Phillip Asia Pacific Growth Fund

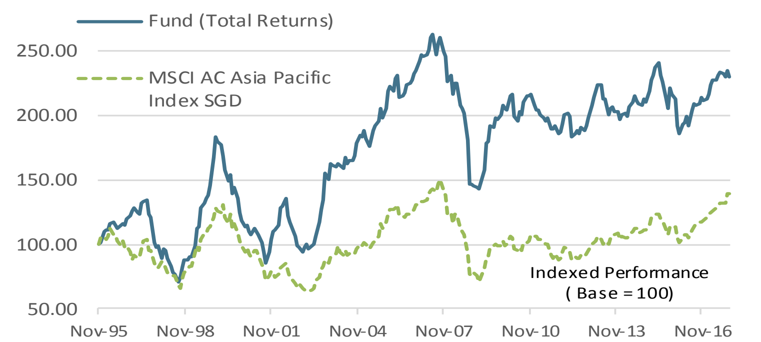
NOVEMBER 2017

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 NOV 2017)



TOTAL RETURNS	FUND	BENCHMARK
Since Inception	130.14%	39.40%
1 month	-2.33%	0.40%
3 months	-1.22%	5.23%
Year To Date	8.44%	17.64%
ANNUALISED RETURNS		
1 year	7.53%	18.22%
3 years	2.55%	7.79%
5 years	3.62%	8.59%
10 years	-0.83%	-0.19%
Annualised Returns Since Inception	3.85%	1.52%

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$20.73 million
NAV Price	S$2.184
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	90.74%
Cash and Accruals	9.26%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 30 Nov 2017. Source: Bloomberg & Phillip Capital Management (S) Ltd.

GEOGRAPHICAL ALLOCATION (TOP TEN)

China	19.39%
Japan	19.21%
Hong Kong	10.34%
Thailand	7.94%
South Korea	7.14%
United Kingdom	5.91%
Singapore	4.36%
India	4.08%
Australia	2.69%
Taiwan	1.75%

SECTOR ALLOCATION

Financial	22.79%
Industrial	16.14%
Consumer, Cyclical	11.97%
Basic Materials	11.09%
Communications	8.64%
Consumer, Non-cyclical	5.56%
Funds	3.51%
Utilities	3.04%
Diversified	1.90%
Technology	1.04%

TOP TEN HOLDINGS

- Tencent Holdings Ltd
- Shinhan Financial Group Co Ltd
- HSBC Holdings PLC
- Panasonic Corp
- China Merchants Port Holdings
- Sony Corp
- China Life Insurance Co Ltd
- Nippon Steel & Sumitomo Metal
- China Communications Construct
- CITIC Securities Co Ltd

All figures above as at 30 Nov 2017 unless stated otherwise.
Sources: Phillip Capital Management (S) Ltd & Bloomberg.

MANAGER'S COMMENTARY

There was visible profit-taking within November across several markets, though the broad index did hit new highs before weakening again near month-end. Asia-Pacific markets have been strong in 2017, leading some investors to exercise caution towards year-end. For the month, the MSCI AC Asia Pacific Index rose 0.4% in Singapore dollar terms. Japan and Hong Kong were strong performers among major markets for the month, while among smaller markets Vietnam surged as outlook improved and anticipation built up for government sales in stakes of state-owned companies. On the other hand, weak performances were recorded in many other Asia-Pacific markets, such as Taiwan, Korea, India and Australia.

The Fund dropped 2.3% in November, as it was dragged by individual securities which were affected by bad news. In particular, China Merchants Port in China and Toray Industries in Japan were key laggards, with the former suffering from tariff cuts announced by the state commission following an anti-monopoly exercise, while the latter revealed that a division had falsified data on its tyre cord products.

Within the month, we took profit on carsales.com, Netease and Seek, which are some of our technology holdings, after relatively strong performances in 2017. We also sold CGN Power and China State Construction in Hong Kong to reallocate to other positions. We added several financial stocks, which we believe will benefit from strengthening macros and a rising rates environment: these included **AIA** and **China Construction Bank** in Hong Kong, as well as **Cathay Financial** in Taiwan. In Japan, we added **Sony Corp** and **Bridgestone**. Sony has turned around under its CEO Kazuo Hirai who has sharpened the company's focus since taking over in 2012; today it competes strongly in games consoles in a three-player market, and is a clear market leader in camera sensors, which will be instrumental in capturing opportunities in some of the most promising future developments, such as facial identification and self-driving cars. Bridgestone's price corrected due to disappointing quarterly results, allowing us to buy at better prices. We think the tyre sub-sector is one of the more attractive across the automotive value chain.

We maintain our view that given current broad-based economic momentum so far together with a benign environment of caution-tempered optimism, any significant market downturn is unlikely. There are signs that Asian central banks are starting to hike rates, following the lead of the US, but this should be seen positively against the backdrop of a buoyant global economy.

IMPORTANT INFORMATION

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Phillip Capital Management