

# YEOMAN 3-RIGHTS VALUE ASIA FUND

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

At 30 June 2009

NAV/Share:

**\$S\$129.60**

## Performance Figures for Month of June 2009

June 2009 **+2.29%**

Year-to-date 2009 **+31.65%**

Cumulative 11 yr 8 mo performance **+264.51 %**

Implying a compounding rate of return of **+11.72 % p.a.** over the 11 yr 8 mo period.

(Nett of all fees, with dividends re-invested and in SGD terms)

### Equities/Cash Allocations

Equities 99.20%

Cash 0.80%

### Country Allocations

Hong Kong 30.12%

Korea 23.18%

Singapore 21.26%

Malaysia 20.85%

Thailand 3.79%

### Portfolio Valuations (trailing)

PE 13.75x

P/NTA 0.58x

Dividend Yield 4.36% p.a.

ROE 6.89% (1 yr)

10.08% (5 yrs average)

Wt. Ave. Mkt. Cap. S\$192.6m

## General Information

Fund Address:

**C/o Multiconsult Ltd.**

**Rogers House, 5 President**

**John Kennedy Street,**

**Port Louis, Mauritius**

Manager:

**Yeoman Capital**

**Management Pte Ltd**

**11 Unity Street #02-13,**

**Robertson Walk,**

**Singapore 237995**

**(Co. Regn. 199902308Z)**

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**Fax: +65-67376780**

**Email: [cio@yeomancap.com](mailto:cio@yeomancap.com)**

**Website:**

**[www.yeomancap.com](http://www.yeomancap.com)**

Total Value of Fund:

**\$60,456,247.53**

Total Number of Shares:

**466,493.49**

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:

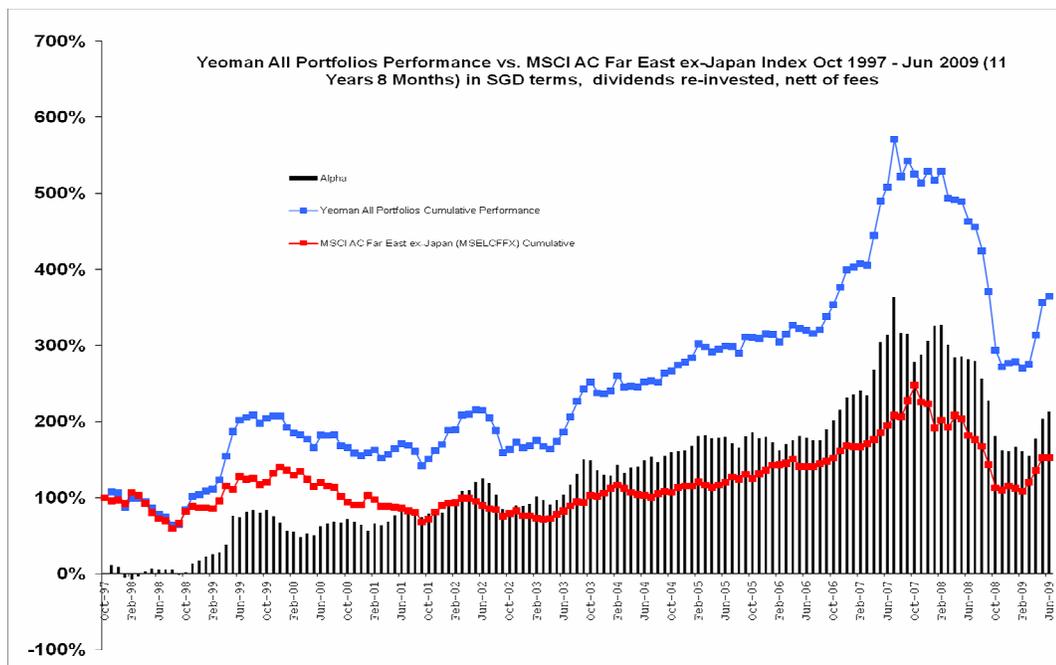
**British and Malayan**

**Trustees Ltd,**

**Deutsche Bank**

Auditor:

**KPMG**



## Yeoman All-Portfolios Performance 11yr 8mo ending 30/6/2009

Period	Yeoman-All Performance	MSCI AC FE x Japan Performance
Oct 97 to Dec 97	6.60%	-2.90%
Jan 98 to Dec 98	-2.50%	-10.70%
Jan 99 to Dec 99	99.30%	61.40%
Jan 00 to Dec 00	-25.10%	-35.20%
Jan 01 to Dec 01	9.50%	-1.60%
Jan 02 to Dec 02	-2.60%	-14.50%
Jan 03 to Dec 03	42.90%	39.20%
Jan 04 to Dec 04	17.50%	8.80%
Jan 05 to Dec 05	13.60%	18.10%
Jan 06 to Dec 06	27.60%	23.50%
Jan 07 to Dec 07	32.28%	32.48%
Jan 08 to Dec 08	-47.62%	-48.16%
<b>YTD 09</b>	<b>31.65%</b>	<b>31.80%</b>
Cumulative Performance from 10/97 to 6/09 (11Yr 8mo)	264.51%	52.38%
<b>CA GR</b>	<b>11.72%</b>	<b>3.68%</b>

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

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

## REVIEW AT END 1H09

### Absolute Performance

Please refer to the table at the bottom of page 1. Measured at 30Jun09, the numbers are:

For month of Jun09, we were up **+2.29%**

For the YTD to end Jun9, we were up **+31.65%**

For the 11 years 8 months to end Jun09 on all-funds composite basis, we were up **+264.51%** which implies a **CAGR of +11.72% p.a.** for the period (a very long term).

[Note: The above figures are presented on nett of all fees basis, in SGD with dividends reinvested].

### Relative Performance

Our own performance against that of the Index is tabulated below:

Period	Yeoman (%)	Index (%) (Ticker: MSELCFFX)	Out/under- performance (%)
1 month	+2.29	-0.02	+2.31
YTD	+31.65	+31.80	-0.15
Cumulative 11 years 8 months to end Jun09	+264.51	+52.38	+212.13% (or factor of <b>5.1x</b> )
Annualized 11 yrs 8mo (CAGR)	+11.72	+3.68	Alpha of <b>+8.04% p.a.</b>

From the above, it may be seen that we outperformed the market over short and the very long term. Over this very long term the “alpha” generated is **+8.04% p.a.** nett of all fees.

### Comment on Investment Strategy

Following the sharp up-ticks seen in the equities markets over the last 3 months most investors are asking the perennial question “what next?” Academics and experts (such as Krugman and Ferguson on BBC on 7Jul09) have revived discussions on deflation vs inflation, monetary vs fiscal approaches and etc.

Based on what the investor sentiment surveys show and also taking note of comments made by the various policy makers (see attached pdf file), investor sentiment is still cautious if not fragile altogether.

We considered carefully what these people have to say and conclude once again that our investment process takes care of all these concerns. Given the valuation parameters such as what our portfolio commands at end 1H09 (see page 1 top RHS of page) we believe that we do not need a lot of economic growth to justify holding the portfolio that we have. For example even if the local, regional or world economies register flat or negative growth in 2009 and beyond, the trailing ROE of between 7-10% of our underlying businesses would add to tangible assets of our business holdings and we would still be outperforming relative to the macro economies, relative to risk free rate, relative to inflation or deflation and what not.

And with diversification over 5 countries of listing, many types of business models some oriented towards home consumption and others towards export and with 70+ stocks in the portfolio, we do not believe that we shall be severely impacted should any one or two of our businesses go flat or fail.

### **Sticking to the Knitting, Checking and Re-checking the Investment Case**

When stock prices go down and stay down, we fund managers tend to get as depressed as the shoe shine boy at the street corner.

At Yeoman we recognize that manic depressive streak we all have and counter it by going back to the financial statements. We check and recheck the balance sheets, cash flow and income statements of our holdings each time these are released, when the markets are down but also when the markets are up, to make sure that the investment case is intact especially to confirm that there is no impairment in the balance sheets.

This is tedious work and short of stock prices going ballistic up, there is usually scant positive feedback for our analysts. In recent 1 year, stock prices have not been ballistic up so...

In the last few months we got feedback from some other quarters.

I am pleased to share that we have received **2** public offers for our holdings, both of which are Spore listed. The offers are under-priced (typical for this stage of the market cycle) and we are campaigning for a better price. In addition, we also received private offers for **2** of our Malaysia and **1** of our Spore stock holdings. This does suggest that not only are the stocks we own undervalued, but there are other people (private owners) out there who want to buy them from us. If successfully transacted, we will mention this in the Fund annual report in time for the next shareholders meeting in Nov09.

I am also able to share that in the last 12 months, **none** of the companies that we own made a rights issue or cash call. This does suggest that the stocks of companies we picked have balance sheet and cash flow strength and that their business models do not require lots of maintenance capex to sustain hence even in this time of economic deprivation, they are able to manage if not purr along outright and pay us cash dividends too. This is in contrast to the whole slew of companies (in Singapore, US, Switzerland, HK big and small etc) that asked shareholders (repeatedly in some cases) to bankroll them in the last year as balance sheets got wiped out. As fundamental investors, we avoid companies like that. Surely **the objective of investing is for our companies to pay us** money and not the other way round!

I think it's very likely that we got our stock selection right at this time and at all other times. And so, we face 2H09 with the usual spring in our steps.

Yours sincerely

YEO Seng Chong  
As Manager of the Fund