

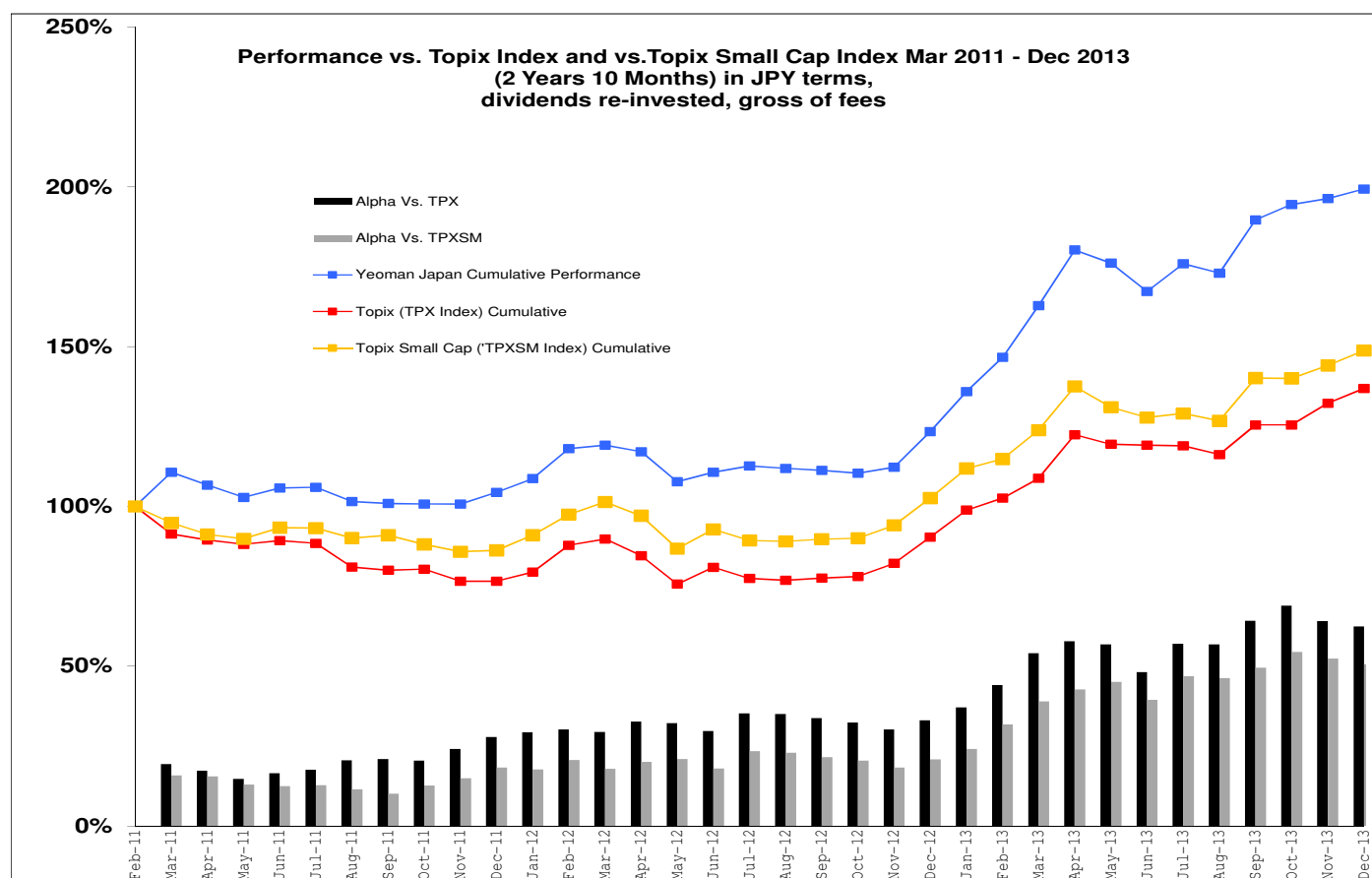
YEOMAN VALUE JAPAN FUND

At 30 Dec 2013
Total Value of Fund:
¥219,064,992

Performance: 2yr 10mo ending 30Dec13

Period	Fund	Index		Out/Under Performance	
		Topix (TPX)	Topix Small Cap (TPXSM)	Vs. TPX	Vs. TPXSM
CAGR (p.a.)	27.57% p.a.	11.72% p.a.	15.07% p.a.	+15.85% p.a.	+12.51% p.a.
Cumulative Performance From Mar11 to Dec13 (2Yr 10mo)	99.37%	36.90%	48.83%	+62.47%	+50.54%
Dec 2013	1.51%	3.47%	3.28%	-1.95%	-1.77%
YTD 2013	61.59%	51.46%	45.08%	+10.12%	+16.51%
Historical Performance					
Jan13 to Dec13	61.59%	51.46%	45.08%	+10.12%	+16.51%
Jan12 to Dec12	17.93%	18.01%	19.03%	-0.08%	-1.10%
Mar11 to Dec11	4.40%	-23.41%	-13.81%	+27.81%	+18.21%

Note: In YEN terms, gross of fees, dividends re-invested.



Equities/Cash Allocations	Portfolio Valuations (trailing)
Equities 99.21% Cash 0.79%	PE 10.31x P/B 0.54x Dividend Yield 2.68% p.a. ROE 5.69% (1 yr) 6.34% (5 yrs average) Weighted Ave Mkt Cap ¥\$13.17bn

Complete information on the Fund and the latest updates are available from the manager Yeoman Capital Management Pte Ltd or from the Custodian. This document constitutes neither a recommendation nor an offer to buy or sell, is not a solicitation to invest in the Fund, neither does it constitute an investment contract. Please be aware that past performance is not indicative of future results

Performance Summary at end 4Q 2013

Our Japan managed account was again **up** in Dec13 which took it to yet another new high. Some figures extracted from page 1 are:

Dec 2013 **+1.51%**

Full year 2013 **+61.59%**

Since inception in Mar11 which was 2 years 10 months ago we are up cumulatively **+99.37%** which when annualized gives a CAGR of **+27.57% p.a.**

The relative-to-index comparative figures (against the Topix large cap and small cap indices TPX and TPXSM) may be found on the table at top of page 1. If you look closely, you will see that **we have significantly outperformed the Japan local indices big cap and small cap with excess returns or "alpha" of +15.85% p.a. and +12.51% p.a. respectively.** Performance tracking is in JPY, gross of fees.

The portfolio valuation ratios are shown on the bottom RH corner of page 1. An objective and financially trained person would be able to tell that our Japan stock picks are very cheap.

Prospects going forward

Our historical performance seems to suggest that we know what we are doing. The investment methodology is consistent with our stated (value) process and no different from our other fund the Asia ex Japan YEOMAN 3-RIGHTS VALUE ASIA FUND.

We do acknowledge that all that the above results are historical and therefore in the past. What about the future?

In a Barclays report that was published in the Business Times of 08Jan14, we note that the valuation ratios for the Japan Topix market are now:

Current PE (12 month forward) is **14.6x** with 10 year average 16.0x

Current P/B (12 month forward) is **1.3x** with 10 year average 1.3x

On the bottom RH corner of page 1 of this newsletter you will note that our own 12 month trailing PE is **10.31x** and trailing P/B is **0.54x**.

Comparing our own numbers with that of the market and applying simple arithmetic, we reason that if and **when** our Fund valuation catches up with the current market on PE or P/B basis we would be up further from where we are now. Please remember that the market numbers are all broadly depressed having gone through the (lost) decades of slumber which Japan has, which basically means more upside rather than less.

It's hard to imagine this future so the non-believer will lose heart and lose focus (and likely go dabble elsewhere in something else). For us, with 16+ years of Asia ex Japan track record and nearly 3 years of Japan experience under our belt, it is not question of "if" and only a matter of "when" - we never lose heart or lose focus.

For Year 2014 and for all the years beyond, we shall stick to the same foundation principles that have worked well for us.

With best regards

Seng Chong YEO, Executive Chairman and Chief Investment Officer