Phillip Capital Management

Phillip Asia Pacific Growth Fund

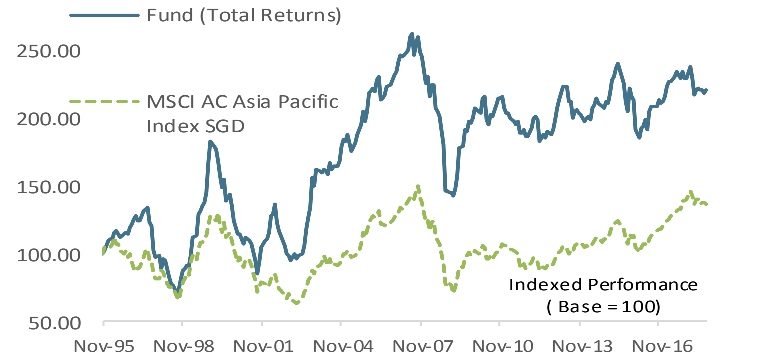
SEPTEMBER 2018

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 SEP 2018)



TOTAL RETURNS	FUND	BENCHMARK
Since Inception	121.60%	37.06%
1 month	1.01%	-0.56%
3 months	0.19%	-0.14%
Year To Date	-3.58%	-2.72%
ANNUALISED RETURNS		
1 year	-3.53%	3.37%
3 years	2.55%	8.62%
5 years	1.49%	5.38%
10 years	2.02%	3.94%
Annualised Returns Since Inception	3.54%	1.39%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 28 Sep 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$19.36 million
NAV Price	S$2.103
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	90.34%
Cash and Accruals	9.66%

GEOGRAPHICAL ALLOCATION (TOP TEN)

Japan	37.90%
China	16.24%
South Korea	6.14%
United Kingdom	4.87%
Australia	4.53%
Hong Kong	4.35%
Singapore	3.70%
Taiwan	3.55%
Thailand	3.41%
India	2.71%

SECTOR ALLOCATION

Financial	27.69%
Consumer, Non-cyclical	18.54%
Consumer, Cyclical	11.12%
Industrial	10.95%
Funds	9.66%
Basic Materials	8.94%
Communications	5.02%
Technology	3.82%
Energy	3.57%
Utilities	0.69%

TOP TEN HOLDINGS

- Sony Corp
- HSBC Holdings PLC
- Sumitomo Mitsui Financial Grou
- Mitsubishi Corp
- Kao Corp
- China Construction Bank Corp
- Samsung Electronics Co Ltd
- Takeda Pharmaceutical Co Ltd
- Alibaba Group Holding Ltd
- China Life Insurance Co Ltd

All figures above as at 28 Sep 2018 unless stated otherwise.
Sources: Phillip Capital Management (S) Ltd & Bloomberg.

MANAGER'S COMMENTARY

Asia-Pacific markets initially continued to weaken in September on the back of trade and rate hike worries but strengthened towards the end of the month on some bargain buying. For the month, the MSCI AC Asia Pacific Index was down 0.6% in Singapore dollar terms. Among major Asia-Pacific markets, the China domestic A-share market rebounded strongly, with Thailand and Japan also performing strongly. On the other hand, the Philippines and India were laggards within the month.

The Fund rebounded 1.0% for September. Some significant performance contributors included Sony and Mitsubishi Corp in Japan, Petrochina in Hong Kong and Rio Tinto in Australia. Within the month, we sold Fujitsu and Panasonic Corp in Japan, China Shenhua and Sinopec in Hong Kong, and Land & House in Thailand. New stocks added included PTT in Thailand and Toyota Motor in Japan. Both are highly competitive giants of industry in their respective countries. PTT is a highly integrated oil and gas government-controlled conglomerate with exposures to upstream oil and gas, downstream oil refining and petrochemicals, as well as being the sole distributor of natural gas and owner of gas pipelines in Thailand. Toyota is one of the most well-respected automotive companies around the world, with a solid reputation for product reliability. In uncertain environments, we believe company quality becomes paramount because their competitive advantages will give them pricing power and forms some protection around their margins.

Recent trade war worries may be starting to affect general economic confidence for Asia-Pacific markets, with reports of consumer and business confidence weakening; we expect these in turn would have knock-on effects on consumption and business spending respectively. Some parts of Asia have done worse than others; countries such as Indonesia and India which experience current account deficits tend to suffer more, and this shows in the weakening of their currency. China also appears to be taking the brunt of a US-initiated trade war which does not seem to be abating. We continue to be on the lookout for those stocks that will nonetheless benefit from long-term consumption and urbanisation trends in Asia, particularly those with a domestic consumption bent.

IMPORTANT INFORMATION