

MORANT WRIGHT MANAGEMENT LIMITED

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Morant Wright Fuji Yield Fund November 2017 Newsletter

NAV at 30th November 2017: Yen: ¥1,497.62, Sterling: £14.63, US Dollar: \$14.49
Euro: €15.36, Yen B shares: ¥1,310.73

	Month	Year to date	Performance since inception	TOPIX Net TR since inception*	Inception date
Yen (unhedged)	+1.3%	+26.0%	+49.8%	+38.0%	4 Nov 2014
TOPIX Net Total Return	+1.5%	+20.0%			
Sterling (hedged)	+1.4%	+26.1%	+46.3%	+38.0%	4 Nov 2014
US Dollar (hedged)	+1.3%	+26.9%	+44.9%	+33.9%	28 Nov 2014
Euro (hedged)	+1.2%	+25.0%	+53.6%	+44.6%	7 April 2016
Yen B shares (unhedged)	+1.3%	+25.1%	+31.1%	+21.9%	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

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 ¥100bn 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 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 **+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.

Morant Wright Fuji Yield Fund Information

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

Share types	Accumulating and Distributing
Share fees	1.0% Management Fee (all other shares) 0.75% Management Fee (Yen B shares) <i>No performance fee except Yen B shares</i>
Minimum investment	€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)

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

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
Mitsubishi UFJ Financial	2.8
Tokio Marine Holdings Inc	2.8
Sumitomo Mitsui Financial Group	2.7
Sumitomo Mitsui Trust	2.7
Sumitomo Electric Industries	2.7
Fuji Media Holdings	2.6
Inabata	2.6
Chudenko	2.5
Sumitomo Densetsu Co	2.5
Tokai Rika	2.4
No. of Holdings	60
Fund AUM	\$215m

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 30th November 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, 2nd Floor, 2 Grand Canal Square, Dublin 2, Ireland or ourselves.

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