

# MORANT WRIGHT MANAGEMENT LIMITED

43 St James's Place, London, SW1A 1NS  
Telephone: 020 7499 9980 Facsimile: 020 7499 9981 Website: www.morantwright.co.uk

## Morant Wright Fuji Yield Fund August 2017 Newsletter

NAV at 31<sup>st</sup> August 2017: Yen: ¥1,332.58, Sterling: £13.02, US Dollar: \$12.88  
Euro: €13.68, Yen B shares: ¥1,168.20

	Month	Year to date	Performance since inception	TOPIX Net TR since inception*	Inception date
Yen (unhedged)	+1.1%	+12.1%	+33.3%	+23.7%	4 Nov 2014
TOPIX Net Total Return	-0.1%	+7.6%			
Sterling (hedged)	+1.2%	+12.2%	+30.2%	+23.7%	4 Nov 2014
US Dollar (hedged)	+1.3%	+12.8%	+28.8%	+20.1%	28 Nov 2014
Euro (hedged)	+1.1%	+11.4%	+36.8%	+29.6%	7 April 2016
Yen B shares (unhedged)	+1.0%	+11.5%	+16.8%	+9.3%	12 Mar 2015

Sources: Bloomberg and Capita Financial Administrators (Ireland) Limited.

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

TOPIX traded in a narrow range during August and finished almost unchanged in yen terms despite North Korea firing a test missile over northern Japan. Foreign investors have been consistent sellers over the last six weeks while the Bank of Japan and Japanese companies were steady buyers, as they have been for some time. Japan Post Bank, which currently only invests in equities through passive funds, announced plans to spend an initial ¥100bn buying directly.

Second quarter GDP growth produced a positive surprise, rising by 4% on an annualised basis led by private consumption and capital spending. This was the sixth consecutive quarter of growth. However, Tokyo has had 21 consecutive days of rain in August, one day short of the record set in 1977, which has raised concerns this might hurt domestic demand in the current quarter. Nationwide core CPI (which excludes fresh food) increased by 0.5% year-on-year in July, better than in June but still well below the Bank of Japan's 2% inflation target.

First quarter results were good and in aggregate 73% of companies exceeded consensus forecasts. Overall profit forecasts have been revised up by almost 2% even though revisions are unusual at this early stage of the financial year. Highlights from our portfolio included Tokai Rika and Toyota Motor, both of which reported good results and revised up for the full year. In addition, Toyota announced a new business alliance with Mazda which included buying a 5% stake. The two companies will establish joint production in the US and will collaborate on technologies for electric vehicles.

Share buybacks have fallen this year mainly due to the absence of a few large repurchases carried out in 2016. Since April, however, there has been a sharp rise in the number and value of buybacks and several more were announced with recent results. Shinko Shoji announced a share buyback of 9% of the company while Aoyama Trading will repurchase another 1%. Since announcing a new shareholder return policy in January 2015, Aoyama has carried out 12 share buybacks and acquired and cancelled 11% of their shares.

Valuations in the portfolio remain cheap and are well supported by strong balance sheets, where the average holding has around 45% of its market cap in net cash and investments. For example, one of the fund's largest holdings is Fuji Media, a TV broadcasting company which also has a large and profitable property portfolio. The shares stand at just 0.5x stated book value and the company has cash and securities on the balance sheet worth around 80% of the current market cap. If you would like to deal in the Fund, please contact Capita Financial Managers (Ireland) Limited. 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 Capita Financial Managers Limited 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>	Capita Financial Managers (Ireland) 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	
Euro Distribution Unhedged	IE00BD1LVV03	BD1LVV0	
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	MWFGYGAH
Sterling Distribution Hedged	IE00BQT49F20	BQT49F2	MWFGYGDH
Sterling Distribution Unhedged	IE00BYWNV678	BYWNV67	
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	

Top Ten Holdings	% Fund
Sumitomo Densetsu	3.0
Fuji Media Holdings	2.7
Inabata	2.6
Okumura Corp	2.6
Sumitomo Mitsui Financial Group	2.6
Tokio Marine Holdings	2.5
Mitsubishi UFJ Financial Group	2.5
Sumitomo Mitsui Trust	2.5
Toyota Motor Corp	2.5
Sumitomo Electric Industries	2.5
<b>No. of Holdings</b>	<b>58</b>
<b>Fund AUM</b>	<b>\$156m</b>

All performance information is calculated by Morant Wright Management Limited using share price data provided by Capita Financial Administrators (Ireland) Limited. Index data are taken from Bloomberg. Performance is based on the Fund NAV. Data are as at 31<sup>st</sup> August 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
Dividend per Euro Distributing share	0.1176	0.1148	0.1404	0.1064	0.1528
Dividend per Sterling Distributing share	0.0055	0.0853	0.5322	0.0912	0.1495
Dividend per Yen Distributing share	12.9089	11.4072	14.6482	11.3457	15.7944
Dividend per Dollar Distributing share	0.1286	0.1138	0.1405	0.1058	0.1509

*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 Capita Financial Administrators (Ireland) Limited, 2<sup>nd</sup> Floor, 2 Grand Canal Square, Dublin 2, Ireland or ourselves.**

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