YEOMAN 3-RIGHTS VALUE ASIA FUND

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

At 31 Mar 2009
NAV/Share: S$97.77

Performance Figures for Month of Mar 2009

Mar 2009 **+1.74%**
Year-to-date 2009 **-0.68%**
Cumulative 11 yr 5 mo performance **+9.26%**
Implying a compounding rate of return of **+174.99% p.a.** over the 11 yr 5 mo period.
(Nett of all fees, with dividends re-invested and in SGD terms)

Equities/Cash Allocations

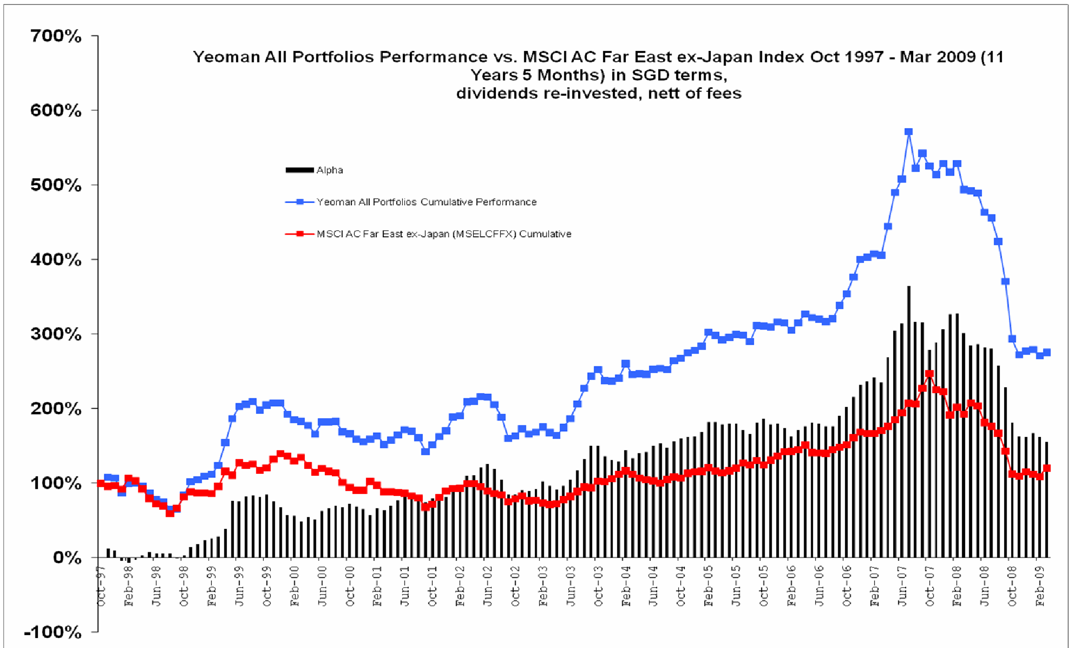
Equities 99.60%
Cash 0.40%

Country Allocations

Hong Kong 27.36%
Korea 24.31%
Singapore 22.64%
Malaysia 21.28%
Thailand 4.01%

Portfolio Valuations (trailing)

PE 11.47x
P/NTA 0.45x
Dividend Yield 6.18% p.a.
ROE 7.88% (1 yr)
10.26% (5 yrs average)
Wt. Ave. Mkt. Cap. S$134.84m



Yeoman All-Portfolios Performance
11yr 5mo ending 31/3/2009

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%
YTD 09	-0.68%	3.91%
Cumulative Performance from 10/97 to 3/09 (11Yr 5mo)	174.99%	20.14%
CA GR	9.26%	1.62%

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

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)

Tel: +65-67373922
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Email: cio@yeomancap.com

Website:
www.yeomancap.com

Total Value of Fund:
$45,254,211.53

Total Number of Shares:
462,844.01

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

REVIEW AT END 1Q09

Absolute Performance

Measured at 31Mar09, the key numbers are:

For month of Mar09, we were up **+1.74%**
For the YTD to end Mar09, we were down **-0.68%**
For the 1 year to end Mar09, we were down **-44.28%**
For the 2 years to end Mar09, down **-32.13%**
For the 3 years to end Mar09, down **-12.74%**
For the 4 years to end Feb09, down **-7.69%**
For the 11 years 5 months to end Mar09 on all-funds composite basis, we were up **+174.99%** which implies a **CAGR of +9.26% p.a.** for the period (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	+1.74	+10.45	-8.71
YTD	-0.68	+3.91	-4.59
1 full year to end Mar09	-44.28	-37.59	-6.69
2 years to ditto	-32.13	-29.69	-2.44
3 years to ditto	-12.74	-17.12	+4.38
4 years to ditto	-7.69	+3.40	-11.09
11 years 5 mo to end Mar09	+174.99	+20.14	**+154.85%** (or factor of **8.69x**)
Annualized 11yrs 5 mo (CAGR)	+9.26	+1.62	Alpha of **+7.64% p.a.**

We were up 1.74% in Mar09 as compared with the market rise of 10.45%. On YTD basis we are lagging the market by 4.59%. The overall index jumped on the back of a recovery in banking, financial, property and semiconductor large cap stocks. We probably lagged the index because of our concentration in the small cap less liquid segment of the market and this is usually the case in the initial stages of a liquidity led rally.

Over the 1-4 year time windows we are broadly in line with the market, ahead some years and behind in other years.

However, over the **long term of 11 years 5mo**, we outperformed the market by **+154.85%** or a factor of **8.69x** which is quite a lead.

If a blow by blow calendar year by year presentation of this information is required, please see the table at bottom of page 1 of this report.

<u>The Economy</u>

Forecasting the future of the local, regional and world economy is generally difficult if not outright impossible mainly because no one has been there (to the future) yet.

In late Feb or early Mar09 the Spore MM (Minister Mentor) told the people to be prepared for negative 10% economic growth this year. A few weeks later, the Finance Minister was reported in the local papers to have said that the economy would bottom in 3Q or 4Q 09 but he subsequently came out to qualify the earlier comment. In keeping with the mood of day, the Chinese economic weekly Caijing published an article entitled "The Lost Decade" suggesting parallels with Japan's earlier long drawn stagnation.

The export and industrial production figures for all the Asian countries continued to slide in Feb09, e.g. Japan dropped 49%. Analysts have reacted by saying that the figure is not as bad as earlier feared and that the bottom might well be here. The same assessment was made of Malaysia's Feb09 exports which fell less than feared. In Mar09 China's central bank announced that they were expecting the local economy to pick up from 3Q09 onwards, following implementation of the various fiscal stimulus plans. All this is very much in the script as set out in our **newsletters of end 4Q08; Jan and Feb09** (see our website or your inbox) so we at Yeoman are not dumbstruck.

In the US, policy makers and the president himself have started to re-assure people that the economy would bottom in 2009 and pick up from 2010 onwards.

<u>Stock Market</u>

Even as people continue to bite their nails and worry over the future of the economies, the stock market saw it fit to mount a strong rally.

After bottoming out at 291 points on 2Mar09, the MSCI Asia ex Japan Index closed the month up +14.78% from the trough. At time of writing, the rally is continuing quite nicely.

In the face of the above, fund manager Mark Mobius (another MM) said that "stocks are building a base for the next bull market" (see Bloomberg article attached). DBS Bank Group Research also put out a paper dated 12Mar09 suggesting that the worst is behind us (also attached). The local paper Sunday Times added to the guardedly upbeat sentiment with an article entitled "First green shoots of a possible recovery" on 29Mar09 (see pdf file attached) with credible data supporting.

In the face of the market up tick, sceptics (probably caught un-invested and sitting on cash) are quick to dismiss it as yet another bear market rally.

<u>Our Attitude</u>

People are surely entitled to their views and they will usually not find out if they have been right or wrong until it is all over. Some even forget what views they held after the day has passed so amnesia will take care of these folks.

People usually have 2 questions on their minds when it comes to their money:

1. When to invest (a timing issue)
2. What to invest in (an asset allocation and securities selection + pricing issue)

At Yeoman, the first question does not arise as we are invested through all market cycles provided investment criterions are met. The second question part (a) pertaining to asset allocation also does not arise because our dedicated focus is on listed equities; part (b) relating to securities selection and pricing is what keeps us busy.

We have been fully invested through 1Q09 because (considering the valuations we are getting) we do not need the world economy to grow a lot or at all in order to justify the numbers that we have locked in. In order words, **we have only taken on compensated risk** (in insurance speak).

But if high flying stock prices will make everybody everywhere happy, why does the market not go up and stay up? Very simply, we believe it's because of the following drag factors:

Uncertainty over the economy and hence uncertainty about forward earnings. Higher earnings mean higher stock prices usually;
Poor or negative sentiment. Sentiment is touchy feely so how can we quantify that? Well, just go to your Bloomberg terminal if you have one, look up CDS pricing and you will see that credit default swap pricing is a historical highs suggestive of high risk aversion. VIX which measures volatility has come down however, compared with the Oct08 levels so that's not bad (check on terminal too);
Interest rates are at historical never seen before lows and inter-bank LIBOR or SIBOR has come down to fresh lows after the spikes of Oct09 following the Lehman saga and this is positive. Low interest rates mean impetus for higher stock prices;
But availability of credit is still restricted. I suspect this is the real culprit behind weak stock prices today but this is not a bad thing compared to the insane levels seen in the heady days of 2006-8. Today banks are back to prudent assessment of credit risk when assessing loan applications, as it was in grandpa's day and as it should be.

The question that requires more EQ than IQ to answer is this – **Are the above negatives permanent or temporary?** For us at Yeoman, we believe that the answer lies in the latter for which reason we have adopted the attitude and stance that we have.

And one day, when off chance perhaps maybe should and when the local and world economy pick up and people find the answer to their Question 1, the market will very likely re-rate further and higher.

Yours sincerely

YEO Seng Chong
As Manager of the Fund

March 23 (Bloomberg)

The next "bull-market" rally has begun, Templeton Asset Management Ltd.'s Mark Mobius said, refuting predictions that the equities meltdown will continue.

"Stocks are building a base for the next bull market," said Mobius, 72, who helps oversee about $20 billion of emerging-market assets at San Mateo, California-based Templeton. The fund is finding "bargains" in every emerging market, which are in "better shape" than developed economies.

Templeton is looking for companies that are "cash-rich," have low debt and higher dividend yields, Mobius said in a Bloomberg Television interview from Hong Kong. Mobius said he's looking for companies that can invest for future growth yet have cash left to pay shareholders.

The MSCI Emerging Markets Index has gained 23 percent since reaching a four-year low on Oct. 27, outperforming the 2.5 percent drop in the MSCI World Index and 9.5 percent decline in the Standard & Poor's 500 Index.

Emerging markets made up the 10 best-performing stock benchmark indexes this year, with China's Shanghai Composite Index topping the list with a 26 percent gain.

Brazilian oil company Petroleo Brasileiro SA, Cia. Vale do Rio Doce, the world's biggest iron-ore producer, and Chinese oil producer PetroChina Co. are among the top holdings of Mobius's Templeton Emerging Markets Trust.

By David Carbon of DBS Bank Group Research, dated 12Mar09

The global economy remains headed downward after a truly dismal 4Q08 that saw US GDP drop by 6% (QoQ, saar), Germany by 8.5%, Japan by 13% and Singapore, Korea, Taiwan and Thailand all drop by 18%-25%. Elsewhere in Asia, "growth" wasn't much better. Hong Kong and Malaysia both dropped by about 10% between Q3 and Q4. China and Indonesia, two of Asia's larger economies driven largely by domestic demand and thus insulated to some degree by the collapse in global trade, managed positive growth, but only barely so. China in particular looks to have grown at only a 2% (saar) rate in the fourth quarter. Seven months ago the authorities there were still trying to cool the economy.

But the data so far in 1Q09 point to a drop far milder than in 4Q08. In the US, the ISM surveys of manufacturing and services are well off their lows of Nov08/Dec08 and consumption rose significantly in Jan09 after the plunge between October and December. Jobs are still being shed at alarming rate (650k in Jan09 and Feb09) but they are always the last to turn and the labor components of the ISM surveys, particularly in the service sector, suggest that job losses have peaked.

In Asia, China's purchasing manager surveys have risen close to breakeven levels and loan growth surged in January by more than enough to offset the stumble in Nov08 / Dec08. Artificial that loan growth may be – the command economy is still alive and well – and elegant it certainly is not, but nobody is complaining about government-driven growth in China right now, or anywhere else in the world for that matter. Up is better than down, period, and in any language.

The upshot is that while the G3 and Asia are still headed downward, the pace of decline appears to have eased considerably in 1Q09. In Asia, a 2% sequential drop is expected compared to 10% average drop experienced in 4Q08.

Is the worst behind us? That depends on what you call the worst. If you think of the GDP slide below like the playground slide you lived on as a kid, then there's still some metal left. But the scary part at the top – 4Q08 – is over. And if you're like most kids, once you're past the scary part you're already planning the next run. Are investors any different?

Risks remain. In Asia, the downturn was driven by a collapse in exports. But exports to China, not to the US or the G3 as most assume. Is this a surprise? It shouldn't be for readers of DBS research. We have long argued that China has been the real driver behind Asia's growth in recent years. New drivers mean new risks, as we discuss in the economic overview below. The good news is, **most of the reasons behind the export collapse suggest it will be short-lived**. And, as Chris Leung explains below, China seems well placed to maintain growth of 7.5% this year.

On the currency front, Philip Wee explains that risk aversion could remain high for some time, keeping the USD, as a safe-have currency, strong as a result. Further deterioration in Eastern Europe, in particular, could send more jitters through emerging markets, including Asia.

In "Yield", Jens Lauschke explains why Asian bond yield curves are likely to steepen further and in "Asian Equity", Joanne Goh recommends buying cyclical stocks in anticipation of recovery, particularly in Singapore, China and Hong Kong.

Recovery? Absolutely, as our GDP forecast slide for the Asia-10 on the previous page illustrates. Moreover, as we argue at some length in the economic overview, **Asia will recover sooner than the US**, just like it did in 2000/01. Indeed, it will lead the US by even more than in 2000/01.