

MORANT WRIGHT MANAGEMENT LIMITED

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CF Morant Wright Nippon Yield Fund November 2017 Newsletter

NAV at 30th November: Accumulation: A Shares 416.40p, B Shares 447.54p
Income: A Shares 407.67p, B Shares 414.70p

| £ Returns | Month | Year to date | Since inception (1 st Oct 2008) |
|------------------------|-------|--------------|-----------------------------------------------|
| A Shares | +0.5% | +15.7% | +350.5% |
| B Shares | +0.5% | +16.2% | +371.4% |
| TOPIX Net Total Return | +0.7% | +14.3% | +136.4% |

Performance given for accumulation shares

Sources: Bloomberg and Link Asset Services

After the sharp rises in September and October the market increased by a more moderate 1.5% in local currency terms in November. There was some selling by foreign investors following their large purchases in recent months.

Half year company results to September showed an aggregate rise in recurring profits of 18% and EPS growth of 19%. As a consequence, consensus profit estimates continue to be revised up, with Daiwa joining Nomura in raising its forecasts. The upward revisions were spread across various industries and included car companies such as Toyota and Honda, both of which also announced share buy backs. Despite revising down because of a severe hurricane season in the US, insurance group Tokio Marine announced a Y100bn share buy back. Elsewhere amongst the financials, major bank MUFG also announced a share buy back and recently purchased Concordia Financial Group raised its dividend forecast for the full year.

Third quarter GDP grew for the seventh consecutive quarter, driven primarily by strength in investment and exports. This is the longest expansion since 2001, although inflation figures remain subdued. Abe is already talking about the need for higher wage growth in next spring's pay round but so far there is little evidence that the rhetoric is producing results despite an extremely tight labour market. The strength of investment both in Japan and in parts of Asia has helped some of the machinery companies and has led to some upward revisions in the sector, including Fuji Machine.

Private equity deals continue. The total value of deals announced so far this year has reached \$31bn which is triple the level of 2016. During the month KKR increased its offer price for Hitachi Kokusai for the second time. Perhaps encouraged by all this activity, Nomura have announced that they are setting up a ¥100bn fund to help companies with restructuring, succession planning and management buyouts. This marks a return to private equity for Nomura, having closed its department in 2014.

Whilst progress on dividends and share buy backs has been generally good in the last few years, one area where we have seen less change has been the unwinding of cross shareholdings. We were therefore heartened to see that Yamaha Corporation is selling part of its long-held stake in Yamaha Motor. The reason given is to improve capital efficiency and the announcement was accompanied by a share buy back.

We remain encouraged by the ongoing improvement in corporate profitability and the continued pressure on companies with excess cash to change their shareholder return policies. Despite the market rise, the fund's holdings (ex-financials) still have on average almost 40% of their market capitalisation in net cash and investments, so we believe there is more to look forward to. If you would like to deal in the Fund, please contact Link Asset Services. Their telephone number is **0345 922 0044**.

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.

CF Morant Wright Nippon Yield Fund Information

| | |
|---------------------|------------------------|
| Fund type | UK authorised OEIC |
| Fund currency | Sterling |
| Launch date | October 2008 |
| Geographic exposure | 100% Japanese equities |

| | |
|-----------------------|------------|
| Bloomberg Code | |
| A Accumulation | CFMWNAA LN |
| B Accumulation | CFMWNBA LN |
| A Income | CFMWNYA LN |
| B Income | CFMWNYB LN |

| | |
|--------------------|----------------------------------------------------------------------------------------------|
| Share types | A Shares: Accumulation and Income B Shares: Accumulation and Income |
| Share fees | A Shares: 1.5% Management Fee B Shares: 1.0% Management Fee <i>No performance fees</i> |
| Minimum investment | £5,000 (A and B shares) |
| Dividend Ex Dates | 30 April, 31 October (interim) |
| Dividend Pay Dates | 30 April, 31 December (interim) |

| | |
|----------------|--------------|
| SEDOL | |
| A Accumulation | B3WYRF4 |
| B Accumulation | B42MKS9 |
| A Income | B2R8390 |
| B Income | B2R83B2 |
| ISIN | |
| A Accumulation | GB00B3WYRF43 |
| B Accumulation | GB00B42MKS95 |
| A Income | GB00B2R83902 |
| B Income | GB00B2R83B20 |

| | |
|--------------------|---------------------------------|
| Dealing frequency | Daily |
| Deal cut-off point | 12pm |
| Valuation point | 12pm |
| Settlement | T+4 (subscriptions/redemptions) |

| | | |
|---------------------------------|--|---------------|
| Top Ten Holdings | | % Fund |
| Mitsubishi UFJ Financial | | 2.8 |
| Sumitomo Mitsui Financial Group | | 2.6 |
| Tokio Marine Holdings Inc | | 2.6 |
| Sumitomo Electric Industries | | 2.6 |
| Sumitomo Mitsui Trust | | 2.6 |
| Fuji Media Holdings | | 2.4 |
| Honda Motor Co. Ltd | | 2.4 |
| Toyota Industries | | 2.3 |
| Toyota Motor Corp | | 2.3 |
| Kyowa Exeo Corp | | 2.3 |
| Number of Holdings | | 68 |
| Fund Size | | £547m |

| | |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fund administrator | Link Asset Services Arlington Business Centre Millshaw Park Lane Leeds LS11 0PA Tel: 0345 922 0044 Fax: 0113 224 6001 |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|

Performance

| | 2016 | 2015 | 2014 | 2013 | 2012 | Since inception* (Oct 2008) |
|------------------------|--------|--------|-------|--------|-------|--------------------------------|
| A Shares | +28.6% | +20.8% | +5.8% | +18.5% | +5.6% | +350.5% |
| B Shares | +29.3% | +21.4% | +6.3% | +19.1% | +6.2% | +371.4% |
| TOPIX Net Total Return | +24.0% | +16.6% | +2.3% | +23.9% | +3.5% | +136.4% |

* Share price performance is for income units with dividends reinvested up to August 2010, and accumulation units thereafter

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 given in sterling terms based on the Fund NAV. Data are as at 30th November 2017 and accurate as at that date.

Dividends

| Ex-Dividend Date | 30 Apr 2013 | 31 Oct 2013 | 30 Apr 2014 | 31 Oct 2014 | 30 Apr 2015 | 31 Oct 2015 | 30 Apr 2016 | 31 Oct 2016 | 30 Apr 2017 | 31 Oct 2017 (est) |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| Dividend per 'A' Income Share | 5.2207 | 2.2185 | 2.6404 | 2.3072 | 2.8431 | 2.3347 | 3.7670 | 4.0977 | 4.1547 | 3.4622 |
| Dividend per 'B' Income Share | 5.3360 | 2.2749 | 2.7196 | 2.3828 | 2.9372 | 2.4158 | 3.9154 | 4.2679 | 4.3976 | 3.6263 |

This document is issued and approved by Morant Wright Management Limited 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, PO Box 389, Darlington, DL1 9UF, or ourselves.

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