

Phillip Asia Pacific Growth Fund

JANUARY 2018

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 JAN 2018)



TOTAL RETURNS	FUND	BENCHMARK
Since Inception	139.09%	46.40%
1 month	4.03%	3.91%
3 months	1.48%	5.44%
Year To Date	4.03%	3.91%

ANNUALISED RETURNS	FUND	BENCHMARK
1 year	12.38%	20.76%
3 years	2.99%	8.29%
5 years	2.81%	7.92%
10 years	0.55%	1.73%
Annualised Returns Since Inception	4.00%	1.73%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 31 Jan 2018. 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\$21.14 million
NAV Price	S\$2.269
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	96.84%
Cash and Accruals	3.16%

**GEOGRAPHICAL ALLOCATION
(TOP TEN)**

Japan	30.66%
China	16.41%
South Korea	7.60%
United Kingdom	5.73%
Hong Kong	5.42%
India	5.07%
Thailand	4.31%
Australia	3.63%
Singapore	2.69%
Taiwan	1.81%

SECTOR ALLOCATION

Financial	29.39%
Consumer, Cyclical	14.08%
Industrial	10.75%
Basic Materials	9.96%
Consumer, Non-cyclical	6.14%
Energy	3.56%
Communications	2.68%
Utilities	2.63%
Technology	2.16%
Diversified	1.95%

TOP TEN HOLDINGS

Shinhan Financial Group Co Ltd
HSBC Holdings PLC
Panasonic Corp
China Construction Bank Corp
China Life Insurance Co Ltd
Sony Corp
HDFC Bank Ltd
Land & Houses PCL
Mitsubishi Corp
Rio Tinto Ltd

All figures above as at 31 Jan 2018 unless stated otherwise.

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

MANAGER'S COMMENTARY

There was broad-based strength across Asia-Pacific markets, lifted by continued optimism about global economic strength. For the month, the MSCI AC Asia Pacific Index rose 3.9% in Singapore dollar terms. This was led by the Hong Kong, Thailand and Malaysia markets, while laggards included Australia and the Philippines.

The Fund rose 4.0% for January, which was in-line with the benchmark.

We took profit on a few positions within the month. These included steel companies NSSMC and POSCO, which have performed well due to continued strength in steel prices, which has lifted prospects for the sector. Significant stocks added included **Alibaba**, **Sumitomo Mitsui Financial** and **Orix Corp**. Alibaba is the undisputed e-commerce leader in China and has a stellar growth track record over the years; its management has proved adept at navigating the rapidly evolving technology landscape through the years. Sumitomo Mitsui Financial and Orix are both leading financial companies in Japan; the former is one of the big three megabanks while the latter is a leader in leasing. We expect lending margins are near the bottom for Japanese banks, while equity-related income would be a key contributor for both the above companies given that their immense equity holdings in Japanese listed companies would see revaluation gains in a strong market.

We maintain our view that given current broad-based economic momentum so far together with a benign environment of caution-tempered optimism, any significant sustained market downturn is unlikely.

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