



## Ascenta Special Situations Resource Fund

February 2010

### FUND FACTS

As at January 22, 2010

|                         |  |
|-------------------------|--|
| Fund Price:             | US\$1.0653                             |
| 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

Despite some early and dramatic gains in the general markets as January ushered in a new year, an even more dramatic retrenchment in the latter half of the month turned things decidedly sour. It was a dismal January for the markets in general and commodities in particular. Commodity prices weakened and markets tumbled across the board, despite better than expected growth in the US economy at the end of 2009 and an earnings season largely outperforming expectations. In January the World Gold Index lost 11.3% while the S&P TSX Global Mining Index lost 10.7%.

For the Ascenta Fund, stress-testing was the theme. Amongst the worst performers were our gold producers, such as Goldcorp and Detour Gold, as a stronger US dollar weighed down gold prices. Our previous private placement financings in Trevali Resources and Strategic Oil & Gas remained two of our top performers.



**Contact Information**

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**Fund Dealing**

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**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.

**Disclaimer**

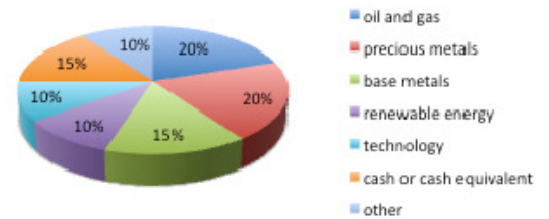
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Notwithstanding the volatility of our current environment, the broader indicators for a sectoral bull market in commodities remain unchanged; and while dramatic swings can be unsettling, they also provide opportunity for significant gain. For the first four months of investing – ending last month, building a risk-managed and diversified portfolio platform was major focus. That done, the Fund is now portioning more of its attention to special situations. This means more opportunistic, bottom-up value analysis and selection. Not only does this investment style better suit the type of market we're in, it offers opportunity for true market outperformance.

|  | 30-Nov-09 | 31-Jan-10 | % Change |
|--|-----------|-----------|----------|
| <b>S&amp;P/TSX Composite Index</b>       | 11746.11  | 1109.31   | -5.55%   |
| <b>Gold/US Dollar Spot</b>               | 1145.5    | 1080.2    | -5.70%   |
| <b>Gold (near month contract)</b>        | 1096.2    | 1083.8    | -1.13%   |
| <b>Crude Oil (near month contract)</b>   | 79.36     | 72.89     | -8.15%   |
| <b>Natural Gas (near month contract)</b> | 5.532     | 5.131     | -7.25%   |

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

**Model Portfolio by Sector**



**Top Five Holdings**

|                         |       |
|-------------------------|-------|
| Trevali Resources Corp. | 6.66% |
| Semafo Inc.             | 5.99% |
| Detour Gold Corp.       | 5.54% |
| CGA Mining Ltd.         | 4.94% |
| Red Back Mining Inc.    | 4.43% |