

**FIRM BROCHURE OF
("Brochure")**

APS ASSET MANAGEMENT INTERNATIONAL LIMITED

(A limited company incorporated in British Virgin Islands and registered with the Securities and Exchange Commission as an Investment Adviser. SEC number 801-73348.)

FORM ADV, PART 2A

The date of this Brochure is 28 March 2014

This Brochure provides information about the qualifications and business practices of APS Asset Management International Limited ('APSIL'). The Brochure is not intended to be a marketing brochure, nor is it designed to provide detailed information on all aspects of APSIL's business. If you have any questions about the contents of this Brochure, please contact us at (65) 6333 8600 or email us at cs@aps.com.sg.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ('SEC') or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training. Additional information about APSIL is also available on the SEC's website at www.adviserinfo.sec.gov.

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

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Table of Material Changes

APS Asset Management International Limited (the "Investment Adviser") is required to identify and discuss any material changes made to its Brochure since the last annual update. This brochure ("Brochure") is the Investment Adviser's Form ADV Part 2 submitted to the SEC pursuant to amendments made to certain rules promulgated under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the form formerly known as Form ADV Part II.

There are no material changes regarding our advisory business since the last annual update of this Brochure on 17 July 2013.

Table of Contents

Item 1: Advisory Business	4
Item 2: Fees and Compensation	5
Item 3: Performance-Based Fees and Side-By-Side Management	6
Item 4: Types of Clients.....	6
Item 5: Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 6: Disciplinary Information	22
Item 7: Other Financial Industry Activities and Affiliation.....	23
Item 8: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	24
Item 9. Brokerage Practices	26
Item 10: Review of Accounts	28
Item 11: Client Referrals and Other Compensation.....	28
Item 12: Custody	28
Item 13: Investment Discretion	28
Item 14: Voting Client Securities.....	29
Item 15: Financial Information.....	30

Item 1: Advisory Business

A. Company Profile

APS Asset Management International Limited (“APSIL”), a British Virgin Islands Limited Company, is an investment adviser founded in 2007. The total discretionary assets under management are US\$856 million (as of December 31, 2013). APSIL primarily invests in China A Shares equity and derivatives.

APSIL is licensed by the Financial Services Commission of the British Virgin Islands to carry on the business as manager for mutual funds.

Sim Teow Pin, Wong Lee Eng and Zhang Qing are the shareholders of APSIL.

APSIL currently acts as the investment manager for the APS China A Share Fund (the “Fund”) and one institutional managed account (the “Managed Account” or “Client”, and together with the Fund, the “Clients”). Clients in the Fund include foundations, endowments, pension funds and high net worth individuals on a private placement basis. APSIL also maintains a service level agreement with APS Asset Management Pte Ltd (“APS”) for the provision of certain investor relations and middle and back office services such as trading, compliance, client servicing and settlement. For additional information on APS, please see their Form ADV Part 2A, registration No. 801-56213 or visit their website at www.aps.com.sg.

B. Services Provided

APSIL provides fund management services to the Clients, specializing in China A shares equity and derivatives. The investment in China A shares is made mainly through the Clients’ own Qualified Foreign Institutional Investment (the “QFII”) quota, APS’s QFII quota or brokers’ QFII quotas. Our team of investment managers have full discretion to manage the portfolios in accordance with the investment guidelines stipulated by the Clients.

APSIL’s investment decisions and advice with respect to the Fund is subject to the Fund’s investment objectives and guidelines, as set forth in its offering documents. The Fund invests most of its assets directly in A Shares through the APS QFII quota in shares of companies established or operating in the PRC which are listed on the A Share markets of the Shanghai Stock Exchange, Shenzhen Stock Exchange or any other stock exchanges that open in the PRC should it be possible under the PRC laws and regulations for the Company to do so in the future. In addition, the Fund also invests indirectly in the A Shares through synthetic or other financial derivative instruments so as to gain access to the China domestic A Share market.

The Investment Adviser may enter into “side letter” agreements or other similar arrangements where one or more investors to the Fund retain additional and/or different rights (including, for example, fee arrangements) than other investors. The Investment Adviser will not enter into a “side letter” with any investor unless agreed to by the directors.

In addition, the Investment Adviser also serves as the investment adviser with discretionary authority and also provides discretionary advisory services to the Managed Account.

APSIL does not participate in wrap fee programs.

Item 2: Fees and Compensation

A. The Fund

APSIL charges the Fund a management fee and performance fee for its services. The fees applicable to the Fund are set forth in detail in the Fund's offering documents.

The management fee for the Fund is 1% or 1.75% (depending on the share class) per annum, based on the net asset value of the Fund, payable quarterly in arrears. The performance fee is 20% or 0% (depending on the share class) of the appreciation in the net asset value above the high water mark of the share, as increased by the hurdle rate of 8% per annum on a compounding basis, payable in arrears annually. There is a sales charge of up to 5% on the subscription amount. There is a redemption fee of up to 5% on the redemption proceeds. The directors of the Fund may at their discretion rebate the sales charge and redemption fee in whole or part. The Investment Adviser may waive or reduce management and performance fees for certain classes or investors in the Fund, including employees and affiliates of the Investment Adviser, in its discretion.

As the Fund invests most of its assets directly in China A shares through the APS Quota, APSIL has also appointed APS as the investment advisor to the Fund with effect from 4 March 2013 where it sub-delegates part or all of its duties to APS.

Certain of the fees earned by APSIL are shared with APS. There is no duplication of fees paid. APSIL may enter into distribution agreements where it would share with the distributors a portion of its fees generated from investors.

The Fund bears the following expenses: legal, auditing and accounting fees, tax preparation expenses, investment expenses and all other expenses of each respective Fund, including, without limitation, custodian fees, taxes on securities transactions, brokerage fees and commissions and any other similar fees, clearing expenses, government registration fees, fees to an administrator, entity-level taxes, organizational expenses and other similar or extraordinary expenses related to the operation of the Fund. Such expenses are generally shared on a pro rata basis by all of the investors in the Fund.

B. Managed Account

Fees for the Managed Account are subject to negotiation and established pursuant to the account's investment management agreement. Circumstances considered when negotiating fees for segregated mandates may include, without limitation, market rates, specialized guidelines, and other performance fee arrangement with the client.

All invoices are billed on quarterly basis in arrears. We do not deduct fees from the Client's assets. APSIL does not provide custody of Client's assets. All assets are kept with the Client's appointed custodian under the Client's name. The Client negotiates their own custody fees with the custodian.

C. Advance Payment of Fees

All invoices are calculated and billed in arrears. No advance fee payment is paid by the Client.

Item 3: Performance-Based Fees and Side-By-Side Management

As described in more detail in Item 2, the investors in the Fund pay a performance fee while the Managed Account does not.

The side-by-side management of portfolios with different fee structures may create a potential conflict of interest. The portfolio managers may have an incentive to favor the portfolio with the higher fee structure. This conflict of interest is mitigated by managing the portfolios in accordance with their investment strategy and guidelines and in accordance to the allocation policies as discussed more fully in Item 9. The payment of a performance fee may create an incentive for the portfolio managers to cause the Fund to make investments that are riskier or more speculative than would be the case if the performance fee were not payable or based solely on a flat percentage of assets under management. This incentive may be particularly acute when the Investment Adviser's incentive fee is payable only upon exceeding a hurdle rate or high water mark and performance of the Fund is below any such hurdle or high water mark.

Compensation for the portfolio management team is subject to the performance of their portfolio, company's profitability and annual appraisal by their immediate supervisor and other team members. The portfolio management team are paid basic wages and a performance bonus. Since the performance bonus for the management team is based on the performance of the portfolios under their management, this may create an incentive for the management team to make investments that are riskier or more speculative than would be the case if the management team did not receive a performance bonus. To minimize the risk that the management team may take on higher risks in their portfolios to enhance individual performance, the performance incentive earned by the investment staff in any one year is added to an existing bonus pool; where 35% of the bonus pool is paid in the current year and the balance of 65% is accumulated in an accrued bonus pool for the following years subject to offsets/claw-backs in following years. Specifically, the bonus paid is dependent on the individual's returns and performance in the next two years.

Item 4: Types of Clients

APSIL provides investment advice to the Fund and Managed Account, as described in Item 1. Generally, investors in the Fund may include high net worth individuals, pension funds, foundations, and family offices based in North America, Europe and Asia. The constituent documents for the Fund set minimum amounts for investment by prospective investors. Investors should refer to the

Fund offering documents for full details on the share classes and minimum investment amount. The Investment Adviser has waived, and reserves the right to modify or waive, the minimum initial investment amount for the Fund from time to time. For managed accounts, the minimum account size is negotiable and will depend on the type of product.

The Funds' investment advisory contracts may be terminated upon 90 days' prior written notice. The termination provisions for the Managed Account are subject to negotiation and established pursuant to the account's investment management agreement.

Item 5: Methods of Analysis, Investment Strategies and Risk of Loss

The investment strategies the Investment Adviser pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any investor will be achieved.

APS China A Share Fund

The investment objective of the Fund is to achieve long term capital appreciation. The Fund aims to provide an annual return of more than 8% in US Dollar terms each year through actively managing the portfolio. APSIL has signed an Investment Advisory Agreement with APS to which the Investment Adviser may sub-delegate part or all of its duties to APS. APS is appointed to provide certain investment related services to the Fund.

Currently only foreign investors who are QFIIs approved by the China Securities Regulatory Commission ("CSRC") can invest directly in A Shares. Therefore, in order to meet its investment objective, the Fund will invest most of its assets directly in A Shares through the APS Quota in shares of companies established or operating in the PRC which are listed on the A Share markets of the Shanghai Stock Exchange, Shenzhen Stock Exchange or any other stock exchanges that open in the People's Republic of China ("PRC") should it be possible under the PRC laws and regulations for the Company to do so in the future. In addition, the Fund will also invest indirectly in the A Shares through synthetic or other financial derivative instruments such as Participating Notes, Equity Linked Notes or equity swaps that have exposures to companies established or operating in the PRC which are listed on the A Share markets of the Shanghai Stock Exchange, Shenzhen Stock Exchange or any other stock exchanges that open in the PRC issued by the QFII quota holders with whom the Fund has entered into agreements.

The Fund shall attempt to achieve its investment objective by primarily investing directly in A Shares through the APS Quota in shares of companies established or operating in the PRC which are listed on the A Share markets of the Shanghai Stock Exchange, Shenzhen Stock Exchange or any other stock exchanges that open in the PRC should it be possible under the PRC laws and regulations for the Fund to do so in the future. The Fund may also seek exposure to the A Shares market through synthetic and other financial derivative instruments with underlying exposure to Chinese A Share companies that are expected to grow at a faster pace than the Chinese national GDP.

The Fund also reserves the right to invest in warrants, convertible bonds, PRC government bonds and debt securities issued by PRC companies directly through APS quota or through synthetic and other financial derivative instruments. In addition, the Fund may engage in stock lending in respect of the A Shares when such investment is allowed by the PRC regulations.

Investors should refer to the Fund's offering documents for full details of the Fund's objectives and investment restrictions.

Investment Risk

Successful implementation of the investment strategy adopted by APSIL requires accurate assessments of general economic conditions, the detailed analysis of individual companies or industries, the relationship between a security and its derivatives, the risk correlation between a wide variety of investments, and the future behaviour of other financial market participants. Even with the most careful analysis, the direction of the financial markets is often driven by unforeseeable economic, political and other events and the reaction of market participants to these events. There can be no assurance that this strategy will be successful and an unsuccessful strategy may result in significant losses to the investors.

Investors should be aware that the value of their investments and the return derived from them can fluctuate. There can be no assurance that the investments will achieve their investment objectives. In addition, though the investments are managed in a prudent manner and in accordance with the investment policies, restrictions and risk management policies in the prospectuses or investment management agreements, there can be no guarantee that losses will be avoided at all times. As is true of any investment, there is a risk that an investment made by APSIL in equities or derivatives will be lost entirely or in part. The past performance may not be construed as an indication of the future results of an investment managed by APSIL.

The following investment restrictions apply to all investments made by the Fund:

- (i) The net exposure to any security, including the exposure to the underlying security in the financial derivative products may not be more than 10% of the Net Asset Value of the Fund;
- (ii) The Fund may not take legal or management control of the issuer of any of its underlying investments;
- (iii) The Fund will adhere to the principle of risk spreading in relation to its use of derivatives and money market instruments, other than for the purpose of efficient portfolio management;
- (iv) The Fund may not make loans except that the Fund may lend securities to enhance its return;
- (v) The Fund may not deal in short sales of securities or maintain a short position in any security;

- (vi) The Fund may have short-term credits as may be necessary for the clearance or settlement of transactions;
- (vii) The Fund may not purchase or sell commodities, commodity contracts or real estate, however the Fund may invest in synthetic and other financial derivative instruments with underlying exposure to companies that invest in real estate or interests in real estate; and
- (viii) The counterparty to Participating Notes, Equity Linked Notes and other financial derivative instruments used by the Fund to gain exposure to A Shares must satisfy the following requirements:
 - (a) have a minimum credit rating of “P-2” from Moody’s or “A-2” from Standard & Poor’s; and
 - (b) be regulated by a recognized financial regulatory authority such as the SEC, the Monetary Authority of Singapore, the Hong Kong Securities and Futures Commission, the Swiss Financial Market Supervisory Authority, financial regulatory authorities of members of the European Union and the financial regulatory authorities of such other countries as may be approved by the Directors from time to time.

The investment restrictions above (other than (ii) above) apply to any investment at the time that investment is made. The Investment Adviser undertakes to monitor the underlying investments to ensure that in aggregate the restriction contained in (i) above is not breached. Where a restriction is breached, the Investment Adviser will ensure that immediate corrective action is taken except where the breach is due to appreciations or depreciations, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment. However, the Investment Adviser must have regard to the investment restrictions when considering changes in the investment portfolio of the Fund.

In addition to the investment restrictions outlined above, the Fund is subject to certain restrictions due to the investment restrictions as outlined in any ISDA Master Agreement and as disclosed in the offering documents.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by the Investment Adviser. These risk factors include only those risks the Investment Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Investment Adviser. The Clients may be subject to certain of the following risks:

Political and/or Regulatory Risk

The value of the Fund’s assets may be adversely affected by uncertainties such as international political developments, changes in PRC government policies which may include, among other things, changes in taxation, economic policy, investment restrictions on foreign investment and foreign currency conversion, repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the Fund is exposed through its investments in certain assets.

Interest Rate Fluctuations

The prices of some of the financial derivative instruments that the Fund invests in such as swaps may be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the Fund's long and short portions to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the costs of borrowing by the Fund.

To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose the Fund to losses.

Liquidation of Fund Securities

The method and timing of liquidating investments and of exit strategies are critical elements of maximising the Fund's returns. The Fund may liquidate investments through sales on public exchanges, underwritten registered offerings or sales in the public market pursuant to exemptions from registration. A portion of the investments held by the Fund may be subject to transfer restrictions, imposed by law because they are acquired in private placement transactions, which may make the sale of those investments more difficult to achieve.

Suspension of Trading

A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for the Investment Adviser to liquidate positions and thereby expose the Fund to losses.

Availability of Investment Opportunities

The business of identifying and structuring investments of the types contemplated by the Fund is competitive, and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Accordingly, there can be no assurance that the Fund will be able to identify and complete attractive investments in the future or that it will be able to invest fully its subscriptions. Moreover, identification of attractive investment opportunities by the Fund is difficult and involves a high degree of uncertainty. Even if attractive investment opportunities are identified by the Investment Adviser, there is no certainty that the Fund will be permitted to invest in such opportunity (or invest in such opportunity to the fullest extent desired).

Hedging

The Fund may utilise a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts, to seek to hedge against declines in the values of the Fund's positions as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging against a decline in the value of the Fund's positions does not eliminate fluctuations in the values of the Fund's positions or prevent losses if the values of such positions decline, but establishes other positions designed to

gain from those same developments, thus offsetting the decline in the value of the Fund's positions. Such hedging transactions also limit the opportunity for gain if the value of the Fund's positions should increase. It may not be possible for the Fund to hedge against a change or event at a price sufficient to protect its assets from the decline in value of the Fund's positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all.

The Fund is not obligated to establish hedges for its positions and may decline to do so. To the extent that hedging transactions are effected, their success is dependent on the Investment Adviser's ability to correctly predict movements in the direction of currency or interest rates, the equity markets or sectors thereof or other events being hedged against. Therefore, while the Investment Adviser may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, or the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or increases or smaller than expected decreases in the equity markets or sectors being hedged or the non-occurrence of other events being hedged against may result in a poorer overall performance for the Fund than if the Investment Adviser had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in hedging strategies and price movements in the Fund's position being hedged may vary. Moreover, for a variety of reasons, the Investment Adviser may not seek to establish a perfect correlation between such hedging instruments and the Fund's holdings being hedged. Such imperfect correlation may prevent the Investment Adviser from achieving the intended hedge or expose the Fund to additional risk of loss.

Leverage, Interest Rates and Margin

The Fund may directly or indirectly borrow funds from brokerage firms and banks. In addition, the Fund may "leverage" its investment return with options, swaps, forwards and other derivative instruments. While leverage presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly, by the Fund would be magnified to the extent that leverage is employed by the Fund. The cumulative effect of the use of leverage by the Fund, directly or indirectly, in a market that moves adversely to the investments of the entity employing the leverage could result in a loss to the Fund that would be greater than if leverage were not employed by the Fund. In addition, to the extent that the Fund borrows, the rates at which it can borrow will affect the operating results of the Fund. In general, the Fund's anticipated use of borrowing results in certain additional risks to the Fund.

Duplication of Costs

It should be noted that the Fund incurs costs of its own management and fees paid to the Administrator and the Investment Manager. In addition, the Fund may incur similar costs if it invests in underlying funds in its capacity as an investor in such underlying funds which in turn pay similar fees to their underlying fund manager and other service providers.

Where an underlying fund is a fund of funds scheme, the underlying fund shall pay a proportion of the fees and expenses of the fund in which it invests such as the fees and expenses payable to the

investment manager and other service providers to such fund in addition to its management fees and other expenses at the fund of funds level resulting in three layers of such fees.

Emerging Markets

The Fund will invest in assets in an emerging market. Investing in an emerging market involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US Dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

Non-US Securities

Investing in securities of non-US entities that are generally denominated in non-US currencies and utilization of options on non-US securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the US government or entities organized or domiciled in the United States. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Market Disruptions; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act

The global financial markets have in the past few years gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention was in certain cases implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. Market disruptions may from time to time cause dramatic losses for the Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

In response to the recent financial crises, the U.S. government passed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Reform Act”) in July 2010. The Reform Act seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many provisions of the Reform Act require rulemaking by the applicable regulators before becoming fully effective and the Reform Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the impact of the Reform Act on the Fund and the Investment Adviser and the markets in which they trade and invest. The Reform Act could result in certain investment strategies in which the Fund engages or may have otherwise engaged becoming non-viable or non-economic to implement. The Reform Act and regulations adopted pursuant to the Reform Act could have a material adverse impact on the profit potential of the Partnership.

Over-the-Counter Transactions

The Reform Act will require that a substantial portion of over-the-counter (“OTC”) derivatives must be executed in regulated markets and submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible SEC- or CFTC-mandated margin requirements. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. Although the Reform Act includes limited exemptions from the clearing and margin requirements for so-called “end-users”, the Fund does not expect to be able to rely on such exemptions. In addition, the OTC derivative dealers with which the Fund may execute the majority of its OTC derivatives will not be able to rely on the end-user exemptions under the Reform Act and therefore such dealers will be subject to clearing and margin requirements notwithstanding whether the Fund is subject to such requirements. OTC derivative dealers also will be required to post margin to the clearinghouses through which they clear their customers’ trades instead of using such margin in their operations, as they currently are allowed to do. This will further increase the dealers’ costs, which costs are expected to be passed through to other market participants in the form of higher fees and less favorable dealer marks.

The SEC and CFTC may also require a substantial portion of derivative transactions that are currently executed on a bi-lateral basis in the OTC markets to be executed through a regulated securities, futures or swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the Fund, to enter into highly tailored or customized

transactions. They may also render certain strategies in which the Fund might otherwise engage impossible or so costly that they will no longer be economical to implement.

OTC derivative dealers and major OTC derivatives market participants will be required to register with the SEC and/or CFTC. The Fund and the Investment Manager may be required to register as major participants in the OTC derivatives markets. Dealers and major participants will be subject to minimum capital and margin requirements. These requirements may apply irrespective of whether the OTC derivatives in question are exchange-traded or cleared. OTC derivatives dealers will also be subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest and other regulatory burdens. These requirements may increase the overall costs for OTC derivative dealers which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. The overall impact of the Reform Act on the Fund is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

Although the Reform Act will require many OTC derivative transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, certain of the derivatives that may be traded by the Fund may remain principal-to-principal or OTC contracts between the Fund and third parties entered into privately. The risk of counterparty non-performance can be significant in the case of these over-the-counter instruments, and “bid-ask” spreads may be unusually wide in these heretofore substantially unregulated markets. While the Reform Act is intended in part to reduce these risks, its success in this respect may not be evident for some time after the Reform Act is fully implemented, a process that may take several years. To the extent not mitigated by implementation of the Reform Act, if at all, the risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Fund’s assets, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty’s failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset or commodity); (3) legal risks (the characterization of a transaction or a party’s legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (4) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Regulatory Change

The regulation of the non-US securities markets and of investment funds such as the Fund has undergone substantial change in recent years, and such change is expected to continue for the

foreseeable future. The effect of regulatory change on the Fund, while impossible to predict, could be substantial and adverse. There have recently been certain well-publicized incidents of regulators unexpectedly announcing regulatory changes or interpretations that prohibited strategies that had been implemented in a variety of formats for many years. For instance, in September 2008 the SEC and various non-US regulatory bodies imposed temporary bans on short-selling in a variety of stocks, and adopted permanent regulations that may have the effect of making short-selling more difficult or costly. These actions were generally regarded as disrupting market fundamentals and causing unexpected and volatile increases in the stock prices of a variety of issuers, as short sellers closed out their positions by buying securities. Market disruptions like those experienced in the credit-driven equity market collapse in 2008, as well as the dramatic increase in the capital allocated to alternative investment strategies during recent years, have led to increased governmental as well as self-regulatory scrutiny of the hedge fund industry generally.

Investment Regulations

At present, the securities market and the regulatory framework for the securities industry in China is less developed than the other more developed financial markets. The CSRC is responsible for supervising the national securities markets and producing relevant regulations. The Investment Regulations under which the Fund invests in the PRC and which regulate repatriation and currency conversion are relatively new. The QFII system was introduced in 2002. The application and interpretation of the Investment Regulations is therefore untested and there is no certainty as to how they will be applied. In addition, the Investment Regulations give CSRC and the PRC State Administration of Foreign Exchange (“SAFE”) wide discretion and there is no precedent or certainty as to how this discretion might be exercised, either now or in the future. The Investment Regulations may be varied in the future. Although it is hoped that any such revisions to the Investment Regulations will not prejudice the Fund, there can be no assurance that this will be the case. Investment Quotas (including those QFIIs which the Fund has agreements with) are subject to review from time to time by CSRC and SAFE.

QFII Quotas

Investments by the Fund will principally be made through the QFII Quotas. However, the Fund does not have exclusive use of the Quotas it may invest through. The Investment Regulations apply to each Quota as a whole, and not simply to investments made by the Fund. Thus investors should be aware that violations of the Investment Regulations arising out of activities related to portions of the relevant Quota other than those which are utilised by the Fund could result in the revocation of or other regulatory action in respect of the Quota as a whole, including any portion utilized by the Fund. Likewise limits on investment in A Shares, and the regulations relating to the repatriation of capital and profits are applied in relation to the Quota as a whole. Hence the ability of the Fund to make investments and/or repatriate monies from the relevant Quota may be affected adversely by the investments, performance and/or repatriation of monies invested by other investors utilizing the relevant Quota. The Fund may make investments through additional QFII that enter into an arrangement with the Fund subsequent to a Shareholder investing in the Fund.

It shall be noted that pursuant to the Provisions on the Administration of Foreign Exchange in Domestic Securities Investments by QFII, QFIIs are not allowed to transfer or resell their Investment Quotas. However, the definition of transferring or resale of Investment Quotas is yet not clear. There is no assurance that the investment programme of the Fund will not be deemed to be transferring or resale of Investment Quotas due to further implementation rules or future policies or in the opinion of the competent regulatory authority.

Custody

China A Shares dealt on the Shanghai and Shenzhen stock exchanges are dealt and held in dematerialized form through the CSDCC. The securities such as equity linked notes, participating notes and equity swaps with indirect underlying exposure to A Shares purchased by the Fund through a Quota are not recorded by the CSDCC. The A Shares are credited to a securities trading account maintained in the name of the relevant QFII, the licensed custodian bank of the relevant Quota and the PRC securities trading house for the relevant Quota. The Fund's interest in such investments will not be recognized by CSDCC, the relevant licensed custodian bank or any PRC legal or regulatory body. Accordingly the Fund's assets may not be as well protected as they would be if it were possible for them to be registered and held directly in the name of the Fund or by a custodian or nominee of the Fund.

The evidence of title of exchange-traded securities in the PRC consists only of electronic book entries in the depository and/or registry associated with the exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

PRC Governmental, Economic and Related Considerations

The PRC economy has been a planned economy since 1949. One, five and ten-year state plans are adopted by the PRC government in connection with the development of the economy. Although state-owned enterprises still account for a substantial portion of the PRC's industrial output, the state, in general, is reducing the level of direct control which it exercises over the economy through state plans and other measures, and there is an increasing degree of liberalization in areas such as allocation of resources, production, pricing and management and a gradual shift in emphasis to a "socialist market economy".

During the past 30 years, the PRC government has been reforming the economic and political systems of the PRC, and these reforms are expected to continue. Many of the reforms are unprecedented or experimental and are expected to be refined or changed. Other political, economic and social factors could also lead to further readjustments to the reform measures. The Fund's operations and financial results could be adversely affected by adjustments in the PRC's state plans, political, economic and social conditions, changes in the policies of the PRC government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Furthermore, a portion of the economic activity in the PRC is export-driven and, therefore, is affected by developments in the economies of the PRC's principal trading partners.

The PRC economy has experienced significant growth in the past twenty years, but such growth has been uneven both geographically and among the various sectors of the economy. The PRC government has implemented various measures from time to time to control inflation and to regulate economic expansion with a view to preventing overheating of the economy.

The transformation from a centrally planned, socialist economy to a more market-oriented economy has also resulted in many economic and social disruptions and distortions. Moreover, there can be no assurance that the economic and political initiatives necessary to achieve and sustain such a transformation will continue or, if such initiatives continue and are sustained, that they will be successful.

In the past the PRC government has applied nationalisation, expropriation, confiscatory levels of taxation and currency blockage. There can be no assurance that this will not re-occur and any re-occurrence could adversely affect the interests of the Fund.

Corporate Disclosure, Accounting and Regulatory Standards

PRC's disclosure and regulatory standards are in many respects different and less stringent than standards in countries that have more developed financial markets. There may be less publicly available information about PRC companies than is regularly published by or about companies from OECD countries. Such information as is available may be less reliable than that published by or about companies in OECD countries.

PRC companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in OECD countries.

Securities Markets

The PRC securities markets, including the Shanghai Stock Exchange and Shenzhen Stock Exchange, are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. In addition, there is regulation and enforcement activity in the PRC securities markets which may not be equivalent to markets in OECD countries. There may not be equivalent regulation and monitoring of the PRC security market and activities of investors, brokers and other participants to that in certain OECD markets.

The A Shares market is a developing financial market such that the indirect investment undertaken by the Fund to gain exposure to underlying A Shares by means of financial derivative instruments may be disrupted if during the term of the participating notes or equity linked notes, changes are adopted in any applicable law or regulations such that it becomes illegal for the issuers to issue such instruments. As the Fund invests substantially all of its assets in such instruments, it may suffer substantial losses in the event that this is the case.

Trading Volumes and Volatility

The Shanghai Stock Exchange and Shenzhen Stock Exchange have lower trading volumes than most OECD exchanges and the market capitalizations of listed companies are small compared to those on

more developed exchanges in developed markets. The listed equity securities of many companies in the PRC are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of the PRC securities market and of quoted companies is also less developed than in many OECD countries. In addition, there is a high measure of legal uncertainty concerning the rights and duties of market participants with respect to investments made through securities systems or established markets.

The PRC stock market has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the Fund's Net Asset Value, the ability to redeem Shares and the price at which the Shares may be redeemed.

Exchange Rate Risk

The Fund invests primarily in instruments with underlying securities denominated in RMB but its Net Asset Value will be quoted in US Dollars. Accordingly, a change in the value of RMB against US Dollars will result in a corresponding change in the Net Asset Value of the Fund. For the purposes of QFII investment RMB is exchangeable into US Dollars at prevailing market rates. The Fund may (but is not obliged to) seek to hedge foreign currency risks but as the foreign exchange of RMB is regulated, such hedging is likely to be an imperfect hedge in that it could involve hedging a currency that has historically been correlated to RMB and may be expensive. There can be no assurance that any hedging, particularly such imperfect hedging, will be successful and indeed could actually be counter-productive. Equally, failure to hedge foreign currency risks may result in the Fund bearing the burden of exchange rate fluctuations.

PRC Laws and Regulations

The PRC's legal system is based on written statutes. Since 1979, the PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. Generally, the PRC economy is developing at a faster pace than its legal system therefore, some degree of uncertainty exists in connection with whether existing laws and regulations will apply to certain events or circumstances, and if so, the manner of such application. Precedents on the interpretation, implementation and enforcement of PRC laws and regulations are currently limited and the decisions of the PRC courts do not bind the same in subsequent cases. The administration of the PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. In particular, as mentioned above, the Investment Regulations are new and have no operating history. Because these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve significant uncertainty. In addition, the PRC laws governing business organizations, bankruptcy and insolvency provide substantially less protection to security holders such as the Fund than that provided by the laws of more developed countries.

PRC Tax Risk

The value of the Fund's indirect investment in A Shares (and hence the Net Asset Value and Redemption Price per Share) will be affected by taxation levied against the relevant QFII or in respect of investments held in the synthetic or financial derivative instruments linked to the A Shares. The PRC taxation regime that will apply to QFIIs and investments made in or through a Quota is not clear. The Investment Regulations are new and UBS and MSIL were among the first to be granted a Quota under the regulations. The PRC taxation laws do not currently expressly contemplate the treatment of QFIIs and investment made through a Quota except with regard to the application of business tax and withholding tax on dividends and interest. Currently a 10% PRC withholding tax rate is imposed on dividends and interests on the Fund's investment. Pursuant to the Notice on the Business Tax Policy on QFIIs, jointly issued by the Ministry of Finance and the State Administration of Taxation, under the circumstance that QFII trusts a domestic company to engage in securities trading business, business turnover (the difference between selling and buying price of securities) arising from trading of securities of QFIIs is exempted from business tax. The section on PRC taxation contained in the Offering Memorandum has been prepared on the advice of the Fund's PRC legal counsel's interpretation of existing PRC tax laws. However this advice is not free from qualification and hence the effective rate or rates of taxation borne by the Fund may be more or less than that indicated in such section. In addition, specific taxation laws and practices may develop with respect to QFIIs and Quotas which may be more or less favorable than current laws and practices and/or the interpretation of such laws and practices by the Fund. The value of the Fund's investments in the PRC and the amount of its income and gains could also be adversely affected by an increase in rates of taxation or changes in the basis of taxation.

Uncertainty in PRC Capital Gains Tax

Gains from the sale of Chinese securities by a QFII should technically be subject to a 10% withholding tax, although it should be noted that such withholding tax has not generally been enforced in practice. Nonetheless, it is anticipated that the capital gains tax will be collected at some point in the future. However, when this will occur, whether the tax will be collected retrospectively, and the mechanisms for collecting the tax remain uncertain at present. It is also uncertain at present whether gains made by the Fund from investments in financial derivatives that have exposure to A Shares are subject to capital gains tax. At present, most QFIIs have imposed a provisional capital gain tax at 10% on the capital gains made from the Fund's investments on a trade basis with no setoff for losses to account for any potential capital gains tax paid or payable in the PRC. Some QFIIs who initially charged a 15% capital gains tax have subsequently reduced it to 10% in line with the current market practice. Where the QFIIs do not withhold any capital gains tax, the Fund makes a separate capital gains tax provision based on a 10% tax rate on the realised gains from such QFIIs to account for the potential tax for reasons of prudence. Such withholding results in a lower Net Asset Value of the Fund.

The provisional capital gains tax is currently levied on realised gains only. It does not include unrealised gains made by the Fund. This is in line with the market practice adopted by the QFII brokers but it may result in a higher Net Asset Value of the Fund and potentially cause the Fund to charge a higher Performance Fee. On the other hand due to the uncertainty in the PRC capital gains tax and whether the tax will be collected retrospectively, the Fund for reason of prudence has been

making capital gains tax provision since inception. This has resulted in a lower Net Asset Value of the Fund and lower Performance Fee. Nevertheless, the directors of the Fund have the discretion to make capital gains tax provisions on unrealised gains if the circumstances, market practices or relevant regulations consider it necessary for the Fund to do so.

In the event that the PRC authorities make a final decision and the actual capital gains tax levied is more than the provisional capital gains tax amount withheld, such shortfall will be borne by the Fund. This may therefore cause the Net Asset Value of the Fund to fall. Past investors (except for Class S Shareholders) who have fully redeemed from the Fund are not liable for such shortfall. On the contrary, if the capital gains tax is less than the provisional capital gains tax amount withheld or not paid or payable to the relevant PRC authorities in accordance with applicable PRC laws, rules and regulations, such excess amount withheld will be returned by the QFIs to the Fund. Such refund will result in a higher Net Asset Value of the Fund. The past and present investors in the Fund (except for Class S Shareholders) have no direct claims on the excess capital gains tax refund by the QFIs to the Fund.

The directors of the Fund have created a provision with regard to potential capital gains tax payable by the Fund in respect of realised gains made by the Fund. On 13 August 2012, the Fund offered the Class S Shares to shareholders as at that date on a pro-rata basis. A percentage of the above provision was allocated to the Class S Shares accepted by shareholders. The purpose of the Class S Shares is to ensure that each existing shareholder who elects to subscribe for Class S Shares will retain a proportionate benefit of any CGT Excess. Each Class S shareholder also has executed the Indemnity and Subscription Agreement when subscribing for Class S Shares, under which they agree to indemnify the Fund for their agreed proportion of any CGT Shortfall being their pro rata share of 25% of the Class S Reserve. The CGT provision allocable to shares or new shares continues to be allocated.

Liquidity and Exchange Controls

Shares are only redeemable at the option of Shareholders on a Dealing Day subject to the restrictions and limitations as set out in this Memorandum. The ability of the Fund to redeem Shares depends, inter alia, on the PRC laws, the terms of each agreement with its counterparty and practice affecting the Fund's ability to liquidate investments and to remit the proceeds thereof out of the PRC. As set out in this Memorandum, the repatriation of monies to the Fund from a Quota is subject to certain restrictions and to obtaining approval from or filing with SAFE. These restrictions, and any failure or delay in obtaining SAFE approvals could restrict the Fund's ability to satisfy redemption requests. Accordingly Shareholders should not have an expectation that their investment in the Fund could be realized within a reasonable period other than through a sale of such Shares on the secondary market. Although the Fund will endeavour to achieve liquidity to fund all redemptions, if the Fund is unable to liquidate sufficient participating notes, equity linked notes, or equity swaps or maintain sufficient cash, the redeeming Shareholder may not be able to redeem on its desired Dealing Day.

At present, RMB is a restricted currency and is not freely convertible. The conversion is subject to approval from SAFE. The Fund is indirectly exposed to exchange control risk through its investment

in participating notes, equity linked notes or equity swaps. The PRC authorities may change the current exchange control such that it may adversely impact the payments of the participating notes, equity linked notes or equity swaps.

The Directors do not anticipate that an active secondary market will be developed or maintained. Accordingly, it may not always be possible for a Shareholder promptly to realise an investment at a price which equates substantially to the Net Asset Value per Share of the Fund.

Equity Linked Notes, Participating Notes and Equity Swaps

Equity linked notes, participating notes and equity swaps are financial derivative instruments. Their value is derived from the value of the underlying security to which they are linked, in this case the A Shares traded on the Shanghai Stock Exchange and Shenzhen Stock Exchange. Normally the value of the equity linked notes, participating notes or equity swaps will correspond to the value of the underlying shares they are linked to, in that the value of the equity linked notes, participating notes or equity swaps will rise or fall in proportion with that of the underlying shares in the market. As these notes or securities are linked to the equity of A Share companies, the special risks of investing in the PRC as outlined above equally apply to equity linked notes, participating notes and equity swaps. In addition, the following risk factors may apply.

The equity linked notes and participating notes may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the Investment Adviser's investment strategy due to restrictions on the issuer acquiring or disposing of the securities underlying the equity linked notes, participating notes and equity swaps. Investments in equity linked notes, participating notes and equity swaps can be illiquid as there may not be an active market in them even though their liquidity is generally linked to the underlying securities. In order to meet realization requests, the Fund may rely upon the counterparty issuing the equity linked notes, participating notes and equity swaps to quote a lower price to unwind any part of the equity linked notes, participating notes and equity swaps. This price will reflect the market liquidity conditions and the size of the transaction.

By investing through equity linked notes, participating notes and equity swaps, the Fund is taking on the credit risk of the issuers of the equity linked notes, participating notes and equity swaps. There is a counterparty risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed.

An investment in equity linked notes, participating notes and equity swaps entitles the holder to certain cash payments calculated by reference to the A Shares to which the equity linked notes, participating notes and equity swaps are linked. It is not the same as an investment directly in the A Shares themselves. An investment in the equity linked notes, participating notes or equity swaps does not entitle the Fund to the beneficial interest in the A Shares nor to make any claim against the company issuing the A Shares.

Investment through equity linked notes, participating notes and equity swaps may lead to a dilution of performance of the Fund when compared to a fund investing directly in similar assets. In addition,

when the Fund intends to invest in a particular A Share through equity linked notes, participating notes or equity swaps, there is no guarantee that subsequent application for Shares in the Fund can be immediately invested in such an A Share through an equity linked notes, participating notes or equity swaps. This may impact the performance of the Fund.

Fluctuation in the exchange rate between the denomination currency of the A Shares and the equity linked notes, participating notes or equity swaps will affect the value of the equity linked notes, participating notes or equity swaps, the redemption amount and the distribution amount on them.

Counterparty and Credit Risks of the Participating Notes, Equity Linked Notes and Equity Swaps

Foreign investors who are not QFII are restricted from investing directly in the individual stocks traded on the Shanghai Stock Exchange and Shenzhen Stock Exchange. The Fund gains exposure to A Shares through participating notes, equity linked notes and equity swaps. They are generally issued by investment banks or broker-dealers and are designed to offer a return linked to an underlying common stock. An investment in participating notes or equity linked notes carries additional risks compared with a direct investment in the underlying security. Participating notes, equity linked notes or equity swaps are generally unsecured contractual obligations of the issuer. They do not provide the Fund with legal or equitable rights in the underlying A shares. Furthermore, the value of the Fund's investment in the participating notes, equity linked notes and equity swaps is also exposed to the creditworthiness of the counterparty issuing them. As the Fund transacts with only a limited number of QFII providers, there is a possibility that a significant proportion of the assets of the Fund may be held by one single provider which may give rise to higher concentration risk. Any insolvency event in relation to or other failure by the issuers to perform their obligations under the participating notes, equity linked notes or equity swaps will have an adverse impact on the Fund. The Fund may suffer losses of up to the full value of the participating notes, equity linked notes or equity swaps issued by a defaulting issuer. In addition, there is no assurance that there will be a trading market for the participating notes, equity linked notes and equity swaps or that the trading price will equal the underlying A Shares. In the event of a default of an issuer of the participating notes, equity linked notes or equity swaps, the Directors may suspend the subscription and redemption of Shares in the Fund.

Investors should refer to the Fund's offering documents for full details of the risk factors of investing in the Fund.

Item 6: Disciplinary Information

As at the reporting date, APSIL is not aware of any legal or disciplinary events that are material to the client's evaluation of our business or the integrity of our management.

Item 7: Other Financial Industry Activities and Affiliation

The Investment Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

The Investment Adviser and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities. While APSIL may trade commodity futures and/or commodity options contracts, it is exempt from registration with the Commodity Futures Trading Commission ("CFTC") as a CPO pursuant to CFTC Rule 4.13(a)(3).

APSIL is a "related person" to APS Asset Management Pte Ltd, a limited company organized in Singapore ("APS"). APS is the investment adviser of a private fund managed by APSIL. The employees responsible for making investment decisions for APSIL are also responsible for managing certain APS funds or assets that are substantially similar or identical to the Fund and Managed Account managed by APSIL. APSIL employees are co-employed by APS and APSIL and receive compensation from both APS and APSIL to manage products that are substantially similar or identical. Further, the majority of APSIL employees have ownership interests in APS. APSIL maintains a service level agreement with APS for the provision of certain investor relations and middle and back office services, including trading, client services, investment administration, compliance and operational matters. Therefore, certain key APSIL positions such as Chief Compliance Officer and Chief Operating Officer are served by APS officers. The Chief Investment Officer of APSIL also serves as Deputy Chief Investment Officer of APS. Certain directors of the Fund have direct ownership in APS and also serve on the Board of Directors for APS and co-employed by both APSIL and APS. Some of the owners of APSIL likewise have employment relationships with both APS and APSIL. For additional information on APS, please see their form ADV 2A, registration no. 801-56213.

Executive officers and employees of APSIL, including those with ownership interests in APS but not APSIL, may have conflicts of interest in allocating their time and resources between APS and APSIL, in allocating investments between APS and APSIL and in effecting transactions between APS and APSIL. Such employees are generally only required to devote so much of their time to APSIL as is reasonably necessary in good faith. Any conflicts of interest for directors of the Fund are subject to their duties as fiduciaries to the Fund.

The Clients will not have any right to any income or profits derived by assets managed by APS. Different performance and management fees may be charged by substantially similar products managed by APS, which may also create a conflict of interest with APSIL.

Although APSIL's Fund and Managed Account and certain APS accounts generally have similar and overlapping investment strategies, their investment programs may differ. APSIL and APS may have conflicting interests with respect to their investments, including with respect to selling objectives, taxes, performance, liquidity, timing and other objectives. APSIL may give advice, and take action, with respect to similarly situated APS assets which may differ from the advice given, or the timing or

nature of action taken with respect to the APS managed assets. The portfolio strategies that APSIL may use for the Fund and Managed Account could conflict with the transactions and strategies employed by APS and could affect the prices and availability of the securities and other financial instruments in which APSIL invests.

To address these potential conflicts of interests in its relationships, APSIL has adopted policies and procedures, including a Code of Ethics, as discussed in Item 8, “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.” Other than as referenced above, APSIL is not aware of any other material affiliations.

Item 8: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

APSIL follows the APS’s Code of Ethics (the “Code”), which will be provided upon request to any investor or prospective investor.

The Code follows the principle that officers, directors and employees owe a fiduciary duty to APSIL Clients. Accordingly, APSIL must avoid activities, interests and relations that might interfere or appear to interfere with making decisions in the best interests of the APSIL Clients or otherwise take unfair advantage of their position. The Code focuses on a wide range of important considerations including, but not limited to: outside activities, potential conflicts of interest, confidentiality, disciplinary matters, dealing with government and other regulatory bodies, personal trading, insider trading and prohibited transactions. Any violations of the Code must promptly be reported to the Chief Compliance Officer.

Cross Trades

APSIL may determine that it would be in the best interests of certain clients to transfer a security from one client to another (each such transfer, a “Cross Trade”) for a variety of reasons, including, without limitation, tax purposes, liquidity purposes or to reduce transaction costs that may arise in an open market transaction. APSIL may engage in a Cross Trade only if the following conditions are met:

- APS determines that the Cross Trade is in the best interests of each client involved in the Cross Trade.
- APS takes steps to ensure that the transaction is consistent with the duty to seek best execution for each client involved in the Cross Trade.
- The Cross Trade is effected at “arm’s length” through a trading floor or electronic trading system; no Cross Trade may be effected internally.
- Each client involved in the Cross Trade provides written consent to the transaction.
- The Cross Trade is effected in compliance with all applicable regulations.

Principal Transactions

To the extent that Cross Trade may be viewed as principal transactions due to the ownership interest in a client by the Investment Adviser or its personnel, the Investment Adviser will comply with the requirements of Section 206(3) of the Advisers Act.

Personal Trading Policy

APSIL permits its employees to engage in personal trades provided that:

- (a) The Fund and Managed Account are not disadvantaged by these personal trades;
- (b) Employees do not benefit personally from the trades undertaken for the Fund and Managed Account; and
- (c) Employees comply with all existing and applicable regulatory requirements; and
- (d) All personal trades are conducted in compliance with the provisions regarding personal trading contained in the Code.

APSIL shall at all times deal fairly with the Fund and Managed Account and place the Fund's and Managed Account's interest first; thereby eradicating, to the fullest extent possible, conflict or potential conflict of interest and giving clients the confidence that they are dealing with APSIL where fair dealing is central to its corporate culture.

To address the possible conflict of interest where the Investment Adviser, its affiliates or employees recommend a particular transaction because of a financial interest held by any such person in such securities, employees are prohibited from engaging in personal trades on the same securities when the Fund or Managed Account is making transactions on behalf of clients. Employees can only engage in personal trades on the same securities one clear day after the Fund or Managed Account has completed buying or selling of the securities for its clients. Personal trades include those made for the employee's own account, for family (including spouse, children and other immediate family members) accounts, for accounts in which the employee has a direct or indirect pecuniary interest, and for accounts in which employee has the power to dispose or direct the disposition of the securities or investments. Employee must seek the prior written approval of Management (i.e. the Chief Compliance Officer, and in his absence, the Chief Investment Officer or CEO) before engaging in personal trades. The employee is also required to obtain confirmation from a member of the dealing team certifying that the Fund or Managed Account is not currently making any transaction on the same securities the employee intends to buy or sell.

Employees are also prohibited to trade (buy and sell) the same securities within a sixty (60) calendar-day duration ("short-term trades"). Employee is required to submit to the Compliance Department:

- (a) Initial disclosure of personal holdings within 10 days of the commencement of employment. A Nil return is also required;
- (b) quarterly report within thirty (30) days from the close of the calendar quarter; detailing all personal trades (buy/sell) transacted in the calendar quarter just ended. Employees shall also submit a Nil return;

- (c) list of all their personal securities holdings by 30 days after the end of each calendar year, where the information is current as of a date no more than 45 days prior to the date the report was submitted.

APSIL employee also invests alongside its clients in the Fund it manages, both to align the interest of the company and its clients and as a show of confidence. To avoid front running, employee investments in the Fund are subject to the same subscription and redemption deadlines as with the other investors of the Fund in accordance with the offering memorandum of the Fund. All management fees are waived for employee investments in the Fund. This may create a potential conflict of interest where the portfolio manager may favor the Fund over the Managed Account. To mitigate this, APSIL adopts the best execution and fair allocation policies described in Item 9. Any exception is documented and monitored on a regular basis by the Compliance Department.

No employees have any roles in the companies in which the Investment Adviser invests.

Item 9. Brokerage Practices

Best Execution, Broker Selection and Ongoing Monitoring

In executing trades for the Fund and the Managed Account, APSIL is aware of its responsibility to seek the best execution for its client's transactions. APSIL outsources trading activities to APS under a service level agreement. APS deals only with reputable brokers who are regulated by the Monetary Authority of Singapore ("MAS") or their local regulators.

APS Best Execution Policy takes into consideration a number of factors when executing transactions on behalf of clients, such as price, market, liquidity and size of order. Execution of trades are centralised and carried out by the dealing team. The APS and APSIL portfolio managers also do not have the ability to choose the executing broker.

No broker is an affiliate of APSIL or APS. In selecting a broker, APS has a structured broker voting process. Twice yearly each portfolio manager and analyst votes on the value of research services to be received from their brokers for the next six months. The broker voting, which is carried out every January and July, gives the dealing team guidance as to where research commissions should be paid.

Execution brokers are selected according to their ability to provide best execution. Price, trade flow, market impact, systems and access to execution venues, local market knowledge, risk prices, nature of the transaction, type of financial instrument, counterparty risk and cost and efficiency of process can all contribute to this selection process. No broker can receive more than 25% of the overall annual commission paid at firm-wide level.

APS maintains an approved broker list. A counterparty risk due diligence is conducted before a new broker is added to the approved broker list. This process can include a review of the broker's financials and any regulatory breaches, terms of business, and credit rating, if available. All permanent additions to the approved broker database are approved by APS's CIO or Deputy CIO after the risk analysis is reviewed by the CEO/COO.

System controls prevent dealers from executing trades through a venue other than an approved broker.

On-going counterparty risk monitoring of approved brokers will include: analysis of available information indicating financial health, any regulatory breaches and awareness of market information to determine whether a broker should be temporarily suspended and/or permanently removed from the approved broker list.

Brokerage for Client Referrals

Neither the Investment Adviser nor any related person receives client referrals from any broker-dealer or related party. However, as discussed above, subject to best execution, the Investment Adviser may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending broker-dealers for the Funds.

Soft Dollar Policy

APSIL has a soft dollar policy that is in accordance with clients' requirements and the MAS Code of Collective Investment Scheme. It also ensures that the services provided are within Section 28(e) of the Securities Exchange Act of 1934, as amended (the "safe harbor"). When engaging in soft dollar practices, APSIL shall at all times be responsible to place clients' interests before its own.

APSIL adopts the following policy when it receives or engages in soft dollar practices:

- (i) The goods and services obtained can reasonably and generally be expected to assist in the provision of the investment services to APSIL' clients;
- (ii) Execute transactions on the best available terms, taking into account the market at the time, for transactions of the concerned kind and size;
- (iii) Not to enter into unnecessary trades to achieve sufficient volume to qualify for soft dollars;
- (iv) Disclose to clients its practices for receiving such goods and services, including a description of the goods and services received by way of investment management agreement, trust deed, prospectus or other client agreement;
- (v) Maintain records of soft dollar arrangements and activities.

A report disclosing the source, usage of soft dollars and other details is made available to client upon request.

Allocation

It is the policy of the Investment Adviser to allocate investment opportunities among the Clients fairly and equitably, to the extent possible, over a period of time. The Managed Account generally follows substantially the same investment strategy as the Fund. Therefore, trade orders for both the Fund and Managed Account would generally be allocated in proportion to the size of the order for each portfolio. However, in a number of cases including, but not limited to, cash limits or client restrictions, trade orders will not be allocated identically. In the event of a deviation, the dealing

room shall document the reason of deviation. The compliance department shall review allocation of orders for compliance with APSIL's policies on a monthly basis.

Item 10: Review of Accounts

The portfolio managers monitor the Fund and Managed Account portfolios on a regular basis to ensure they comply with their investment guidelines and restrictions. The portfolio managers will also review the accounts in the event of unexpected circumstances such as sudden changes in regulations, market conditions or political developments.

Fund investors also receive monthly and quarterly reports that contain a detailed portfolio review including a write-up of market overview, major portfolio contributions and withdrawals and transactions (buy and sell) and a detailed portfolio holdings report together with a portfolio performance review.

The Fund's investors receive annual audited financial statements and half-yearly unaudited financial statements.

Portfolio reports for the Managed Account are subject to negotiation and established pursuant to each account's investment management agreement.

Item 11: Client Referrals and Other Compensation

APSIL works with a number of external distributors to market the Fund. It compensates them through a fee sharing arrangement which is negotiable. APSIL pays the distributors their share of base fee on quarterly basis and their share of performance fee, if any on annual basis. There are no material conflicts of interest in the arrangement with the external distributors.

Item 12: Custody

APSIL does not have custody of the Fund or the Managed Account's assets. All funds and securities are held by the custodians appointed by the Fund or the Managed Account.

Item 13: Investment Discretion

APSIL has discretionary authority to manage securities accounts on behalf of its clients. Some clients may mandate certain investment restrictions. The types of restrictions vary from clients to clients and are set out in the Offering Memorandum of the Fund or Investment Management Agreement of the Managed Account.

APSIL will manage the portfolio to achieve the investment objectives and within the investment guidelines and restrictions agreed with the clients. APSIL has full discretion subject to applicable law and regulations, under the respective Investment Management Agreements to exercise its power, authority and rights in managing the portfolios including discretion to buy, sell, retain or deal in other assets or securities, deposits and other instrument allowed under the IMAs. APSIL also have the authority on behalf of the Fund to negotiate and appoint counterparty and account opening documentation.

Item 14: Voting Client Securities

APSIL has full discretion in managing the Fund and the Managed Account including authority to vote on the Client's securities. It follows the proxy voting policies currently used by APS for investments held by the Fund and the Managed Account.

The table below summaries the common types of corporate action and the internal procedures followed by APS:

Type of Corporate Action	Internal Procedures
Cash Dividend	No need to refer to portfolio manager.
Bonus Issue/Stock Split	No need to refer to portfolio manager.
Stock Dividend/Dividend Reinvestment Plan	Refer to portfolio manager for decision.
Right Issue	Refer to portfolio manager for decision whether to subscribe/sell the rights or purchase additional rights.
Warrant Issue	Refer to portfolio manager whether to hold or convert the warrant.
AGM/EGM (e.g. appointment of directors, auditors, share option etc)	Refer to portfolio manager for decision.
Proxy Voting	Refer to portfolio manager for decision.
Class Action	Refer to portfolio manager/client for decision.

For more information on APS' proxy voting policies, please see APS' ADV Part 2.

Item 15: Financial Information

APSIL does not require prepayment of fees and thus is not required to include a balance sheet for its more recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the Fund or the Managed Account, and has not been the subject of a bankruptcy petition at any time since it was incorporated in 2007.