

# Yeoman 3-Rights Value Asia Fund

## September 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\$182m (US\$133m) at end September 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)

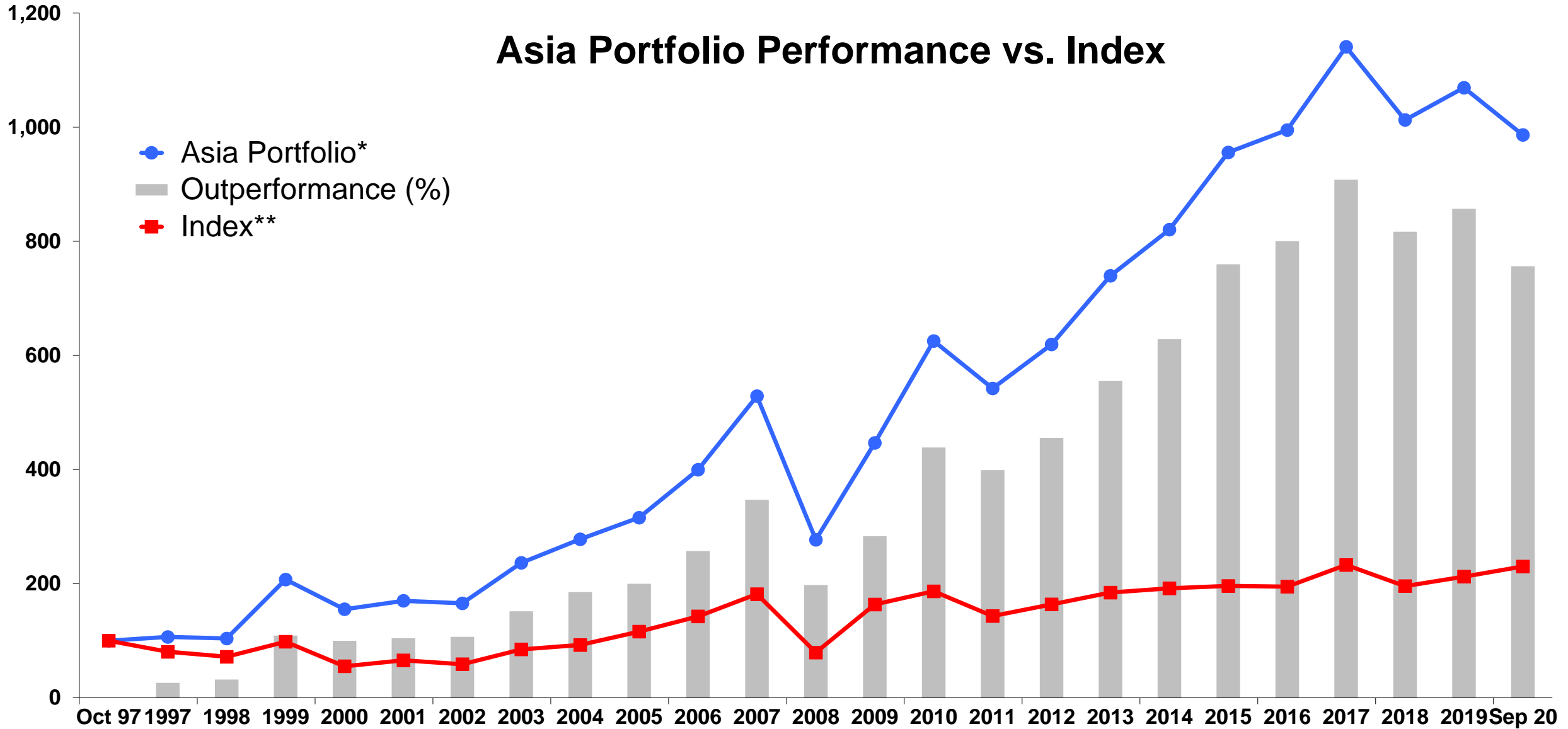
# Investment Process

- 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 Asia Fund

- Portfolio exposure capped at:
  - 15% for a single stock
  - 25% for a single MSCI GICS industry
  - 45% for a single country
- Ethical investment policy
  - No alcohol, tobacco or gaming stocks

# Asia Portfolio Track Record



\* Chart shows performance from 31 October 1997, re-based to 100. Performance from 19 January 2005 fund inception onwards refers to Yeoman 3-Rights Value Asia Fund ("Asia Fund"). Performance prior to 19 January 2005 refers to segregated accounts reported on a composite basis (comparable investment objective). Performance in SGD. Dividends re-invested. Net of fees.

\*\* The benchmark index was changed to MSCI AC Far East ex-Japan Small-cap Index (MSLUAFJN), in SGD terms, on 1 January 2019. For more details, please refer to the 2018 Q4 newsletter.

# Asia Portfolio Track Record

Performance: 22 years 11 months ending September 2020

Period	Asia Portfolio	Index	Out/under-performance
<i>Since Inception</i>			
<b>CAGR (per annum)</b>	<b>10.50%</b>	<b>3.70%</b>	<b>6.80%</b>
<b>Cumulative Performance</b>	<b>886.44%</b>	<b>130.07%</b>	<b>756.37%</b>
<b>September 2020</b>	1.13%	(1.51%)	2.64%
<b>Year To Date 2020</b>	(7.74%)	8.38%	(16.12%)
<b>Historical Performance</b>			
2019	5.59%	8.48%	(2.89%)
2018	(11.24%)	(15.91%)	4.67%
2017	14.64%	19.50%	(4.86%)
2016	4.10%	(0.64%)	4.74%
2015	16.51%	2.22%	14.29%
2014	10.92%	3.98%	6.94%
2013	19.46%	12.69%	6.77%
2012	14.19%	14.26%	(0.07%)
2011	(13.29%)	(23.24%)	9.95%
2010	40.00%	14.11%	25.89%
2009	61.31%	106.34%	(45.03%)
2008	(47.62%)	(56.37%)	8.75%
2007	32.28%	27.41%	4.87%
2006	26.59%	22.95%	3.64%
2005	13.65%	25.28%	(11.63%)
2004	17.46%	9.16%	8.30%
2003	42.87%	44.27%	(1.40%)
2002	(2.57%)	(10.37%)	7.80%
2001	9.53%	18.70%	(9.17%)
2000	(25.14%)	(43.76%)	18.62%
1999	99.32%	36.65%	62.67%
1998	(2.49%)	(10.79%)	8.30%
1997*	6.60%	(19.42%)	26.02%

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

\* 1997 Performance is from end October to end December.



# Yeoman 3-Rights Value Asia 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 2,500 (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>	7.5%
<b>2<sup>nd</sup> Year:</b>	5.0%
<b>3<sup>rd</sup> Year:</b>	2.5%
<b>Minimum Initial Investment</b>	SGD 250,000
<b>Minimum Top-up Subscription</b>	SGD 50,000

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# Yeoman 3-Rights Value Asia 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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# Appendix

# Yeoman 3-Rights Value Asia Fund

## Asset Allocation

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<b>June</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Equities</b>	97.1%	99.1%	98.0%	96.8%	97.0%	97.6%	99.1%	95.5%	94.4%	97.9%
<b>Cash</b>	2.9%	0.9%	2.0%	3.2%	3.0%	2.4%	0.9%	4.5%	5.6%	2.1%

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## Country Allocation

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<b>June</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Hong Kong</b>	29.8%	29.2%	30.7%	27.6%	35.3%	36.1%	37.6%	38.3%	36.1%	33.3%
<b>Singapore</b>	19.0%	21.1%	15.1%	17.6%	16.0%	17.2%	18.6%	19.6%	22.4%	24.2%
<b>Malaysia</b>	22.5%	23.1%	24.1%	26.1%	22.0%	23.3%	22.1%	20.3%	20.5%	20.8%
<b>Korea</b>	25.4%	25.3%	27.2%	25.5%	23.5%	20.7%	20.3%	17.3%	15.4%	19.1%
<b>Thailand</b>	0.5%	0.5%	0.9%	0%	0.2%	0.3%	0.5%	0.1%	0%	0.6%

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# Yeoman 3-Rights Value Asia Fund

## Valuation Ratios

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<b>June</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>PB</b>	0.72x	0.58x	0.61x	0.65x	0.72x	0.62x	0.55x	0.52x	0.48x	0.36x
<b>PE</b>	9.2x	9.8x	11.1x	10.9x	12.0x	12.7x	11.5x	8.0x	11.9x	15.6x
<b>Yield</b>	4.4%	4.8%	4.2%	3.8%	3.3%	3.8%	3.7%	4.5%	4.8%	6.2%
<b>ROE (1Y trailing)</b>	9.3%	10.3%	6.7%	6.7%	6.2%	5.6%	5.8%	6.9%	4.6%	3.6%
<b>ROE (5Y trailing)</b>	9.5%	9.8%	9.2%	9.0%	9.0%	7.9%	6.2%	5.8%	5.4%	5.4%
<b>Market Cap (SGD, Weighted Average)</b>	200M	172M	158M	204M	238M	224M	260M	231M	209M	187M
<b>NAV per share (SGD)</b>	\$216.11	\$195.79	\$245.09	\$290.12	\$338.97	\$323.25	\$394.17	\$404.05	\$388.11	\$322.45

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# Yeoman 3-Rights Value Asia Fund

## Other Ratios

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June	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Portfolio Turnover</b>	29%	12%	24%	19%	19%	15%	14%	8%	10%	5%
<b><u>Expense Ratio</u></b>										
<b>Before Performance Fees</b>	1.18%	1.26%	1.34%	1.20%	1.22%	1.26%	1.23%	1.20%	1.22%	1.25%
<b>After Performance Fees</b>	3.60%	1.26%	3.29%	4.17%	3.99%	1.33%	3.93%	1.70%	1.22%	1.25%

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# Yeoman 3-Rights Value Asia Fund

- Yeoman 3-Rights Value Asia Fund holds a Category 1 Global Business Licence (No. C104001282) 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.

# 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)