



# Ascenta Special Situations Resource Fund

June 2010

## FUND FACTS

As at June 11, 2010

Fund Price:	US\$1.1164
Legal Structure:	Guernsey (CI) regulated ICC
Minimum Investment:	US\$10,000
Subsequent Investments:	US\$5,000
Dealing:	Weekly
Liquidity:	Weekly
Currency:	US\$, Euro, GBP, Yen
Investment Advisor:	Ascenta Finance Corp.
Fund Manager:	Lancelot Management Inc.
Fund Regulator:	Guernsey Financial Services Commission
Administrators:	Bordeaux Services (Guernsey Ltd.)
Portfolio Manager:	Haywood Securities

Launch Date:	July 2009
Launch Price:	US\$1.00
Fund Type:	Open Ended
Fund Domiciled:	Guernsey, Channel Islands
Min. Investment:	US\$10,000*
Subsequent Investment:	US\$5,000*

*\*or currency equivalent*

## BLOOMBERG

USD	ASSSRUS GU
GBP	ASSSRGB GU
EURO	ASSSREU GU
YEN	ASSSRYN GU

## Investment Advisory Team

Sam Kiri. MBA, CFA, BSc.  
Senior Analyst

Jim Mustard, P.GEO  
Investment Advisory Committee

Steve Stakiw, P.Geo  
Investment Advisory Committee

Alan Manzie, MBA  
Portfolio Manager

The Ascenta Special Situations Resource Fund is a long-only, unleveraged equity fund focused on the natural resource and renewable energy sectors.

## Investment Objective

The investment objective of the Ascenta Special Situations Fund is to provide long-term capital growth, offering superior returns in a risk-managed portfolio.

## Fund Strategy

The Fund seeks to maximize investment return through a diversified, risk-managed equity portfolio consisting of both high potential-return, early-stage investments and highly-liquid mature issuers. The Fund will capitalize on both macroeconomic cyclical price movements within the commodities sector as well as shorter-term mispricing on an individual company-by-company basis. A rigorous process of due-diligence will be applied to each investment including an assessment of (1) quality of management, (2) quality of assets, and (3) appropriateness of valuation.

## MARKET COMMENTARY

"Sell in May and go away" is a market statement often put forward by veteran followers of stocks and bonds. This year the proverb appeared to be timely as the month of May delivered a new set of stress-tests to a market that had enjoyed a strong albeit brief period of recovery. Equity markets reached new highs on April 26th and began reversing the next day when fraud charges were laid against Goldman Sachs. With the mini crash on May 6th followed by a tide of negative news from Europe, increased anxiety over sovereign debt and a weakening Euro, the stage was set for lower prices. Indeed the May pull took very few prisoners with broad and niche indices internationally caught in the downdraft. The S&P 500 lost over 13% while the DOW recorded its worst May in some 70 years.

As with any significant move in the markets, volatility offers up equal parts crisis and opportunity. The early winners in this case were of course the bear investors reaping profits as markets tumbled around them. For those of us that are more thematically oriented toward medium to long term growth of economies and markets, the real opportunity comes at the end of a pull-back, at a period in the cycle when equities are oversold and the pendulum begins a return to its natural equilibrium.

As we have stated previously, the Ascenta Fund had been building its cash position beginning mid March in anticipation of seasonal bargain hunting. As history will record, we got that and more. As valuations have again become very attractive we believe we're starting to see the momentum shift and have begun allocating back into the market.

We believe we can afford to be patient and will continue to invest tentatively and only where valuations are very compelling. The important thing is that when the markets do turn bullish again, we've already placed our bets and



**Contact Information**

Ascenta International Holdings Limited  
 7A, 7th Floor, Ebene Mews  
 57 Ebene Cyber City  
 Ebene, Mauritius  
 Tel: +63 28308661 (Philippines)  
 email: info@ascentainternational.com

**Fund Dealing**

Bordeaux Services (Guernsey Limited)  
 PO Box 466  
 Bordeaux Court, Les Echelons  
 St. Peter Port, Guernsey  
 GY1 6AW  
 Tel: +44 1481 715167  
 Fax: +44 1481714061  
 email: clientservices@bordeauxservices.com

**International Insurance Companies**

The following international insurance companies accept The Ascenta Special Situations Resource Fund (all share classes) as a suitable link to their International Portfolio Bonds

- Royal Skandia
- Friends Provident International
- Royal London 360
- Generali International
- Scottish Equitable International
- Hansard International

**Liquidity**

Liquidity of the fund is of paramount importance, therefore a minimum of 70% of the Fund's portfolio will trade on a reputable stock exchange in North America or Europe.

**Top Five Holdings**

Intl Tower Hills Mns Ltd	7.95%
B2Gold Corp.	5.90%
Trevali Resources Corp.	5.89%
Semafo Inc.	5.21%
Strategic Oil & Gas Ltd.	5.10%

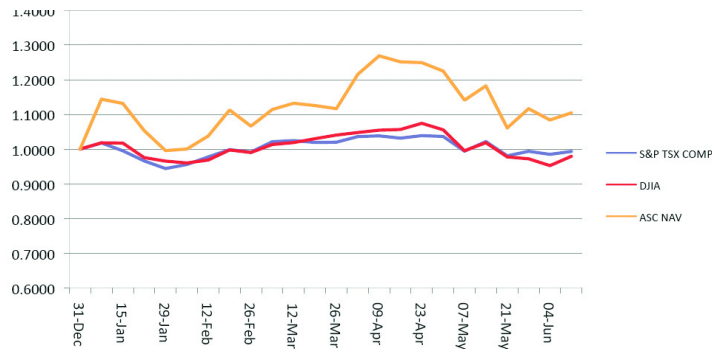
positioned ourselves for the reversal of fortunes.

*Jason Cubitt*  
 Managing Director Fund Services  
 Ascenta Finance Corp.

	<b>Apr-10</b>	<b>May-10</b>	<b>% Change</b>
<b>S&amp;P/TSX Composite Index</b>	12210.7	11762.99	-3.67%
<b>Gold/US Dollar Spot</b>	1178.25	1214.20	3.05%
<b>Gold (near month contract)</b>	1180.7	1215.0	2.91%
<b>Crude Oil (near month contract)</b>	86.15	73.97	-14.14%
<b>Natural Gas (near month contract)</b>	4.05	4.341	7.19%

**FUND PERFORMANCE**

**NAV Performance Year-to-Date**  
 January 1, 2010 to June 11, 2010



**NAV Performance Year-to-Date**  
 January 1, 2010 to June 4, 2010

Period	<b>01-Jan</b>	<b>08-Jan</b>	<b>15-Jan</b>	<b>22-Jan</b>	<b>29-Jan</b>	<b>05-Feb</b>
NAV	1.0119	1.1558	1.1436	1.0653	1.0077	1.0121
%Change	0.00%	14.22%	-1.06%	-6.85%	-5.41%	0.44%
Period	<b>12-Feb</b>	<b>19-Feb</b>	<b>26-Feb</b>	<b>05-Mar</b>	<b>12-Mar</b>	<b>19-Mar</b>
NAV	1.0497	1.1247	1.0781	1.1261	1.1441	1.1374
%Change	3.72%	7.14%	-4.14%	4.45%	1.60%	-0.59%
Period	<b>26-Mar</b>	<b>01-Apr</b>	<b>08-Apr</b>	<b>16-Apr</b>	<b>23-Apr</b>	<b>30-Apr</b>
NAV	1.1285	1.2273	1.2808	1.2635	1.2612	1.2369
%Change	-0.78%	8.75%	4.36%	-1.35%	-0.18%	-1.93%
Period	<b>07-May</b>	<b>14-May</b>	<b>21-May</b>	<b>28-May</b>	<b>04-Jun</b>	<b>11-Jun</b>
NAV	1.1531	1.1942	1.0728	1.1284	1.0959	1.1164
%Change	-6.78%	3.56%	-10.17%	5.18%	-2.88%	1.87%

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