# Lindsell Train

Marketing Communication

# Japanese Equity Fund

ALL DATA AS OF 31 JULY 2026

MONTHLY REPORT | FACTSHEET

## Fund Objective & Policy

To increase the value of Shareholders' capital over the longer term from a focused, actively managed portfolio of equities primarily quoted on stock markets in Japan. The Fund's investment performance is compared with the TOPIX (Tokyo Stock Exchange (First Section) Index) in Yen terms. The fund is not constrained by the benchmark (TOPIX) and will take positions in individual stocks that differ significantly from the Index with the aim of achieving a return in excess of the benchmark. There is no guarantee that a positive return will be delivered.

## Calendar Year Total Return Performance (%) ¥

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Japanese Equity Fund (B Yen) | -9.0 | +3.2 | +4.2 | +6.7 | +10.1 |
| TOPIX Index | +12.7 | -2.5 | +28.3 | +20.5 | +25.5 |
| **Relative Return** | **-21.7** | **+5.7** | **-24.1** | **-13.8** | **-15.4** |

## Total Return Performance to 31st July 2026 (%) ¥

| | | | | | Annualised | | | |
|---|---|---|---|---|---|---|---|---|
| | 1m | 3m | YTD | 1yr | 3yr | 5yr | 10yr | Since Launch* |
| Japanese Equity Fund (B Yen) | +7.7 | +7.8 | +7.8 | +11.6 | +7.5 | +5.3 | +7.4 | +5.4 |
| TOPIX Index | +0.2 | +7.6 | +18.8 | +39.2 | +22.7 | +18.9 | +14.4 | +6.4 |
| **Relative Return** | **+7.5** | **+0.2** | **-11.0** | **-27.6** | **-15.2** | **-13.6** | **-7.0** | **-1.0** |

**Source:** Morningstar Direct. Fund performance is based on total return of B Class shares (the longest running active share class) and is net of fees. For periods greater than one year, returns are shown annualised. The TOPIX performance has been changed to total return with effect from 2/11/09 as disclosed in the Prospectus. Prior to that it was based on capital return. *The B Yen share class was launched on 2nd March 2006. Lindsell Train was appointed as portfolio manager to the Fund in January 2004. **Past performance is not a guide to future performance.**

## Fund Information

| | |
|---|---|
| Type of Scheme | Dublin OEIC (UCITS) |
| Launch Date | 30 October 1998 (Yen B – 2 March 2006) |
| Classes | B Yen / B Yen Dist. / B £ Hedged – Dist. / B £ Quoted – Dist. / C US$ |
| Base Currency | Yen (¥) |
| Benchmark | TOPIX |
| Dealing & Valuation | 12 noon each UK / Irish / Japanese Business Day |
| Year End | 31 December |
| Dividend XD Dates | 1 January, 1 July |
| Pay Dates | 31 January, 31 July |

## Fund Assets

¥8,416m / £39m

## Share Price

| | |
|---|---|
| B Yen | ¥290.95 |
| B Yen Dist | ¥213.51 |
| B (£) Hedged – Dist | £3.78 |
| B (£) Quoted – Dist | £2.16 |
| C US$ | $1.69 |

**Source:** Lindsell Train Limited and Waystone Fund Administrators (Ireland) Limited.

## Fund Profile

The portfolio is concentrated, with the number of stocks ranging from 20-35, and has low turnover.

## Portfolio Manager

Michael Lindsell

## Investment Manager & Distributor

Lindsell Train Ltd,
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SW1E 6AU

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info@lindselltrain.com

## Manager

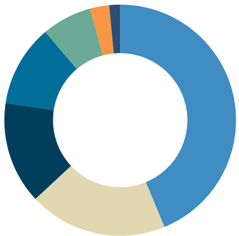
Waystone Management Company (IE) Limited

*Regulated by the Central Bank of Ireland*

## Top 10 Holdings (% NAV)

| | |
|---|---|
| OBIC Business Consultants | 9.60 |
| Nintendo | 9.11 |
| Kao Corp | 7.99 |
| Astellas Pharma | 7.73 |
| Sysmex | 5.52 |
| Square Enix | 4.89 |
| Yakult | 4.86 |
| Kirin Holdings | 4.78 |
| Milbon Co | 4.75 |
| Shiseido | 4.71 |

## Sector Allocation (% NAV)



*Allocation and holdings subject to change.*

| | |
|---|---|
| Consumer Staples | 39.8 |
| Health Care | 23.2 |
| Communication Services | 14.0 |
| Information Technology | 13.4 |
| Financials | 4.6 |
| Consumer Discretionary | 3.5 |
| Cash | 1.6 |
| **Total** | **100.0** |

## Share Class Information

| | Minimum Investment | Management Fees | Ongoing Charges Figure (OCF)* | ISIN | Sedol |
|---|---|---|---|---|---|
| B Yen | ¥10,000,000 | 0.60% p.a. | 0.90% p.a. | IE00B11DWM09 | B11DWM0 |
| B Yen Dist | ¥10,000,000 | 0.60% p.a. | 0.90% p.a. | IE00B11DWS60 | B11DWS6 |
| B (£) Hedged – Dist | £100,000 | 0.60% p.a. | 0.90% p.a. | IE00B3MSSB95 | B3MSSB9 |
| B (£) Quoted – Dist | £100,000 | 0.60% p.a. | 0.90% p.a. | IE00B7FGDC41 | B7FGDC4 |
| C US$ | $250,000 | 0.60% p.a. | 0.90% p.a. | IE00BK4Z4T73 | BK4Z4T7 |

*The OCF is a measure of the Fund's total operating expenses over 12 months, including management fee, as a percentage of the Fund's net assets. The OCF is based on expenses and average assets for 12 months to 31st December 2025. It is calculated by the Fund Administrator and published in the latest Key Investor Information Document (KIID). It is an indication of the likely level of costs and will fluctuate as the Fund's expenses and net assets change. The OCF excludes any portfolio transaction costs. A copy of the latest prospectus and the KIID for each class is available from www.lindselltrain.com. The OCF is capped at 0.90% for all share classes class until further notice. Where the OCF falls below the cap the actual figure applies.

**Company/Fund Registered Office**
Lindsell Train Global Funds plc,
33 Sir John Rogerson's Quay,
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**Depositary & Custodian**
The Bank of New York
Mellon SA/NV

*Regulated by the Central Bank of Ireland*

**Fund Administrator, Dealing & Registration**
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4th Floor, 35 Shelbourne Road,
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*Regulated by the Central Bank of Ireland*

**Board of Directors**
Claire Cawley
David Dillon
Lesley Williams
Keith Wilson

Please refer to Lindsell Train's Glossary of Investment terms here.

## Investment Team Commentary

We reported last month how the share prices of a range of semiconductor companies, thanks to the market's focus on AI, had performed exceptionally well and become a driving force behind the performance of the main stock market indices. In July many of these share prices fell sharply – more than halving in some cases – whilst the Fund's portfolio enjoyed its best monthly return this year. The Fund was up 7.7% compared to a gain of 0.2% from the TOPIX index benchmark, whilst the Nikkei index – which has more exposure to semiconductor companies – was down 8.1%.

The inverse correlation between the Fund's performance and the market was stark last month. On 12 of the 22 days that the Fund priced, our portfolio was either up when the Topix was down or vice versa. On five days the differential in performance was more than 3%. Rather than be swayed or influenced by the market's extreme volatility, we continue to think it is best to concentrate on the underlying operating performance of our companies. The derating which many of our companies have suffered this year has been largely due to fears that they will be victims of disintermediation – fears that we believe are overstated and based on little discernible evidence. This has been exacerbated by funds flowing into beneficiaries of the recent boom in AI-related spend in the tech hardware sector. If, as we believe, our companies continue to compound earnings and cashflows at similar or even improved rates, current valuations could prove highly attractive. Such considerations may have been behind the rotation in July.

We once again reiterate our long argued view that the likes of Obic Business Consultants (OBC), Nintendo and Square Enix all have access to proprietary data, proprietary domain specificity or proprietary media content, which not only provides them with a formidable barrier to AI disintermediation, but also allows them to use AI to improve the content, products and services for existing and prospective customers.

An excellent set of first quarter results from OBC seemed to get investors' attention, helping the shares to rally more than 30% last month. OBC's annual recurring revenue (ARR) was up 14% year-on-year driven by a combination of new signups and a continued migration of customers from on-premise software to the cloud. Indeed, cloud revenue was up 25%. As with other business management software companies, cloud migration remains gradual, providing a long runway for future upgrades. Operating profits were up 18%, with operating margins edging up to 48%. Recurring revenue is now 85% of the total. OBC is planning to incorporate AI agents into its software to automate rote tasks in the forthcoming upgrades of its software for cloud customers.

Broadleaf is on a similar journey, encouraging a migration to cloud for its automotive aftermarket business customers. The company recently revised up its first half results guidance, with operating profits up 34% from previous forecasts. Interestingly, both Broadleaf and OBC are seeing a notable pick up in cloud migration, thanks to the increasing threat of cyber-attacks. Companies using on-premise systems as opposed to cloud-based ones are significantly more vulnerable, as cloud-based systems can automatically update protections much more effectively.

It is not just software and media companies whose ratings and valuations have declined of late. The Fund's two pharmaceutical companies, Astellas and Takeda, have continued to make good progress by achieving approvals for new compounds. Both companies have promising pipelines, complementing their substantial current cashflows. Prospective P/E ratios for both companies based on core earnings are below 15x, with current free cash flow yields at c.10%. We view these valuations as attractive for companies that have the ability to generate 20-30% operating margins, despite the ever present threat of patent expiry to revenues.

The Fund's consumer franchises are also experiencing positive revenue and profits progression after the disruptions of lockdowns and their aftermath, the subsequent rise in the price of raw materials, and the fall in the value of the yen. Pigeon in particular is seeing a rebound in cashflows, with Milbon, Kao, Kirin and Calbee also making progress. Calbee registered an encouraging first quarter, with operating profits up 24% year-on-year. Shiseido's shares are up 40% this year, again thanks to improvements in revenues and particularly profits thanks to another year of restructuring.

Finally, we sense that the repeatable dynamics of Sysmex's business are beginning to shine through, thanks to falling revenues in China having a lesser impact on the whole business. China will still likely be a drag this year but less so than last year, and the underlying demand for diagnostic services should begin to outstrip the temporary government imposed restrictions in our view. Also in Japan, where sales were also down last year thanks to an ERP (enterprise resource planning) system change, we are seeing signs of recovery, whilst Europe, the Americas and emerging markets continue to grow. In-vitro diagnosis, particularly blood analysis, remains fundamental to any medical procedure. With a dominant global market share in haematology and a leading position in haemostasis, Sysmex is well-positioned to capture these growth trends. The share price has edged up from its lows, up 9% last month, and the company has now firmly established itself as a top-five holding in the Fund.

***Michael Lindsell, 12th August 2026***

**Source:** Lindsell Train, Morningstar & Bloomberg. All data as of 31st July 2026.

**Note:** All stock returns are total returns in JPY unless otherwise specified.

Please refer to Lindsell Train's Glossary of Investment terms here.

## Investment Team Commentary

The top three absolute contributors to the Fund's performance in July were OBIC Business Consultants, Nintendo and Shiseido, and the top absolute detractors were Pigeon and Calbee.

## Important Information

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