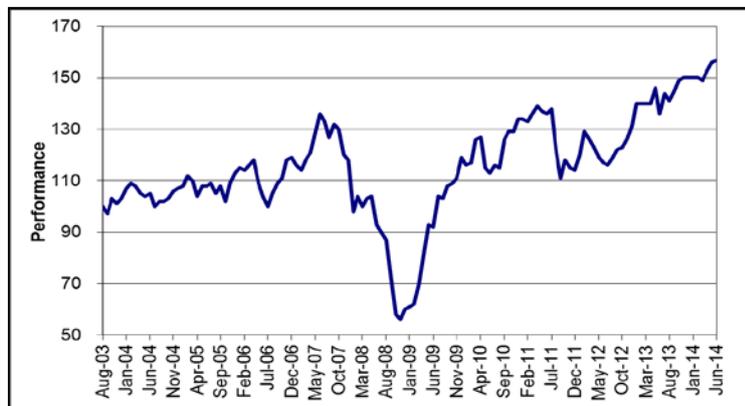


APS Asset Management is a Singapore headquartered fund manager with research offices in China and an investment office in Japan as well as a client servicing office in New York. The firm was founded in 1995 by its CIO, Wong Kok Hoi. The APS Alpha Fund (the "Fund") seeks capital appreciation over a medium to long term market cycle by investing in equities listed in the Far East ex-Japan stockmarkets, using a pure bottom-up approach. The Fund is an absolute return fund that seeks to achieve double-digit absolute returns.

PERFORMANCE OVERVIEW

Period	Fund Returns (%)
July 2014	1.27
2Q 2014	5.37
YTD 2014	6.00
1-Year	10.42
3-Years*	4.83
5-Years*	8.86
7-Years*	2.58
Since Inception*	4.34



The net returns are net of all fees and charges.

Inception Date: July 23, 2003.

*Annualized returns are the average annual compounded returns.

Fund returns are cumulative and are gross of management and performance fees.

PORTFOLIO ANALYSIS (AS % OF AUM)*

TOP FIVE HOLDINGS		MARKET CAPITALIZATION		SECTOR WEIGHTINGS		COUNTRY WEIGHTINGS	
Gome Electrical	7.9	>USD 5bil	15.5	Industrials	28.2	China	34.6
Shenzhen International	7.8	USD 2 bil – USD 5 bil	35.6	Con Discretionary	21.2	Hong Kong	16.3
Hutchison Whampoa	4.8	USD1bil – USD 2 bil	14.8	Financials	16.1	Singapore	10.1
Kerry Logistics	4.6	USD 500 mm -USD1bil	17.5	Consumer Staples	8.1	Taiwan	6.9
Wei Chuan Food	4.5	<USD 500mm	15.8	InfoTechnology	7.5	Indonesia	6.9
		Bonds	0.8	Materials	5.3	South Korea	6.6
				Energy	4.5	Malaysia	6.2
				Health Care	1.9	Philippines	3.5
				TelecommService	1.5	Thailand	1.7
				Cash	5.7	India	1.6
						Cash	5.7

Source: APS, Bloomberg and Wilshire.

MARKET OVERVIEW

The rally in Asian equity markets continued through July. The MSCI Asia Pacific ex Japan index outperformed its global counterpart by 5%, led by China and Indonesia. The MSCI China index rallied by 15% from its most recent low (9 May 2014), driven by the stabilizing economy, targeted easing (pledged supplementary lending, repos suspension, etc) and pro-growth measures. The scale of the monetary stimulus we have seen since June is a pleasant surprise.

Indonesia was the best-performing market in July, buoyed by the outcome of the presidential elections, with Joko Widodo winning by a margin of 6%. On the other hand, Taiwan, Malaysia and the Philippines were the worst-performing markets in July. Taiwan corrected by 1%, led by the IT sector. The key drivers were: 1) semiconductor makers lowered expectations for 2015; 2) an increase of smartphone inventory in China; and 3) profit-taking following the past few months' strength.

The Indonesian rupiah was the best-performing currency in Asia ex Japan, up 2.5%, followed by the Thai Baht (+0.8%) and Chinese Yuan (+0.5%).

PERFORMANCE ANALYSIS AND PORTFOLIO ACTIVITY*

The APS Alpha Fund (the “Fund”) returned 1.27% (net) during the month.

Contributors to Performance

Wei Chuan Foods’ share price has appreciated slightly of late as the impact from the adulterated cooking oil scandal in Taiwan, which broke out at the end of last year, subsides. Valuation is compelling at 16x forward P/E and we continue to be bullish on Wei Chuan’s prospects going forward, especially its cold beverage business in China.

IGB Corp Berhad is one of Malaysia’s largest real estate companies managing, investing in and developing retail, commercial and hospitality assets throughout Asia, Australia and other regions. IGB’s share price has appreciated recently as its major shareholder is seeking to take it private.

Detractors from Performance

Silicon Works Co is a Korea-based company developing, manufacturing and distributing semiconductor products. The company’s core business is manufacturing driver ICs (D-ICs), timing controllers (T-Cons), power management ICs (PMICs) and others, which are used for liquid crystal displays (LCDs), plasma display panels (PDPs) and others. The share price underperformed due to a lacklustre set of first half results, dragged down by sluggish demand for iPads and other tablets. We believe the company’s long-term growth potential remains valid, due to the likely gradual growth in sales of new products following Silicon Works’ acquisition by the LG Group.

Catcher Technology’s share price underperformed recently, along with the broader Taiwan market. However, Catcher is still on track to deliver its new smartphone metal casing in 2H14. In addition, sales in July 14 continued to grow strongly at 36.8% YoY, bringing YTD sales growth to 22.9%, on track to meet market expectations.

Phoenix Satellite TV, a Hong Kong-based broadcaster of Chinese language programming, is one of the few overseas media players to receive landing rights in mainland China. It is also the only ‘triple play’ media company with exposure to China and therefore is well positioned to capture China’s fast expanding advertising market via its flagship TV channel, its Internet portal and its outdoor LED display network (being the second largest player nationally). The company is preparing to list its LED display business in China and this could unlock shareholders value. There is no doubt that Phoenix’s core broadcasting business is experiencing a tough business environment in 1H14 but we think this is cyclical rather than structural. Therefore, at a P/E of 15.1x FY2014F EPS, we think the valuation is compelling relative to its historical valuation range as well as to its growth prospects going forward.

Recent Buys

Big C Supercenter Public Company Limited is a multi-format retailer in Thailand. The group includes Big C Supercenter and Big C Extra hypermarkets, Big C Market supermarkets, Mini Big C proximity stores, and Pure pharmacies. In addition, Big C manages and provides rental space within the supercenters for other service providers, including restaurants and food courts, movie cinemas, small theme parks for children, bookstores, mobile and electronics shops and others. The company opened its first self-operated distribution center recently and is slated to open another 2 this year and early next year. We think that Big C’s gross margin, at an average of 14-15% versus regional peers’ of slightly over 20%, will have significant room for improvement from efficiency enhancement, cost savings as well as additional suppliers’ rebates. According to a sell-side analyst, every 0.5% increase in GPM would result in a 7.0% increase in 2014 net profit. Valuation at 20x forward P/E is reasonable as we believe Big C is at the beginning of an earnings and returns recovery.

Recent Sells

The Fund decided to dispose of its entire holdings in **IGB Corp Berhad** after IGB’s major shareholder announced plans to privatize the company. Although the privatization offer is at a significant discount to IGB’s RNAV, we do not think there will be any upward revision in the offer price. Also, we do not foresee any further corporate action that can unlock shareholders’ value in the near term.

Ying Li International Real Estate develops commercial real estate in Chongqing, a major city in China’s southwest. The

Fund decided to liquidate its entire position in this name because the company has proposed to issue new shares to strategic investors at currently depressed valuation, which we think is extremely dilutive to the minority shareholders.

Pakuwon Jati is an Indonesian property developer and landlord with a portfolio of popular malls in Jakarta and Surabaya, two of Indonesia's largest cities. Pakuwon's share price has appreciated significantly in recent months as investors became increasingly bullish and began to recognize the stability of its earnings growth (about half of its revenues are from recurring income, among the highest in the industry). The Fund decided to take profit on this position as valuation is no longer compelling. The share price has appreciated by 60% since it hit bottom in 2H2013.

* The information above reflect the Fund's positions held at the underlying fund's level

FUND INFORMATION

Investment Manager

Company APS Asset Management Pte Ltd

Lead Portfolio Manager Wong Kok Hoi

Inception Date July 23, 2003

Fund AUM SGD 54.07 mn

Fund Base Currency SGD

NAV Price as at July 31, 2014

Class A: SGD 1.59

Class B: USD 1.28

There were no unit in Class B as of June 2014

Fund Included Under:

**with effect from 24th December 2010, APS Alpha Fund Share Class A has ceased to accept new CPFOA monies.*

Client Services Contact Information

E-mail cs@aps.com.sg

Fund Details

Domicile Singapore

Structure Open ended Unit Trust

	Class A	Class B
Liquidity	Daily	Daily
Minimum Initial Subscription	SGD 5,000	SGD 5,000
Management Fee	0%	1.5%
Performance Fee	25% over 6% hurdle rate	0%

Dealing Deadline 5pm Daily (Singapore Time) each Business Day

Subscription Fee Up to 5%
Redemption Fee 1%

Auditor Deloitte & Touche LLP

Trustee / Custodian RBC Investor Services Trust Singapore Limited

Registrar RBC Investor Services Trust Singapore Limited

Composite reports which have been prepared in compliance with the Global Investment Performance Standards (GIPS) are available upon requests.

Sources: APS, RBC Investor Services Trust Singapore Limited

Registration No.: 1980-00835-G

Note: The CPF interest rate for the Ordinary Account (OA) is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate. In addition, from 1 January 2008, the CPF Board will pay an extra interest rate of 1% per annum on the first \$60,000 of a CPF member's combined balances, including up to \$20,000 in the OA. From 1 April 2008, the first \$20,000 in the Ordinary Account will not be allowed to be invested under the CPF Investment Scheme.

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