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Task Force on Climate-related Financial Disclosures (TCFD)

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Contents

Introduction page 3

1. Governance page 5
2. Strategy page 7
3. Risk Management page 12
4. Metrics page 15
5. Final Word page 18

Appendix 1 page 19

Introduction

Investment Approach

Morant Wright Management is an independent, employee-owned investment firm that invests exclusively in listed Japanese equities. We have operated with the same bottom-up, long-term, value investment philosophy since the firm was established by Stephen Morant and Ian Wright in 1999.

We invest in Japanese companies with strong balance sheets, sustainable business franchises, and low valuations. The investment approach focuses on achieving absolute returns and reducing the risk of permanent capital loss. Price-to-book and Enterprise Value/Operating Profit ratios are given prominence. We seek to identify companies whose share prices offer potential for significant gains over a period of up to five years.

All investment decisions are taken on a collective basis by the seven fund managers as a team. It follows that all accounts are managed collectively with no one individual having specific responsibility for any one account.

Morant Wright operates the same investment process across all its accounts.

As of 31 July 2026, our total AUM amounts to $10.8 billion.

We place great emphasis on capital preservation and are extremely risk averse. We believe that the most effective risk mitigation tool we have, apart from the experience of our fund managers, is our in-depth knowledge of the companies in which we invest. In most cases, this has been built up over many years and has involved regular meetings with management. Climate risk is always considered in the wider context of risk assessment. With this in mind, we were joined in 2024 by an ESG specialist whose expertise further informs our investment decisions.

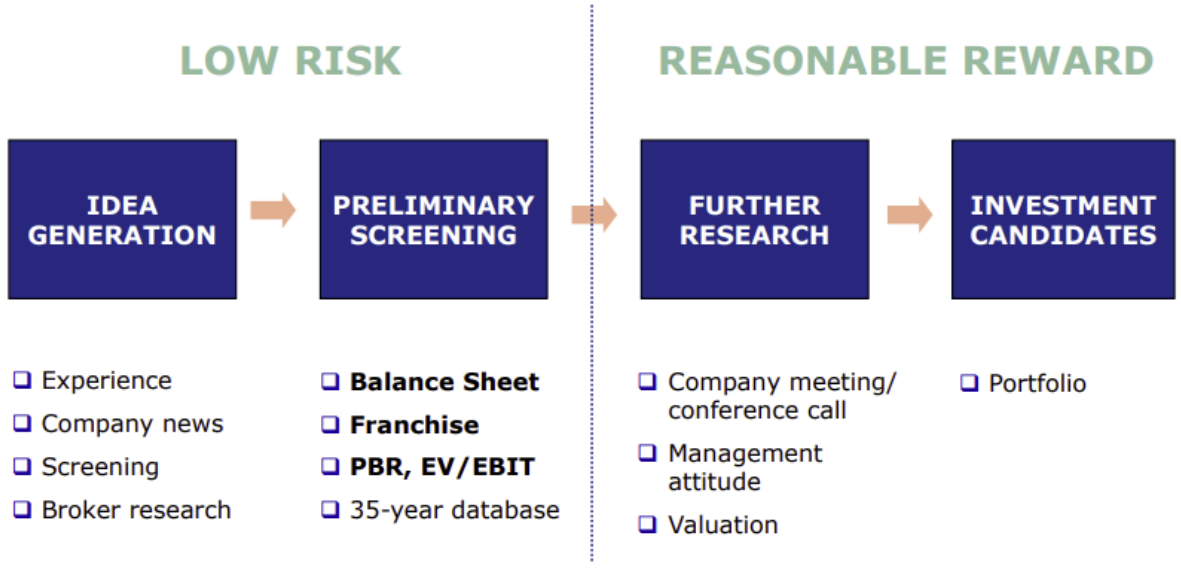

Chart 1: Morant Wright Investment Process

The remainder of this report is structured around the four thematic pillars of the TCFD framework: Governance, Strategy, Risk Management, and Metrics and Targets. The following sections provide a detailed disclosure of our processes, methodologies, and the specific metrics used to oversee and mitigate climate risks across our listed equity portfolios. We outline how our climate risk assessments directly fuel our stewardship activities, detailing how we use targeted corporate engagement and proxy voting to drive transition alignment and protect long-

term client capital across our equity portfolios. Increased engagement with our companies has been a notable feature of our investment approach over the past five years, with climate-related issues assuming ever greater prominence. We believe that it is through this one-to-one engagement that we can make the greatest difference.

The contents of this report have been approved by the Board of Morant Wright Management Limited and are deemed to be compliant with the requirements of Chapter 2 of the FCA's ESG Sourcebook.



Alasdair McKerrell

Director

October 2026

1. Governance

The Firm's Governance and Board Oversight

Morant Wright consists of 8 investment professionals and four operational staff, all of whom are highly experienced. 9 employees are directors of the firm which means they have legal and regulatory responsibility for the conduct of the business. 8 employees are shareholders which aligns their long-term interests with those of the business. Additionally, all employees have been with the firm for many years. Our most recent recruit is Karin Ri, our ESG specialist, who joined in 2024. Before that, Nick Sinclair joined our fund management team in 2019, as did Sarah Brouder, who joined our administration team. Moreover, the two founders still work in the business.

The 9 directors retain overall responsibility for the oversight of the firm's risks and opportunities, including those related to climate change. The small size of the firm and the continuity of its personnel mean that decisions affecting the business and its clients can be taken collectively and by consensus between those who own and work in the business. Consequently, there is little need for committees or sub-groups to expedite decision-making. Indeed, as a matter of policy, we have avoided establishing committee structures for specific topics, such as risk management, audit, compliance, responsible investment or operations, as this has the potential to undermine the ethos of collective responsibility which is at the very core of the firm.



Chart 1.1: Morant Wright Organisational Chart.

Alasdair McKerrell, the responsible director, keeps the Board informed of regulatory, risk and operational matters affecting the business. The Board meets as necessary in the light of business or regulatory developments, typically 4-6 times a year. A series of meetings are held immediately post the firm's year end (31st July) to enable the Board to consider and sign off on the most important operational and control policies and procedures such as those relating to conflicts of interest, order execution, remuneration and cybersecurity. These meetings also receive a detailed risk assessment report conducted partly in the context of determining the capital and liquidity requirements of the business. This year, for the first year, climate risks are being considered separately as part of the preparation of this TCFD report.

Climate related risks in the investment process

Our investment process is based on fundamental analysis of companies, beginning with the balance sheet. We regularly meet with actual and potential investee companies and monitor news relating to each company as described in more detail under risk management below.

Analysis of risk is embedded in our investment process. Fund managers conduct analytical research on all companies. All fund managers are also members of the Board, which means that directors are aware of matters identified through the investment process, engagement activities or risk assessment as part of daily governance

and decision-making. This close alignment supports timely oversight and ensures consistency between management activity and Board-level discussions.

Daily calls are held among the investment managers, and a weekly equity review meeting provides an opportunity to discuss administrative, business and investment matters. These include which offers of company meetings to accept, which companies to request meetings with, and how to manage orders with brokers. An investment is made only after detailed discussion among the managers of all associated risks, including climate-related risks, and only by consensus.

Specific ESG-focused discussions are led by our ESG specialist, Karin Ri, and form part of ongoing engagement with both existing and potential investee companies. Discussions include evaluating the credibility of companies' environmental and climate-related targets, how these are integrated into strategy and governance and qualitative evidence of delivery.

Fund managers hold quarterly review meetings, which are also attended by the compliance, risk and operations directors, and consider the following:

- Investment Considerations
  - Fund and sector performance (absolute and relative)
  - Fund attribution
  - Fund characteristics e.g. market capitalisation, liquidity, active share, turnover, major purchases and sales
  - Fund flows

- ESG considerations
  - A summary of ESG issues including key regulatory initiatives, meetings attended and "lobbying" activities
  - The outcome of dedicated ESG company meetings and correspondence
  - Client communication on ESG-related matters
  - Climate-related metrics of our portfolios

The Board ensures that climate-related risks are not treated as isolated compliance matters but are increasingly integrated into our fundamental equity research and risk management. This integration is supported by third-party data, such as MSCI Climate Solutions, which we use to measure emissions, carbon intensity and risk metrics. The Board also oversees the implementation of our Proxy Voting Policy.

Japan Stewardship Code

Morant Wright has for several years been a signatory to the Japan Stewardship Code which seeks to encourage institutional investors to engage actively with investee companies with the aim of promoting their sustainable growth. Morant Wright's alignment with the code is overseen by the board.

UN-sponsored Principles for Responsible Investment (UNPRI)

Morant Wright is a signatory to the UNPRI. The Board directly reviews and approves the annual UNPRI Transparency Report and the firm's public disclosures regarding its compliance status with the Japan Stewardship Code's principles.

The board conducts an annual review and sign-off of the UNPRI Transparency Report and the TCFD disclosure.

2. Strategy

Business strategy

We have operated the same investment approach, as described above, since our inception in 1999. We have never sought to grow our Assets under Management for its own sake: our focus has always been on servicing clients. We believe strongly that the interests of our clients are best served if we stick to our knitting and stay focused on the market and the companies we know best and where we have proven expertise developed over many years. We do not set targets for the growth of the business. The optimal amount of assets under management will be determined by market conditions and where permitted and practicable, we are prepared to restrict access to our funds or to refuse segregated mandates. Indeed, we have done so on more than one occasion in the past.

We have sought to structure our business in a way which (a) allows our fund managers to devote the maximum amount of their time to managing clients' investments and (b) eliminates, as far as possible, conflicts of interest.

To this end,

- The only service we provide is discretionary investment management for institutional clients. We do not provide ancillary services such as accounting, custody or valuations, as these can be provided more cost-effectively by large companies which can benefit from economies of scale. They could also potentially consume management time which can be better spent researching and analysing our companies.

- While employees are encouraged, subject to compliance controls, to invest in our own funds, which provides alignment of their interests with those of our clients, the firm does not deal as principal, nor do we otherwise deal for our own account. We want our focus to be exclusively on managing money for our clients.

- While we are always happy to meet with, and provide information to, existing and potential clients with reasonable frequency, we undertake no marketing other than maintaining our website.

Consequently, we have very low overheads and a very simple business model which is resilient to external factors, including climate change.

Climate related risks to our business

Having said that, we fully recognise that our business faces the following risks:

Physical risks including

- Disruption to our operations, such as flooding in our building, and disruption to services, such as electricity, are possible. Additionally, there may be disruption to travel, as well as increased associated costs. Our hybrid working model and cloud-based IT systems and storage reduce our vulnerability to these factors. We see these as predominantly long-term risks.

Transition risks including

- Technological disruption - we use data providers such as Bloomberg to inform our investment decisions. Disruption to these services will undoubtedly increase our costs. We have always carefully monitored our IT expenditure and continue to do so. We consider this a medium-term risk.

- Increased regulatory and legal requirements designed to decrease carbon usage and increasing regulatory expectations on disclosures. We take this as a given and recognise that meeting these expectations will require additional resources. We see these as short/medium term risks.

- Failure to meet client expectations in relation to increased action against climate change within our portfolios could lead to reputational damage. We have a simple and comprehensible investment process which is readily explicable to potential investors and which is laid out in detail in our presentational material. We continue to integrate climate-related issues into our investment process and devote increased resources to them. We consider this a short to medium-term risk.

While we do all we can to minimise these risks, we consider them to be de minimis when compared to those related to our portfolios.

In terms of strategy we think of up to 3 years as short-term, 3-10 years as medium-term, and beyond 10 years as long-term.

Investment strategy

The firm operates a single investment approach across all its accounts. Consequently, there is considerable overlap in the companies held across all our accounts. Differences arise, in the case of open-ended funds, from the timing of inflows and outflows and, across all accounts, from size and liquidity considerations. Additionally, the Nippon Yield and Fuji Yield funds invest in stocks with a yield above the market average at the time of purchase.

Climate risk related to our investments

Physical risks including:

- Acute physical risks (extreme weather events): severe financial loss resulting from localised disasters. We see these as predominantly medium to long-term risks and short-term risks in some cases.
- Chronic physical risks (long-term climate shifts): sustained changes in global weather patterns, such as rising sea levels, persistent heatwaves, and changing precipitation may permanently impair productivity. We see these as predominantly long-term risks.
- Systemic supply-chain & insurance vulnerabilities: chronic physical risks lead to structural cost increases, such as systemic logistical failures, greatly increased insurance premiums or the outright denial of coverage. We see these as predominantly medium to long-term risks.

Transition risks including:

- Policy & legal risks (e.g. carbon pricing & regulation): covering a wide range of measures from direct carbon taxes to stricter emission standards which may increase companies' cost burden.
- Technological disruption: companies may be negatively impacted by technological disruption e.g. by replacement technologies or by alternative business models.
- Market risk: Consumer and corporate preferences may move permanently toward sustainable alternatives. Companies failing to adapt to this may face structural revenue declines.
- Reputational risk: consumer preferences move increasingly towards "green" companies causing those which fail to adapt to lose market share and to face increased cost of capital through divestment by institutional investors.

We view all of the above transition risks as relevant over the short, medium and long term.

However, because these factors cannot currently be quantifiable readily, we will not use them to drive our investment decision-making. We remain committed to our bottom-up approach. For example, we will not attempt to anticipate which companies might benefit from a particular climate trend or scenario. That is not how we invest and, in any case, to do so would, we believe, with data in its current state of development, amount to mere speculation. A company's management should have a much better understanding of the implications of climate risks for its own businesses. Our job is to assess management's awareness of those risks and its degree of preparedness for overcoming them. Examples of where we have challenged management closely are set out in the Risk Management section below and in our Engagement Report. In addition, fund managers review emissions data, carbon intensity and risk metrics for all our investments.

Climate Scenario Analysis

Climate scenario analysis is a forward-looking risk management tool which can help evaluate how potential future climate conditions could impact the companies in our portfolios. Climate VaR is a metric that assesses how a company's valuation could be impacted by transition and physical risks and opportunities. The metric is expressed as a positive or negative percentage to reflect change from the portfolio's current valuation.

The aggregated Climate VaR is made up of two main components, balancing policy costs and severe weather damages against clean-technology profit opportunities:

1. Physical risks - Estimates the direct economic drag of acute weather hazards (e.g. severe flooding, tropical cyclones) and chronic stressors (e.g. extreme heat, sustained precipitation shifts) on corporate facilities, production capacity, and supply chains.
2. Transition risks and opportunities - Models the financial downside of sudden regulatory policies, escalating carbon pricing, and shifting market demand, while simultaneously pricing in the upside for companies driving clean-technology patents and low-carbon solutions.

The scenario analysis uses climate scenarios from the Network for Greening the Financial System (NGFS). These scenarios allow us to stress-test our portfolio holdings across the following potential futures, as detailed in Table 2.1. The exact outcome is uncertain, and the analysis is subject to numerous assumptions, including socio-economic factors, future policies, the evolution of carbon dioxide removal technologies, and methodologies that are still developing. Scenarios differ fundamentally across two axes: temperature ambition, and policy and technology execution, including whether the transition is smooth, sudden or dependent on new technology. The scenarios used in our analysis were selected from the NGFS framework in accordance with its guidance for central banks and supervisors and are outlined in the following table.

Climate Scenario	NGFS Model	Description	Portfolio Risk
Orderly transition	1.5°C Low Demand	Immediate, coordinated global carbon pricing and aggressive policy enforcement designed to limit global warming.	Low physical risk, low transition risk
Orderly transition	2°C Below 2°C	Early, coordinated global carbon pricing and aggressive policy enforcement designed to limit global warming	Low transition risk, low physical risk
Disorderly transition	2°C Delayed Transition	New climate policies are delayed until 2030 or diverge across countries. Emissions continue to rise, the transition from fossil fuels to renewables would need to happen from a higher emissions level over a shorter period of time to limit global warming	Higher transition risk, higher physical risk
Hot house World	3°C Nationally Determined Contributions (NDCs)	Paris Agreement commitments are not met; emissions decline but temperatures continue to rise associated with moderate to severe physical risk.	Low transition risk, high physical risk
Too little, too late	3°C Fragmented World	A late and uncoordinated transition fails to limit physical risks.	High transition risk, high physical risk

Table 2.1: NGFS Scenarios used for Morant Wright's scenario analysis
Source: Network for Greening the Financial System (NGFS)

The following table shows the scenario analysis for the Morant Wright portfolios using MSCI's Climate Solutions. The MSCI Climate Value-at-Risk (Climate VaR) modelling tool was used to analyse the impact of potential climate scenarios on future portfolio performance.

Climate scenario	WS Morant Wright Japan Fund Climate VaR%			Morant Wright Sakura Fund Climate VaR%			MW Japan Fund Climate VaR%			Morant Wright Nippon Yield Fund Climate VaR%			Morant Wright Fuji Yield Fund Climate VaR%		
Time horizon	3 Yrs	10 Yrs	20 Yrs	3 Yrs	10 Yrs	20 Yrs	3 Yrs	10 Yrs	20 Yrs	3 Yrs	10 Yrs	20 Yrs	3 Yrs	10 Yrs	20 Yrs
1.5°C Orderly	-1	-5	-17	-1	-5	-18	-1	-5	-16	-1	-6	-18	-1	-6	-19
2°C Orderly	0	-1	-5	0	-1	-5	0	-1	-5	0	-1	-5	0	-1	-5
2°C Disorderly	0	-1	-7	0	-1	-7	0	-1	-7	0	-1	-8	0	-1	-8
3°C Fragmented World	0	-1	-3	0	-1	-3	0	-1	-3	0	-1	-3	0	-1	-3
3°C NDC	0	-2	-6	0	-2	-6	0	-2	5	0	3	-7	0	-3	-7

Table 2.2: Climate VaR% of the Morant Wright portfolios over a short to long-term time horizon
Source: MSCI Climate Solutions

Our analysis suggests that the optimal scenario for our funds would be a 2°C orderly scenario. In this scenario, the transition risk is low. The funds have an approximate 25% weighting in industrial and energy companies; in an orderly scenario, the move away from fossil fuels is gradual and these companies can naturally run down the lifecycles of their existing manufacturing plants and slowly transition capital expenditures to cleaner platforms.

We believe the funds fare worse in a 1.5°C orderly scenario due to the higher transition risk faced by the same holdings in the industrial and energy sectors. This is due to the speed and stringency of the policy changes required to limit global warming to 1.5°C, which includes costs associated with rapid decarbonisation and retiring existing equipment prematurely.

The analysis also indicates, counterintuitively, that the funds have a lower climate VaR percentage in the Fragmented World and Nationally Determined Contributions (NDCs) scenarios. One possible explanation is that certain holdings may benefit from weaker policies and delayed timelines. For example, manufacturing plants would not be forced to adopt unscaled technology immediately, and automobile companies would not face immediate bans on fossil-fuelled vehicles. It must be noted that the transition risk is lower in these scenarios, and must be evaluated against the higher physical risk.

Furthermore, it cannot be overemphasised that VaR scores are only numbers and scenario analysis is at an early stage of development and subject to many assumptions. While VaR scores may provide pointers, further investigation is always required. They cannot and should not replace fundamental analysis of each company and its specific risks.

3. Risk Management

Types of Climate Risks

Climate risk is broadly defined as the range of potential business and financial impacts that firms may face resulting from the effects of climate change; historically, these risks have been categorized as either physical risks or as transition risks.

Physical risks

A changing climate, including rising temperatures, changing weather patterns, and increased instances of extreme climate-related disasters, creates physical risks for a business and its management team. These are often characterised as either acute or chronic.

Transition Risks and Financial Analysis

Transitioning to a more sustainable, net zero economy presents considerable challenges for operators, as well as for the financial services firms (investors, lenders, etc.) that provide capital to these businesses. Many companies will experience existential threats during this shift.

Transition risks are generally grouped into four core categories: (1) policy and legal, (2) technology, (3) market, and (4) reputation.

Examples of policy and legal risks include carbon pricing and reporting obligations, mandates on and regulation of existing products and services, and exposure to litigation. Technology risks encompass such issues as substitution of existing products and services with lower-emission options and costs associated with investment in new technologies. Market risks consider changing customer behaviour, uncertainty in market signals, and increased cost of raw materials. Reputation risks include shifts in consumer preferences, increased stakeholder concerns or negative feedback, and stigmatisation of the sector.

Risk Management related to our investments

Our most important risk management tool is the detailed fundamental analysis we conduct before investing in a company and the continuous monitoring we carry out once we have invested. This includes meetings, video calls and conference calls with our companies in London and Japan. Every meeting is minuted in detail and we maintain a comprehensive record of our every interaction with our companies going back many years.

We also use external sources, such as Bloomberg, which we screen daily for news of our companies, as well as third party research providers.

In 2025, for example, we held 45 meetings in London with Japanese companies and 55 meetings in Japan, in addition to 60 conference calls.

We have strict investment criteria in terms of Price-to-book and Enterprise Value/Operating Profit ratios and balance sheet strength. This results in a defined universe of stocks. We invest for the long-term (5 years or more). Consequently, we get to know our companies very well and engage actively with them. It is a noticeable feature of our investment process that both the scope and intensity of our engagement have increased in recent years. In respect of the former we have engaged on a wider range of ESG issues and in respect of the latter we have been more forceful in escalating issues where we feel companies are not taking sufficiently rapid action. In 2025, our formal approaches to company boards involved writing a total of 25 letters to 24 companies, as well as holding 38 dedicated ESG meetings.

Further details of our engagement with companies are given in our annual Engagement Report which is available on our website at www.morantwright.co.uk. Historically, our engagement with companies has focused on governance aspects, as improved governance is likely to lead to improved returns for our investors. We are also firmly of the view that well-governed companies are much more likely to identify, and successfully address, climate related challenges.

Some examples of meetings we have held with companies during the period of this report in order to better understand their approach to climate related issues include:

Takisha (February 2026)

We met with a senior executive (head of corporate planning, also in charge of sustainability promotion) and member of the board. The company has set interim targets for reducing CO2 emissions and obtained the SBTi verification, including the reduction of Scope 3 emissions (by 25% in FY2030 from FY2022). In order to achieve its climate transition targets, Taikisha has been proactively developing new technologies and making proposals to customers aiming to reduce CO2 emissions along the value chain. While much of the technology remains in the pilot phase, the company has, for instance, developed a new dry decoration system using film rather than spray paint, which consumes less energy and significantly reduces the CO_2 emissions.

Kyocera (December 2025)

We requested an ESG-specific discussion about Kyocera's key environmental and social-related initiatives. The company has set out ambitious targets for GHG reduction certified by the SBTi. We also discussed its human capital strategy, in the context of ongoing business portfolio reform and restructuring. We requested more clarity and numerical indicators of how and on what time horizon the management plans to accomplish its vision and to rationalise non-core businesses.

JAPEX (December 2025)

We held an ESG-specific meeting with the company to discuss a range of ESG issues. We encouraged JAPEX to improve disclosures and communication about methane abatement, as well as its approaches to managing environmental risk (e.g. fracking) associated with tight oil and gas assets that the company is acquiring in the US.

Honda Motor (December 2025)

We held a dedicated meeting with Honda Motor to discuss their climate strategy and transition plans. Among the Japanese automakers Honda was most proactively making the shift to EVs but has pulled back its approach earlier this year. Meanwhile, it remains committed to achieving carbon neutrality by 2050 from both corporate activities and the product lifecycle emissions. On social initiatives, we questioned the company about its approach to supply chain and human capital management.

Medipal Holdings (November 2025)

We requested a dedicated ESG meeting with the company. Key social and environmental initiatives discussed include product safety & quality management, sustainable distribution, decarbonisation efforts, and human capital management. To meet the TSE request, it has released an action plan (13/05/2025) which largely aligns with the current MTP (FY3/23-FY3/27) but is lacking details.

Toyo Seikan (November 2025)

We met with senior management (the president, CFO, and general manager of IR) in our offices. We questioned the company about its outlook and preparation for the second phase of GX-ETS in Japan, which will be introduced from FY2026. Its subsidiary, Toyo Glass, is responsible for much of its relatively high level of Scope

1 emissions. Many of the details of the new ETS (e.g. the level of free emissions allowances and the range of pricing) will not be finalised until the end of this year.

Chudenko (November 2025)

A wide range of ESG issues were discussed with senior management during a Zoom call. Those specifically related to climate change included:

- emissions targets: the company is on track towards achieving its interim target for reducing CO2 emissions (i.e. Scope 1&2, -46% by FY2030 vs FY2013) and is aiming for carbon neutrality by 2050, in line with the commitment made by the Japanese government. We encouraged the company to show a clearer pathway and transition plans beyond FY2030.
- decarbonisation opportunities: due to regional and geographical factors, we did not feel that Chudenko has much potential in renewables or ZEB related construction businesses. The solar PPA business helps customers reduce their carbon footprints and generates high margins, but there has not been much demand recently.

Mitsubishi Logistics (November 2025)

We had an in-person meeting with the president. After detailed discussions on its growth strategy and efficient use of capital, we sought an explanation of its approaches to human capital management to address labour shortages, and mitigation and adaptation of climate-related risks especially regarding the potential physical risks arising from climate change.

Fukuda Denshi (October 2025)

We discussed the limitations of its environmental reporting. Fukuda Denshi has green procurement standards and works with suppliers to protect the environment (with a focus on product management and regulatory standards). The company established a Sustainability Committee in 2024 to discuss its approaches to climate change and related reporting. It has started taking measures relating to the circular economy for example through recycling initiatives.

Sumitomo Metal Mining (October 2025)

We discussed the company's climate transition plans and associated risks with the company's president. The company is aiming for carbon neutrality by 2050 and has set an interim target for FY2030 to reduce GHG emissions. SMM is also collaborating with major suppliers to set Scope 3 emissions targets. As most of SMM's emissions come from overseas, particularly the Philippines, the financial impact of GX-ETS in Japan starting from FY2026 will likely be limited. We plan to have a dedicated ESG discussion in the coming months.

Mitsubishi UFG (September 2025)

The company requested a meeting with us to discuss sustainability-related disclosures. The group is currently considering consolidation of various ESG reports, aiming to make the reporting and information more decision-useful for investors. The discussions covered a few areas for continuous improvement, which apply to wider Japanese companies as well.

4. Metrics

Morant Wright Management's Operational Footprint

Morant Wright's operational footprint mainly consists of Scope 2 emissions from the purchase of electricity and Scope 3 emissions from business travel, employee commuting, home working and computing related to the business. All Scope 2 electricity is purchased through a green tariff and backed by Renewable Energy Guarantees of Origin (REGO). Fund managers travel to Japan for company visits/research and business travel emissions make up most of the firm's Scope 3 emissions. Carbon emissions from all flights are offset. The firm operates under a hybrid working environment which reduces employee commuting and virtual meetings continue.

Element	Description	FY 2025/26
Scope 1	Direct GHG emissions	0 tCO2e
Scope 2	Indirect GHG emissions from consumption of purchased electricity, heat, or steam (market-based).	0 tCO2e
Scope 3 (upstream)	Business travel, employee commuting, home working, computing	32,815 tCO2e
Total emissions		**32,815 tCO2e**

Table 4.1: Total carbon emissions for Morant Wright Management excluding Financed Emissions

Emissions data is included for the portfolios as of 31 July 2026.

Scope 1 emissions: Morant Wright Management produces no direct greenhouse gas emissions.

Scope 2 emissions: Morant Wright Management has shown the market-based approach. All purchased electricity is backed by Renewable Energy Guarantees of Origin (REGO). Location-based Scope 2 emissions amount to 18,386 tCO2e (total emissions 51,201 tCO2e).

Morant Wright Management's Financed Emissions

The following table details the absolute greenhouse gas (GHG) emissions generated by our companies, alongside our specific financed emissions, calculated proportionally based on our equity and debt ownership share (Enterprise Value Including Cash (EVIC)) in each asset.

Also included in the table is the Implied Temperature Rise (ITR), calculated using MSCI's Implied Temperature Rise methodology. The ITR as a forward-looking metric estimates the global warming outcome, in degrees °C, if the entire global economy operated with the same carbon efficiency as the portfolio. The metric demonstrates how aligned the companies in the portfolio are with the ambitions of the Paris Agreement – which is to keep a global temperature rise this century well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 °C. Please note the calculations are based on modelling assumptions and projections and are not exact.

Metrics are aligned with the Financial Conduct Authority's Task Force on Climate-Related Financial Disclosures (TCFD) product-level reporting guidance specified in section 2.3 of the Environmental, Social and Governance sourcebook and calculated using MSCI.

Portfolio	Total Carbon Emissions tCO2e	Carbon Footprint tCO2e/$m invested	Implied Temperature Rise °C
WS Morant Wright Japan fund	75,437	49.2	2.4
Morant Wright Sakura fund	112,163	49.9	2.4
MW Japan fund	5,854	55.6	2.8
WS Morant Wright Nippon Yield fund	79,309	50.4	2.4
Morant Wright Fuji Yield fund	28,916	52.1	2.5

Table 4.2: Financed Emissions metrics for Morant Wright funds

Please note that data for all portfolio positions is sourced from MSCI using the issuer's most recently reported or estimated Scope 1 and Scope 2 greenhouse gas emissions and covers at least 98% of each portfolio. Data is calculated for investee companies as of 31 July 2026 and scaled to the full portfolio value. Data is for information purposes only.

Total Carbon Emissions and Carbon Footprint metric calculation methods are outlined in Appendix 1

Weighted Average Carbon Intensity (WACI)

The Weighted Average Carbon Intensity (WACI) measures the portfolio's exposure to carbon-intensive companies relative to their revenue and allows us to measure corporate transition risk. The following chart shows the WACI of each our funds along with a comparative benchmark.

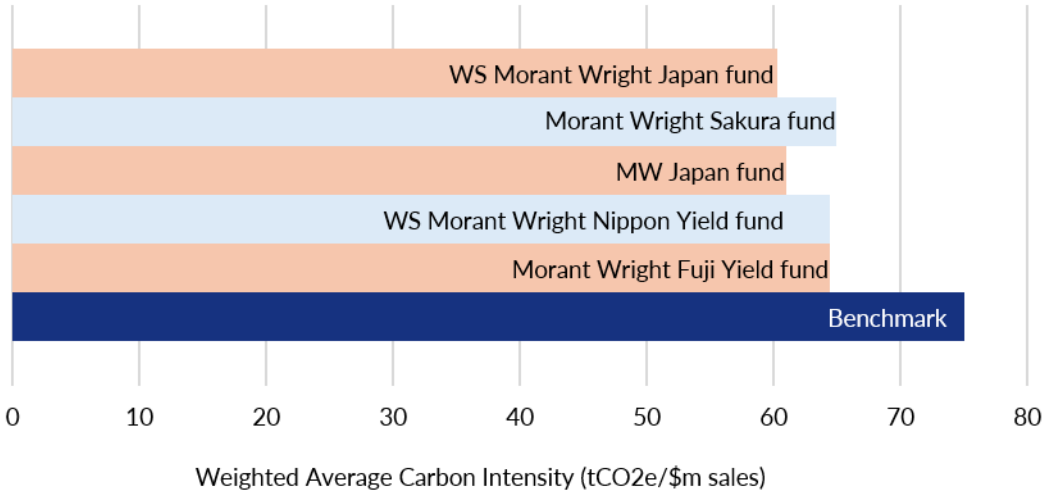

Chart 4.1: Weighted Average Carbon Intensity per portfolio

Please note data for all portfolio positions is sourced from MSCI using the issuer's most recently reported or estimated Scope 1and Scope 2 greenhouse gas emissions. Data is calculated for covered positions as at 31 July 2026 and scaled to the full portfolio value. Data is for information purposes only.

The Weighted Average Carbon Intensity (WACI) metric calculation method is outlined in Appendix 1. It includes Scope 1 and Scope 2 greenhouse gas emissions, which are normalised against each company's revenue (USDm)

We are pleased to report all funds managed by Morant Wright have a lower weighted average carbon intensity than the comparative benchmark. However, given that our investment process is entirely based on stock selection and pays no regards to indices, we would not expect the WACI scores of the funds to show any sort of correlation with the benchmark. The WACI is reviewed as part of the firm's review along with emissions data and risk metrics for all our investments.

5. Final Word

Japan' s determination to reduce its GHG emissions should be recognised and applauded. As well as committing to net zero by 2050, Japan aims to cut its emissions by 46% (striving for 50%) below 2013 levels by 2030, alongside later mid-term targets of a 60% reduction by 2035 and 73% by 2040. The government's agenda was set out by Prime Minister Kishida during a speech at the World Climate Action Summit, which formed part of the 28th UN Framework Convention on Climate Change (COP28) in Dubai in December 2023. Key to achieving the targets is the GX Promotion Act (Act on the Promotion of a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure), originally enacted in May 2023 and amended in May 2025, which is a legislative framework designed to drive the country's Green Transformation (GX) toward carbon neutrality by 2050. The Act aims to achieve Japan's three goals of emission reduction, stable energy supply, and sustainable economic growth. Additionally, the powerful Ministry of Economy, Trade and Industry (METI) has formulated a "Green Growth Strategy through Achieving Carbon Neutrality" which specifies 14 promising fields that are expected to grow sustainability. These include offshore wind and solar power, semi-conductors, storage batteries, housing, shipping, aircraft, carbon recycling and food and agriculture. METI has developed a number of policy tools to aid the growth of companies in these sectors including private and public financing, tax measures, university research and legal/regulatory requirements.

Furthermore, the SSBJ (Sustainability Standards Board of Japan) Standards which require companies listed on the Tokyo Stock Exchange's Prime Market to make full-scope emissions reporting, including Scope 3, were made law in February 2026. And, of course, the expectations of investors are putting further pressure on Japanese companies to reduce their GHG emissions.

Internationally, Japan is also promoting regional decarbonization through the Asian Zero Emission Community (AZEC) framework and globally by contributing to an increase in the lending capacity of the World Bank and the Asian Development Bank.

While we do not set targets for our own portfolios, we will continue to monitor those targets which Japanese companies set for themselves, and we look forward to seeing what Japan as a nation can achieve.

Appendix 1

Financed Emissions are the absolute greenhouse gas emissions associated with a portfolio's investments. An asset manager calculates this by taking their share of an investee company's enterprise value and multiplying it by that company's absolute emissions.

Scope 1 Emissions: Direct greenhouse gas emissions from sources that are owned or controlled by a company (e.g., burning fuel in factories, running company vehicles).

Scope 2 Emissions: Indirect greenhouse gas emissions from the generation of electricity, steam, heating, or cooling purchased and consumed by the company.

Scope 3 Emissions: All other indirect greenhouse gas emissions that occur across a company's broader value chain, including upstream suppliers and downstream product usage.

Please see below for metrics used for Financed Emissions metric calculations

Scope 1 and Scope 2 greenhouse gas emissions:

Total amount of Scope 1 and Scope 2 GHG emissions financed by a portfolio for a given year in metric tonnes of carbon dioxide equivalent (tCO2e)

$$\sum\left(\frac{current\ value\ of\ investment}{issuer's\ EVIC} \times issuer's\ Scope\ 1\&2\ GHG\ emissions\right)$$

Current value of investment is the present value of the position as at 31 July 2026 in USD.

Enterprise Value Including Cash is the most recent available fiscal Yrs-end enterprise value including cash in USD.

Scope 1 and 2 GHG emissions are the issuer's most recently reported or estimated Scope 1 and Scope 2 greenhouse gas emissions in tCO2e. Financed Emissions Scope 1 and 2 are scaled to the full portfolio value.

Total carbon footprint

Total Scope 1 and Scope 2 Financed Emissions in metric tons of carbon dioxide equivalent, normalised by the portfolio value in USD.

$$\frac{\sum\left(\frac{current\ value\ of\ investment}{issuer's\ EVIC} \times issuer's\ Scope\ 1\&2\ GHG\ emissions\right)}{M\ portfolio\ value\ in\ reporting\ currency}$$

Current value of investment is the present value of the position as of 31 July 2026 in USD.

Enterprise Value Including Cash is the most recent available fiscal year-end enterprise value including cash in USD.

Scope 1 and 2 GHG emissions are the issuer's most recently reported or estimated Scope 1 and Scope 2 greenhouse gas emissions in tCO2e.

Portfolio value is the present value of the portfolio of in-scope positions on the analysis date in USD.

Weighted Average Carbon Intensity (WACI)

Measure of portfolio's exposure to carbon-intensive companies in metric tons of carbon dioxide equivalent per million USD of revenue.

$$\sum\left(\frac{current\ value\ of\ investment}{portfolio\ value}\times\frac{issuer's\ Scope\ 1\&2\ GHG\ emissions}{issuer's\ revenue}\right)$$

Current value of investment is the present value of the position on the analysis date in USD.

Portfolio value is the present value of the portfolio of in-scope positions on the analysis date in USD.

Scope 1 and 2 GHG emissions are the issuer's most recently reported or estimated Scope 1 and Scope 2 greenhouse gas emissions in tCO2e.

Revenue is the most recently available total revenue in USD.

Implied Temperature Rise (ITR)

The portfolio-level ITR uses an aggregated budget approach: it compares the sum of "owned" projected GHG emissions against the sum of "owned" carbon budgets for the underlying fund holdings. The portfolio's estimated carbon budget over-/undershoot is then converted to a degree of temperature rise (°C) using the transient climate response to cumulative emissions (TCRE). The allocation base used to define ownership is EVIC, to enable the analysis of equity and corporate bond portfolios.

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