

Phillip Asia Pacific Growth Fund

MARCH 2017

INVESTMENT OBJECTIVE & FOCUS

The investment objective of the Fund is to achieve medium to long term capital appreciation through investing the Deposited Property primarily in investments in or of companies with either assets wholly or partially in, or revenues wholly or partially derived from investment in countries and territories in the Asia Pacific region (including Japan, Australia and New Zealand) selected by the Managers for the purpose of investment of the Deposited Property. The total overall investment in equities or shares of companies in Emerging Markets is capped at 50% of the Value of the Deposited Property. The Fund is growth oriented and is authorised to invest in stocks and bonds, including but not limited to convertible bonds.

The Managers seek to identify emerging trends, underappreciated growth prospects and undervalued franchises. The Managers combine top-down and bottom-up approaches in managing the Fund; top-down approach tackles the asset and geographical allocation decisions while bottom-up approach tackles vigorous quantitative and qualitative analysis to determine the absolute and relative attractiveness of the securities. Subject to the provisions of the Code on Collective Investment Schemes issued by the MAS ("Code"), the Managers may also invest the Deposited Property into money market funds and collective investment schemes, including money market funds and collective investment schemes managed by the Managers during such time or times and on such terms as the Managers think fit in accordance with the investment objective and focus of the Fund. The management fees charged by the money market funds and collective investment schemes managed by the Managers will be rebated to the Fund, as may be agreed between the Managers and the Trustee. The Managers currently use financial derivative instruments ("FDIs") for the purpose of hedging and/or efficient portfolio management.

FUND PERFORMANCE (AS AT 31 MARCH 2017)



TOTAL RETURNS	FUND	BENCHMARK
Since Inception	124.55%	24.44%
1 month	3.50%	1.10%
3 months	5.81%	5.02%
Year To Date	5.81%	5.02%

ANNUALISED RETURNS

	FUND	BENCHMARK
1 year	16.32%	18.16%
3 years	3.64%	5.72%
5 years	2.14%	5.22%
10 years	-0.91%	-0.67%
Annualised Returns Since Inception	3.86%	1.03%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 31 Mar 2017. Source: Bloomberg & Phillip Capital Management (S) Ltd.

FUND AWARDS

Standard and Poor's Fund Awards

Winner in the Equity Asia Pacific - 3 years Category (2004, 2005 and 2006)
 Winner in the Equity Asia Pacific - 5 years Category (2004, 2005, 2006 and 2007)

The Edge Lipper Fund Awards

Lipper Singapore Unit Trust Fund Awards—Equity Asia Pacific over Five Years (2003)
 Best Fund over One Year - Equity Asia Pacific (2004)
 Best Fund over Three Years - Equity Asia Pacific (2004, 2005 & 2006)
 Best Fund over Five Years - Equity Asia Pacific (2004, 2006 & 2007)
 Best Fund over Ten Years - Equity Asia Pacific (2010)

FUND INFORMATION

Current Fund Size	S\$21.52 million
NAV Price	S\$2.131
Investment Manager	Phillip Capital Management (S) Ltd
Inception Date	23 November 1995
Inception Price	S\$0.95
Benchmark	MSCI AC Asia Pacific Index SGD
Subscription Mode	Cash/ SRS (UR 0131)
Bloomberg Ticker	AIBAPGI SP Equity
ISIN Code	SG9999006019
Minimum Initial Investment	S\$1,000
Minimum Subsequent Investment	S\$500
Minimum Holdings	1000 units or \$1000 equivalent
Initial Sales Charge	Currently up to 5%, maximum 5%
Management Fee (p.a.)	Currently 1.25%, maximum 1.75%
Switching Fee	Currently up to 1%, maximum 1%
Dealing Frequency	Daily SGT 3:30pm
Pricing	Forward Pricing
Realisation Fee	Currently NIL, maximum 1%
Trustee's Fee	Currently 0.2%, maximum 0.4%, subject to a minimum S\$25,000 p.a.

ASSET ALLOCATION

Equities	90.88%
Cash and Accruals	9.12%

**GEOGRAPHICAL ALLOCATION
(TOP TEN)**

Japan	17.73%
Singapore	15.64%
China	13.54%
India	11.58%
Hong Kong	6.56%
Australia	6.35%
Taiwan	5.13%
Indonesia	4.78%
Philippines	2.55%
Vietnam	2.51%

SECTOR ALLOCATION

Financial	28.20%
Industrial	15.50%
Consumer, Non-cyclical	11.64%
Consumer, Cyclical	8.35%
Technology	6.56%
Communications	6.35%
Funds	4.93%
Basic Materials	3.39%
Diversified	2.79%
Utilities	1.88%
Energy	1.29%

TOP TEN HOLDINGS

Phillip SGX APAC Div Leaders REIT ETF
Panasonic Corp
Toray Industries Inc
Carsales.com Ltd
SEEK Ltd
Takeda Pharmaceutical Co Ltd
QAF Limited
Hong Kong Land Holdings Ltd
Seibu Holdings Inc
Cathay Financial Holdings Co Ltd

All figures above as at 31 Mar 2017 unless stated otherwise. Sources: Phillip Capital Management (S) Ltd & Bloomberg.

MANAGER'S COMMENTARY

Asia-Pacific equity markets traded with positive overtones in March, though there appeared to be the more marked difference in performance across markets. For the month, the MSCI AC Asia Pacific Index rose 1.1% in Singapore dollar terms. Currency adjusted, India continued its strong performance for 2017 and led major Asia-Pacific markets for the month. A key laggard was Japan, as concerns about whether "Trumponomics" could be carried through weighed on the US dollar and correspondingly buoyed the Japanese yen. Japanese equity markets tend to weaken when the yen strengthens.

The Fund rose 3.5% for March. It benefited from broad-based positive performance, especially from strength in its India and Hong Kong/China holdings.

Within the month, we took profit on SK Telecom and China Communications Construction after strong performances. We continued positioning the portfolio in sectors that are geared to a strengthening global environment, adding TSMC, Sinotrans and Indofood Sukses. TSMC, the world's largest independent foundry, continues to benefit from a strong semiconductor cycle. Sinotrans is one of China's largest state-owned logistics conglomerates, and should benefit from the recovering domestic and external economy; valuations at below ten times price-earnings are undemanding. Indofood Sukses is one of the largest food producers in Indonesia with a long track record, and is especially well-known as the country's noodle leader (locals take noodles as their staple food); it is a good proxy to get exposure to the Indonesia domestic consumption theme and is also attractively valued.

The US Federal Reserve is now in a steady rate hike cycle, with the recent March meeting seeing a hike of 0.25% and the board signaling another two more hikes within the year. We also observe that there are signs that many other countries are looking to reverse their accommodative monetary policies. Asia-Pacific equities have been resilient despite fears of a market correction, which suggest that such rate hikes have been well-signaled and markets are therefore well-prepared already. More importantly, the rate hike cycle is proceeding precisely because of confidence in the global economy, as evidenced by positive economic numbers from various key economies.

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