

# YEOMAN 3-RIGHTS VALUE ASIA FUND

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

**At 31 Mar 2006**  
**NAV/Share:**  
**\$S\$112.05**

## Performance Figures for Month of March 2006

Month of March 2006 **+3.42%**  
 YTD 1Q 06 **-0.17%**  
 Cumulative 8 yr 5 mo performance **+215.08%**  
 Implying a compounding rate of return of **+14.61% p.a.** over the longer term  
 (Nett of all fees, with dividends re-invested and in SGD terms)

### Equities/Cash Allocations

Equities 98.92%  
 Cash 1.08%

### Country Allocations

Korea 38.15%  
 Singapore 34.53%  
 Hong Kong 24.92%  
 Thailand 0.86%  
 Malaysia 0.46%

### Portfolio Valuations (trailing)

PE 8.18x  
 P/NTA 1.13x  
 Dividend Yield 4.49% p.a.  
 ROE 15.37% (1 yr)  
 20.27% (5 yrs average)

## General Information

Fund Address:  
**10 Frere Felix De Valois**  
**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](mailto:cio@yeomancap.com)

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

Total Value of Fund:  
**\$S\$39,426,874.18**

Total Number of Shares:  
**351,858.45**

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**

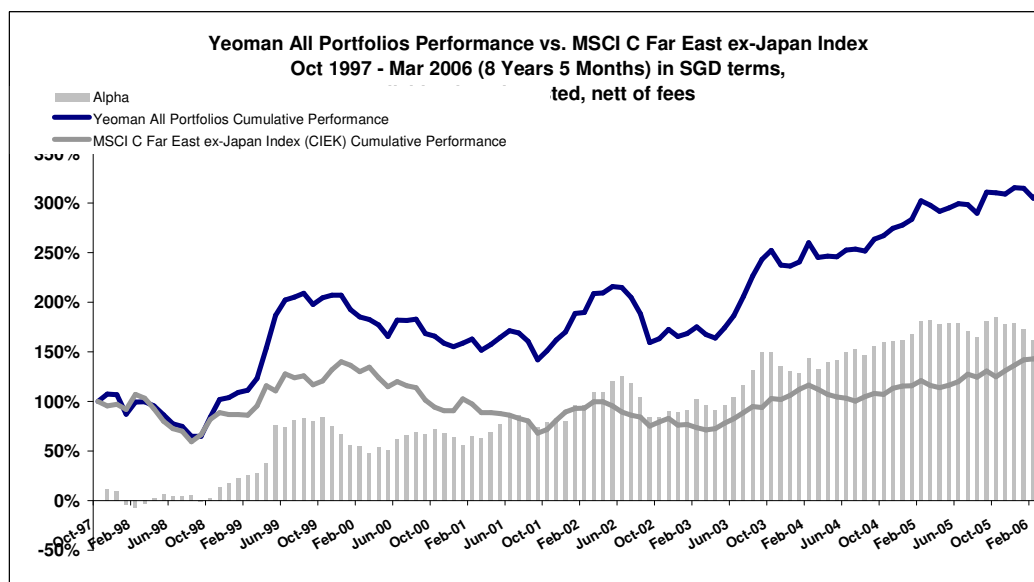
Redemption frequency:  
**Quarterly**

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 8yr 5mo ending 31/3/2006

Period	Yeoman-All Performance	MSCI C FE x Japan Performance
Oct 97 to Dec 97	+6.6%	-2.9%
Jan 98 to Dec 98	-2.5%	-10.7%
Jan 99 to Dec 99	+99.3%	+61.4%
Jan 00 to Dec 00	-25.1%	-35.2%
Jan 01 to Dec 01	+9.5%	-1.6%
Jan 02 to Dec 02	-2.6%	-14.5%
Jan 03 to Dec 03	+42.9%	+39.2%
Jan 04 to Dec 04	+17.5%	+8.8%
Jan 05 to Dec 05	+13.6%	+18.1%
Jan 06 to Mar 06	-0.2%	+6.3%
<b>Cumulative Performance from 10/97 to 1/06 (8Yr 3mo)</b>	<b>+215.08%</b>	<b>+44.96%</b>
<b>CAGR</b>	<b>+14.61%</b>	<b>+4.51%</b>

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

## **MANAGER'S COMMENT AND PERFORMANCE REVIEW AT 1Q 2006**

### **Absolute Performance**

Month of Mar 06 **+3.42%**

YTD at end 1Q 06 **-0.17%**

Cumulative Oct 97 to Mar 06 (8yr 5mo period): **+215.08%**

Implying CAGR of **+14.61% p.a.** (compounding) over the period

### **Relative Performance**

Over the quarter, our performance was flat, underperforming the +6.3% gain for the MSCI C FE x Japan Index. However, over the longer term of 8 yrs 5 mo, our +215.08% cumulative gain outperformed the +44.96% gain for the Index.

*(Note: As before, our figures are nett of all fees with dividends reinvested and in SGD terms. Performance calculations follow the CFA (formerly AIMR) PPS standards consistently and measures all/all accounts under management for period Oct 97 to Dec 04 and thereafter for Jan 05 onwards, only our Mauritius domiciled Yeoman 3-Rights Value Asia Fund is reported.)*

### **Portfolio Comment**

At end 1Q 06 our allocations were as follows:

**Equities vs Cash:** 98.92% vs 1.08%

**Country Allocations:** Korea 38.15%, Spore 34.53%, HK 24.92%, Thailand 0.86%, M'sia 0.46%

**Our top 5 holdings** made up 40.30% of our Fund and our top 10 holdings was 64.30% which suggests a fairly concentrated portfolio

Our portfolio on a blended stock-weighted basis exhibited the following trailing valuation ratios:

P/E **8.18x** (was 8.63x at end 2005)

P/NTA **1.13x** (was 1.23x at end 2005)

Dividend Yield **4.49%** (was 2.95% at end 2005)

ROE **15.37%** (1 year trailing)

ROE **20.27%** (5 year average)

On business or industry sector basis, the following is the case. You may notice that there is no concentration of risk in terms of business sectors in our portfolio.

Financials, consumer credit	7.70%
Manufacturing, consumer staples	10.6%
Manufacturing, consumer discretionary	13.36%
Manufacturing, industrial staples	27.6%
Media	0.88%
Real Estate	3.15%
Services – Engineering	8.17%
Services – Retail, distribution, branded, consumer	22.5%
Services – Retail, distribution, industrial	4.84%

### **Portfolio Actions**

We trimmed some of our Spore holdings that met or exceeded our valuation targets and deployed the cash into HK, Thailand and Malaysia stock picks which raised our HK allocation from 20.08% at end 2005 to 24.9% at end 1Q 06 and Thailand/Malaysia from zero to 0.86% and 0.46% respectively. Our Spore allocation came down from 38.91% to 34.53% therefore.

Following the above action, we have a portfolio that is even more undervalued than what was the case 3 months back (see above ratios) and we believe that this sets the stage for continued out-performance going forward.

We will continue to implement this plan for the coming quarter, trimming those that meet or exceed our valuations and deploying into undervalued stocks that we have researched over many months with listings in Thailand and Malaysia. The under-valuations supporting our Korea stock picks are still there but since we are already at max allocation for the country, we are not adding any fresh cash there, a stance that we will maintain until we get some major fresh subscriptions when portfolio allocations will need to be topped up and rebalanced.

### **Performance Comment**

Why were we flat in 1Q 06 when the Index moved up in moderate single digit gains? The answer can only be a guess for nobody can fully understand the infinitely fluid mind of Mr Market but our internal assessment is that the stocks we owned were not in favour for the past 3 months. We were not in the large cap banks, property, oil and gas stories and the smaller cap and more speculative China stocks listed in Spore or HK that rose over the time. Korea also took a breather after the sharp gains made over 2005. Of course, all this is apparent only on hindsight.

But hindsight is useless in a world where we have to live going forwards. Consistent with what we have done over the last 8 years, we are going to stick with under-valuations on a single stock and overall portfolio basis, with real businesses and dedicated management underlying each pick. Today's under-valuations eventually translate into tomorrow's out-performance, in our belief system.

YEO SENG CHONG  
As Manager and Director  
Yeoman 3-Rights Value Asia Fund