



# ***YUKI GLOBAL ICAV***

**Annual Report and Audited Financial Statements for the  
9 month period ended 31 December 2021**

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

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# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### General Information

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus.

Yuki Global ICAV (the "ICAV") is an open-ended umbrella type Irish Collective Asset-management Vehicle with limited liability and segregated liability between sub-funds. The ICAV was registered with the Central Bank of Ireland (the "Central Bank") pursuant to the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act") on 17 December 2019 with registration number C195706 and was authorised by the Central Bank on the same day as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations").

The ICAV is structured as an umbrella fund and may comprise several funds, each representing a separate portfolio of assets and further sub-divided into Classes with differing characteristics attributable to particular Shares.

As at 31 December 2021, the ICAV had one active Fund, Yuki Global Select Fund (the "Fund"). The Fund was initially incorporated on 7 January 2014 as an exempted company with limited liability pursuant to the company law of the Cayman Islands. It was authorised to be re-domiciled to Ireland by way of continuation on 17 December 2019 pursuant to the UCITS Regulations as the first sub-fund of the ICAV. The Fund commenced operations in Ireland on 3 February 2020 with its first valuation in Ireland carried out on that day.

The base currency of the Fund is Japanese Yen. The base currency of the Fund when registered in the Cayman Islands was the U.S. Dollar. The functional and presentation currency of the Fund is further discussed within Note 1(a) to the financial statements.

The share classes of the Fund are listed on the Global Exchange Market ("GEM") of Euronext Dublin.

### Investment Objective and Policies

#### *Yuki Global Select Fund*

The investment objective of the Fund is to seek significant capital appreciation through investment in growth stocks.

The Investment Manager will seek to achieve the Fund's objective by investing in equities and equity related securities which are listed or traded on Recognised Stock Exchanges primarily in the United States.

The Fund may invest in equities in emerging markets if the Investment Manager deems the opportunity for such investment to be in the best interest of Shareholders. However, the Fund is currently invested in U.S. equities only. The Fund's total exposure to emerging markets will be less than 20% of the Fund's net assets.

The Fund may invest, subject to a maximum limit of 10% of the Fund's assets in aggregate, in units or shares of other collective investment undertakings, the investment policy of which is consistent with the investment policy of the Fund and which are listed on a recognised exchange.

The Fund will not follow a benchmark and will be actively managed.

Although it is the intention of the Investment Manager to deploy its assets as detailed above, the Fund may also retain up to 10% in cash, cash equivalents and money market instruments (including, but not limited to, cash deposits, commercial paper and certificates of deposit) in the appropriate circumstances.

### Prices

The price for buying and selling the Shares in the Fund is represented by the NAV per Share. In addition, a subscription fee of up to 3% of the NAV per Share may be added to the NAV per Share with the resultant figure rounded up to the nearest unit of the share class currency. The subscription fee shall be payable to and divided amongst the International Placing Agent and any appointed sub-placing agent. Shares shall be redeemed at the applicable NAV per Share on the Dealing Day on which the redemption of Shares is affected. In addition, a redemption charge of up to 1% may be payable. However, it is not the current intention of the Manager to impose a repurchase charge on redemptions.

## **YUKI GLOBAL ICAV**

### **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

#### **General Information (continued)**

##### **Dealing**

The Dealing Day for the Fund is each Business Day, which is any day other than a Saturday or Sunday when banks in Ireland and Japan are open for business, or such other day or days as the Board of Directors ("Directors") may from time to time determine. Subscription and redemption requests must be received by the Administrator no later than 5 a.m. (Irish Time) on the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Deadline is no later than the Valuation Point on that Dealing Day. Subscription or redemption requests received and accepted by the Administrator prior to the relevant Dealing Deadline for a Fund for any Dealing Day will normally be processed as at that Dealing Day. Any requests received after the relevant Dealing Deadline for a Fund for a particular Dealing Day will be processed on the following Dealing Day unless the Directors or their authorised delegate in their absolute discretion otherwise determine to accept one or more requests received after the relevant Dealing Deadline for processing as at that Dealing Day provided that the request(s) must have been received prior to the Valuation Point for that particular Dealing Day.

##### **Valuation Day and Point**

The relevant Valuation Point is 12.00 noon (Irish time) on the relevant Dealing Day or such time as the Directors may determine and notify Shareholders in advance provided that the Valuation Point shall be after the Dealing Deadline. The Valuation Day is each Dealing Day.

##### **Minimum Investment and Holding**

The minimum initial investment and minimum holding per Shareholder in the Fund is JPY 1,000,000 for the Yen Share Class, USD 10,000 for the Dollar Share Class and EUR 10,000 for the Euro Share Class. The Yen Share Class was the only active share class for the financial period end 31 December 2021.

The Manager may, at its sole discretion, waive or reduce the minimum initial investment, minimum holding and minimum subsequent investment.

##### **Distributions**

The ICAV can issue both accumulating and distributing Shares in each Fund. The distribution policy of each Share Class in a Fund is described in the relevant Supplement.

##### **Accumulating Shares**

In the case of accumulating Shares, the net income and realised and unrealised gains net of realised and unrealised losses available for distribution will be accumulated and reflected in the Net Asset Value of the relevant Shares shall rise accordingly.

##### **Distributing Shares**

In the case of distributing Shares, dividends will be declared by the Directors in accordance with the distribution frequency and on such dates as set out in the relevant Supplement. Dividends will be declared in the designated currency of the relevant Class.

The Fund is an accumulating fund and, therefore, it is not currently intended to distribute dividends to the Shareholders. Accordingly, any distributable income will remain in the Fund's assets and will be reflected in the net asset value of the Share Classes.

##### **Change in Financial Year End and Interim Date**

In April 2021, the Board of Directors approved a change to be made in respect of the financial year end of the ICAV from 31 March to 31 December as well as a change to the date of the interim report from 30 September to 30 June each year, to take effect following the issue of the interim financial statements to be made up to 30 September 2021.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Directors' Report

The Board of Directors (the "Directors") present their annual report together with the audited financial statements of Yuki Global ICAV (the "ICAV") for the financial period ended 31 December 2021.

#### Principal activities

The ICAV is an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and limited liability registered with and authorised by the Central Bank of Ireland on 17 December 2019 to carry on business as an ICAV, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act") and established as an undertaking for collective investment in transferable securities with segregated liability between its sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations").

At 31 December 2021, the ICAV had one active sub-fund in existence – Yuki Global Select Fund (the "Fund"). The Fund commenced operations in Ireland on 3 February 2020 and currently has one share class in issue, the Yen Share Class.

#### Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable laws and regulations.

Section 116 of the ICAV Act requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS") and applicable laws.

Under the ICAV Act, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the ICAV and of its profit or loss of the ICAV for that financial year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the ICAV Act; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The Directors are also responsible for safeguarding the assets of the ICAV and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the UCITS Regulations and the Central Bank UCITS Regulations, the Directors are required to entrust the assets of the ICAV to a depositary for safekeeping. The ICAV has appointed The Bank of New York Mellon SA/NV, Dublin Branch (the "Depositary") to act as Depositary. In carrying out this duty, the Directors have delegated custody of the ICAV's assets to the Depositary. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

The investment manager of the ICAV, Yuki Management & Research Co., Limited (the "Investment Manager"), is responsible for the maintenance and integrity of the corporate and financial information included on <https://www.yukifunds.com/home/yuki-funds.html> in relation to the ICAV and the Fund.

Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **YUKI GLOBAL ICAV**

## **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

### **Directors' Report (continued)**

#### **Adequate Accounting Records**

The ICAV has appointed Carne Global Fund Managers (Ireland) Limited (the "Manager") as Manager of the ICAV and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the ICAV. The Manager is responsible for the general management and administration of the ICAV's affairs and for ensuring compliance with the Central Bank UCITS Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund.

The Manager and the ICAV has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") to act as administrator, registrar and transfer agent of the ICAV.

The Directors believe that they have complied with the requirements of Sections 109 to 113 of the ICAV Act, with regard to keeping adequate accounting records in respect of the ICAV and the Fund, by appointing the Administrator which has appropriate expertise, adequate resources and appropriate systems and procedures.

The accounting records are retained at the office of the Administrator at One Dockland Central, Guild Street, International Financial Services Centre, Dublin 1, Ireland.

#### **Composition and Operation of the Board of Directors**

Unless otherwise determined by an ordinary resolution of the ICAV in general meeting and in accordance with Section 56 of the ICAV Act, the number of Directors may not be less than two. Currently the Board of Directors of the ICAV is composed of five Directors.

The business of the ICAV is managed by the Directors, who exercise all such powers of the ICAV which are not required by the ICAV Act or by the Instrument of Incorporation of the ICAV to be exercised by the ICAV in a general meeting. The Directors meet on a quarterly basis or more frequently, if required.

A Director may, and the Secretary of the ICAV on the requisition of a Director will, at any time summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. In the case of an equality of votes, the Chairman has a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two.

#### **Directors and Secretary**

The Directors and Secretary as at 31 December 2021 are listed in the Other Information section.

#### **Directors' remuneration**

The Board of Directors as a whole reviews the Directors' remuneration. The Directors' policy is that the remuneration of independent non-executive Directors should be fair and reasonable in relation to the time commitment and responsibilities of the Directors. Details of Directors' fees are contained in Note 2 to the financial statements.

# **YUKI GLOBAL ICAV**

## **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

### **Directors' Report (continued)**

#### **Directors' and secretary's interests in shares and contracts**

Mr. Magoyuki Oshitani, a Director of the ICAV held 110 shares in the Yen Share Class of the Fund at 31 December 2021 (31 March 2021: 110 shares in the Yen Share Class).

Mr. Magotaka Oshitani, a Director of the ICAV, held 500 shares in the Yen Share Class of the Fund at 31 December 2021 (31 March 2021: 500 shares in the Yen Share Class). A family member of Mr. Magoyuki Oshitani held 110 shares in the Yen Share Class of the Fund at 31 December 2021 (31 March 2021: 110 shares in the Yen Share Class). No other Directors, the Secretary or their families had any interest in the shares of the ICAV or the Fund at 31 December 2021 and in the Fund at 31 March 2020. Other than as disclosed in Note 10 to the financial statements, none of the Directors had a material interest in any contract or agreement of significance during or at the end of the financial period in relation to the business of the ICAV and Fund.

#### **Employees**

The governance framework of the ICAV reflects the fact that it has no employees or subsidiary companies and outsources investment management and administration.

#### **Transactions with connected persons**

Regulation 43(1) of the Central Bank UCITS Regulations states that "A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the shareholders of the UCITS".

As required under the Central Bank UCITS Regulations, the Board of Directors are satisfied that there are arrangements in place, evidenced by written procedures, to ensure that the obligations set out in Regulation 43(1) are applied to all transactions with a connected person, and all transactions with a connected person that were entered into during the period since the authorisation of the ICAV under the UCITS Regulations complied with the obligations that are prescribed by Regulation 43(1).

#### **Review of business and future developments**

The Investment Manager's Report on pages 7 to 9 contains a review of the factors which contributed to the performance for the financial period ended 31 December 2021. The investments held by the Fund and the changes in the composition of the portfolio during the financial period are detailed in the Schedule of Investments and the Schedule of Significant Portfolio Changes (unaudited).

In April 2021, the Board of Directors of the ICAV approved a change to be made in respect of the financial year end of the ICAV. Refer to Note 19 to the financial statements for details.

#### **Principal risks and uncertainties**

The main risks arising from the ICAV's financial instruments are reviewed in the ICAV's prospectus. The information on market price risk, foreign currency risk, credit and counterparty risk, interest rate risk and liquidity risk, as prescribed by IFRS, is outlined in Note 13 to the financial statements.

#### **Results and distributions**

The results for the financial period are set out in the Statement of Comprehensive Income. The ICAV can issue both accumulating and distributing shares in the Fund. The Fund has only issued accumulating shares and it is therefore not currently intended to distribute dividends to the Shareholders. Accordingly, any income will remain in the Fund and will be reflected in the net asset value of the Share Classes.

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Directors' Report (continued)

##### Corporate Governance

The Directors have voluntarily adopted and applied the Corporate Governance Code for Collective Investment Schemes and Management Companies as published by Irish Funds, the full text of which is available from the Irish Funds website at [www.irishfunds.ie](http://www.irishfunds.ie). The ICAV has been fully compliant with the Code during the financial period ended 31 December 2021.

##### Significant events during the financial period

Significant events during the financial period are disclosed in Note 19 to the financial statements.

##### Significant events after the financial period end

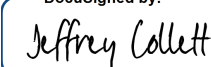
Significant events after the financial period end are disclosed in Note 20 to the financial statements.

##### Independent auditors

PricewaterhouseCoopers were appointed as independent auditors for the financial period ended 31 December 2021 in accordance with Section 125(2) of the ICAV Act. PricewaterhouseCoopers have indicated their willingness to continue in office.

On behalf of the Board of Directors:

DocuSigned by:  
  
Director: \_\_\_\_\_  
2E3CC79C56554AC...  
David Hammond

DocuSigned by:  
  
Director: \_\_\_\_\_  
6E42CDE8469446F...  
Jeffrey Collett

Date: 22 April 2022



# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Investment Manager's Report

#### Political Environment

The U.S. Biden administration achievements include the enactment of the \$1.9 trillion U.S. Rescue Plan, the \$1.0 Infrastructure Investment and Employment plan, and the rollout of the vaccine for COVID-19. But in August 2021, the administration's approval rating was sluggish due to the catastrophic collapse of the Afghan government when the U.S. troops were withdrawn from Afghanistan. Since then, the \$2 trillion Build Back Better bill has stagnated due to discord within the Democratic Party, raising concerns about the 2022 midterm elections. The Fed, which had a monetary easing stance in 2021, switched to a monetary tightening stance in 2022, which caused some concern about adverse effects on the stock market.

#### Economic Environment

The U.S. growth rate for 2021 was estimated at 5.6%. For 2022, real GDP growth is expected to hit 4.0%, a downward revision from previous estimates due to higher and stickier than expected inflation, Omicron, and the Fed's decision to shrink its balance sheet and raise interest rates. Earnings growth continues to be a bright spot for equities, with nearly 80% of companies beating consensus estimates.

#### Domestic Economic Outlook

(Unit: %)

	Fiscal Year 2019 Performance	Fiscal Year 2020 Performance	Fiscal Year 2021 Estimate	Fiscal Year 2022 Outlook
Real GDP growth rate	+2.2	-3.4	+5.6	+4.0
Private final consumption expenditure	+2.4	-3.9	+6.1	+3.3
Private enterprise capital investment	+2.3	-0.8	+7.9	+3.6
Contribution of external demand	-2.2	-3.1	-3.9	-3.1
Nominal GDP growth rate	+4.0	-2.3	+8.7	+8.3
Unemployment rate	+3.7	+8.1	+5.8	+3.8
Consumer price index · Change rate	+1.8	+1.2	+2.3	+4.3

Source: IMF "World Economic Outlook Update" announced in January 2022

#### World Economic Outlook

(Year on Year ("YOY"): %)

GDP Growth Rate	2019	2020	2021 (estimate)	2022 (estimate)
Japan	+0.3	-4.6	+1.6	+3.3
United States	+2.2	-3.4	+5.6	+4.0
Europe	+1.3	-6.3	+5.2	+3.9
World	+2.8	-3.1	+5.9	+4.4

Source: "World Economic Outlook Update" published by the IMF in January 2022

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Investment Manager's Report (continued)

##### Stock Market

From 31 March 2021 through 31 December 2021, the S&P500 rose 19.97%. The market was impacted by a combination of strong earnings growth and changing Fed announcements of its intention to raise target interest rates to combat sticky inflation and taper its bond buying activities. Nearly 80% of companies announced earnings that beat consensus estimates, but earnings growth is expected to moderate in the new fiscal environment. The index was trading at a price earnings ratio of over 21x on 31 December 2021.

##### Yuki Global Select Fund (the "Fund")

##### Investment Performance

The Fund targets U.S. companies with earnings growth

	Yuki Global Select Fund
1 April 2021 – 31 December 2021	+30.36%

From 1 April 2021 through 31 December 2021, the Fund rose 30.36%. The S&P500 rose 19.97% over the same period. Equity investors achieve returns through capital appreciation and dividends. The dividend yield on the S&P 500 was 1.5% at the end of December. The support line for the S&P 500 is the lower of dividend yield of 2% and a PER of 17.5x. The index was trading at a PER of over 21x in December, which is below the 25x trend line at which it was trading before the pandemic. We see signs of new value expectations and the market is in line with quarterly retail sales figures. Stock prices are supported by quality earnings growth, which tends to favor growth stocks over the long term. Any rotation to value should be short-lived as fundamentals of those companies don't inspire long-term commitment. However, rising interest rates are creating a headwind for expensive high-growth companies, as they put pressure on the value of the stream of future earnings. Current year expected EPS growth is 8%.

Our outlook as of 31 December 2021, for the corporate performance for S&P 500 companies was sales growth of 16.5%, net income growth of 50.2% and gross dividends of \$66.4 billion, which was up 15.2% year over year. The market has rebounded from a low hit on March 23, 2020 and recovered to record several all-time highs until the commencement of this quarter. The market has been spurred by EPS growth, more stimulus spending, a reasonably successful vaccine rollout, and the opening of the economy again. The Unemployment Rate has reached a new low since the pandemic at 3.9% in December. The Fed has begun tapering its bond buying activities and signaled the hastening of the pace of the tapering in the face of stickier than expected inflation. The market's resurgence from its lows indicates optimism for a full economic recovery but concerns about inflation, rising interest rates and the new Covid strain Omicron have caused jitters in the market.

##### Future Strategy

It will continue to be important to select companies that can be expected to prosper in the lifestyle and work style changes caused by the pandemic and do well as things go back to normal. Focus will remain on companies with pricing power that will enable them to flourish in the current inflationary environment.

**REPORT FROM THE DEPOSITARY TO THE SHAREHOLDERS  
DATED 22 APRIL 2022**

For the period from 1 April 2021 to 31 December 2021 (the “Period”)

The Bank of New York Mellon SA/NV, Dublin Branch (the “**Depository**” “us”, “we”, or “our”) has enquired into the conduct of Yuki Global ICAV (the “ICAV”) for the Period, in its capacity as Depositary to the ICAV.

This report including the opinion has been prepared for and solely for the shareholders in the ICAV, in accordance with our role as Depositary to the ICAV and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

**Responsibilities of the Depositary**

Our duties and responsibilities are outlined in Regulation 34 of the of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the “Regulations”).

Our report shall state whether, in our opinion, the ICAV has been managed in the Period in accordance with the provisions of the ICAV’s constitutional documentation and the Regulations. It is the overall responsibility of the ICAV to comply with these provisions. If the ICAV has not been so managed, we as Depositary must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

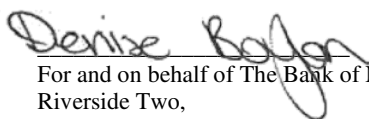
**Basis of Depositary Opinion**

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the ICAV has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the ICAV’s constitutional documentation and the appropriate regulations.

**Opinion**

In our opinion, the ICAV has been managed during the Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional documentation and the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documentation and the Regulations.



For and on behalf of The Bank of New York Mellon SA/NV, Dublin Branch,  
Riverside Two,  
Sir John Rogerson's Quay,  
Grand Canal Dock,  
Dublin 2.

Dated: 22 April 2022



# ***Independent auditors' report to the shareholders of Yuki Global ICAV***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Yuki Global ICAV's financial statements:

- give a true and fair view of the ICAV's assets, liabilities and financial position as at 31 December 2021 and of its results and cash flows for the period from 1 April 2021 to 31 December 2021 (the "period");
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2021;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Cash Flows for the period then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shareholders for the period then ended;
- the Schedule of Investments as at 31 December 2021; and
- the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Our audit approach**

#### **Overview**

##### **Materiality**

- Overall materiality: 50 basis points of Net Assets Value ("NAV") at 31 December 2021.

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##### **Audit scope**

- The ICAV is an open-ended investment ICAV with variable capital and engages Carne Global Fund Managers (Ireland) Limited (the "Manager") to manage certain duties and responsibilities with regards to the day-to-day management of the ICAV. We tailored the scope of our audit taking into account the types of investments within the ICAV, the involvement of the third parties referred to below, the accounting processes and controls, and the industry in which the ICAV operates.
-

## Key audit matters



- Existence and valuation of financial assets at fair value through profit or loss.

## The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of financial assets at fair value through profit or loss.</i></p> <p>Refer to the Schedule of Investments for the sub-fund, the accounting policies set out in note 1(b) and note 13(d) 'Fair Value Estimation' for further details.</p> <p>The financial assets at fair value through profit or loss included in the Statement of Financial Position as at 31 December 2021 are held in the sub-fund's name and are valued at fair value in line with IFRS as adopted by the EU.</p> <p>This is considered a key audit matter as it represents the principal element of the financial statements.</p>	<p>We tested the valuation of the investment portfolio by independently agreeing the valuation of investments to third party vendor sources.</p> <p>We obtained independent confirmation from the Depositary of the investment portfolio held as at 31 December 2021, agreeing the amounts held to the accounting records.</p> <p>No material misstatements were identified as a result of the procedures we performed.</p>

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the ICAV, the accounting processes and controls, and the industry in which it operates.

The directors control the affairs of the ICAV and are responsible for the overall investment policy which is determined by them. The ICAV engages the Manager to manage certain duties and responsibilities with regards to the day to day management of the ICAV. The Manager has delegated certain responsibilities to Yuki Management & Research Co., Limited (the 'Investment Manager') and to BNY Mellon Fund Services (Ireland) Designated Activity Company (the 'Administrator'). The financial statements, which remain the responsibility of the directors, are prepared on their behalf by



the Administrator. The ICAV has appointed the Bank of New York Mellon SA/NV, Dublin Branch (the “Depositary”) to act as Depositary of the ICAV’s assets. In establishing the overall approach to our audit we assessed the risk of material misstatement taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the ICAV’s interaction with the Administrator, and we assessed the control environment in place at the Administrator.

### *Materiality*

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality as follows:

<b>Overall materiality and how we determined it</b>	50 basis points (2020: 50 basis points) of Net Assets Value ("NAV") at 31 December 2021.
<b>Rationale for benchmark applied</b>	We have applied this benchmark because the main objective of the ICAV is to provide investors with a total return taking account of the capital and income returns.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above 5 basis points of the sub-fund’s NAV, for NAV per share impacting differences (2020: 5 basis points of the sub-fund’s NAV, for NAV per share impacting differences) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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### **Conclusions relating to going concern**

Our evaluation of the directors’ assessment of the ICAV’s ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the key indicators that are monitored with respect to the going concern assumption and management’s future plans for the ICAV over the going concern period (being 12 months from the date of approval of the financial statements);
- Reviewing available board minutes during the period under audit and those available up to the date of this report;
- Considering post year end capital activity as recorded in the underlying accounting records;
- Making enquiries of management with respect to any planned significant redemptions of which they have been informed of;
- Considering the adequacy of the disclosures in the financial statements in respect of liquidity risk management techniques which are available to the ICAV.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ICAV’s ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the ICAV’s ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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## **Reporting on other information**

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Irish Collective Asset-management Vehicles Act 2015 requires us to also report the opinion as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 December 2021 is consistent with the financial statements.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ICAV's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the ICAV's shareholders as a body in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



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## Other required reporting

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### **Irish Collective Asset-management Vehicles Act 2015 exception reporting**

#### *Directors' remuneration*

Under the Irish Collective Asset-management Vehicles Act 2015 we are required to report to you if, in our opinion, the disclosures of directors' remuneration specified by section 117 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in blue ink that reads 'Siobhán Collier'.

Siobhán Collier  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
26 April 2022



# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Yuki Global Select Fund Schedule of Investments as at 31 December 2021

Nominal	Security Name	Fair Value JP¥	% Net Assets
<b>Transferable Securities - 93.01% (31 March 2021: 94.23%)</b>			
<b>Equities - 93.01% (31 March 2021: 94.23%)</b>			
<b>United States - 93.01% (31 March 2021: 94.23%)</b>			
<b>Basic Materials - 2.07% (31 March 2021: 0.00%)</b>			
942	Sherwin-Williams Co/The	37,979,255	2.07
<b>Communications - 9.50% (31 March 2021: 4.72%)</b>			
196	Alphabet Inc	65,860,857	3.59
142	Amazon.com Inc	55,115,220	3.00
488	CDW Corp/DE	11,454,263	0.62
421	Etsy Inc	10,755,625	0.59
444	Netflix Inc	31,273,701	1.70
<b>Consumer, Cyclical - 14.10% (31 March 2021: 10.55%)</b>			
342	Advance Auto Parts Inc	9,347,755	0.51
718	Copart Inc	12,482,812	0.68
400	Costco Wholesale Corp	25,956,780	1.41
713	DR Horton Inc	8,821,032	0.48
1,158	Home Depot Inc/The	54,627,318	2.97
668	Lennar Corp	8,859,280	0.48
1,013	Lowe's Cos Inc	29,887,635	1.63
1,480	NIKE Inc	28,525,392	1.55
28	NVR Inc	19,029,821	1.04
3,072	Walmart Inc	50,612,089	2.76
183	WW Grainger Inc	10,880,202	0.59
<b>Consumer, Non-cyclical - 17.49% (31 March 2021: 17.26%)</b>			
1,885	Abbott Laboratories	30,585,212	1.66
355	Cintas Corp	17,956,333	0.98
4,660	Coca-Cola Co/The	31,520,749	1.72
1,997	Edwards Lifesciences Corp	30,030,891	1.63
888	Eli Lilly & Co	28,331,237	1.54
243	IDEXX Laboratories Inc	18,492,642	1.01
1,473	PepsiCo Inc	29,268,513	1.59
2,643	Procter & Gamble Co/The	49,505,397	2.70
771	Quanta Services Inc	10,010,597	0.54
1,233	Stryker Corp	38,407,524	2.09
172	United Rentals Inc	6,529,480	0.36
527	UnitedHealth Group Inc	30,590,921	1.67
<b>Financial - 5.66% (31 March 2021: 6.64%)</b>			
1,037	Mastercard Inc	43,077,943	2.34
472	T Rowe Price Group Inc	10,762,054	0.59
2,000	Visa Inc - Class A	50,142,785	2.73
<b>Industrial - 5.46% (31 March 2021: 13.09%)</b>			
807	Canadian Pacific Railway Ltd Npv	6,648,244	0.36
403	JB Hunt Transport Services Inc	9,448,025	0.51
542	Keysight Technologies Inc	12,898,252	0.70
1,339	Lockheed Martin Corp	54,481,529	2.97
412	Old Dominion Freight Line Inc	16,891,083	0.92
<b>Technology - 38.73% (31 March 2021: 41.97%)</b>			
643	Accenture Plc - Class A	30,620,619	1.67

**YUKI GLOBAL ICAV**

**Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

**Yuki Global Select Fund  
Schedule of Investments as at 31 December 2021 (continued)**

Nominal Security Name	Fair Value JP¥	% Net Assets
<b>Transferable Securities - 93.01% (31 March 2021: 94.23%) (continued)</b>		
<b>Equities - 93.01% (31 March 2021: 94.23%) (continued)</b>		
<b>United States - 93.01% (31 March 2021: 94.23%) (continued)</b>		
<b>Technology - 38.73% (31 March 2021: 41.97%) (continued)</b>		
442 Adobe Inc	29,018,956	1.58
2,332 Apple Inc	47,820,848	2.60
2,331 Applied Materials Inc	42,376,531	2.31
854 Broadcom Inc	65,360,111	3.56
408 Broadridge Financial Solutions Inc	8,585,857	0.47
440 Fortinet Inc	18,216,742	0.99
762 Intuit Inc	56,414,410	3.07
1,294 KLA Corp	63,595,229	3.46
775 Lam Research Corp	64,062,920	3.49
2,539 Micron Technology Inc	27,432,353	1.49
1,810 Microsoft Corp	70,675,527	3.85
858 NetApp Inc	9,052,953	0.49
2,204 NVIDIA Corp	75,037,588	4.09
2,952 QUALCOMM Inc	62,073,643	3.38
965 Texas Instruments Inc	21,033,485	1.14
996 Western Digital Corp	7,492,364	0.41
182 Zebra Technologies Corp	12,514,670	0.68
<b>Total Equities</b>	<b>1,708,433,254</b>	<b>93.01</b>
<b>Transferable Securities</b>	<b>1,708,433,254</b>	<b>93.01</b>
	<b>Fair Value</b>	<b>% Net</b>
	<b>JP¥</b>	<b>Assets</b>
<b>Financial Assets at fair value through profit or loss</b>	<b>1,708,433,254</b>	<b>93.01</b>
Receivables (31 March 2021: 0.07%)	4,925,205	0.27
Cash and cash equivalents (31 March 2021: 29.37%)	141,789,216	7.72
Payables (31 March 2021: (23.67%))	(18,283,791)	(1.00)
<b>Net Assets</b>	<b>1,836,863,884</b>	<b>100.00</b>

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Yuki Global Select Fund Schedule of Investments as at 31 December 2021 (continued)

Analysis of Total Assets (unaudited)	% Total Assets
Transferable Securities admitted to an official stock exchange	92.09
Cash and cash equivalents	7.64
Other Assets	0.27
	<u>100.00</u>

#### Net Asset Value

Yen Share Class	31 December 2021	31 March 2021	31 March 2020
Net Asset Value	JP¥1,836,863,884	JP¥1,192,923,392	JP¥755,794,139
Number of Shares in issue	6,951.62	5,784.76	5,341.32
Net Asset Value per Share	JP¥264,235	JP¥206,218	JP¥141,500

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Statement of Comprehensive Income

		Yuki Global Financial period ended 31 December 2021 JP¥	Select Fund Financial year ended 31 March 2021 JP¥
	Notes		
Net gain on financial assets at fair value through profit or loss	4	429,435,157	432,648,530
Gross Income	5	14,384,952	10,202,129
Total Investment income		443,820,109	442,850,659
Operating expenses	6	(50,309,168)	(65,093,466)
Fee reimbursement from Investment Manager	10	10,194,505	—
Net profit for the financial period/year		403,705,446	377,757,193
Finance Costs			
Bank Interest expense		(54,732)	(373,091)
Operating profit before tax		403,650,714	377,384,102
Less: withholding tax	3	(3,209,962)	(3,023,627)
<b>Profit for the financial period/year after withholding tax</b>		<b>400,440,752</b>	<b>374,360,475</b>
<b>Net increase in Net Assets Attributable to Redeemable Participating Shareholders resulting from operations</b>		<b>400,440,752</b>	<b>374,360,475</b>

All amounts arise solely from continuing operations. There are no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

The comparative information included in the financial statements is for the financial year ended from 1 April 2020 to 31 March 2021, which does not correspond in length to the current financial period from 1 April 2021 to 31 December 2021.

The accompanying notes are an integral part of the financial statements.

## YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

## Statement of Financial Position

		Yuki Global Select Fund	
		As at	As at
		31 December	31 March
		2021	2021
	Notes	JP¥	JP¥
<b>Current assets</b>			
Financial Assets at fair value through profit or loss:			
Transferable Securities	1(b)	1,708,433,254	1,124,036,287
Receivables	7	747,327	812,626
Cash and cash equivalents	8	141,789,216	350,380,257
Fee reimbursement receivable	10	4,177,878	—
<b>Total current assets</b>		<b>1,855,147,675</b>	<b>1,475,229,170</b>
<b>Current liabilities</b>			
Payables	9	(18,283,791)	(282,305,778)
<b>Total liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(18,283,791)</b>	<b>(282,305,778)</b>
<b>Net Assets Attributable to Redeemable Participating Shareholders</b>	14	<b>1,836,863,884</b>	<b>1,192,923,392</b>

The accompanying notes are an integral part of the financial statements.

## On behalf of the Board of Directors

DocuSigned by:  
  
 Director: 2E3CC79C56554AC...  
 David Hammond

DocuSigned by:  
  
 Director: 6E42CDE8469446F...  
 Jeffrey Collett

Date: 22 April 2022

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders

	Yuki Global Select Fund Financial period ended 31 December 2021 JP¥	Financial year ended 31 March 2021 JP¥
<b>Net Assets Attributable to Redeemable Participating Shareholders at beginning of the financial period/year</b>	<b>1,192,923,392</b>	<b>755,794,139</b>
<b>Movement due to subscription and redemption of Redeemable Participating Shares</b>		
Amounts received on subscription of Redeemable Participating Shares	251,499,842	700,000,006
Amounts paid on redemption of Redeemable Participating Shares	(8,000,102)	(637,231,228)
	243,499,740	62,768,778
Net increase in Net Assets Attributable to Redeemable Participating Shareholders resulting from operations	400,440,752	374,360,475
<b>Net Assets Attributable to Redeemable Participating Shareholders at end of the financial period/year</b>	<b>1,836,863,884</b>	<b>1,192,923,392</b>

The comparative information included in the financial statements is for the financial year ended from 1 April 2020 to 31 March 2021, which does not correspond in length to the current financial period from 1 April 2021 to 31 December 2021.

The accompanying notes are an integral part of the financial statements.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Statement of Cash Flows

	Yuki Global Financial period ended 31 December 2021 JP¥	Select Fund Financial year ended 31 March 2021 JP¥
<b>Cash flows from operating activities</b>		
<b>Net increase in Net Assets Attributable to Redeemable Participating Shareholders</b>	400,440,752	374,360,475
Adjusted for:		
Net (increase) in transferable securities	(584,396,967)	(471,386,536)
Decrease/(Increase) in receivables	65,299	(713,332)
Increase/(Decrease) in payables	5,978,014	(15,348,533)
Increase in fee reimbursement receivable	(4,177,878)	—
<b>Net cash used in operating activities</b>	<b>(182,090,780)</b>	<b>(113,087,926)</b>
<b>Cash flows from financing activities</b>		
Issue of redeemable participating shares	251,499,842	700,000,006
Redemption of redeemable participating shares	(278,000,103)	(367,231,228)
<b>Net cash (used in)/provided by financing activities</b>	<b>(26,500,261)</b>	<b>332,768,778</b>
<b>Movement in cash and cash equivalents during the financial period/year</b>	<b>(208,591,041)</b>	<b>219,680,852</b>
Cash and cash equivalents at the start of the financial period/year	350,380,257	130,699,405
<b>Cash and cash equivalents at the end of the financial period/year</b>	<b>141,789,216</b>	<b>350,380,257</b>
<b>Supplementary information</b>		
Dividends received	10,348,212	9,729,987
Bank Interest received	9,406	11,338
Bank Interest paid	(54,732)	(373,091)
Taxation paid	(3,209,962)	(3,023,627)

The comparative information included in the financial statements is for the financial year ended from 1 April 2020 to 31 March 2021, which does not correspond in length to the current financial period from 1 April 2021 to 31 December 2021.

The accompanying notes are an integral part of the financial statements.

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Notes to the Financial Statements for the financial period ended 31 December 2021

##### 1. Significant accounting policies

The principal accounting policies and estimation techniques applied in the preparation of the financial statements are set out below and have been consistently applied to all periods presented unless otherwise stated.

##### **Basis of Preparation**

The annual report and audited financial statements for the financial period ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations").

The financial statements are prepared on a going concern basis. After making all reasonable enquiries and having regard to the nature of the ICAV and its investments, the Directors are satisfied based on information available to them at the present time, that it is appropriate to adopt the going concern basis in preparing the Financial Statements and, after due consideration, the Directors consider that the ICAV is able to continue in the foreseeable future as the Funds will generate enough cash to cover liabilities as they fall due. The current financial period's financial statements have been prepared for a period less than one year and the comparatives for the previous financial year have been prepared for an entire year. Hence, the amounts presented in the financial statements are not entirely comparable.

##### **New accounting standards, amendments and interpretations in issue and effective for the financial periods beginning on or after 1 April 2021**

At the date of approval of these financial statements, the following standards, amendments and interpretations to existing standards were adopted by the ICAV effective from 1 April 2021:

##### *Amendments to IFRS 7, IFRS 9 and IAS 39 (Phase 2)*

The amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). The amended requirements in IFRS 7, IFRS 9 and IAS 39 relates to:

- Changes in the basis for determining contractual cash flows of financial assets and financial liabilities
- Hedge accounting, and
- Disclosures

The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships.

The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

The amendments are effective for annual reporting periods beginning on or after 1 January 2021. The adoption of these amendments did not have a significant impact on the ICAV's financial statements.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 April 2021 that have a material effect on the ICAV's financial statements.



## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

##### 1. Significant accounting policies (continued)

###### **Standards, interpretations and amendments to existing standards in issue but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the ICAV's financial statements are disclosed below, except for those standards which, in the opinion of the Board, will clearly not impact the ICAV. The ICAV intends to adopt these standards, if applicable, when they become effective.

###### *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

The amendments clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments:

- specify that an entity's right to defer settlement must exist at the end of the reporting period;
- clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- clarify how lending conditions affect classification; and
- clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The ICAV is currently evaluating the impact, if any, that this amendment will have on its financial statements.

There are no other standards, amendments and interpretations to existing standards that are not yet effective that would be expected to have a significant impact on the ICAV.

###### **Basis of accounting**

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through the profit or loss. The interim financial date was moved from 31 March to 30 June and the financial year end of the ICAV from 30 September to 31 December.

###### **Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires the Directors to make use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity or areas where estimates and assumptions are significant to the financial statements are discussed within Note 13 (d) to the financial statements. The estimates and underlying assumptions are reviewed on an on-going basis.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 1. Significant accounting policies (continued)

##### Standards, interpretations and amendments to existing standards in issue but not yet effective (continued)

##### (a) Functional and presentation currency

The functional and presentation currency of the Fund is Japanese Yen ("JP¥"). The Board of Directors consider the Japanese Yen the functional currency as it most faithfully represents the economic effect of the Fund's transactions for the majority of its investors. The Japanese Yen is also the currency in which the Fund and the ICAV measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors.

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets denominated in foreign currencies are translated at the foreign currency closing exchange rate ruling at the reporting date.

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Statement of Comprehensive Income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to financial assets and financial liabilities at fair value through profit or loss are included in gains and losses on financial assets and financial liabilities at fair value through profit or loss. All other foreign currency exchange differences relating to monetary items, including cash are presented in the Statement of Comprehensive Income.

Foreign currency translation adjustment can arise as a result of the method of translation. Any such differences occurring will be reflected in the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders. This method of translation has no effect on the Net Asset Value per Share attributable to Redeemable Participating Shareholders. Translation differences on non-monetary items, such as investments held at fair value through profit or loss, are reported as part of the fair value gain or loss in the Statement of Comprehensive Income and as part of the Net decrease/(increase) in transferable securities in the Statement of Cash Flows.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 1. Significant accounting policies (continued)

##### (b) Financial assets and financial liabilities at fair value through profit or loss

###### (i) Classification

The Fund classifies its investment portfolio based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. As such, the Fund classifies its entire investment portfolio as financial assets or financial liabilities at fair value through profit or loss.

Financial assets that are not classified at fair value through profit or loss ("FVTPL") include cash and cash equivalents and receivables. Financial liabilities that are not at fair value through profit or loss include bank overdraft (if any) and payables. These other financial assets and financial liabilities are held at amortised cost.

###### (ii) Recognition, derecognition and measurement

Purchases and sales of investments are recognised on trade date, the date on which the Fund commits to purchase or sell the asset. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership and a realised gain or loss is recognised. Realised gains and losses are presented in the Statement of Comprehensive Income under "net gain/(loss) on financial assets at fair value through profit or loss".

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the Statement of Comprehensive Income within "net gain/(loss) on financial assets at fair value through profit or loss".

###### (iii) Fair value estimation

Equity instruments listed on a recognised stock exchange or traded on any other organised active market are valued at fair value. The closing or last known market price on the principal exchange or market for such instrument, being the last traded price, is taken as the best evidence of fair value. For investments acquired or traded at a premium or discount outside or off the relevant exchange, or on an over-the-counter market, these may be valued taking into account such a premium or discount as at the date of valuation of the investment.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 1. Significant accounting policies (continued)

##### (b) Financial assets and financial liabilities at fair value through profit or loss (continued)

###### (iii) Fair value estimation (continued)

In the opinion of the Directors, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. If the market for a financial instrument is not active, the Fund establishes fair value by using a valuation technique as determined by the Directors, approved for such purpose by The Bank of New York Mellon SA/NV, Dublin Branch (the "Depository"), in consultation with the Investment Manager with a view to establishing the probable realisation value for such assets as at the close of business.

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Fund uses that technique. Estimation methods and valuation models may be used to calculate fair value. No instruments have been valued in this manner as at 31 December 2021.

###### *Impairment*

At each reporting date, the Fund shall measure the loss allowance on receivables balances at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. The Fund assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

##### (c) Income

Dividend income is recognised as income in the Statement of Comprehensive Income on the dates the securities are first quoted "ex-dividend" to the extent that information thereon is reasonably available to the Fund. Income is accounted for on an accruals basis. Dividend income which suffers a deduction of tax at source is shown gross of such withholding tax. The withholding tax is shown separately in the Statement of Comprehensive Income.

In some cases, the Fund may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases, the Fund recognises the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment.

##### (d) Expenses

All expenses, including management fees and custodian fees, are recognised in the Statement of Comprehensive Income on an accrual basis.

##### (e) Gains and losses on financial assets and financial liabilities at fair value through profit or loss

Realised gains and losses on sales of investments are calculated based on the average cost and are included in "net gain/(loss) on financial assets at fair value through profit of loss".

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 1. Significant accounting policies (continued)

##### (e) Gains and losses on financial assets and financial liabilities at fair value through profit or loss (continued)

The movement in unrealised gains and losses on investments arising during the financial period are taken to the Statement of Comprehensive Income and are included in "net gain/(loss) on financial assets at fair value through profit or loss".

##### (f) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs on purchases and sales of equities are included in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Purchases and sales transaction costs include identifiable brokerage charges, commissions, transaction related taxes and other market charges. Transaction costs incurred in the purchase and sale of financial assets at fair value during the financial period amounted to JP¥280,800 (31 March 2021: JP¥494,420).

Depositary related transaction costs include transaction costs paid to the Depositary and sub-custodians (if any). Depositary related transactions costs are included in operating expenses in the Statement of Comprehensive Income and are included within depositary fees in Note 6.

##### (g) Interest expense

Interest expense is recognised on an effective interest rate basis. Interest is accrued on a daily basis. Interest paid is interest charged on cash balances held by the Fund during the financial period.

##### (h) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Fund has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously. There is no legally enforceable right of set off for any of the financial assets held by the Fund during the financial period and financial year ended 31 December 2021 and 31 March 2021.

##### (i) Redeemable Participating Shares

Redeemable participating shares are redeemable at the Shareholder's option and are classified as financial liabilities in accordance with IAS 32.

The redeemable participating shares can be put back to the Fund at any time. The redemption price payable to a redeeming Shareholder shall be the Net Asset Value per Share (less duties and charges, if applicable), calculated on or with respect to the relevant Dealing Day in accordance with the procedures described the Prospectus.

##### Subscriptions in specie

In accordance with the provisions of the Instrument of Incorporation, the ICAV may at the discretion of the Directors accept in specie applications for Shares (meaning that rather than receiving cash in respect of a subscription, the Fund will receive securities and, if applicable a cash component), provided that the nature of the assets to be transferred into the relevant Fund qualify as investments of the relevant Fund in accordance with its investment objectives, policies and restrictions. Assets so transferred shall be vested with the Depositary or its sub-custodian or arrangements shall be made to vest the assets with the Depositary or its sub-custodian.

# **YUKI GLOBAL ICAV**

## **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

### **Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)**

#### **1. Significant accounting policies (continued)**

##### **(i) Redeemable Participating Shares (continued)**

###### **Subscriptions in specie (continued)**

The Depositary shall be satisfied that the terms of any exchange will not be such as are likely to result in any material prejudice to the existing Shareholders of the relevant Fund.

The cost of such subscription in specie shall be borne by the relevant Shareholder.

The value of assets being transferred (the "In Specie Net Asset Value") shall be calculated by BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator"), in accordance with the valuation principles governing the ICAV and applicable law.

The Directors will also ensure that the number of Shares issued in respect of any such in specie transfer will not exceed the amount which would have fallen to be allotted for settlement of the In Specie Net Asset Value in cash. As at 31 December 2021, there were no subscriptions in specie in the Fund.

###### **Redemptions in specie**

The ICAV may, at the discretion of the Directors and with the consent of the relevant Shareholder(s), satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the relevant Fund having a value equal to the value of the Shares redeemed as if the redemption proceeds were paid in cash less any Redemption Fee and other expenses of the transfer as the Directors may determine. In this regard, "in specie" means that the ICAV will deliver securities or a combination of cash and securities rather than delivering cash proceeds in respect of a redemption.

A determination to provide redemption in specie is solely at the discretion of the ICAV where the redeeming Shareholder requests a redemption that represents 5% or more of the Net Asset Value of the relevant Fund. In such circumstances, if the ICAV determines to satisfy a redemption request with an in specie transfer of assets the Shareholder requesting redemption shall be entitled to request, in lieu of the transfer, the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, less the costs of such sale which shall be borne by the relevant Shareholder. As at 31 December 2021, there were no redemptions in specie in the Fund.

##### **(j) Establishment expenses**

All fees and expenses relating to the establishment, re-domiciliation and organisation of the ICAV and its initial Fund, including the fees of the ICAV's professional advisers, will be borne by the initial Fund of the ICAV and may be amortised over the first three accounting periods of the ICAV. In accordance with IFRS, establishment expenses were expensed in the year in which they arise. There were no establishment expenses incurred during the financial period ended 31 December 2021 or the financial year ended 31 March 2021.

##### **(k) Cash and cash equivalents**

Cash and cash equivalents include deposits held on call with banks and other short-term highly liquid investments (if any) having a maturity of 3 months or less. Bank overdrafts, if any, are classified as liabilities.

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

## 2. Fees

### Management fees

Carne Global Fund Managers (Ireland) Limited (the "Manager") is entitled to receive an annual fee of up to 0.3% of the Net Asset Value ("NAV") of the Fund calculated and accrued on each dealing day and payable monthly in arrears. The fee payable to the Manager is subject to a minimum monthly fee of Euro 5,000 (plus VAT, if any).

The Manager is also entitled to receive out of the assets of the Fund reasonable and properly vouched out of pocket expenses.

### Administrator fees

The Manager has appointed the Administrator to act as Administrator, Registrar and Transfer Agent. The Administrator will have the responsibility for the administration of the Fund's affairs including the calculation of the NAV per share and preparation of the financial statements of the Fund, subject to the overall supervision of the Manager.

The Administrator is entitled to receive an annual fee (plus VAT, if any) payable out of the assets of the Fund, as follows:

- 0.05% of the NAV of the Fund on the portion of the NAV up to US\$250 million; plus
- 0.04% of the NAV of the Fund on the portion of the NAV in excess of US\$250 million and up to US\$500 million; plus;
- 0.03% of the NAV of the Fund on the portion of the NAV in excess of US\$500 million and up to US\$1 billion; plus
- 0.015% of the NAV of the Fund on the portion of the NAV in excess of US\$1 billion.

The Administrator's fee is subject to a minimum fee per annum in respect of the Fund of US\$60,000. The fees shall accrue daily and shall be payable monthly in arrears.

The Administrator is entitled to receive Share Class fees of US\$2,500 per Fund per annum when the number of Share Classes exceeds three in the Fund.

The Administrator is entitled to receive reasonable out-of-pocket expenses payable out of the assets of the Fund.

The Administrator also provides transfer agency services to the Fund and is entitled to a fee of 0.0075% of the NAV of the Fund calculated and payable monthly.

### Depository fees

The Depository is entitled to receive an annual fee (plus VAT, if any) as follows:

- 0.0200% of the NAV of the Fund on the portion of the NAV up to US\$250 million; plus
- 0.0175% of the NAV of the Fund on the portion of the NAV in excess of US\$250 million and up to US\$500 million;
- 0.0150% of the NAV of the Fund on the portion of the NAV in excess of US\$500 million and up to US\$1 billion;
- 0.0100% of the NAV of the Fund on the portion of the NAV in excess of US\$1 billion.

The Depository fee is accrued daily and payable monthly in arrears, and is subject to a minimum of US\$30,000, which shall accrue daily and be payable monthly in arrears.

The Depository will be entitled to be reimbursed by the Fund for all reasonable out-of-pocket expenses properly incurred in the performance of its duties.

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 2. Fees (continued)

##### Depository fees (continued)

In addition, the Depository is also entitled to receive fees for global custody related services it performs on behalf of the Fund. This fee is largely transaction based and is subject to a minimum of US\$6,250 per month, which shall accrue daily and be payable monthly in arrears.

##### Investment Management fees and International Placing Agent fees

The Investment Manager and Yuki - Co, LLC ("the International Placing Agent") shall receive a combined annual fee not to exceed 1.65% of the NAV of the Fund accrued daily and payable monthly in arrears.

The International Placing Agent shall pay out of its own fee, the fees of any sub-placing agent.

##### Audit fees

Statutory audit fees amounted to €14,790 (exclusive of VAT) for the financial period ended 31 December 2021 (31 March 2021: €16,650 (exclusive of VAT)). There were no other fees incurred by the ICAV in respect of non-audit services, taxation advisory or other assurance services provided by the statutory auditors during financial period ended 31 December 2021 and financial year ended 31 March 2021.

##### Directors' Fees

The Instrument of Incorporation authorises the Directors to charge a fee for their services at a rate determined by the Directors. Each Director shall receive a fee for their services up to a maximum fee of €25,000 per annum. The independent non-executive Directors are entitled to a fee per annum of €20,000 each. Any increase above the maximum permitted fee will be notified in advance to Shareholders. The Directors may elect to waive their entitlement to receive a fee. Mr. Magoyuki Oshitani, Mr. Magotaka Oshitani and Mr O. Jeffrey Collett have all waived their rights to receive fees for their services as Directors of the ICAV. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties.

Gross directors' fees earned by the independent non-executive Directors during the financial period ended 31 December 2021 amounted to JPY5,221,250 (31 March 2021: JPY4,943,164). Directors' fees for the financial period ended 31 December 2021 and financial year ended 31 March 2021 were borne and paid by YMS Management Services Limited on behalf on the Investment Manager. Consequently, all accruals on Directors' fees have been written back. No amounts were outstanding as at 31 December 2021 and 31 March 2021.

#### 3. Taxation

Under current law and practice, the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to Shareholders, any encashment, redemption, cancellation or transfer of Shares and the holding of Shares at the end of each eight year period beginning with the acquisition of such Shares.

No Irish tax will arise on the Fund in respect of chargeable events in respect of:

(a) transactions by a Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided the appropriate valid declarations, in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Fund or the Fund has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and



# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 3. Taxation (continued)

(b) transactions by certain exempted Irish resident Shareholders who have provided the Fund with the necessary signed statutory declarations.

Dividends, interest and capital gains, if any, received on investments made by the Fund may be subject to taxes imposed by the country from which the investment income or gains are received, and such taxes may not be recoverable by the Fund or its Shareholders.

#### 4. Net gain/(loss) on financial assets at fair value through profit or loss

	Financial period ended 31 December 2021 JP¥	Financial year ended 31 March 2021 JP¥
Net gain on financial assets at FVTPL during the financial period/year comprises:		
Net realised gain on financial assets at FVTPL during the financial period/year	94,926,685	57,438,879
Net realised gain/(loss) on foreign currencies during the financial period/year	12,594,165	(8,621,125)
Net movement in unrealised gain on financial assets at FVTPL during the financial period/year	330,347,575	373,040,579
Net movement in unrealised (loss)/gain on foreign currencies during the financial period/year	(8,433,268)	10,790,197
<b>Net gain on financial assets at FVTPL during the financial period/year</b>	<b>429,435,157</b>	<b>432,648,530</b>

#### 5. Gross income

	Financial period ended 31 December 2021 JP¥	Financial year ended 31 March 2021 JP¥
Dividend income	10,733,678	10,190,791
Bank interest income	9,406	11,338
VAT refund	3,641,868	—
	<b>14,384,952</b>	<b>10,202,129</b>

**YUKI GLOBAL ICAV**

**Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

**Notes to the Financial Statements for the financial period ended 31 December 2021  
(continued)**

**6. Operating expenses**

	<b>Financial period ended 31 December 2021 JP¥</b>	<b>Financial year ended 31 March 2021 JP¥</b>
Management fees	(5,980,327)	(5,493,702)
Investment Management fees	(11,677,119)	(8,351,485)
Administration and Transfer Agent fees	(4,839,646)	(6,640,831)
International Placing Agent fees	(7,590,108)	(6,828,737)
Directors' fees	—	765,697
Depositary fees	(8,710,312)	(13,456,290)
Audit fees	(2,374,586)	(2,057,592)
Professional fees	(1,173,259)	(10,842,082)
Listing fees	46,836	(197,163)

	<b>Financial period ended 31 December 2021</b>	<b>Financial year ended 31 March 2021</b>
Other expenses	(8,010,647)	(11,991,281)
<b>Total operating expenses</b>	<b>(50,309,168)</b>	<b>(65,093,466)</b>

**7. Receivables**

	<b>As at 31 December 2021 JP¥</b>	<b>As at 31 March 2021 JP¥</b>
Accrued dividend income	746,976	361,510
Other receivables	351	451,116
	<b>747,327</b>	<b>812,626</b>

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 8. Cash and cash equivalents

	As at 31 December 2021 JP¥	As at 31 March 2021 JP¥
Cash and bank balances	141,789,216	350,380,257
	<b>141,789,216</b>	<b>350,380,257</b>

All cash balances are held with The Bank of New York Mellon SA/NV, Dublin Branch as at 31 December 2021 and 31 March 2021. The Standard & Poor's long-term credit rating of The Bank of New York Mellon SA/NV, Dublin Branch as at 31 December 2021 was AA- (31 March 2021: AA-).

#### 9. Payables

	As at 31 December 2021 JP¥	As at 31 March 2021 JP¥
Accrued expenses	(18,283,791)	(12,305,778)
Payable for fund shares redeemed	–	(270,000,000)
	<b>(18,283,791)</b>	<b>(282,305,778)</b>

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

##### 10. Related parties and connected persons transactions

According to IAS 24 Related Parties, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. The following related party relationships and transactions have been identified:

The Board of Directors, the Manager and the Investment Manager are considered as key management personnel.

Yuki Asset Management Co., Ltd. (the “Promoter”) acts as the promoter of the ICAV and is also considered a related party to the Fund.

Mr. Magoyuki Oshitani, a Director of the ICAV, is also the founder, chief investment officer and principal shareholder for the Yuki Group of companies of which the Promoter, the Investment Manager and the International Placing Agent are a part. Mr. Magoyuki Oshitani is also a shareholder of the Fund with 110 shares held in the Yen Share Class at 31 December 2021 (31 March 2021: 110 shares in the Yen Share Class).

Mr. Magotaka Oshitani, a Director of the ICAV, is an employee of the Investment Manager and a shareholder of the Yuki group of companies of which the Promoter, Investment Manager and International Placing Agent are a part. Mr. Magotaka Oshitani is also a shareholder of the Fund with 500 shares held in the Yen Share Class at 31 December 2021 (31 March 2021: 500 shares in the Yen Share Class).

A family member of Mr. Magoyuki Oshitani held 110 shares in the Yen Share Class at 31 December 2021 (31 March 2021: 110 shares in the Yen Share Class).

Mr. O. Jeffrey Collett, a Director of the ICAV, is also an employee of the International Placing Agent. Details of Directors fees are disclosed in Note 2 to the financial statements. Fees earned by the Directors during the financial period ended 31 December 2021 and the financial period ended 31 March 2021 were borne and paid by YMS Management Services Limited on behalf on the Investment Manager. This is expected to continue for the foreseeable future until the expense levels of the Fund are within the intended thresholds.

Mr. Magoyuki Oshitani, Mr. Magotaka Oshitani and Mr O. Jeffrey Collett are non-executive Directors and have waived their rights to receive fees for their services as Directors of the ICAV.

The Manager earned fees of JP¥5,980,327 (31 March 2021: JP¥5,493,702) during the financial period, of which JP¥1,299,246 (31 March 2021: JP¥520,373) was payable at the financial period end.

Carne Global Financial Services Limited, the parent company of the Manager, earned fees during the financial period in respect of fund set up costs and other fund governance services provided to the Fund. The fees amounted to JP¥4,634,851 (31 March 2021: JP¥10,071,894) of which JP¥nil (31 March 2021: JP¥1,238,787) was payable at the financial period end.

The Investment Manager earned fees of JP¥11,677,119 (31 March 2021: JP¥8,351,485) during the financial period, of which JP¥2,896,417 (31 March 2021: JP¥2,273,279) was payable at the financial period end.

The International Placing Agent earned fees of JP¥7,590,108 (31 March 2021: JP¥6,828,737) during the financial period for providing this service, of which JP¥1,884,658 (31 March 2021: JP¥1,479,635) was payable at the financial period end.

## **YUKI GLOBAL ICAV**

### **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

#### **Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)**

##### **10. Related parties and connected persons transactions (continued)**

In order to assist the Fund in maintaining its ongoing expenses, the Investment Manager will assume and bear any expense in the event that the total expense ratio of each Share Class of the Fund exceeds 2.5% of the Net Asset Value of the Share Class. During the financial period ended 31 December 2021, fee reimbursements of JPY10,194,505 were due from the Investment Manager of which JPY4,177,878 was receivable at the financial period end.

The Promoter held 500 shares (31 March 2021: 500) in the Yen Share Class at the financial period end.

The following entities forming part of or related to the Yuki group of companies had holdings in the Yen Share Class at the 31 December 2021 financial period end as follows: Yuki Investments Co Ltd – 1,000 shares (31 March 2021: 1,000 shares), Yuki Korea Co Ltd – 400 shares (31 March 2021: 400 shares), Yuki Techno Flow Co Ltd – 700 shares (31 March 2021: 700 shares) and Yuki Select Strategies Fund – 3,516 shares (31 March 2021: 2,360). Yuki Select Strategies Fund is significant shareholder in the Fund with a holding of 51% of the shares at year end.

##### **11. Share capital and shares in issue**

The Instrument of Incorporation provides that the share capital of the ICAV shall be equal to the value for the time being of the issued share capital of the ICAV. Pursuant to the Act, the actual value of the paid up share capital of the ICAV must at all times be equal to the value of the assets of the ICAV after deduction of its liabilities. The Instrument of Incorporation provides that shares of the ICAV shall be divided into Participating Shares of no nominal value and Management Shares of no nominal value. The authorised share capital of the ICAV is 2 redeemable Management Shares of no par value and 500,000,000,000 Redeemable Participating Shares of no par value. The Management Shares were held by Mr. Jeffrey Collett and Mr. Angelos Panayiotou during the financial period end and as at 31 December 2021.

Shareholders have the right, in accordance with the terms of the Instrument, to participate in or receive profits or income arising from the acquisition, holding, management or disposal of investments of the relevant Fund, to vote at any general meeting of the ICAV or at any meeting of the relevant Fund or Class of Shares in respect of which such Shares have been issued and such other rights as may be provided in respect of Shares of a particular Fund or Class in each case as more particularly described in the Prospectus and/or relevant Supplement subject always to the Central Bank Requirements and the Act.

Holders of Management Shares shall have the right to receive an amount not to exceed the consideration paid for such Management Shares and to vote at any general meeting of the ICAV in accordance with the provisions of the Instrument of Incorporation. Management Shares shall not participate in the dividends or assets attributable to any Fund.

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

##### 11. Share capital and shares in issue (continued)

###### Shares in issue

###### Yuki Global Select Fund

	Yen Share Class Financial period ended 31 December 2021	Yen Share Class Financial year ended 31 March 2021
Opening Balance	5,784.76	5,341.32
Subscriptions	1,200.31	3,755.53
Redemptions	(33.45)	(3,312.09)
Closing Balance	6,951.62	5,784.76

##### 12. Soft commission and directed brokerage arrangements

There were no soft commission and directed brokerage arrangements in existence during the financial period ended 31 December 2021 and financial year ended 31 March 2021.

##### 13. Financial instruments

###### General Risk Management Process

The Investment Manager manages the Fund's risk management process and oversight of these functions is carried out by the Depositary, the Board of Directors of the ICAV and the Manager.

The Investment Manager is organised by function with a distinct separation of responsibility between fund managers, traders and investment administration personnel. A number of techniques are employed by the Investment Manager to ensure good corporate governance:

- the investment management process is monitored by members of its board,
- the appointment of a statutory auditor of the Investment Manager (a Japanese corporate lawyer who is entrusted by shareholders with overseeing and auditing the business execution and conduct of the directors who are often executive officers),
- the appointment of Investment Policy Committee,
- the appointment of Compliance Committee and a Compliance Officer.

The risk management process consists of a multi-layered and cross-functional review that provides a system of checks and balances as stipulated in a series of in-house rules (i.e. Risk Management Code, Investment Management Guideline and Manual, Trader Guideline and Manual, etc.).

Risks specific to the Fund are managed by the relevant fund management teams with support of trading teams, investment administration teams and compliance teams. In this process fund management teams are to make investment judgements and to execute trades strictly in accordance with internal investment management rules and procedures. The risk management of the Fund is inherently built into the Fund by means of portfolio construction and is managed strictly in accordance with the internal guidelines and manuals.

Internal audits are conducted on a regular and timely basis to ensure that the risk management processes are operating effectively.

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

##### 13. Financial instruments (continued)

###### General Risk Management Process (continued)

The main risks arising from the ICAV's financial instruments are reviewed in the ICAV's prospectus. For financial reporting purposes, risk can be separated into the following components: market risk, credit risk and liquidity risk. Each type of risk is discussed in turn below and qualitative and quantitative analyses are provided where relevant to give the reader an understanding of the risk.

###### (a) Market Risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: market price risk, currency risk and interest rate risk.

The Fund's investments are susceptible to market risk arising from uncertainties about future prices of the instruments. This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk and interest rate risk), whether those factors are caused by factors specific to individual financial instruments or its issuer, or other factors affecting similar financial instruments traded in the market. The Fund's market price risk is managed through diversification of the investment portfolio.

###### (i) Market Price Risk

###### Yuki Global Select Fund

While the Fund does not follow a benchmark, for the purpose of performance analysis and comparison for the financial period ended 31 December 2021 and financial year ended 31 March 2021, the S&P 500 Index will be used as the Fund primarily invested in S&P 500 securities during the financial period/year. Since 1 April 2021, the S&P 500 Index has risen by 19.97% (31 March 2021: S&P 500 risen by 53.16%) whilst the Fund has risen by 30.36% (31 March 2021: 38.14%) based on the published dealing NAV per share.

If the S&P 500 Index had increased by 10% on 31 December 2021, with all other variables remaining constant, based on the Fund's performance of the previous 12 months, the increase in Net Assets would be approximately JPY¥358,676,114 (31 March 2021: JPY¥129,527,469 based on S&P500 Index). Conversely, if the S&P 500 Index had decreased by 10%, this would have resulted in a decrease of Net Assets by approximately the same amount.

###### Limitations of Sensitivity Analysis

There are limitations in relation to the sensitivity analysis on market risk as sensitivity analyses are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns. The market price risk information is a relative estimate of risk rather than a precise and accurate number and future market conditions could vary significantly from those experienced in the past. The sensitivity analysis assumes that the relative performance of the Sub-Fund to the S&P 500 Index (31 March 2021: S&P 500 Index) remains unchanged.

###### (ii) Currency Risk

Currency risk is defined as the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. This risk arises on financial instruments that are denominated in a currency other than the functional currency in which it is measured.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 13. Financial instruments (continued)

##### (a) Market Risk (continued)

##### (ii) Currency Risk (continued)

As at 31 December 2021, had there been a 10% (31 March 2021: 10%) increase in foreign currency exchange rates against the Japanese Yen, with all other variables being held constant, these would have had the following impact on the net assets attributable to holders of redeemable participating shares as disclosed in the tables below. An equal and opposite effect would have resulted had foreign currency exchange rates decreased.

The table below sets out the Fund's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities as at 31 December 2021:

	Monetary Assets JP¥	Non-Monetary Assets JP¥	Net Exposure JP¥	10% Sensitivity JP¥
<b>Currency</b>				
EUR	130	—	130	13
US Dollar	147,057,613	1,721,259,528	1,868,317,141	186,831,714

The table below sets out the Fund's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities as at 31 March 2021:

	Monetary Assets JP¥	Non-Monetary Assets JP¥	Net Exposure JP¥	10% Sensitivity JP¥
<b>Currency</b>				
US Dollar	343,116,588	1,124,036,287	1,467,152,875	146,715,288

##### (iii) Interest Rate Risk

This is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Fund's financial assets are equity shares and other instruments which neither pay interest nor have a maturity date. Cash balances of the Fund are not subject to significant interest rate risk.

##### (b) Credit Risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk in the Fund is very low as it does not invest in exchange traded debt securities, futures or derivative instruments of any type.

The Fund will also have a credit risk on the counterparties with which it trades. In the event of the insolvency, bankruptcy or default of any such counterparty the Fund bears the risk that the counterparty may not settle a transaction in accordance with market practice due to credit or liquidity problems of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Fund to suffer a loss.



**Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

**Notes to the Financial Statements for the financial period ended 31 December 2021  
(continued)**

**13. Financial instruments (continued)**

**(b) Credit Risk (continued)**

The Fund's transactions involve counterparty credit risk and will expose the Fund to unanticipated losses to the extent that counterparties are unable or unwilling to fulfil their contractual obligations.

All of the assets and cash of the Fund are held within the custodial network of the Depositary. Bankruptcy or insolvency of the Depositary or of its parent company may cause the Fund's rights with respect to its investments in equity securities held by the Depositary to be lost or delayed. The maximum exposure to this risk at 31 December 2021 and 31 March 2021 is the total current assets disclosed in the Statement of Financial Position.

In accordance with the requirements of the UCITS Regulations, the Fund's securities are maintained within the Depositary's custodial network in segregated accounts. The Depositary will ensure that any agent it appoints to assist in safekeeping the assets of the Fund will segregate the assets of the Fund. Thus in the event of insolvency or bankruptcy of the Depositary, the Fund's assets are segregated and protected and this further reduces counterparty risk. The Fund will, however, be exposed to the risk of the Depositary or certain depositories used by the Depositary, in relation to the Fund's cash held by the Depositary. In the event of insolvency or bankruptcy of the Depositary, the Fund will be treated as a general creditor of the Depositary in relation to cash holdings of the Fund.

The Standard & Poor's long-term credit rating of The Bank of New York Mellon SA/NV, Dublin Branch as at 31 December 2021 was AA- (31 March 2021: AA-).

The Fund's financial assets subject to the expected credit loss ("ECL") model within IFRS 9 are receivables and cash. Loss allowances for receivables and cash are measured at an amount equal to lifetime ECL if there is significant increase in credit risk on an instrument. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The expected credit loss on cash and cash equivalents is determined to be immaterial. No assets are considered impaired and no amounts have been written off in the period.

**(c) Liquidity Risk**

This is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The ability to sell shares quickly to meet redemption orders, at any time, is the principal liquidity risk that the Investment Manager manages. To meet the redemption liability, the Fund may be required to sell securities.

Under certain market conditions, such as during volatile markets or when trading in a financial instrument or market is otherwise impaired, the liquidity of a Fund's portfolio positions may be reduced. During such times, the Fund may be unable to dispose of certain financial instruments, which would adversely affect the Fund's ability to rebalance its portfolio or to meet redemption requests.

In addition, such circumstances may force the Fund to dispose of financial instruments at reduced prices, thereby adversely affecting the Fund's performance. If other market participants are seeking to dispose of similar financial instruments at the same time, the Fund may be unable to sell or exit such financial instruments or prevent losses relating to such financial instruments.

## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

##### 13. Financial instruments (continued)

###### (c) Liquidity Risk (continued)

All the investments held are actively traded listed equity securities which are deemed to be highly liquid and therefore no arrangements are in place for the management of positions with gates, side pockets, lock up provisions, and or any other similar arrangements.

However, if significant redemptions of Shares in a Fund are requested, it may not be possible to liquidate a Fund's investments at the time such redemptions are requested or a Fund may be able to do so only at prices which the Fund believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors.

It may also cause a temporary imbalance in the Fund's portfolio or disrupt the implementation of the investment strategy of the Fund which may adversely affect the remaining Shareholders. Where significant redemptions of Shares are requested, a Fund may limit the number of Shares that are redeemed on any Dealing Day or suspend dealings in the relevant Fund.

The Directors are entitled to limit the number of Shares of Fund repurchased on any Dealing Day to 10% of the total number of Shares of the Fund in issue, if in its judgement a repurchase request exceeding 10% of the total number of Shares of the Fund in issue may adversely affect the interest of a Fund or its Shareholders. In this event, the limitation will apply pro rata so that all Shareholders wishing to have their Shares repurchased on that Dealing Day realise the same proportion of such Shares and Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day, provided that requests for repurchase which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

In certain circumstances the rights of shareholders to redeem shares may be suspended as set out in more detail in the section of the Prospectus titled "Suspension of Dealing/Valuation of Assets".

Shares may not be bought, redeemed or converted during any period when the calculation of the Net Asset Value of the Fund is suspended or where the issue, redemption or conversion of Shares is otherwise suspended in the manner described in the Prospectus under the heading "Suspension of Dealing/Valuation of Assets". Applicants for shares and shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

All of the financial liabilities at 31 December 2021 and 31 March 2021 are due within one to three months.

###### (d) Fair value estimation

IFRS 13, "Fair value measurement", requires the ICAV to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

**Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

**Notes to the Financial Statements for the financial period ended 31 December 2021  
(continued)**

**13. Financial instruments (continued)**

**(d) Fair value estimation (continued)**

- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active including securities priced using quotations received from brokers, whenever available and considered reliable; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the ICAV.

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, IFRS 13 requires the ICAV to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique. Assets and liabilities not carried at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents include deposits held with banks and they are categorised as Level 1.

Receivables and payables represent contract amounts and obligations due to/due by the Fund. All receivable and payable balances are categorised as Level 2.

The ICAV considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

All financial assets at fair value through profit or loss were classified in Level 1.

Transfers between levels of the fair value hierarchy would occur at the end of the financial year and are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13. There were no transfers between levels during financial period ended 31 December 2021 and financial year ended 31 March 2021.

**Offsetting**

There are no offsetting agreements in place for the Fund, therefore the Fund has not offset any positions in the Statement of Financial Position.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)

#### 14. Reconciliation of net assets per published dealing prices to net assets per financial statements

	Yuki Global Select Fund	
	As at 31 December 2021 JP¥	As at 31 March 2021 JP¥
Reconciliation of Net Assets		
Net assets per published dealing prices	1,852,910,793	1,452,804,458
Adjustment from mid-day valuation prices to close of business prices	(12,826,274)	14,400,871
Adjustment for late redemption transactions	-	(270,000,000)
Adjustment for the under accrual of net expenses	(3,220,635)	(4,281,937)
Net assets per financial statements	<u>1,836,863,884</u>	<u>1,192,923,392</u>
Dealing Net Asset Value Per Yen Share Class	<u>266,544</u>	<u>204,469</u>

#### 15. Exchange rates

The following exchange rates were used to convert assets and liabilities held at the financial period end to Japanese Yen.

	As at 31 December 2021	As at 31 March 2021
U.S. Dollar	115.135003	110.499997
Euro	130.395148	n/a

The following average exchange rates were used to convert certain income and expenses during the financial period/year:

	9 months period ended 31 December 2021	Financial year ended 31 March 2021	Financial year ended 31 March 2020
U.S. Dollar	111.024759	106.010813	108.702552
Euro	130.53126	n/a	n/a

#### 16. Efficient portfolio management

The Investment Manager may, on behalf of a Fund, engage in techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes within the conditions and limits laid down in the Central Bank Requirements.

Efficient portfolio management transactions relating to the assets of the Fund may be entered into by the Investment Manager with one or more of the following aims:

- (a) a reduction of risk;
- (b) a reduction of cost; or

## **YUKI GLOBAL ICAV**

### **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

#### **Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)**

##### **16. Efficient portfolio management (continued)**

(c) generation of additional capital or income for a Fund with a level of risk consistent with the risk profile of a Fund and the risk diversification requirements in accordance with the Central Bank requirements.

In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way and that the risks associated with such instruments are adequately covered by the risk management process of the relevant Fund.

The Fund did not engage in any efficient portfolio management activities during the financial period ended 31 December 2021 and financial year ended 31 March 2021.

##### **17. Contingent liabilities**

As at 31 December 2021 and 31 March 2021, the Fund did not have any contingent liabilities.

##### **18. Segregated liabilities**

The ICAV is established as an umbrella type Irish Collective Asset-management Vehicle with segregated liability between funds. The ICAV is structured as an umbrella fund and may comprise several funds each representing a separate portfolio of assets and further sub-divided, to denote differing characteristics attributable to particular Shares, into Classes.

Pursuant to the ICAV Act, the assets of one Fund are not available to satisfy the liabilities of, or attributable to, another Fund. Any liability incurred or attributable to any one Fund may only be discharged solely out of the assets of that Fund.

##### **19. Significant events during the financial period**

The outbreak of Coronavirus (COVID-19), declared by the World Health Organisation as a global pandemic on the 11 March 2020 has impacted many aspects of daily life and the global economy. Travel movements and operational restrictions were implemented by many countries. While many economies globally have reduced restrictions and reopened the pace of recovery has varied from country to country and continues to be at risk of reversal. The impact of the Omicron variant, although assumed to be less severe than previous strains, is still being felt across many countries and impacting the economic recovery. However, a high level of vaccinations and prior infections have proven effective to date against severe disease even as their efficacy against Omicron infection has fallen. There continues to be potential unforeseen economic consequences from this virus and market reaction to such consequences could be rapid and unpredictable. The Directors together with the Manager will therefore continue to monitor business continuity and resilience processes with the objective of mitigating any ongoing impact of COVID-19.

In April 2021, the Board of Directors approved a change to be made in respect of the financial year end of the ICAV from 31 March to 31 December as well as a change to the date of the interim report from 30 September to 30 June each year, to take effect following the issue of the interim financial statements to be made up to 30 September 2021.

The Board of Directors also approved a clarification to the investment policy of the Fund, to remove references to investment in countries listed in the Trans Pacific Partnership and Japan, in order to more accurately reflect the current investments of the Fund which are primarily in US equities.

## **YUKI GLOBAL ICAV**

### **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

#### **Notes to the Financial Statements for the financial period ended 31 December 2021 (continued)**

##### **19. Significant events during the financial period (continued)**

These updates were effected via the issuance of a Third Addendum to the Prospectus approved by the Central Bank on 5 August 2021.

Effective 1 July 2021, an ongoing charges cap of 2.5% of the Net Asset Value of the relevant Share Class was introduced pursuant to a side letter agreement with the Investment Manager dated 29 June 2021. The Investment Manager will be responsible for paying any increase over and above the ongoing charges cap.

Other than the above, there were no significant events during the financial period end affecting the ICAV or the Fund, which in the opinion of the Board of Directors, require an adjustment to or a disclosure in the financial statements for the financial period ended 31 December 2021.

##### **20. Significant events after the financial period end**

The Russian invasion of Ukraine, the resulting sanctions imposed by the United States, the European Union, Japan and many other countries and retaliatory actions by Russia on foreign investors have had a significant effect on markets and economies around the world. The Fund does not invest in Russia or Ukraine, but the Directors are monitoring developments related to this military action, including current and potential future interventions of foreign governments and economic sanctions.

There have been no other significant events after the financial period end affecting the ICAV or the Fund, which in the opinion of the Directors require an adjustment to or a disclosure in the financial statements for the financial period ended 31 December 2021.

##### **21. Approval of the Annual Report and Audited Financial Statements**

The Annual Report and Audited Financial Statements were approved by the Directors on 22 April 2022.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Schedule of Significant Portfolio Changes (unaudited)

For the financial period ended 31 December 2021

Major Purchases	Cost JP¥
Meta Platforms Inc - Class A	55,172,538
Alphabet Inc	55,012,167
Lockheed Martin Corp	50,741,200
Procter & Gamble Co/The	39,879,324
Texas Instruments Inc	29,229,918
Sherwin-Williams Co/The	28,819,057
Abbott Laboratories	24,538,808
Eli Lilly & Co	22,827,401
UnitedHealth Group Inc	22,415,722
Lowe's Cos Inc	22,057,026
Accenture Plc - Class A	21,424,640
Visa Inc - Class A	13,921,782
Walmart Inc	13,772,478
Applied Materials Inc	11,793,430
Apple Inc	11,413,685
Fortinet Inc	11,279,593
Amazon.com Inc	11,128,634
Home Depot Inc/The	10,904,386
NVR Inc	10,688,506
Mastercard Inc	10,679,096
Lam Research Corp	9,854,591
Lennar Corp	9,671,803
Honeywell International Inc	9,654,773
CDW Corp/DE	9,522,674
KLA Corp	9,379,817
Coca-Cola Co/The	9,267,968
Etsy Inc	9,065,854
QUALCOMM Inc	8,997,916
Microsoft Corp	8,898,607
Seagate Technology Plc	8,707,111
Broadcom Inc	8,043,886
Advance Auto Parts Inc	7,910,066
NetApp Inc	7,825,177
Caterpillar Inc	7,739,053
Western Digital Corp	7,502,014

Material portfolio changes are defined as aggregate purchases of a security exceeding one percent of the total value of purchases for the financial period or aggregate sales of a security exceeding one percent of the total value of sales for the financial period. At a minimum, the 20 largest purchases and 20 largest sales must be disclosed.

# YUKI GLOBAL ICAV

## Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

### Schedule of Significant Portfolio Changes (unaudited) (continued)

For the financial period ended 31 December 2021

Major Sales	Proceeds JP¥
Honeywell International Inc	56,746,440
Meta Platforms Inc - Class A	53,285,168
Apple Inc	44,053,439
Caterpillar Inc	42,733,783
ServiceNow Inc	37,384,808
Applied Materials Inc	35,313,252
PayPal Holdings Inc	32,476,017
CSX Corp	27,873,470
Intuitive Surgical Inc	27,359,892
Norfolk Southern Corp	26,238,787
Abbott Laboratories	16,993,516
MSCI Inc - Class A	15,638,104
Thermo Fisher Scientific Inc	15,416,150
Dollar General Corp	12,987,685
IQVIA Holdings Inc	12,800,770
QUALCOMM Inc	12,033,882
KLA Corp	11,621,698
Seagate Technology Holdings Plc	11,373,791
Texas Instruments Inc	9,931,534
Microchip Technology Inc	8,375,020
S&P Global Inc	8,316,676
Electronic Arts Inc	7,404,247
Paycom Software Inc	6,886,500
CBRE Group Inc - Class A	6,151,856

Material portfolio changes are defined as aggregate purchases of a security exceeding one percent of the total value of purchases for the financial period or aggregate sales of a security exceeding one percent of the total value of sales for the financial period. At a minimum, the 20 largest purchases and 20 largest sales must be disclosed.



## YUKI GLOBAL ICAV

### Annual Report and Audited Financial Statements for the financial period ended 31 December 2021

#### Other Information (unaudited)

##### Directors

Mr. Magoyuki Oshitani\* (Japanese)  
Mr. Magotaka Oshitani\* (Japanese)  
Mr. O. Jeffrey Collett\* (American)  
Mr. David Hammond\*\* (Irish)  
Mr. Ronan Smith\*\* (Irish)

\*Non-Executive Directors

\*\*Independent Non-Executive Directors

##### Registered Office of the ICAV

2nd Floor  
Block E, Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

##### Manager

Carne Global Fund Managers (Ireland) Limited  
2nd Floor  
Block E, Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

##### Promoter

Yuki Asset Management Co., Ltd.  
Sun Dwell #102  
3-23-10 Nishi-Ochiai  
Shinjuku-ku, Tokyo  
Japan 161-0031

##### Investment Manager

Yuki Management & Research Co., Limited  
Tanaka Yaesu Building  
1-5-15 Yaesu, Chuo-Ku  
Tokyo 103-0028  
Japan

##### Depository

The Bank of New York Mellon SA/NV, Dublin Branch  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

## **YUKI GLOBAL ICAV**

### **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

#### **Other Information (unaudited) (continued)**

##### **Administrator, Registrar and Transfer Agent**

BNY Mellon Fund Services (Ireland) Designated Activity Company  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1  
Ireland

##### **Independent Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

##### **International Placing Agent**

Yuki - Co, LLC  
2173 Walker Lane  
Salt Lake City  
Utah 84117  
United States of America

##### **Irish Legal Adviser and Irish Tax Adviser**

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

##### **Secretary to the ICAV**

Carne Global Financial Services Limited  
2nd Floor  
Block E, Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

##### **Euronext Dublin Listing Sponsor**

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Annual Report and Audited Financial Statements for the financial period ended 31  
December 2021**

**Appendix 1 - Remuneration Disclosure (unaudited)**

The European Union Directive 2014/91/EU as implemented in Ireland by S.I. No. 143/2016 - European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, requires management companies to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

To that effect, Carne Global Fund Managers (Ireland) Limited ("the **Manager**"), has implemented a remuneration policy that applies to all UCITS for which the Manager acts as manager (the "**Remuneration Policy**") and covers all staff whose professional activities have a material impact on the risk profile of the Manager or the UCITS it manages ("**Identified Staff of the Manager**"). The Remuneration Policy also applies to all alternative investment funds for which the Manager acts as alternative investment fund manager. In accordance with the Remuneration Policy, all remuneration paid to Identified Staff of the Manager can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria) which is not based on the performance of the UCITS.

The Manager has designated the following persons as Identified Staff of the Manager:

1. The Designated Persons;
2. Each of the Manager's directors;
3. Compliance Officer;
4. Risk Officer;
5. Money Laundering Reporting Officer;
6. Chief Executive Officer;
7. Chief Operating Officer;
8. Head of Compliance with responsibility for Anti-Money Laundering and Counter Terrorist Financing; and
9. All members of the investment committee.

The Manager has determined not to constitute a separate remuneration committee and for remuneration matters to be determined through the Manager's Compliance and AML Committee.

The Manager's Compliance and AML Committee is responsible for the ongoing implementation of the Manager's remuneration matters and will assess, oversee and review the remuneration arrangements of the Manager as well as that of the delegates as relevant, in line with the provisions of the applicable remuneration requirements.

The Manager's parent company is Carne Global Financial Services Limited ("**Carne**"). Carne operates through a shared services organisational model which provides that Carne employs the majority of staff and enters into inter-group agreements with other Carne Group entities within the group to ensure such entities are resourced appropriately. Additionally, the Manager has a number of directly employed staff. The one non-executive independent director is not an employee of the Manager. 4 of the Designated Persons are directly employed by the Manager. The remainder of the identified staff are employees of Carne, or employees of another entity within the Carne Group, and are remunerated directly based on their contribution to Carne Group as a whole. In return for the services of each of the Carne Identified Staff, the Manager pays an annual staff recharge to Carne (the "**Staff Recharge**").

**Annual Report and Audited Financial Statements for the financial period ended 31  
December 2021**

**Appendix 1 - Remuneration Disclosure (unaudited) (continued)**

The non-executive independent director is paid a fixed remuneration and each other Identified Staff member's remuneration is linked to their overall individual contribution to the Carne Group, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached or the performance of the UCITS.

The aggregate of the total Staff Recharge and the remuneration of the independent non-executive director is €1,762,906 paid to 21 individuals for the year ended 31 December 2021. The Manager has also determined that, on the basis of number of sub-funds / net asset value of the UCITS relative to the number of sub-funds / assets under management, the portion of this figure attributable to the UCITS is €1,713.

The Fund does not pay any fixed or variable remuneration to identified staff of the Investment Manager.

The Remuneration Policy and the Manager's remuneration practices and procedures were amended during the financial year. Also, the committee responsible for remuneration matters for the Manager has changed to the Compliance and AML Committee, a Committee of the Manager's Board.

## **YUKI GLOBAL ICAV**

### **Annual Report and Audited Financial Statements for the financial period ended 31 December 2021**

#### **Appendix 2: EU Sustainability Regulation (unaudited)**

The Fund is categorised as an Article 6 fund under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.