

Phillip Asia Pacific Growth Fund

JUNE 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 30 JUN 2017)



TOTAL RETURNS	FUND	BENCHMARK
Since Inception	130.87%	29.06%
1 month	1.34%	0.76%
3 months	2.82%	3.71%
Year To Date	8.79%	8.92%

ANNUALISED RETURNS

	FUND	BENCHMARK
1 year	20.38%	22.37%
3 years	3.17%	5.41%
5 years	4.44%	7.45%
10 years	-1.21%	-0.95%
Annualised Returns Since Inception	3.95%	1.19%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 30 Jun 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\$21.03 million
NAV Price	S\$2.191
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	93.99%
Cash and Accruals	6.01%

**GEOGRAPHICAL ALLOCATION
(TOP TEN)**

Japan	16.44%
China	15.39%
Singapore	10.65%
Hong Kong	9.71%
India	8.36%
South Korea	6.99%
Australia	6.74%
Thailand	4.77%
Taiwan	4.53%
Indonesia	4.46%

SECTOR ALLOCATION

Industrial	19.67%
Financial	19.50%
Technology	12.18%
Consumer, Non-cyclical	10.25%
Basic Materials	7.67%
Communications	6.74%
Consumer, Cyclical	6.38%
Funds	6.14%
Diversified	3.41%
Utilities	2.04%

TOP TEN HOLDINGS

Panasonic Corp
Taiwan Semiconductor Manufacturing
Samsung Electronics Co
NetEase Inc
HSBC Holdings PLC
China Merchant Port Holdings
CITIC Securities Co Ltd
SEEK Ltd
China Communication Construction Co
Seibu Holdings Inc

All figures above as at 30 Jun 2017 unless stated otherwise.

Sources: Phillip Capital Management (S) Ltd & Bloomberg.

MANAGER'S COMMENTARY

Asia-Pacific markets were mixed in June. A key event within the month was that China domestic A-shares were included to the much-followed MSCI emerging markets index. For the month, the MSCI AC Asia Pacific Index rose 0.8% in Singapore dollar terms. Currency-adjusted, the Chinese domestic market (A-shares), Australia and Taiwan led the pack, while India and South Korea lagged among the major Asian markets.

The Fund rose 1.3% for June, with broad-based contributions from most key markets.

Within the month, we took profit on some positions as they had reached our price targets, including Daiwa House Industry, Ping An Insurance, Saigon Securities and Hong Kong Exchange. We also sold Del Monte Pacific on continued disappointment in execution.

Within the month, we also added several new stocks to the portfolio. Santen Pharmaceutical is the leader in Japan's ophthalmological (eyecare) industry and has a good chance of market expansion in countries such as China. Shinhan Financial is one of the largest Korean banking groups, and it is poised to benefit from the recovering Korean economy. It still trades at below ten times price-earnings ratio. Unique Engineering is one of the biggest Thai contractors, though lesser known than the big three. It boasts consistently strong margins and should benefit from the planned big infrastructure rollout (such as new MRT lines).

Market confidence is relatively buoyant after a strong first half in 2017, but this is justified given the broad-based recovery in economic data. The US Federal Reserve has also continued to take a cautious and gradual approach in hiking interest rates. We think the upcoming second quarter results announcements for various companies might be key in further sustaining the momentum of the market upturn.

IMPORTANT INFORMATION

This factsheet and information herein is provided by Phillip Capital Management (S) Ltd ("PCM") for general information only and does not constitute a recommendation, an offer to sell, or a solicitation to invest in the fund(s) mentioned herein. It does not have any regard to your specific investment objectives, financial situation and any of your particular needs. The information is subject to change at any time without notice. The value of the units and the income accruing to the units may fall or rise. You should read the relevant prospectus and the accompanying product highlights sheet ("PHS") for disclosure of key features, key risks and other important information of the relevant fund (s) and obtain advice from a financial adviser ("FA") before making a commitment to invest in the fund(s). In the event that you choose not to obtain advice from a FA, you should assess whether the fund(s) is/are suitable for you before proceeding to invest. A copy of the prospectus and PHS are available from PCM or any of its authorized distributors.

Investments are subject to investment risks including the possible loss of the principal amount invested. Past performance is not necessarily indicative of the future or likely performance of the fund(s). There can be no assurance that investment objectives will be achieved. Any use of financial derivative instruments will be for hedging and/or for efficient portfolio management. Investments in the fund(s) managed by PCM are not obligations of, deposits in, or guaranteed by PCM or any of its affiliates.

PhillipCapital Group of Companies, including PCM, their affiliates and/or their officers, directors and/or employees may own or have positions in the investments mentioned herein or related thereto. This publication and Information herein are not for any person in any jurisdiction or country where such distribution or availability for use would contravene any applicable law or regulation or would subject PCM to any registration or licensing requirement in such jurisdiction or country. The fund(s) is/are not offered to U.S. Persons

The information provided herein is based on certain information, conditions and/or assumptions available as at the date of this publication that may be obtained, provided or compiled from public and/or third party sources which PCM has no reason to believe are unreliable; and may contain optimistic statements/opinions/views regarding future events or future financial performance of countries, markets or companies. Any opinion or view herein is an expression of belief of the individual author or the indicated source (as applicable) only. PCM makes no representation or warranty that such information is accurate, complete, verified or should be relied upon as such. You must make your own financial assessment of the relevance, accuracy and adequacy of the information in this factsheet. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss or consequences arising whether directly or indirectly as a result of your acting based on the Information in this factsheet.

The information does not constitute, and should not be used as a substitute for, tax, legal or investment advice. The information should not be relied upon exclusively or as authoritative without further being subject to your own independent verification and exercise of judgement.

Phillip Capital Management (S) Ltd (Co. Reg. No. 199905233W)

250 North Bridge Road #06-00, Raffles City Tower, Singapore 179101

Tel: (65) 6230 8133 Fax: (65) 65383066 www.phillipfunds.com

 **Phillip Capital Management**