

# Yuki Asia Umbrella Fund Yuki Japan Rebounding Growth Fund

2018 LIPPER FUND AWARD, UK  
EQUITY JAPAN BEST FUND OVER 3 YEARS  
EQUITY JAPAN BEST FUND OVER 5 YEARS



## MARKETING COMMUNICATION

PLEASE SEE PROSPECTUS FOR DETAILS BEFORE INVESTING

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## FUND PROFILE

**OBJECTIVE** Long-term capital appreciation through investment in equities of Japanese companies that are achieving EPS growth through the skillful execution of unique business models that are well suited to the economic environment and growth opportunities

**APPROACH** Intensive bottom-up research (company visits, interviews and fundamental analysis) with utilization of proprietary database of over 3,800 companies

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

## FUND MANAGER'S COMMENT | OVERVIEW

Our outlook as of July 31 for corporate performance for the fiscal year ending March 2025 (for the 2,049 companies that actually announced their forecasts) is as follows: operating income of ¥63.5 trillion up 4.6% from March 2024, ordinary income of ¥80.7 trillion up 1.1% from the previous year, net income of ¥55.1 trillion down 0.5% from the previous year, and gross dividends of ¥19.7 trillion up 4.1% from the previous year. Major U.S. stock indexes hit new highs at the beginning of July due to expectations for interest rate cuts in the U.S., and the Japanese stock market followed suit, with both the Nikkei Stock Average and TOPIX hitting record highs thanks to the depreciation of the yen. However, stock prices subsequently declined due to factors such as the lower-than-expected U.S. consumer price index in June and the sharp appreciation of the yen due to speculation that the authorities might intervene in the currency exchange. On the other hand, although uncertainty regarding the future of the economy has not been dispelled, many companies have announced upward revisions to their earnings due to the emergence of new demand such as generative AI, mainly in the electronic parts industry. We think it is important to continue to conduct due diligence and select companies that can expect medium- to long-term EPS growth.

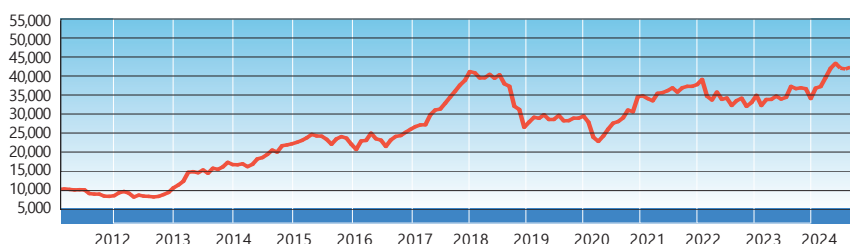
## Investment Themes

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

1. Companies that have established highly profitable business models that will enable them to achieve a high level of earnings growth over the medium to long term;
2. Companies with sustainable earnings growth over the medium to long term in the hardware and software fields that contribute to the actualization of IoT and 5G, which are part of the fourth industrial revolution;
3. Companies that offer the latest devices that utilize the infrastructure of the Fourth Industrial Revolution and take part in improving customer productivity;
4. Companies that respond to environmental regulations through EV and electrical equipment, which are next-generation themes of the automobile industry where supply and demand are tight;
5. Companies that are resistant to current inflation and maintain high profitability.

## PERFORMANCE CHART

YEN UNIT CLASS



## FUND FACTS

Market Coverage	Actively Managed Japanese Equity Fund
Currency	Japanese Yen, U.S. Dollar, or Euro
Inception Date	30 March 2011 Yen Unit Class 19 August 2015 USD Hedged Unit Class 01 May 2018 EUR Hedged Unit Class
ISIN Code	IE00B3VGGSP84 Yen Unit Class IE00BVRZ9185 USD Hedged Unit Class IE00BDRTDF67 EUR Hedged Unit Class
Bloomberg Code	YUKJJPY:ID Yen Unit Class YUKIUSD:ID USD Hedged Unit Class YUKIEUR:ID EUR Hedged Unit Class
Total Net Asset	¥4,669 Million
Unit NAV	¥42,095 Yen Unit Class \$1,918.59 USD Hedged Unit Class € 1,073.28 EUR Hedged Unit Class
Legal Classification	UCITS regulated by Central Bank of Ireland
Listed	Irish Stock Exchange
Reporting Year End	July
Subscription / Redemption	Daily
Minimum Investment	¥1,000,000 Yen Unit Class \$10,000 USD Hedged Unit Class €10,000 EUR Hedged Unit Class
NAV Calculations	Daily
Manager	Bridge Fund Management Ltd. Dublin
Trustee	BNY Mellon Trust Company (Ireland) Ltd Dublin
Investment Manager	Yuki Management & Research Co. Ltd Tokyo
Fund Manager	Magotaka Oshitani
Administrator	BNY Mellon Fund Services (Ireland) DAC Dublin
Auditor	Deloitte Dublin
International Placing Agent	Yuki - Co, LLC

## CONTACTS

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## FUND MANAGER'S COMMENT | REVIEW

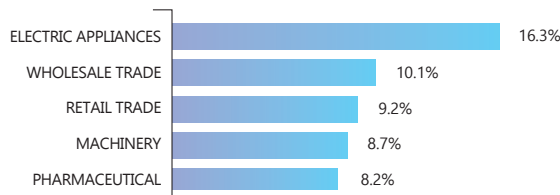
Through company visits and participation in earnings announcement meetings, the fund manager added new positions, confirmed existing positions, and increased the weightings of some positions. One company of note is Japan Eyewear Holdings (5889). It is the only company that owns its own brand under the Sabae name, is one of the world's three largest eyeglass producers, and is increasing its number of glasses sold in Japan. In addition to the reliability that comes from deep-rooted technical skills of Sabae craftsmen, the company has succeeded in improving its brand through a strategy of opening stores in carefully selected locations, making it possible to increase unit sales prices through improved customer satisfaction. Due to the recognition of the Sabae brand, a trend of customers visiting Japan and seeking out the store by name has been established. Therefore, inbound sales are also continuing to grow. Going forward, the company plans to open around 10 stores per year in carefully selected locations and increase production capacity to respond to sales growth at existing stores. We have included Japan Eyewear in our portfolio because we can expect EPS growth of nearly 20% due to an increase in volume and unit sales pricing.

## PERFORMANCE DATA

PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS

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

## SECTOR BREAKDOWN



## FEES

Manager	0.015%
Administrator	0.085% - 0.025%
Trustee	0.02%
Investment Manager and Placing Agent	1.50%
Plus hedge cost for USD Hedged Unit Class	

## TOP HOLDINGS

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

## FUND MANAGER'S COMMENT | Future Strategy

The market ended negative in July. In an environment where the external situation is changing significantly, such as the rapid appreciation of the yen and the U.S. policies restricting semiconductor equipment trade with China, there has been profit taking in companies with good earnings trading at overbought levels and electricity and gas companies that continued to rise in price as they did last month. On the other hand, capital flowed to food and pharmaceuticals stocks, etc., and we believe that it was a risk-off month for the market to assess its future direction. Even in such an environment, the decline in small-cap stocks, which had good earnings but were undervalued, was only slight, and like the global market, there are signs of a shift to stock picking that emphasizes fundamentals in Japan, and we are paying close attention. Furthermore, although concerns remain unresolved about an economic slowdown centered on China, our analysis suggests that the US stock market is regaining efficiency due to stabilization of U.S. economic activity. There is great potential for growth companies in the Japanese market when global investors choose to focus on fundamentals, and against the TOPIX's PER multiple of 16.5x, the PER of companies with good earnings that are trading at fair value has dropped to the 15.1x level. Within that fair value group of growth companies, small-cap growth companies are trading at a PER of 13.5x, and when the market's upward trend is in place, we expect that these companies will rise significantly. Regardless of economic boom or bust, our analysis is that companies with unique business models and high market share will be able to sustain sales growth from the next fiscal year onward and will be able to pass on price increases even in the face of concerning inflationary conditions such as rising raw material prices, so EPS growth will also be sustainable. Our investment policy is to focus on fundamentals, building a portfolio focused on companies undergoing a high rate of change with a superior market advantage. We will adjust our position weightings based on target prices using our 3-year earnings estimates, and thoroughly analyze and evaluate company earnings to focus our investments on companies that we expect will improve profits over the medium to long term and have high EPS growth momentum based on unit sales growth.

**DISCLAIMER:** This material is intended to report solely on the investment strategies and opportunities identified by Yuki. Additional information is available upon request. Information herein is believed to be reliable but Yuki does not warrant its completeness or accuracy. Opinions and estimates constitute Yuki's judgement and are subject to change without notice. Past performance is not indicative of future results. The material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Yuki and/or its affiliates and employees may hold a position or act as advisor to such issuer. The investments and strategies discussed herein may not be suitable for all investors; if you have any doubts you should consult your own advisor or broker. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. You should consult your tax or legal adviser about the issues discussed herein. The investments discussed may fluctuate in price or value. Investors may get back less than they invested. Changes in rates of exchange may have an adverse effect on the value, price or income of investments.

**ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND:** The Fund, including its sub-fund, is compliant with Swiss law for offering to qualified investors in Switzerland. The Swiss representative is REYL & Cie S.A., 4, rue du Rhône, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva, Switzerland. Investors in Switzerland can obtain the documents of the Fund, such as the Prospectus, the Trust Deed, the Key Information Documents ("KIDs"), and the financial reports free of charge from the Swiss representative. This document may only be issued, circulated or distributed so as not to constitute an offering to the general public in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Swiss representative.