



## Ascenta Special Situations Resource Fund

December 2010

### FUND FACTS

As at December 31, 2010

Fund Price:	US\$1.5693
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 Int. Holdings
Fund Manager:	Lancelot Management Inc.
Fund Regulator:	Guernsey Financial Services Commission
Administrators:	Fund Corp. (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

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

The Ascenta Fund closed its first calendar year with a return-on-investment of more than 55%. Although the year was characterized by jittery markets and several bouts of understandable anxiety (European sovereign debt crises, weak housing markets, unemployment woes etc.) the overall trend was up. The natural resource sector was a beneficiary of this upward movement and the Ascenta Fund amplified those gains with a focus on middle-market equities within the sector. Even with a relatively defensive stance for Q4 2010, with higher than average levels of cash and a broad sub-sector weighting, special situations investing drove the Fund's share price to new levels.

The outlook for 2011 remains very bullish for natural resources in general, and base metals, agriculture and energy equities specifically. As global economic growth fuelled by emerging markets continues, key raw materials already facing critical shortages are likely to surrender to further price increases setting the stage for strong performance in underlying equities in the sector.

Having said that, volatility will almost certainly be a consistent theme this year. Currency fluctuations, domestic policies and on-going systemic re-ordering should continue to keep the market second-guessing. We expect this will provide for an overall uptrend marked by occasional corrections or, in the vernacular of a Special Situations Fund, "buying opportunities". To address short-term price volatility the Fund will continue to use a variety of tools at its disposal to reduce portfolio risk including high levels of cash.

*Jason Cubitt*  
Managing Director Fund Services  
Ascenta International Holdings Ltd.



**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**

Fund Corporation of the Channel Islands Ltd.  
 PO Box 665, Roseneath, The Grange  
 St. Peter Port, Guernsey  
 GY1 3SJ  
 Tel: +44 1481 732888  
 Fax: +44 1481 732880  
 email: clientservices@fundcorpci.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**

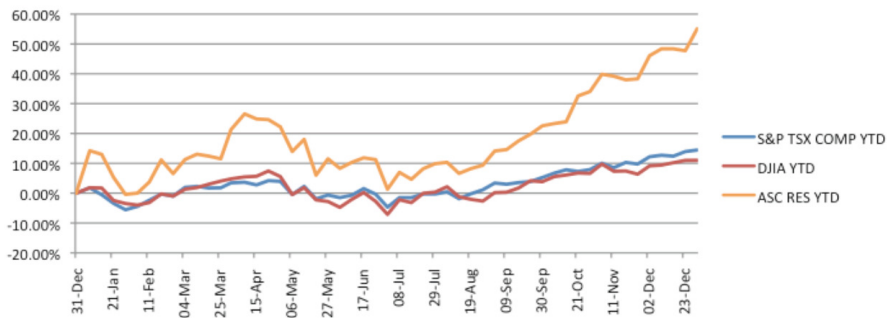
Liquidity of the fund is of paramount importance, therefore a minimum of 70% of the Fund's portfolio will trade on a reputable stock exchange in North America or Europe.

**Top Five Holdings**

AndeanGold Ltd.	9.54%
Strategic Oil & Gas Ltd.	5.78%
Brigus Gold Corp.	4.29%
Energold Drilling Corp.	4.20%
Angle Energy Inc.	4.18%

**FUND PERFORMANCE**

**NAV Performance Year-to-Date**  
 January 1, 2010 to December 31, 2010



**NAV Performance**  
 July 30, 2010 to December 31, 2010

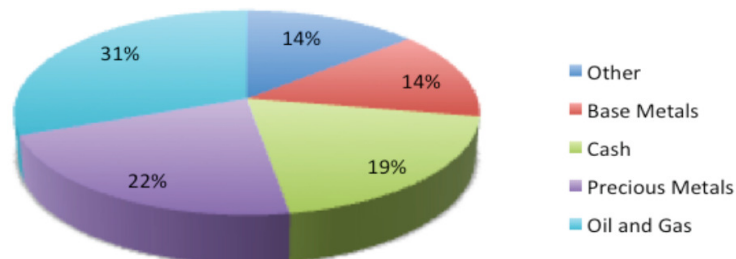
Period	30-Jul	06-Aug	13-Aug	20-Aug	27-Aug	03-Sep
NAV	1.1119	1.1165	1.0789	1.0951	1.1066	1.1548
% Change	1.55%	0.41%	-3.37%	1.50%	1.05%	4.36%

Period	10-Sep	17-Sep	24-Sep	01-Oct	08-Oct	15-Oct
NAV	1.1597	1.1892	1.2117	1.2403	1.2478	1.254
% Change	0.42%	2.54%	1.89%	2.36%	0.60%	0.50%

Period	22-Oct	29-Oct	05-Nov	12-Nov	19-Nov	26-Nov
NAV	1.3416	1.3565	1.4151	1.4084	1.3962	1.3996
% Change	6.99%	1.11%	4.32%	-0.47%	-0.87%	0.24%

Period	03-Dec	10-Dec	17-Dec	24-Dec	31-Dec
NAV	1.4780	1.5013	1.5013	1.4947	1.5693
% Change	5.60%	1.58%	0.00%	-0.44%	4.99%

**Portfolio by Subsector**



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