2.20	5.81	8.20	8.29
Std. Dev. (Portfolio) %	10.61	16.17	17.36	15.66
Std. Dev. (Benchmark) %	10.07	14.93	15.24	13.74

* Sharpe Ratio: the risk free rate is not used in the calculation. The calculation shown here represents Portfolio Return divided by Portfolio Standard Deviation.

Sector Diversification (%)

	Japan Focus Growth*	TOPIX Total Return
Industrials	24.58	25.09
Information Technology	19.26	13.05
Consumer Discretionary	17.15	17.73
Financials	13.40	14.96
Health Care	8.33	6.93
Consumer Staples	8.28	5.83
Materials	3.30	5.02
Real Estate	2.93	2.01
Communication Services	1.23	7.34
Utilities	0.00	1.22
Energy	0.00	0.84
Cash & Cash Equivalents	1.54	-

*Based on Representative Portfolio

Our Japan Focus Growth Investment Team



Shinichiro Hyogo
Lead Fund Manager
28 years experience



Kosuke Tsuchida
Senior Fund Manager
23 years experience



Shinichi Okada
Analyst
37 years experience



Yuichi Yokoyama
Analyst
9 years experience



Yusuke Michiwaki
Strategy Manager/
Analyst
14 years experience

*Clearbrook Investment Consulting is the investment advisor to the MUFG Japan Focus Growth Strategy.

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Mitsubishi UFJ Trust and Banking Corporation (MUTB) claims compliance with the Global Investment Performance Standards (GIPS®). A complete list of firm composites and performance can be requested from Natasha Koprivica at nkoprivica@clbrk.com or 857.919.1048. Performance numbers have been provided by MUTB and have not been verified by Clearbrook Investment Consulting.

Please see the GIPS® Compliant Performance Report for further explanation. The comparative benchmark is the TOPIX Total Return Index. TOPIX is a free-float adjusted market capitalization-weighted index that is calculated based on all the domestic common stocks listed on the TSE First Section. TOPIX shows the measure of current market capitalization assuming that market capitalization as of the base date (January 4, 1968) is 100 points. **One cannot invest directly in an index.** **Beta:** systematic risk of a composite; represents sensitivity to the benchmark. **Excess Return (Gross):** amount that gross returns exceed relative benchmark return. **Information Ratio:** ratio of expected return to risk, as measured by standard deviation. **Price to Book (P/B):** ratio of stock price to book value. **Price to Earnings (P/E):** ratio of stock price to earnings. **Return on Equity (ROE):** net income divided by equity. **Standard Deviation:** measures dispersion of a set of data from its mean. **Tracking Error:** measures the active risk of the composite and the annualized standard deviation of the excess returns between the composite and its benchmark. **Weighted Average Market Cap:** total value of all outstanding shares weighted by market capitalization.

*Clearbrook Investment Consulting, LLC ("CIC") is an SEC-registered investment adviser. CIC primarily provides pensions consulting and family office advisory services for a wide variety of for-profit and nonprofit organizations. All strategy, assets under management and performance data described above refer to professional advisory services which CIC has engaged MUTB to act as subadvisor for the MUFG Japan Focus Growth Strategy. Fees charged are at the discretion of CIC; investment advisory fees are described in CIC's Form ADV Part 2, which is available upon request. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. A complete list of all recommendations in the MUFG Japan Focus Growth Strategy, within the past year are available free of charge by contacting CIC. Actual securities held in any individual account will vary and are subject to change. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. A complete list of all recommendations in the MUFG Japan Focus Growth Strategy, within the past year are available free of charge by contacting Clearbrook. Actual securities held in any individual account will vary and are subject to change.