

# Phillip Value Growth Fund

## Quarterly Fact Sheet

### FEBRUARY 2023



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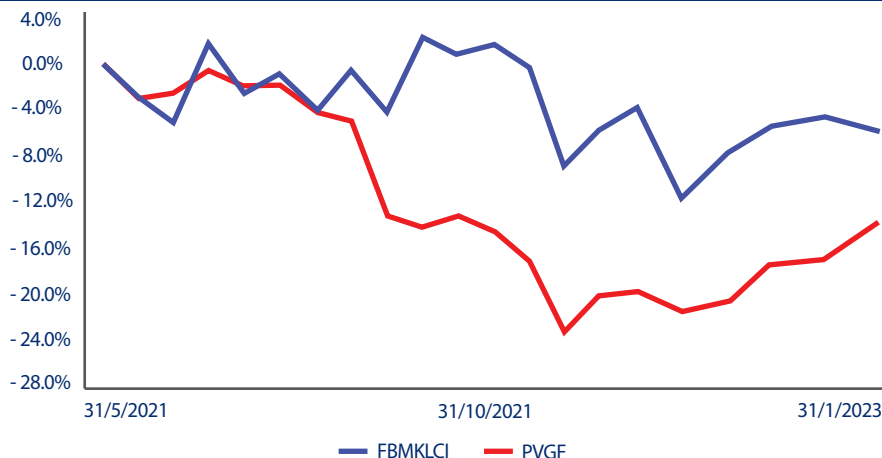
#### FUND INFORMATION

Investment Manager	: Phillip Capital Management Sdn Bhd (199501004372)
Trustee	: CIMB Commerce Trustee Berhad (313031-A)
Fund Objectives	: The Fund aims to achieve long term capital growth with regular income distribution.
Asset Allocation	: 60% - 100% of the Fund's NAV will be invested in equities and equity-related securities. Remaining NAV of the Fund will be in Fixed income securities, Deposits, money market instruments and/or collective investment schemes investing in money market instruments and/or Deposits.
Fund Category	: Equity (Wholesale) / Growth & Income
Investor Profile	: The Fund is suitable for Sophisticated Investors who have a long-term investment horizon and seek regular income.
Benchmark	: FBMKLCI
Inception Date	: 3rd May 2021 @ RM1.0000
Fund Size	: RM23,796,863.31
Unit NAV	: RM0.8489 as of 31st Jan 2023

#### FEES & OTHER CHARGES

Initial Investment	: RM100,000.00
Subsequent Investment	: RM10,000.00
Sales Charge	: Up to 3.00% of the subscription amount of the Fund.
Management Fee	: 1.50% per annum of the NAV of the Fund. Calculated, accrued and payable to the Manager on monthly basis.
Trustee Fee	: 0.04% per annum of the NAV of the Fund, subject to a minimum fee of RM 12,000 per annum. Calculated, accrued and payable to the Trustee on monthly basis.
Performance Fee	: 20.00% on the appreciation in the NAV per Unit (before deducting the performance fee) over and above the High Water Mark during the Performance Period.
Dealing Time for Subscription	: Complete applications, accompanied by all relevant supporting documents and payment in cleared funds, must be received by the Manager by the twenty-fifth (25th) Calendar Day of every month.
Dealing Time for Redemption	: A redemption request must be received by the Manager by the twenty-fifth (25th) Calendar Day of every month, or the earlier business day if it falls on holiday, and in either case, such other time or day or period as the Manager may from time to time determine.

#### PORTFOLIO PERFORMANCE



Portfolio	1M	3M	6M	1Y	YTD	Since inception*
PVGF	3.61%	6.63%	5.41%	-3.26%	3.61%	-15.11%
FBMKLCI	-0.67%	1.72%	-0.45%	-1.77%	-0.67%	-5.84%

\*Since inception (May 2021)

Source: Phillip Capital Management

#### MANAGER'S COMMENTS

The Fund performance increased 2.49%, 0.42% and 3.61% respectively in November 2022, December 2022 and January 2023. The overall market was reacted positively after the Malaysia General Election in November 2022 that formed a new coalition government which led by our new Prime Minister Dato' Seri Anwar Ibrahim. We observed that more foreign funds and foreign direct investment had flowed into the market and economic signs were positive that attracts many international investors in having confidence and positive outlook to the new government.

The 3 major US indices: Dow Jones, Nasdaq and S&P500 continues to maintain its bullish trend that recovered in October 2022. The 3 indices trend maintains sideways with slight increase of approximately 5% by the end of January 2023 as the US market reacted positively as the forecast of FED to slow down the interest rate hike in 2023 to mild mode compared to aggressive mode in 2022. To recap that, FED had aggressively increased the FED fund rate for 8 times with a total of 4.50% surge in 2022.

Though lower than its previous year hikes, the latest move will further heighten the costs of many consumer and business loans and increase the risk of a recession. The policymakers also forecast that their key short-term rate will reach a range of 5% to 5.25% by the end of 2023, suggesting that the US Fed were prepared to raise its benchmark rate by an additional three-quarters of a point despite signs of cooling inflation. The MSCI Europe Index was similarly pressured, as it fell 3.6% m-o-m as signs of reopening in China and ongoing geopolitical tension saw increase in commodities prices for the month, spooking investors. The European Central Bank stressed that significant tightening remained ahead.

In China, the Shanghai Composite Index increased 12.5% while Hang Seng Index jumped by 49% from October 2022 to January 2023, after Beijing continue to loosen its pandemic restrictions that have constrained China's economic growth since early 2020. However, we do not discount the possibility of rebound in inflation number as China reopens its economies, which will boost demand for commodities, but at the same time mitigating years long supply chain disruptions. We still monitoring closely the tension development between China and Taiwan conflict that may lead another instability to the market and geopolitical issue as President Xi remained one of his manifestos is to unite Taiwan into the Republic of China.

Partly due to the increasing friction between the US and China and the supply chain disruption triggered by the pandemic, moves are under way to rebuild the semiconductor supply chain. While changes in economic conditions could cause demand to fluctuate, we expect the semiconductor market to grow over the longer term as the value of semiconductors installed per product increased in each application market and to ensure adequate production capacity. Overall, we will focus on companies that have businesses and products with stable prospects in the short-term and the potential for growth in the longer term.

On our local equity market was sideways with slightly 2% increase in FBMKLCI, as it moved from 1460pts level to 1486pts level by January 2023. The slight uptrend was due to the new-elected government after the General Election, as well as the uptrend of US market and rebound China market after the reopen border announcement. Few of the best performing sectors were technology, consumer, industrial, transportation and energy.

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 31st Jan 2023 were 1.92. It increased from previous level of 1.66. 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: Phillip Capital Management

INVESTMENT STRATEGY

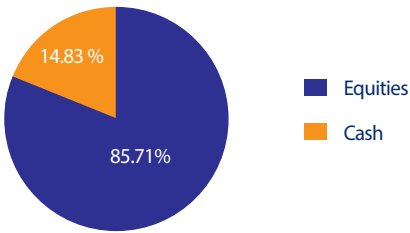
PVGF applies adaptive Buy and Hold strategy with portfolio rebalancing measures on monthly or quarterly basis when needed. This includes company that exceeds individual or sectorial maximum capping limit from time to time and if there are new opportunities occur in watch list especially when the Price-to-Book is at the low or discounted level. Overall, the Fund will actively manage and monitor the companies in the portfolio and watch list.

We added Sunview Group Berhad (SUNVIEW) into the portfolio to further enhance our strategies of diversifying certain portfolio allocation to growth investing opportunities. SUNVIEW were new IPO listed in Bursa Malaysia Ace Market in October 2022 as SPP (Solar Power Producer) and EPCC (Engineering, Procurement, Construction & Commissioning) contractor for solar related projects in Malaysia. They met our criteria of business with high growth prospect and businesses with double digit growth after securing RM750 million order book. It need to be completed in 2 years period thus it will be contribute positively to the financial effects of FY23 and FFY24.

PVGF also completed its disposal of LIHEN from the portfolio as coming middle term prospect of the group export business that covers the US and UK markets would be negatively impacted by deteriorating spending power and demand due to high inflation and weaker market outlook.

Cash position in PVGF decreased as compared to previous quarter as we added new counter and increased equities position into our portfolio.

ASSET ALLOCATION



Source: Phillip Capital Management

TOP 10 HOLDINGS

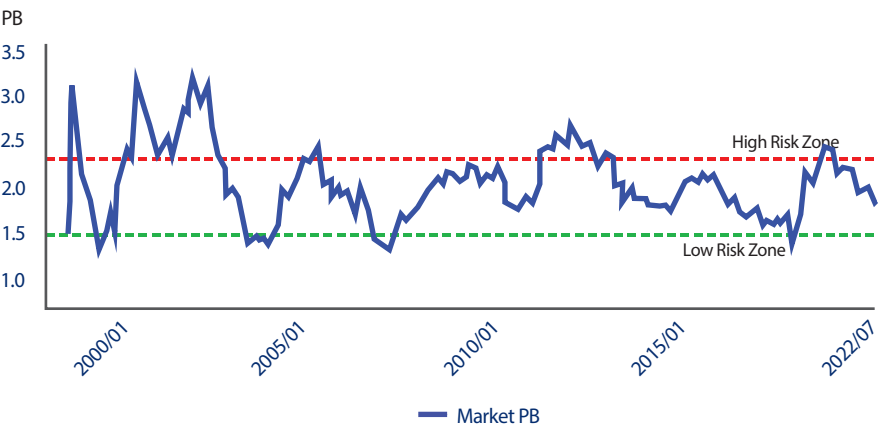
Holdings	%
1. UNISEM (M) BERHAD	6.12 %
2. COASTAL CONTRACTS BERHAD	5.33 %
3. MALAYSIAN PACIFIC INDUSTRIES BERHAD	5.20 %
4. VSTECs BERHAD	5.03 %
5. MY E.G. SERVICES BERHAD	4.92 %
6. APEX HEALTHCARE BERHAD	4.64 %
7. V. S. INDUSTRIES BERHAD	4.30 %
8. SCIENTX BERHAD	4.28 %
9. THONG GUAN INDUSTRIES BERHAD	3.78 %
10. PUBLIC BANK BERHAD	3.62 %

Source: Phillip Capital Management

For more information

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MARKET PB



Source: Phillip Capital Management