



# Ascenta Special Situations Resource Fund

October 2010

## FUND FACTS

As at October 29, 2010

Fund Price:	US\$1.4177
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

October was a busy month as we saw an increase of more than 8% in NAV for the month. A number of factors contributed including a gain of 2.38% in the Dow Jones Industrial Average and 2.49% in the more resource-heavy S&P TSX Comp for the same period.

Earnings led the charge in the US with approximately 80% of the S&P 500 Index companies exceeding Wall Street analysts' expectations. It seems the investing public has grown more comfortable with mixed news; equity participation remains strong and indeed shows signs of broadening. Juniors and mid-caps have been the major beneficiaries of this increased participation.

Add to this a weakening US dollar and the much anticipated second round of quantitative easing (led by the Fed but taken up by central banks) and we have the makings of a perfect storm for commodities. Gold and copper reached new highs in October, as did a host of precious and base metals, benefitting from both demand-side pressures as well as an investing public turning its attention to the sector.

While we remain staunchly in the bull's camp for commodities for the foreseeable future, it cannot be ignored that September and October have been exceptionally strong months and we expect to see some profit taking in the latter half of November to early December. In order to crystallize gains, we will be cashing up in early November, reinvesting into new issues and averaging back into existing positions. We have begun this period of divesting with a small number of partial-position sales as follows:

	Investment Return
Lundin Mining Corp.	78%
Grantier Energy Inc.	35%
Mercator Minerals Ltd.	40%
Int. Forest Prod. -	5%

Jason Cubitt  
Managing Director Fund Services



### Contact Information

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### Fund Dealing

Fund Corporation of the Channel Islands Ltd.  
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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

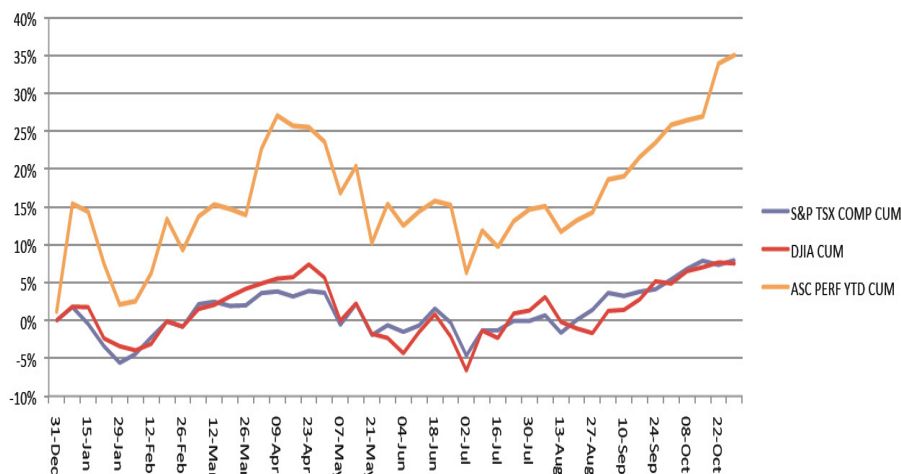
Trevali Resources Corp.	7.49%
B2Gold Corp.	7.49%
Intl Tower Hill Mns Ltd.	6.73%
AndeanGold Ltd.	6.63%
Anvil Mng Ltd.	6.43%

## FUND PERFORMANCE

Ascenta Finance Corp.

### NAV Performance Year-to-Date

January 1, 2010 to October 15, 2010



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January 1, 2010 to October 15, 2010

Period	1-Jan	8-Jan	15-Jan	22-Jan	29-Jan	5-Feb
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	12-Feb	19-Feb	26-Feb	5-Mar	12-Mar	19-Mar
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	26-Mar	1-Apr	9-Apr	16-Apr	23-Apr	30-Apr
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	7-May	14-May	21-May	28-May	4-Jun	11-Jun
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%

Period	18-Jun	25-Jun	2-Jul	9-Jul	16-Jul	23-Jul
NAV	1.1318	1.1258	1.0253	1.0825	1.0589	1.0949
% Change	1.38%	-0.53%	-8.93%	5.58%	-2.18%	3.40%

Period	30-Jul	6-Aug	13-Aug	20-Aug	27-Aug	3-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	1-Oct	8-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%

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