

# MORANT WRIGHT MANAGEMENT LIMITED

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## Morant Wright Fuji Yield Fund December 2017 Newsletter

NAV at 29<sup>th</sup> December 2017: Yen: ¥1,538.46, Sterling: £15.03, US Dollar: \$14.92  
Euro: €15.77, Yen B shares: ¥1,344.72

	Month	Year to date	Performance since inception	TOPIX Net TR since inception*	Inception date
Yen (unhedged)	+2.7	+29.5	+53.8	+40.1	4 Nov 2014
TOPIX Net Total Return	+1.5	+21.8			
Sterling (hedged)	+2.7	+29.5	+50.3	+40.1	4 Nov 2014
US Dollar (hedged)	+3.0	+30.7	+49.2	+36.0	28 Nov 2014
Euro (hedged)	+2.6	+28.3	+57.7	+46.8	7 April 2016
Yen B shares (unhedged)	+2.6	+28.4	+34.5	+23.8	12 Mar 2015

Sources: Bloomberg and Link Asset Services.

Performance and NAV given for accumulating shares; distributing shares are available in the same currencies

\* Performance of TOPIX Net TR index since inception is shown in yen

The market rose for the fourth consecutive month and TOPIX finished the year up about 20% in local currency terms. The index appreciation has neatly matched the rise in corporate earnings. Over the year growth significantly outperformed value, which lagged the index, but our performance was helped by the strong showing of small and mid-cap stocks. For the year there was not much change in the yen which was up slightly versus the dollar but down a little against the euro and sterling.

Third quarter GDP data was revised upwards to a 2.5% increase versus the initial estimate of 1.4% largely on higher private capital investment. Exports remain robust showing a 5.5% volume increase year on year in November. The Bank of Japan's core CPI, excluding fresh food, rose 0.9% in November year on year and has gradually risen through most of the year, although still well below the BoJ's 2% target. The labour market continues to tighten with unemployment in November down to a 24-year low at 2.7% and the job-offers-to-applicants ratio reaching 1.56.

There are continued signs that activists are becoming more involved with Japanese companies. A Hong Kong-based fund has increased its stake in Katakura, a property rich textile company, from 3% to 7.9%. It had already submitted proposals to management at the AGM earlier in the year, but its enlarged stake will enable it to apply more pressure.

During the month the logistics and trucking company SG Holdings was listed with a ¥500bn market capitalisation, the largest IPO of the year. Helped by signs of rising freight prices it rose by 20% from its issue price. On the other hand, the construction sector was weaker as an investigation was launched into orders related to work on the MAGLEV project, the next generation of high speed rail. Four major contractors are being investigated for possible antitrust violations by the Japanese Fair Trade Commission.

It was encouraging to see the Norwegian sovereign wealth fund make its first direct purchase of Japanese real estate. Together with local partner Tokyu Land, who will own 30%, they spent over \$800m on five Tokyo properties which are a mixture of retail and residential space.

The greater emphasis on governance by institutional shareholders combined with the growing presence of activists and private equity looks likely to intensify the pressure on management to achieve better returns and to have more sensibly structured balance sheets. As a result of this, and the good environment for profit growth, we remain optimistic about the outlook for 2018. If you would like to deal in the Fund, please contact Link Asset Services. Their telephone number is **+353 1 400 5300**.

**Stephen Morant, Ian Wright, Richard Phillips, Tom Mermagen, Andrew Millward and Denis Clough**

The Fund is eligible for pensions and ISAs. Please contact Link Asset Services for details.

**Your attention is drawn to the important regulatory information on the reverse of this document.**

AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY  
REGISTERED IN ENGLAND NUMBER 3692692

# Morant Wright Fuji Yield Fund Information

<b>Fund type</b>	UCITS OEIC, authorised in Ireland
<b>Fund currency</b>	Base currency: Japanese Yen Hedged classes available in £, \$, €, CHF Unhedged class available in ¥, €
<b>Launch date</b>	November 2014
<b>Geographic exposure</b>	100% Japanese equities

<b>Share types</b>	Accumulating and Distributing
<b>Share fees</b>	1.0% Management Fee (all other shares) 0.75% Management Fee (Yen B shares) <i>No performance fee except Yen B shares</i>
<b>Minimum investment</b>	€5,000 (Euro shares) ¥1,000,000 (Japanese Yen shares) US\$5,000 (US Dollar shares) £5,000 (Sterling shares) CHF5,000 (Swiss Franc shares)

<b>Fund administrator</b>	Link Asset Services 2 <sup>nd</sup> Floor, 2 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland <b>Tel: +353 1 400 5300</b> <b>Fax: +353 1 400 5350</b>
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<b>UK tax status</b>	Approved Reporting Fund by HMRC
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<b>Dealing frequency</b>	<b>Daily</b>
<b>Deal cut-off point</b>	<b>11.00am (Irish time)</b>
<b>Valuation point</b>	<b>12.00pm (Irish time)</b>
<b>Settlement</b>	<b>T+4 (subscriptions/redemptions)</b>

Share Class	ISIN	SEDOL	Bloomberg
Euro Accumulation Hedged	IE00BQ5BN330	BQ5BN33	MWFYEAH
Euro Distribution Hedged	IE00BQT49G37	BQT49G3	MWFYEDH
Euro Accumulation Unhedged	IE00BDRKVZ52	BDRKVZ5	MWFYEAU
Euro Distribution Unhedged	IE00BD1LVV03	BD1LVV0	MWFYEDU
Japanese Yen Accumulating Unhedged	IE00BQ5BN447	BQ5BN44	MWFYJAU
Japanese Yen Distributing Unhedged	IE00BQT49H44	BQT49H4	MWFYJDU
Japanese Yen B Accumulating Unhedged	IE00BV0LL840	BV0LL84	MWFJBUH
Sterling Accumulation Hedged	IE00BQ5BN223	BQ5BN22	MWFYGAH
Sterling Distribution Hedged	IE00BQT49F20	BQT49F2	MWFYGDH
Sterling Distribution Unhedged	IE00BYWNV678	BYWNV67	MWFYGDU
Swiss Franc Accumulation Hedged	IE00BQ5BN660	BQ5BN66	
Swiss Franc Distribution Hedged	IE00BQT49K72	BQT49K7	
US Dollar Accumulation Hedged	IE00BQ5BN553	BQ5BN55	MWFYUAH
US Dollar Distribution Hedged	IE00BQT49J67	BQT49J6	MWFYUDH
US Dollar Distribution Unhedged	IE00BD9BP985	BD9BP985	MWFYUSU

Top Ten Holdings	% Fund
Sumitomo Mitsui Financial Group	2.8
Mitsubishi UFJ Financial	2.7
Tokio Marine Holdings Inc	2.7
Sumitomo Mitsui Trust	2.7
Fuji Media Holdings	2.6
Sumitomo Electric Industries	2.4
Inabata	2.4
Chudenko	2.4
Tokai Rika	2.3
MS&AD Insurance Group	2.3
<b>No. of Holdings</b>	<b>60</b>
<b>Fund AUM</b>	<b>\$227m</b>

All performance information is calculated by Morant Wright Management Limited using share price data provided by Link Asset Services. Index data are taken from Bloomberg. Performance is based on the Fund NAV. Data are as at 29<sup>th</sup> December 2017 and accurate as at that date.

## Dividends

Ex-Dividend Date	30 Apr 2015	31 Oct 2015	30 Apr 2016	31 Oct 2016	28 Apr 2017	31 Oct 2017
Dividend per Euro Distributing share	0.1176	0.1148	0.1404	0.1064	0.1528	0.0969
Dividend per Sterling Distributing (hedged) share	0.0055	0.0853	0.5322	0.0912	0.1495	0.1181
Dividend per Sterling Distributing (unhedged) share						0.0747
Dividend per Yen Distributing share	12.9089	11.4072	14.6482	11.3457	15.7944	12.9441
Dividend per Dollar Distributing (hedged) share	0.1286	0.1138	0.1405	0.1058	0.1509	0.1276
Dividend per Dollar Distributing (unhedged) share						0.0892

*This document is issued and approved by Morant Wright Management Ltd. 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 are strongly advised to read the Simplified or the Full Fund Prospectus, which can be obtained from Link Asset Services, 2<sup>nd</sup> Floor, 2 Grand Canal Square, Dublin 2, Ireland or ourselves.**

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