

Phillip Investment Funds

Semi-annual report
For the period ended 30 June 2018 (unaudited)

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Phillip Investment Funds

Directory

Manager

Phillip Capital Management (S) Ltd
250 North Bridge Road #06-00
Raffles City Tower
Singapore 179101
(Company Registration No. 199905233W)

Directors of the Manager

Lim Hua Min
Jeffrey Lee Chay Khiong
Linus Lim Wen Sheong
Lee Ken Hoon
Lim Wah Sai
Louis Wong Wai Kit

Trustee & Registrar

BNP Paribas Trust Services Singapore Limited
20 Collyer Quay
#01-01
Singapore 049319
(Company Registration No. 200800851W)

Custodian and Fund Administrator

BNP Paribas Securities Services operating through its Singapore Branch
20 Collyer Quay
#01-01
Singapore 049319
(Company Registration No. T08FC7287D)

Auditors

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Solicitors to the Manager

Chan & Goh LLP
50 Craig Road, #03-01
Singapore 089688

Solicitors to the Trustee

Dentons Rodyk & Davidson LLP
80 Raffles Place
#33-00 UOB Plaza 1
Singapore 048624

Phillip Investment Funds

Manager's Investment Reports

Phillip Money Market Fund

For the half year ended 30 June 2018, the fund generated a net return of 0.50% and 0.93% for the 6-month and 1-year period respectively.

As of 30 June 2018, the portfolio's Weighted Average Maturity ("WAM") stood at 83 days while liquidity profile remains strong with a one-month liquidity of 28%. In terms of sector and geographical holdings, the portfolio remains well-diversified.

According to advance estimates released by the Ministry of Trade & Industry ("MTI") in July 2018, the Singapore economy expanded 3.8% year-on-year ("YoY") in the second quarter of the year. This represents a slowdown from the 4.3% registered in the first quarter of 2018, due to easing momentum across manufacturing and services sectors. Growth prospects for the Singapore economy is expected to be positive despite the presence of global trade risks, with the Monetary Authority of Singapore ("MAS") forecasting full-year GDP to be "slightly above the middle of the forecast range" of 1.5% to 3.5%.

Singapore's manufacturing sector remains the outperformer with a stellar 8.6% YoY expansion in 2Q18, even though the pace has slowed from the 9.7% growth achieved in the first three months of this year. The electronics and biomedical manufacturing clusters have been the key drivers to manufacturing growth over the first half of the year. However, we do expect a moderation in growth momentum going forward due to the high base effect of 2017 and downside risks to electronic export demand given the ongoing US-China trade tensions. The services sector expanded 3.4% YoY over 2Q18 supported by the finance & insurance and wholesale & retail trade sectors. Construction continues its drag on economic growth by contracting 4.4% YoY, weighed down by weakness in private sector construction activities.

According to the MAS, Singapore's overall consumer price index rose 0.6% YoY in June. Higher consumer prices were mainly due to inflation noted in food, services and private road transport, partially offset by lower costs of accommodation. The MAS forecasts core and headline inflation to come in within the upper half of the 1%-2% and 0%-1% range respectively for 2018. The MAS also emphasised the likelihood of a mild upside to imported inflation brought on by higher global oil prices compared with a year earlier. Nevertheless, stable inflation expectations and downside risks to growth due to global trade tensions, will lead to MAS maintaining its current monetary policy stance of a slight appreciative slope in the Singapore dollar nominal effective exchange rate policy band at its upcoming policy meeting in October 2018.

Domestic short-term interest rates have followed the USD London Interbank Offered Rates ("LIBOR") in trending higher, with the 3-month SGD Swap Offer Rate ("SOR") exhibiting a steeper climb than the Singapore Interbank Offered Rates ("SIBOR"). The Federal Reserve's Open Market Committee (FOMC) raised its federal funds target rate by 25bps for the second time this year during the June meeting from 1.75% to 2.00%. Furthermore, the FOMC upgraded its median dot plot from a finely balanced three rate hikes in 2018 to four. The released FOMC statement stressed that gradually rising interest rates are unlikely to derail the strong growth of the US economy while recognising the strength of the labour markets and willingness to accept inflation temporarily trending above its symmetric 2% longer-run objective. As at end June 2018, the 3-month LIBOR climbed to a high of 2.34% from the 1.69% six months earlier. Over the same period, the 3-month SIBOR has risen slightly from 1.50% to 1.52%, while the 3-month SOR rose from 1.11% to 1.59%.

In 2018, our views are of higher short-term interest rates in Singapore given that core inflation is expected to be within the upper bounds of the official forecast range of 1-2%, and the exchange rate-centered monetary policy ensures domestic interest rates will trend higher with rising US Federal Fund rates. We maintain a short maturity profile for the portfolio to capitalise on opportunities while keeping a strong liquidity profile and prudent management of interest rate risk by maintaining a target portfolio WAM of within 90 days.

Phillip Investment Funds

Manager's Investment Reports

Phillip Income Fund

Global equities started the year on a positive note where the MSCI World Index edged up more than 5.0% in SGD terms in January 2018 but moderated to 2.7% by end June 2018. Regional indices like MSCI Asia Pacific ex Japan (MXAPJ) and MSCI Emerging Markets Index also tracked the same path and ended the half year on a weaker note. The total returns for both MXAPJ and MXEF declined -2.1% and -4.7% respectively during the same period. The rising trade dispute between the United States and China has contributed volatility to both Asian and Emerging markets as China is a top trading partner to most of its Asian peers. On the fixed income side, the J.P. Morgan Asia Credit Index has recovered from its low in March 2018 but still registered a half yearly loss of -1.45% (SGD terms).

Outlook for equities remains positive as leading developed economies like the United States and in the Eurozone are still experiencing improving economic growth, and ECB is contemplating whether to end QE by 2019, which is seen as a positive outlook for the European bloc. US nominal GDP for Q2 2018 has recovered strongly with a growth rate of 5.4% year on year, and the consensus view is a full year growth of 2.9% after taking into account inflation. Though the Eurozone is expected to grow at 2.2% (in real terms) in 2018 as compared to 2.4% in 2017, the moderation in growth will still be viewed with optimism as CPI continues to rise in tandem with growth, and unemployment rate is at a 10 year low

In terms of asset allocation, the fund's exposure to equities and fixed income stands at 65% and 24% respectively as at end June 2018. The team will continue to overweight equities towards the 70% mark relative to the strategic allocation of 60%. Over the same period, equities weightings in Malaysia, Taiwan and Japan have been reduced in favor of increased equities exposure towards Hong Kong and the United Kingdom. In the developed markets, equities in the Eurozone and Japan have become more attractive relative to their US peers. Currently, the Euro Stoxx 50 index and Nikkei 225 index are trading at historical price earnings ratio of 16 times compared to 21 times for the S&P 500 Index.

During the six months ended June 2018, the fund has a net sales position of almost 5% and cash holdings rose to 10%. In view of the greater volatility in the Asian credit market, the team has taken some risk off the table by partially locking in profits and rebalancing existing positions. On the equities portfolio, the team has locked in profits on its crude oil exposure through companies like Keppel Corp, Total SA and SINOPEC after crude oil prices rose by almost 20% in the first half of 2018. The team remains positive on oil prices in the next 12-24 months given better global growth expectations and a weaker USD which is deemed positive for commodity prices.

As at end June 2018, the fund's foreign currency exposure remains skewed towards developed markets like the USD, HKD, EUR, GBP and JPY. USD and HKD exposures form the largest block of foreign currency exposures in the fund with a contribution of 24.2% and 11.8% respectively. In Q1 2018, the SGD strengthened against the USD marginally by 1.5% and the team took the view of a stronger USD in the near term, by gaining more exposure in USD denominated instruments. The USD has since strengthened against the SGD in Q2 2018 by 3.9%. Likewise, the team also increased the HKD exposure on the back of stronger SGD (+2.6%) in the first quarter of 2018. The fund's exposure to HKD increased from 7.8% to 11.8% over the six month period and the HKD has since gained ground in Q2 2018 by 3.8%. In view of a continuation in GDP growth in the US which will see the US Federal Reserve hiking Fed rates to curb excessive inflationary pressure in the economy, the USD will see more weakness in the next 12 months. In anticipation, the team will hedge part of the fund's USD exposure for the next 6 to 12 months.

In conclusion, the fund achieved a flat total return of -0.1% after taking into account the S\$0.02 cash distribution, which we declared in mid-March 2018. Overall, the dividend yield of the portfolio has improved from 2.6% to 3% over the six month period ending June 2018. With this in mind, the team will continue to make better returns for all of our supportive unit holders in the coming years.

Phillip Investment Funds

Report to Unitholders For the period ended 30 June 2018 (unaudited)

The following contains additional information relating to the Sub-Funds.

1. Distribution of investments

Please refer to the Statements of Portfolio on pages 17 to 26.

2. Schedule of investments by asset class

Phillip Money Market Fund

Asset Class	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Debt securities	406,761,910	49.15
Fixed deposits	401,456,576	48.52
Cash and cash equivalents	42,217,049	5.10
Other net liabilities	(22,909,185)	(2.77)
Net assets attributable to unitholders	827,526,350	100.00

Type of Money Market Instruments and Debt Securities

	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
	403,663,087	48.78
Fixed rate notes	3,098,823	0.37
Accrued interest on fixed rate notes	406,761,910	49.15

Phillip Income Fund

Asset Class	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Debt securities	2,920,938	24.09
Quoted equities	6,815,820	56.20
Quoted investment funds	116,824	0.96
Real estate investment trusts	937,039	7.73
Cash and cash equivalents	1,539,665	12.70
Other net liabilities	(203,261)	(1.68)
Net assets attributable to unitholders	12,127,025	100.00

Phillip Investment Funds

Report to Unitholders

For the period ended 30 June 2018 (unaudited)

3. Credit rating of debt securities

Phillip Money Market Fund

	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
A	6,001,423	0.73
AA	12,758,663	1.54
AAA	11,937,882	1.44
Aa2*	45,248,382	5.47
A1*	4,267,183	0.51
A3*	20,421,783	2.47
Not Rated	303,027,771	36.62
Accrued interest on debt securities	3,098,823	0.37
	<u>406,761,910</u>	<u>49.15</u>

Source of credit rating is from Standard & Poor's except for the following:

* Credit rating is from Moody's

Phillip Income Fund

	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
A	597,454	4.93
A*	527,826	4.35
AAA	236,293	1.95
BB*	279,857	2.31
BBB	511,059	4.21
Not Rated	741,831	6.12
Accrued interest on debt securities	26,618	0.22
	<u>2,920,938</u>	<u>24.09</u>

Source of credit rating is from Standard & Poor's except for the following:

* Credit rating is from Fitch

Phillip Investment Funds

Report to Unitholders For the period ended 30 June 2018 (unaudited)

4. Top 10 holdings

Phillip Money Market Fund

10 largest holdings at 30 June 2018	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Joynote Limited 3.408% due 20/07/2018	32,769,650	3.96
Wharf MTN Singapore Private Limited 4.3% due 28/10/2018	27,665,825	3.34
Henderson Land MTN S Private Limited 4% due 19/09/2018	25,098,250	3.03
Mapletree Treasury Services Limited 3.88% due 04/10/2018	21,338,612	2.58
Korea Development Bank/Singapore 1.64% due 10/04/2019	20,000,000	2.42
Industrial & Commercial Bank of China Limited/Sydney 1.5% due 02/11/2018	19,996,655	2.42
Industrial & Commercial Bank of China Limited/Sydney 1.9% due 08/05/2019	19,984,962	2.42
Monetary Authority of Singapore Bill 0% due 11/09/2018	19,927,800	2.41
CDL Properties Limited 1.98% due 18/04/2019	19,847,824	2.40
Cagamas Global Public Limited Company 1.52% due 20/09/2018	16,421,715	1.98

10 largest holdings at 30 June 2017	Fair value as at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2017 %
CDL Properties Limited 1.98% due 18/04/2019	20,047,800	2.48
Cagamas Global Public Listed Company 1.64% due 12/04/2018	20,011,200	2.47
Korea Development Bank/Singapore 1.64% due 10/04/2019	19,974,800	2.47
Joynote Limited 3.408% due 20/07/2018	17,326,060	2.14
Keppel Land Limited 3.1575% due 25/08/2017	15,044,250	1.86
Bank of Tokyo-Mitsubishi UFJ Limited/Singapore 1.58% due 29/10/2018	15,022,500	1.85
Industrial & Commercial Bank of China Limited/Sydney 1.2% due 08/11/2017	15,006,000	1.85
Industrial & Commercial Bank of China Limited/Sydney 1.5% due 21/08/2017	14,997,450	1.85
Standard Chartered Bank/Singapore 0% due 13/12/2017	14,889,750	1.84
Bank of Communications Company Limited/Hong Kong 2.1% due 24/07/2017	13,006,890	1.61

Phillip Investment Funds

Report to Unitholders For the period ended 30 June 2018 (unaudited)

4. Top 10 holdings (continued)

Phillip Income Fund

10 largest holdings at 30 June 2018	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Hyundai Capital Services Incorporation 3% due 29/08/2022	327,239	2.70
Turkey Government International Bond 7% due 05/06/2020	279,857	2.31
Astrea IV Private Limited 5.5% due 14/06/2028	274,217	2.26
Alibaba Group Holding Limited 3.125% due 28/11/2021	270,215	2.23
GAIF Bond Issuer Private Limited 3.4% due 30/09/2026	255,570	2.11
Incitec Pivot Finance LIC 3.95% due 03/08/2027	255,489	2.11
China Railway Xunjie Company Limited 3.25% due 28/07/2026	253,609	2.09
Well Hope Development Limited 3.875% due 31/12/2049	252,928	2.08
Sembcorp Industries Limited 4.75% due 29/12/2049	250,481	2.06
Siemens AG	242,415	2.00

10 largest holdings at 30 June 2017	Fair value as at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2017 %
One STOXX Asean Select Dividend Index Fund	521,024	4.13
Oversea-Chinese Banking Corporation Limited 0% due 06/06/2018	310,160	2.46
Turkey Government International Bond 7% due 05/06/2020	301,555	2.39
Phillip SGX Apac Dividend Leaders REIT ETF	301,243	2.39
Perusahaan Gas Negara Persero TBK 5.125% due 16/05/2024	295,936	2.35
Vietnam Government International Bond 4.8% due 19/11/2024	290,900	2.31
Pertamina Persero PT 4.3% due 20/05/2023	285,682	2.27
Alibaba Group Holding Limited 3.125% due 28/11/2021	281,358	2.23
GAIF Bond Issuer Private Limited 3.4% due 30/09/2026	271,154	2.15
China Railway Xunjie Company Limited 3.25% due 28/07/2026	268,267	2.13

Phillip Investment Funds

Report to Unitholders
For the period ended 30 June 2018 (unaudited)

5. Maturity profile of investments

Phillip Money Market Fund

Maturity profile of underlying investments	Fair value as at	Percentage of
	30 June 2018	total net assets
	S\$	attributable to
		unitholders as at
		30 June 2018
		%
Up to 30 days	231,270,310	27.95
31 - 90 days	287,214,842	34.71
91 - 180 days	137,439,673	16.61
181 - 365 days	121,120,045	14.64
366 - 732 days	28,074,793	3.39
Non-interest bearing	3,098,823	0.37
	<u>808,218,486</u>	<u>97.67</u>

6. Exposure to financial derivatives as at 30 June 2018

Phillip Income Fund

	Fair value as at		Percentage of	
	30 June 2018	30 June 2018	total net assets	attributable to
	S\$	%	Unrealised	Realised
			gains/(losses)	gains/(losses)
Forward foreign				
exchange contracts	-	-	-	(12,418)
Futures contracts	-	-	-	(33,598)

7. Global exposure to financial derivatives

The global exposure relating to derivative instruments is calculated using the commitment approach. The global exposure of each sub-fund is calculated as the sum of:

- a. the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangement;
- b. the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- c. the sum of the values of cash collateral received pursuant to:
 - i. the reduction of exposure to counterparties of OTC financial derivatives; and
 - ii. EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

Phillip Investment Funds

Report to Unitholders

For the period ended 30 June 2018 (unaudited)

8. Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes

Please refer to the Statements of Portfolio on pages 17 to 26.

9. Amount and percentage of borrowings of total fund size as at 30 June 2018

Nil.

10. Amount of units created and cancelled for the financial period ended 30 June 2018

Phillip Money Market Fund

S\$

Total amount of redemptions	(1,610,703,087)
Total amount of subscriptions	1,700,904,040

Phillip Income Fund

S\$

Total amount of redemptions	(85,277)
Total amount of subscriptions	45,540

11. Turnover ratio

Phillip Money Market Fund

		30 June 2018	30 June 2017
Lower of total value of purchases or sales	S\$	-	-
Average daily net asset value	S\$	830,821,830	776,692,119
Total turnover ratio ^{Note}	%	-	-

Phillip Income Fund

		30 June 2018	30 June 2017
Lower of total value of purchases or sales	S\$	4,551,121	7,934,034
Average daily net asset value	S\$	12,430,364	12,624,518
Total turnover ratio ^{Note}	%	36.61	62.85

Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio is based on the lower of the total value of purchases or sales of the underlying investments, divided by the average daily net asset value. Total value of purchases or sales does not include brokerage and other transaction costs. The total value of bonds matured during the period was not included in the computation of portfolio turnover ratio.

Phillip Investment Funds

Report to Unitholders
For the period ended 30 June 2018 (unaudited)

12. Expense ratio

Phillip Money Market Fund

		30 June 2018	30 June 2017
Class A Units			
Total operating expenses	S\$	3,953,917	3,532,639
Average daily net asset value	S\$	803,204,595	731,808,892
Total expense ratio ^{note}	%	0.49	0.48
Class I Units			
Total operating expenses	S\$	1,924	-
Average daily net asset value	S\$	2,786,013	-
Total expense ratio ² (annualised)	%	0.29	-

Phillip Income Fund

		30 June 2018	30 June 2017
CLASS A SGD			
Total operating expenses	S\$	33,824	29,726
Average daily net asset value	S\$	1,616,520	1,583,019
Total expense ratio ^{Note}	%	2.09	1.88
CLASS I SGD			
Total operating expenses	S\$	174,123	149,602
Average daily net asset value	S\$	10,841,270	10,696,361
Total expense ratio ^{Note}	%	1.61	1.40

Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio is based on total operating expenses divided by the average net asset value for the period. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expenses, distributions paid to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Funds do not pay any performance fee. The average net asset value is based on the daily balances.

13. Performance of Sub-Fund as at 30 June 2018

Phillip Money Market Fund

CLASS A	3 months	6 months	1 year	3 years	5 years	10 years	Inception
Cumulative returns (%)	0.27	0.50	0.93	2.62	3.59	7.48	19.70
Annualised returns (%)	-	-	0.93	0.87	0.71	0.72	1.05
Benchmark							
Cumulative returns (%)	0.04	0.08	0.17	0.47	0.7	1.44	4.19
Annualised returns (%)	-	-	0.17	0.16	0.14	0.14	0.24

Phillip Investment Funds

Report to Unitholders

For the period ended 30 June 2018 (unaudited)

Note: Cumulative returns are calculated in Singapore dollars on a bid to bid basis, with net dividends reinvested. Inception dates for Class A and Class I were 16 April 2001 and 3 April 2018 respectively. As Class I was incepted less than 3 months, there is no fund performance shown.

Benchmark: Bank savings deposit
Source: Bloomberg

Phillip Income Fund

	3 months	6 months	1 year	3 years	5 years	10 years	Inception
Class A SGD cumulative (%)	0.13	-0.11	-0.11	3.76	17.48	9.47	38.88
Class A SGD annualised (%)	-	-	-0.11	1.24	3.27	0.91	1.93
Class I SGD cumulative (%)	0.25	0.12	0.37	5.28	19.75	-	31.46
Class I SGD annualised (%)	-	-	0.37	1.73	3.67	-	4.87

Note: Cumulative returns are calculated in Singapore dollars on a bid to bid basis, with net dividends reinvested. Inception dates for Class A SGD and Class I SGD were 16 April 2001 and 28 September 2012 respectively.

Source: Bloomberg

14. Related party transactions

In the normal course of the business of the Sub-Funds, management fees and trustee fees have been paid or are payable to the Manager and the Trustee respectively as noted in the Statements of Total Return.

In addition, the bank holding company and related parties of the Trustee have also provided custodian, banking, foreign exchange, fund administration and brokerage services to the Sub-Funds in the normal course of business at terms agreed between the parties and within the provisions of the Trust Deed.

Other than as disclosed elsewhere in the financial statements, the following significant transactions took place between the Sub-Funds and its related parties during the period:

Phillip Investment Funds

Report to Unitholders

For the period ended 30 June 2018 (unaudited)

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2018 S\$	30 June 2017 S\$	30 June 2018 S\$	30 June 2017 S\$
Brokerage fees paid to:				
- a related party of the manager	-	-	2,703	-
- related party of the trustee	-	-	5,164	4,218
			<u>5,164</u>	<u>4,218</u>

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2018 S\$	31 December 2017 S\$	30 June 2018 S\$	31 December 2017 S\$
Cash and bank balances held with a related party of the Trustee	32,007,958	15,948,584	1,515,051	759,922
			<u>1,515,051</u>	<u>759,922</u>

The Manager may also use the services of related parties to carry out transactions involving the purchase and sale of securities.

15. Any other material information that will adversely impact the valuation of the Sub-Fund.

Nil

16. For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme ('the underlying scheme') should be disclosed as well.

(i) Top 10 holdings at market value and as percentage of NAV as at 30 June 2018 and 30 June 2017.

Not applicable.

(ii) Expense ratios for the period 30 June 2018 and 30 June 2017.

Not applicable.

(iii) Turnover ratios for the period 30 June 2018 and 30 June 2017.

Not applicable

Phillip Investment Funds

Report to Unitholders For the period ended 30 June 2018 (unaudited)

17. Soft dollar commissions

The Manager may receive or enter into soft-dollar commissions or arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial services in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by the Manager.

The Manager will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of clients' funds, provided that the Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

The Manager does not, and is not entitled to retain cash rebates for its own account in respect of rebates earned when transacting in securities for account of clients' funds.

Phillip Money Market Fund

The Manager did not receive any soft dollar services in respect of the fund during the period/year.

Phillip Income Fund

During the period, soft dollar services received from each broker were investment research and publications, data and quotation services. Soft dollars were received from the Manager's panel of brokers which executed transactions for the fund and other funds managed by the Manager.

Statements of Total Return
Period ended 30 June 2018 (unaudited)

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	S\$	S\$	S\$	S\$
Income				
Dividends	-	-	155,620	178,285
Interest	7,256,527	5,242,376	63,272	72,029
	<u>7,256,527</u>	<u>5,242,376</u>	<u>218,892</u>	<u>250,314</u>
Less:				
Expenses				
Management fees	1,855,036	1,733,155	52,880	54,025
Less: Management fee rebates	-	-	-	(4,445)
Trustee fees	41,254	38,515	2,705	2,753
Custody fees	56,855	42,334	6,933	5,031
Valuation fees	4,227	-	12,295	12,511
Audit fee	5,144	2,769	5,273	2,617
Transaction costs	-	-	22,032	25,130
Other expenses	50,550	22,391	11,614	10,439
	<u>2,013,066</u>	<u>1,839,164</u>	<u>113,732</u>	<u>108,061</u>
Net income	5,243,461	3,403,212	105,160	142,253
Net gains or losses on value of investments and financial derivatives				
Net (losses)/gains on investments	(1,428,051)	137,024	(41,306)	528,599
Net (losses)/gains on financial derivatives	-	-	(46,016)	14,189
Net losses on foreign exchange	-	-	(12,601)	(19,891)
	<u>(1,428,051)</u>	<u>137,024</u>	<u>(99,923)</u>	<u>522,897</u>
Total return for the period before income tax	3,815,410	3,540,236	5,237	665,150
Less: Income tax	-	-	(15,814)	(11,553)
Total return/(deficit) for the period after income tax before distribution	<u>3,815,410</u>	<u>3,540,236</u>	<u>(10,577)</u>	<u>653,597</u>

Statements of Financial Position
As at 30 June 2018 (unaudited)

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2018 S\$	31 December 2017 S\$	30 June 2018 S\$	31 December 2017 S\$
Assets				
Portfolio of investments	808,218,486	674,263,742	10,790,621	11,645,087
Sales awaiting settlement	-	-	22,319	-
Receivables	15,049,452	1,697,754	19,630	7,270
Cash and cash equivalents	42,217,049	59,028,229	1,539,665	836,775
Financial derivatives at fair value	-	-	-	4,527
Total assets	865,484,987	734,989,725	12,372,235	12,493,659
Liabilities				
Payables	37,958,637	1,479,738	39,747	63,079
Purchases awaiting settlement	-	-	205,463	-
Financial derivatives at fair value	-	-	-	18,606
Total liabilities	37,958,637	1,479,738	245,210	81,685
Equity				
Net assets attributable to unitholders	827,526,350	733,509,987	12,127,025	12,411,974

Statement of Movements of Unitholders' Funds
For the period ended 30 June 2018 (unaudited)

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2018 S\$	31 December 2017 S\$	30 June 2018 S\$	31 December 2017 S\$
Net assets attributable to unitholders at the beginning of financial period/year	733,509,987	752,996,996	12,411,974	12,577,088
Operations				
Change in net assets attributable to unitholders resulting from operations	3,815,410	6,157,709	(10,577)	705,998
Unitholders' contributions / (withdrawals)				
Creation of units	1,700,904,040	2,785,331,990	45,540	308,752
Cancellation of units	(1,610,703,087)	(2,810,976,708)	(85,277)	(654,589)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	90,200,953	(25,644,718)	(39,737)	(345,837)
Distribution	-	-	(234,635)	(525,275)
Total increase/(decrease) in net assets attributable to unitholders	94,016,363	(19,487,009)	(284,949)	(165,114)
Net assets attributable to unitholders at the end of financial period/year	827,526,350	733,509,987	12,127,025	12,411,974

Statements of Portfolio
As at 30 June 2018 (unaudited)

Phillip Money Market Fund

By Industry – Primary

	Holdings as at 30 June 2018	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Quoted Debt Securities			
BANKS			
Bank of China Limited/Singapore 2.75% due 30/06/2019	250,000	250,622	0.03
Industrial & Commercial Bank of China Limited/Sydney 1.5% due 02/11/2018	20,000,000	19,996,655	2.42
Industrial & Commercial Bank of China Limited/Sydney 1.75% due 27/06/2019	15,000,000	14,964,600	1.81
Industrial & Commercial Bank of China Limited/Sydney 1.9% due 08/05/2019	20,000,000	19,984,962	2.42
Korea Development Bank/Singapore 1.64% due 10/04/2019	20,000,000	20,000,000	2.42
Korea Development Bank 2.05% due 23/07/2018	10,250,000	10,249,282	1.24
Mizuho Bank Limited 2.77% due 15/03/2019	4,000,000	4,016,560	0.48
Monetary Authority of Singapore Bill 0% due 06/07/2018	10,000,000	9,997,839	1.20
Monetary Authority of Singapore Bill 0% due 11/09/2018	20,000,000	19,927,800	2.41
MUFG Bank Limited/Singapore 1.58% due 29/10/2018	15,000,000	14,951,877	1.81
MUFG Bank Limited/Singapore 1.62% due 21/01/2019	15,000,000	14,739,992	1.78
Nonghyup Bank 2.25% due 16/07/2018	6,000,000	6,001,423	0.73
		<u>155,081,612</u>	<u>18.75</u>
DIVERSIFIED FINANCIAL SERVICES			
Cagamas Global Public Limited Company 1.52% due 20/09/2018	16,500,000	16,421,715	1.98
Cagamas Global Public Limited Company 2.23% due 30/07/2018	4,000,000	4,000,068	0.49
		<u>20,421,783</u>	<u>2.47</u>
ELECTRIC			
SP Powerassets Limited 4.84% due 22/10/2018	12,650,000	12,758,663	1.54
		<u>12,758,663</u>	<u>1.54</u>
HOLDING COMPANIES-DIVERSIFIED			
Wharf MTN Singapore Private Limited 4.3% due 28/10/2018	27,500,000	27,665,825	3.34
		<u>27,665,825</u>	<u>3.34</u>
INVESTMENT COMPANIES			
Mapletree Treasury Services Limited 2.92% due 21/01/2019	10,500,000	10,521,735	1.27
Mapletree Treasury Services Limited 3.88% due 04/10/2018	21,250,000	21,338,612	2.58
Temasek Financial I Limited 3.265% due 19/02/2020	11,750,000	11,937,883	1.44
		<u>43,798,230</u>	<u>5.29</u>

Statements of Portfolio
As at 30 June 2018 (unaudited)

Phillip Money Market Fund

By Industry – Primary (continued)

Quoted Debt Securities (continued)

LODGING

	Holdings as at 30 June 2018	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
City Developments Limited 2.78% due 21/09/2018	3,250,000	3,255,070	0.39
City Developments Limited 3.38% due 20/03/2019	4,250,000	4,284,000	0.52
Hotel Properties Limited 3.95% due 13/09/2019	1,000,000	1,011,400	0.12
Hotel Properties Limited 4.1% due 20/07/2018	3,000,000	3,001,500	0.36
		11,551,970	1.39

REAL ESTATE

Ascott Capital Private Limited 3.78% due 16/08/2019	8,000,000	8,114,800	0.98
CDL Properties Limited 1.98% due 18/04/2019	20,000,000	19,847,824	2.40
Henderson Land MTN S Private Limited 4% due 19/09/2018	25,000,000	25,098,250	3.03
Joynote Limited 3.408% due 20/07/2018	32,750,000	32,769,650	3.96
		85,830,524	10.37

SOVEREIGN

Export-Import Bank of Korea 2.04% due 24/07/2018	15,000,000	14,999,100	1.81
Housing & Development Board 2.223% due 28/05/2019	12,500,000	12,509,750	1.51
Housing & Development Board 2.288% due 19/09/2019	7,000,000	7,010,710	0.86
Public Utilities Board 3.9% due 31/08/2018	12,000,000	12,034,920	1.45
		46,554,480	5.63

Accrued interest on debt securities

		3,098,823	0.37
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Total Quoted Debt Securities

406,761,910 **49.15**

Fixed deposits

Banks

China Construction Bank	50,000,000	6.04
Credit Suisse AG	83,364,066	10.07
First Abu Dhabi Bank	70,078,137	8.47
Industrial and Commercial Bank of China Singapore Branch	75,519,644	9.13
Malayan Banking Berhad	70,747,896	8.55
Sumitomo Mitsui Banking Corporation	46,730,828	5.65
The Bank of East Asia Ltd	5,016,005	0.61
	401,456,576	48.52

Total Fixed deposits

401,456,576 **48.52**

Portfolio of investments

808,218,486 97.67

Other net assets

19,307,864 2.33

Net assets attributable to unitholders

827,526,350 **100.00**

Statements of Portfolio
As at 30 June 2018 (unaudited)

Phillip Money Market Fund			
By Industry (Summary)	Fair value as at 30 June 2018 %	Percentage of total net assets attributable to unitholders as at 30 June 2018 %	Percentage of total net assets attributable to unitholders as at 31 December 2017 %
Banks and Financials	556,538,188	67.25	70.85
Diversified Financial Services	20,421,783	2.47	-
Electric	12,758,663	1.55	-
Holding Companies-Diversified	27,665,825	3.34	1.88
Investment Companies	43,798,230	5.29	2.01
Lodging	11,551,970	1.40	1.78
Real Estate	85,830,524	10.37	7.95
Sovereign	46,554,480	5.63	7.19
Accrued interest on debt securities	3,098,823	0.37	0.26
Portfolio of investments	808,218,486	97.67	91.92
Other net assets	19,307,864	2.33	8.08
Net assets attributable to unit holders	827,526,350	100.00	100.00

Phillip Money Market Fund			
By Geography (Secondary)	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %	Percentage of total net assets attributable to unitholders as at 31 December 2017 %
Australia	19,996,655	2.42	-
Cayman Islands	-	-	1.22
China	35,200,184	4.26	2.76
France	-	-	2.72
Japan	33,708,429	4.07	4.72
Malaysia	20,421,783	2.47	4.29
Singapore	644,542,807	77.89	67.27
South Korea	51,249,805	6.19	8.68
Accrued interest on debt securities	3,098,823	0.37	0.26
Portfolio of investments	808,218,486	97.67	91.92
Other net assets	19,307,864	2.33	8.08
Net assets attributable to unitholders	827,526,350	100.00	100.00

Statements of Portfolio
As at 30 June 2018 (unaudited)

Phillip Income Fund			
By Industry - Primary	Holdings as at 30 June 2018	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Quoted Debt Securities			
AUTO MANUFACTURERS			
Hyundai Capital Services Incorporation 3% due 29/08/2022	250,000	327,239	2.70
		327,239	2.70
CHEMICALS			
Incitec Pivot Finance LIC 3.95% due 03/08/2027	200,000	255,489	2.11
		255,489	2.11
DIVERSIFIED FINANCIAL SERVICES			
Indonesia Infrastructure Finance Pt 8.25% due 19/07/2019	2,500,000,000	238,422	1.97
		238,422	1.97
ELECTRIC			
Sembcorp Industries Limited 4.75% due 29/12/2049	250,000	250,481	2.06
		250,481	2.06
ENGINEERING AND CONSTRUCTION			
China Railway Xunjie Company Limited 3.25% due 28/07/2026	200,000	253,609	2.09
		253,609	2.09
HOME FURNISHINGS			
Well Hope Development Limited 3.875% due 31/12/2049	200,000	252,928	2.08
		252,928	2.08
INTERNET			
Alibaba Group Holding Limited 3.125% due 28/11/2021	200,000	270,215	2.23
		270,215	2.23
MULTI-NATIONAL			
Inter-American Development Bank 3.5% due 26/07/2024	250,000	236,293	1.95
		236,293	1.95
OTHER ABS			
Astrea LV Private Limited 5.5% due 14/06/2028	200,000	274,217	2.26
		274,217	2.26

Statements of Portfolio
As at 30 June 2018 (unaudited)

Phillip Income Fund			
By Industry – Primary (continued)	Holdings as at 30 June 2018	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Quoted Debt Securities (continued)			
REAL ESTATE			
GAIF Bond Issuer Private Limited 3.4% due 30/09/2026	200,000	255,570	2.11
		255,570	2.11
SOVEREIGN			
Turkey Government International Bond 7% due 05/06/2020	200,000	279,857	2.31
		279,857	2.31
Accrued Interest on debt securities		26,618	0.22
Total Quoted Debt Securities		2,920,938	24.09
Quoted Equities			
AGRICULTURE			
KT&G Corporation	1,450	189,813	1.57
		189,813	1.57
AIRLINES			
Singapore Airlines Limited	5,400	57,726	0.48
		57,726	0.48
AUTO MANUFACTURERS			
Hyundai Motor Company	1,010	155,074	1.28
		155,074	1.28
BANKS			
BNP Paribas SA	1,900	160,884	1.33
DBS Group Holdings Limited	2,300	61,203	0.51
HSBC Holdings Public Limited Company	14,918	190,820	1.57
Mizuho Financial Group Incorporated	78,000	179,071	1.48
Siam Commercial Bank Public Company Limited	22,000	107,293	0.88
Standard Chartered Public Limited Company	13,042	165,237	1.36
		864,508	7.13
BEVERAGES			
Pepsi-Cola Products Philippines Incorporated	1,291,000	73,224	0.60
		73,224	0.60
COMMERCIAL SERVICES			
SIA Engineering Company Limited	52,000	163,280	1.35
		163,280	1.35

Statements of Portfolio
As at 30 June 2018 (unaudited)

Phillip Income Fund			
By Industry – Primary (continued)			Percentage of total net assets attributable to unitholders as at 30 June 2018
	Holdings as at 30 June 2018	Fair value as at 30 June 2018 S\$	%
Quoted Equities (continued)			
DISTRIBUTION/WHOLESALE			
Jardine Cycle & Carriage Limited	6,400	203,648	1.68
		<u>203,648</u>	<u>1.68</u>
DIVERSIFIED FINANCIAL SERVICES			
Singapore Exchange Limited	29,000	207,930	1.71
		<u>207,930</u>	<u>1.71</u>
ELECTRIC			
SSE Public Limited Company	8,300	202,452	1.67
		<u>202,452</u>	<u>1.67</u>
ENGINEERING AND CONSTRUCTION			
CK Infrastructure Holdings Limited	12,000	121,274	1.00
Singapore Technologies Engineering Limited	52,700	173,383	1.43
		<u>294,657</u>	<u>2.43</u>
FOOD			
Charoen Pokphand Foods Public Company Limited	190,000	189,235	1.56
Dairy Farm International Holdings Limited	15,700	188,166	1.55
		<u>377,401</u>	<u>3.11</u>
GAS			
National Grid Public Limited Company	12,000	181,108	1.49
		<u>181,108</u>	<u>1.49</u>
HOLDING COMPANIES-DIVERSIFIED			
CK Hutchison Holdings Limited	16,500	238,585	1.97
Keppel Corporation Limited	15,300	109,395	0.90
YTL Corporation Berhad	360,060	137,334	1.13
		<u>485,314</u>	<u>4.00</u>
INSURANCE			
China Life Insurance Company Limited	64,000	225,238	1.86
QBE Insurance Group Limited	17,000	166,811	1.38
		<u>392,049</u>	<u>3.24</u>
MISCELLANEOUS MANUFACTURE			
Siemens AG	1,344	242,415	2.00
		<u>242,415</u>	<u>2.00</u>

Statements of Portfolio
As at 30 June 2018 (unaudited)

Phillip Income Fund			
By Industry – Primary (continued)	Holdings as at 30 June 2018	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Quoted Equities (continued)			
OIL AND GAS			
China Petroleum & Chemical Corporation	100,000	121,830	1.00
Total SA	1,500	124,674	1.03
		246,504	2.03
PHARMACEUTICALS			
Glaxosmithkline Public Limited Company	4,512	124,254	1.02
		124,254	1.02
REAL ESTATE			
Hongkong Land Holdings Limited	21,000	204,729	1.69
		204,729	1.69
RETAIL			
Bossini International Holdings Limited	1112,000	67,641	0.56
Matahari Department Store TBK Private	194,000	162,440	1.34
		230,081	1.90
SHIPBUILDING			
Sembcorp Industries Limited	61,000	167,750	1.38
		167,750	1.38
SOFTWARE			
Silverlake Axis Limited	235,500	123,638	1.02
		123,638	1.02
TELECOMMUNICATION			
BT Group Public Limited Company	40,000	156,828	1.29
China Mobile Limited	14,000	169,589	1.40
China Telecom Corporation Limited	196,000	125,014	1.03
KDDI Corporation	5,000	186,555	1.54
Singapore Telecommunications Limited	72,400	222,992	1.84
Telekomunikasi Indonesia Persero TBK Private	521,400	186,042	1.53
Telstra Corporation Limited	68,000	179,485	1.48
		1,226,505	10.11
TRANSPORTATION			
Comfortdelgro Corporation Limited	90,000	211,500	1.74
Singapore Post Limited	151,000	190,260	1.57
		401,760	3.31
Total Quoted Equities		6,815,820	56.20

Statements of Portfolio
As at 30 June 2018 (unaudited)

Phillip Income Fund			
By Industry – Primary (continued)	Holdings as at 30 June 2018	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %
Quoted Investment Fund			
COMMERCIAL SERVICES			
Hutchison Port Holdings Trust	306,000	116,824	0.96
		116,824	0.96
Total Quoted Investment Fund		116,824	0.96
Quoted Real Estate Investment Trusts			
REAL ESTATE INVESTMENT TRUSTS (REITS)			
Capitaland Retail China Trust	79,500	120,840	1.00
Cromwell European Real Estate Investment Trust	100,000	94,721	0.78
Keppel-KBS Us REIT	200,000	239,975	1.98
Parkway Life Real Estate Investment Trust	45,300	123,216	1.02
Sasseur Real Estate Investment Trust	200,000	146,000	1.20
Scentre Group	48,000	212,287	1.75
		937,039	7.73
Total Quoted Real Estate Investment Trusts		937,039	7.73
Portfolio of investments		10,790,621	88.98
Other net assets		1,336,404	11.02
Net assets attributable to unit holders		12,127,025	100.00

Statements of Portfolio
As at 30 June 2018 (unaudited)

By Industry (Summary)	Phillip Income Fund		
	Fair value as at 30 June 2018 %	Percentage of total net assets attributable to unitholders as at 30 June 2018 %	Percentage of total net assets attributable to unitholders as at 31 December 2017 %
Agriculture	189,813	1.57	-
Airlines	57,726	0.48	1.38
Auto Manufacturers	482,313	3.98	5.72
Banks	864,508	7.13	14.40
Beverages	73,224	0.60	-
Building Materials	-	-	1.38
Chemicals	255,489	2.11	2.16
Commercial Services	280,104	2.31	2.68
Distribution/Wholesale	203,648	1.68	1.54
Diversified Financial Services	446,352	3.68	7.56
Electric & Gas	452,933	3.73	4.65
Engineering and Construction	548,266	4.52	2.12
Environmental Control	-	-	2.00
Exchange Traded Fund	-	-	0.50
Food & Beverage	377,401	3.11	3.18
Gas	181,108	1.49	-
Holding Companies Diversified	485,314	4.00	3.49
Home Furnishings	252,928	2.09	2.12
Insurance	392,049	3.23	4.68
Internet	270,215	2.23	2.18
Investment Companies	-	-	1.09
Mining	-	-	2.12
Miscellaneous Manufacture	242,415	2.00	1.50
Multinational	236,293	1.95	1.94
Oil and Gas	246,504	2.03	2.94
Other ABS	274,217	2.26	-
Pharmaceuticals	124,254	1.02	1.54
Real Estate	460,299	3.80	2.12
Real Estate Investment Trusts	937,039	7.73	4.85
Retail	230,081	1.90	2.18
Shipbuilding	167,750	1.38	3.55
Software	123,638	1.02	-
Sovereign	279,857	2.31	2.33
Telecommunications	1,226,505	10.11	4.36
Transportation	401,760	3.31	1.23
Accrued Interest on debt securities	26,618	0.22	0.33
Portfolio of investments	10,790,621	88.98	93.82
Other net assets	1,336,404	11.02	6.18
Net assets attributable to unit holders	12,127,025	100.00	100.00

Statements of Portfolio
As at 30 June 2018 (unaudited)

By Geography (Secondary)	Phillip Income Fund		
	Fair value as at 30 June 2018 S\$	Percentage of total net assets attributable to unitholders as at 30 June 2018 %	Percentage of total net assets attributable to unitholders as at 31 December 2017 %
Australia	814,153	6.71	7.20
Britain	1,020,699	8.42	5.67
British Virgin Islands	253,609	2.09	4.14
Cayman Islands	523,143	4.31	4.30
China/Hong Kong	1,462,066	12.05	5.07
France	285,558	2.36	3.14
Germany	242,415	2.00	1.50
India	-	-	3.39
Indonesia	586,904	4.84	5.11
Ireland	-	-	1.65
Italy	-	-	1.50
Japan	365,626	3.02	5.84
Malaysia	137,334	1.13	4.20
Philippines	73,224	0.60	0.60
Singapore	3,258,979	26.87	22.92
Supranational	236,293	1.95	1.94
South Korea	672,126	5.54	4.22
Taiwan	-	-	3.22
Thailand	296,528	2.45	2.89
Turkey	279,857	2.31	2.33
United States of America	255,489	2.11	2.66
Accrued interest on debt securities	26,618	0.22	0.33
Portfolio of investments	10,790,621	88.98	93.82
Other net assets	1,336,404	11.02	6.18
Net assets attributable to unitholders	12,127,025	100.00	100.00

Phillip Investment Funds

Important Information

Phillip Money Market Fund and Phillip Income Fund (the "Sub-Funds") are sub-funds of Phillip Investment Funds (the "Fund"), an open-ended umbrella unit trust authorised under the Securities and Futures Act, Chapter 289, by the Monetary Authority of Singapore.

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