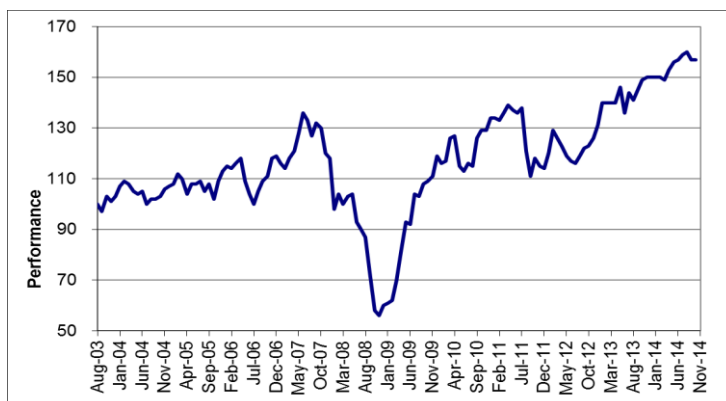


APS Asset Management is a Singapore headquartered fund manager with research offices in China and an investment office in Japan as well as a client servicing office in New York. The firm was founded in 1995 by its CIO, Wong Kok Hoi. The APS Alpha Fund (the "Fund") seeks capital appreciation over a medium 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 (%) |
|------------------|------------------|
| October 2014 | 0.00 |
| 3Q 2014 | 0.00 |
| YTD 2014 | 4.67 |
| 1-Year | 5.37 |
| 3-Years* | 9.99 |
| 5-Years* | 7.57 |
| 7-Years* | 2.73 |
| Since Inception* | 4.12 |



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 | 8.0 | >USD 5bil | 21.8 | Industrials | 23.1 | China | 27.2 |
| Shenzhen International | 5.0 | USD 2 bil – USD 5 bil | 33.9 | Con Discretionary | 22.2 | Hong Kong | 19.0 |
| Kerry Logistics | 4.9 | USD1bil – USD 2 bil | 17.1 | Financials | 14.3 | India | 2.3 |
| Hutchison Whampoa | 4.7 | USD 500 mm -USD1bil | 10.6 | Info Technology | 7.9 | Indonesia | 6.7 |
| Jardine Strategic | 3.1 | <USD 500mm | 16.0 | Consumer Staples | 4.8 | Malaysia | 6.6 |
| | | Bonds | 0.6 | Materials | 4.6 | Philippines | 3.8 |
| | | | | Energy | 3.8 | Singapore | 8.7 |
| | | | | Health Care | 3.2 | South Korea | 6.2 |
| | | | | Telecom Service | 2.7 | Taiwan | 3.9 |
| | | | | Cash | 13.5 | Thailand | 2.2 |
| | | | | | | Cash | 13.5 |

Source: APS, Bloomberg and Wilshire.

MARKET OVERVIEW

Led by strong gains in Hong Kong (+6.7%), Australia (+5.5%), China (+4.3%) and India (+4.1%), Asian stocks outperformed the MSCI AC World Index by 2 percentage points in October. Hong Kong equities rallied in spite of the pro-democracy protests that began in late September, mainly driven by utilities and real estate stocks. MSCI Australia reversed its weak September performance as the banks' reporting season got off to a good start and key companies updated guidance for FY2015. The Indian market was boosted by falling inflation, quickened policy reforms, fuel price reductions and a victory for the ruling Bharatiya Janata party (BJP) in two state elections.

On the other hand, Korea (-3.4%) was the worst performer in Asia as the 3Q14 earnings season delivered disappointments, with Hyundai Motor and Samsung Electronics reporting weaker earnings. The KRW depreciated by -5% since early September.

The Indonesian rupiah was the best-performing currency in APxJ, up +1.0% in October, followed by the Indian rupee (+0.8%) and Australian dollar (+0.6%).

Emerging market equity funds suffered total net redemptions of US\$5.5bn in October (as of 27 October 2014), the largest monthly redemption since March 2014, according to JP Morgan. Asia ex Japan funds had redemptions of US\$1.9bn and YTD net redemptions increased to US\$1.7bn. However, EM bond funds received US\$11.7 bn in YTD net subscriptions.

Source: JP Morgan

PERFORMANCE ANALYSIS AND PORTFOLIO ACTIVITY*

The APS Alpha Fund (the “Fund”) returned 0.00% (net) during the month.

Contributors to Performance

Shenzhen International is a government-backed company with varied interests ranging from investments to the construction and operation of logistics infrastructure facilities, such as toll roads, integrated logistics hubs and ports. The company also has a passive investment in Shenzhen Airlines and a property development project in Qianhai, the economic free trade zone in Shenzhen. SZI’s share price outperformed due to two positive events: 1) the company has announced plans to redevelop one of their existing logistics parks, Huatongyuan Logistics Park, into residential and commercial buildings. This will help SZI to unlock and realize the value of their assets. We believe SZI will be able to continue unlocking value from further existing assets via redevelopment as some of their logistics parks are in excellent locations. 2) The company has also been developing their integrated logistic parks which we believe will provide strong growth in future.

Hutchison Whampoa is a diversified conglomerate that has investments in container terminals, property trading, retailing, telecommunications, infrastructure and energy. Hutchison is the principal associate of Li Ka-shing’s flagship company, Cheung Kong (a property development company in Hong Kong). The principal regions in which Hutchison operates include Asia, Europe and Canada. The Group has demonstrated in the past of its willingness and ability to realize portfolio NAV through disposals or partial disposals at good valuation. The share price outperformed recently due to the continued turnaround in its European telco operation, positive business momentum in its retail division and compelling valuation relative to its historical valuation. We expect that the discount to its sum-of-the-parts will continue to narrow going forward.

Chaowei Power: The industry is still undergoing consolidation and the management took a pro-active approach by cutting the average selling price to force out uncompetitive small producers in China. The company remains the No. 1 lead acid battery manufacturer in China and it has widened its lead over the No. 2 player. We expect earnings to improve significantly post-consolidation which is likely to happen in 2H15 or 2016 when the government rejects license renewals for sub-standard producers in China.

Detractors from Performance

Elnusa Tbk has been in the oil-and-gas services business since 1972 when its seismic division was incorporated. Currently, the company has three core business divisions: 1) integrated upstream services, 2) downstream services and 3) upstream supporting services. The company possesses a strong track record as well as a blue-chip clientele base such as ExxonMobil, BP, Chevron and ConocoPhillips. We believe that domestic oil-and-gas exploration and production activities should remain brisk in the near future as the Indonesian government has set an ambitious target for oil production of around 1,000 mbopd (thousand barrels of oil per day). Production volume will come from either existing areas (which will be limited since most assets are mature and face a higher declining rate of production) or from new exploration areas. These activities will allow Elnusa to sustain its business since Elnusa’s upstream services business is integrated from geodata acquisition to oilfield services. The share price recently underperformed after months of strong outperformance. This is despite the fact that core profit for 3Q14 had increased by 136%. Valuation at 14x forward P/E is still at a discount to its regional peers’, considering Elnusa’s strong prospects going forward.

Wei Chuan Foods’ share price tumbled recently due to the latest tainted edible oil scandal in Taiwan. The company, which got the tainted edible oil from another member of the Ting Hsin International Group, Cheng I Food, said last month it expects to lose NY\$79.4 million through product recalls and lost inventory. Its chairman Wei Yin-chun resigned as the government started investigations into the safety of its food supply. In view of the immediate earnings risks as well as

long-term profitability reduction in terms of lowered operating margin, the Fund has trimmed its holdings in this name.

GOME Electrical Appliances is one of China's largest retailers of electrical appliances both online and offline. The share price declined due to investor concerns about the sustainability of their bricks-and-mortar business model and the slowing retail consumption growth. However, GOME has proven itself by consistently delivering strong earnings growth for the past six quarters. According to their 1H2014 results, GOME continued to enjoy healthy same store sales growth and margin improvement, which benefited from GOME's differentiated products strategy. Also, its O2O business model is supported by its well-established logistics infrastructure as well as integrated ERP system and inventory management. The company is continuing its clear strategy to be a multi-channel retailer leveraging on its strong supply chain at the back end. In the long run, we believe GOME will continue to demonstrate its leadership in supply chain management: extensive coverage, integrated for on/offline, low-cost and high efficiency.

Recent Buys

Hyundai Mobis was established as Hyundai Precision in 1977 and subsequently became an exclusive module maker for Hyundai Motors and KIA Motors in 2000. Hyundai Mobis is now focused on after-sales service and the module business including automotive electrical components. The company became one of the top 10 OEM companies in 2010 and its ranking improved to 5th position in 2014 on the back of Hyundai Motors and KIA Motor's continuing outperformance as well as increasing orders from overseas automakers such as Chrysler. Hyundai Mobis is traded at 5.8x PER and 0.8x PBR in 2015, which is a deeply discounted level compared with global peers. We believe the shares are attractively valued from any perspective.

Samsung SDS was founded in 1985 and is the No.1 SI (system integration) and IT service company in Korea. SDS has an advantage as it possesses varied industry experience ranging from manufacturing, IT, public services and finance. As a company in the Samsung Group, SDS has economies of scale, a track record, overseas networks and well-developed technologies. Leveraging on Samsung's captive demand—the group contributes 65.5% of revenues at SDS—and accumulated expertise, SDS could secure a leading position in the non-Samsung market and SDS's new logistics business is emerging as a new growth driver, thanks to securing overseas orders from Samsung Electronics and other subsidiaries.

Recent Sells

Chaowei Power: We took some profits in October as we expect earnings recovery to come only in 2H of 2015.

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

FUND INFORMATION

| | | | |
|---|------------------------------|---------------------|---|
| <u>Investment Manager</u> | | <u>Fund Details</u> | |
| Company | APS Asset Management Pte Ltd | Domicile | Singapore |
| Lead Portfolio Manager | Wong Kok Hoi | Structure | Open ended Unit Trust |
| Inception Date | July 23, 2003 | | |
| Fund AUM | SGD 52.68 mn | | |
| Fund Base Currency | SGD | | |
| <u>NAV Price as at October 31st, 2014</u> | | | |
| Class A: SGD 1.57 | | | |
| Class B: USD 1.22 | | | |
| <i>There were no unit in Class B as of October 2014</i> | | | |
| <u>Fund Included Under:</u> | | | |
| <i>*with effect from 24th December 2010, APS Alpha Fund Share Class A has ceased to accept new CPFSA monies.</i> | | | |
| <u>Client Services Contact Information</u> | | | |
| E-mail | cs@aps.com.sg | | |
| Composite reports which have been prepared in compliance with the Global Investment Performance Standards (GIPS) are available upon requests. | | | |
| | | 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 |

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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