

MORANT WRIGHT

MANAGEMENT LIMITED

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Morant Wright Fuji Yield Fund January 2026 Newsletter

% Returns	Month	2025	Since Inception	TOPIX Net TR since inception*	Inception date
Yen (unhedged)	+6.2%	+40.6%	+378.7%	+223.4%	4 Nov 2014
TOPIX Net Total Return	+4.6%	+25.0%			
Sterling (hedged)	+6.4%	+44.9%	+418.8%	+223.4%	4 Nov 2014
US Dollar (hedged)	+6.5%	+45.6%	+458.2%	+213.8%	28 Nov 2014
Swiss Franc (hedged)	+6.1%	+39.5%	+205.5%	+131.6%	11 Dec 2017
Yen B shares (unhedged)	+5.9%	+37.8%	+303.9%	+185.7%	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 rose by 4.6% in local terms in January having reached an all-time high during the month, although equities, bonds and the yen were all volatile. Prime Minister Takaichi announced a snap election for February 8th on the back of her high approval rate and will campaign on a more expansionary fiscal policy, including a reduction in consumption tax on food to zero for two years. Yields on Japanese government bonds reached their highest levels in nearly three decades, with the 30-year yield approaching 4% at one point. The yen weakened to almost ¥160/\$ before it snapped back sharply because of a “rate check” by the New York Fed and rumours of coordinated intervention.

As anticipated, the Bank of Japan left its policy interest rate unchanged at 0.75% but revised up its growth and inflation forecasts modestly. In December, nationwide core CPI (all items less fresh food) was +2.4% year on year while core-core inflation (all items less energy and fresh food) was +2.9%. The unemployment rate remained low at 2.6% and the ratio of job openings to applicants stood at 1.19x. The number of foreign visitors to Japan rose 3.7% year on year to 3.62m in December, a record high for the month. For 2025 overall, tourist numbers reached a new annual high of 42.7m.

Unlisted Toyota Fudosan raised its tender price for Toyota Industries by 15% to ¥18,800 per share, a bid that is being funded by the Toyota group. In response, activist investor Elliott published a detailed presentation explaining its valuation of over ¥26,000 per share. It believes that the company could eventually be worth more than double the bid price through governance reforms and unwinding cross-shareholdings, and has increased its stake in the company to 6.7%. We held meetings with both Elliott and Toyota Industries to discuss the revised offer as we believe the outcome will be an important milestone for corporate governance in Japan.

Toyota Industries is not held in the fund but Canon Marketing is and it reported excellent full-year results ahead of expectations driven by its expanding and high-margin IT solutions business. The company raised its dividend and announced another share buyback worth almost 5% of shares outstanding. This follows significant progress in corporate governance over the last two years, including buying back over 20% of its shares to reduce Canon's stake and ending the practice of keeping cash on deposit at the parent company. Elsewhere, Sankei Real Estate Investment Corp., a Fuji Media-affiliated REIT, received a takeover offer at a 21% premium, with Fuji Media agreeing to sell its 5% stake. As part of a restructuring of non-core businesses, Kyocera announced it will sell its chemical business to Sumitomo Bakelite for ¥30bn.

Following a record number of management buyouts (MBOs) last year, Hisamitsu Pharmaceutical, best known for pain-relief patches, announced an MBO at a 35% premium to the closing price. Ariake Capital disclosed another large shareholding in a regional bank, this time Hyakugo Bank, highlighting the value in a sector where, in some cases, equity portfolios can be worth a significant portion of the banks' market capitalisations.

The Financial Services Agency (FSA) will revise the Corporate Governance Code in mid-2026 for the first time in five years. One of the main areas under consideration will be company disclosures regarding plans for the efficient use of cash. This will focus attention on many of the companies in our portfolio, where net cash and investments still represent over 30% of the market capitalisation of our non-financial holdings. We have significant holdings in the financial, industrial and construction sectors.

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

Fund	
Fund size	\$516m
Number of holdings	61

Valuations	
Average PBR	1.11
Median EV/OP* (3/26e)	9.6
Weighted Average P/E (3/26e)	14.5
Net cash as % of market cap*	33%

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

Top Ten Holdings	% Fund
Sumitomo Mitsui Financial	3.4
Inpex	3.3
Sumitomo Mitsui Trust	3.2
Sumitomo Electric Industries	3.0
Yokohama Financial Group	3.0
Dai-ichi Life Holdings	2.9
Honda Motor	2.9
Mitsubishi UFJ Financial Group	2.8
Sumitomo Metal Mining	2.6
NHK Spring	2.5

Market Cap Breakdown*	% Fund
Large Cap (>\$10b)	34.9
Mid Cap (\$2b - \$10b)	36.7
Small Cap (< \$2b)	24.7
Cash	3.7

*Size categories have been changed as of December 2025 in line with market standards

NAV at 30 th January 2026	
Yen	¥4,786.53
Sterling	£51.88
US Dollar	\$55.82
Swiss Franc	CHF30.55
Yen B	¥4,038.99

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-dublinta@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	MWFYGAH	BQ5BN22	IE00BQ5BN223
Sterling Dist Hedged	MWFYGDH	BQT49F2	IE00BQT49F20
Sterling Dist Unhedged	MWFYGDU	BYWNV67	IE00BYWNV678
Swiss Franc Acc Hedged	MWFYCAH	BQ5BN66	IE00BQ5BN660
Swiss Franc Dist Hedged	MWFYCDH	BQT49K7	IE00BQT49K72
US Dollar Acc Hedged	MWFYUAH	BQ5BN55	IE00BQ5BN553
US Dollar Dist Hedged	MWFYUDH	BQT49J6	IE00BQT49J67
US Dollar Dist Unhedged	MWFYUDU	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 30th January 2026 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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