

PHILLIP VALUE GROWTH FUND

UNAUDITED
QUARTERLY REPORT

FOR THE FINANCIAL PERIOD
ENDED 31 OCTOBER 2023

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 October 2023

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	:	Phillip Value Growth 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	:	24.96 million units

FUND PERFORMANCE

Financial Highlights

Category	As at 31.10.2023	As at 31.07.2023	As at 30.4.2023
Quoted Equity Securities	%	%	%
Banks	1.90	3.57	3.41
Capital Goods	2.06	2.36	2.61
Diversified Financials	1.13	-	-
Energy	7.74	10.10	9.76
Food, Beverage & Tobacco	13.53	15.03	14.97
Health Care Equipment & Services	9.56	3.88	3.39
Industrials	11.60	5.95	5.58
Insurance	2.17	4.33	4.26
Materials	10.79	10.85	10.80
Pharma, Biotech & Life Sciences	3.76	5.40	5.63
Real Estate	1.48	-	-
Semiconductors & Semi Equipment	5.83	10.98	10.33
Software & Services	11.20	5.82	5.67
Technology Hardware & Equipment	7.11	9.73	9.02
Telecommunication Services	2.57	1.39	2.37
Transportation	2.34	-	-
	94.77	89.39	87.80
Cash And Liquid Assets	5.23	10.61	12.20
Total	100.00	100.00	100.00
Net Asset Value (RM'000)	20,075	21,355	22,608
Number Of Units In Circulation (Units '000)	24,957	25,884	27,543
Net Asset Value Per Unit (RM)	0.8044	0.8250	0.8208
Total Expense Ratio ("TER")*^	0.43%	0.39%	1.42%
Portfolio Turnover Ratio (times)^	0.31	0.02	0.35

The Total Expense Ratio for the current financial period is remains relatively consistent with that of the previous financial period. (31 October 2022: 0.43%)

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

The Portfolio Turnover Ratio for the current quarter is higher due to increase in investing activities. (31 October 2022: 0.03 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 31.10.2023	-2.50%	-	-1.18%	-
3 Months' Period Ended 31.7.2023	0.51%	-	3.07%	-
Since launch (3.5.2021 to 30.4.2023)	-17.92%	-9.00%	-10.99%	-5.52%
	1.8.2023 to 31.10.2023	1.5.2023 to 31.7.2023	1.5.2022 to 30.4.2023	Since launch 3.5.2021 to 30.4.2022
Phillip Value Growth Fund				
- Capital Return	-2.50%	0.51%	-4.86%	-13.73%
- Income Return	0.00%	0.00%	0.00%	0.00%
- Total Return	-2.50%	0.51%	-4.86%	-13.73%
FBMKLCI	-1.18%	3.07%	-11.53%	1.44%
	1.8.2023 to 31.10.2023	1.5.2023 to 31.7.2023	1.5.2022 to 30.4.2023	Since launch 3.5.2021 to 30.4.2022
Unit Prices				
Highest NAV (RM)	0.8410	0.8302	0.8627	1.0000
Lowest NAV (RM)	0.8041	0.8002	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:

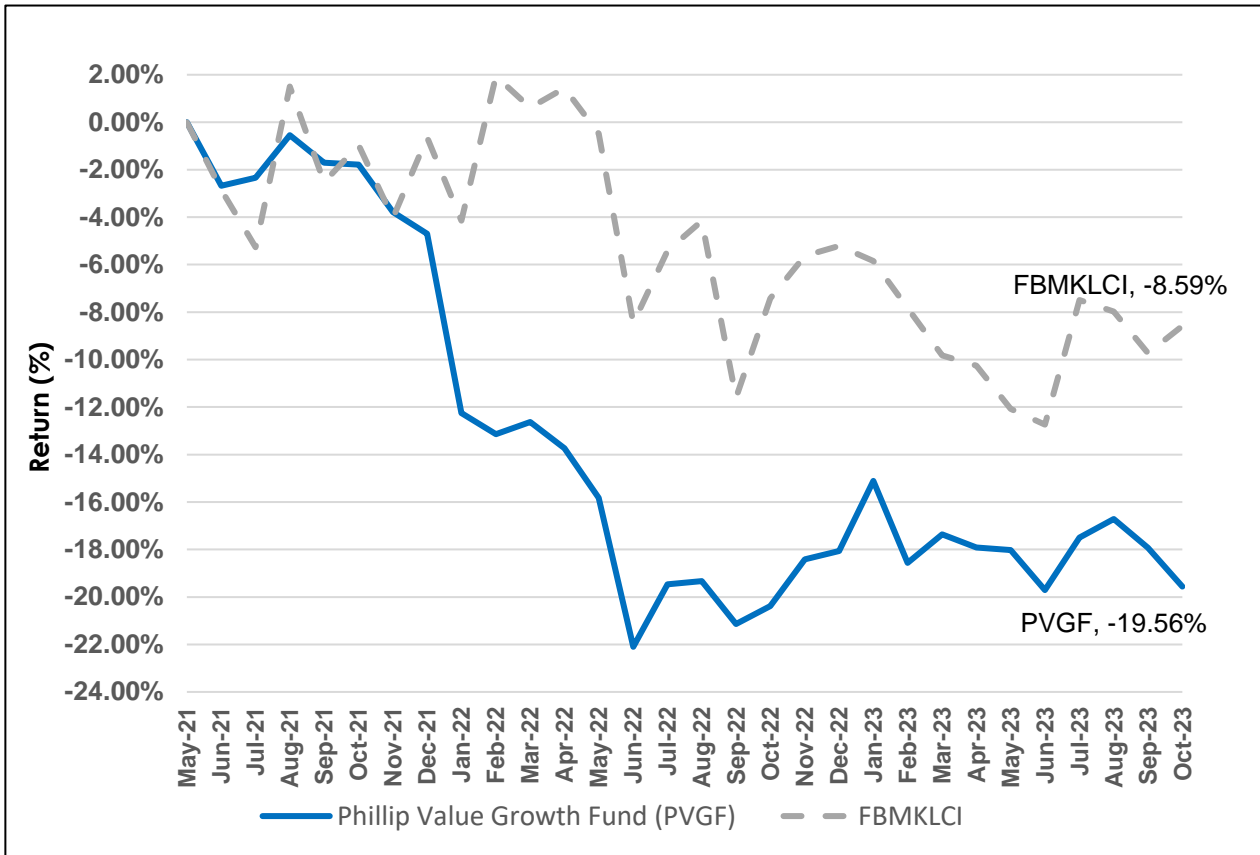
1. All figures pertaining to the Fund's return were extracted from Lipper.
2. The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

MANAGER’S REPORT

Performance Review

The Fund performance increased 0.95% in Aug 2023 then decreased to 1.45% in Sep 2023 and 1.99% in Oct 2023 amidst the new surprise attacks on 07 Oct, between Israel and Hamas at war from Gaza Strip. Israel and Hamas are once again at war after the Palestinian group launched a large aerial and ground operation from the blockaded Gaza Strip, its biggest attack in years.

Comparison Between Fund’s Performance And Benchmark Since Launch



Source: Phillip Capital Management Sdn Bhd, Bloomberg

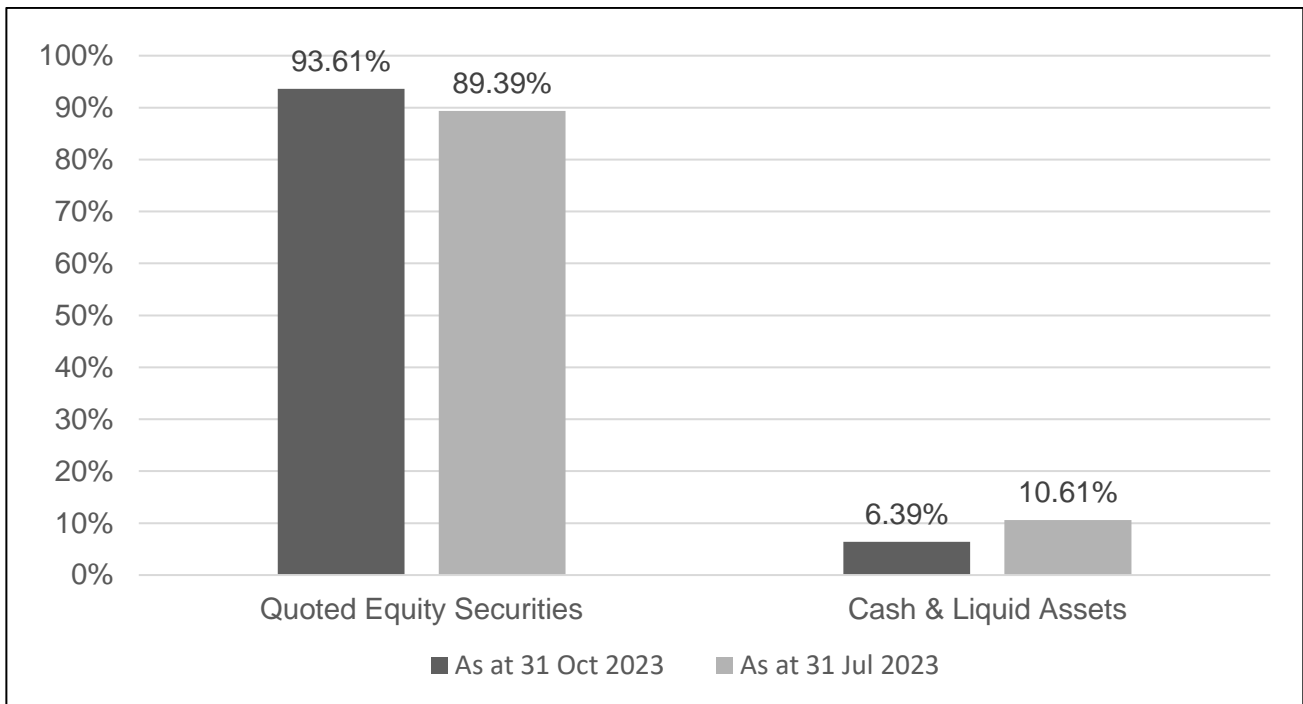
Investment Strategy Review

PVGF uses adaptive Buy and Hold strategy with portfolio rebalancing measures on monthly or quarterly basis, when needed. This also applies to companies that exceed 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.

In continuing part of portfolio rebalancing strategy PVGF completely disposed of Syarikat Takaful Malaysia Berhad, Telekom Malaysia Bhd, Hup Seng Industries Bhd and Gamuda Berhad during the Quarter. The enhancement of the strategy included switching to companies that potentially with growth momentum in term of earning delivery and aggressive in business expansion.

Then we added Fraser & Neave Holdings Berhad, Kelington Group Bhd, SAM Engineering and Equipment (M) Berhad, LGMS Berhad, Pentamaster Corporation Berhad, Optimax Holdings Berhad, Supercomnet Technologies Berhad, TMC Life Sciences Berhad, Westports Holdings Berhad, Time Dotcom Berhad, Astino Bhd, Sunway Real Estate Investment Trust, Dagang Nexchange Berhad, Pantech Group Holdings Berhad and AEON Credit Service (M) Berhad in broadening our new investment opportunities.

Asset Allocation



The quoted equity securities allocation of Phillip Value Growth Fund increased to 93.61% as of 31 Oct 2023 from 89.39% recorded at the second quarter under review due to net equity purchase.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Phillip Value Growth Fund decreased from RM0.8250 as of 31 July 2023 to RM0.8044 as of 31 Oct 2023. Meanwhile, total NAV of the Fund decreased from RM21,355,343 to RM20,335,277 mainly due to net loss from equities performance and partial withdrawal from investors.

Market Review

Equity Market Review

Our local equity market in this 3rd quarter of 2023, it dropped from 1452 pts level to 1424pts level in August and September 2023. Then it went back slightly to 1,442pts level in October amidst combination of various factors including mixed corporate earnings, Middle East tensions, rising Treasury yields and concerns about prolonged high interest rates.

Malaysia was on the right track to draw more high-impact investments using available incentives and focus on key sectors to drive employment, household income and economic sustainability. According to Tengku Zafrul, the Investment, Trade and Industry Minister in Sep, Malaysia saw RM132.6bil approved investment in 1H2023, on track. It also expects approved investment to record stronger growth in 2H2023, on track to hit its annual target, after achieving RM132.6 billion worth of approved investment in 1H2023.

The Prime Minister Anwar Ibrahim also launches the National Energy Transition Roadmap (NETR) with Putrajaya allocating a RM2 billion “seed fund” as an energy transition facility. Malaysia will move towards embracing sustainability and to gain momentum to ensure energy is affordable and secure.

While on 13 Oct, Anwar govt tables in second budget at record of RM393.8b allocation for 2024. Almost eight months after PM DS Anwar Ibrahim tabled his first federal budget, today's tabling of Budget 2024 will be the government's biggest federal spending yet at RM393.8 billion to date. As

Anwar's government seeks to rationalise existing subsidy spending with the intention of consolidating the country's fiscal position, Budget 2024's amount is over RM7.66 billion than the one tabled last February according to Ministry of Finance's Fiscal Outlook and Federal Government Revenue Estimates 2024 report.

And Putrajaya expects service tax hike to bring in additional RM3b revenue in 2024. The government expects to raise an additional revenue of RM3 billion through the increase in the sales and service tax (SST) to 8% next year, from 6% currently, according to Treasury secretary general Datuk Johan Mahmood Merican.

The continuous geopolitical issue in Russia-Ukraine war resulting the US's sanction on Russia that affecting our global supply chain, logistic & transportation and global import export activities, economy slowdown due to US-China trade war and the aggressive policy of the US Federal Reserve (FED) interest rate hike although eases.

In September the US Federal Reserve (FED) leaves interest rates unchanged and held the interest rates steadily after the last hike of 25bps in Jul 2023 but stiffened its hawkish stance, with another rate increase projected by the end of the year and monetary policy kept significantly tighter through 2024 than previously expected. This accelerated the US economic growth to 4.9% in the third quarter.

The US economy expanded faster than expected in the third quarter, growing at its quickest pace in almost two years in the latest sign of the country's economic resilience despite high interest rates. Strong consumer spending was the main driver of a 4.9 per cent annualised increase in GDP, according to preliminary figures from the commerce department's Bureau of Economic Analysis.

In our observation to China, China cuts bank reserve requirements to aid fiscal stimulus. PBOC cut the amount of cash lenders must hold in reserve for the second time this year to help banks support government spending to stimulate the slowing economy. PBOC lowered the reserve requirement ratio for most banks by 25 basis points. The weighted average RRR for banks will be 7.4% after the reduction.

This also trigger IMF stance in view that global economy was 'limping along', cutting its growth forecast for China and euro zone. The International Monetary Fund cut its growth forecasts for China and the euro zone in its latest World Economic Outlook in 2024 forecast to 2.9% from its July forecast of 3.0% while leaving the forecast for global growth in 2023 unchanged at 3.0%.

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 Oct 2023 was 1.84. It had increased from previous level of 1.83. This indicates 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 period 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 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 October 2023 and of its financial performance, changes in net asset value and cash flows for the financial period 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
18 December 2023

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 31 October 2023

	31.10.2023	31.10.2022
	RM	RM
Assets		
Investments	19,036,021	18,606,469
Dividend receivable	4,096	3,031
Interest receivable	85	316
Amount due from brokers/dealers	312,734	124,722
Cash and cash equivalents	1,054,194	4,716,641
Total assets	<u>20,407,130</u>	<u>23,451,179</u>
Liabilities		
Amount due to Manager	286,772	29,749
Amount due to brokers/dealers	33,895	-
Other payables	11,252	11,194
Total liabilities	<u>331,919</u>	<u>40,943</u>
Total equity/Net Asset Value (“NAV”) of the Fund	<u>20,075,211</u>	<u>23,410,236</u>
Equity		
Unitholders’ capital	25,323,038	29,004,862
Accumulated losses	(5,247,827)	(5,594,626)
NAV attributable to unitholders	<u>20,075,211</u>	<u>23,410,236</u>
Total equity and liabilities	<u>20,407,130</u>	<u>23,451,179</u>
Number of units in circulation (Units)	<u>24,957,418</u>	<u>29,404,692</u>
NAV per unit	<u>0.8044</u>	<u>0.7961</u>

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For the financial period from 1 August 2023 to 31 October 2023

	01.08.2023 to 31.10.2023 RM	01.08.2022 to 31.10.2022 RM
Income/(Loss)		
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")	112,120	125,738
Interest income	13,277	27,088
Net realised loss from sale of financial assets at FVTPL	(748,743)	(207,920)
Net unrealised gain/(loss) on changes in value of financial assets at FVTPL	250,870	(103,407)
	<u>(372,476)</u>	<u>(158,501)</u>
Expenses		
Audit fee	2,136	2,292
Tax agent's fee	955	958
Manager's fee	78,978	89,852
Trustee's fee	3,016	3,081
Brokerage and other transaction fees	56,163	7,022
Administration expenses	5,542	4,735
	<u>146,790</u>	<u>107,940</u>
Net loss before taxation	(519,266)	(266,441)
Taxation	-	-
Net loss after taxation, representing total comprehensive loss for the period	<u>(519,266)</u>	<u>(266,441)</u>
Total comprehensive loss comprises the following:		
Net realised loss	(770,136)	(163,034)
Net unrealised gain/(loss)	250,870	(103,407)
	<u>(519,266)</u>	<u>(266,441)</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 August 2023 to 31 October 2023

	Unitholders' capital RM	Accumulated loss RM	NAV attributable to unitholders RM
As at 1 August 2022	28,626,753	(5,328,185)	23,298,568
Net loss after taxation	-	(266,441)	(266,441)
Creation of units	378,109	-	378,109
Cancellation of units	-	-	-
As at 31 October 2022	<u>29,004,862</u>	<u>(5,594,626)</u>	<u>23,410,236</u>
As at 1 August 2023	26,083,904	(4,728,561)	21,355,343
Net loss after taxation	-	(519,266)	(519,266)
Creation of units	19,900	-	19,900
Cancellation of units	(780,766)	-	(780,766)
As at 31 October 2023	<u>25,323,038</u>	<u>(5,247,827)</u>	<u>20,075,211</u>

UNAUDITED STATEMENT OF CASH FLOWS
For the financial period from 1 August 2023 to 31 October 2023

	01.08.2023 to 31.10.2023 RM	01.08.2022 to 31.10.2022 RM
Cash Flows (Used in)/From Operating and Investing Activities		
Proceeds from sale of investments	5,981,942	1,218,644
Purchase of investments	(6,733,779)	(717,270)
Dividends received	82,126	101,835
Interest received	13,428	27,490
Manager's fee paid	(80,212)	(87,979)
Trustee's fee paid	(2,984)	(3,016)
Payment for other fees and expenses	(13,852)	(13,802)
Net cash (used in)/from operating and investing activities	<u>(753,331)</u>	<u>525,902</u>
Cash Flows (Used in)/From Financing Activities		
Cash proceeds from units created	19,900	378,109
Cash paid on units cancelled	<u>(1,187,551)</u>	<u>(163,277)</u>
Net cash (used in)/from financing activities	<u>(1,167,651)</u>	<u>214,832</u>
Net (decrease)/increase in cash and cash equivalents	(1,920,982)	740,734
Cash and cash equivalents at beginning of the financial period	<u>2,975,176</u>	<u>3,975,907</u>
Cash and cash equivalents at end of financial period	<u>1,054,194</u>	<u>4,716,641</u>
Cash and cash equivalents comprise:		
Cash at bank	2,194	6,641
Deposit with a licensed financial institution	<u>1,052,000</u>	<u>4,710,000</u>
	<u>1,054,194</u>	<u>4,716,641</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

Lot 25-4-12, 4th Floor, Plaza Prima Batu 4 1/2, Jalan Kelang Lama, 58200 Kuala Lumpur.
Tel : 603-7890 2863 / 7983 0277

Business Office

B-18-6, Block B Level 18 Unit 6, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur.
Tel : 603-2783 0300
Fax: 603-2166 5099
Website: <https://www.phillipinvest.com.my>
E-mail: pcm@phillipcapital.com.my

TRUSTEE

CIMB Commerce Trustee Berhad (199401027349)(313031-A)

Registered Office

Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
Tel: 603-2261 8888
Fax: 603-2261 0099
Website: <http://www.cimb.com>

Business Office

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Tel: 603-2261 8888
Fax: 603-2261 9889

BOARD OF DIRECTORS

Datin Hajjah Nona Binti Salleh
Mr. Mohd Fadzli Bin Mohd Anas
Chai Chung Bin
Loke Ka Wai
Norlia Binti Mohd Ali
Saw Leong Aun (Resigned on 10 May 2023)

COMPANY SECRETARY

Koh Siang Choo (MIA 4640)
Compac Sdn Bhd, Lot 25-4-12, 4th Floor, Plaza Prima, Batu 4 1/2, Jalan Kelang Lama, 58200 Kuala Lumpur.
Tel : 603-7890 2863 / 7983 0277
Email: compac.cosec@gmail.com

AUDITORS

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Level 16, Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.
Tel: 603-7610 8888
Fax: 603-7726 8986
Website: www.deloitte.com/my

TAX ADVISER

Deloitte Tax Services Sdn Bhd (197701005407)(36421-T)
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ENQUIRIES

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PHILLIP CAPITAL MANAGEMENT SDN BHD

(199501004372)(333567-D)

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