

# Ascenta Special Situations Resource Fund



## May 2011

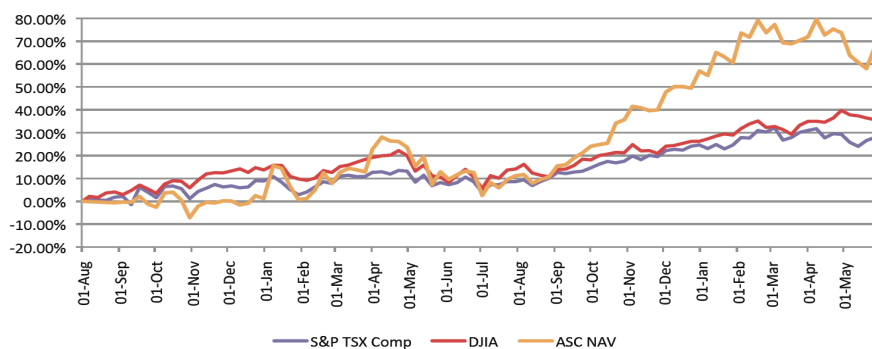
The Ascenta Special Situations Resource Fund is a long-only, unleveraged equity fund focused on the natural resource and renewable energy sectors. The investment objective of the Ascenta Special Situations Fund is to provide long-term capital growth, offering superior returns in a risk-managed portfolio.

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.

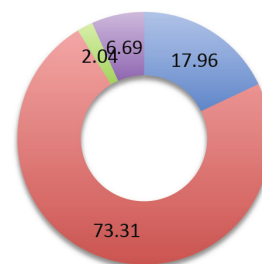
### Return History to May 27, 2011

	1mth	3mth	6mth	12mth
Ascenta Special Situations Res Fund	-4.40%	-3.55%	6.77%	52.9%
S&P TSX Global Mining Index	-6.35%	0.45%	-4.35%	42.18%

### Performance Since Inception (August 1, 2009 to May 27, 2011)

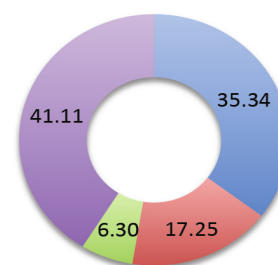


### Portfolio % by Region



■ LAT AMERICA ■ N AMERICA ■ ASIA ■ OTHER

### Portfolio % by Market Cap



■ <50m ■ 50m<250m ■ 250m<500m ■ >500m

### Recent NAV Pricing History

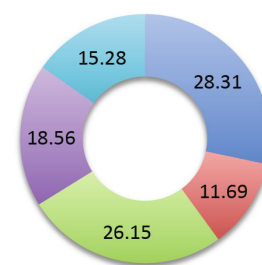
Period	22-Oct	29-Oct	05-Nov	12-Nov	19-Nov	26-Nov	03-Dec	10-Dec
NAV	1.3416	1.3565	1.4151	1.4084	1.3962	1.3996	1.4780	1.5013
% Change	6.99%	1.11%	4.32%	-0.47%	-0.87%	0.24%	5.60%	1.58%

Period	17-Dec	24-Dec	31-Dec	07-Jan	14-Jan	21-Jan	28-Jan	04-Feb
NAV	1.5013	1.4947	1.5693	1.5501	1.6505	1.631	1.6051	1.7352
% Change	0.00%	-0.44%	4.99%	-1.22%	6.48%	-1.18%	-1.59%	8.11%

Period	11-Feb	18-Feb	25-Feb	04-Mar	11-Mar	18-Mar	25-Mar	01-Apr
NAV	1.7178	1.7909	1.7372	1.7722	1.693	1.6886	1.7035	1.7189
% Change	-1.00%	4.26%	-3.00%	2.01%	-4.47%	-0.26%	0.88%	0.90%

Period	08-Apr	15-Apr	22-Apr	29-Apr	06-May	13-May	20-May	27-May
NAV	1.7951	1.727	1.7528	1.7366	1.638	1.6074	1.5800	1.6756
% Change	4.43%	-3.79%	1.49%	-0.92%	-5.68%	-1.87%	-1.70%	6.05%

### Portfolio % by Sector



■ Precious Metals ■ Base Metals ■ Oil & Gas ■ Other ■ Cash

# Ascenta Special Situations Resource Fund

## FUND FACTS (as at May 27, 2011)

Fund Price:	US\$1.6756
Legal Structure:	Incorporated Cell Corp.
Minimum Investment:	US\$10,000
Subsequent Investments:	US\$5,000
Dealing:	Weekly
Liquidity:	Weekly
Currency:	USD, GBP
Investment Advisor:	Ascenta Asset Mgt. Ltd.
Administrator:	Fund Corp. (CI)
Portfolio Manager:	Haywood Securities
Launch Date:	July 31, 2009
Launch Price:	US\$1.00
Fund Type:	Open-ended
Fund Domiciled:	Guernsey

*\*or currency equivalent*

## BLOOMBERG

USD: ASSSRUS GU

GBP: ASSSRGB GU

## Investment Advisory Team

Steve Stakiw, P.Geo

*Investment Advisory Committee*

Alan Manzie, MBA

*Portfolio Manager*

## Contact Information

Ascenta Asset Management Ltd.

7A, 7th Floor, Ebene Mews

57 Ebene Cyber City

Ebene, Mauritius

Tel: 63 918 803 0290

email: [info@ascentainternational.com](mailto: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](mailto: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
- Royal London 360
- Friends Provident International
- Generali International
- Scottish Equitable International
- Hansard International

## Market Commentary

The old adage “sell in May and go away” rang especially true this month as cyclical selling coincided with a brewing storm in the macro environment. A slow-down in Chinese growth, a stalling US recovery and, despite bright spots in both Germany and France, continued struggles in the Eurozone captured headline news and fed investor fears.

The Ascenta Fund declined over 4% in the month of May versus a loss of almost 2% in the DJIA reflecting a punished commodities sector as traders took their cue from a chorus of analyst calls suggesting reduced commodity demand should limit upside potential in the near term. It seems we're in the midst of a partial asset allocation shift as highly speculative investors move their assets from commodities to cash and other instruments.

We're beginning to see a trend similar to last summer before the market bottomed in July. With generally good corporate earnings, better managed balance sheets and low interest rates, we tend to be contrarian to the predominantly negative sentiment in the market today.

Given the short-term trend, a focus on selective value plays, as opposed to sectoral plays, is key to success. Many of these now look cheap relative to net asset value/replacement cost. Coal, iron ore, copper and nickel all look like attractive growth areas from which to pick best-in-class investments.

The Ascenta Fund will continue selectively investing into attractively priced value-based investments while also taking advantage of liquidity events within its portfolio to raise cash in anticipation of a bargain season we expect to last several more weeks.

Jason Cubitt

Managing Director Fund Services

Ascenta Asset Management Ltd.

## Top Five Holdings

AndeanGold Ltd.	6.43%
Mammoth Capital Corp.	6.23%
Prize Mining Corp.	5.35%
Uranium Participation Corp.	4.69%
Balmoral Resources Ltd.	4.42%

**Disclaimer:** This document does not constitute an offer or invitation to any person. This document is for information only; the information and opinions contained have been compiled or arrived at from sources believed to be reliable and given in good faith but no representation is made as to their accuracy, completeness or correctness. The opinions contained in this document are subject to change and are not to be interpreted as investment advice. Ascenta Asset Management Ltd., its directors, officers, employees and their associates may have a holding in the Fund as well as in the securities referred to herein. The value of investments and the income from them may vary and you may realize less than the sum invested. Tax assumptions may change and you should rely on your own tax advisor when considering your personal circumstances. The fund may have exposure to securities denominated in currencies other than sterling; changes in exchange rates may have an adverse impact upon the fund's performance. The investment may not be suitable for all recipients of this publication and any doubts regarding this should be addressed to your financial advisor. The current prices, details of the fund holdings and the prospectus, which contains details of the risks and charges of the fund, can be obtained at [www.ascentamgt.com](http://www.ascentamgt.com).