

# Phillip Asia Pacific Growth Fund

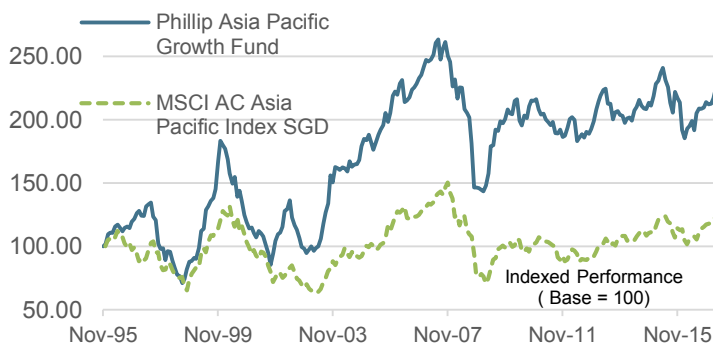
APRIL 2017

## 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 28 APR 2017)



TOTAL RETURNS	FUND	BENCHMARK
Since Inception	127.19%	26.12%
1 month	1.17%	1.35%
3 months	6.79%	4.04%
Year To Date	7.05%	6.44%

## ANNUALISED RETURNS

	FUND	BENCHMARK
1 year	16.48%	17.76%
3 years	4.49%	6.45%
5 years	2.59%	6.04%
10 years	-0.85%	-0.66%
Annualised Returns Since Inception	3.90%	1.09%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 28 Apr 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\$21.68 million
NAV Price	S\$2.156
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	89.73%
Cash and Accruals	10.27%

**GEOGRAPHICAL ALLOCATION  
(TOP TEN)**

Japan	20.09%
China	13.39%
Singapore	11.71%
India	11.39%
Australia	6.55%
Hong Kong	6.50%
Thailand	4.52%
Indonesia	4.03%
South Korea	3.34%
Philippines	2.52%

**SECTOR ALLOCATION**

Financial	23.57%
Industrial	15.58%
Consumer, Non-cyclical	10.39%
Consumer, Cyclical	8.58%
Funds	7.84%
Technology	7.58%
Communications	6.55%
Basic Materials	6.42%
Utilities	1.99%
Energy	1.22%

**TOP TEN HOLDINGS**

Phillip SGX APAC Div Leaders REIT ETF
Panasonic Corp
Toray Industries Inc
Samsung Electronics Co
SEEK Ltd
Carsales.com Ltd
Takeda Pharmaceutical Co Ltd
JFE Holdings Inc
Seibu Holdings Inc
One Stoxx Asean Select Dividend ETF

*All figures above as at 28 Apr 2017 unless stated otherwise. Sources: Phillip Capital Management (S) Ltd & Bloomberg.*

**MANAGER'S COMMENTARY**

Asia-Pacific equity markets were again generally positive in April. For the month, the MSCI AC Asia Pacific Index rose 1.4% in Singapore dollar terms. Currency-adjusted, emerging ASEAN markets such as Malaysia, the Philippines, and Indonesia were among the strongest performers, while laggards included Australia (on the back of commodity weakness), Korea (due to geo-political tension from North Korea) and the domestic China market (due to policy tightening). Among smaller markets, Sri Lanka was a standout performer in April, due to strong foreign and domestic institutional bargain-hunting.

The Fund rose 1.2% for April. It benefited from strong performance particularly in its Japan holdings, which mostly did better than the general market.

Within the month, we took profit on Asahi Group and Surya Semesta after strong performances. We also sold Cathay Financial and Keppel Corp, to deploy to stocks with better risk-reward. Samsung Electronics was one of the existing holdings that we added to as its temporary price weakness (due to the North Korean standoff) provided a buying opportunity. We also added JFE Holdings, one of the largest general steelmakers in Japan. It is poised to benefit from expanding steel margins (partly assisted by weakening iron ore input prices) and robust demand, after spending the last few years strengthening its balance sheet and upgrading its facilities. Steelmakers have derated after years of industry weakness and now present an attractive investment proposition.

The first hundred days of Donald Trump in office are coming to an end, and while there has been plenty of talk from the new President during this period, markets have come to recognise that many of the policies he vowed to implement during his election campaign may not materialise due to lack of support from lawmakers. There is still concern about his trade protectionist policies, which could punish cheap imports and labour entering the country, so it remains to be seen how America's trade policies, especially that with China, play out. On the positive side, economic numbers from various key economies continue to point to a sustained economic upturn, and this is providing the impetus for market strength right now. While there are events to watch out for such as the outcome of the French presidential elections, we think that valuations in most Asia-Pacific markets are not demanding and therefore in the event of a sustained economic upturn (as is happening now) there could be significant upside.

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