

# **Long-Short Japanese Equity Strategy (Yuki-LS)**

## **Yuki Group**

### **Investment Manager**

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## Executive Summary: Strategy (Yuki-LS)

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- Long Short Japanese Equity Strategy Utilizing the Yuki Matrix
- 10- and 20-Year Long-Term Investment Approach
- Proven Strategy of Identifying Superior Outperformers and Underperformers relying on fundamental forecast data announced by Japanese companies themselves
- Determination of Growth Universe and Short Universe from 30 years of results
- Proven ability to generate significant returns from a long-only portfolio for multiple strategies
- Growth Universe and Short Universe derived from the Yuki Matrix
- Select 30-Position Long Portfolio from the Growth Universe using FM's algorithm
- Select 30-Position Short Portfolio from the Short Universe using FM's algorithm
- Long and Short Portfolios will be Rebalanced Monthly
- Possible to use Cayman Island and Irish AIFM structures
- Cost of Borrow and Transaction Costs Provided by Prime Broker

## Executive Summary: Fund Manager

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- Independent Family-Owned Tokyo-Based Fund Manager Established in 1991, Licensed by Financial Services Agency
- European Funds Trophy Awards: 2017 – 2018 Best National Asset Management Company (Ireland / 4 to 7 rated funds), 2019 Best European Fund Manager, 4 to 7 funds.
- 2018 Lipper Fund Award, UK, Equity Japan, Best Fund over 3 and 5 Years
- Proprietary Quantitative Screening Process and Database
- Style: Research Driven, Long-Only, Aggressive Growth, All Cap, Sector Agnostic
- Bottom-Up Process, 450 Company Visits a Year, No Reliance on Third Party Research
- Group Staff: 5-member investment team, 1 compliance officer, 5-member data management team (Quant Team)
- Through Face-to-Face interaction Investment Team confirms ESG Qualities and Processes
- Local Presence, Deep Local Knowledge and Access to All Listed Companies
- Stable Team with Strong Culture
- International Marketing Support: U.S.

## Profile of Key Members

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### **Magotaka Oshitani (38)**

- Owner, Director, Portfolio Manager, Senior Analyst
- 14 Years of Investment Experience (Data Management Team, Analyst and Portfolio Manager)
- Portfolio Manager of Flagship Fund, Yuki Japan Rebounding Growth Fund Since Its Inception in March 2011



### **Magoyuki Oshitani (71)**

- Owner and Founder of the Yuki Group in 1991, CIO
- 40 Years of Investment Experience
- Head of Data Management Group (Quantitative Screening Team)
- Originator of Yuki Matrix and Investment Process
- Senior Portfolio Manager/Director at Fidelity (Japan) Prior to Setting up Firm



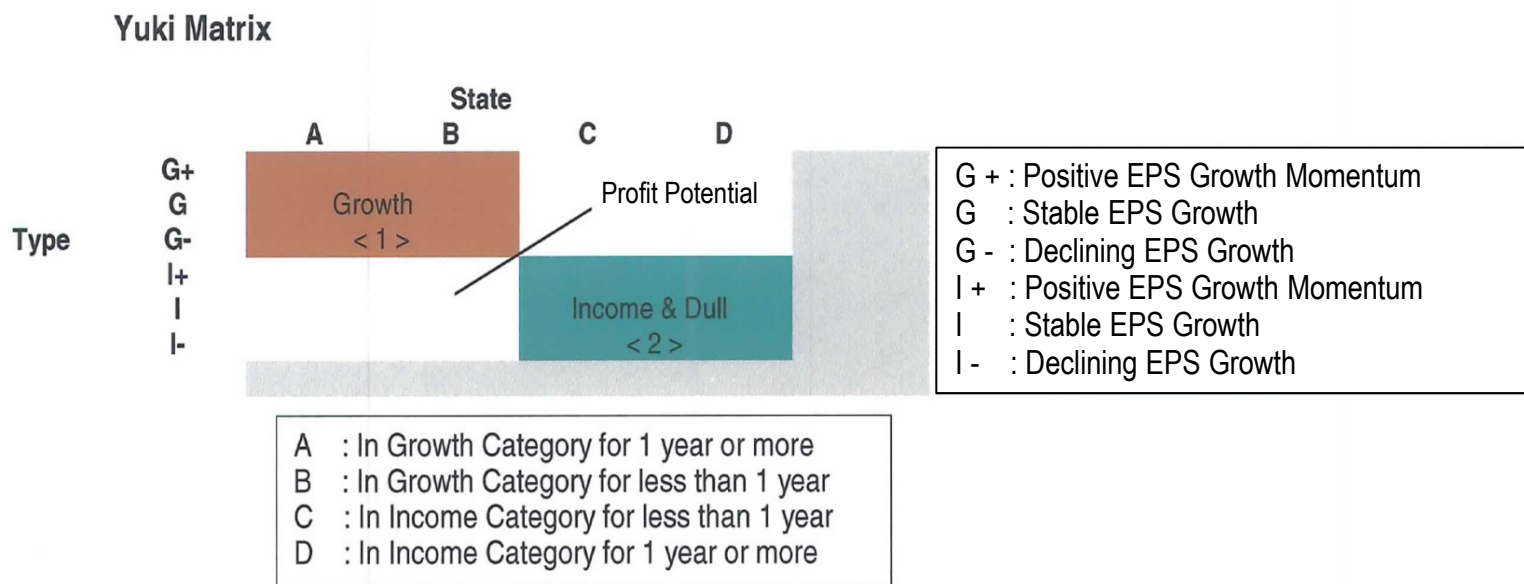
# Quantitative Process

The Yuki Matrix distinguishes between

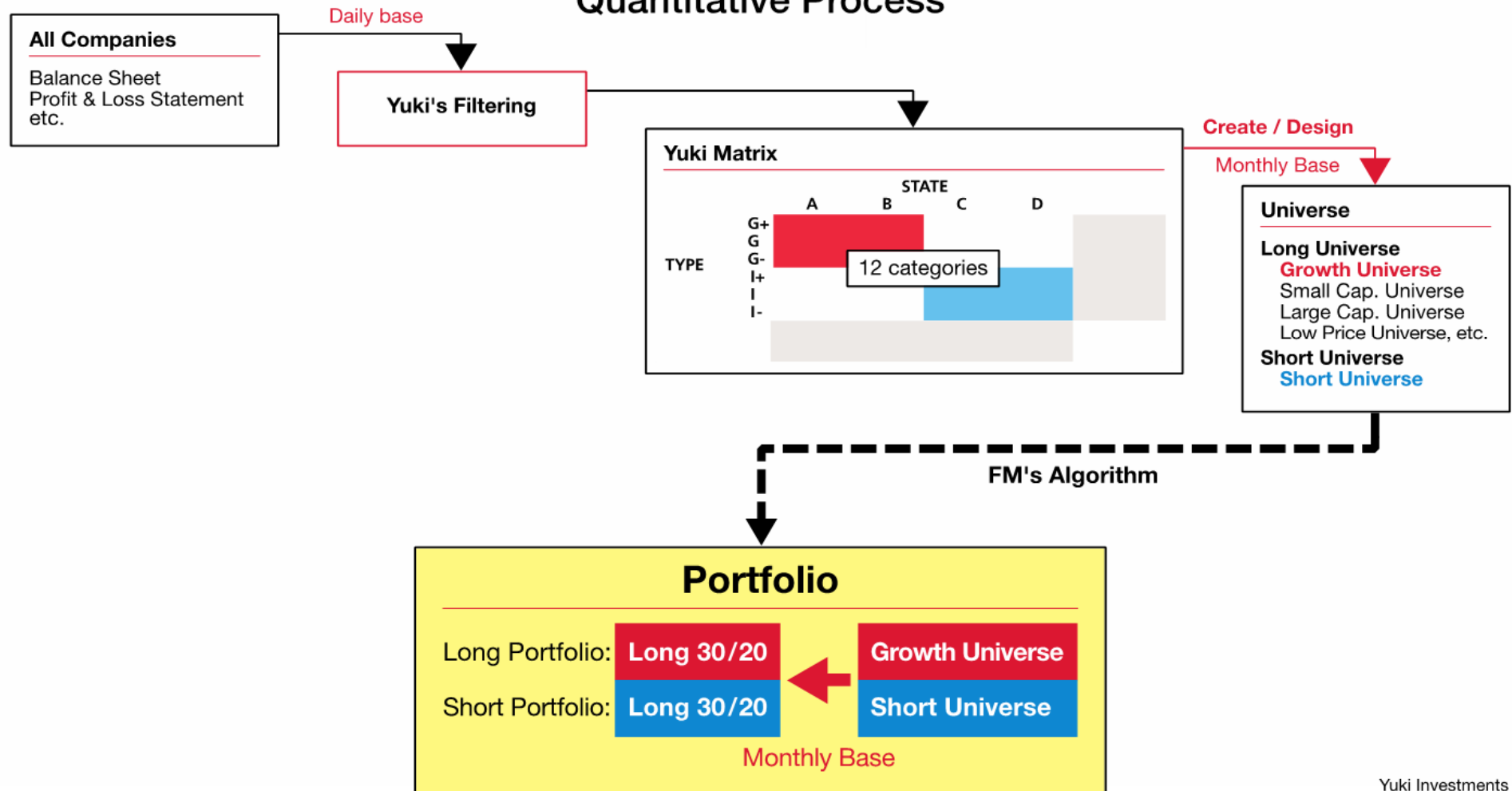
< 1 > companies that trade based on PER by recording higher relative earnings (Growth) from

< 2 > companies that trade on some other metric ( Income )

1. Through analysis of specific items from the balance sheet and income statement (historical data and estimates of current period figures) determine an appropriate category for each company.
2. Plot all companies as Growth ( 6 categories ), Income and Dull ( 6 categories ).
3. For a growth-type fund, focus on { G+ } and { G }, and pick stocks selectively from group { I+ }.



## Quantitative Process



# Returns: Evidence of Market's Focus on Fundamentals

Japanese Market is efficient, valuing companies according to fundamentals

## Japan All Listed Companies : Annual Returns

FY2002 - FY2020

		Performance					
		State					
Type	G+	A	B	C	D		
	G	12.1%	12.2%			11.3%	
	G-	9.7%	23.6%			9.9%	
	I+	-2.9%	3.9%			-3.8%	
	I			13.2%	5.7%	5.0%	
	I-			-9.2%	0.8%	0.1%	
				-6.7%	4.8%	-6.5%	
		5.3%	14.5%	-6.8%	1.0%	4.3%	

Target of hedge operation long

Target of hedge operation short

FY2020

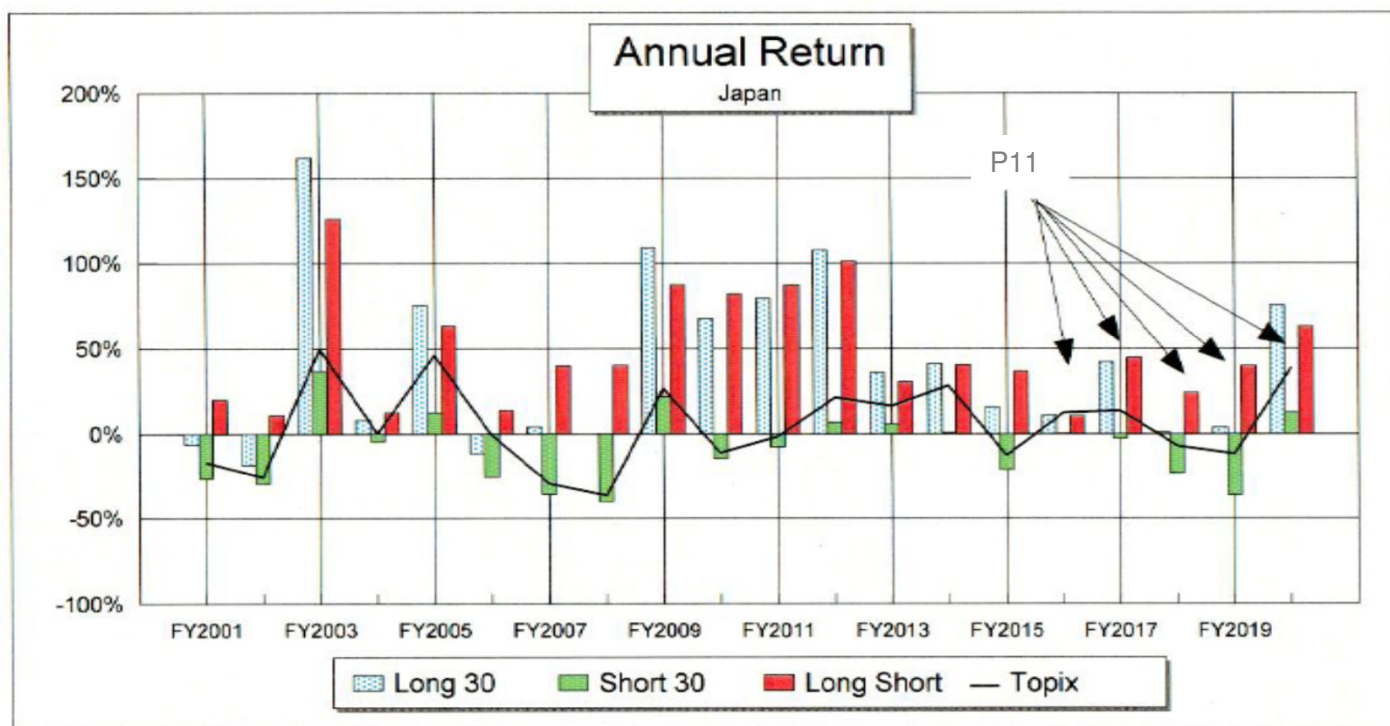
		Performance					
		State					
Type	G+	A	B	C	D		
	G	56.8%	49.3%			52.7%	
	G-	41.8%	103.1%			50.1%	
	I+	27.8%				27.8%	
	I			-12.4%	33.5%	33.5%	
	I-			34.7%	16.3%	18.7%	
				13.2%	17.0%	15.1%	
		40.6%	61.6%	14.6%	24.6%	35.1%	

Note : Equity Returns on this page is calculated using market cap figures.

Yuki Investments

## Japan All Listed Companies

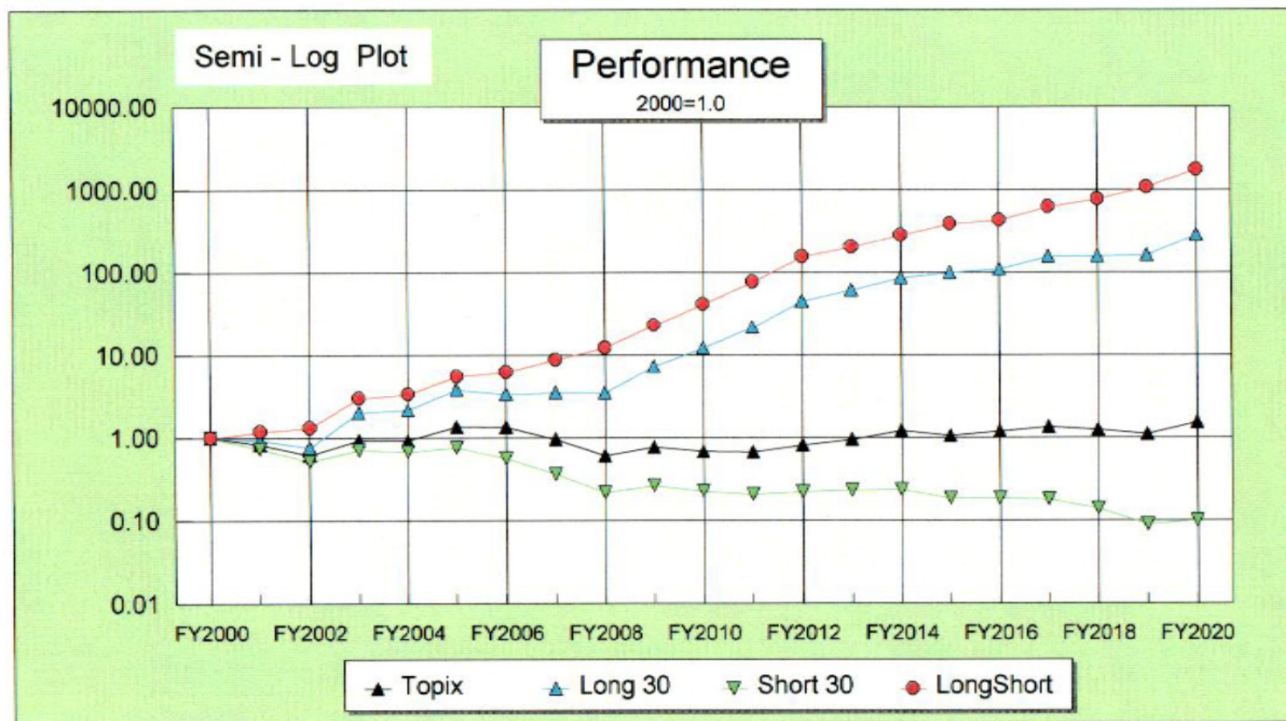
FY2001 - FY2020



Yuki Investments

## Japan All Listed Companies

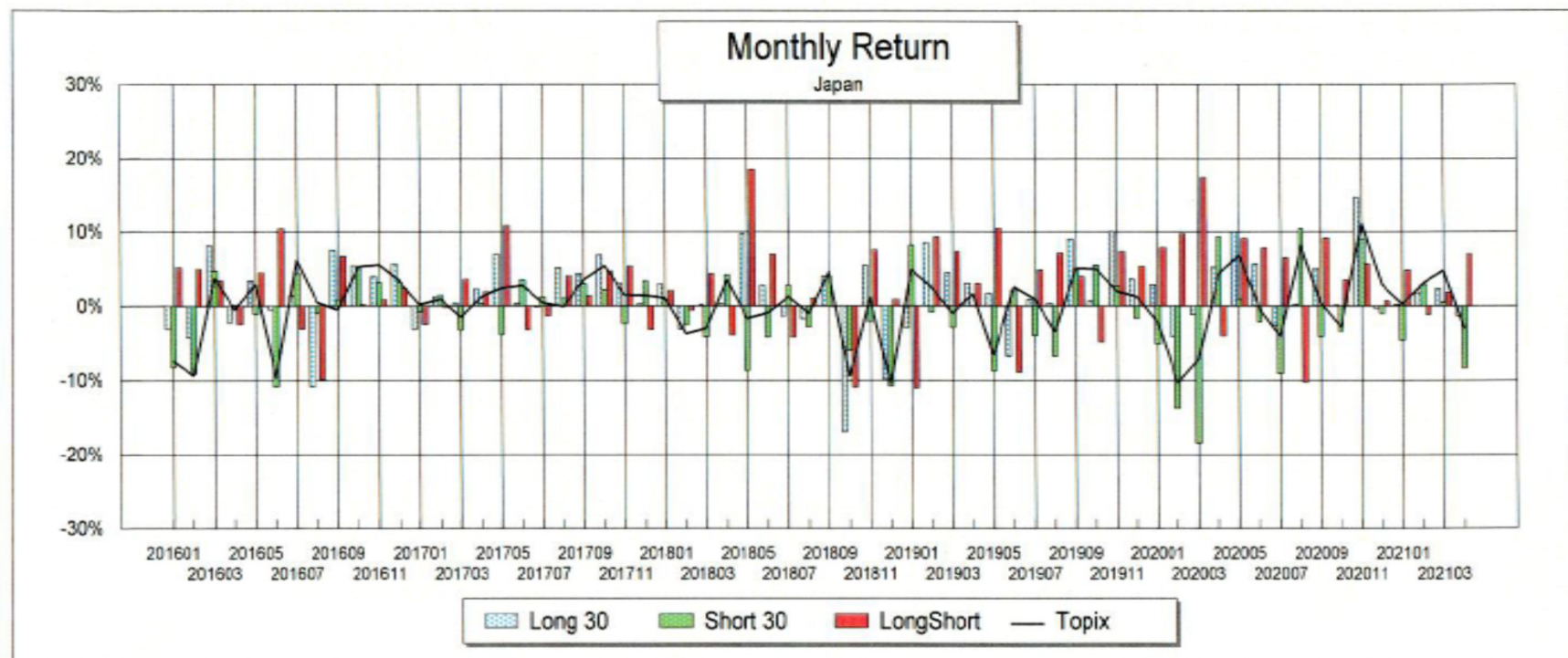
FY2001 - FY2020



Yuki Investments

## Japan All Listed Companies

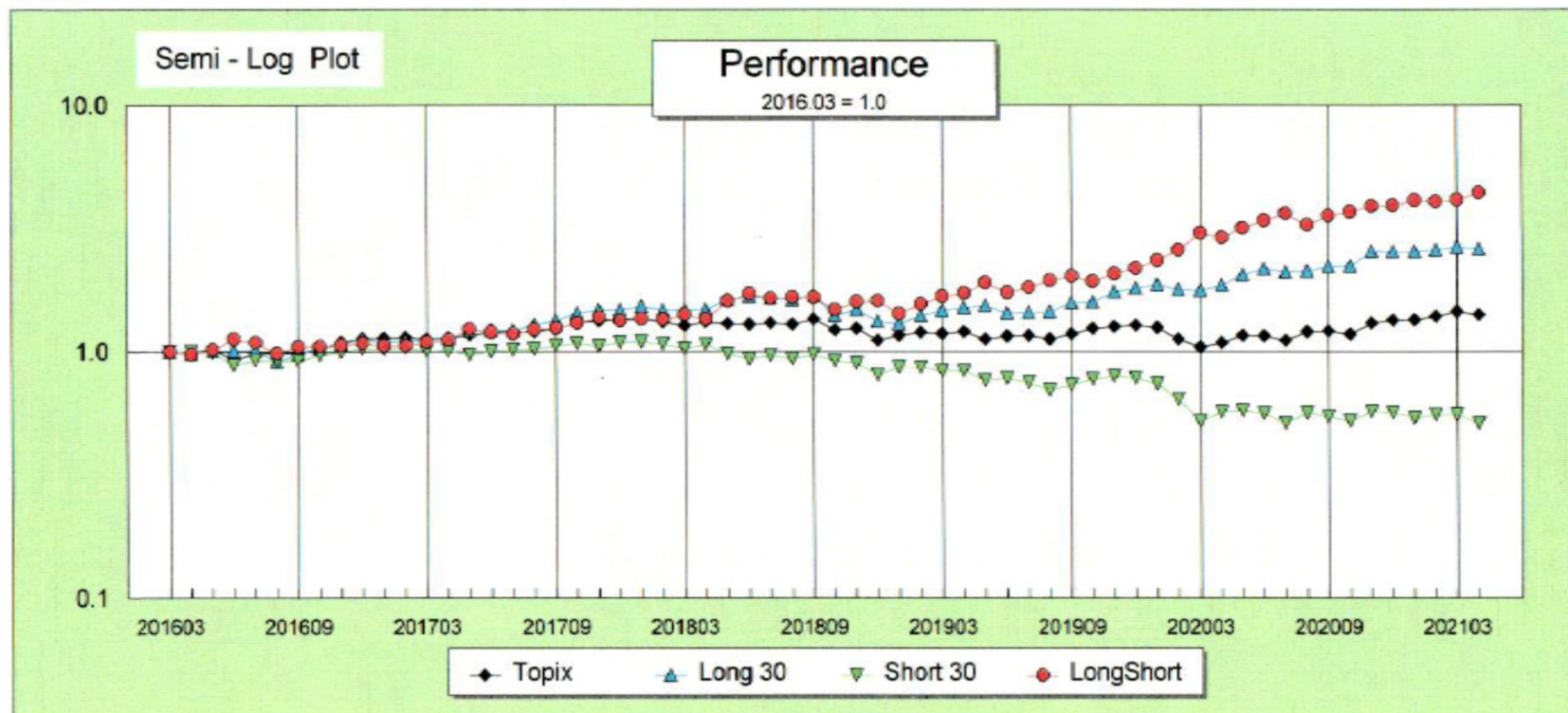
2016.01 - 2021.04



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## Japan All Listed Companies

2016.01 - 2021.04

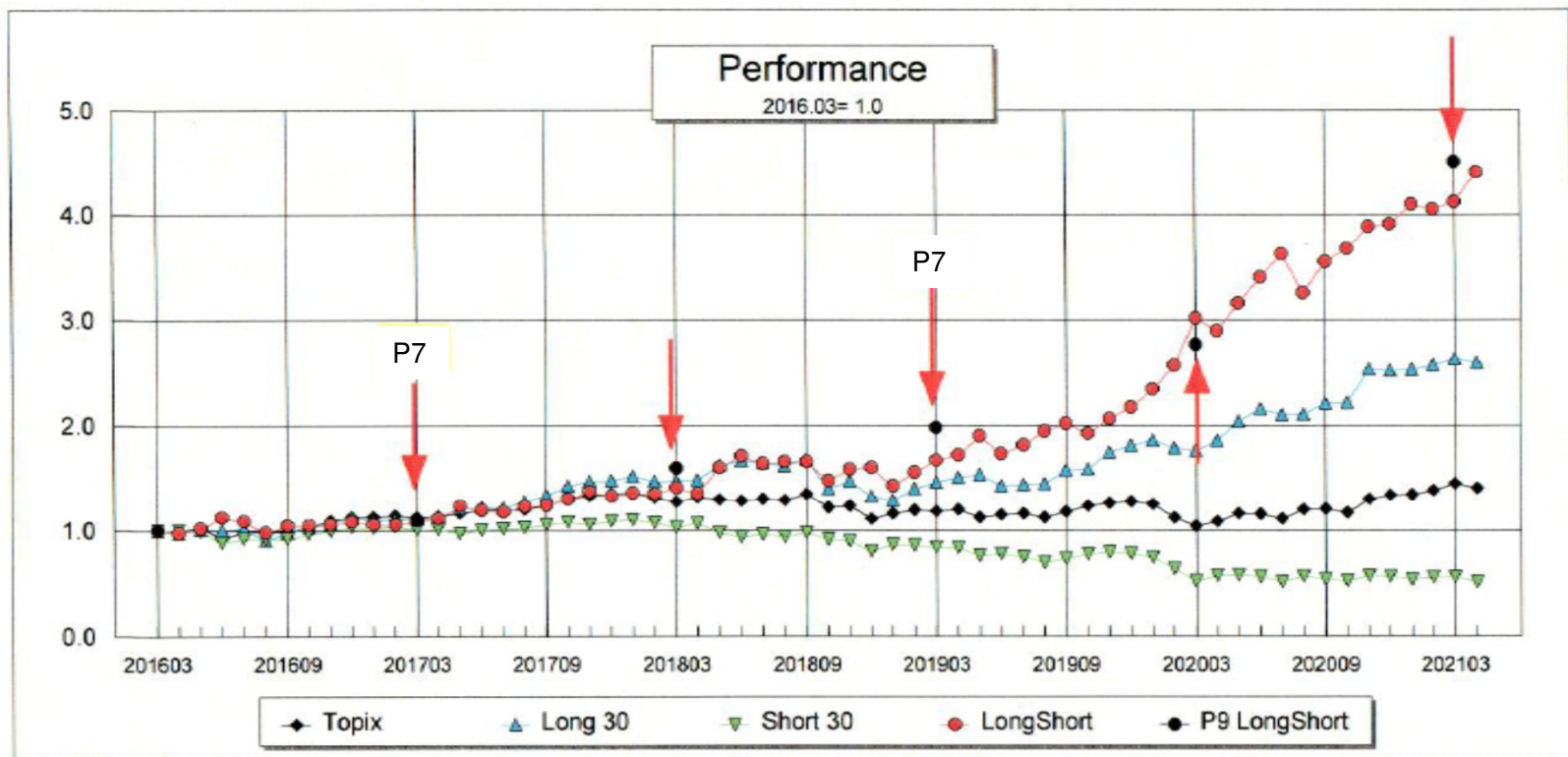


Yuki Investments

## Japan All Listed Companies

Comparison to Historical Analysis

2016.01 - 2021.04

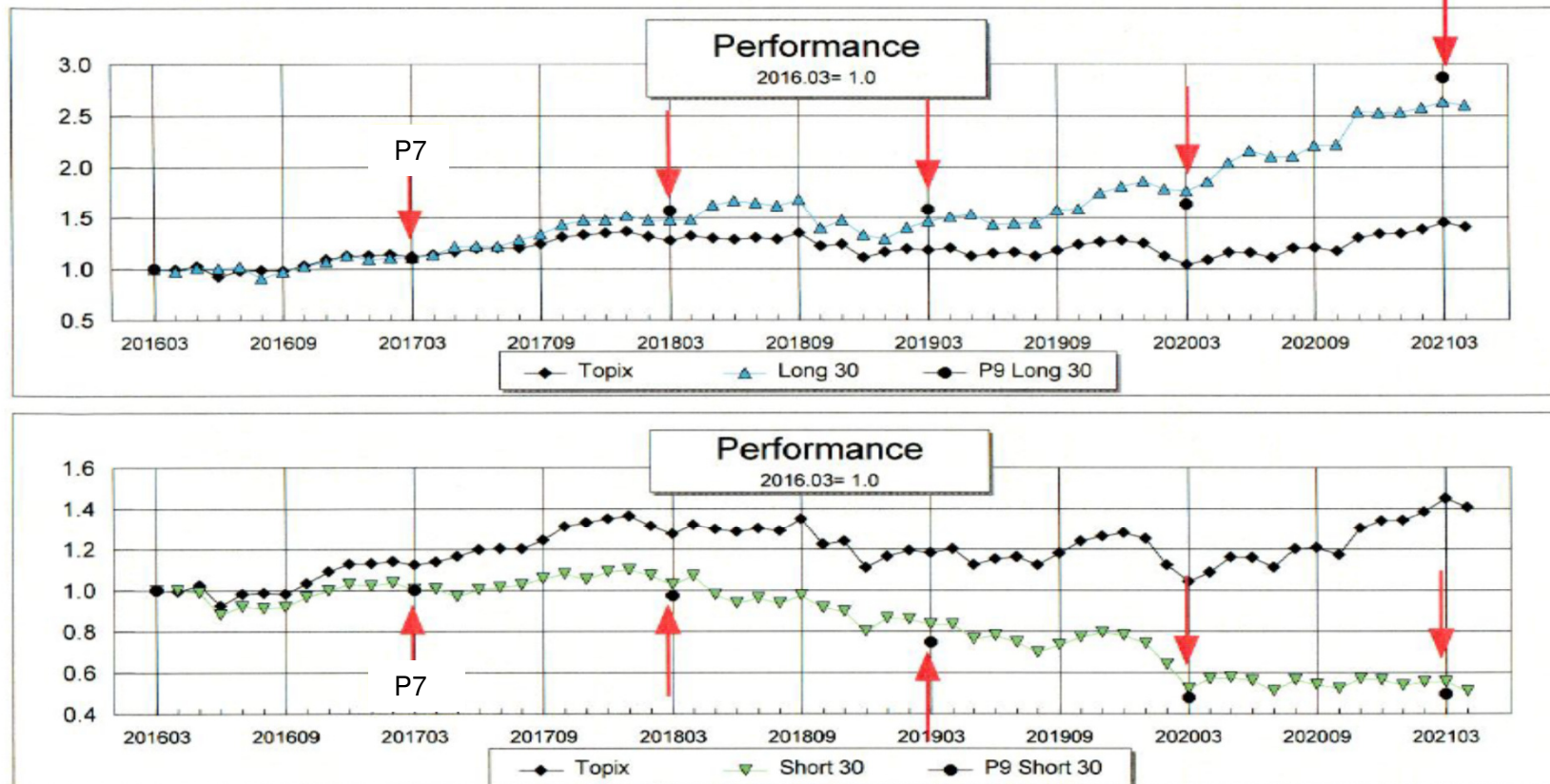


Yuki Investments

## Japan All Listed Companies

Comparison to Historical Analysis

2016.01 - 2021.04



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## Japan All Listed Companies

2016.01 - 2021.04



Yuki Investments

## Appendix: Team Bios

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### Magotaka Oshitani: Director, Fund Manager, Senior Analyst

Mr. Magotaka (“Taka”) Oshitani is a renowned fund manager with more than 14 years of investment and analyst experience.

Mr. Oshitani is the fund manager of three highly ranked Japan long-only equity funds on the Bloomberg list of offshore funds: Yuki Japan Rebounding Growth Fund (UCITs), Yuki Japan Low Price Fund and Yuki Japan Value Select Fund. He is also the fund manager of an absolute return global fund launched at the end of April 2014, Yuki Global Select Fund.

His experience includes:

- 2003 – Director of Yuki Asset Management Co., Ltd. (Japan)
- 2003 – Director of Yuki Investments Co., Ltd. (Japan)
- 2003 – Data Analysis for Yuki Matrix
- 2007 – Analyst at Yuki Management and Research Co., Ltd. (Japan)
- 2010 – Fund Manager at Yuki Management and Research Co., Ltd. (Japan)
- 2011 – Portfolio Manager of Yuki Japan Rebounding Growth Fund
- 2012 – Portfolio Manager of Yuki Japan Value Select and Low Price Fund

Mr. Oshitani graduated with a degree in Engineering from Aoyama Gakuin University in Tokyo.

## Team Bios (cont'd)

### Magoyuki Oshitani: Founder, Group CIO

Mr. Magoyuki (“Yuki”) Oshitani is a renowned portfolio manager who has been managing funds and training Yuki investment team managers and other investment professionals for over 40 years.

Mr. Oshitani was a senior portfolio manager and senior analyst at Fidelity Investments Japan prior to founding Yuki Asset Management in 1992. Mr. Oshitani has been in the Investment Management industry since 1976, and involved in managing portfolios since 1983. He is a highly acclaimed portfolio manager with numerous recognitions.

Mr. Oshitani’s experience includes:

1976 – 1983	Senior Analyst / Strategist at Tachibana Securities
1983 – 1985	Senior Analyst / Portfolio Manager at Fidelity International (Japan) Limited
1985 – 1990	Director / Fidelity Int’l Investment Advisors (Japan) Limited
1990 – 1991	Senior Portfolio Manager at Fidelity Investments Japan Limited
1991 –	President of Yuki Asset Management Co., Ltd. (Japan)
1996 –	President of Yuki Investments Co., Ltd. (Japan)
2001 –	Founder of Yuki Management and Research Co., Ltd. (Japan)

Mr. Oshitani graduated with M.B.A. for Electro Communications and System Engineering from the University of Electro Communications in Tokyo.



## Disclaimer

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