

# Yuki Asia Umbrella Fund Yuki Japan Rebounding Growth Fund USD Hedged Unit Class

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



28 FEBRUARY 2022 | PAGE 1 OF 2

## 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 February 28 for corporate performance for the fiscal year ending March 2022 for the 2,036 companies that actually announced their forecasts is as follows: ordinary income of ¥64.2 trillion up 35.5% from the previous year, net income of ¥44.6 trillion up 49.4% from the previous year, and gross dividends of ¥14.9 trillion up 13.0% from the previous year. The Japanese stock market rebounded at the beginning of the month following concerns in late January over rising U.S. interest rates, but then was sluggish due to the high infection rate in Japan of the Omicron variant of Coronavirus and soaring raw material and fuel prices. Then from mid-month market moved uncertainly on caution over the geopolitics of Russia's invasion of Ukraine. On the upside, corporate earnings have been solid. Although the prolonged difficulty in procuring parts and the turmoil over logistics have not been resolved, profits are expected to grow with the success of increasing exports and pricing policies following the recovery of overseas economies. We think it important to continue to conduct due diligence and select companies that can expect medium- to long-term EPS growth.

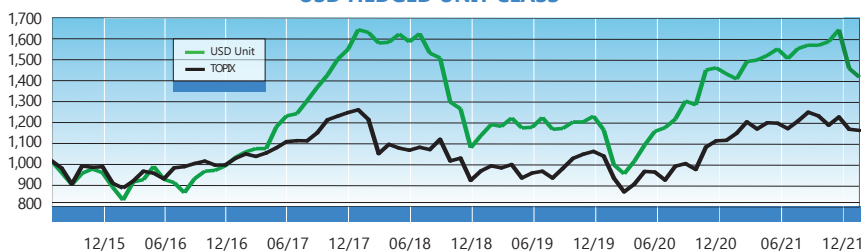
## Investment Themes

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

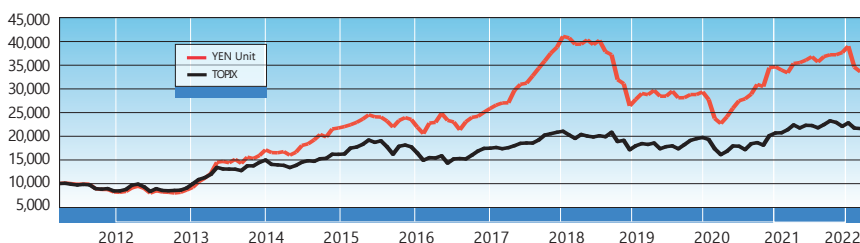
1. Companies that have established highly profitable business models that will enable them to achieve a high level of earnings growth over the medium to long term;
2. Companies with sustainable earnings growth over the medium to long term in the hardware and software fields that contribute to the actualization 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 use environmental regulation and energy saving problem solving as opportunities for growth through research and development;
5. Japanese bellwether companies with EPS growth and low stock price volatility.

## PERFORMANCE CHART

### USD HEDGED UNIT CLASS



### YEN UNIT CLASS



## FUND FACTS

Market Coverage	Japanese Equities	
Currency	U.S. Dollar, Japanese Yen, or Euro	
Inception Date	19 August 2015	USD Hedged Unit Class
	30 March 2011	Yen Unit Class
	01 May 2018	EUR Hedged Unit Class
ISIN Code	IE00BVRZ9185	USD Hedged Unit Class
	IE00B3VGSP84	Yen Unit Class
	IE00BDRTDF67	EUR Hedged Unit Class
Bloomberg Code	YUKIUSD:ID	USD Hedged Unit Class
	YUKIJPY:ID	Yen Unit Class
	YUKIEUR:ID	EUR Hedged Unit Class
Total Net Asset	¥6,267 Million	
	-\$11 Million	USD Hedged Unit Class
	-\$4,566 Million	Yen Unit Class
	-€2.90 Million	EUR Hedged Unit Class
Unit NAV	\$1,399.34	USD Hedged Unit Class
	¥33,966	Yen Unit Class
	€827.13	EUR Hedged Unit Class
Legal Classification	UCITS regulated by Central Bank of Ireland	
Listed	Irish Stock Exchange	
Reporting Year End	July	
Subscription / Redemption	Daily	
Minimum Investment	\$10,000	USD Hedged Unit Class
	¥1,000,000	Yen Unit Class
	€10,000	EUR Hedged Unit Class
NAV Calculations	Daily	
Manager	Carne Global Fund Managers (Ireland) Ltd Dublin	
Trustee	BNY Mellon Trust Company (Ireland) Ltd Dublin	
Investment Manager	Yuki Management & Research Co. Ltd Tokyo	
Fund Manager	Magotaka Oshitani	
Administrator	BNY Mellon Fund Services (Ireland) DAC Dublin	
Auditor	PricewaterhouseCoopers Dublin	
International Placing Agent	Yuki-Co, LLC	

## CONTACTS

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28 FEBRUARY 2022 | PAGE 2 OF 2

## FUND MANAGER'S COMMENT | REVIEW

Through company visits and participation in earnings announcement meetings, the fund manager added new positions, confirmed existing positions, and increased the weightings of some positions. One company of note is Daishinku (6962), a company that supports the supply of crystal devices, which are indispensable for 5G, WiFi and Bluetooth compatible devices, a market that continues to expand. In the past, prices were falling due to oversupply with the increased production of general-purpose products by overseas manufacturers, but unit prices for precision products with miniaturization technology that respond to the needs of smartphone manufacturers have been reevaluated, and unit prices have increased. Sales margins have expanded rapidly as unit sales have grown. Daishinku's superiority in miniaturization technology is making it difficult for other Asian competitors to catch up, and we anticipate the company to benefit in the medium to long term from market expansion due to volume increase. The company is actively making capital investments to support increased demand from the next fiscal year onward. Daishinku has additionally succeeded in gaining pricing power in response to further volume increases with the expanding needs for electrical equipment in automobiles, and we can expect improvements in profitability from the next fiscal year onward. The company's medium-term plan over the next 3 years or so is to start mass production of larger wafers as raw material, and that even if prices fall their strategy is that they can reduce costs through mass production, and we will continue to hold this stock as we anticipate EPS growth in the medium to long term.

## PERFORMANCE DATA

### USD HEDGED UNIT CLASS

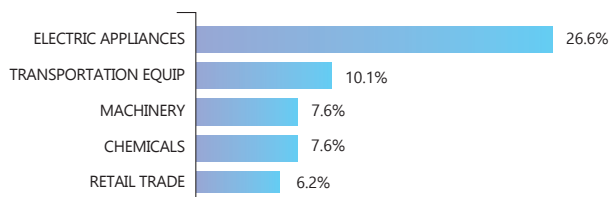
	YTD	1M	3M	6M	1Y	3Y	5Y	Inception
FUND	-13.9%	-2.9%	-10.8%	-8.9%	0.6%	19.3%	34.3%	39.9%
TOPIX <small>(excl. dividends)</small>	-5.3%	-0.5%	-2.1%	-3.8%	1.2%	17.4%	22.9%	14.5%

\*Note: TOPIX figures are stated in USD terms for this table.

### YEN UNIT CLASS

	YTD	1M	3M	1Y	3Y	5Y	10Y	Inception
FUND	-13.9%	-2.9%	-10.8%	0.6%	15.8%	26.6%	274.36%	239.7%
TOPIX <small>(excl. dividends)</small>	-5.3%	-0.5%	-2.1%	1.2%	17.4%	22.9%	75.68%	117.9%

## SECTOR BREAKDOWN



## FEES

Manager	0.015%
Administrator	0.085% - 0.025%
Trustee	0.02%
Investment Manager & Placing Agent	1.50%
Hedge Cost	0.07%

Please see prospectus for details  
[minimum charge may apply]

## TOP HOLDINGS

1 Toyota Motor Corp (7203)	3.7%
2 Ebara Corp (6361)	3.5%
3 Kadokawa Corp (9468)	3.4%
4 Maruwa Co. Ltd (5344)	3.3%
5 Shinko Electric Ind. (6967)	3.3%
6 Tokyo Electron Ltd (8035)	3.0%
7 Sony Group (6758)	3.0%
8 Marui Group (8252)	2.9%
9 Ibiben Co Ltd (4062)	2.9%
10 Dexterity Corp (4980)	2.8%
<b>TOTAL</b>	<b>31.8%</b>

## FUND MANAGER'S COMMENT | Future Strategy

The Japanese market ended negative in February. Continuing from January, concerns over the expansion of U.S. monetary tightening and Russia's invasion of Ukraine triggered a global risk-off phase that continued the decline. By the end of the month we were starting to see signs of reversal of last month's comment about the gradual decline in accelerated drop off of high PER stocks that had benefitted from zero interest rates and profit-taking of semiconductor- and electronic component-related stocks rising in line with fundamentals since last year. Since the PER ratio (12.2x) of growth stocks is lower than the Japanese market overall (15.3x), a rise in stock price is expected for companies with reasonable PERs. In the earnings announcements that began in late January, capital has continued to shift to high-earning stocks, and companies with unique business models and high market share will be able to sustain sales growth from the next fiscal year onward and will be able to pass on price increases even in inflationary conditions such as rising raw material prices, so EPS growth will also be sustainable. For this reason, we anticipate that the flow of investment into growth companies will continue post-Coronavirus. 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 medium to long term and have high EPS growth momentum based on unit sales growth.

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