YEOMAN 3-RIGHTS VALUE ASIA FUND

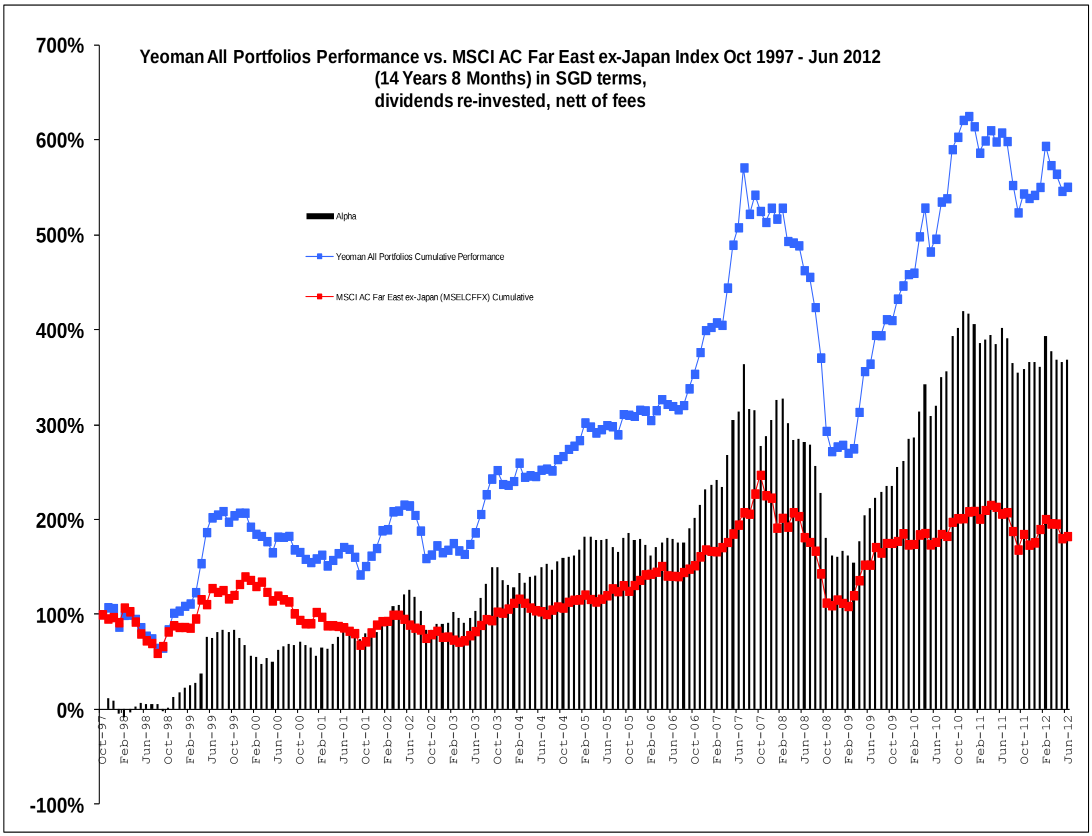
(Co. Regn: 53979 C1 GBL; Fund Business Licence: C1/04/01282)

At 29 Jun 2012
NAV/Share:
S$195.79

Yeoman All-Portfolios Performance: 14yr 8mo ending 29Jun12

Period	Yeoman-All Performance	MSCI AC FE x Japan Performance	Out/Under Performance
CAGR (p.a.)	**12.34%** p.a.	**4.19%** p.a.	**+8.15%** p.a.
Cumulative Performance From Oct97 to Jun12 (14Yr 8mo)	**450.68%**	**82.48%**	**+368.20%**
Jun 2012	0.78%	1.22%	-0.44%
YTD 2012	1.57%	3.74%	-2.17%
Historical Performance			
Jan11 to Dec11	-13.29%	-15.65%	+2.36%
Jan10 to Dec10	40.00%	12.50%	+27.50%
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 99.08% Cash 0.92%	Hong Kong 29.16% Korea 25.31% Malaysia 23.08% Singapore 21.06% Thailand 0.47%	PE 9.81x P/B 0.58x Dividend Yield 4.81% p.a. ROE 10.34% (1 yr) 9.80% (5 yrs average) Weighted Ave Mkt Cap S$172.39m

General Information

Fund Address:
Cim Fund Svcs 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)

Tel: +65-67373922
Fax: +65-67376780
Email: cio@yeomancap.com
Website: www.yeomancap.com

Total Value of Fund:
$91,086,971.20

Total Number of Shares:
465,232.60

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 1st Year: **7.5%**
In 2nd Year: **5.0%**
In 3rd Year: **2.5%**
(Payable to Fund)

Minimum Investment:
S$250,000

Custodian:
British and Malayan Trustees Ltd, Deutsche Bank

Auditor:
KPMG

MANAGER REVIEW AT END 1H 2012

Macro Situational Assessment

Negative news in the media dripped on steadily over the first 6 months of 2012, rising to a crescendo in May and June following the elections in France (1x) and Greece (2x). Reports of further dithering by political leaders and policy makers in the Euro zone further alarmed market watchers. Tormented by the above and by renewed fears of a hard landing in China, it is plausible that many or most market players have (either) sold out or/and are sitting on the sidelines in cash.

How can we think this? A BOA Merrill Lynch strategy report in June found that **39% of fund managers surveyed are "overweight" in cash**. According to the report, this is the highest level of institutional cash holdings since Mar09. If fund managers are in this state, it is likely that the common man is not far behind.

But **real estate prices in Spore, HK, some SE Asian capitals, London, downtown Manhattan, Seoul, the Australian main cities and many major cities worldwide are either pushing record highs** or pulled back to just a notch below that. Spore property rental yields are now the lowest in 12 years according to Square Foot Research, a property consultancy.

It is the same situation with government treasuries (US, German, Spore and other solvent states, not the PIIGS) and investment grade bonds. **Bond prices are at all time highs** and **bond yields at all time lows** e.g. 1.42% p.a. for Spore, 1.52% for Germany and 1.63% for the US for the 10 year paper.

How is it possible that 1 or 2 asset classes (real estate, bonds) are breaking into the stratosphere as other asset classes (stocks) remain in the doldrums? **This divergence is very interesting!**

According to the Straits Times newspaper, IPO activity today is currently at a 7 year low, another symptom of the poor sentiment in the stock markets locally and worldwide. Which private owner would want to sell shares in a public offering when they can't get the price they want?

Inflation in Spore was at **5% p.a.** in May12 down from 5.4% in April. Inflation in the OECD countries is not very far from the levels reported for Spore. By comparing inflation against long bond yields, it is obvious that **anyone holding bonds is being eroded at around 3.6% p.a. in real terms**.

Why do people put up with this punishment? Possibly, I think it is because there is no daily quoted market price for inflation i.e. it does not jiggle in your face and so is less emotionally traumatic (unlike stock prices) so human beings accept the damage with a sense of resigned calm. The same could apply to real estate, bonds and other asset classes that do not gyrate minute by minute to a quoted market price and thus gives the illusion of being "safe" I suppose.

As we speak, **cash on the sidelines waiting for the all clear to sound continues to pile up**. According to a Bain & Co report, private equity funds have close to US$1 trillion globally that has not been put to use. This is the natural outcome of the unprecedented QE 1 and 2 policy actions that we saw over the last 4 years - abundant liquidity everywhere but none of it being put to use, plausibly on account of fear.

Our Response

At Yeoman we try to base on our investment actions on objective thought processes and not rely too much on emotions. For this reason, at end 2Q12, our Fund is fully invested with only 0.92% in cash.

If you were to take cognizance of the figures on the bottom right hand corner of page 1 of this report, you will note the following:

Our portfolio weighted average trailing PE ratio is 9.81x which implies an **earnings yield of 10.2% p.a.** This figure is in excess the reported inflation of 5% so we are getting a **real return of 5.2% p.a.** Not only are we are not being eroded in real terms as we speak but we are getting a return way in excess of inflation.

Our trailing weighted **dividend yield is 4.81% p.a.** before tax (only Thailand, Korea and Malaysia would withhold taxes on our holdings there) which is our cash return much higher than the bank deposit rate (0.075% p.a. for 1-year fixed deposit see www.dbs.com) and 10 year Spore government treasuries (1.42% p.a.);

We are able to own this portfolio at **discount of 42% to balance sheet book value**, again on weighted average basis. We think this is cheap. How many people out there are willing to sell you a real business below balance sheet book cost?

The businesses we own (76 of them) are able to generate value as evidenced by the trailing **Return on Equity (ROE) figure of 10.34% (1 year) and 9.80% (average over 5 years),** in excess of cost of funds today and in living memory.

Objectively, we believe that if our investments are able to give us a real rate of return over inflation, over the government "risk free" long bond rate, over the stock market indices and any other hurdle which our shareholders may impose on us, we should just stick with it and not try to anticipate or predict each and every jiggle that the market might make over the future.

At end 1H 12, this is exactly what we are doing.

With best regards

YEO SENG CHONG
Chief Investment Officer