



Yuki Mizuho Umbrella Fund Yuki Japan Low Price Fund



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FUND PROFILE

- OBJECTIVE** Long term capital appreciation mainly through investment in Japanese equities of companies with price/share smaller than or equal to ¥750 for at par ¥50 share (other categories subject to similar constraints) at the time of initial investment
- APPROACH** Intensive bottom-up research (company visits, interviews and fundamental analysis) with utilization of proprietary database of over 3,000 companies
- SUITABILITY** Institutional investors with a long term view

FUND MANAGER'S COMMENT | OVERVIEW

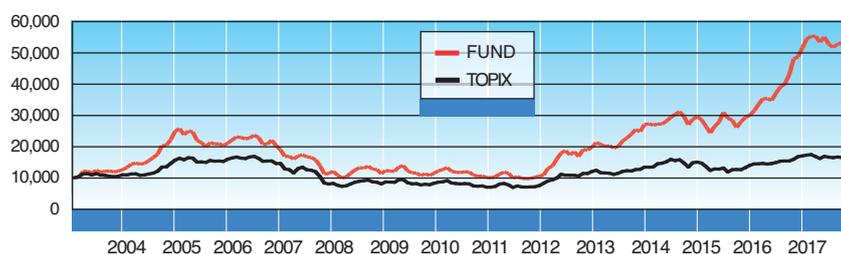
Our outlook, as of November 15 for corporate performance through the end of March 2019 for companies included in the TOPIX index is as follows: ordinary income of JPY 64.6 trillion (up 4.3% compared to previous year), net income of JPY 42.8 trillion (down 4.0% from previous year) and gross dividends of JPY 13.6 trillion (up 7.3% compared to previous year). The market started the month on a calm note as U.S. midterm elections ended up as expected. But after that, the downward revision of earnings for Apple-related companies in the U.S. impacted the Japanese market with semiconductors and high-tech sectors falling especially hard. Despite the decline of energy-related stocks due to the sharp drop in crude oil prices, towards the end of the month the market rose as trade friction between the U.S. and China seemed to let up and it looked like interest rate hikes in the U.S. would be coming to an end soon. Meanwhile, despite the uncertainty about the market trend outlook for machine tool orders and semiconductors which are moving in the opposite direction of the trend for domestic companies, the overall earnings growth trend was maintained. We believe it will be important to continue to conduct due diligence and company visits to select companies that can be expected to achieve EPS growth.

Investment Themes

WE WILL UTILIZE THE FOLLOWING STRATEGIES:

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

PERFORMANCE CHART



FUND FACTS

Market Coverage	Japanese Equities
Currency	Japanese Yen
Inception Date	2 February 2004
ISIN Code	IE0034216428
Bloomberg Code	YMJPLOW:ID
Total Net Asset	¥300 Million
Unit NAV	¥41,811
Legal Classification	Unit Trust Authorised by Central Bank of Ireland
Listed	Irish Stock Exchange
Reporting Year End	January
Subscription / Redemption	Daily
Minimum Investment	JPY1 mil/equiv in no. of units
NAV Calculations	Daily
AIFM (Manager)	Carne Global Fund Managers (Ireland) Ltd Dublin
Depository	BNY Mellon Trust Company (Ireland) Ltd Dublin
Investment Manager	Yuki Management & Research Co. Ltd Tokyo
Fund Manager	Magotaka Oshitani
Administrator	BNY Mellon Fund Services (Ireland) DAC Dublin
Auditor	PricewaterhouseCoopers Dublin
International Placing Agent	Yuki International Ltd London

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FUND MANAGER'S COMMENT | REVIEW

Through company visits the fund manager added new positions, confirmed existing positions and increased the weightings of some positions. A company of note, Showa Denko (4004), has succeeded in transfer pricing as there has been a tightening of the supply and demand conditions for graphite electrodes worldwide. Thanks to the contributions of a subsidiary acquired last year, sales have expanded as production volume has increased. In addition, profits are increasing as rising raw materials prices are being absorbed. Although the chemicals business for semiconductors will grow moderately over the short term, EPS growth can be expected for the entire company as the capacity expansion of the graphite electrode division next fiscal year will contribute early. Also, next fiscal year's medium-term plan is targeting growth investment in businesses that can't easily be impacted by market conditions, and we will seriously consider the stock as we expect the company to achieve steady earnings growth and use its vast cash holdings to improve its shareholder return policy.

FEES

AIFM	0.09% - 0.03%
Administrator	Included in the above
Depository	0.03%
Investment Manager	1.19% - 1.79%
Placing Agent	Included in the above

Please see prospectus for details
[minimum charge may apply]

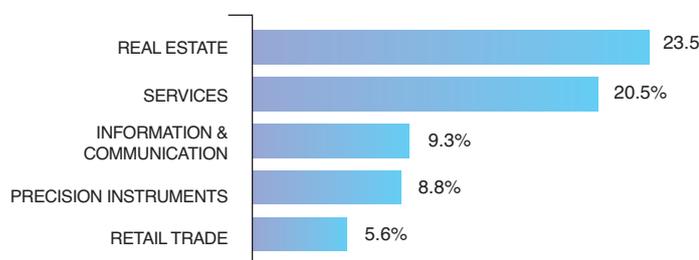
PERFORMANCE DATA

	YTD	1M	3M	6M	1Y	3Y	5Y	Inception
FUND	-17.6%	1.0%	-15.8%	-14.9%	-13.0%	52.2%	128.4%	352.9%
TOPIX <small>[excl. dividends]</small>	-8.3%	1.3%	-3.9%	-4.6%	-7.0%	5.5%	32.5%	58.9%

TOP HOLDINGS

1 Holon Co Ltd (7748)	7.9%
2 Outsourcing Inc (2427)	5.8%
3 Es-Con Japan (8892)	5.6%
4 Katitas Co Ltd (8919)	5.6%
5 Trust Tech Inc (2154)	5.4%
6 L'attrait Co Ltd (8885)	4.1%
7 Dear Life Co Ltd (3245)	4.1%
8 Penta-Ocean Construction (1893)	3.4%
9 Nippon Yakin Kogyo Co Ltd (5480)	3.4%
10 Ifis Japan Ltd (7833)	3.3%
TOTAL	48.7%

SECTOR BREAKDOWN



FUND MANAGER'S COMMENT | Future Strategy

The stock market ended lower in November. Notwithstanding positive or negative fundamentals revealed in the semiannual earnings announcements that began in October, we continued to see profit taking in companies that had appreciated over the previous 12 months. However, in the second half of the month, we started to see share prices rise for beaten down companies with good earnings. From here it seems that investors will return to individual stock selection rather than buying the index, and we believe it will be a good opportunity for active growth funds as high-earnings growth companies appreciate the most. Our investment policy is to focus on fundamentals, and identify and invest in high-growth companies at reasonable PERs. We will utilize our 3-year EPS estimates and adjust the weighting of portfolio positions in line with each stock's target price. We will analyze and evaluate company performance and focus our investments on companies that we expect will improve profits over the mid to long term and have high EPS growth momentum based on unit sales growth.

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