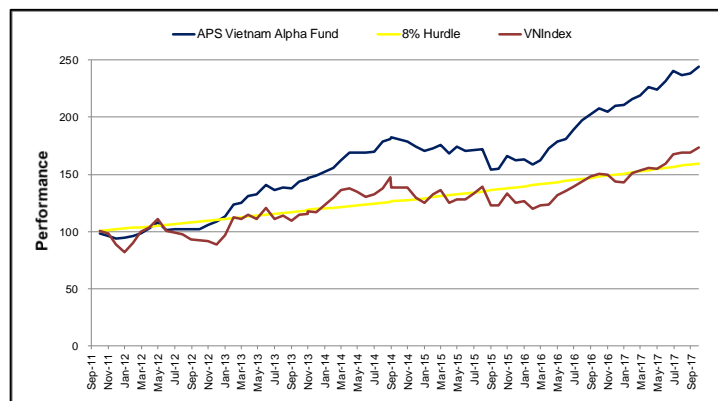


APS Asset Management is a Singapore headquartered fund manager with research offices in China and Japan as well as a client servicing office in New York. The firm was founded in 1995 by its CIO, Wong Kok Hoi. The Fund seeks to achieve substantial capital appreciation on a medium to long-term basis through investment in shares of companies listed in Vietnam. It will also invest in financial derivative instruments and convertible bonds which give exposure to such shares and hold up to 10% of its aggregate net assets in unlisted securities based in Vietnam.

PERFORMANCE OVERVIEW

Period	Fund (%)		Benchmark (%)	Excess (%)	
	Gross	Net		Gross	Net
September 2017	2.92	2.47	0.64	2.28	1.83
3Q 2017	2.15	1.51	1.94	0.21	-0.44
YTD 2017	19.30	15.92	5.94	13.36	9.98
Annualized Returns*					
1 Year	21.66	17.86	8.00	13.66	9.86
3 Year	12.30	10.31	8.00	4.30	2.31
5 Year	23.04	19.02	8.00	15.04	11.02
Since Inception	19.30	15.83	8.00	11.30	7.83



The net returns are net of all fees and charges

Benchmark: 8% Hurdle Rate

The fund returns are calculated based on single pricing

* Annualized returns are the average annual compounded returns

Inception Date: 1 September, 2011

Fund returns are cumulative and are net of management and performance fees

PORTFOLIO ANALYSIS (AS % OF AUM)

TOP FIVE LARGEST HOLDINGS	MARKET CAPITALIZATION	SECTOR WEIGHTINGS	COUNTRY WEIGHTINGS
Airports Vietnam	8.9 >USD 5 bil	6.7 Industrials	31.3 Vietnam
Cmc Joint Stock Company	6.3 USD 2 bil – USD 5 bil	3.8 Materials	10.7 Indonesia
Kinhbac City Development	4.7 USD 1 bil – USD 2 bil	6.1 Derivatives	9.0 Malaysia
Vietnam Dairy Products	4.6 USD 500 mn – USD 1 bil	7.2 Consumer Staples	8.9 Singapore
Military Commercial	4.3 <USD 500 mn	59.8 Financials	8.6 China
	Cash	16.4 Consumer Discretionary	6.4 Cash
		2.6 Energy	16.4
		1.9 Utilities	
		1.8 Information Technology	
		1.4 Telecomm Service	
		1.0 Health Care	
		16.4 Cash	

Sources: APS, Bloomberg and Wilshire

INVESTMENT PERFORMANCE & NOTABLE DEVELOPMENTS

The APS Vietnam Alpha Fund (the “Fund”) gained 2.15% (gross) in 3Q 2017, underperforming the VNIndex by 1.47 percentage points.

The major contributors were Vietnam Airport Corporation (+36.5%), Hoa Phat Group (+21.6%) and CMC Jsc (+9.2%). Binh Minh Plastics, Kinh Bac City Development and Saigon Ground Services were the major detractors, with declines of -21.7%, -13.4% and -8.3% respectively.

Vietnam Airport Corporation (ACV VN) is a monopoly operator of 22 airports, with a total capacity of 77 million passengers per annum in Vietnam. We expect it to benefit from strong traffic growth in tandem with Vietnam’s deepened regional economic integration and a rising middle class. The International Air Transport Association (IATA) forecasts Vietnam would enjoy the highest air-traffic growth among Asia-Pacific countries, with a CAGR of 7.3% from 2014 to

2034. ACV reported passenger growth of 19% per year during 2012-2015. The growth rate accelerated to 28.0% in 2016 and came in at 16.5% in 1H2017. Meanwhile, international passenger volume enjoyed robust growth of 25% in 2016 as well as 1H2017. Effective from 1st October 2017, the company will be allowed to increase the domestic passenger service charges by 33% to 43%, while security charges on international and domestic passengers will also increase by 33% and 100% respectively. We expect that continued strong top line growth, coupled with high operating leverage, will help drive earnings growth in the next 2-3 years. This airport operator offers stronger growth potential than regional peers and is currently trading at FY18 EV/EBITDA of 13.6x, and cash-adjusted EV/EBITDA of 12.1x lower than the average multiple of 13x among comparable players.

Hoa Phat Group (HPG VN) is the second largest manufacturer of construction steel, with an annual capacity of 2 million metric tons and a 25% market share in Vietnam. The company reported strong revenue and profit growth of +37.4% and +13.9% in 1H2017 respectively on the back of strong demand for construction steel. The share price rose +21.6% in 3Q2017 as the company's profit is forecast to rise +20% in 2H2017 on the back of higher selling prices and margin expansion. The stock is currently trading at an attractive FY17 P/E of 7.7x and a dividend yield of 5.1%.

CMC Jsc (CVT VN) produces and distributes ceramic tiles, targeting the growing middle-market segments in the northern and central provinces in Vietnam. The company estimated robust revenue and earnings growth of 40.7% and 78.1% YoY in 3Q2017 respectively. The share price gained +9.2% in 3Q2017. The stock has recently moved from the Hanoi Stock Exchange to the Ho Chi Minh Stock Exchange. The company maintains a solid balance sheet, with a net debt-to-equity ratio of 0.65, with 70% of outstanding debt being used to finance working capital. The stock is trading at a compelling valuation of FY17 P/E of 8.8x.

Binh Minh Plastics (BMP VN) manufactures and distributes plastic pipes which are used mainly in residential property projects and agricultural irrigation systems. With 40 years of industry experience, a strong brand and a solid distribution network of 1,500 stores across Vietnam, the company holds 25% of national market share, and 50% of the southern markets. Its annual production capacity grew by 30% to 130,000 metric tons in 2016. In response to rapid capacity expansion by competitor Hoa Sen Group, Binh Minh Plastic trimmed its selling prices. Coupled with higher input costs, this narrowed their operating margin. The company's net profit declined 34% YoY in 1H2017. The share price declined -21.7% in 3Q2017 despite the removal of the foreign ownership limit in September. The share price has stabilized since then. Recently, Nawaplastic Industries (Saraburi), which owns 20.4% Binh Minh Plastics, announced the divestment of its 23.8% stake in Tien Phong Plastics (NTP VN). We expect Nawaplastic to redeploy capital to Binh Minh Plastics instead, with the aim of owning a controlling stake as part of its long-term strategy in Vietnam. Binh Minh Plastics' stock would re-rate as this move unfolds. The stock is currently trading at an undemanding FY17 cash-adjusted P/E of 12.9x and ROE of 26%.

Kinh Bac City Development (KBC VN) is a leading industrial park developer with a large land bank totaling 3,200 ha across Vietnam. The company has built a strong track record of attracting quality investors such as Canon, Foxconn and LG Electronics and will benefit from strong foreign direct investment (FDI) inflows. The share price corrected 13.4% in 3Q2017 as the company delayed the recognition of revenues from an 88-ha land lease contract with JA Solar and from residential land in Phuc Ninh. The company's management are very confident of meeting their FY17 profit target. We expect the stock price to rebound when the company recognizes sales and profits in 2H2017.

Saigon Ground Services (SGN VN) is one of 2 companies providing ground handling services, consisting of apron, passenger and cargo services, in the busy international airports of Ho Chi Minh City, Da Nang and Nha Trang. Current large shareholders include Vietnam Airport Corporation (55.51%) and VietJet Airlines (10.59%). The company reported robust revenue and profit growth of 41.4% and 52.5% YoY respectively in 1H2017. We expect stronger growth momentum in 2H2017 as the APEC Economic Leaders' Week in Vietnam in November would drive strong traffic growth in Da Nang and Tan Son Nhat airports. The stock price corrected 8.3% in 3Q2017 after a 33.1% rally in the previous two quarters.

Strategy and continued research

Vietnam's GDP growth in 3Q2017 was stronger than expected, up 7.46% YoY compared to +6.66% and +5.73% in 3Q2016 and 1H2017 respectively. Robust manufacturing and domestic trade activities, which increased +15.9% and +9.89% respectively, largely contributed to the surprisingly strong GDP growth. The agriculture sector continued to recover, whilst the mining sector was a major drag with a decline of 4.71% YoY in 3Q2017 as crude oil prices remained sluggish. The

State Bank of Vietnam (SBV) lowered policy rates by 25-50 bps, effective from 10 July 2017 and increased the credit growth target to 18%-20% per annum in an effort to facilitate the full-year GDP growth target of 6.7%. Consequently, GDP growth was stronger at +6.41% in the first 9 months of 2017, compared to +6.02% in 9M2016. The local currency remained stable against the USD on improved trade accounts and strong foreign investment inflows.

The easing monetary policy has helped the stock market. The VNIndex increased 3.6% in 3Q2017 with robust trading liquidity. However, we find that outperforming index constituents tend to fall within 2 distinct groups. They are either companies with strong prospects for earnings growth, or large cap stocks trading at expensive valuations, but with low liquidity. The National Assembly's Economic Committee has recently been concerned that continued easing of monetary policy would create bubbles in both the stock and property markets. We believe that the State Bank of Vietnam is fully aware of these latent risks, as they have recently instructed commercial banks to restrict new loans to the property sector.

Our channel checks find that margin-lending levels at securities companies have reached an all-time high. Given this economic backdrop, we are taking a longer-term view and rebalancing the portfolio gradually to benefit from fundamental changes in FY2018.

At the same time, we are maintaining a disciplined approach to valuation and will not chase expensive index stocks to boost short-term performance. We will focus our research on companies with turnaround stories, balance sheet restructuring or improvements in corporate governance. We continue to research the upcoming initial public offerings of Binh Son Refinery, Petro Vietnam Oil, and Petro Vietnam Power.

Source: APS

PORTFOLIO ACTIVITY

Recent Buys

Hang Xanh Automobile Service (HAX VN) is one of 3 distributors of Mercedes cars in Vietnam. With an established market presence, supported by 4 Autohaus showrooms in Hanoi and Ho Chi Minh City, the company is well-positioned to benefit from the increasingly affluent populations in these two cities. Mercedes has captured 50% of Vietnam's high-end passenger car market. The brand has taken market share from BMW and Lexus, as BMW's Vietnamese distributor was caught in a tax evasion scandal, while the Lexus brand in Vietnam has been tarnished by corruption cases. Mercedes Vietnam reported sales volume growth of +22.3% and +40.8% in 2016 and 7M2017 respectively. Hang Xanh also reported robust revenue growth of +58% and +39.7% in 2016 and 1H2017. The stock price corrected -28% in July from the recent high as the company reported an accounting loss in 2Q2017 on de-stocking of old models and delayed recognition of sales bonuses from Mercedes Vietnam. We took the opportunity to initiate a position in the stock, which is currently trading at FY17 P/E of 9.6x.

Recent Sells

Vietinbank (CTG VN) was established in 1988 as a state-owned bank and became a shareholding company in December 2008. The second largest listed bank in Vietnam with assets of USD42.2 bn as at end 2016, Vietinbank offers a full range of corporate, personal and investment banking services via a network of 155 branches and over 1,000 transaction offices nationwide. Vietinbank reported credit and deposit growth of +10.3% and +5.9% respectively in 2016, compared to industry growth rates of +7.5% and +5.9% respectively. The bank was embroiled in a banking scandal but was declared free from contingent liabilities in accordance with court procedures in January 2015. However, the Supreme Procuracy of Vietnam may reopen investigations. Consequently, the bank may be exposed to contingent liabilities. We decided to take profit and wait for more clarity.

PT Global Mediacom is the largest integrated media, broadcasting, entertainment and telecommunication group in Indonesia. Its core businesses consist of advertisement-based media, operated by PT Media Nusantara Citra Tbk (MNC), and subscriber-based media, operated by PT MNC Sky Vision Tbk (MSKY). MNC operates both free-to-air and pay-TV channels, radio, print and online media, talent management and production facilities. Meanwhile, MSKY operates a number of pay-television channels and other businesses such as an online news and entertainment portal, online home shopping,

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and VSAT (Very Small Aperture Terminal) services. MSKY also markets WeChat, an online social communication and networking app. We sold the position on weak visibility of consumer spending recovery in Indonesia.

Link Net is a leading provider of cable broadband and pay TV in Indonesia, with the “FastNet” brand for broadband and “HomeCable” brand for residential pay TV. Supported by 24,890km of fiber optic backbone, Link Net provides the hybrid fiber coaxial network (HFC) to residential customers and fiber-to-the-premise (FTTP) for enterprise customers. As at end-Jun 2017, Link Net had 547,000 broadband subscribers and 528,000 Cable TV customers and its network passes through 1.91 million premises in 3 of the largest cities in Indonesia - Greater Jakarta, Greater Surabaya and Bandung. However, we do not see strong upside for the stock on increasing competition in Indonesia’s telecom sector. We sold the stock and recycled the proceeds to better opportunities in Vietnam.

RETURN AND RISK ANALYSIS

RETURNS	AVE MTHLY	ANNUALIZED
Since Inception	1.48%	19.30%
Last 60 mths	1.74%	23.04%
Last 36 mths	0.97%	12.30%
Last 12 mths	1.65%	21.66%

RISK	AVE MTHLY	ANNUALIZED
Since Inception	3.44%	11.92%
Last 60 mths	3.49%	12.08%
Last 36 mths	3.44%	11.91%
Last 12 mths	2.17%	7.52%

RELATIVE RATIOS	INDEX
Information Ratio	0.66
Up Capture	57%
Down Capture	31%

PORTFOLIO ANALYTICS	FUND	INDEX
Total Return	192.59%	73.61%
Annualized Return	19.30%	9.49%
Annualized Volatility	11.92%	18.14%
Annualized Sharpe Ratio*	1.20	0.36
Annualized Sortino Ratio*	2.00	0.42
Annualized Alpha	13.90%	-
Beta	50.3%	-
Correlation	77%	-
Positive Months	55	43
Negative Months	18	30
Maximum Drawdown	-15.85%	-20.19%
Best Month	11.52%	15.97%
Worst Month	-10.43%	-11.75%

Notes:

Index: Vietnam Ho Chi Minh Stock Index

Inception date: September 2011

Fund performance is expressed in USD and is gross of management and performance fees

All risk statistics are calculated from inception to September 2017 unless otherwise specified

* Assuming the Vietnam Discount Rate as the risk-free rate (with a floor of 0.00%)

FUND INFORMATION

<u>Investment Manager</u>		<u>Fund Details</u>	
Company	APS Asset Management Pte Ltd	Domicile	Ireland
Lead Portfolio Manager	Dao Phuc Tuong	Structure	Open ended
Inception Date	September 1, 2011	Minimum Initial Subscription	Class A: US\$100,000
Fund AUM	USD 38.12 mn		Class B: US\$1,000
Fund Base Currency	USD		Class C: €1,000
<u>NAV Price as of September 30th, 2017</u>		Subscription Fee	Up to 5%
Class A:	US\$ 244.09	Redemption Fee	Up to 3%
Class B:	US\$ 262.64	Management Fee	Class A: 1.25%
<u>ISIN Codes</u>			Class B & C: 1.8%
Class A:	IE00B3ZB4W89	Performance Fee	Class A: 20%
Class B:	IE00B459ZB51		Class B & C: 0%
Class C:	IE00B45LCZ40	Benchmark	8% Hurdle Rate
<u>Client Services Contact Information</u>		Legal Advisers	A&L Goodbody
New York:	(1) 646-693-8530	Auditor	Deloitte & Touche
Singapore:	(65) 6333-8600	Administrator	Northern Trust International Fund Administration (Ireland) Ltd.
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Composite reports which have been prepared in compliance with the Global Investment Performance Standards (GIPS) are available upon request.

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