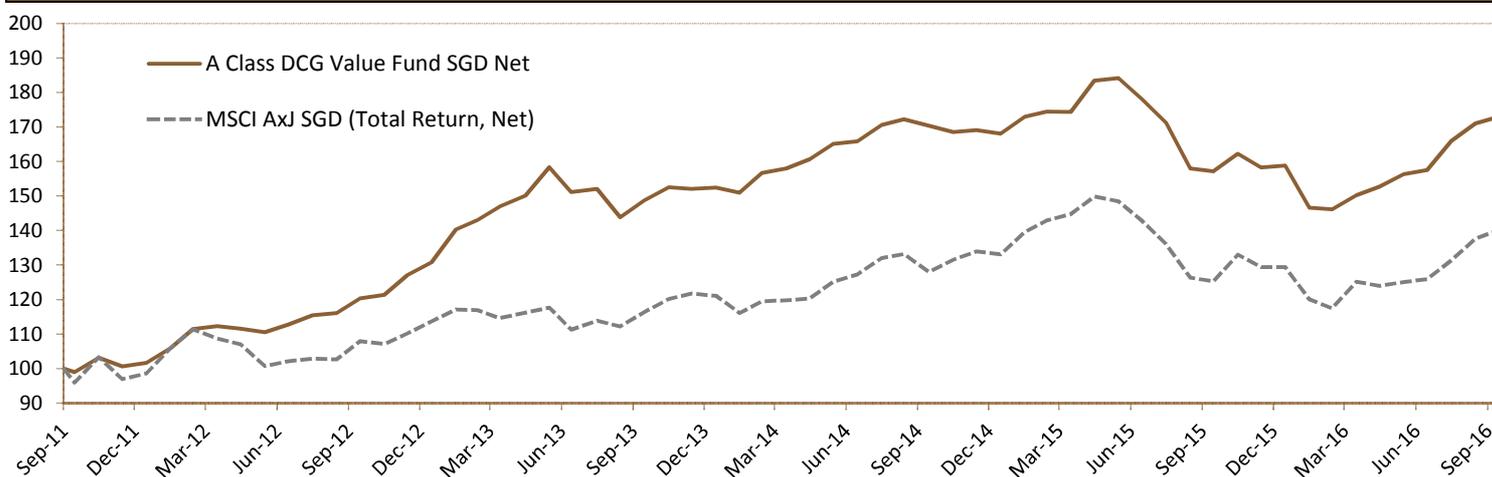


Fund Overview

The investment objective of the Fund is to achieve long term capital growth through investments primarily in publicly listed and traded stocks and shares of companies in Asia ex-Japan. The Investment Manager employs a value investing approach in managing the Fund. Using a bottom-up approach, it will seek to identify from within the above mentioned investment universe, attractive long term investment opportunities that the Manager reasonably believes adequately satisfy stringent selection criteria in terms of quality and valuations.

Cumulative Fund Returns SGD* VS MSCI AxJ SGD⁽¹⁾

Monthly Net Returns*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	MSCI AxJ YTD
2016	-7.7%	-0.3%	2.8%	1.6%	2.4%	0.7%	5.4%	3.1%	1.1%				8.9%	
MSCI AxJ	-7.2%	-2.2%	6.5%	-1.0%	0.9%	0.6%	4.4%	4.8%	1.8%					8.3%
2015	2.9%	0.9%	-0.1%	5.2%	0.4%	-3.3%	-3.9%	-7.7%	-0.5%	3.2%	-2.4%	0.4%	-5.5%	-2.8%
2014	-1.0%	3.8%	0.8%	1.7%	2.8%	0.5%	2.8%	1.0%	-1.1%	-1.1%	0.3%	-0.6%	10.3%	10.0%
2013	7.2%	2.0%	2.7%	2.2%	5.5%	-4.6%	0.6%	-5.4%	3.4%	2.6%	-0.3%	0.2%	16.5%	6.5%
2012	4.1%	5.3%	0.7%	-0.6%	-0.9%	2.0%	2.3%	0.6%	3.7%	0.8%	4.8%	2.9%	28.6%	15.3%
2011									-1.1%	4.2%	-2.4%	1.1%	1.7%	-1.4%
Inception to Date ⁽²⁾													72.9%	40.1%

*Current year returns are unaudited. Past performance is not indicative of future results. References to the MSCI AxJ SGD index are based upon published results net of fund expenses, management fees and incentive reallocation. The net return shows an accrual of incentive allocation every month, although the fee is charged at year end. Based on an original investor subject to stated fees (i.e. 1.25% management fee and 12.5% incentive fee).

(1) MSCI Asia ex-Japan SGD Index (total returns, including dividends reinvested)

(2) Inception-to-date performance for SGD A Class and MSCI AxJ are computed from 16 September 2011, the date of Fund inception.

Statistical Analysis

Risk/Return ⁽³⁾	The Fund	MSCI AxJ
Annualized Return	11.5%	6.9%
Standard Deviation	10.3%	12.2%
Sharpe Ratio	0.92x	0.40x
Sortino Ratio	1.58x	0.65x
Information Ratio	0.63x	N/A
Peak to Trough	-20.6%	N/A

(3) Since inception. Applicable to A Class shares only

Portfolio Concentration⁽⁴⁾

No. of holdings	50
Top 10 holdings	29.4%
Top 20 holdings	50.3%

(4) Holdings include one short term bond

Fund Exposure

Country Exposure		Sector Exposure	
HK/ China	38.3%	Industrials	15.1%
Singapore	16.2%	Real Estate	13.6%
Indonesia	9.5%	Financials	13.2%
Sri Lanka	5.7%	Consumer Staples	13.2%
Vietnam	5.5%	Information Technology	12.2%
Thailand	4.8%	Consumer Discretionary	9.4%
Taiwan	2.8%	Energy	7.2%
Philippines	2.5%	Materials	2.5%
Malaysia	2.3%	Telecom Services	1.3%
Cash	12.2%	Cash	12.2%
Total	100.0%	Total	100.0%

Fund Details

Size (equities)⁽⁵⁾

Small Cap (<US\$1b)	33
Mid Cap (US\$1b-\$5b)	5
Large Cap (>US\$5b)	11
Total	49

(5) Median market capitalization US\$576 mil

Top 5 Holdings

Tiga Pilar Sejahtera Food
 China Aviation Oil Singapore Corp
 Malee Group
 Central China Real Estate
 Kweichow Moutai Co

Fund Information

Domicile	Cayman Islands
Fund Administrator	Portcullis Fund Administration (S)
Custodian	Deutsche Bank AG, Singapore Branch
Fund Auditor	Ernst & Young Solutions LLP
Legal Counsel	Rajah & Tann LLP
Fiscal Year End	June 30th

Terms

Minimum Initial Investment	S\$250,000
Minimum Subsequent Investment	S\$100,000
Early Redemption Fee*	3% in 1st year; 2% in 2nd year; 1% in 3rd year
Redemption Frequency	Once a quarter at quarter-end NAV, with 1 month notice
Subscription Frequency	Once a month at month-end, with 1 week notice
Management Fee / Performance Fee	1.25% / 12.5%

*Retained in the Fund for Fund investors

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Dear Investor,

Performance

For the September quarter, the Fund's NAV increased 9.8% against an 11.3% gain in the MSCI Asia ex-Japan Index and, for the nine months to September, rose 8.9% versus the Index's 8.3%.

This is our seventh straight month of positive returns, helped largely by Hong Kong's rally – the Hang Seng Index inclined 14.5% during the quarter. Among our Hong Kong holdings, **Far East Consortium** and **Central China Real Estate** registered strong advances. Ex-Hong Kong/China, **Tiga Pilar**, **Malee**, **DKSH Malaysia**, and **Concepcion** also saw hefty gains.

In Singapore, we cashed out of **Hwa Tat Lee (HTL)** at the general offer price of \$1.00, giving us a healthy 28% return on investment. We also reluctantly realised gains from our **Dyna-Mac Holdings** 2017 bonds. While studying bombed-out oil and gas stocks in the new year, we realised that Dyna-Mac's bonds, then available at 75 cents to the dollar, would be a good investment offering a yield to maturity of about 27%. Dyna-Mac redeemed the bonds at par at end-September.

We highlight HTL and Dyna-Mac not because we are experts in special situations or high-yield bond investing but because these are such rare instances where we've harvested our gains within the calendar year. We remain committed to long-term value investing and both HTL and Dyna-Mac had been in our potential target list based on a three to five year view of their business fundamentals. We will be happy to take questions on these at our upcoming annual meeting.

Since inception in September 2011, the Fund has returned 73% net of all fees against the Index's 40% rise.

Portfolio Updates

Long-time readers should be familiar with **Tiga Pilar** and **DKSH Malaysia** which we've held since 2012. They are our direct exposure to Indonesia and Malaysia's consumption demand which have recovered from the trough of 2Q2015. Tiga Pilar reported impressive results for 2Q16 with revenue and profits rising 23% and 85% respectively. Better product mix and wider distribution reach for its consumer food business, coupled with a new sales push for its branded rice contributed to improved profitability. DKSH Malaysia's cost optimisation and change in client mix bore fruit, lifting its operating margin 1 percentage point. While this may seem paltry, for a company with huge operating leverage, this translates to a whopping 104% year-on-year net profit boost for the quarter. Stock prices of both firms reacted positively – Tiga Pilar up 20% for the quarter and over 70% year-to-date, while DKSH Malaysia appreciated 50% since July 16.

In Thailand, our holding in fruit juice and canned fruit producer **Malee Group** since mid-2014 has done exceptionally well this year. While Thai domestic consumption remains weak, Malee has been steadily growing its own-brand fruit juice exports and contract manufacturing business for its overseas clients. 1H16 financial results impressed with sales surging 35% and profit 158%, thanks to higher utilisation, strong export sales, and improved margins. Malee's domestic sales (about 62% of total revenue) jumped a better-than-expected 20%, and export revenue an even better 84% and now forms 38% of total revenue. Being a contract manufacturer for a leading global coconut water

brand fuelled Malee's exports. Demand for coconut water has been rising in developed Western countries and is now promoted as a healthy substitute for traditional sport drinks. We like the company for its track record in product innovation, interesting product portfolio targeting health-conscious consumers, and its strong brand presence in the local market. Malee's share price has appreciated 150% year-to-date and re-rated to about 21x earnings, up significantly from the low teens when we made our first investment.

The un-named Chinese property developer mentioned in our March 2016 letter is **Central China Real Estate (Central China)** of Henan province, one of China's most populous provinces with a population of 100 million. Although property prices have risen, affordability at 6x income is still well below the national average. Henan's economy has been advancing steadily with China's deliberate policy to develop the inland provinces. Although Henan's economy used to be largely agrarian, there has been rapid transformation in the past decade. In 2012, Foxconn established a plant in Henan's capital city Zhengzhou, and hired 250,000 workers to manufacture iPhones for Apple. There are also significant light industries such as textiles and heavier ones like automotive. Henan was recently given the green light to commence development of a new free trade zone, which may lead to more direct investments and help develop its transportation and logistics sector.

Central China, established in 1992, has built a strong reputation in its home territory, with its properties usually commanding a premium over its competitors'. Its landbank was acquired many years ago at about RMB 1,000/sq m compared to current prices of RMB 3,000-6,000. In recent months, Central China has announced robust sales of its development properties which may explain the 40% stock price surge over the quarter.

Following the recent sharp price appreciation in Chinese tier 1 cities, property mania has spread to tier 2 and tier 3 cities like Zhengzhou. The local authorities have responded by announcing new restrictions on land sales and property purchases. We believe this benefits Central China as these measures will squeeze out competitors with more expensive landbanks. The stock remains undervalued at a price to book ratio of 0.6 and a 6.2% dividend yield.

Outlook

Asia remains the bright spot in a sluggish global growth environment. Earlier concerns over China's hard landing have abated though there is increasing focus on its rising debt levels.

Following the successful launch of the Shanghai-Hong Kong Stock Connect, China is aiming to start the Shenzhen-Hong Kong Stock Connect in December. This further enlarges the universe of Chinese companies our Fund may invest in. Another positive development for the Hong Kong bourse is the Chinese Insurance Regulatory Commission's recent new regulations allowing Chinese insurance firms to invest more freely in Hong Kong stocks through the Shanghai-Hong Kong Stock Connect.

Elsewhere in Asia, things are looking up for Indonesia and Vietnam. The current tax amnesty programme in Indonesia is proving to be quite successful. Besides boosting government coffers, the programme significantly broadens Indonesia's tax base and enables the government to expedite much-needed infrastructure developments.

Daniel Chan

Melvin Tan

TJ Tan

Alexis Tran

David Teoh

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