

MORANT WRIGHT MANAGEMENT LIMITED

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Morant Wright Fuji Yield Fund September 2017 Newsletter

NAV at 29th September 2017: Yen: ¥1,411.49, Sterling: £13.78, US Dollar: \$13.64
Euro: €14.48, Yen B shares: ¥1,234.19

	Month	Year to date	Performance since inception	TOPIX Net TR since inception*	Inception date
Yen (unhedged)	+5.9%	+18.8%	+41.1%	+28.9%	4 Nov 2014
TOPIX Net Total Return	+4.2%	+12.1%			
Sterling (hedged)	+5.8%	+18.7%	+37.8%	+28.9%	4 Nov 2014
US Dollar (hedged)	+5.9%	+19.4%	+36.4%	+25.1%	28 Nov 2014
Euro (hedged)	+5.8%	+17.9%	+44.8%	+35.1%	7 April 2016
Yen B shares (unhedged)	+5.6%	+17.8%	+23.4%	+13.9%	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

September saw TOPIX hit its highest level in two years as the stock market continued its steady rise. Over the month TOPIX increased by 3.5% in local terms. There was a clear distinction between defensive sectors, which underperformed, and cyclical sectors such as autos and machinery which generally performed well.

Taking advantage of his recovering approval ratings, Prime Minister Abe called a snap election for the Lower House to take place on 22 October. The LDP coalition currently controls two-thirds of the 475 seats. His manifesto includes a new spending package worth ¥2trn for education and childcare as well as a commitment to raising the consumption tax in 2019. Unexpectedly the official opposition, the Democratic Party of Japan, will not stand in the election. Instead their candidates will be allowed to stand for the Party of Hope, a newly-formed political party headed by the Governor of Tokyo, Yuriko Koike.

Economic data continue to be strong. Exports for August rose 10% year-on-year in volume terms which led to a trade surplus of ¥114bn. This strength in exports helped contribute to a rise of 5% in August industrial production. The latest CPI figures showed inflation reaching its highest growth in more than two years, with core CPI rising by 0.7%. Similarly, the latest annual land price survey showed commercial property prices increased for the second consecutive year, albeit by a modest 0.5%. The price rises were led by Tokyo, Osaka and Nagoya. The survey also showed that residential land prices continued to fall marginally, although the rate of decline has slowed.

The second public offering of Japan Post Holdings was announced and completed during the month. The ¥1.3trn sale was priced at the top end of the range, reflecting strong demand for the shares. After many months of discussions, Toshiba finally sold its flash memory business for \$18bn to a consortium led by Bain Capital, marking another significant deal by a private equity group in Japan. Kuraray announced the acquisition of US company Calgon Carbon for \$1.1bn, which it will add to its existing carbon business. Interestingly, Sompo Japan announced the sale of UK insurer Canopus for \$952m, a similar price to the price it paid to buy it in 2014. Earlier this year Sompo acquired Endurance, another overseas insurance company which has some overlapping businesses.

One of the fund's largest holdings is Toyota Industries, the former parent company of Toyota Motor and still one of its largest shareholders. The balance sheet is extremely strong, with net cash and securities of ¥1,251bn, equivalent to over 60% of its market cap. It also stands at a price-to-book ratio of only 0.9x. Yet it is also the world leader in two different products: air conditioner compressors, where it has a 43% global market share, and forklift trucks, in which it has 21%. Last fiscal year the company paid out 30% of profits in dividends and also bought back more than 1% of its shares.

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.

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	Capita Financial Managers (Ireland) 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	
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	3.1
Mitsubishi UFJ Financial Group	2.9
Sumitomo Mitsui Trust	2.9
Sumitomo Mitsui Financial Group	2.8
Okumura Corp	2.6
Toyota Motor Corp	2.5
Sumitomo Electric Industries	2.5
Tokai Rika	2.5
Fuji Media Holdings	2.5
Toyota Industries	2.4
No. of Holdings	56
Fund AUM	\$167m

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 29th September 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, 2nd Floor, 2 Grand Canal Square, Dublin 2, Ireland or ourselves.

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