

# Phillip Asia Pacific Growth Fund

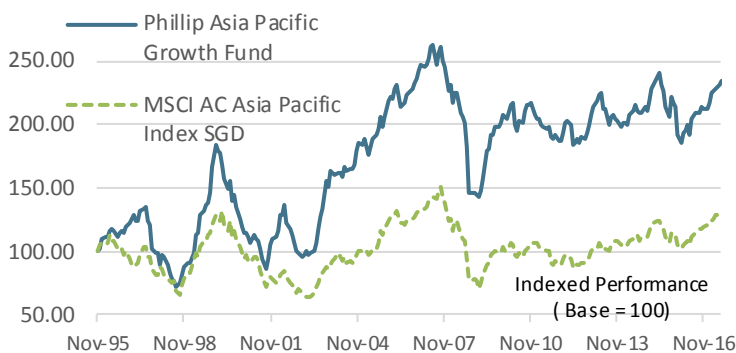
AUGUST 2017

## 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 AUG 2017)



TOTAL RETURNS	FUND	BENCHMARK
Since Inception	132.98%	32.47%
1 month	-0.63%	0.42%
3 months	2.27%	3.43%
Year To Date	9.78%	11.80%

ANNUALISED RETURNS	FUND	BENCHMARK
1 year	11.55%	16.24%
3 years	3.31%	5.74%
5 years	4.62%	8.25%
10 years	-0.60%	-0.61%
Annualised Returns Since Inception	3.96%	1.30%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 31 Aug 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\$21.17 million
NAV Price	S\$2.211
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	91.72%
Cash and Accruals	8.28%

**GEOGRAPHICAL ALLOCATION  
(TOP TEN)**

Japan	19.56%
Hong Kong	13.10%
China	12.70%
Singapore	10.53%
Australia	7.41%
Thailand	5.98%
India	5.74%
Indonesia	4.97%
South Korea	4.15%
United Kingdom	3.74%

**SECTOR ALLOCATION**

Industrial	19.28%
Financial	17.90%
Consumer, Non-cyclical	12.57%
Basic Materials	10.25%
Consumer, Cyclical	7.55%
Communications	7.41%
Funds	6.12%
Utilities	5.02%
Diversified	4.06%
Technology	1.55%

**TOP TEN HOLDINGS**

Panasonic Corp
Toray Industries Inc
JFE Holdings Inc
Shinhan Financial Group Co Ltd
China Merchants Port Holdings
carsales.com Ltd
HSBC Holdings PLC
China Communications Construct
SEEK Ltd
One Stoxx Asean Select Dividend

All figures above as at 31 Aug 2017 unless stated otherwise.

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

**MANAGER'S COMMENTARY**

Asia-Pacific markets were mixed in August. For the month, the MSCI AC Asia Pacific Index rose 0.4% in Singapore dollar terms. Given renewed tensions on the Korean peninsula amid warlike rhetoric from North Korea, certain North Asian markets such as South Korea and Japan displayed weakness as market players took cover. India also saw some profit-taking after the strong year-to-date performance, amidst a standoff with China at their borders, as well as concerns about slowing economic growth and GST transition impact in 3Q. On the other hand, Hong Kong and the China domestic market displayed strength, on the back of continued benign economic data as well as hopes of state reform ahead of and following the widely-expected leadership transition in China at the National People's Congress in mid-October.

The Fund declined 0.6% for August, as drag came from some stocks with underwhelming quarterly results, including Netease and QAF.

Within the month, we took profit on TSMC and Samsung Electronics, given that an extended semiconductor cycle so far has made risk-reward tradeoff rather unattractive. We also trimmed Netease as its earnings momentum appears to be curbed, as seen from recent results.

In their place, we added several stocks which have shown good earnings but have not yet been recognised by the market for one reason or another. In Hong Kong, we bought China State Construction, one of the biggest construction companies operating in both Hong Kong and mainland China, as well as CGN Power, the largest and most experienced nuclear power producer in China (both are state-owned companies). In Southeast Asia, we bought Land and House, the leading property developer in Thailand which saw strong development margins recently amid a recovering property market. A contrarian buy was Perusahaan Gas in Indonesia, a state-owned owner, and operator of the largest gas transmission network in the country. Its results have been affected by concerns about falling distribution margins and impairment to upstream assets with a big hit to share price over the last three years.

After a stellar performance by equity markets in the first half of 2017, we expect markets might be slightly more discriminating going forward. Given current broad-based economic momentum so far, and seeing that policymakers are likely to tread carefully to avoid derailing the current global recovery, we think any significant market downturn is unlikely.

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**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**