

# 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



## MARKETING COMMUNICATION

PLEASE SEE PROSPECTUS FOR DETAILS BEFORE INVESTING

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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** We start by analyzing all 4000 listed Japanese companies and screening them for growth characteristics. Companies with the qualities we require become our Growth Universe (typically 300-600 companies). Afterwards, the investment team meets with the key decision makers at each of these companies and conducts deep due diligence to determine which ones are the best growth companies in Japan right now. Finally we invest in the best of these companies to optimize appreciation potential.

**SUITABILITY** Institutional investors who want alpha from Japan.

## FUND MANAGER'S COMMENT | OVERVIEW

Our outlook as of January 31 for corporate performance for the fiscal year ending March 2024 (for the 2,082 companies that actually announced their forecasts) is as follows: operating income of ¥60.3 trillion up 10.7% from the previous year, ordinary income of ¥75.7 trillion up 5.8% from the previous year, net income of ¥52.1 trillion up 5.4% from the previous year, and gross dividends of ¥18.2 trillion up 4.9% from the previous year. The Japanese stock market rose. The rise in stock prices in the U.S., mainly in high-tech related industries due to strong corporate financial results, had a ripple effect, along with the tailwind of the yen's depreciation, increased investment in Japanese stocks by overseas investors and the inflow of funds through the Small Investment Tax Exemption Program (new NISA). On the other hand, in terms of earnings, the third quarter results of companies whose fiscal years end in March are generally strong, especially with an increase in the number of visitors to Japan and the penetration of price increases among domestic demand-related companies such as transportation and services. There are many important elections scheduled to be held in the future, including the U.S. presidential elections, and although there are concerns about political instability in Japan, including issues surrounding political funding, we think that corporate earnings will continue to be solid.

## Investment Themes

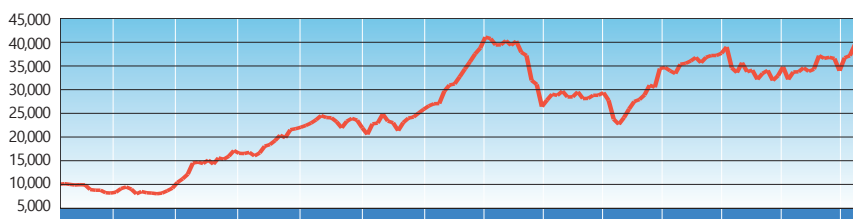
### WITH THIS IN MIND WE ARE BUILDING OUR PORTFOLIO AROUND THE FOLLOWING THEMES:

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 offer the latest devices that utilize the infrastructure of the Fourth Industrial Revolution and take part in improving customer productivity;
4. Companies that respond to environmental regulations through EV and electrical equipment, which are next-generation themes of the automobile industry where supply and demand are tight;
5. Companies that are resistant to current inflation and maintain high profitability.

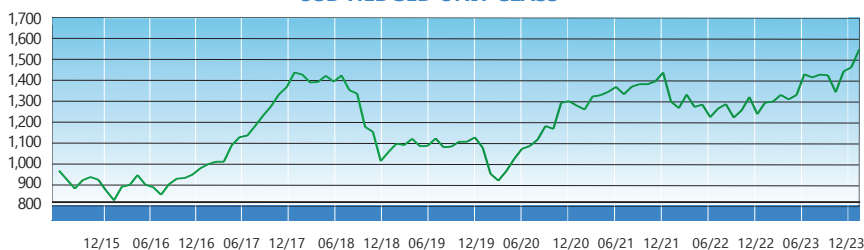
## PERFORMANCE CHART

Past performance does not predict future returns

### YEN UNIT CLASS



### USD HEDGED UNIT CLASS



## FUND FACTS

Market Coverage	Actively Managed Japanese Equity Fund	
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	¥4,502 Million	
	-\$10.85 Million	USD Hedged Unit Class
	-¥3,352 Million	Yen Unit Class
	-€3.34 Million	EUR Hedged Unit Class
Unit NAV	\$1,773.19	USD Hedged Unit Class
	¥39,970	Yen Unit Class
	€1,000.09	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
	€1,000	EUR Hedged Unit Class
NAV Calculations	Daily	
Manager	Bridge Fund Management 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	Deloitte Dublin	
International Placing Agent	Yuki-Co, LLC	

## CONTACTS

### For Fund Prospectus & Application Form:

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## MARKETING COMMUNICATION

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## 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 MacBee Planet (7095), which helps attract customers through web advertising. In general, even now, as technology advances, web advertising continues to be inefficient, with ads reaching people other than those targeted by advertisers. The company's service is highly accurate and delivers advertisements to people its clients really want, and this accuracy of delivering advertisements to people who are likely to make a purchase increases the cost-effectiveness for clients. Based on MacBee Planet's track record, it has been able to acquire new clients and expand the advertising budgets of existing clients, leading to higher unit prices and continued profit growth. Starting this fiscal year, the company plans to transfer this know-how to the companies acquired through M&A, not only to increase sales profits in the short term, but also to improve profit margins in the medium to long term, accelerating EPS growth. We expect annual EPS growth of nearly 30% over the next three years.

## 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 and the applicable KIID before making any final investment decisions

## PERFORMANCE DATA

Past performance does not predict future returns

### YEN UNIT CLASS

	YTD	1M	3M	1Y	3Y	5Y	10Y	Since Inception
FUND	6.4%	6.4%	16.3%	17.3%	16.4%	42.5%	140.3%	14.0% p.a.

### USD HEDGED UNIT CLASS

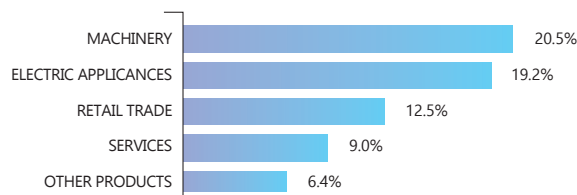
	YTD	1M	3M	1Y	3Y	5Y	10Y	Aug 2015
FUND	6.8%	6.8%	18.1%	23.6%	25.3%	58.3%	NA	77.3%

Data source: Ireland Stock Exchange

## TOP HOLDINGS

1	Mitsubishi Heavy Industries (7011)	3.6%
2	NEC Corp (6701)	3.2%
3	Takeuchi Mfg (6432)	3.2%
4	Okamura Corp (7994)	3.0%
5	Hitachi Construction Machine (6305)	2.9%
6	Ryohin Keikaku Co (7453)	2.8%
7	Sotetsu Holdings (9003)	2.8%
8	Kasumigaseki Capital Co (3498)	2.6%
9	Itoki Corp (7972)	2.4%
10	Tokyo Electron Ltd (8035)	2.2%
<b>TOTAL</b>		<b>28.7%</b>

## SECTOR BREAKDOWN



## FUND MANAGER'S COMMENT | Future Strategy

The market ended positive in January. Our analysis is that the rise was due to a combination of expectations for a change in Japanese companies placing more emphasis on stock price measures, coupled with the steady rise in Japanese inflation and the inflow of funds from foreign investors who expect companies will pass on the increased costs in their product pricing, thereby improving earnings. Our analysis further shows that with the recent rapid depreciation of the yen, stock prices rose for the companies that are likely to benefit from the weak yen, especially the large-cap companies with a PBR in the 1x range. Growth companies were also on the rise in January, but our analysis shows that within that group fund allocations were concentrated in large-cap stocks with relatively low PBRs. Although concerns remain about an economic slowdown, centering on China, our analysis is that the U.S. stock market is regaining its calm due to stabilization of economic activity, which takes into account pre-Lehman Shock interest rate levels in the U.S. There is great potential for growth companies in the Japanese market when investors prefer to focus on fundamentals, and against the TOPIX's PER multiple of 16.7x, the PER of companies with good earnings that are trading at fair value has dropped to the 13.2x level, while the PER multiple of small-cap growth companies is 12.5x, and when the market's upward trend is in place, we expect that these companies will rise significantly. Regardless of economic boom or bust, our analysis is that 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 the face of concerning inflationary conditions such as rising raw material prices, so EPS growth will also be sustainable. 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.

**DISCLAIMER:** This document should be considered a marketing document. The Fund's prospectus has detailed descriptions of the Fund's risks and rewards. Before investing, review the Fund's full Prospectus and Supplement together with the applicable KIID and the most recent annual and semi-annual reports. You can get free copies from yukifunds.com or jeffcollett@yukico-llc.com, the Administrator, or the local paying agent in jurisdictions in which the Fund is authorized for distribution. A summary of investors rights associated with an investment in the fund is available online in English at yukifunds.com and a paper copy is available upon request by emailing jeffcollett@yukico-llc.com. If the Fund terminates its application for registration in any jurisdiction shareholders located in the effected EEA Member state will be notified of this decision and will be provided the opportunity to redeem their holding in the fund free of any charges or deductions for at least 30 working days from the date of such notification. This document is not an offer or solicitation to subscribe for Fund units. It is for the information of professional/sophisticated investors, except where the Fund is registered for public offer and this document may be used by all investors. The Fund's offering may be restricted or on a private placement basis in many jurisdictions. Contact your representative for the jurisdictions where the Fund is registered or passported. Do not use or distribute this document where authorization for distribution is required, unless the Fund is so authorized. The Investment Manager may facilitate the distribution of Fund units through financial intermediaries. ANY PERSON FORWARDING THIS MATERIAL TO OTHERS TAKES FULL RESPONSIBILITY FOR ENSURING COMPLIANCE WITH ALL APPLICABLE LAW IN CONNECTION THEREWITH.