

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 07/31/2024: \$417.84M USD

Management Fee: 0.75%

Benchmark: TOPIX Total Return Index

Portfolio Characteristics

	Japan Focus Growth*	TOPIX Total Return Index
Number of Holdings	34	2,135
Wtd. Avg. Mkt. Cap. (\$)	46.5B	52.3B
P/E	20.75	16.50
P/B	2.40	1.46
ROE %	13.52	11.17
Dividend Yield %	1.63	2.28

*Based on representative portfolio

All data as of 07/31/2024 unless noted

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Performance (%) USD as of (07/31/2024)

Composite	1 Mon*	3 Mon*	6 Mon*	YTD*	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Incept
Focus Growth Gross	6.89	8.07	6.61	8.64	10.98	-3.14	5.37	5.28	7.49	8.06
Focus Growth Net	6.82	7.87	6.22	8.17	10.16	-3.86	4.59	4.50	6.69	7.26
TOPIX Total Return Index	6.33	6.76	7.67	11.96	16.22	4.89	7.76	5.92	6.39	7.38
Excess Return (Gross-TOPIX)	0.55	1.31	-1.06	-3.32	-5.23	-8.03	-2.39	-0.64	1.10	0.68

*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: July 2024, USD Net

Japan Markets:

- Japanese equity market gained in July, with the TOPIX Total Return Index returning +6.33% USD.
- From the early to the middle of the month, Japanese equities gained, led by foreign investors' buying. The U.S. stock rally on market participants' speculation of FRB's rate cut in September 2024 and the weak Japanese yen trend boosted the markets.
- Later in the month, Japanese equities declined slightly. The yen strengthened, reflecting concerns over policies that Mr. Trump might put into place if he wins the presidential election. Following the depressed earnings results of U.S. tech companies, the selling of semiconductor-related names dominated in the Japanese equities markets. BOJ decided to raise its policy rate and taper JGB buying, accelerating the yen appreciation. Japanese equities markets rebounded, led by semiconductor-related names at month-end, after it was reported that the U.S. administration was planning to exclude Japan from the new rules on export restrictions to Chinese semiconductors.

MUFG Japan Focus Growth Strategy:

- The Japan Focus Growth Strategy returned +6.82% USD, outperforming the Index by 0.49%.
- One of the largest contributors was Nissin Foods Holdings Co., Ltd., a manufacturer of instant noodles and processed food products. The share price rose thanks to a cooling price war in the U.S. instant noodle market, and increased anticipation for growth of volume and unit price on the back of its Premium Strategy in the U.S.
- Another notable contributor was Shin-Etsu Chemical Co., Ltd., a global leading company in polyvinyl chloride resins and semiconductor silicon wafers. The share price rose thanks to its Q1 FY3/25 (Apr-Jun) earnings results, which exceeded market expectations, driven by strong sales in the Electronics Materials segment.
- The largest detractor in the portfolio was Tokyo Electron Ltd., a leading global manufacturer of semiconductor production equipment and FPD production equipment. The share price fell due to concerns about the negative influence on Japanese SPE manufacturers' performance after it was reported that the U.S. government was considering imposing severe export restrictions on semiconductor firms that provide technologies to China.
- Hitachi, Ltd., one of the largest manufacturers of comprehensive electronic machinery, also contributed negatively. The firm faced challenges due to concerns that the rapid Japanese yen appreciation could have a negative impact on its major growth drivers, including overseas power infrastructure, railways, and IT services.

MUFG Japan Focus Growth Strategy

About the Portfolio (as of 07/31/2024)

Returns Based Statistics vs TOPIX Total Return Index

	One Yr	Three Yr	Five Yr	Ten Yr
Excess Return	-5.23	-8.03	-2.45	1.10
Beta	1.19	1.07	1.00	0.97
Information Ratio	-0.86	-1.06	-0.29	0.13
Sharpe Ratio*	0.63	-0.17	0.31	0.48
Tracking Error %	6.12	7.60	8.22	8.52
Std. Dev. (Portfolio) %	17.30	18.14	17.43	15.76
Std. Dev. (Benchmark) %	13.73	15.45	15.34	13.71

* 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	26.06	24.88
Information Technology	16.18	13.42
Financials	14.38	14.38
Health Care	13.68	7.33
Consumer Staples	11.12	6.17
Consumer Discretionary	8.51	16.93
Materials	4.35	5.60
Real Estate	3.32	2.11
Communication Services	0.81	6.86
Utilities	0.00	1.42
Energy	0.00	0.91
Cash & Cash Equivalents	1.58	-

*Based on Representative Portfolio

Our Japan Focus Growth Investment Team



Shinichiro Hyogo
Lead Fund Manager
25 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
13 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.