

# 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

31 JULY 2024 | 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** 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 July 31 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 ¥63.5 trillion up 4.6% from March 2024, ordinary income of ¥80.7 trillion up 1.1% from the previous year, net income of ¥55.1 trillion down 0.5% from the previous year, and gross dividends of ¥19.7 trillion up 4.1% from the previous year. Major U.S. stock indexes hit new highs at the beginning of July due to expectations for interest rate cuts in the U.S., and the Japanese stock market followed suit, with both the Nikkei Stock Average and TOPIX hitting record highs thanks to the depreciation of the yen. However, stock prices subsequently declined due to factors such as the lower-than-expected U.S. consumer price index in June and the sharp appreciation of the yen due to speculation that the authorities might intervene in the currency exchange. On the other hand, although uncertainty regarding the future of the economy has not been dispelled, many companies have announced upward revisions to their earnings due to the emergence of new demand such as generative AI, mainly in the electronic parts industry. 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

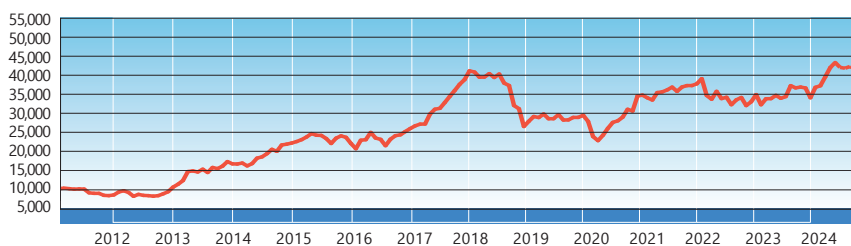
### WITH THIS IN MIND WE ARE BUILDING OUR PORTFOLIO AROUND THE FOLLOWING THEMES:

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	¥4,669 Million	
	-\$10.30 Million	USD Hedged Unit Class
	-¥3,569 Million	Yen Unit Class
	-€3.64 Million	EUR Hedged Unit Class
Unit NAV	\$1,918.59	USD Hedged Unit Class
	¥42,095	Yen Unit Class
	€1,073.28	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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31 JULY 2024 | 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 Japan Eyewear Holdings (5889). It is the only company that owns its own brand under the Sabae name, is one of the world's three largest eyeglass producers, and is increasing its number of glasses sold in Japan. In addition to the reliability that comes from deep-rooted technical skills of Sabae craftsmen, the company has succeeded in improving its brand through a strategy of opening stores in carefully selected locations, making it possible to increase unit sales prices through improved customer satisfaction. Due to the recognition of the Sabae brand, a trend of customers visiting Japan and seeking out the store by name has been established. Therefore inbound sales are also continuing to grow. Going forward, the company plans to open around 10 stores per year in carefully selected locations and increase production capacity to respond to sales growth at existing stores. We have included Japan Eyewear in our portfolio because we can expect EPS growth of nearly 20% due to an increase in volume and unit sales pricing.

## PERFORMANCE DATA

Past performance does not predict future returns

### YEN UNIT CLASS

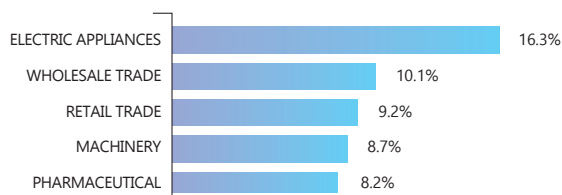
	YTD	1M	3M	1Y	3Y	5Y	10Y	Since Inception
FUND	12.1%	-1.5%	-0.9%	13.8%	16.7%	41.1%	127.5%	11.4% p.a.

### USD HEDGED UNIT CLASS

	YTD	1M	3M	1Y	3Y	5Y	10Y	Aug 2015
FUND	15.6%	-1.0%	0.5%	20.3%	29.0%	59.1%	NA	91.9%

Data source: Ireland Stock Exchange

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

## TOP HOLDINGS

1	NEC Corp (6701)	3.6%
2	Sumitomo Forestry Co (1911)	3.6%
3	Tsumura & Co (4540)	3.5%
4	Fujitsu Ltd (6702)	3.1%
5	Kagome Co Ltd (2811)	3.0%
6	Taiheiyo Cement Corp (5233)	2.9%
7	Marubeni Corp (8002)	2.9%
8	Hitachi Ltd (6501)	2.8%
9	Santen Pharmaceutical (4536)	2.6%
10	Kawasaki Heavy Industries (7012)	2.5%
<b>TOTAL</b>		<b>30.5%</b>

## FUND MANAGER'S COMMENT | Future Strategy

The market ended negative in July. In an environment where the external situation is changing significantly, such as the rapid appreciation of the yen and the U.S. policies restricting semiconductor equipment trade with China, there has been profit taking in companies with good earnings trading at overbought levels and electricity and gas companies that continued to rise in price as they did last month. On the other hand, capital flowed to food and pharmaceuticals stocks, etc., and we believe that it was a risk-off month for the market to assess its future direction. Even in such an environment, the decline in small-cap stocks, which had good earnings but were undervalued, was only slight, and like the global market, there are signs of a shift to stock picking that emphasizes fundamentals in Japan, and we are paying close attention. Furthermore, although concerns remain unresolved about an economic slowdown centered on China, our analysis suggests that the US stock market is regaining efficiency due to stabilization of U.S. economic activity. 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 16.5x, the PER of companies with good earnings that are trading at fair value has dropped to the 15.1x level. Within that fair value group of growth companies, small-cap growth companies are trading at a PER of 13.5x, 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.