

# Yuki Low Price Strategy

On February 2, 2004, Yuki launched the Yuki Japan Low Price Fund in Ireland as an AIFM unit trust. The last investors redeemed their holdings in September 2020. The fund’s strategy focuses on companies that are undergoing significant positive changes of operational performance akin to what Yuki calls a “second IPO,” changes that improve the fundamentals of the companies. Companies in the portfolio typically have low equity ratios.

Companies with low equity ratios face the risk of bankruptcy. Even if they are achieving both BPS and EPS growth, such companies struggle when the market is in a risk-off phase. Alternatively, these companies can thrive, especially during risk-on periods, as their management teams chart a path to recovery. Thanks to the local presence and unique native capabilities of its investment team, Yuki has demonstrated that it can sort through these at-risk companies and identify and invest in the best prospects, achieving excellent long-term returns for investors. This is a strategy that is unique to Yuki.

The strategy has more volatility and should be viewed as a long-term opportunity. The strategy has a capacity of JPY150 billion and is suitable for investors with an investment horizon of three years or more.

Since launch, the fund produced the following returns:

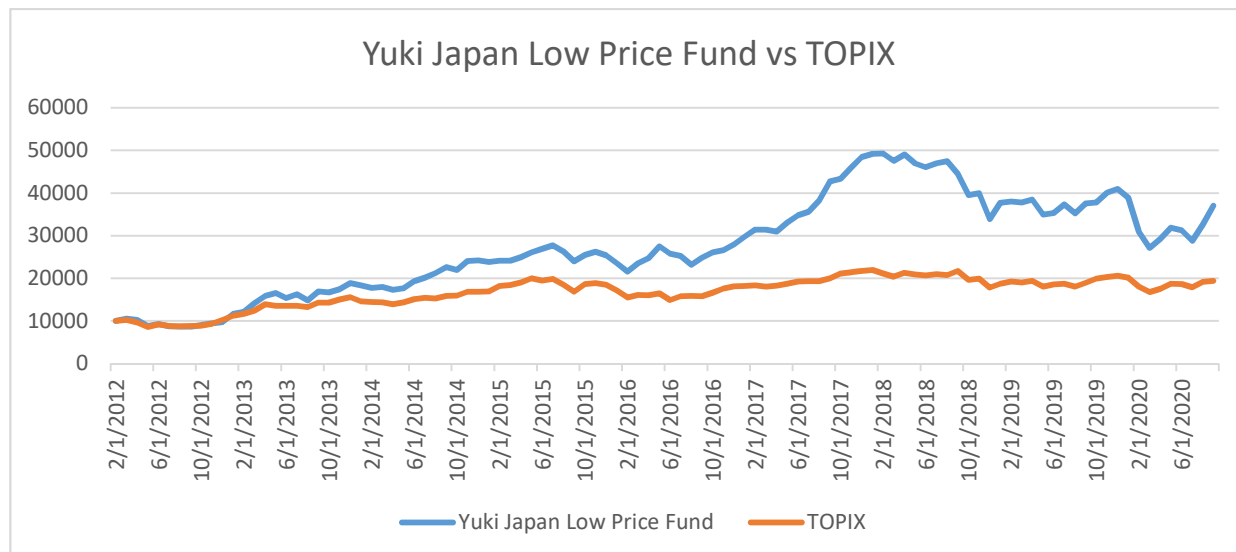
## Annualized Returns

Sep-20	1m	3m	6m	1yr	2yr	3yr	5yr	Feb-04
Japan Low Price	13.53%	18.30%	36.30%	-1.50%	-8.72%	-4.62%	8.93%	8.77%
TOPIX	1.28%	4.28%	15.85%	2.37%	-5.34%	-0.98%	2.83%	1.88%

## Cumulative Returns

Sep-20	1m	3m	6m	1yr	2yr	3yr	5yr	Feb-04
Japan Low Price	13.53%	18.30%	36.30%	-1.50%	-16.91%	-13.42%	54.37%	287.24%
TOPIX	1.28%	4.28%	15.85%	2.37%	-10.55%	-2.94%	15.19%	37.00%

Magotaka Oshitani (“Taka”) took over as fund manager in February 2012. Since then the fund produced the following returns through September 2020 when the last investor redeemed:



The net annualized returns under Taka’s management are 16.46%, or 270.12% in aggregate. For reference, the annualized return of the TOPIX for the period was 8.05%, or 94.44% in aggregate.