

MORANT WRIGHT

MANAGEMENT LIMITED

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Morant Wright Fuji Yield Fund July 2025 Newsletter

% Returns	Month	Year to Date	Since Inception	TOPIX Net TR since inception*	Inception date
Yen (unhedged)	+6.7%	+14.1%	+266.0%	+164.4%	4 Nov 2014
TOPIX Net Total Return	+3.2%	+6.9%			
Sterling (hedged)	+7.0%	+16.1%	+291.0%	+164.4%	4 Nov 2014
US Dollar (hedged)	+7.0%	+16.6%	+319.7%	+156.5%	28 Nov 2014
Swiss Franc (hedged)	+6.5%	+13.7%	+134.8%	+89.3%	11 Dec 2017
Yen B shares (unhedged)	+6.1%	+12.8%	+212.1%	+133.6%	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 by 3.2% in local terms. The stock market has been dominated by two events: the result of the upper house election and the agreement between Japan and America over tariffs. The outcomes of both were better than feared, particularly on tariffs which led to TOPIX reaching an all-time high of 2,978 on the 24th. Foreign investors have been net purchasers each week since the middle of April.

As anticipated, the ruling coalition of the Liberal Democratic Party and Komeito lost control of the upper house but only failed to achieve a majority by three seats whereas a much greater loss of seats had been expected. The coalition had already lost control of the lower house so this result is unlikely to lead to any significant change in policy. The tax cuts proposed by opposition parties will probably be avoided which has led to bond yields retreating from recent highs. Prime Minister Ishiba has vowed to stay on despite the defeat although press comments suggest his days are numbered. There are many details to be determined in the agreement between Japan and the United States on tariffs but the headline figure of 15% was an improvement on the 25% previously suggested.

The Bank of Japan's (BOJ) monthly meeting, which occurred after these two events, left monetary policy unchanged. In its quarterly outlook, the BOJ raised its core inflation forecast for FY 2025 to 2.7%, up from its April forecast of 2.2%, reflecting the higher prices of rice and food products, expecting it to ease to around 1.8% in FY 2026 before edging up to 2.0% in FY 2027. Inflation is becoming increasingly entrenched with the Nikkei newspaper reporting that commercial landlord Mitsubishi Estate will introduce inflation-linked rents, while Tokyo rents rose 4.5% year on year in June. The BOJ also revised economic growth marginally upwards for this fiscal year from 0.5% to 0.6%. As uncertainty has diminished, there is speculation that it will raise rates before the end of the year. It is worth noting that the BOJ has unrealised losses on its bond holdings of ¥28.6trn but an unrealised gain on its equity ETF position of ¥32.9trn.

The AGM season has finished. Sumitomo Trust reported that a record number of 114 companies had received resolutions from investors up by 23 from last year. Nomura estimates that 91 companies have faced activist campaigns in the first half. Many of these relate to higher shareholder returns through buybacks and dividends but are increasingly focused on better utilisation of real estate and idle assets, as we have seen with Fuji Media, as well as optimising business portfolios. An activist in Fuji Media has raised its stake to 16% demanding the company achieve a PBR of 1 through sales of cross shareholdings and the spin-off of Sankei Building, its real estate subsidiary. The board is proposing to implement anti-takeover measures if this stake is increased further.

The Nikkei has reported that M&A has reached unprecedented levels in the first half with 2,509 deals, up 7% year on year, while value was up 2.1 times at ¥20.7trn. There have been more bids announced, notably a private equity company has bid for lift maker Fujitec. Although this was below the market price the bid is roughly 5 times the price it was in 2019 before activists started to get involved.

The trends of the last few years regarding the restructuring of Japanese companies remain firmly in place and if anything are accelerating. We believe that our portfolios are well placed to benefit from them.

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

Fund	
Fund size	\$400m
Number of holdings	63

Valuations	
Average PBR	0.92
Median EV/OP* (3/26e)	7.1
Weighted Average P/E (3/26e)	12.5
Net cash as % of market cap*	40%

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

Top Ten Holdings	% Fund
Sumitomo Mitsui Trust	3.3
Sumitomo Electric Industries	3.2
Sumitomo Mitsui Financial Group	3.1
Dai-ichi Life Holdings Inc	3.0
Honda Motor Co. Ltd	3.0
Mitsubishi UFJ Financial Group	2.8
Concordia Financial Group Ltd	2.8
Fuji Media Holdings	2.6
Impex	2.4
TV Asahi	2.3

Market Cap Breakdown	% Fund
Large cap (>\$5bn)	37.2
Mid cap (\$1-5bn)	48.8
Small cap (<\$1bn)	10.7
Cash	3.3

NAV at 31 st July 2025	
Yen	¥3,660.13
Sterling	£39.10
US Dollar	\$41.97
Swiss Franc	CHF23.48
Yen B	¥3,120.59

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 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	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 Apr 2020	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
Euro Distributing (hedged)	0.1946	0.1272	0.1929	0.1663	0.2372	0.2173	0.2523	0.2400	0.3130	0.3364	0.4066
Euro Distributing (unhedged)	0.1693	0.1092	0.1589	0.1354	0.1869	0.1681	0.1873	0.1603	0.1972	0.2101	0.2498
Sterling Distributing (hedged)	0.1836	0.1244	0.1960	0.1637	0.2344	0.2086	0.2541	0.2418	0.3182	0.3448	0.4278
Sterling Distributing (unhedged)	0.1745	0.1179	0.1679	0.1387	0.1880	0.1726	0.1968	0.1656	0.2020	0.2107	0.2544
Yen Distributing	19.7063	12.9515	19.6050	17.2094	23.7748	22.8376	26.0838	24.2228	32.3163	33.9451	39.5233
Dollar Distributing (hedged)	0.2139	0.1397	0.2195	0.1888	0.2706	0.2597	0.2868	0.2859	0.3650	0.3907	0.5130
Dollar Distributing (unhedged)	0.1629	0.1095	0.1667	0.1402	0.1828	0.1494	0.1734	0.1512	0.1844	0.1990	0.2474

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 July 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/>