

# Yeoman 3-Rights Value JAPAN Fund VCC<sup>^</sup>

At 30 Jun 2023

NAV/Share:

**S\$138.88**

Performance: 6 years 7 months ending 30 June 2023

Period	Performance (SGD)
<b>CAGR (per annum)</b>	<b>5.12%</b>
<b>Cumulative Performance</b>	<b>38.88%</b>
<b>June 2023</b>	5.21%
<b>Year To Date 2023</b>	15.55%
Historical Performance	
2022	-9.15%
2021	3.80%
2020	-4.72%
2019	15.51%
2018	-13.14%
2017	30.77%
2016*	1.96%

Portfolio Valuations (trailing)	
PE	8.34x
P/B	0.51x
Dividend Yield	3.44%
ROE (1-yr)	6.70%
ROE (5-yr ave)	7.08%
Weighted Ave Mkt Cap	S\$241.24m

Equities/Cash Allocations	
Equities	97.12%
Cash & current assets	2.88%

Note: In Singapore dollar terms, dividends re-invested. Net of fees.  
 \*2016 performance is from end November to end December.  
 CAGR returns are meaningful in the long term, not short term.

## General Information

**Yeoman 3-Rights Value Japan Fund VCC**  
 (UEN: T22VC0008D)  
 c/o Yeoman Capital Management Pte Ltd  
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 Robertson Walk,  
 Singapore 237995

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

Total Value of Fund:  
**S\$21,603,240.88**  
 Total Number of Shares:  
**155,552.494**

Management Fee:  
**1% p.a.**

Performance Fee:  
**15% High Water Mark**

Subscription Frequency:  
**Monthly**

Redemption Frequency:  
**Quarterly**

Investment Horizon:  
**3-5 years or more**

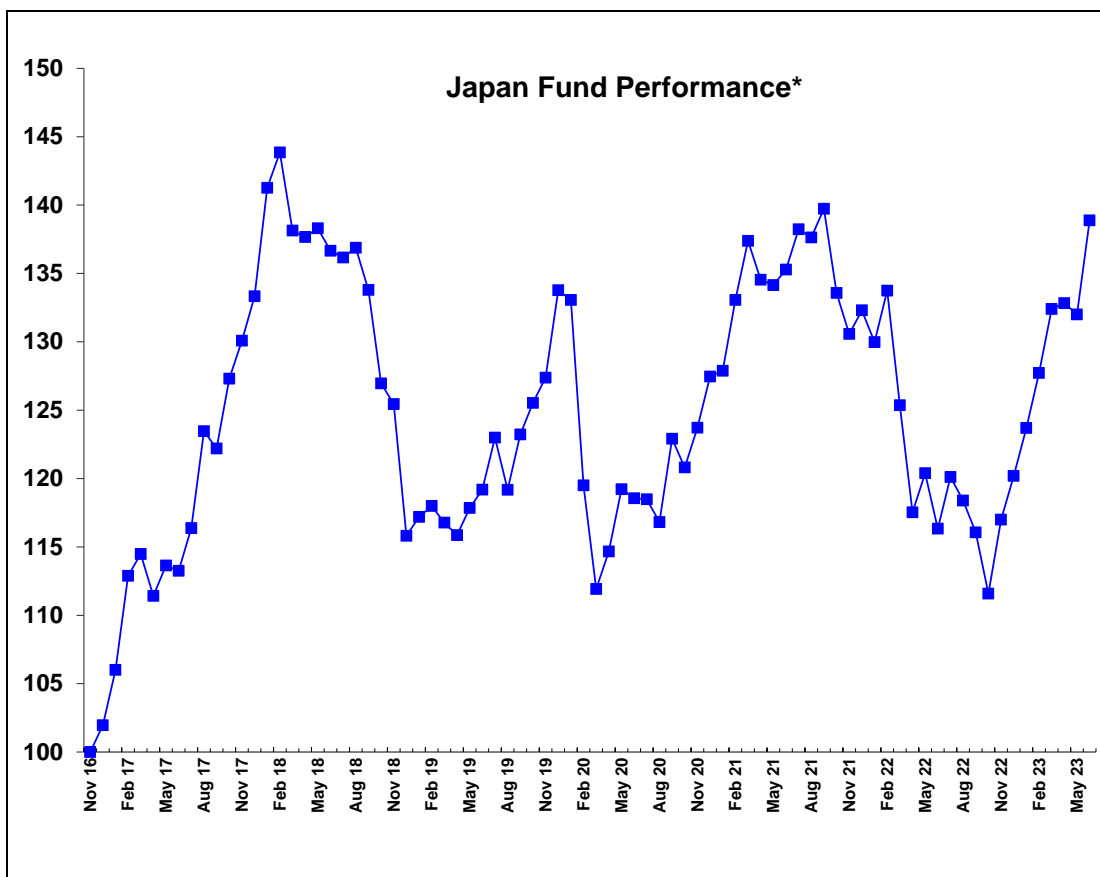
Early Exit Charges:  
 In 1<sup>st</sup> Year: **5.0%**  
 In 2<sup>nd</sup> Year: **2.5%**  
 In 3<sup>rd</sup> Year: **1.25%**  
 (Payable to Fund)

Minimum Initial Investment:  
**S\$125,000**

Minimum Top-up Subscription:  
**S\$25,000**

Custodian:  
**Portcullis Trust (Singapore) Ltd, Deutsche Bank**

Auditor:  
**Crowe Horwath First Trust LLP**



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

<sup>^</sup> Yeoman 3-Rights Value Japan Fund VCC (the "Fund") was formerly known as Yeoman 3-Rights Value Japan Fund which was incorporated in Mauritius in Sep 2016. It was re-domiciled from Mauritius to Singapore on 10 Jan 2022 as Yeoman 3-Rights Value Japan Fund VCC, a non-umbrella VCC (UEN: T22VC0008D). Complete information on the Fund and the latest updates are available from the manager Yeoman Capital Management Pte Ltd. This document constitutes neither a recommendation nor an offer to buy or sell, is not a solicitation to invest in the Fund, neither does it constitute an investment contract. Please be aware that past performance is not indicative of future results.

## Performance Summary at end June 2023

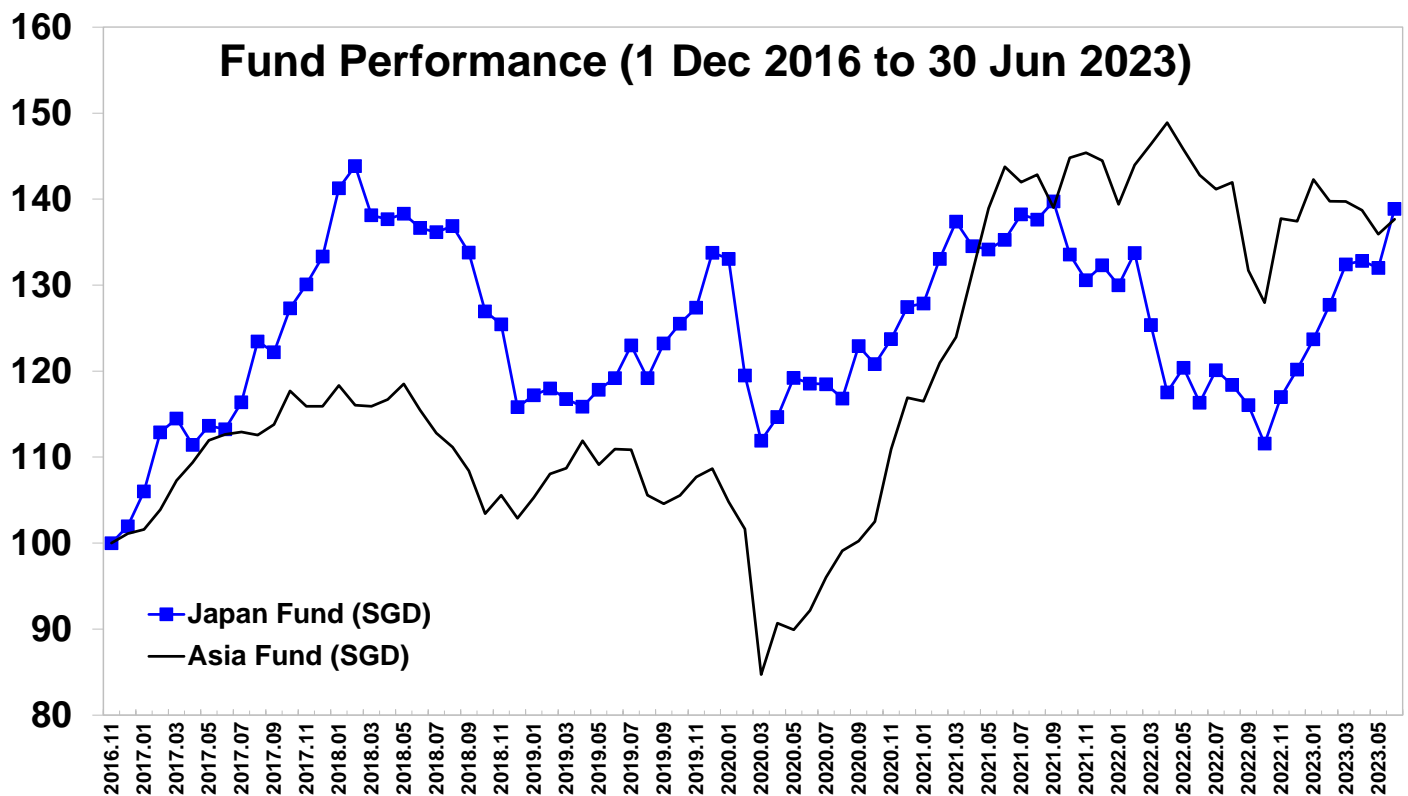
In June our Fund was up **5.21%**;

Year to date our Fund is up **15.55%**;

Since inception on 1 December 2016, our Fund is up a cumulative **38.88%**; on annualized terms the Fund is up **+5.12% p.a. nett of all fees with dividends reinvested in SGD terms.**

## Manager Review and Discussion

The chart below shows the performance of our **Asia Fund and Japan Fund** from 1<sup>st</sup> December 2016 (Japan CIS start date) to 30<sup>th</sup> June 2023. The two Funds apply the same value methodology and show about the same valuation metrics most of the time. Yet there are periods when the Asia Fund does better than the Japan Fund and also times when the reverse is true. By inspection, you can see that over the longer-term our investment strategy reaps rewards for both Funds even after factoring in JPY currency moves (both funds are measured in SGD terms).



You should bear in mind that performance of the Japan Fund in SGD terms was achieved against a JPY that has been going south against most G7 currencies since 2012. Over the above window, the JPY weakened 25% against the SGD from 0.01252 to 1 (JPY to SGD) on 1st December 2016 to 0.009369 to 1 (same basis) on 30<sup>th</sup> June 2023. Yen

weakness is largely due to the growing interest rate gap between the BOJ with its zero/negative interest rate and the US Federal Reserve which has been hiking for over a year (to around 5% currently) with no clear end in sight. However, this situation could well reverse at some time in the future. How? Well if Japan starts to tighten in the face of stubborn inflation or if the US either plateaus or starts to ease as inflation starts to recede that would change things around. When that happens, the headwinds that we have encountered thus far will become tailwinds and this will just carry us along.

As your Manager, we don't just look and act based on what is happening today. Instead **we always look and anticipate how things will be far ahead, 1, 3, 5, 10 years and beyond.** Just consider when it was when **we first started investing in Japan. That was in early 2011 or 12 years ago!**

The macro investing case for Japan is summarized well by the following extract from a Bloomberg Opinion article that appeared in the Straits Times of 8<sup>th</sup> July 2023.

*“The country is expected to have GDP growth of 1.2% this year, among the highest of major developed economies; deflation is a memory; companies are passing on input costs and expressing willingness to pay workers more, even if real pay is still declining.*

*Most notable has been the recent resurgence in interest from investors, a boom on a level not seen since Abe himself came back into power in late 2012. The return of foreign money has less to do with anything Kishida created, and more with three pillars that Abe himself put in place: Japan's emergence as an alternative to China, a gateway to Asia where the rule of law is respected; the expansive monetary policy of the Bank of Japan, which has continued into Kazuo Ueda's term; and a sudden awareness of corporate governance reforms enacted nearly a decade ago.”*

With >25 years of battle-tested investment experience behind us, current shareholders and prospective clients may be assured that no matter what is being played out on the local and global stage at any time, no matter how boring, exciting or nasty the situation may look or sound then, there is no need to do nothing out of either boredom or fear, or go bananas and do just about anything willy-nilly driven by greed or FOMO.

Applying our focused and disciplined value-based investment process we believe that returns over the future will be clearly in favour of those who team up with us, no matter whether for Asia, Japan or any other country market that we set our sights on. The returns will benefit not just shareholders but also their beneficiaries including the next generation and charities that they support.

Seng Chong YEO

Director of the VCC and Chief Investment Officer of the Manager

**APPENDIX – for information only**

**Japan Strategies performance data**

**Performance: 12 years 4 months ending 30 June 2023**

Period	Japan Strategies (JPY terms)
<b>CAGR (per annum)</b>	<b>14.37%</b>
<b>Cumulative Performance</b>	<b>423.64%</b>
<b>May 2023</b>	8.94%
<b>Year To Date 2023</b>	26.05%
<b>Historical Performance</b>	
2022	4.46%
2021	13.26%
2020	-7.95%
2019	15.54%
2018	-16.80%
2017	36.50%
2016	7.08%
2015	10.20%
2014	23.57%
2013	61.59%
2012	18.20%
2011*	4.40%

*Note: In JPY terms, dividends re-invested.  
 \*2011 performance is from end February to end December.  
 Gross of fees up to 30 November 2016  
 Net of fees from 1 December 2016*



Data Source: Yeoman Capital Management Pte Ltd.  
 \* 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 inception on 1 March 2011.