

# YEOMAN 3-RIGHTS VALUE ASIA FUND

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

At 30 June 2010

NAV/Share:

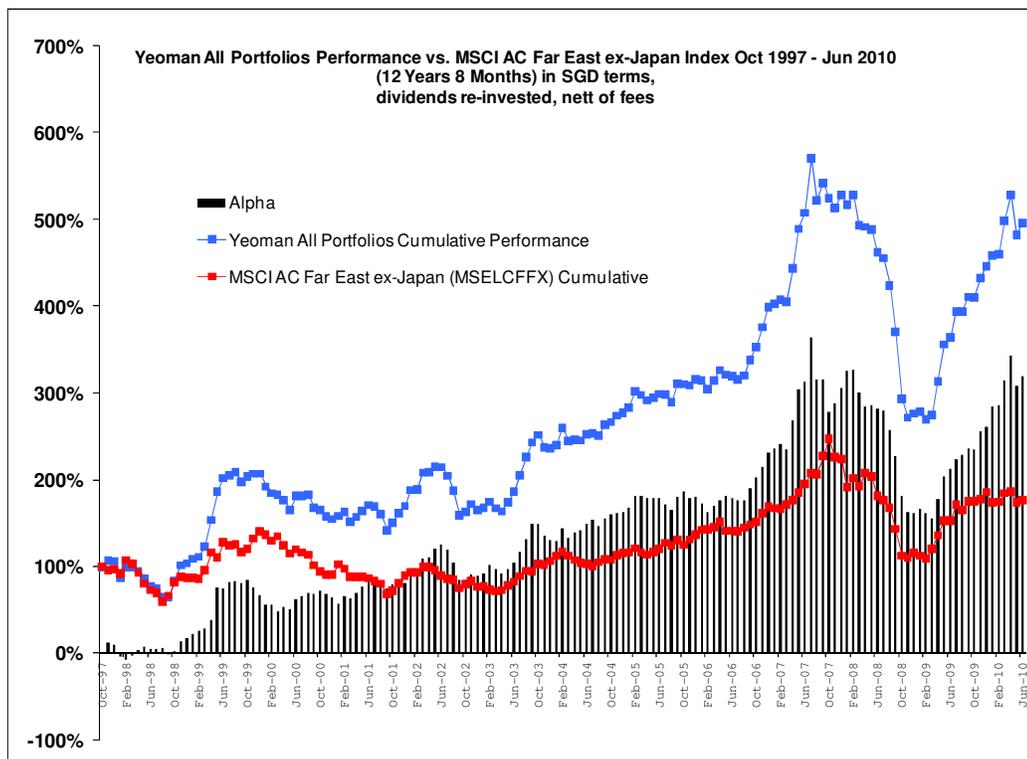
**S\$176.32**

## General Information

### Yeoman All-Portfolios Performance: 12yr 8mo ending 30Jun10

Period	Yeoman-All Performance	MSCI AC FE x Japan Performance	Out/Under Performance
<b>CAGR (p.a.)</b>	<b>13.48% p.a.</b>	<b>4.59% p.a.</b>	<b>+8.89% p.a.</b>
<b>Cumulative Performance</b> From Oct97 to Jun10 (12Yr 8mo)	<b>395.92%</b>	<b>76.47%</b>	<b>+319.45%</b>
<b>June 2010</b>	2.79%	1.52%	+1.27%
<b>YTD 2010</b>	11.04%	-4.80%	+15.84%
<b>Historical Performance</b>			
Jan09 to Dec09	61.31%	60.32%	+0.99%
Jan08 to Dec08	-47.62%	-48.16%	+0.54%
Jan07 to Dec07	32.28%	32.48%	-0.20%
Jan06 to Dec06	27.60%	23.50%	+4.10%
Jan05 to Dec05	13.60%	18.10%	-4.50%
Jan04 to Dec04	17.50%	8.80%	+8.70%
Jan03 to Dec03	42.90%	39.20%	+3.70%
Jan02 to Dec02	-2.60%	-14.50%	+11.90%
Jan01 to Dec01	9.50%	-1.60%	+11.10%
Jan00 to Dec00	-25.10%	-35.20%	+10.10%
Jan99 to Dec99	99.30%	61.40%	+37.90%
Jan98 to Dec98	-2.50%	-10.70%	+8.20%
Oct97 to Dec97	6.60%	-2.90%	+9.50%

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



Equities/Cash Allocations	Country Allocations	Portfolio Valuations (trailing)
Equities 99.12% Cash 0.88%	Hong Kong 32.52% Singapore 24.27% Malaysia 21.16% Korea 18.98% Thailand 2.18%	PE 10.49x P/B 0.67x Dividend Yield 3.46% p.a. ROE 7.58% (1 yr) 9.47% (5 yrs average) Weighted Ave Mkt Cap S\$217.3m

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,  
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Email: [cio@yeomancap.com](mailto:cio@yeomancap.com)  
Website: [www.yeomancap.com](http://www.yeomancap.com)

Total Value of Fund:  
**\$83,362,298.88**

Total Number of Shares:  
**472,799.15**

Management Fee:  
**1% p.a.**

Performance Fee:  
**15% High Water Mark**

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

Manager Subscription 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:  
**3-5 years or more**

Early Exit Charges:  
In 1<sup>st</sup> Year: **7.5%**  
In 2<sup>nd</sup> Year: **5.0%**  
In 3<sup>rd</sup> Year: **2.5%**  
(Payable to Fund)

Minimum Investment:  
**S\$250,000**

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

Auditor:  
**KPMG**

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.

## Absolute Performance

Measured at 30Jun10, the numbers are:

For month of Jun10, we were up **+2.79%**

For the YTD up **+11.04%**

For the 12 years 8 months to end Jun10 on all-funds composite basis, we are up **+395.92%** cumulative which implies a **CAGR of +13.48% p.a.** for the period (a very long term).

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

## Relative Performance

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

<b>Period</b>	<b>Yeoman (%)</b>	<b>Index (%) (Ticker: MSELCFFX)</b>	<b>Out/under performance</b>
1 month	+2.79	+1.52	<b>+1.27%</b>
YTD	+11.04	-4.80	<b>+15.84%</b>
Cumulative 12 years 8 months to end Jun10	+395.92	+76.47	<b>+319.45%</b> (or factor of <b>5.18x</b> )
Annualized 12 yrs 8 mo (CAGR) p.a.	+13.48	+4.59	Alpha of <b>+8.89% p.a.</b>

We significantly outperformed the market over the short, medium and long time horizons. For further details, please see the table on the upper half of page 1 of this report.

## Market Comment

The world and regional markets started and ended the month with sharp drops with the overall effect being marginally up.

At the start of the month, European sovereign debt problems provided the worries (double dip recession they say) and at the end of month concerns over the recovery of the US economy and relative strength of the hitherto strong China economy provided impetus for the sell off (premised on the pricing of the Agric Bank IPO they say). It seems to me that the negatives in the US are based on so-called forward indicators such as PMI, employment figures, consumer confidence polls etc. How reliable are these indicators? It all depends on oneself and what one wishes to believe I suppose. What consumer would give a confident forward view in the face of a falling stock market? So which came first? Falling market or poor consumer confidence?

In contrast to the above concerns, domestic economic and export numbers for the Asian countries we have invested in (Singapore, Malaysia, Hong Kong, Thailand and Korea) continued to exhibit resilient and upward strength. Given the tug of war between trailing real numbers and forward looking sentiment, there is serious cause for vacillation on the part of the market (Mr Market if we are to give him the name Ben Graham coined).

## **Manager Soliloquy at end 1H10**

As we look at ourselves in the mirror each time, we ask how we have added value to our Fund shareholders and clients; how much returns have we generated for how much risk\*? And since Jun10 is our financial year end, I think we can afford to take a longer and harder look than normal.

Our NAV at end June 2010 has almost returned to the pre-Global Financial Crisis (GFC they now call it) June 2007 levels whereas some of the more speculative players are no more around. If you take cognizance of the valuation parameters for our Fund as a whole at the bottom RH corner of page 1 of this report and compare it with the past newsletters (top RH corner for previous newsletters) that we have archived on our website [www.yeomancap.com](http://www.yeomancap.com), you will see that the our Fund as a whole (because of the individual stocks that we own today) is a lot more undervalued than in the years past 2006, 7, and 8.

And these are not lemons either for we have checked them out, carefully appraised them over the years (Yes, years and not days. FYI, we do not own any recently IPO-ed stocks) and wherever possible, visited them at factory, office or plant as part of the due diligence process. The companies we own are companies with some quality, franchise value, some competitive strengths, generating ROE, conservatively financed (only 20% of our weighted stock holdings are geared at all as disclosed at our annual shareholders meeting 2008), paying dividends, with competent management with demonstrated integrity (generally) but best of all we bought them cheap (or undervalued)!

As value investors, we believe that an undervalued portfolio is like a spring which is coiled and primed. When it will go up is not a matter of if; it's just a matter of when. As non market timers, the question of when I think we can live with (without resorting to talking to the shoe shine boy or consulting the village soothsayer to fix the date and time).

Having noted this, we walk away from the mirror with a sense of confidence and re-assurance. Well, this was meant to be just a soliloquy so I shall stop here and will discuss this matter further in our forthcoming Fund annual report FY 2009/10 and at our annual meeting for shareholders later in the year.

With best regards

YEO, Seng Chong  
Chief Investment Officer

\* Note: For us, risk is not market fluctuations. We define risk as not knowing what one is doing.