

Phillip Asia Pacific Growth Fund

FEBRUARY 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 28 FEB 2018)



	FUND	BENCHMARK
TOTAL RETURNS		
Since Inception	129.61%	42.33%
1 month	-3.97%	-2.78%
3 months	-0.23%	2.11%
Year To Date	-0.09%	1.02%

	FUND	BENCHMARK
ANNUALISED RETURNS		
1 year	5.83%	15.64%
3 years	0.18%	5.63%
5 years	1.39%	7.03%
10 years	-0.10%	1.33%
Annualised Returns Since Inception	3.80%	1.60%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 28 Feb 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\$20.29 million
NAV Price	S\$2.179
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	97.17%
Cash and Accruals	2.83%

**GEOGRAPHICAL ALLOCATION
(TOP TEN)**

Japan	37.16%
China	20.91%
South Korea	6.21%
United Kingdom	5.80%
Thailand	5.78%
Hong Kong	5.45%
Singapore	4.58%
India	4.03%
Australia	2.63%
Taiwan	1.89%

SECTOR ALLOCATION

Financial	29.40%
Consumer, Cyclical	14.88%
Basic Materials	12.94%
Industrial	11.63%
Consumer, Non-cyclical	8.87%
Communications	7.84%
Utilities	2.71%
Technology	2.07%
Diversified	2.03%
Funds	1.31%

TOP TEN HOLDINGS

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

All figures above as at 28 Feb 2018 unless stated otherwise.

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

MANAGER'S COMMENTARY

Asia-Pacific markets saw a dramatic reversal in February, with concerns raised about rising inflation which might necessitate a more aggressive rate tightening by various countries, in particular, the US Federal Reserve. For the month, the MSCI AC Asia Pacific Index dropped 2.8% in Singapore dollar terms. Currency-adjusted, Hong Kong, Korea and India were the worst performing markets, while Japan and Thailand were better supported and dropped less.

The Fund dropped 4.0% in February. Some of the fund's positions in the financial sector, particularly in China, had a more severe correction within the month compared to the general market, leading to performance drag versus the general market.

We trimmed some positions within the month to move to other investment opportunities. These included Shinhan Financial and QBE Insurance. We added to our Japanese exposure, with new additions being Mitsui Fudosan, Komatsu and JFE Holdings. Mitsui Fudosan is a leading property developer, which should benefit from general economic recovery and rising inflation. Komatsu, as a major player in construction and mining equipment, is well-positioned to benefit from rising investment in capital expenditure. JFE (Japan's second-biggest steelmaker) is more attractive after a recent correction, and we bought back into the stock as we think the market dynamics look more positive now after years in the doldrums.

Given current broad-based economic momentum has been the culmination of years of consolidation and policy effort, we think policymakers will not be inclined to disrupt it with over-aggressive monetary tightening. Nonetheless, with the significant market correction, investors will likely be more cautious going forward.

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