

# MORANT WRIGHT

## MANAGEMENT LIMITED

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## Morant Wright Fuji Yield Fund May 2026 Newsletter

% Returns	Month	Year to Date	Since Inception	TOPIX Net TR since inception*	Inception date
Yen (unhedged)	+5.7%	+17.5%	+430.0%	+262.1%	4 Nov 2014
TOPIX Net Total Return	+6.2%	+17.1%			
Sterling (hedged)	+6.0%	+18.9%	+479.9%	+262.1%	4 Nov 2014
US Dollar (hedged)	+5.9%	+18.9%	+523.7%	+251.3%	28 Nov 2014
Swiss Franc (hedged)	+5.6%	+16.9%	+236.8%	+159.3%	11 Dec 2017
Yen B shares (unhedged)	+5.8%	+17.4%	+347.9%	+219.9%	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 continued to recover in May, rising 6.2% in yen terms to finish at an all-time high as foreign interest remained strong. The 10-year JGB yield reached 2.8%, its highest level in almost 30 years, on inflation concerns and expectations for further Bank of Japan rate hikes.

Prime Minister Takaichi announced a supplementary budget of just over ¥3trn to resume support for household electricity and gas bills, and to extend the petrol subsidies enacted in March. This can be funded without any revision of planned bond issuance thanks to Japan's shrinking fiscal deficit.

Results announcements for the year ending March 2026 have continued to impress. Aggregate recurring profit growth for the portfolio was 15% and a further rise of 8% is forecast for the fiscal year to March 2027. Speciality chemicals company Zeon reported operating profit growth of 24% and forecast further growth thanks to higher sales of optical films and battery materials. Regional bank Yokohama Financial announced upbeat results due to robust loan growth and expanding net interest margins.

Shareholder returns have been notably strong. Dividends for our portfolio grew 22% and almost every company increased its dividend. Dividend growth for March 2027 is forecast to be 10%. Trading company Inabata upgraded its shareholder returns policy to pay a dividend of 4.0-4.5% of equity while there were sizeable share repurchases announced by Amada (8% of shares outstanding) and Tsubakimoto Chain (5%). According to the Nikkei newspaper, buybacks announced by listed Japanese companies in the year reached a record ¥22.3trn, up 18% year on year, which marked the fifth consecutive annual increase. In the portfolio, 70% of companies announced buybacks last year at an average size of 5.0% of shares outstanding, and already 20% of holdings have declared buybacks since April.

More companies have received shareholder proposals ahead of the June AGM season. Kyocera, TBS and Sekisui Jushi are all facing proposals to buy back 10% of their outstanding shares. Kyocera has committed to sell another ¥125bn of its large shareholding in mobile carrier KDDI and is under growing pressure to make more reforms. Elsewhere, an activist is proposing that NHK Spring make its board majority independent and hold its AGM later in the summer so investors can review the annual report (Yuho) before voting. Several of our holdings have recently asked to arrange meetings to discuss our voting intentions, illustrating the growing pressure that boards are facing.

There is considerable scope for consolidation in Japan to improve margins, so it was interesting to see bearing manufacturers NSK and NTN announce plans to merge. The two companies, which are no.1 and no.2 in the domestic industry, generated operating margins of 3.9% and 3.8% respectively in the year just ended. The combined firm will be comparable in scale to Sweden's SKF, the global leader, which generates margins of almost 10%.

Pharmaceutical wholesaler Medipal announced a bid for its listed subsidiary Paltac at a 43% premium. Asset rich Japanese companies are attracting more attention from overseas funds, as Bain Capital has formed a new \$10.5bn Asia fund with plans to allocate half to Japan. Meanwhile, Berkshire Hathaway increased its holdings in Sumitomo Corp and Marubeni to above 10%, meaning it now owns more than 10% of all five major Japanese trading houses.

Underlying profit performance is healthy while balance sheets are strong with net cash and investments worth 34% of market cap at our non-financial holdings. Meanwhile, we expect more M&A to help realise the value in the fund.

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

Fund	
Fund size	\$526m
Number of holdings	61

Valuations	
Average PBR	1.11
Median EV/OP* (3/26e)	8.8
Weighted Average P/E (3/26e)	13.2
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	3.4
Dai-ichi Life Holdings	3.4
Mitsubishi Gas Chemical Co	3.4
Yokohama Financial Group	3.3
Sumitomo Mitsui Trust	3.2
Honda Motor Co	3.1
NHK Spring	3.1
Mitsubishi UFJ Financial Group	2.9
Inpex	2.8
Iyogin Holdings	2.3

Market Cap Breakdown	% Fund
Large Cap (>\$10b)	35.8
Mid Cap (\$2b - \$10b)	37.3
Small Cap (< \$2b)	24.8
Cash	2.1

NAV at 29th May 2026	
Yen	¥5,299.82
Sterling	£57.99
US Dollar	\$62.37
Swiss Franc	CHF33.68
Yen B	¥4,478.62

**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](mailto: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%) 1.19% (JPY B Class: 0.94%)	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 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	30 Apr 2026
Euro Distributing (hedged)	0.1929	0.1663	0.2372	0.2173	0.2523	0.2400	0.3130	0.3364	0.4066	0.3990	0.4808
Euro Distributing (unhedged)	0.1589	0.1354	0.1869	0.1681	0.1873	0.1603	0.1972	0.2101	0.2498	0.2285	0.2587
Sterling Distributing (hedged)	0.1960	0.1637	0.2344	0.2086	0.2541	0.2418	0.3182	0.3448	0.4278	0.4195	0.5036
Sterling Distributing (unhedged)	0.1679	0.1387	0.1880	0.1726	0.1968	0.1656	0.2020	0.2107	0.2544	0.2411	0.2683
Yen Distributing	19.6050	17.2094	23.7748	22.8376	26.0838	24.2228	32.3163	33.9451	39.5233	39.6474	46.3539
Dollar Distributing (hedged)	0.2195	0.1888	0.2706	0.2597	0.2868	0.2859	0.3650	0.3907	0.5130	0.4787	0.5964
Dollar Distributing (unhedged)	0.1667	0.1402	0.1828	0.1494	0.1734	0.1512	0.1844	0.1990	0.2474	0.2303	0.2642

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 30<sup>th</sup> April 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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