

MORANT WRIGHT

MANAGEMENT LIMITED

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Morant Wright Fuji Yield Fund December 2025 Newsletter

% Returns	Month	2025	Since Inception	TOPIX Net TR since inception*	Inception date
Yen (unhedged)	+2.8%	+40.6%	+350.9%	+209.1%	4 Nov 2014
TOPIX Net Total Return	+1.0%	+25.0%			
Sterling (hedged)	+3.2%	+44.9%	+387.7%	+209.1%	4 Nov 2014
US Dollar (hedged)	+3.2%	+45.6%	+424.3%	+200.0%	28 Nov 2014
Swiss Franc (hedged)	+2.8%	+39.5%	+188.0%	+121.3%	11 Dec 2017
Yen B shares (unhedged)	+1.8%	+37.8%	+281.4%	+173.1%	12 Mar 2015

Sources: Bloomberg and Waystone Management Company (IE) Limited
 Performance and NAV given for accumulating shares; available distributing shares are shown overleaf

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

Topix Net Total Return rose 1% over the month in local terms bringing the return for the year to 25%. The yen strengthened marginally against the dollar in 2025 but was substantially weaker against both sterling and the euro. The fund's outperformance was helped by the strong performance of value over growth and of small and mid-cap stocks compared to large cap companies. The former was particularly evident in the second half of the year. Overseas investors were much more of a factor this year buying a cumulative ¥3.8trn although Japanese companies remain the largest buyers of the market through share buybacks worth over ¥10trn.

After a strong steer in a speech by Governor Ueda earlier in the month, the BoJ raised its policy rate by 25 basis points to 0.75% at its meeting on 19th December. Inflation has now been running ahead of the Bank's 2% target for over three years. With the yen still weak and major unions demanding another 5% uplift in wages, it is no surprise that Mr. Ueda's guidance was for further hikes, commenting that interest rates remain "accommodative". The market consensus is for more increases in the coming years.

Prime Minister Takaichi's cabinet approved a record ¥122.3trn (\$785bn) budget for the next fiscal year which will include a notable increase in defence spending. Tax cuts outweigh tax increases and there are concerns that her policies are too expansionary. However, we believe that rising bond yields are more a reflection of core inflation remaining above 2% rather than fiscal concerns. The 10-year JGB yield reached 2.05% having started the year at 1.07%. The 30-year yield is now 3.4% and Japanese government bonds have produced a negative return for a sixth consecutive year.

During the month we were able to meet the independent director at Toyota Industries who is the chair of the 'special committee' established to supervise the proposed takeover by Toyota Fudosan. We were encouraged by the fact that there appears to be scope for the offer price, which we consider to be far too low, to be revised up based on the increase in the share prices of many of Toyota Industries' equity holdings. Activist investor Elliott has increased its stake in the company to 5%.

Events at Fuji Media have taken an unusual turn: the Murakami family is considering an offer of ¥4,000/share to increase its stake to 33% in the hope of forcing greater change at the company. More broadly, M&A continues to gather pace with the Nikkei newspaper reporting that the value of deals announced in 2025 reached an all-time high of ¥46.9trn, up 97% on last year. Japan Petroleum announced it will spend \$1.3bn to acquire oil and gas assets in Colorado and Wyoming after recently recording a gain on the sale of its gas pipeline assets in Hokkaido. Sampo is making a further small push into the agricultural space by announcing a bid at a roughly 50% premium for Nōsōken, an operator of a platform for selling produce. Private equity groups remain active with Carlyle set to take Hōgy Medical private and KKR making a higher counter bid for Mandom, a maker of cosmetics products, in response to a proposed MBO by the founding family. There is growing foreign interest in the valuable real estate held by Japanese corporates, with brewer Sapporo Holdings announcing the sale of property assets for \$3.1bn to a private equity consortium.

With around 35% of their market cap represented by net cash and investments, our companies can continue with record levels of share buybacks which are helping to bolster earnings growth. With more opportunities for value to be crystallised and improving capital allocation, companies have further scope to be rated more highly.

**Stephen Morant, Ian Wright, Richard Phillips, Tom Mermagen, Andrew Millward,
 Denis Clough, Nick Sinclair and Karin Ri**

Fund	
Fund size	\$468m
Number of holdings	61

Valuations	
Average PBR	1.05
Median EV/OP* (3/26e)	8.8
Weighted Average P/E (3/26e)	13.4
Net cash as % of market cap*	34%

*Net cash (including investment securities) and EV/OP figures exclude financials

Top Ten Holdings	% Fund
Sumitomo Mitsui Financial Group	3.4
Sumitomo Mitsui Trust	3.2
Dai-ichi Life Holdings Inc	3.0
Sumitomo Electric Industries	3.0
Yokohama Financial Group Inc	3.0
Honda Motor Co. Ltd	2.9
Impex	2.8
Mitsubishi UFJ Financial Group	2.7
NHK Spring	2.5
TV Asahi	2.2

Market Cap Breakdown	% Fund
Large cap (>\$5bn)	40.1
Mid cap (\$1-5bn)	46.2
Small cap (<\$1bn)	9.3
Cash	4.4

NAV at 31 st December 2025	
Yen	¥4,508.99
Sterling	£48.77
US Dollar	\$52.43
Swiss Franc	CHF28.80
Yen B	¥3,813.60

Dealing
 If you would like to deal in the fund, please contact Waystone Management Company (IE) Limited. You can contact them by telephone on +353 1 400 5300 or by emailing wfs-investordealing@waystone.com

Please refer to the further fund details and important regulatory information on the reverse of this document

Fund Information			Dealing Information	
Fund type	UCITS OEIC, authorised in Ireland		Minimum investment	¥1,000,000 (Japanese Yen shares) US\$5,000 (US Dollar shares) £5,000 (Sterling shares) CHF5,000 (Swiss Franc shares) €5,000 (Euro shares)
Fund currency	Japanese Yen Hedged classes available in £, \$, €, CHF Unhedged classes available in ¥, €, £ and \$		Dealing frequency	Daily
Launch date	November 2014		Deal cut-off point	11.00am (Irish time)
Geographic exposure	100% Japanese equities		Valuation point	12.00pm (Irish time)
AMC OCF	1.00% (JPY B Class 0.75%) 1.25% (JPY B Class: 1.00%)		Settlement	T+4 (subscriptions/redemptions)
Share types	Accumulation and Distributing		Fund administrator	Waystone Fund Administrators (IE) Limited 35 Shelbourne Rd, Ballsbridge, Dublin 4, D04 A4E0 Ireland wfs-dublnta@waystone.com Tel: +353 1 400 5300 Fax: +353 1 400 5350

Share Identifiers	Bloomberg code	SEDOL	ISIN
Euro Acc Hedged	MWFYEAH	BQ5BN33	IE00BQ5BN330
Euro Dist Hedged	MWFYEDH	BQT49G3	IE00BQT49G37
Euro Acc Unhedged	MWFYEAU	BDRKVZ5	IE00BDRKVZ52
Euro Dist Unhedged	MWFYEDU	BD1LVV0	IE00BD1LVV03
Yen Acc Unhedged	MWFYJAU	BQ5BN44	IE00BQ5BN447
Yen Dist Unhedged	MWFYJDU	BQT49H4	IE00BQT49H44
Yen B Acc Unhedged	MWFJBUH	BVOLL84	IE00BVOLL840
Sterling Acc Hedged	MWFGYGAH	BQ5BN22	IE00BQ5BN223
Sterling Dist Hedged	MWFGYGDH	BQT49F2	IE00BQT49F20
Sterling Dist Unhedged	MWFGYGDU	BYWNV67	IE00BYWNV678
Swiss Franc Acc Hedged	MWFGYCAH	BQ5BN66	IE00BQ5BN660
Swiss Franc Dist Hedged	MWFGYCDH	BQT49K7	IE00BQT49K72
US Dollar Acc Hedged	MWFGYUAH	BQ5BN55	IE00BQ5BN553
US Dollar Dist Hedged	MWFGYUDH	BQT49J6	IE00BQT49J67
US Dollar Dist Unhedged	MWFGYUDU	BD9BP98	IE00BD9BP985

Ex-Dividend Date	30 Oct 2020	30 Apr 2021	29 Oct 2021	28 Apr 2022	28 Oct 2022	28 Apr 2023	31 Oct 2023	30 Apr 2024	31 Oct 2024	30 Apr 2025	30 Oct 2025
Euro Distributing (hedged)	0.1272	0.1929	0.1663	0.2372	0.2173	0.2523	0.2400	0.3130	0.3364	0.4066	0.3990
Euro Distributing (unhedged)	0.1092	0.1589	0.1354	0.1869	0.1681	0.1873	0.1603	0.1972	0.2101	0.2498	0.2285
Sterling Distributing (hedged)	0.1244	0.1960	0.1637	0.2344	0.2086	0.2541	0.2418	0.3182	0.3448	0.4278	0.4195
Sterling Distributing (unhedged)	0.1179	0.1679	0.1387	0.1880	0.1726	0.1968	0.1656	0.2020	0.2107	0.2544	0.2411
Yen Distributing	12.9515	19.6050	17.2094	23.7748	22.8376	26.0838	24.2228	32.3163	33.9451	39.5233	39.6474
Dollar Distributing (hedged)	0.1397	0.2195	0.1888	0.2706	0.2597	0.2868	0.2859	0.3650	0.3907	0.5130	0.4787
Dollar Distributing (unhedged)	0.1095	0.1667	0.1402	0.1828	0.1494	0.1734	0.1512	0.1844	0.1990	0.2474	0.2303

TOPIX Net Total Return is used for the purpose of performance comparison only as it is a widely used benchmark which includes reinvestment of dividends (net of withholding tax) and which most closely reflects the type of companies in which the fund invests. All performance information is calculated by Morant Wright Management Limited using share price data provided by **Waystone Management Company (IE) Limited**. Index data are taken from Bloomberg. Performance is given in sterling terms based on the Fund NAV. Data are as at 31st December 2025 and accurate as at that date.

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 must read the KIID which can be obtained from Waystone Management Company (IE) Limited or ourselves <https://www.morantwright.co.uk/mw-fuji-yield-fund>, along with the Fund Prospectus and the latest report and accounts. The Fund Manager, Waystone Management Company (IE) Limited, a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland which is authorised by the Central Bank of Ireland has appointed Morant Wright Management Limited as Investment Manager to this fund. Waystone Management Company (IE) Limited, has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive. A summary of investors rights may be found here: <https://www.waystone.com/waystone-policies/>

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