

YEOMAN 3-RIGHTS VALUE ASIA FUND

(Co. Regn: 53979 C1 GBL; Fund Business Licence: C1/04/01282)

At 29 June 2007
NAV/Share:
\$S\$187.41

Performance Figures for Month of June 2007

June 2007 **+7.65%**
Year-to-date 2007 **+31.90%**
Cumulative 9 yr 8 mo performance **+427.11%**
Implying a compounding rate of return of **+18.76% p.a.** over the 9 yr 8mo period.
(Nett of all fees, with dividends re-invested and in SGD terms)

Equities/Cash Allocations

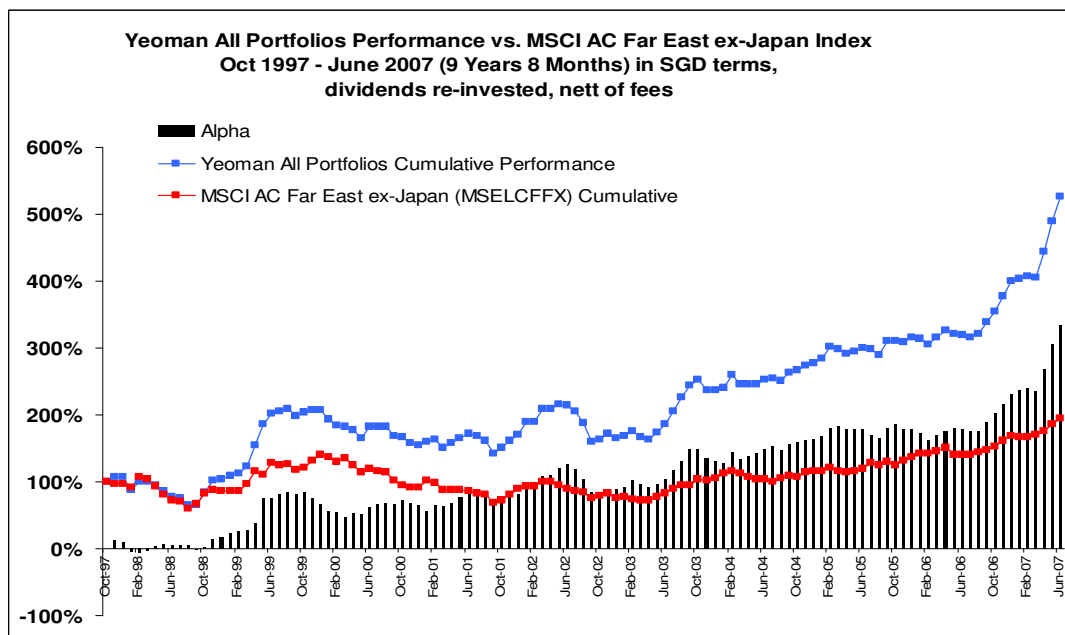
Equities 99.28%
Cash 0.72%

Country Allocations

Korea 39.31%
Singapore 25.01%
Hong Kong 24.01%
Malaysia 9.42%
Thailand 1.53%

Portfolio Valuations (trailing)

PE 14.7x
P/NTA 1.16x
Dividend Yield 3.77% p.a.
ROE 10.81% (1 yr)
14.40% (5 yrs average)
Wt. Ave. Mkt. Cap. S\$316.31m



Yeoman All-Portfolios Performance 9yr 8mo ending 29/6/2007

Period	Yeoman-All Performance	MSCI AC FE x Japan Performance
Oct 97 to Dec 97	+6.6%	-2.9%
Jan 98 to Dec 98	-2.5%	-10.7%
Jan 99 to Dec 99	+99.3%	+61.4%
Jan 00 to Dec 00	-25.1%	-35.2%
Jan 01 to Dec 01	+9.5%	-1.6%
Jan 02 to Dec 02	-2.6%	-14.5%
Jan 03 to Dec 03	+42.9%	+39.2%
Jan 04 to Dec 04	+17.5%	+8.8%
Jan 05 to Dec 05	+13.6%	+18.1%
Jan 06 to Dec 06	+26.59%	+23.48%
Y T D	+31.90%	+15.60%
Cumulative Performance from 10/97 to 6/07 (9Yr 8mo)	+427.11%	+94.60%
CAGR	+18.76%	+7.13%

Note: In SGD terms, nett of all fees, dividends re-invested and calculated according to CFA (AIMR) PPS

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 result

General Information

Fund Address:
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Street,
Port Louis, Mauritius**

Manager:
**Yeoman Capital
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Robertson Walk,
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Tel: **+65-67373922**
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Email: cio@yeomancap.com

Website:
www.yeomancap.com

Total Value of Fund:
\$S\$74,820,733.22

Total Number of Shares:
399,225.29

Management Fee:
1% p.a.

Performance Fee:
15% High Water Mark

Sales Charge:
2.5% of NAV (payable to
Distributor if applicable)

Manager Subscr Charge:
\$S\$2,500 (one-time fixed sum
payable to Manager)

Fund Subscription Charge:
1% of NAV (payable to
Fund)

Fund Redemption Charge:
1.5% of NAV (payable to
Fund)

Subscription frequency:
Monthly

Redemption frequency:
Quarterly

Investment Horizon
Recommended:
3-5 years or more

Minimum Investment:
\$S\$250,000

Custodian:
**British and Malayan
Trustees Ltd,
Deutsche Bank**

Auditor:
KPMG

MANAGER'S COMMENT AND PERFORMANCE REVIEW AT 1H 07

Absolute Performance

Month of June 07 **+7.65%**

YTD 1H 07 **+31.90%**

One year to June 07 **+64.89%** (which also happens to be our Fund financial year 2006/7)

Two years to June 07 **+76.02%**

Cumulative Oct 97 to June 07 (9 yr 8 mo period): **+427.11%** (i.e. **up 5.27x**)

Implying **CAGR of +18.76% p.a.** (compounding) over the period on nett of all fees, dividends reinvested, SGD basis.

In dollar terms, for every **\$1m** entrusted to our management in October 1997, today you would have **\$5.27m**.

Relative Performance

For purpose of comparison, I set out the MSCI AC FE x Japan (MSELCFFX) over the same periods as our own performance figures:

Time Window	Yeoman	MSCI AC FE x Japan Index	Out-performance vs. Index
June 07	+7.65%	+5.05%	1.51x
YTD	+31.90%	+15.60%	2.04x
One year	+64.89%	+38.36%	1.69x
Two years	+76.02%	+61.98%	1.23x
Cumulative 9yr 8mo to end June 07	+427.11%	+94.60%	4.51x

By inspection of the above, it may be seen that:

Over the short term (one month), we outperformed the market by **1.51x**

Over the half year, we outperformed the market by **2.04x**

Over the medium one to two year time horizon, we outperformed the market by **1.23-1.69x**

Over the long and very long term, we outperformed the market by **4.51x**

Therefore, over both short and long terms we have outperformed the market very significantly.

Graphical and Tabular View

Please see cover page of this report.

*(Note: As before, the above figures are **nett of all fees with dividends reinvested and in SGD terms**. Performance calculations follow the CFA (formerly AIMR) PPS standards consistently and measures all/all accounts under management for period Oct 97 to Dec 04 and thereafter for Jan 05 onwards, only our Mauritius domiciled Yeoman 3-Rights Value Asia Fund is reported. The composite accounts performance record for 1997-2004 has been*

verified by an external auditor and the Fund performance for period Jan 05 – Jun 06 has been audited by the Fund external auditor).

Portfolio Actions

Over the last quarter, we trimmed holdings in Korea and Singapore that had reached or exceeded our valuations and re-deployed the proceeds into stock picks that had greater undervaluation merits in their favour listed in Malaysia and Hong Kong.

In the past, the Thai stocks that we had been studying were not as undervalued as those we found on the other country markets but as stock prices in the latter moved on upwards, we now find it sensible to commence allocating a larger portion of cash to our Thai stock picks.

Discussion on Portfolio Valuation merits

Over the last 12 months ending June 07, our Fund has gained +64.89%. It is instructive to compare the portfolio valuation ratios at the beginning and end of the 12 month period.

	Today (at end 1H 2007)	At end 1H 2006
PE (trailing, 1 year)	14.7x	9.55x
P/NTA (or P/Book)	1.16x	1.05x
Dividend Yield (% p.a.)	3.77%	4.85%

Although the Fund NAV has gone up by +64.80%, we find that portfolio trailing PE has only gone up by +53.9%, price to book by +10.48% and dividend yield has shifted by only -22.26%, i.e. we get more gain than what the portfolio numbers might suggest. This is so because as stock prices go up, we trim them selectively to re-deploy the funds into other more undervalued counters all handpicked, evaluated and waiting in the cab rank for their day to come.

Today, the main undervaluation case of our portfolio is largely anchored on balance sheet (price to book) basis with earnings multiple and dividend yield as supporting scenarios. **The PE of 14.7x gives us an earnings yield of 6.80% p.a. which on absolute terms gives us a rate of return that is superior to the risk free rate** of between just under 3% in Spore (the Spore govt long bond rate) and 5% for the US (the US govt long bond rate). We are getting paid an additional spread of between 180 to 500 bps to take equity risk and we believe that that is not such a dumb proposition.

On relative basis, our portfolio valuations are also **superior to what the Asia ex Japan market exhibits at PE 15.3x, price to book 2.6x and dividend yield 3%** (based on a Citibank report dated 11/6/07, page 3). We are undervalued relative to market as well.

The absolute and relative undervaluation factor gives our portfolio positive buoyancy which is the engine for generating superior investment returns, under all market conditions.

Strategy going forward

As always, we got no market comment or forecast to make.

We are however aware that the valuation bands have shifted upwards since the happy 2002-5 days when we were sitting in a target-rich environment and scooping up undervalued stocks by the bucket-loads. Back then, we would make fresh purchases for the portfolio at p/book range of between 0.2x-0.5x whereas today we have had to up our purchase prices to the 0.5x-1x book range. Question: Is 0.5x – 1x p/book expensive? No. Is it as cheap as those happy days? No. Is there room to continue with value investing? Well, yes.

So how do we implement that?

On **absolute valuation basis**, by ensuring that we stay on the right side of the risk free rate when making earnings yield and discounted cash flow evaluations; on **relative valuation basis** by ranking our stock selections with the most attractively valued to the right, less so on the left (parade ground fashion) and allocating our cash to the most attractive stock pick situations (on the right).

For us, working value investing the way we do, the happy days just do not seem to go away.

YEO SENG CHONG
As Manager and Director
Yeoman 3-Rights Value Asia Fund