

# Yeoman 3-Rights Value Japan Fund

June 2020

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

# Yeoman Capital Management

- Investment Manager of:
  - Yeoman 3-Rights Value Asia Fund
  - Yeoman 3-Rights Value Japan Fund
- 20+ years' track record of value investing in Asian small cap equities
- Holds Capital Markets Services Licence for Fund Management issued by MAS
- Serves accredited & institutional investors under the Securities & Futures Act (Chapter 289)
- Funds under management: ~S\$169m (US\$121m) at end June 2020

# Yeoman Capital Management

- Founded & owned by Mr Yeo Seng Chong & wife Mdm Lim Mee Hwa
- They, their family & senior management have invested significantly in both funds, alongside our clients.
  
- Board of Directors
- Yeo Seng Chong: Executive Chairman, CEO, CIO & Portfolio Manager of Yeoman 3-Rights Value Asia Fund
- Wong Man On, ACA, CFA: Executive Director, Head of Research & Portfolio Manager of Yeoman 3-Rights Value Japan Fund
- Lim Mee Hwa: Non-Executive Director
- Sonny Tan Hock Sun: Non-Executive Director

# Investment Process

- Listed equities in Asia ex-Japan (Asia Fund); Japan (Japan Fund)
- Value methodology, with an absolute return goal
- Bottom-up stock selection, based on 3-Rights approach
  - **Right Price:** Trading below fair value
  - **Right Business:** Strong balance sheet, stable operating history, capital efficiency
  - **Right People:** Competent & honest management
- Diversified Portfolio: 50-100 stocks (Asia Fund); 20-50 (Japan Fund)

# Investment Process

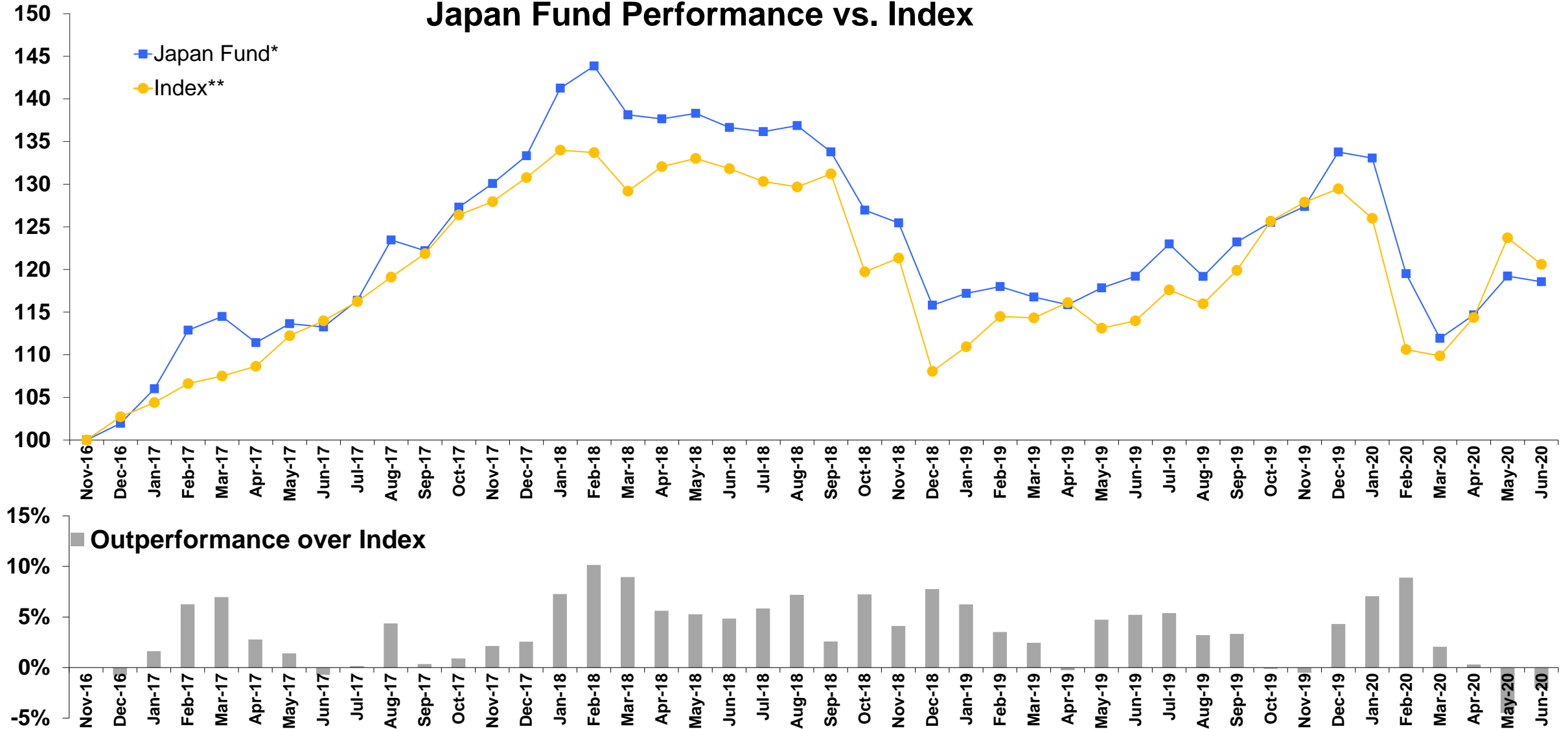
- Investment time horizon: Medium to long term of 3-5 years
- Target return: **8%-10% CAGR net of all fees**
- Fully invested, subject to valuation criteria
- Long-only, no leverage, no derivatives
- Sell discipline:
  - The share reaches or exceeds fair value
  - The company no longer passes the 3-Rights test
  - There is something better to buy

# Yeoman 3-Rights Value Japan Fund

- Portfolio exposure capped at:
  - 15% for a single stock
  - 25% for a single MSCI GICS industry
  
- Ethical investment policy
  - No alcohol, tobacco or gaming stocks

# Yeoman 3-Rights Value Japan Fund

## Japan Fund Performance vs. Index



\* Chart shows performance from 30 November 2016, re-based to 100. Performance in SGD. Dividends re-invested. Net of fees.

\*\*The benchmark index was changed to Topix Small Cap Index (TPXDMSMAL), in SGD terms, on 1 January 2019. For more details, please refer to the 2018 Q4 newsletter.

# Yeoman 3-Rights Value Japan Fund

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

Performance: 3 years 7 months ending June 2020

Period	Japan Fund	Index	Out/under-performance
<b>Since Inception</b>			
CAGR (per annum)	4.87%	5.37%	(0.50%)
Cumulative Performance	18.56%	20.60%	(2.04%)
June 2020	(0.55%)	(2.52%)	1.97%
Year To Date 2020	(11.37%)	(6.85%)	(4.52%)
<b>Historical Performance</b>			
2019	15.51%	19.82%	(4.31%)
2018	(13.14%)	(17.38%)	4.24%
2017	30.77%	27.30%	3.47%
2016*	1.96%	2.73%	(0.77%)

**IMPORTANT NOTE:** The past performance of the Fund is not necessarily indicative nor a guarantee of the future performance of the Fund.

Note: Performance in SGD. Dividends re-invested. Net of fees.

\*2016 Performance is from end November to end December.



# Japan Strategies

- From 1 March 2011, Yeoman Capital Management managed a segregated discretionary portfolio (“Portfolio”) that has the same investment objectives, strategy and guidelines as the Japan Fund. The Portfolio was terminated with the launch of the Japan Fund. The historical performance of this Portfolio, together with the Japan 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: 9 years 4 months ending June 2020

Period	Japan Strategies (JPY)	Index	Out/under-performance
<b>Since Inception</b>			
<b>CAGR (per annum)</b>	<b>13.44%</b>	<b>9.85%</b>	<b>3.59%</b>
<b>Cumulative Performance</b>	<b>224.38%</b>	<b>140.27%</b>	<b>84.11%</b>
<b>June 2020</b>	0.86%	(1.14%)	2.00%
<b>Year To Date 2020</b>	(14.96%)	(10.62%)	(4.34%)
<b>Historical Performance</b>			
2019	15.54%	19.85%	(4.31%)
2018	(16.80%)	(20.85%)	4.05%
2017	36.50%	32.88%	3.62%
2016	7.08%	4.34%	2.74%
2015	10.20%	13.32%	(3.12%)
2014	23.57%	13.85%	9.72%
2013	61.59%	47.82%	13.77%
2012	18.20%	21.73%	(3.54%)
2011*	4.40%	(11.95%)	16.34%

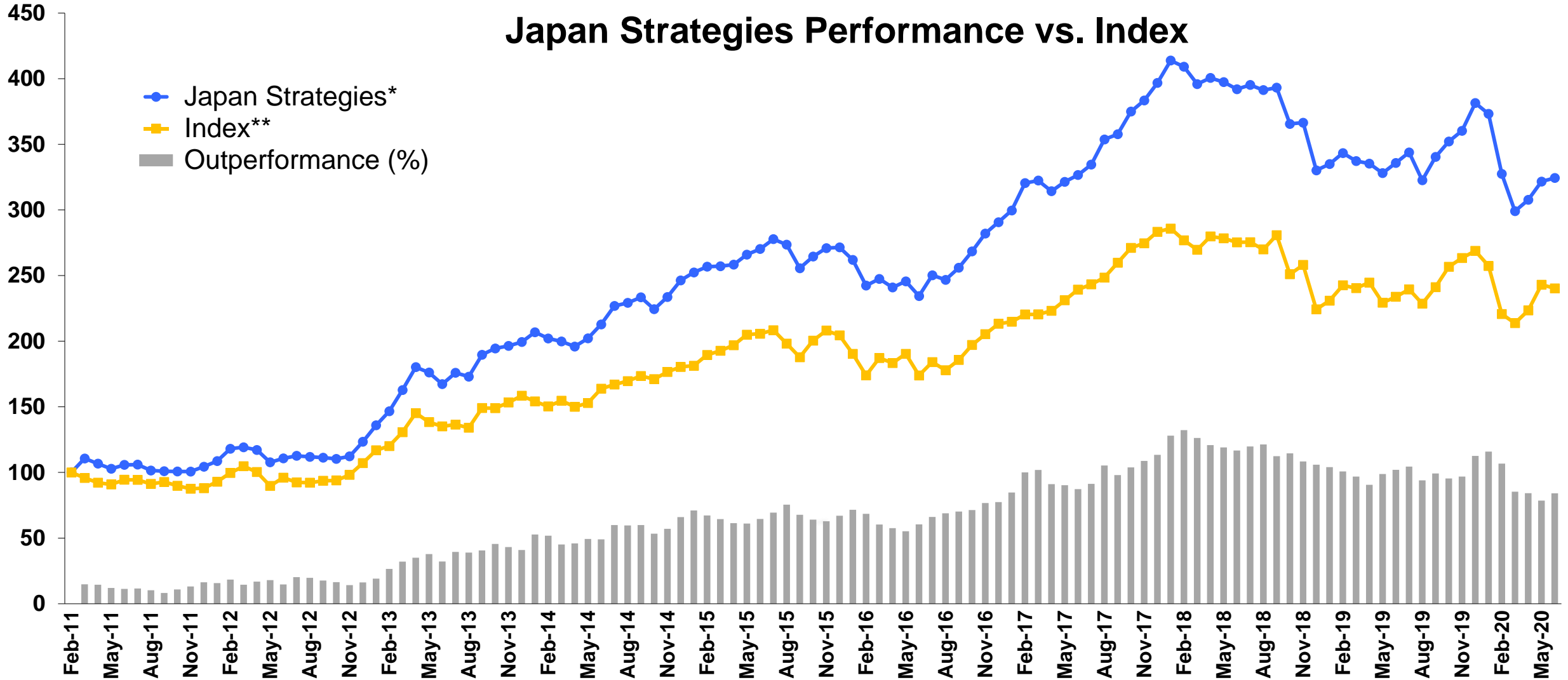
**IMPORTANT NOTE:** The past performance of the Japan Strategies is not necessarily indicative nor a guarantee of the future performance of the Japan Fund.

Notes:

- Performance in JPY, dividends reinvested, net of fees from 1 December 2016 fund inception onwards. Performance in JPY, dividends reinvested, gross of fees prior to 1 December 2016 refers to Yeoman Value Japan Fund (comparable investment objective), which was incepted on 1 March 2011.

- The benchmark index was changed to Topix Small Cap Total Return Index (TPXDSMAL), in JPY terms, on 1 January 2019. For more details, please refer to the 2018 Q4 newsletter.

# Japan Strategies



\* Chart shows performance from 28 February 2011, re-based to 100. Performance in JPY, dividends reinvested, net of fees from 1 December 2016 fund inception onwards. Performance in JPY, dividends reinvested, gross of fees prior to 1 December 2016 refers to Yeoman Value Japan Fund (comparable investment objective), which was incepted on 1 March 2011.

\*\* The benchmark index was changed to Topix Small Cap Total Return Index (TPXDSMAL), in JPY terms, on 1 January 2019. For more details, please refer to the 2018 Q4 newsletter.

# Yeoman 3-Rights Value Japan Fund

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<b>Currency</b>	SGD
<b>Management Fee</b>	1%
<b>Performance Fee</b>	15% with High Water Mark
<b>Manager Subscription Charge</b>	SGD 1,500 (Payable to Manager)
<b>Fund Subscription Charge</b>	1% of NAV (Payable to Fund)
<b>Fund Redemption Charge</b>	1.5% of NAV (Payable to Fund)
<b><u>Early Exit Charges</u></b>	(Payable to Fund)
<b>1<sup>st</sup> Year:</b>	5.0%
<b>2<sup>nd</sup> Year:</b>	2.5%
<b>3<sup>rd</sup> Year:</b>	1.25%
<b>Minimum Initial Investment</b>	SGD 150,000
<b>Minimum Top-up Subscription</b>	SGD 25,000

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# Yeoman 3-Rights Value Japan Fund

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

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# Contact Us

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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).

# Appendix

# Yeoman 3-Rights Value Japan Fund

## Asset Allocation

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<b>June</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Equities</b>	97.7%	99.3%	98.3%	95.1%
<b>Cash</b>	2.3%	0.7%	1.7%	4.9%

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## Valuation Ratios

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<b>June</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>PB</b>	0.52x	0.57x	0.47x	0.44x
<b>PE</b>	7.9x	9.4x	7.1x	7.3x
<b>Yield</b>	2.6%	2.1%	2.7%	3.1%
<b>ROE (1Y trailing)</b>	7.7%	6.5%	6.9%	6.2%
<b>ROE (5Y trailing)</b>	7.1%	7.5%	7.3%	7.1%
<b>Market Cap (SGD, Weighted Average)</b>	198M	280M	231M	202M
<b>NAV per share (SGD)</b>	\$113.25	\$136.65	\$119.19	\$118.56

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# Yeoman 3-Rights Value Japan Fund

## Other Ratios

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<b>June</b>	<b>2017*</b>	<b>2018</b>	<b>2019</b>
<b>Portfolio Turnover</b>	15%	36%	0.3%
<b><u>Expense Ratio</u></b>			
<b>Before Performance Fees</b>	2.47%	1.68%	1.54%
<b>After Performance Fees</b>	6.06%	4.64%	1.54%

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*\* June 2017 figures are annualized for the 7 months since Fund inception.*

# Key Risk Factors

- **General Risks.** 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 developments, changes in government policies and legislation relating to the level of foreign ownership.
- **Exchange Control and Currency Risk.** The Fund's assets will be substantially invested in securities denominated in JPY and 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.
- **Counterparty Risk.** Any default or bankruptcy by a counterparty (includes brokers, custodians and banks) may impair the Fund's operational capabilities, and cause the Fund to encounter delays and difficulties with respect to court procedures in seeking recovery of the Fund's assets.

*Prospective investors should read the Information Memorandum and seek independent advice before investing.*

# Yeoman 3-Rights Value Japan Fund

- Yeoman 3-Rights Value Japan Fund holds a Category 1 Global Business 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 Capital Management

- Incorporated as a private company limited by shares in Singapore under The Companies Act (Chapter 50)
- Company and GST Registration is 199902308Z
- Holds a Capital Markets Services Licence for Fund Management issued by MAS under the Securities and Futures Act (Chapter 289)