

# 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



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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 business models that are well suited to attractive segments of the domestic economy and/or have growth opportunities throughout Asia.

**APPROACH** Intensive bottom-up research (company visits, interviews and fundamental analysis) with utilization of proprietary database of over 3,000 companies

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

## FUND MANAGER'S COMMENT | OVERVIEW

Our outlook, as of August 31 for corporate performance through the end of March 2019 for companies included in the TOPIX index is as follows: ordinary income of JPY 62.9 trillion (up 1.5% compared to previous year), net income of JPY 42.1 trillion (down 2.0% from previous year) and gross dividends of JPY 13.3 trillion (up 5.1% compared to previous year). Although long-term interest rates and ETF purchases were mentioned at the Bank of Japan Monetary Policy Meeting at the beginning of the month, comments were largely within assumptions. In addition to continuing concerns in the stock market about trade friction between the U.S. and China, the future outlook was further muddled by the emergence of the "Turkey Shock" triggered by the sudden depreciation of the Turkish lira and the market declined toward the middle of the month, though it rose from its lows on U.S. stock market strength and Yen depreciation. While many companies are carefully looking at future earnings, we expect that earnings will exceed company announced earnings as the impact of trade friction won't be realized at the outset, and the Yen's exchange rate is weaker than what was assumed when company plans were set. We believe that it will continue to be important to continue to conduct due diligence and company visits to select companies that can be expected to achieve EPS growth.

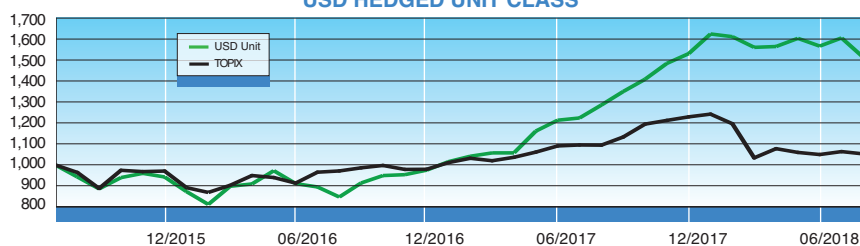
## Investment Themes

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

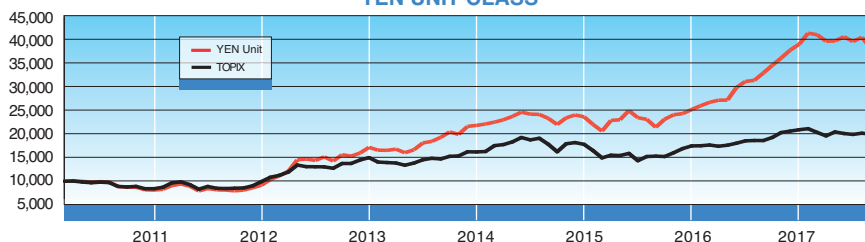
1. Companies that are expected to grow over the medium to long term establishing products, services or business models in the Japanese market;
2. Companies that will continue to grow by supporting the optimization of such things as human resources and corporations in line with changes in society;
3. Health care and housing related stocks that contribute to lifestyle changes associated with an aging society and the prosperity of the baby boomer junior generation;
4. Companies that can maintain pricing power and increase unit sales volume thanks to globally established brand awareness based on state-of-the-art technology and quality.

## PERFORMANCE CHART

USD HEDGED UNIT CLASS



YEN UNIT CLASS



## FUND FACTS

Market Coverage	Japanese Equities	
Currency	U.S. Dollar or Japanese Yen or Euro Unit Class	
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
	IE00BDRDF67	EUR Hedged Unit Class
Bloomberg Code	YUKIUSD:ID	USD Hedged Unit Class
	YUKIJPY:ID	Yen Unit Class
Total Net Asset	¥30,028 Millions	
	-\$105 Millions	USD Hedged Unit Class
	-¥17,705 Millions	Yen Unit Class
	-€2 Millions	EUR Hedged Unit Class
Unit NAV	\$1,513.87	USD Hedged Unit Class
	¥38,291	Yen Unit Class
	€958.23	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	Came 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 International Ltd London	

## CONTACTS

For Fund Prospectus & Application Form:  
**Transfer Agent**  
BNY Mellon Fund Services (Ireland) DAC

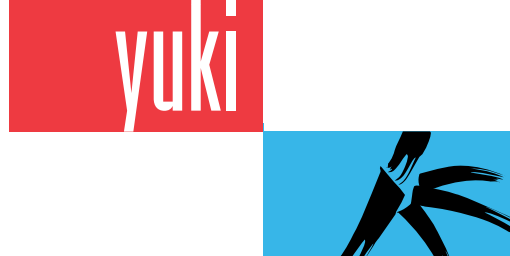
Tel: +353 1 900 4590  
e-mail: yuki@bnymellon.com

For Further Fund Information:  
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## FUND MANAGER'S COMMENT | REVIEW

Through company visits the fund manager added new positions, confirmed holdings and increased the weightings of some positions. A company of note, Showa Denko (4004) boasts the global No.1 share in the production of graphite electrodes which is in strong demand globally due to the impact of Chinese environmental regulations. Unit sales prices rose by about 300% compared to this time last year and sales expansion continues. Production volumes at a new U.S. subsidiary contributed to increased sales and the flow through to the increase of unit sales and unit prices continued. We expect that profit margins will increase along with improved productivity even though the company has increased its production capacity as other Chinese companies in the same industry cannot make graphite electrodes for use in high-grade electric furnaces like Showa Denko can, and it is assumed that the global supply and demand situation will be tight next fiscal year as well. In addition, the company's global share of chemicals used in the process of laminating semiconductors is also No. 1, and the company plans to continue to invest in building capacity over the next three years, assuming future semiconductor demand growth. Although the profit has risen due to the sharp rise in market conditions and the company has become cash rich, with the exception of capital the company will retain to support steady growth regardless of future market conditions, there is a possibility that the cash can be used for to support shareholders. We will continue holding the position as it is expected to increase in enterprise value and produce continuous EPS growth.

## PERFORMANCE DATA

### USD HEDGED UNIT CLASS

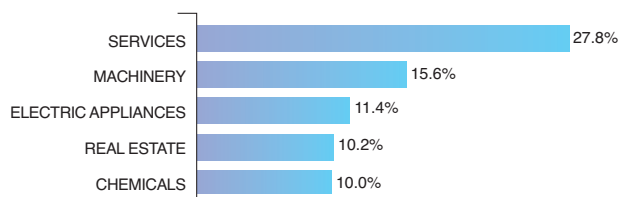
	YTD	1M	3M	6M	1Y	3Y	5Y	Inception
<b>FUND</b>	-1.2%	-5.8%	-5.7%	-6.1%	17.7%	60.5%	N/A	51.4%
<b>TOPIX</b> <small>[excl. dividends]</small>	-4.5%	-1.0%	-0.7%	-1.9%	7.3%	12.0%	N/A	5.3%

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

### YEN UNIT CLASS

	YTD	1M	3M	6M	1Y	3Y	5Y	Inception
<b>FUND</b>	-2.4%	-5.9%	-6.2%	-7.2%	15.8%	63.5%	167.4%	282.9%
<b>TOPIX</b> <small>[excl. dividends]</small>	-4.5%	-1.0%	-0.7%	-1.9%	7.3%	12.0%	56.9%	100.4%

## SECTOR BREAKDOWN



## FEES

Manager	0.015%
Administrator	0.085% - 0.025%
Trustee	0.02%
Investment Manager	1.00%
Placing Agent	0.5%
Hedge Cost	0.07%

Please see prospectus for details  
[minimum charge may apply]

## TOP HOLDINGS

1 UT Group Co Ltd (2146)	6.5%
2 Outsourcing Inc (2427)	6.3%
3 Showa Denko KK (4004)	5.0%
4 Trust Tech Inc (2154)	5.0%
5 Katitas Co Ltd (8919)	4.5%
6 Tsubaki Nakashima Co Ltd (6464)	4.3%
7 Sony Corp (6758)	4.1%
8 Siix Corp (7613)	3.8%
9 Tokyo Electron Ltd (8035)	3.6%
10 Hirano Tecseed Co Ltd (6245)	3.2%
<b>TOTAL</b>	<b>46.3%</b>

## FUND MANAGER'S COMMENT | Future Strategy

The market in August, as in July, was negative, lacking earnings news. Looking closely at companies with good earnings growth, on one hand you had capital chasing stocks trading at PERs of 35x or more, and then you had fairly valued companies trading at PERs of 20x or less that were sold off. Among holdings in the fund, we saw stocks that had risen in the previous 12 months by more than 50% become targets of profit taking. However, many of these sold-off, reasonably valued stocks in the portfolio are trading at a PER of 18x and we think this sell off is temporary as no negative news has emerged, especially on the domestic demand front. Our investment policy is to focus on fundamentals, building a portfolio of companies with high earnings growth that are trading at reasonable PERs. We will utilize our 3-year EPS estimates and adjust the weighting of portfolio positions in line with each stock's target price. We will analyze and evaluate company performance and 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.