



*“ Performance backed by Principles, Process and  
People”*

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# Yeoman Capital Management

- ▶ Incorporated as a private company limited by shares in Singapore under The Companies Act, Cap 50. **Company and GST Registration is 199902308Z;**
- ▶ a holder of **Capital Market Services [“CMS”] License** for fund management under the Securities and Futures Act (Cap.289);
- ▶ Long-only fund manager investing in Asia;
- ▶ Manager based in Singapore, 2 CIS funds domiciled in Mauritius;
  - 1) Asia ex-Japan, since Jan05. Before that, managed segregated accounts 1999 to end 2004.
  - 2) Japan, incorporated Sep16, launched in Nov16.
- ▶ Manager founded in 1999 by Mr Yeo Seng Chong and wife. Mr Yeo is currently Executive Chairman of the Board & Chief Investment Officer in his executive roles; Mrs Yeo is Non-Executive Director on the Board.

# Board of Directors

- ▶ Mr YEO Seng Chong, Executive Chairman and Founding Director
- ▶ Mdm LIM Mee Hwa, Non Executive Founding Director (wife of Mr YEO)
- ▶ Mr Sonny TAN Hock Sun, Non-Executive Director
- ▶ Mr WONG Man On, ACA, CFA, Executive Director and portfolio manager of the Yeoman 3-Rights Value Japan Fund.

# YEO Seng Chong

- ▶ 1999–Present: Founder, Executive Chairman and Chief Investment Officer, Yeoman Capital Management Pte Ltd;
- ▶ 1995–99: Deputy General Manager and then General Manager (Corporate) of Centrepont Properties Ltd (listed on the SGX) under Fraser & Neave Ltd (listed on the SGX);
- ▶ 1994–95: General Manager, Metro China Holdings, the China properties subsidiary of Metro Holdings Ltd (listed on the SGX);
- ▶ 1990–94: Deputy Director, International Marketing at Singapore Technologies Industrial Corp Ltd (now merged under Sembcorp Industries Ltd, listed on the SGX);
- ▶ 1984–89: Assistant Commercial Representative at the Singapore Diplomatic Mission in Beijing;
- ▶ 1981–84: Engineer at McDermott Engineering Pte Ltd & CDC Construction Pte Ltd;
- ▶ 1975–78: Served National Service in Singapore;
- ▶ 1975: Completed a Bachelor of Engineering (Civil) degree from McGill University, Canada;
- ▶ 1993: Completed postgraduate PED Diploma from the IMD, Switzerland;
- ▶ 1989 to present: Registered Professional Engineer (PE) with the Singapore PE Board.

# Ownership & Shareholding

- ▶ Ownership of the Management Company:
  - 50% Mr Yeo Seng Chong (Executive Chairman & Chief Investment Officer)
  - 50% Mdm Lim Mee Hwa (Wife of Mr Yeo Seng Chong), non-executive director on Board of the Management Company.
- ▶ Investment in the Fund:
  - Mr Yeo Seng Chong's family has significantly invested in the Fund.

# Investment Style

- ▶ Value methodology, with an absolute return goal
- ▶ Fully invested, subject to valuation criteria
- ▶ Long-only, no leverage, no use of derivatives
- ▶ Bottom-up stock selection, based on “3-Rights” approach
- ▶ 50–100 stocks for Asia ex Japan, 20–50 for Japan
- ▶ Investment time horizon: Long term 3–5 years
- ▶ Target return: 8%–10% CAGR nett of all fees, on absolute basis

# “3-Rights” Approach

- ▶ **Right Business**
  - Sufficient listing history, stable operating history;
  - Conservatively financed, above average capital efficiency, free cash generation, dividend paying.
- ▶ **Right Price**
  - Trading below fair value, with a “margin of safety”
- ▶ **Right People**
  - Stable management who are competent in their field;
  - Transparent corporate structure & financials;
  - Management who are committed to corporate governance & mindful of shareholders’ interests.



# From Idea to Trade

- ▶ Investment ideas are generated through stock screens on the databases
- ▶ Financial statements are studied carefully; companies which do not meet our criteria are set aside
- ▶ If possible, we will schedule a company visit
- ▶ We will tick off an investment checklist and write up an investment case
- ▶ We do our own research
- ▶ Little attempt to forecast future earnings
- ▶ Once approved by Chief Investment Officer, will implement subject to cash availability and portfolio diversification and mix.

# Portfolio & Risk Management

- ▶ Our exposures are:
  - 15% max to a single stock
  - 25% max to a single industry sector (based on MSCI GICS Industry classification)
- ▶ We have an ethical investment policy:
  - No alcohol, tobacco or gaming stocks
- ▶ We will sell our securities if:
  - The share reaches or exceeds fair value
  - The company no longer passes the “3-Rights” test
  - There is something better to buy

# Yeoman 3–Rights Value Japan Fund

Yeoman 3–Rights Value Japan Fund holds a Category 1 Global Business Licence (Licence No. C116016045) in Mauritius issued by the FSC under the Financial Services Act 2007 and operates as a Collective Investment Scheme pursuant to the Securities Act 2005.

It has also been authorized to operate as an Expert Fund under Regulation 79(1) of the Securities Act (Collective Investment Scheme and Closed–End Fund) Regulations 2008 in Mauritius.

It is notified to the Monetary Authority of Singapore as a Restricted Scheme.

# Yeoman 3-Rights Value Japan Fund

Currency	SGD
Management Fee	1%
Performance Fee	15% with High Water Mark
Manager Subscription Charge	SGD 1,500 (Payable to Manager)
Fund Subscription Charge	1% of NAV (Payable to Fund)
Fund Redemption Discount	1.5% of NAV (Payable to Fund)
<u>Early Exit Discount</u>	(Payable to Fund)
1 <sup>st</sup> Year:	5%
2 <sup>nd</sup> Year:	2.5%
3 <sup>rd</sup> Year:	1.25%
Minimum Investment	SGD 150,000

# Yeoman 3–Rights Value Japan Fund

Valuation	Last Trading Day of the Month
Subscription	Monthly on 1 <sup>st</sup> Dealing Day
Redemption	Quarterly on 1 <sup>st</sup> Dealing Day
Custodian, Sub-Custodian Cash Custodian	Portcullis Trust (Singapore) Ltd, Deutsche Bank, Singapore SBM Bank (Mauritius) Ltd
Auditor	Nexia, Baker and Arenson

# Yeoman 3–Rights Value Japan Fund

## Key Risk Factors

### General Risks

There are risks associated with investing in Japan, including the risk of investing in a single-country fund. Concentrating investments in Japan subjects the Fund to more volatility and greater risk of loss than geographically diverse funds.

### Political, Economic & Solvency Risks

Uncertainties in Japan, such as political or diplomatic developments, changes in government policies, taxation and interest rates and in particular, the risk of, and change in, legislation relating to the level of foreign ownership.

### Counterparty Risk

All purchases and sales of securities will carry counterparty risks until the transactions have settled. Any default by a counterparty may cause the Fund to encounter delays and difficulties with respect to court procedures in seeking recovery of the Fund's assets.

### Default of Custodian

Bankruptcy or fraud by the Custodian may impair the operational capabilities or the capital position of the Fund.

# Yeoman 3–Rights Value Japan Fund

## Key Risk Factors cont'd

### Exchange Control and Currency Risk

The Fund's assets will be substantially invested in securities denominated in JPY and any income received by the Fund from those investments will be received in JPY. The CIS Manager does not hedge the foreign currency exposure of the Fund against SGD, thereby exposing the Fund to risk of fluctuations in currency exchange rates. The Fund may also encounter difficulties or delay in relation to the receipt of its divestments due to any exchange controls imposed and any unexpected changes thereof.

### Other Risks

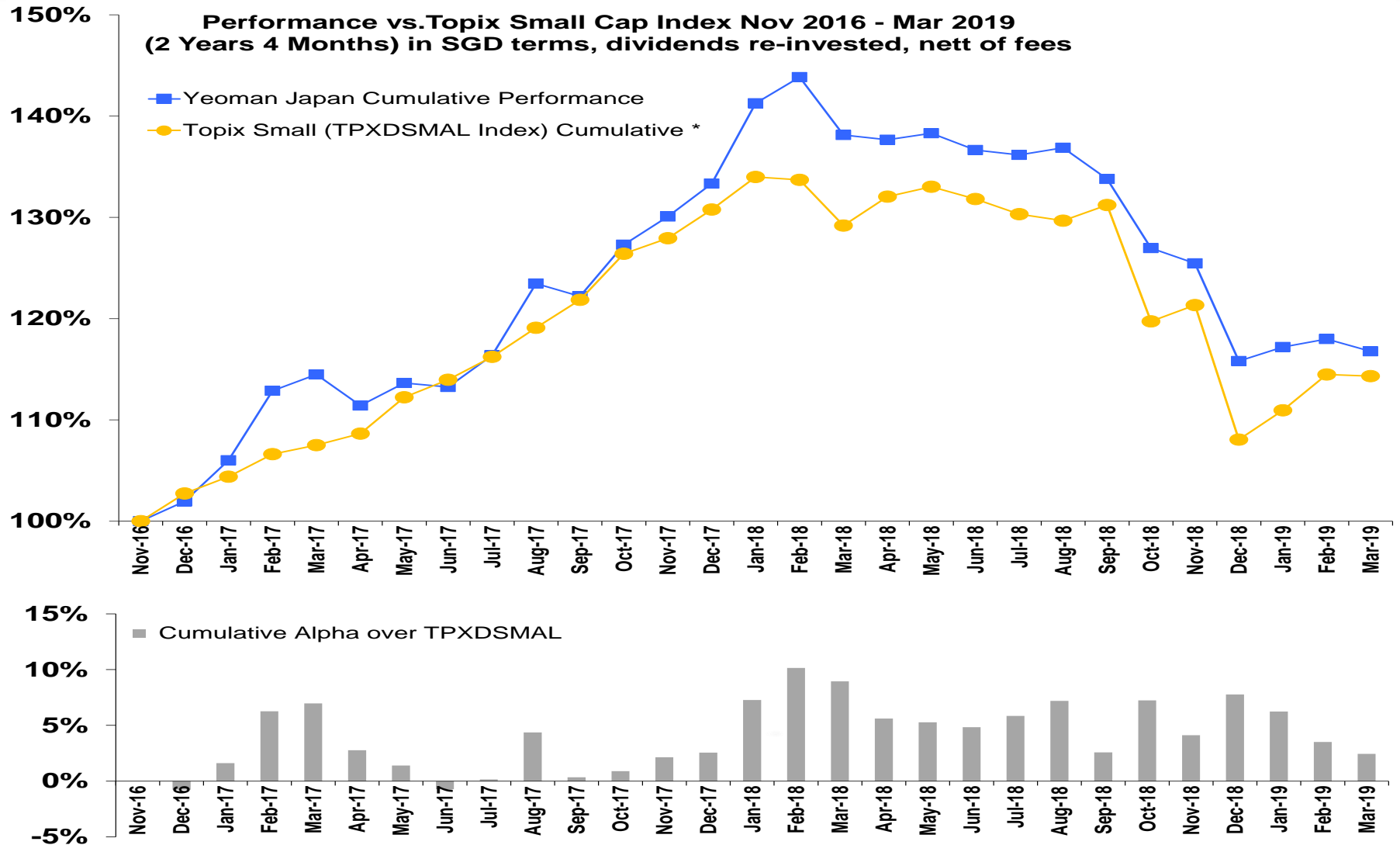
The foregoing risk factors do not purport to be an exhaustive list or complete explanation of all the risks involved in an investment in the Fund. Prospective investors should read the Information Memorandum and seek independent advice before investing.

# Securities Selection

- ▶ We search for deeply undervalued stocks
- ▶ We are open to many measures of undervaluation
- ▶ We require the 3-Rights (Right Business, Right Price, Right People)
- ▶ We love stocks that the market shuns
- ▶ We have strong conviction, and are able to hold our stock picks for a long time, until re-rating occurs
- ▶ We have a diversified portfolio



# Yeoman 3-Rights Value Japan Fund



Note: Benchmark was changed on 1 January 2019. For more details, please refer to the 4Q2018 newsletter.

# Yeoman 3-Rights Value Japan Fund

The Yeoman 3-Rights Value Japan Fund (the "Fund") was launched in November 2016.

## Performance: 2 years 4 months ending 29 March 2019

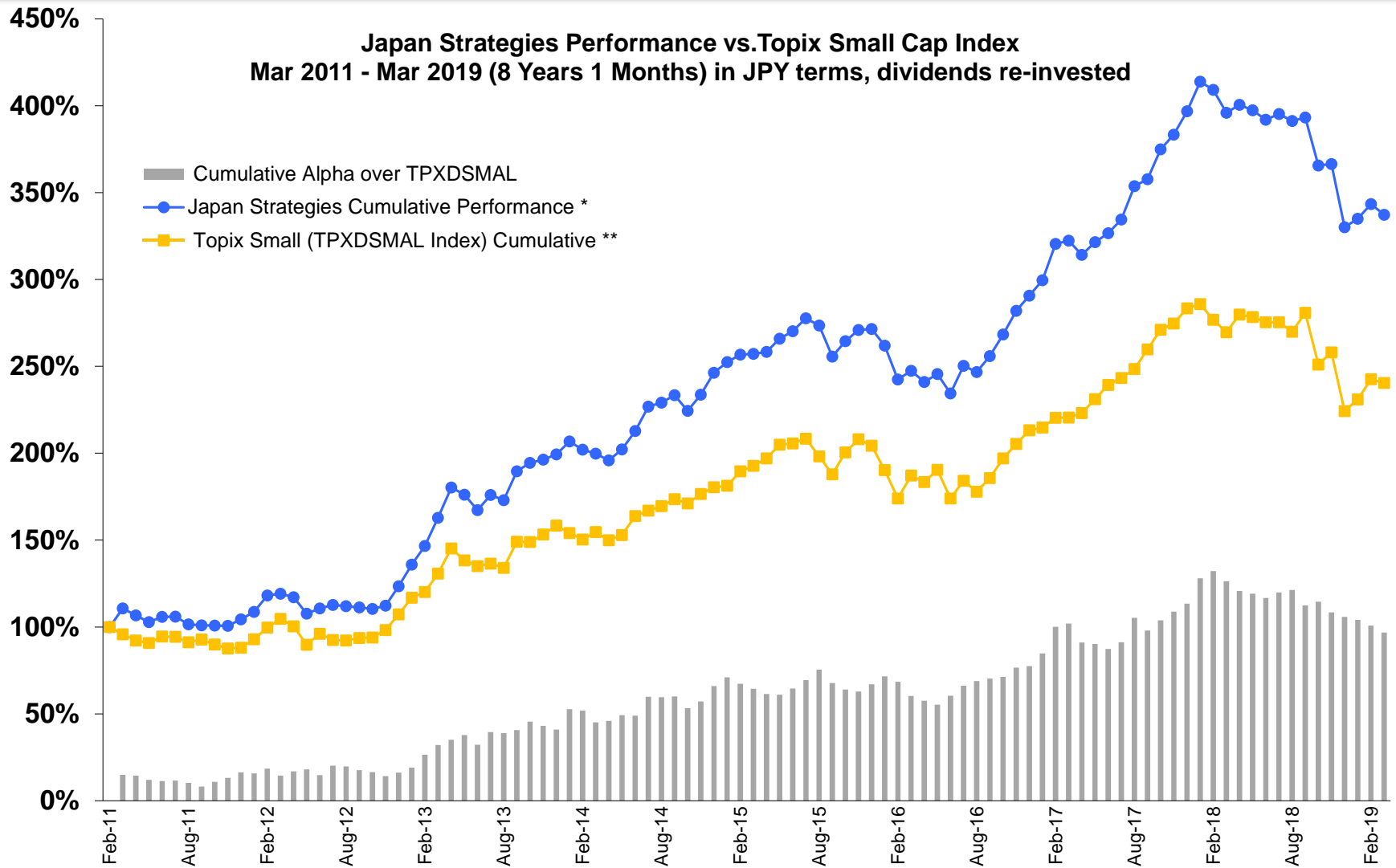
Period	Fund (SGD)	Index	Out/Under Performance
		Topix Small Cap (TPXDSMAL)	versus TPXDSMAL
<b>CAGR (p.a.)</b>	6.87%	5.90%	+0.97%
<b>Cumulative Performance</b> From Dec 2016 to March 2019 (2 years 4 months)	16.77%	14.32%	+2.45%
<b>March 2019</b>	-1.03%	-0.14%	-0.89%
<b>YTD 2019</b>	0.83%	5.80%	-4.97%
<b>Historical Performance</b>			
Jan 2018 to Dec 2018	-13.14%	-17.38%	+4.24%
Jan 2017 to Dec 2017	30.77%	27.30%	+3.47%
Nov 2016 to Dec 2016	1.96%	2.73%	-0.77%

*Note: In Singapore dollar terms, dividends re-invested. Net of fees  
CAGR returns are meaningful in the long term, not short term*

### IMPORTANT NOTES :

The past performance of the Fund is not necessarily indicative nor a guarantee of the future performance of the Fund.

# Yeoman 3-Rights Value Japan Strategies



**Note: Benchmark was changed on 1 January 2019. For more details, please refer to the 4Q2018 newsletter.**

# Yeoman 3-Rights Value Japan Strategies

In March 2011, Yeoman Capital Management managed a segregated discretionary portfolio (“Portfolio”) that has the same investment objectives, strategy and guidelines as the Fund. The Portfolio was terminated with the launch of the Fund. The historical performance of this Portfolio, together with the Fund’s performance, is collectively known as the Yeoman 3-Rights Value Japan Strategies (“Japan Strategies”). The performance of the Japan Strategies is tabulated below for information only.

Performance: 8 years 1 months ending 29 March 2019

Period	Japan Strategies (JPY terms)	Index	Out/Under Performance
		<u>Topix</u> Small Cap (TPXD <small>S</small> MAL)	versus TPXD <small>S</small> MAL
CAGR (p.a.)	16.23%	11.46%	+4.77%
Cumulative Performance From Mar 2011 to March 2019 (8 years 1 months)	237.27%	140.44%	+96.83%
March 2019	-1.77%	-0.88%	-0.89%
YTD 2019	2.16%	7.20%	-5.04%
<b>Historical Performance</b>			
Jan 2018 to Dec 2018	-16.80%	-20.85%	+4.05%
Jan 2017 to Dec 2017	36.50%	32.88%	+3.62%
Jan 2016 to Dec 2016	7.08%	4.34%	+2.74%
Jan 2015 to Dec 2015	10.20%	13.32%	-3.12%
Jan 2014 to Dec 2014	23.57%	13.85%	+9.72%
Jan 2013 to Dec 2013	61.59%	47.82%	+13.77%
Jan 2012 to Dec 2012	18.20%	21.73%	-3.54%
Mar 2011 to Dec 2011	4.40%	-11.95%	+16.34%

*Note: In JPY terms, dividends re-invested.*

*Benchmark: Topix Small Cap Total return Index in JPY terms*

*Gross of fees up to 30 November 2016*

*Net of fees from 1 December 2016*

## IMPORTANT NOTE :

The past performance of the Japan Strategies is not necessarily indicative nor a guarantee of the future performance of the Fund.

# Yeoman 3-Rights Value Japan Strategies

In March 2011, Yeoman Capital Management managed a segregated discretionary portfolio (“Portfolio”) that has the same investment objectives, strategy and guidelines as the Fund. The Portfolio was terminated with the launch of the Fund. The historical performance of this Portfolio, together with the Fund’s performance, is collectively known as the Yeoman 3-Rights Value Japan Strategies (“Japan Strategies”). The performance of the Japan Strategies is tabulated below for information only.

## Performance: 7 years 10 months ending 31 December 2018

Period	Japan Strategies (JPY terms)	Index	Out/Under Performance
		<u>Topix</u> Small Cap (TPXSM)	versus TPXSM
<b>CAGR (p.a.)</b>	<b>16.47%</b>	<b>8.66%</b>	<b>+7.81%</b>
<b>Cumulative Performance</b> From Mar 2011 to Dec 2018 (7 years 10 months)	<b>230.16%</b>	<b>91.63%</b>	<b>+138.53%</b>
<b>December 2018</b>	-9.91%	-13.23%	+3.32%
<b>YTD 2018</b>	-16.80%	-22.28%	+5.48%
<b>Historical Performance</b>			
Jan 2018 to Dec 2018	-16.80%	-22.28%	+5.49%
Jan 2017 to Dec 2017	36.50%	30.22%	+6.28%
Jan 2016 to Dec 2016	7.08%	2.26%	+4.82%
Jan 2015 to Dec 2015	10.20%	11.29%	-1.09%
Jan 2014 to Dec 2014	23.57%	11.80%	+11.77%
Jan 2013 to Dec 2013	61.59%	45.08%	+16.51%
Jan 2012 to Dec 2012	17.93%	19.03%	-1.10%
Mar 2011 to Dec 2011	4.40%	-13.81%	+18.21%

*Note: In JPY terms, dividends re-invested; Gross of fees up to 30 November 2016; Net of fees from 1 December 2016*

### IMPORTANT NOTE :

The past performance of the Japan Strategies is not necessarily indicative nor a guarantee of the future performance of the Fund.

# Disclosures

- ▶ We do not take any form of rebates or soft commissions from stockbrokers and service providers to the Fund. Clients get the best nett rates from brokers and service providers;
- ▶ We do not issue side letters, all clients and shareholders get the same treatment.

# Disclaimers

This document does not constitute an offer, a solicitation of offer, nor a recommendation to transact in the Participating Shares of the Fund in any jurisdiction.

The terms of any offer to subscribe for any Participating Shares in Yeoman 3-Rights Value Japan Fund (the "Fund") are on the basis of the Fund's Constitution, Information Memorandum and Subscription Agreement only (as may be as may be amended, supplemented or restated from time to time) (the "Fund Documents"). Investors must rely solely on the information in the Fund Documents in deciding whether to invest in Participating Shares of the Fund.

Nothing contained in this document is to be construed as accounting, financial, legal, tax, investment or other advice. Accordingly, investors should read the Fund Documents and seek their own professional advice before making any investment decision.

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Nothing contained herein should be deemed to be a prediction or projection of future performance of the Fund.

This presentation is intended for distribution to "Eligible Investors" only, as defined in the Information Memorandum of the Fund, and if to persons in Singapore, to persons who are "accredited investors" or "institutional investors" (as defined under the Securities and Futures Act (Cap. 289) of Singapore).