

PHILLIP VALUE GROWTH FUND

UNAUDITED
QUARTERLY REPORT

FOR THE FINANCIAL PERIOD
ENDED 31 JULY 2022

Manager:
PHILLIP CAPITAL MANAGEMENT SDN BHD
(199501004372)(333567-D)

Trustee:
CIMB COMMERCE TRUSTEE BERHAD
(199401027349)(313031-A)

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FUND INFORMATION**As at 31 July 2022**

Name Of Fund	:	Phillip Value Growth Fund
Manager Of Fund	:	Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	:	3 May 2021
Category Of Fund	:	Equity (Wholesale)
Type Of Fund	:	Growth and Income
Investment Objective	:	The Fund aims to achieve long-term* capital growth with regular income distribution. <i>* Long-term is a period of more than three years.</i>
Performance Benchmark	:	FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI)
Distribution Policy	:	Subject to availability of income, the Fund intends to distribute its income on a yearly basis.
Fund Size	:	28.93 million units

PHILLIP VALUE GROWTH FUND

Breakdown Of Unitholdings	: Size Of Holdings	No. Of Unitholders	% Of Unitholders	No. Of Units (million)
	5,000 units & below	-	-	-
	5,001-10,000 units	-	-	-
	10,001-50,000 units	-	-	-
	50,001-500,000 units	205	94.31	27.29
	500,001 units & above	2	5.69	1.64
	Total	207	100.00	28.93

FUND PERFORMANCE**Financial Highlights**

Category	3 Months to 31.07.2022	Financial Year Ended 30.04.2022
Quoted Equity Securities	%	%
Banks	3.45	3.50
Capital Goods	2.18	2.09
Energy	6.76	5.91
Food, Beverage & Tobacco	9.81	9.88
Health Care Equipment & Services	3.82	5.93
Industrials	5.84	6.36
Insurance	3.69	3.99
Materials	12.00	10.27
Pharma, Biotech. & Life Sciences	6.97	7.46
Plantation	1.25	0.85
Semiconductors & Semi. Equipment	10.33	10.02
Software & Services	3.98	4.51
Technology Hardware & Equipment	8.56	9.35
Telecommunication Services	2.54	2.35
Transportation	-	4.11
	81.18	86.58
Cash And Liquid Assets	18.82	13.42
Total	100.00	100.00
Net Asset Value (RM'000)	23,299	24,891
Number Of Units In Circulation (Units '000)	28,932	28,851
Net Asset Value Per Unit (RM)	0.8053	0.8627
Total Expense Ratio ("TER")*	0.40%	1.48%
Portfolio Turnover Ratio (times)	0.10	0.77

The Total Expense Ratio for the current quarter is higher compared with quarter ended 31 July 2021 due to waiver of management fee for the initial launching month of May 2021. (31 July 2021: 0.25%)

* The TER does not include brokerage and other transaction fees.

The Portfolio Turnover Ratio for the current quarter is lower due to more precautionary decision making, resulting from the uncertainty in market conditions. (31 July 2021: 0.50 times)

Notes:

The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

Performance Data

	Phillip Value Growth Fund		FBMKLCI	
	Total Return*	Average Annual Return	Total Return	Average Annual Return
3 Months' Period Ended 31.07.2022	-6.65%	-	-6.76%	-
Since inception (03.05.2021) to 30.04.2022	-13.73%	-	1.44%	-
		Since inception		
	01.05.2022	03.05.2021		
	to	to		
	31.07.2022	30.04.2022		
Phillip Value Growth Fund				
- Capital Return	-6.65%	-13.73%		
- Income Return	0.00%	0.00%		
- Total Return	-6.65%	-13.73%		
FBMKLCI	-6.76%	1.44%		
		Since inception		
	01.05.2022	03.05.2021		
	to	to		
	31.07.2022	30.04.2022		
Unit Prices				
Highest NAV (RM)	0.8418	1.0000		
Lowest NAV (RM)	0.7790	0.8627		
Distributions				
Gross Distribution Per Unit (sen)	-	-		
Net Distribution Per Unit (sen)	-	-		
Unit Splits	-	-		

* NAV price of RM1.00 is used for calculation of Total Return for NAV per unit from the Initial Offering Period.

Notes:

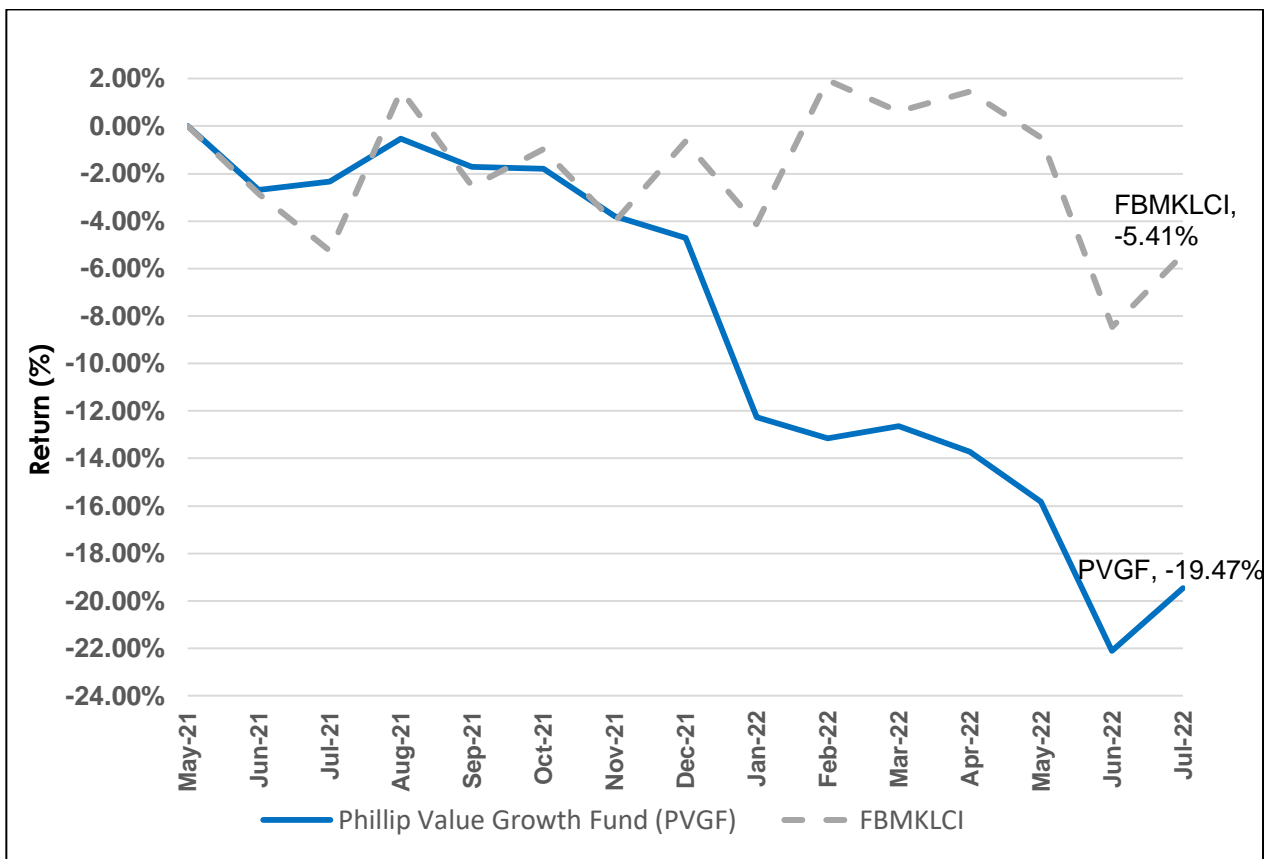
1. All figures pertaining to the Fund's return were extracted from Lipper.
2. The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.
3. The Fund was launched on 3 May 2021. Hence, no past year performance is available for comparison.

MANAGER’S REPORT

Performance Review

The Fund performance declined 2.42% in May 2022 and 7.46% in June 2022 respectively and it increased 3.38% in July 2022 amidst the geopolitical issue in Russia-Ukraine war, economy slowdown due to US’s sanction on Russia that affecting our global supply chain, logistic and transportation and global import export activities, the aggressive policy of the US Federal Reserve (FED) interest rate hike to total of 150 basis point in June 2022 and July 2022 and the ongoing tapering policy in the US market.

Comparison Between Fund’s Performance And Benchmark Since Launch



Source: Phillip Capital Management Sdn Bhd, Bloomberg

Investment Strategy Review

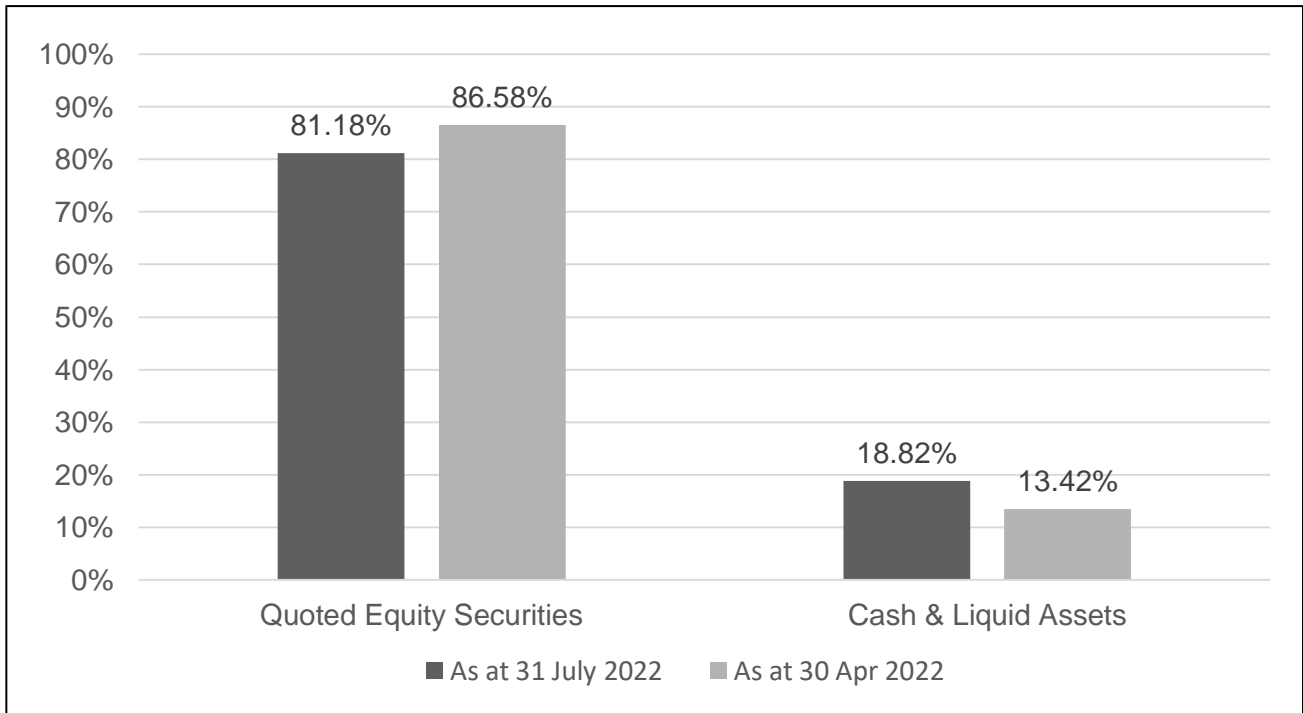
PVGF uses adaptive Buy and Hold strategy with portfolio rebalancing measures on monthly or quarterly basis, when needed. This also applies to company that exceeded individual or sectorial maximum capping limit from time to time and if there are new opportunities occur in watch list especially when the price-to-book is at the low or discounted level. Overall, the Fund is actively managed and the companies in the portfolio and watchlist are closely monitored.

We added Petronas Chemicals Berhad (PCHEM) into the portfolio to further enhance our strategies of diversifying certain portfolio allocation to growth investing opportunities. It also met our criteria of businesses with high growth prospect and businesses with double digits profit growth. PCHEM advantage to benefits from the up-trend price of related petrochemicals products, the upon completion of Pengerang RAPID project and also the acquisition of Perstorp which will contribute positively to the financial effects of FY22 and FY23.

Meanwhile PVGF also completely disposed LITRAK from the portfolio as the group had completely sold off the highway and toll concession business of two major highways within Klang Valley which include Lebuhraya Damansara Puchong (LDP) and Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT). As LITRAK has no intention to further develop or acquire any toll concession businesses in the future, the company no longer met our criteria of non-cyclical and stable business in generating cash flow thus PVGF had clear the position of LITRAK from the portfolio.

Cash position in PVGF increases as compared to previous quarter in view of potential bear market risk approaching and geopolitical tension between China and Taiwan, hence we were cautiously conservative by reducing our equities position.

Asset Allocation



The quoted equity securities allocation of Phillip Value Growth Fund decreased to 81.18% as at 31 July 2022 from 86.58% recorded at the beginning of the first quarter under review due to net equity sales.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Phillip Value Growth Fund decreased from RM0.8627 as of 30 April 2022 to RM0.8053 as of 31 July 2022. Meanwhile, total NAV of the Fund decreased from RM24,891,227 to RM23,298,568 mainly due to unfavourable market movements.

Market Review

Equity Market Review

For 2nd quarter of 2022 our local equities market was volatile too, as it dropped from 1600pts level to 1400pts level in mid July 2022. It then rebounded back to 1500pts level after the US and global market react positively after the 75-basis point interest rate hike took place in July 2022, as the market already factor in earlier to the action by US FED. Technology index also having a strong rebound of 16% from 57pts to 66pts, which led by most of the technology and semiconductor related counters.

As the economy re-opening now fully priced in, the market anticipation to prospects 2H22 and beyond are now being hampered by limited forward visibility on business and macroeconomic conditions. Nonetheless, growth in 2H22 will be stronger than 1H22 due to better private consumption and domestic activities, thanks to improving job market, higher minimum wage, continuing subsidies and stimulus measures.

The 3 major US indices: Dow Jones, Nasdaq and S&P500 continued to plummet in May 2022 and June 2022 to 1 year new low but they rebounded strongly by 9% to 18% in late July 2022 after the market factoring the interest hike effects by US FED. The aggressive interest rate hike by FED was part of the US Government initiative to reduce burden to its people that suffers from super high inflation in the US. This aggressive interest hike may also create uncertainties or potential risk to the US economy or lead to a economic recession.

The China economy recovering in June 2022 after the “Zero Covid” policy was lifted from a few major cities especially in Shanghai and Beijing. The supply chain in China has resumed gradually to normal condition as most of the factories and business activities resumes their production and supply chain. Unfortunately, another issue arises on China property giant, the China Evergrande Group on bonds default that may led to another crisis in China’s economy and recovery. We also closely monitoring the tension development between China and Taiwan conflict that may lead another instability to the market.

We use Market Price-to-Book ratio (Market PB) as an average price-to-book of all equities in Malaysia market. It indicates the overall valuation of Malaysia equities market in terms of net asset perspective. The latest Market PB as of 29th July 2022 were 1.72. It retraced from previous level of 1.80. This indicate that the price to book value of Malaysia equities has entered into non-high-risk zone as some sectors or counters had encountered further correction in the quarter.



Source: Algobox of Grandpine Capital

Securities Financing Transactions

For the financial year under review, the Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).

Income Distribution : Nil

Unit Split : Nil

Significant Changes In The State Of Affairs Of The Fund

For the financial period under review, there were no significant changes in the state of affairs of the Fund not otherwise disclosed in the financial statements.

Circumstances That Materially Affect Interest Of Unitholders

For the financial period under review, there were no circumstances that materially affect any interest of the unitholders.

Cross Trade

No cross trade transactions have been carried out during the financial period under review.

Key Investment Team

There was no change in the key investment team during the financial period under review.

Key Risk Factors

The potential risks associated with investing in the Fund are including, but not limited to, the following:

- Market risk
- Inflation risk
- Manager’s risk
- Stock specific risk
- Liquidity risk
- Concentration risk
- Economic risk
- Interest rate risk
- Credit and default risk
- Performance risk due to large redemptions

Soft Commissions

During the financial period under review, the management company neither received soft commissions nor rebates from any brokers by virtue of transactions conducted by the Fund.

STATEMENT BY THE MANAGER

We, **Datin Hajjah Nona Binti Salleh** and **Loke Ka Wai**, being two of the directors of **Phillip Capital Management Sdn Bhd**, do hereby declare that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 11 to 14 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines so as to give a true and fair view of the financial position of **Phillip Value Growth Fund** as at 31 July 2022 and of its financial performance, changes in net asset value and cash flows for the quarter then ended.

Signed on behalf of the Manager in accordance with a resolution of the directors.

DATIN HAJJAH NONA BINTI SALLEH
Executive Chairperson

LOKE KA WAI
Executive Director

Kuala Lumpur, Malaysia
28 September 2022

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 31 July 2022

	31.07.2022	31.07.2021
	RM	RM
Assets		
Investments	18,913,466	23,761,475
Dividend receivable	9,317	13,908
Interest receivable	718	437
Amount due from brokers/dealers	607,261	-
Cash and cash equivalents	3,975,907	4,699,943
Total assets	<u>23,506,669</u>	<u>28,475,763</u>
Liabilities		
Amount due to Manager	191,154	33,556
Amount due to brokers/dealers	-	344,262
Other payables	16,947	3,952
Total liabilities	<u>208,101</u>	<u>381,770</u>
Net Asset Value (“NAV”) of the fund	<u>23,298,568</u>	<u>28,093,993</u>
Equity		
Unitholders’ capital	28,626,753	28,463,955
Accumulated loss	(5,328,185)	(369,962)
Total equity/NAV attributable to unitholders	<u>23,298,568</u>	<u>28,093,993</u>
Total equity and liabilities	<u>23,506,669</u>	<u>28,475,763</u>
Number of units in circulation (Units)	<u>28,932,238</u>	<u>28,766,341</u>
NAV per unit	<u>0.8053</u>	<u>0.9766</u>

The accompanying notes form an integral part of the financial statements.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For the financial period from 1 May 2022 to 31 July 2022

	01.05.2022 to 31.07.2022 RM	03.05.2021 to 31.07.2021 RM
Income/(Loss)		
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")	124,483	65,376
Interest income	17,059	34,289
Net realised loss from sale of financial assets at FVTPL	(248,478)	-
Net unrealised loss on changes in value of financial assets at FVTPL	(1,444,246)	(307,221)
	<u>(1,551,182)</u>	<u>(207,556)</u>
Expenses		
Audit fee	2,092	1,899
Tax agent's fee	958	869
Manager's fee	86,831	54,419
Trustee's fee	2,985	2,712
Brokerage and other transaction fees	22,778	-
Administration expenses	1,331	102,507
	<u>116,975</u>	<u>162,406</u>
Net loss before taxation	(1,668,157)	(369,962)
Taxation	-	-
	<u>-</u>	<u>-</u>
Net loss after taxation, representing total comprehensive loss for the period	<u>(1,668,157)</u>	<u>(369,962)</u>
Total comprehensive loss comprises the following:		
Net realised loss	(223,911)	(62,741)
Net unrealised loss	(1,444,246)	(307,221)
	<u>(1,668,157)</u>	<u>(369,962)</u>

The accompanying notes form an integral part of the financial statements.

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
For the financial period from 1 May 2022 to 31 July 2022

	Unitholders' capital RM	Accumulated loss RM	NAV attributable to unitholders RM
As at 3 May 2021 (date of launch)	-	-	-
Net loss after taxation	-	(369,962)	(369,962)
Creation of units	28,463,955	-	28,463,955
As at 31 July 2021	<u>28,463,955</u>	<u>(369,962)</u>	<u>28,093,993</u>
As at 1 May 2022	28,551,255	(3,660,028)	24,891,227
Net loss after taxation	-	(1,668,157)	(1,668,157)
Creation of units	474,405	-	474,405
Cancellation of units	(398,907)	-	(398,907)
As at 31 July 2022	<u>28,626,753</u>	<u>(5,328,185)</u>	<u>23,298,568</u>

UNAUDITED STATEMENT OF CASH FLOWS
For the financial period from 1 May 2022 to 31 July 2022

	01.05.2022 to 31.07.2022 RM	03.05.2021 to 31.07.2021 RM
Cash Flows From/(Used in) Operating And Investing Activities		
Proceeds from sale of investments	4,010,738	-
Purchase of investments	(2,016,007)	(23,826,212)
Dividends received	164,182	51,469
Interest received	16,495	33,852
Manager's fee paid	(89,558)	(20,863)
Trustee's fee paid	(3,051)	(1,695)
Payment for other fees and expenses	(1,602)	(563)
Net cash from/(used in) operating and investing activities	<u>2,081,197</u>	<u>(23,764,012)</u>
Cash Flows From/(Used in) Financing Activities		
Cash proceeds from units created	474,405	28,463,955
Cash paid on units cancelled	(235,629)	-
Net cash from financing activities	<u>238,776</u>	<u>28,463,955</u>
Net movement in cash and cash equivalents	2,319,973	4,699,943
Cash and cash equivalents at beginning of the financial period	1,655,934	-
Cash and cash equivalents at end of financial period	<u>3,975,907</u>	<u>4,699,943</u>
Cash and cash equivalents comprise:		
Cash at bank	5,907	9,943
Deposit with a licensed financial institution	3,970,000	4,690,000
	<u>3,975,907</u>	<u>4,699,943</u>

The accompanying notes form an integral part of the financial statements.

CORPORATE INFORMATION

THE MANAGER

Phillip Capital Management Sdn Bhd (199501004372)(333567-D)

Registered Office

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TRUSTEE

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Fax: 603-2261 9889

BOARD OF DIRECTORS

Datin Hajjah Nona Binti Salleh

Mr. Mohd Fadzli Bin Mohd Anas

Saw Leong Aun

Chai Chung Bin

Loke Ka Wai

Azizah Binti Mohd Yatim (Appointed on 1 July 2022)

COMPANY SECRETARY

Mr. Tan Boon Seng (MAICSA 0749659)

Compac Sdn Bhd (198301005174)(100797-W)

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ENQUIRIES

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PHILLIP CAPITAL MANAGEMENT SDN BHD

(199501004372)(333567-D)

Capital Markets and Services Licence No. : CMSL/A0044/2007

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