

# Yuki Asia Umbrella Fund Yuki Japan Rebounding Growth Fund

2018 LIPPER FUND AWARD, UK  
EQUITY JAPAN BEST FUND OVER 3 YEARS  
EQUITY JAPAN BEST FUND OVER 5 YEARS



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## FUND PROFILE

**OBJECTIVE** Long-term capital appreciation through investment in equities of Japanese companies that are achieving EPS growth through the skillful execution of unique business models that are well suited to the economic environment and growth opportunities

**APPROACH** Intensive bottom-up research (company visits, interviews and fundamental analysis) with utilization of proprietary database of over 3,800 companies

**SUITABILITY** Institutional investors with a long term view

## FUND MANAGER'S COMMENT | OVERVIEW

Our outlook as of May 31 for corporate performance for the fiscal year ending March 2022 for the 1,980 companies that actually announced their forecasts is as follows: ordinary income up 23.2% from the previous year, net income up 32.7% from the previous year and gross dividends up 1.2% from the previous year. The Japanese stock market started to rise after the Golden Week holidays at the beginning of the month on the expectation of a recovery in the U.S. economy, but then fell on concerns about inflation when the U.S. long-term interest rate climbed after consumer prices experienced a sharp rise of 4.2%. From mid-month the concerns over the rise in U.S. long-term interest rates and inflation subsided, and expectation of progress in the delayed Coronavirus vaccinations and economic recovery in Japan led to the market's rise. As far as outlook for corporate performance, although there are concerns about the shortage of procured parts such as semiconductors and rising prices of raw materials such as steel and lumber, many companies expect an increase in profit due to the recovery of capital investment demand and the expansion of IT-related investment. We think it important to continue our due diligence and company visits to select companies that are expected to achieve EPS growth over the medium to long term.

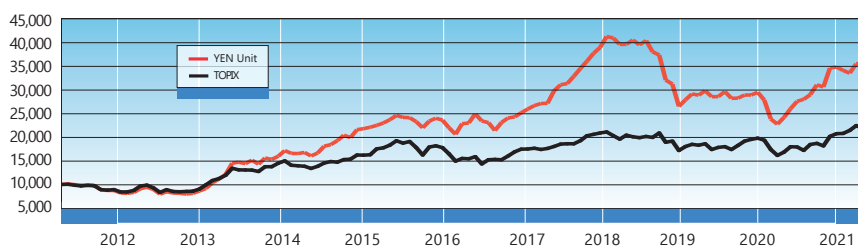
## Investment Themes

### WITH THIS IN MIND WE ARE BUILDING OUR PORTFOLIO AROUND THE FOLLOWING THEMES:

1. Companies that have established highly profitable business models that will enable them to achieve a high level of earnings growth over the medium to long term;
2. Companies with sustainable earnings growth over the medium to long term in the hardware and software fields that contribute to the actualization of IoT and 5G, which are part of the fourth industrial revolution;
3. Companies that contribute to customer productivity improvement by providing services using IoT and 5G;
4. Companies that are supportive of lifestyle changes brought on by the Coronavirus;
5. Japanese bellwether companies with EPS growth and low stock price volatility.

## PERFORMANCE CHART

YEN UNIT CLASS



## FUND FACTS

|                             |   |
|-----------------------------|---|
| Market Coverage             | Japanese Equities   |
| Currency                    | Japanese Yen, U.S. Dollar, or Euro  |
| Inception Date              | 30 March 2011 Yen Unit Class<br>19 August 2015 USD Hedged Unit Class<br>01 May 2018 EUR Hedged Unit Class |
| ISIN Code                   | IE00B3VGGSP84 Yen Unit Class<br>IE00BVRZ9185 USD Hedged Unit Class<br>IE00BDRTDF67 EUR Hedged Unit Class  |
| Bloomberg Code              | YUKJJPY:ID Yen Unit Class<br>YUKIUSD:ID USD Hedged Unit Class<br>YUKIEUR:ID EUR Hedged Unit Class         |
| Total Net Asset             | ¥6,684 Million  |
| Unit NAV                    | ¥36,452 Yen Unit Class<br>\$1,502.96 USD Hedged Unit Class<br>€894.63 EUR Hedged Unit Class               |
| Legal Classification        | UCITS regulated by<br>Central Bank of Ireland   |
| Listed                      | Irish Stock Exchange  |
| Reporting Year End          | July  |
| Subscription / Redemption   | Daily   |
| Minimum Investment          | ¥1,000,000 Yen Unit Class<br>\$10,000 USD Hedged Unit Class<br>€10,000 EUR Hedged Unit Class              |
| NAV Calculations            | Daily   |
| Manager                     | Carne Global Fund Managers (Ireland) Ltd<br>Dublin  |
| Trustee                     | BNY Mellon Trust Company (Ireland) Ltd<br>Dublin  |
| Investment Manager          | Yuki Management & Research Co. Ltd<br>Tokyo   |
| Fund Manager                | Magotaka Oshitani   |
| Administrator               | BNY Mellon Fund Services (Ireland) DAC<br>Dublin  |
| Auditor                     | PricewaterhouseCoopers<br>Dublin  |
| International Placing Agent | Yuki - Co, LLC  |

## CONTACTS

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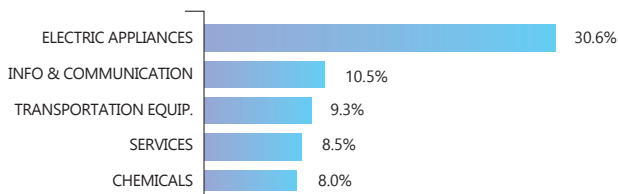
## FUND MANAGER'S COMMENT | REVIEW

Through company visits and earnings announcement meetings, the fund manager added new positions, confirmed existing positions, and increased the weightings of some positions. One company of note, Sanyo Denki (6516), continues to receive a high level of orders brought on by the revival of corporate capital investment. Production of cooling fans for data centers, factory automation equipment mainly for China, and servo motors for robots—their main products—is strong, and we expect record high profits for the current fiscal year. The company has successfully differentiated itself with its strategy of specializing in niche and high value-added products that do not get entwined in price competitions. In addition to increasing production, Sanyo Denki plans to focus on labor saving in its production system with the aim of increasing gross profit margin; therefore, we anticipate EPS growth of 90% in the current fiscal year and EPS growth of more than 10% from next fiscal year and beyond, which is more than sales growth. We will continue to hold our position.

## PERFORMANCE DATA

|  | YTD  | 1M   | 3M   | 6M    | 1Y    | 3Y     | 5Y    | Inception |
|--|------|------|------|-------|-------|--------|-------|-----------|
| <b>FUND</b>                                      | 4.0% | 1.5% | 8.0% | 4.6%  | 39.3% | -10.7% | 45.5% | 264.5%    |
| <b>TOPIX</b><br><small>(excl. dividends)</small> | 7.9% | 2.6% | 4.4% | 11.0% | 24.5% | 11.4%  | 41.1% | 124.9%    |

## SECTOR BREAKDOWN



## FEES

|   |                 |
|---|-----------------|
| Manager                                 | 0.015%          |
| Administrator                           | 0.085% - 0.025% |
| Trustee                                 | 0.02%           |
| Investment Manager<br>and Placing Agent | 1.50%           |

Plus hedge cost for USD Hedged Unit Class

Please see prospectus for details  
[minimum charge may apply]

## TOP HOLDINGS

|                                     |              |
|-------------------------------------|--------------|
| <b>1</b> Tokyo Electron Ltd (8035)  | 4.6%         |
| <b>2</b> Aisin Corp (7259)          | 3.8%         |
| <b>3</b> Nintendo Co Ltd (7974)     | 3.7%         |
| <b>4</b> Minebea Mitsumi Inc (6479) | 3.6%         |
| <b>5</b> Capcom Co Ltd (9697)       | 3.4%         |
| <b>6</b> Toyota Motor Corp (7203)   | 3.0%         |
| <b>7</b> Lasertec Corp (6920)       | 2.9%         |
| <b>8</b> Daikin Industries (6367)   | 2.9%         |
| <b>9</b> Asahi Kasei Corp (3407)    | 2.9%         |
| <b>10</b> Ibiden Co Ltd (4062)      | 2.7%         |
| <b>TOTAL</b>                        | <b>33.6%</b> |

## FUND MANAGER'S COMMENT | Future Strategy

The stock market ended positive in May. With the interest rate rise of the U.S. long-term government bonds, profit-taking of growth businesses with high PERs continued through the middle of the month but when that stabilized, funds flowed to companies with an emphasis on fundamentals. The market saw funds flow to companies with favorable earnings in the new fiscal year, and we expect that flow to companies with good fundamentals will continue. We think there will be fluctuations in stock prices due to the noise of rising yields on long-term U.S. government bonds triggered by the rise in U.S. consumer prices, but stocks that rose to excessively high PER levels through last fiscal year will be more controlled. Companies with unique business models and high market share are expected to continue to achieve EPS growth beyond the March 2022 fiscal year, and we anticipate that the performance of growth companies will continue to draw attention even post-Corona.

Our investment policy is to focus on fundamentals, building a portfolio focused on companies undergoing a high rate of change with a superior market advantage. We will adjust our position weightings based on target prices using our 3-year earnings estimates, and thoroughly analyze and evaluate company earnings to focus our investments on companies that we expect will improve profits over the mid- to long-term and have high EPS growth momentum based on unit sales growth.

**DISCLAIMER:** This material is intended to report solely on the investment strategies and opportunities identified by Yuki. Additional information is available upon request. Information herein is believed to be reliable but Yuki does not warrant its completeness or accuracy. Opinions and estimates constitute Yuki's judgement and are subject to change without notice. Past performance is not indicative of future results. The material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Yuki and/or its affiliates and employees may hold a position or act as advisor to such issuer. The investments and strategies discussed herein may not be suitable for all investors; if you have any doubts you should consult your own advisor or broker. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. You should consult your tax or legal adviser about the issues discussed herein. The investments discussed may fluctuate in price or value. Investors may get back less than they invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments.

**ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND:** The Fund, including its Sub-Fund, is compliant with Swiss law for distribution to qualified investors in or from Switzerland. The Swiss representative is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland. Investors in Switzerland can obtain the documents of the Fund, such as the Prospectus, the Trust Deed, the Key Investor Information Documents (KIID) and the financial reports free of charge from the Swiss representative. This document may only be issued, circulated or distributed so as not to constitute an offering to the general public in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Swiss representative.