Phillip Asia Pacific Growth Fund

FEBRUARY 2019

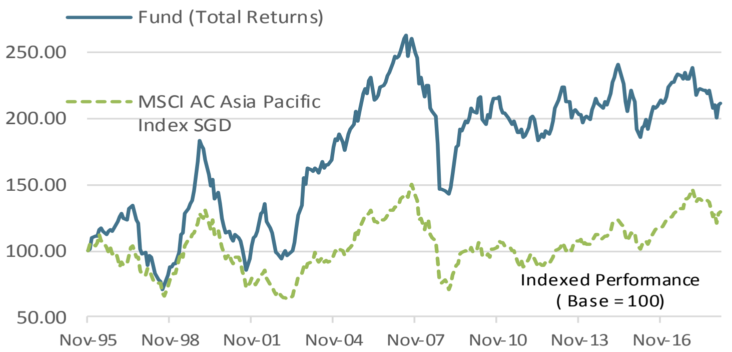
Phillip Capital Management

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 2019)



TOTAL RETURNS	FUND	BENCHMARK
Since Inception	111.70%	30.09%
1 month	0.80%	1.72%
3 months	0.40%	1.74%
Year To Date	5.68%	7.27%
ANNUALISED RETURNS		
1 year	-7.80%	-8.60%
3 years	4.51%	8.57%
5 years	1.04%	4.19%
10 years	3.97%	6.32%
Annualised Returns Since Inception	3.27%	1.14%

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$18.42 million
NAV Price	S$2.009
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	80.55%
Cash and Accruals	19.45%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 28 Feb 2019. Source: Bloomberg & Phillip Capital Management (S) Ltd.

GEOGRAPHICAL ALLOCATION (TOP TEN)

Japan	31.83%
China	15.42%
Singapore	10.73%
Hong Kong	3.94%
Thailand	3.79%
Taiwan	3.29%
United Kingdom	3.16%
India	2.66%
Vietnam	2.15%
South Korea	1.49%

SECTOR ALLOCATION

Financial	18.86%
Consumer, Non-cyclical	12.82%
Consumer, Cyclical	12.43%
Industrial	10.56%
Funds	8.61%
Communications	6.39%
Energy	3.48%
Basic Materials	3.41%
Technology	2.46%
Diversified	1.52%

TOP TEN HOLDINGS

- Phillip SING Income ETF
- Sony Corp
- Mitsubishi Corp
- HSBC Holdings PLC
- China Construction Bank Corp
- Alibaba Group Holding Ltd
- FANUC Corp
- AIA Group Ltd
- Tencent Holdings Ltd
- Japan Airport Terminal Co Ltd

All figures above as at 28 Feb 2019 unless stated otherwise.
Sources: Phillip Capital Management (S) Ltd & Bloomberg.

MANAGER'S COMMENTARY

Asia-Pacific equity markets continued to see strength within the month, on the back of continued expectations that the US Federal Reserve was pausing in its rate hikes, while China would eventually come to a trade truce with the US soon. US Federal Reserve decision-makers, such as chairman Jerome Powell in his Congress testimony and the Vice Chairman and New York Fed President at a key monetary policy forum, have all made perceptibly dovish remarks, with concerns about overly aggressive quantitative tightening put to rest in the Federal Reserve's semi-annual Monetary Policy Report. Given that concerns about the effects of monetary tightening and a looming US-China trade war have been the prime concerns driving down markets in 2018, the incremental improvements in these two issues within 2019 have been encouraging to markets. For the month, the MSCI AC Asia Pacific Index was up 1.7% in Singapore dollar terms. Among major Asia-Pacific markets, the China domestic market was a standout performer, as it benefited from progress in trade talks as well as the raising of their weighting inside the widely-followed MSCI group of indices. On the other hand, there was some weakness in emerging ASEAN markets such as the Philippines and Indonesia presumably on profit-taking after solid performances earlier, while South Korea also weakened on breakdown of the US-North Korea peace talks near month-end.

The Fund rose 0.8% for February. Within the month, we trimmed some positions that had run up significantly. These included Murata Manufacturing and SMC in Japan, China Life Insurance in Hong Kong, Samsung Electronics in Korea and Thai Beverage in Singapore.

While we remain generally sanguine on markets given that regulators have demonstrated their flexibility in managing monetary policy, we believe there could be more twists and turns in major issues such as the trade talks, and therefore we should be ready to take advantage once the current wave of market optimism ebbs. In short, the market volatility has the potential to return in a significant form anytime, despite the relief rally so far in 2019.

IMPORTANT INFORMATION

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

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