

# 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 June 28 for corporate performance for the fiscal year ending March 2025 (for the 2,049 companies that actually announced their forecasts) is as follows: operating income of ¥62.3 trillion up 3.9% from March 2024, ordinary income of ¥79.3 trillion up 0.4% from the previous year, net income of ¥54.0 trillion down 1.2% from the previous year, and gross dividends of ¥19.4 trillion up 3.9% from the previous year. Expectations for interest rate cuts rose as the consumer price index in the U.S. was lower than expected, and the Japanese stock market also rose, led by semiconductor-related stocks, as well as large-cap stocks, which had been lagging. The rate of increase was especially high in the final week of June, and the depreciation of the yen to the 160 level also supported inflows from overseas investors. For corporate earnings, while inventory adjustments related to electronic components are currently progressing and signs of recovery are being seen, many medium-term management plans have been announced that anticipate increasing demand for products such as memory for data centers and semiconductor testers as the generative AI-related market expands. We think it is important to continue to conduct due diligence and select companies that can expect medium- to long-term EPS growth.

## Investment Themes

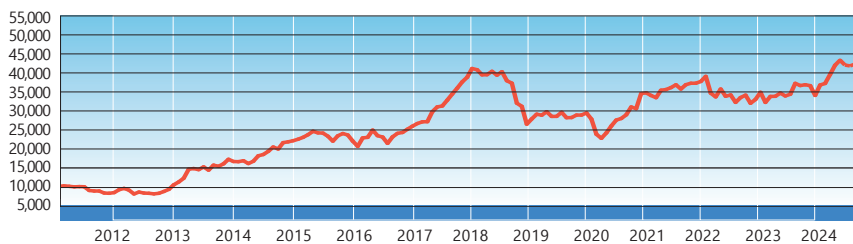
### WITH THIS IN MIND WE ARE BUILDING OUR PORTFOLIO AROUND THE FOLLOWING THEMES:

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 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	¥4,846 Million	
	-\$11.15 Million	USD Hedged Unit Class
	-¥3,657 Million	Yen Unit Class
	-€3.89 Million	EUR Hedged Unit Class
Unit NAV	\$1,938.19	USD Hedged Unit Class
	¥42,736	Yen Unit Class
	€1,086.21	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	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 Tsumura, which has an 80% share of the domestic herbal medicine market. Using naturally occurring herbal medicines, Tsumura has the technological edge that enables uniformity in the process of combining herbal medicines from variations of crude drugs to create the final product as well as developing unique products in a creative way, and is highly rated by prescribing doctors. As a result of the company's educational activities, the number of doctors who choose herbal medicines when prescribing to elderly persons and women has increased to 40% of the total, contributing to market expansion. Additionally, as a result of awareness campaigns, pharmaceutical wholesalers have recognized the usefulness of herbal medicines and have changed their traditional practice of selling at excessively reduced prices. There have also been changes in the supply environment for herbal medicines to replace domestic generic drug production shortages, and from this year the prices for Tsumura's herbal medicines have increased by nearly 20%. As demand continues to be strong, the company plans capital investment from this fiscal year, and we can expect EPS growth as the increase in profitability due to price increases will contribute not only to this fiscal year but also to the next fiscal year and beyond. We have increased our position as the change in dividend policy is expected to support the share price as the company becomes more proactive in returning profits to shareholders.

## FEES

Manager	0.015%
Administrator	0.085% - 0.025%
Trustee	0.02%
Investment Manager &	1.50%
Placing Agent	
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	13.8%	1.1%	-2.4%	13.7%	14.9%	48.7%	135.3%	11.6% p.a.

### USD HEDGED UNIT CLASS

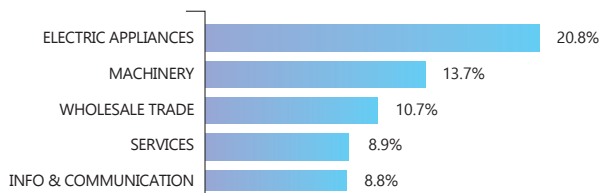
	YTD	1M	3M	1Y	3Y	5Y	10Y	Aug 2015
FUND	16.8%	1.5%	-1.0%	20.0%	26.3%	67.2%	NA	93.8%

Data source: Ireland Stock Exchange

## TOP HOLDINGS

1	Takasago Thermal Engineering (1969)	4.1%
2	Kawasaki Heavy Industries (7012)	4.0%
3	NEC Corp (6701)	3.8%
4	Takeuchi Mfg (6432)	3.2%
5	Tsumura & Co (4540)	3.0%
6	Marubeni Corp (8002)	2.9%
7	Sumitomo Forestry Co (1911)	2.9%
8	Kagome Co Ltd (2811)	2.9%
9	Hitachi Ltd (6501)	2.6%
10	Daikin Industries (6367)	2.5%
<b>TOTAL</b>		<b>31.9%</b>

## SECTOR BREAKDOWN



## FUND MANAGER'S COMMENT | Future Strategy

The market ended positive in June. Although electricity, gas and market-sensitive companies, which had been rising last month, were negative, we saw that companies trading at overbought levels and those with high EPS growth momentum rose significantly this month. Among them, small caps with good earnings trading at undervalued levels also rose, and similar to the global market, there are signs in Japan of a shift to stock picking that emphasizes fundamentals, so we are keeping an eye on it. Also, concerns about an economic slowdown, particularly in China, have not been resolved. But we believe that the U.S. stock market is regaining efficiency due to the stabilization of economic activity that has factored in interest rates at pre-Lehman levels. There is great potential for growth companies in the Japanese market when global investors choose to focus on fundamentals, and against the TOPIX's PER multiple of 16.4x, the PER of companies with good earnings that are trading at fair value has dropped to the 15.0x level. Within that fair value group of growth companies, small-cap growth companies are trading at a PER of 13.7x, 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

**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.