

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 06/30/2024: \$390.29M USD

Management Fee: 0.75%

Benchmark: TOPIX Total Return Index

Portfolio Characteristics

	Japan Focus Growth*	TOPIX Total Return Index
Number of Holdings	33	2,137
Wtd. Avg. Mkt. Cap. (\$)	45.8B	52.2B
P/E	20.75	16.72
P/B	2.41	1.46
ROE %	13.57	11.16
Dividend Yield %	1.64	2.25

*Based on representative portfolio

All data as of 05/30/2024 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 (06/30/2024)

Composite	1 Mon*	3 Mon*	6 Mon*	YTD*	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Incept
Focus Growth Gross	0.17	-4.50	1.64	1.64	5.90	-5.28	4.02	4.41	7.01	7.55
Focus Growth Net	0.11	-4.68	1.27	1.27	5.12	-5.99	3.25	3.63	6.21	6.75
TOPIX Total Return Index	-0.89	-4.33	5.29	5.29	12.84	2.40	6.47	5.31	5.80	6.91
Excess Return (Gross-TOPIX)	1.06	-0.18	-3.65	-3.65	-6.94	-7.68	-2.45	-0.90	1.21	0.64

*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: Q2: April-June, USD Net

Japan Markets:

- The Japanese equity market declined for the quarter, with the TOPIX Total Return Index returning (-4.33%) USD.
- Japanese equities fell in April (-4.70%). The market started on a negative note as the BOJ's March TANKAN survey showed a down sentiment among large manufacturing enterprises. Expectations for the FRB's delay in the start of rate cuts also weighed on the market.
- Japanese equities gained in May (+1.30%). Early in the month, the market advanced thanks to the announcements of higher-than-expected companies' earnings results. As Japan's long-term interest rate reached 1.0%, financial stocks, which are generally recognized as beneficiaries of higher interest rates, supported the market while some high-priced stocks sold.
- Japanese equities fell slightly in June (-0.89%). Early in the month, U.S. economic indicators fell short of market expectations, which led to Japanese yen appreciation, weighing down the Japanese market. Later in the month, the market rebounded. Japanese yen depreciation accelerated, which led to purchases of export-driven stocks such as automobile-related stocks. However, value stocks led the recovery in the last week of the month on the back of Japan's higher interest rates. Although the market gained in the local currency base, the performance turned negative due to the weaker Japanese yen.

MUFG Japan Focus Growth Strategy:

- The strategy returned (-4.68%) USD, underperforming the Index by (0.36%) for the quarter.
- The top contributor was Tokio Marine Holdings, one of the world's largest and globally diversified insurance groups. The share price rallied throughout the period in anticipation of accelerated sale of cross-shareholdings and rising interest rates.
- Another notable contributor was Hitachi, Ltd., one of the largest manufacturers of comprehensive electronic machinery. The market reacted positively to the stronger-than-expected FY3/25 earnings guidance and the next mid-term plan (from FY3/26 to FY3/28), which the company indicated to fuel expectations for its sustainable earning growth.
- Conversely, the largest detractor was Denso Corp., a manufacturer of electronic parts for automobiles well known as Toyota Motor's top supplier. Investors were concerned that its FY2025 target could not be achieved due to Toyota's production suspensions caused by a certification fraud issue.
- Tokyo Electron Ltd., a manufacturer of semiconductor manufacturing machines, was also down. The stock price fell sharply in April amid worries over Japan's tighter restrictions on semiconductor exports to China and

MUFG Japan Focus Growth Strategy

About the Portfolio (as of 06/30/2024)

Returns Based Statistics vs TOPIX Total Return Index

	One Yr	Three Yr	Five Yr	Ten Yr
Excess Return	-6.94	-7.68	-2.45	1.21
Beta	1.18	1.06	1.00	0.97
Information Ratio	-1.14	-1.01	-0.30	0.14
Sharpe Ratio*	0.36	-0.30	0.23	0.45
Tracking Error %	6.10	7.63	8.21	8.53
Std. Dev. (Portfolio) %	16.24	17.67	17.19	15.65
Std. Dev. (Benchmark) %	12.90	15.00	15.13	13.59

* 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	27.80	25.05
Information Technology	17.63	13.84
Financials	14.36	14.10
Health Care	11.87	6.84
Consumer Staples	10.75	5.98
Consumer Discretionary	8.10	17.39
Materials	3.98	5.52
Real Estate	3.10	2.00
Communication Services	0.79	6.84
Utilities	0.00	1.49
Energy	0.00	0.96
Cash & Cash Equivalents	1.61	-

*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.

This document is confidential, and may not be reproduced or provided to others without the prior written consent of MUFG. This document is for discussion purposes only. This document is not intended to form the basis of a decision to purchase or sell securities or enter into a transaction, and does not constitute an offer, or a solicitation nor any form of advice, opinion or recommendation. The opinions expressed herein have not been prepared with a view toward public disclosure under applicable securities laws or otherwise, are intended for the benefit and use of the specific recipient. **Past performance does not guarantee, and is not indicative of, future results.** It is impossible to predict whether the value of any strategy or index will rise or fall over time. Actual performance may be lower or higher than the performance quoted. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks. Such risks are particularly significant for a strategy that focuses on a single-country.

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.