

Phillip Investment Funds

Semi-Annual Report
For the period ended 30 June 2017 (unaudited)

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Phillip Investment Funds

Directory

Manager

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Directors of the Manager

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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
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Singapore 049319
(Company Registration No. T08FC7287D)

Auditors

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Solicitors to the Manager

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Phillip Investment Funds

Manager's Investment Reports

Phillip Money Market Fund

For the half year ended 30 June 2017, the fund generated a net return of 0.40% and 0.81% for the 6-month and 1-year period respectively.

As of 30 June 2017, the portfolio's Weighted Average Maturity ("WAM") stood at 293 days while liquidity profile remains strong with a one-month liquidity of 24%. 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 2017, the Singapore economy expanded 2.5% year-on-year ("YoY") in the second quarter of the year. More importantly, the positive seasonal adjusted quarter-on-quarter growth of 0.4% meant that the Singapore economy had narrowly escaped a technical recession which some analysts had anticipated. Even though there was a downward revision in GDP growth rate in 1H 2017, the economy still managed to achieved a 2.5% GDP growth during that period and this is in line with official estimates of 2%-3% growth for 2017.

Singapore's manufacturing sector remains the outperformer with a stellar 8.0% YoY expansion in 2Q17, even though the pace has slowed from the 8.5% growth achieved in the first three months of this year. The electronics and precision engineering clusters are the key drivers to the manufacturing growth, which have benefited from a robust external environment in semiconductors and increased demand for semiconductor manufacturing equipment.

According to the Monetary Authority of Singapore ("MAS"), Singapore's overall consumer prices rose 0.5% YoY in June. The disbursement of Service & Conservancy Charges (S&CC) rebates took effect in June 2017 which attributed to the lower CPI figure registered in June 2017. The Monetary Authority of Singapore and Ministry of Trade and Industry maintain their forecast for core and headline inflation of 1%-2% and 5%-1.5% respectively for 2017. Both agencies expect inflationary environment to stay benign in the near term and the recent rise in CPI is unlikely to shift the central banks' neutral monetary stance.

Domestic short-term interest rates have diverged from USD London Interbank Offered Rates ("LIBOR") and the 3-month SGD Swap Offer Rate ("SOR") has become more volatile 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% to 1.25%. FOMC has outlined its plans to scale back its balance sheet towards the end of this year by allowing USD6bn in Treasury securities and USD4bn in mortgage-backed securities to mature every month and this will include a quarterly step-up to reach USD30bn in Treasuries and USD20bn in mortgage securities per month. As at end June 2017, the 3-month LIBOR climbed to a high of 1.3% from 1.0% prior six months. Over the same period, the 3-month SIBOR has risen slightly from 0.97% to 1.00%, while the 3-month SOR fell to 0.75% from 1.01%.

In 2017, our views on Singapore's inflation is in line with official forecast of 1-2% and the SGD appreciation pressure is expected to moderate an otherwise rising trend in domestic short end rates as US rates grind up. We maintain a short maturity profile for the portfolio to capitalize on opportunities, keeping a strong liquidity profile with one-month liquidity of 20% and prudent management of interest rate risk by maintaining a target portfolio WAM of within 120 days.

Phillip Investment Funds

Manager's Investment Reports

Phillip Income Fund

Global financial markets recorded a stellar performance in the first half of 2017 amidst a strengthening global economy backdrop. According to a report by The Wall Street Journal, 26 of the world's top 30 stock-market indices have risen this year and achieve the strongest first-half performance since 2009 in contrast to the rising global geopolitical risks. Bonds have also done well despite two rate hikes in the US during the period, with both conservative fixed-income funds such as iShares 20+ Year Treasury Bond ETF and riskier ones such as the iShares J.P. Morgan USD Emerging Markets Bond ETF gaining 6.1% and 5.8% respectively.

For the six months ended 30 June 2017, the Fund's Class A SGD generated total returns of 5.11%. Since its inception on 16 April 2001, the fund has returned 38.53%. For the same six-month period, the MSCI World Total Return Index was up 5.29% and the iBoxx ABF Pan-Asia Unhedged Total Return Index was up 0.35%. (All returns figures in this paragraph are in SGD terms).

As of 30 June 2017, the Fund's portfolio allocation comprises 58% equities, 7% REITS (inclusive of investments in REIT funds), 33% fixed income securities and 9% cash. During the period under review, the Fund took some profits on its exposures to REITs through mutual funds and ETFs, as Asian REIT markets rebounded strongly from the trough in November 2016. Singapore REITs performed strongly during the first half of this year and the investment in the Phillip Singapore Real Estate Income Fund gained 14.4% in total returns at the instrument level during the period. We have turned more cautious on the overall market for next six months after having a good set of results in the first half of this year. In terms of asset allocation, we have reduced the portfolio's equity exposure to from 63% to 55% while raising our fixed income allocation from 29% to 32%.

Our fixed income investments have provided stable returns during the first half of the year. We are seeing signs of bullishness in the bond markets with the sale of USD2.75bn of 100-years Argentinian sovereigns at 7.917%, joining Mexico, Ireland and UK in the century bond club and a record USD14.5bn of perpetual bonds being issued in Asia ex-Japan in the first six months of 2017, according to a report by OCBC. The Fund's bond investments have a weighted portfolio duration of 3.9 years, which we think is around the sweet spot of the yield curve. The bond portfolio is over-weight on Asian bonds as we think the nominal and real yields remain attractive amid the current low inflationary environment. In addition, Asian currencies have strengthened from the recent unwinding of trades that looked to benefit from US President Donald Trump's policies.

OUTLOOK

In 2017, we have maintained our asset allocation skewed slightly towards equities as we see better valuations in stocks. We will continue to leverage on the attractive valuations in Asian markets relative to the rest of the world. One of the key principles of our investment strategy is to buy companies exhibiting reasonable growth potential, strong cashflows and sustainable high dividend payouts, at attractive valuation. Inevitably, we will build a comfortable margin for safety out of this investment process.

We will continue to focus on high yield stocks (eg. REITS) with sustainable cashflow and reasonable growth prospects. Risk management has always been inherent in our investment process and we will continue to build strategies with diversity and lower correlation elements. The stock selection process will continue to focus on companies with not only strong cash hoard or low leverage but also with competitive business models for long term growth. Such companies will cope better in a rising interest rate environment and will be in a superior position to make acquisitions at cheaper prices and benefit from improving returns on cash.

Starting with March's FOMC meeting in 2017, the US Fed raised rates by a total of 50 bps to 1.25% in June. The Fed remains on a steady tightening course, with rates probably headed to 4-5% range similar in 2005. US and Asian growth prospects appear to steady growth trend and this should put upward pressure on US yields. Higher growth in Asia will also probably pressure long rates higher in time to come. Bond prices are susceptible to falling capital values in an environment of rising interest rates. We expect to keep duration relatively short for the debt securities we invest in.

Phillip Investment Funds

Report to Unitholders For the period ended 30 June 2017 (unaudited)

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

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 16 to 24.

2. Schedule of investments by asset class

Phillip Money Market Fund

Asset Class	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Debt Securities	299,525,539	37.00
Cash and cash equivalents	511,276,659	63.17
Other net liabilities	(1,362,952)	(0.17)
Net assets attributable to unitholders	809,439,246	100.00

Types of Money Market Instruments and Debt Securities

	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Certificates of deposit	84,891,200	10.49
Fixed rate notes	212,592,200	26.26
Accrued interest on debt securities	2,042,139	0.25
	299,525,539	37.00

Phillip Income Fund

Asset Class	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Equities	5,598,584	44.42
Quoted Debt Securities	4,153,262	32.95
Quoted Investment Fund	1,319,927	10.47
Real Estate Investment Trust	337,100	2.68
Cash and cash equivalents	887,920	7.04
Other net assets	307,413	2.44
Net assets attributable to unitholders	12,604,206	100.00

Phillip Investment Funds

Report to Unitholders For the period ended 30 June 2017 (unaudited)

2. Schedule of investments by asset class (continued)

Phillip Income Fund (continued)

Types of Money Market Instruments and Debt Securities

	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Floating rate bonds	460,391	3.65
Fixed rate bonds	3,645,917	28.94
Accrued interest on debt securities	46,955	0.36
	4,153,262	32.95

3. Credit rating of debt securities

Phillip Money Market Fund

	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
A	44,844,749	5.54
AA-	6,063,889	0.75
AAA	11,538,128	1.42
A**	56,342,541	6.96
Aa**	50,549,046	6.24
Not Rated	130,187,186	16.08
Portfolio of investments	299,525,539	37.00

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

** Credit rating is from Moody's

Phillip Income Fund

	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
A	533,446	4.23
BB	292,407	2.32
BBB	1,498,875	11.89
A*	272,046	2.16
B*	302,893	2.40
Not Rated	1,253,595	9.95
Portfolio of investments	4,153,262	32.95

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 2017 (unaudited)

4. Top 10 holdings

Phillip Money Market Fund

10 largest holdings at 30 June 2017	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders 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

10 largest holdings at 30 June 2016	Fair value at 30 June 2016 S\$	Percentage of total net assets attributable to unitholders at 30 June 2016 %
Ascott Capital 3.8% due 11/10/16	27,704,325	4.37
Industrial & Commercial Bank of China/Sydney 1.74% due 06/06/17	15,018,750	2.37
Lloyds Bank PLC 1.90% due 09/16/16	15,007,500	2.37
Sumitomo Mitsui Bank SG 1.25% due 08/11/16	15,000,000	2.37
Industrial & Commercial Bank of China/Sydney 0% due 05/18/17	14,767,500	2.33
Capitamalls Asia 3.95% due 08/24/17	12,775,125	2.02
Bank of Communication HongKong 2.1% due 07/24/17	12,500,875	1.97
Export-Import Bank of Korea 2.07% due 04/06/17	10,049,000	1.58
Industrial & Commercial Bank China Sydney 1.8% due 09/15/16	10,019,000	1.58
ICICI Bank UK 1.6% due 08/05/16	10,001,000	1.58

Phillip Investment Funds

Report to Unitholders

For the period ended 30 June 2017 (unaudited)

4. Top 10 holdings (continued)

Phillip Income Fund

10 largest holdings at 30 June 2017	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders 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 Pty 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

10 largest holdings at 30 June 2016	Fair value at 30 June 2016 S\$	Percentage of total net assets attributable to unitholders at 30 June 2016 %
Unilever 2.95% due 02/27/17	403,296	3.52
Lendlease Group 4.5% due 5/26/26	337,876	2.95
CSOP FTSE China A50 ETF	310,946	2.71
BP PLC	285,203	2.49
Perusahaan Penerbit SBSN Indo III 4.55% due 03/29/26	282,613	2.46
BOC Aviation 3.875% due 04/27/26	276,376	2.41
CNOOC Finance 3.5% due 05/05/25	274,104	2.39
Standard Chartered 4.05% due 04/12/26	270,641	2.36
Pertamina Persero PT 5.625% due 05/20/43	261,711	2.28
Republic of Turkey 3.25% due 03/23/23	261,484	2.28

Phillip Investment Funds

Report to Unitholders For the period ended 30 June 2017 (unaudited)

5. Maturity profile of investments

Phillip Money Market Fund

Maturity profile of underlying investments	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Up to 30 days	150,088,240	18.54
31 - 90 days	239,379,390	29.57
91 - 180 days	178,099,397	22.00
181 - 365 days	61,570,915	7.61
366 - 732 days	116,893,180	14.44
Accrued interest on debt securities	2,042,139	0.25
	748,073,261	92.42

6. Exposure to financial derivatives as at 30 June 2017

Phillip Income Fund

	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders 30 June 2017 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	3,892	0.03	3,892	2,560
Futures contracts	-	-	-	7,737
	-	-	-	7,737

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 2017 (unaudited)

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

Please refer to the Statement of Portfolio on pages 16 to 24.

9. Amount and percentage of borrowings of total fund size as at 30 June 2017

Nil.

10. Amount of units created and cancelled for the financial period ended 30 June 2017

Phillip Money Market Fund

S\$

Total amount of redemptions	1,292,756,244
Total amount of subscriptions	1,345,658,258

Phillip Income Fund

S\$

Total amount of redemptions	548,703
Total amount of subscriptions	154,603

11. Turnover ratio

Phillip Money Market Fund

		30 June 2017	30 June 2016
Lower of total value of purchases or sales	S\$	-	1,549,140
Average daily net asset value	S\$	776,692,119	667,897,936
Total turnover ratio ^{Note}	%	<u>-</u>	<u>0.23</u>

Phillip Income Fund

		30 June 2017	30 June 2016
Lower of total value of purchases or sales	S\$	7,934,034	14,251,172
Average daily net asset value	S\$	12,624,518	11,782,397
Total turnover ratio ^{Note}	%	<u>62.85</u>	<u>120.95</u>

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 for the preceding 6 months at the close of the semi-annual financial statements. 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 2017 (unaudited)

12. Expense ratio

Phillip Money Market Fund

		30 June 2017	30 June 2016
Total operating expenses	S\$	3,532,639	3,213,567
Average daily net asset value	S\$	731,808,892	667,897,936
Total expense ratio ^{note}	%	0.48	0.48

Phillip Income Fund

		30 June 2017	30 June 2016
CLASS A SGD			
Total operating expenses	S\$	29,726	28,612
Average daily net asset value	S\$	1,583,019	1,393,587
Total expense ratio ^{Note}	%	1.88	2.05
CLASS I SGD			
Total operating expenses	S\$	149,602	162,850
Average daily net asset value	S\$	10,696,361	10,388,810
Total expense ratio ^{Note}	%	1.40	1.57

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 preceding 12 months at the close of the semi-annual financial statements. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out 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-Fund does 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 2017

Phillip Money Market Fund

	3 months	6 months	1 year	3 years	5 years	10 years	Inception (on 16 April 2001)
Cumulative returns (%)	0.21	0.40	0.81	2.21	3.18	8.35	18.60
Annualised returns (%)	-	-	0.81	0.73	0.63	0.81	1.06
Benchmark							
Cumulative returns (%)	0.04	0.09	0.16	0.42	0.64	1.52	4.01
Annualised returns (%)	-	-	0.16	0.14	0.13	0.15	0.24

Note: Cumulative returns are calculated in Singapore dollars on a bid to bid basis, with net dividends reinvested.

Benchmark: Bank deposit rate

Source: Bloomberg

Phillip Investment Funds

Report to Unitholders

For the period ended 30 June 2017 (unaudited)

13. Performance of Sub-Fund as at 30 June 2017 (continued)

Phillip Income Fund

	3 months	6 months	1 year	3 years	5 years	10 years	Inception
Class A SGD cumulative (%)	1.66	5.11	11.32	9.31	23.67	-11.91	38.53
Class A SGD annualised (%)	-	-	11.32	3.01	4.34	-1.26	2.03
Class I SGD cumulative (%)	1.78	5.38	11.85	10.63	-	-	30.92
Class I SGD annualised (%)	-	-	11.85	3.42	-	-	5.83

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.

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

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

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	S\$	S\$	S\$	S\$
Brokerage fees paid to:				
- a related party of the Manager	-	-	-	1,414
- related parties of the Trustee	-	-	-	117
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	S\$	S\$	S\$	S\$
Cash and bank balances held with a related party of the Trustee	3,540,258	5,218,496	784,200	1,013,214
Amounts held with a related party of the Manager	-	-	-	-

Phillip Investment Funds

Report to Unitholders

For the period ended 30 June 2017 (unaudited)

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 2017 and 30 June 2016.

Not applicable.

(ii) Expense ratios for the period 30 June 2017 and 30 June 2016.

Not applicable.

(iii) Turnover ratios for the period 30 June 2017 and 30 June 2016.

Not applicable

17. Soft dollar commissions

The Manager shall be entitled to and intends to 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.

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 2017 (unaudited)

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	S\$	S\$	S\$	S\$
Income				
Dividends	-	-	178,285	170,137
Interest	5,242,376	5,113,052	72,029	70,133
	<u>5,242,376</u>	<u>5,113,052</u>	<u>250,314</u>	<u>240,270</u>
Less:				
Expenses				
Management fees	1,733,155	1,441,308	54,025	48,425
Less: Management fee rebates	-	-	(4,445)	-
Trustee fees	38,515	64,068	2,753	2,715
Custody fees	42,334	21,985	5,031	8,219
Audit fee	2,769	8,169	2,617	8,169
Transaction costs	-	-	25,130	6,618
Other expenses	22,391	48,083	22,950	28,710
	<u>1,839,164</u>	<u>1,583,613</u>	<u>108,061</u>	<u>102,856</u>
Net income	3,403,212	3,529,439	142,253	137,414
Net gains or losses on value of investments and financial derivatives				
Net gains/(loss) on investments	137,024	131,821	528,599	(181,662)
Net gain/(loss) on financial derivatives	-	-	14,189	(41,507)
Net loss on foreign exchange	-	-	(19,891)	-
	<u>137,024</u>	<u>131,821</u>	<u>522,897</u>	<u>(223,169)</u>
Total return/(deficit) return for the period before income tax	3,540,236	3,661,260	665,150	(85,755)
Less: Income tax	-	-	(11,553)	(17,788)
Total return/(deficit) for the period after income tax before distribution	<u>3,540,236</u>	<u>3,661,260</u>	<u>653,597</u>	<u>(103,543)</u>

Statements of Financial Position
As at 30 June 2017 (unaudited)

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2017 S\$	31 December 2016 S\$	30 June 2017 S\$	31 December 2016 S\$
Assets				
Portfolio of investments	299,525,539	232,720,070	11,408,873	11,623,229
Sales awaiting settlement	-	-	332,445	-
Receivables	9,709,631	2,155,880	30,330	637,034
Cash and cash equivalents	511,276,659	518,753,034	887,920	1,114,343
Financial derivatives at fair value	-	-	14,504	-
Total assets	820,511,829	753,628,984	12,674,072	13,374,606
Liabilities				
Payables	11,072,583	631,988	59,254	97,518
Purchases awaiting settlement	-	-	-	700,000
Financial derivatives at fair value	-	-	10,612	-
Total liabilities	11,072,583	631,988	69,866	797,518
Equity				
Net assets attributable to unitholders	809,439,246	752,996,996	12,604,206	12,577,088

Statements of Movements of Unitholders' Funds
For the period ended 30 June 2017 (unaudited)

	Phillip Money Market Fund		Phillip Income Fund	
	30 June 2017 S\$	31 December 2016 S\$	30 June 2017 S\$	31 December 2016 S\$
Net assets attributable to unitholders at the beginning of financial period/year	752,996,996	649,023,801	12,577,088	11,845,831
Operations				
Change in net assets attributable to unitholders resulting from operations	3,540,236	6,160,020	653,597	621,850
Unitholders' contributions / (withdrawals)				
Creation of units	1,345,658,258	2,098,865,493	154,603	730,713
Cancellation of units	(1,292,756,244)	(2,001,052,318)	(548,703)	(105,663)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	52,902,014	97,813,175	(394,100)	625,050
Distributions	-	-	(232,379)	(515,643)
Total increase in net assets attributable to unitholders	56,442,250	103,973,195	27,118	731,257
Net assets attributable to unitholders at the end of financial period/year	809,439,246	752,996,996	12,604,206	12,577,088

Statements of Movements of Unitholders' Funds (continued)
For the period ended 30 June 2017 (unaudited)

Represented by	Phillip Money Market Fund	
	30 June 2017 S\$	31 December 2016 S\$
Net assets attributable to unitholders	809,439,246	752,996,996
Units in issue	682,235,837	637,553,451
Net assets attributable to unitholders per unit	1.1865	1.1811

Represented by	Phillip Income Fund	
	30 June 2017 S\$	31 December 2016 S\$
Net assets attributable to unitholders of Class A SGD Units	1,633,808	1,989,524
Net assets attributable to unitholders of Class I SGD Units	10,970,398	10,587,564
Net assets attributable to unitholders of Class I USD Units	-	-
Units in issue		
Class A SGD Units	1,539,363	1,933,194
Class I SGD Units	10,160,590	10,140,136
Class I USD Units	-	-
Net assets attributable to unitholders per unit		
Class A SGD Units	1.0614	1.0291
Class I SGD Units	1.0797	1.0441
Class I USD Units	-	-

Statements of Portfolio
As at 30 June 2017 (unaudited)

Phillip Money Market Fund			
By Industry - Primary	Holdings at 30 June 2017	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Debt Securities			
BANKS			
Bank of Communications Company Limited/Hong Kong 2.1% due 24/07/2017	13,000,000	13,006,890	1.61
Bank of Tokyo-Mitsubishi UFJ Limited/Singapore 1.58% due 29/10/2018	15,000,000	15,022,500	1.85
Commonwealth Bank of Australia 1.1% due 14/07/2017	6,000,000	6,000,240	0.74
Industrial & Commercial Bank of China Limited/Sydney 1.08% due 10/08/2017	5,000,000	5,000,700	0.62
Industrial & Commercial Bank of China Limited/Sydney 1.2% due 08/11/2017	15,000,000	15,006,000	1.85
Industrial & Commercial Bank of China Limited/Sydney 1.5% due 21/08/2017	15,000,000	14,997,450	1.85
Korea Development Bank/The 2.05% due 23/07/2018	9,250,000	9,286,075	1.15
Korea Development Bank/Singapore 1.64% due 10/04/2019	20,000,000	19,974,800	2.47
Nonghyup Bank 2.25% due 16/07/2018	500,000	502,955	0.06
QNB Finance Limited 2.5% due 04/05/2018	9,000,000	8,959,410	1.11
Standard Chartered Bank/Singapore 0% due 13/12/2017	15,000,000	14,889,750	1.84
		122,646,770	15.15
DIVERSIFIED FINANCIAL SERVICES			
Cagamas Global Public Listed Company 1.64% due 12/04/2018	20,000,000	20,011,200	2.47
Cagamas Global Public Listed Company 2.23% due 30/07/2018	3,000,000	3,016,740	0.37
Cagamas Global Public Listed Company 2.37% due 27/11/2017	5,000,000	5,014,550	0.62
		28,042,490	3.46
HOLDING COMPANIES-DIVERSIFIED			
Wharf MTN Singapore Private Limited 4.3% due 28/10/2018	10,500,000	10,860,255	1.34
		10,860,255	1.34
INVESTMENT COMPANIES			
Mapletree Treasury Services Limited 3.88% due 04/10/2018	5,000,000	5,136,350	0.64
Mapletree Treasury Services Limited 4.45% due 07/03/2018	750,000	764,543	0.09
		5,900,893	0.73
LODGING			
Hotel Properties Limited 3.5% due 15/01/2018	4,000,000	4,035,640	0.50
		4,035,640	0.50
REAL ESTATE			
Capitaland Treasury Limited 3.5% due 17/07/2017	1,500,000	1,501,050	0.18
Capitamalls Asia Treasury Limited 3.95% due 24/08/2017	12,500,000	12,552,125	1.55
CDL Properties Limited 1.98% due 18/04/2019	20,000,000	20,047,800	2.48
Henderson Land MTN S Private Limited 4% due 19/09/2018	6,500,000	6,686,615	0.83
Joynote Limited 3.408% due 20/07/2018	17,000,000	17,326,060	2.14
Keppel Land Limited 3.1575% due 25/08/2017	15,000,000	15,044,250	1.86
UOL Treasury Services Private Limited 2.5% due 20/04/2018	6,000,000	6,027,720	0.74
		79,185,620	9.78

Statements of Portfolio
As at 30 June 2017 (unaudited)

Phillip Money Market Fund

By Industry - Primary (continued)

	Holdings at 30 June 2017	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Debt Securities(continued)			
SOVEREIGN			
Export-Import Bank of Korea 1.75% due 15/06/2018	7,000,000	6,999,300	0.86
Export-Import Bank of Korea 1.95% due 15/06/2018	5,000,000	5,011,100	0.62
Export-Import Bank of Korea 2.04% due 24/07/2018	9,000,000	9,033,030	1.12
Housing & Development Board 1.11% due 30/08/2017	3,000,000	3,000,660	0.37
Housing & Development Board 1.23% due 30/01/2018	5,000,000	5,003,500	0.62
Housing & Development Board 1.368% due 29/05/2018	4,750,000	4,758,503	0.59
		33,806,093	4.18
TRANSPORTATION			
SBS Transit Limited 1.8% due 12/09/2017	1,500,000	1,500,450	0.18
SMRT Capital Private Limited 1.2% due 05/10/2017	10,000,000	10,003,900	1.24
SMRT Capital Private Limited 1.388% due 16/10/2017	1,500,000	1,501,290	0.19
		13,005,640	1.61
Accrued Interest on debt securities		2,042,139	0.25
Portfolio of investments		299,525,539	37.00
Other net assets		509,913,707	63.00
Net assets attributable to unitholders		809,439,246	100.00

Statements of Portfolio
As at 30 June 2017 (unaudited)

	Phillip Money Market Fund		
	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %	Percentage of total net assets attributable to unitholders at 31 December 2016 %
By Industry (Summary)			
Banks	122,646,770	15.15	19.59
Diversified Financial Services	28,042,490	3.46	-
Holding Companies-Diversified	10,860,255	1.34	0.45
Investment Companies	5,900,893	0.73	0.27
Lodging	4,035,640	0.50	-
Real Estate	79,185,620	9.78	4.10
Real Estate Investment Trusts	-	-	1.34
Sovereign	33,806,093	4.18	4.45
Transportation	13,005,640	1.61	0.53
Accrued interest on debt securities	2,042,139	0.25	0.18
Portfolio of investments	299,525,539	37.00	30.91
Other net assets	509,913,707	63.00	69.09
Net assets attributable to unit holders	809,439,246	100.00	100.00

	Phillip Money Market Fund		
	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %	Percentage of total net assets attributable to unitholders at 31 December 2016 %
By Geography (Secondary)			
Australia	6,000,240	0.74	0.80
Britain	14,889,750	1.84	-
Cayman Islands	8,959,410	1.10	1.20
China	48,011,040	5.93	9.67
Japan	15,022,500	1.86	-
Luxembourg	-	-	1.32
Malaysia	28,042,490	3.46	2.66
Singapore	125,750,710	15.54	7.68
South Korea	50,807,260	6.28	4.75
United Arab Emirates	-	-	2.65
Accrued Interest on debt securities	2,042,139	0.25	0.18
Portfolio of investments	299,525,539	37.00	30.91
Other net assets	509,913,707	63.00	69.09
Net assets attributable to unitholders	809,439,246	100.00	100.00

Statements of Portfolio
As at 30 June 2017 (unaudited)

By Industry - Primary	Phillip Income Fund		
	Holdings at 30 June 2017	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Equity Securities			
AIRLINES			
Singapore Airlines Limited	16,000	161,920	1.29
		161,920	1.29
AUTO MANUFACTURERS			
Hyundai Motor Company	610	117,086	0.93
Toyota Motor Corporation	2,800	202,199	1.60
		319,285	2.53
AUTO PARTS & EQUIPMENT			
Bridgestone Corporation	3,300	195,724	1.55
		195,724	1.55
BANKS			
Agricultural Bank Of China Limited	208,000	135,373	1.07
HSBC Holdings Public Listed Company	14,918	191,156	1.52
Mizuho Financial Group Incorporated	78,000	196,327	1.56
Standard Chartered Public Listed Company	9,642	133,669	1.06
		656,525	5.21
BUILDING MATERIALS			
Taiwan Cement Corporation	105,000	167,289	1.33
		167,289	1.33
DIVERSIFIED FINANCIAL SERVICES			
Fubon Financial Holding Company Limited	100,000	219,296	1.74
		219,296	1.74
ELECTRIC			
SSE Public Listed Company	7,300	189,705	1.51
		189,705	1.51
FOOD & BEVERAGE			
Carlsberg Brewery Malaysia Berhad	45,000	216,510	1.72
Charoen Pokphand Foods Public Company Limited	180,000	180,936	1.44
China Mengniu Dairy Company Limited	46,000	124,134	0.98
Pepsi-Cola Products Philippines Incorporated	969,000	86,197	0.68
		607,777	4.82
GAS			
Perusahaan Gas Negara Persero TBK	780,000	181,311	1.44
		181,311	1.44
HOLDING COMPANIES-DIVERSIFIED			
CK Hutchison Holdings Limited	7,000	120,995	0.96
Keppel Corporation Limited	33,000	207,570	1.65
YTL Corporation Berhad	413,000	193,409	1.53
		521,974	4.14

Statements of Portfolio
As at 30 June 2017 (unaudited)

By Industry - Primary (continued)

	Phillip Income Fund		
	Holdings at 30 June 2017	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Equity Securities (continued)			
HOME BUILDERS			
Land & Houses Public Company Limited	480,000	194,555	1.54
		<u>194,555</u>	<u>1.54</u>
INSURANCE			
Aegon NV	29,500	207,127	1.64
China Life Insurance Company Limited	26,000	109,371	0.87
China Pacific Insurance Group Company Limited	23,000	129,408	1.03
		<u>445,906</u>	<u>3.54</u>
MINING			
BHP Billiton Limited	8,500	208,992	1.66
		<u>208,992</u>	<u>1.66</u>
MISCELLANEOUS MANUFACTURE			
CRRC Corporation Limited	150,000	185,725	1.47
		<u>185,725</u>	<u>1.47</u>
OIL AND GAS			
China Petroleum & Chemical Corporation	168,000	180,455	1.43
		<u>180,455</u>	<u>1.43</u>
RETAIL			
Bossini International Holdings Limited	1,112,000	92,182	0.73
Matahari Department Store TBK PT	130,000	190,377	1.51
		<u>282,559</u>	<u>2.24</u>
SHIPBUILDING			
Sembcorp Industries Limited	35,000	107,800	0.86
		<u>107,800</u>	<u>0.86</u>
TELECOMMUNICATIONS			
Singapore Telecommunications Limited	55,000	213,950	1.70
Telstra Corporation Limited	47,000	213,449	1.69
		<u>427,399</u>	<u>3.39</u>
TRANSPORTATION			
Royal Mail Public Listed Company	24,000	180,797	1.43
Singapore Post Limited	123,000	163,590	1.30
		<u>344,387</u>	<u>2.73</u>
Total Quoted Equity Securities		<u><u>5,598,584</u></u>	<u><u>44.42</u></u>

Statements of Portfolio
As at 30 June 2017 (unaudited)

By Industry - Primary (continued)	Phillip Income Fund		
	Holdings at 30 June 2017	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Debt Securities			
BANKS			
BNP Paribas SA 5% due 17/03/2025	1,000,000	204,335	1.62
Intesa Sanpaolo Bank Ireland Public Listed Company 4.5% due 27/02/2019	1,000,000	199,753	1.58
Oversea-Chinese Banking Corporation Limited 0% due 06/06/2018	300,000	310,160	2.46
		714,248	5.66
DIVERSIFIED FINANCIAL SERVICES			
Housing Development Finance Corporation Limited 6.875% due 30/04/2020	10,000,000	212,926	1.69
Indonesia Infrastructure Finance PT 8.25% due 19/07/2019	2,500,000,000	260,899	2.07
Rickmers Maritime 0% due 15/05/2017	250,000	-	-
		473,825	3.76
ELECTRIC			
NTPC Limited 7.375% due 10/08/2021	10,000,000	216,669	1.72
		216,669	1.72
ENGINEERING AND CONSTRUCTION			
China Railway Xunjie Company Limited 3.25% due 28/07/2026	200,000	268,267	2.13
		268,267	2.13
FOOD & BEVERAGE			
Uni-President China Holdings Limited 3.9% due 28/08/2019	1,000,000	199,779	1.59
		199,779	1.59
INTERNET			
Alibaba Group Holding Limited 3.125% due 28/11/2021	200,000	281,358	2.23
		281,358	2.23
OIL AND GAS			
Pertamina Persero PT 4.3% due 20/05/2023	200,000	285,682	2.27
Perusahaan Gas Negara Persero TBK 5.125% due 16/05/2024	200,000	295,936	2.35
		581,618	4.62
REAL ESTATE			
GAIF Bond Issuer Pty Limited 3.4% due 30/09/2026	200,000	271,154	2.15
		271,154	2.15
REAL ESTATE INVESTMENT TRUSTS (REITS)			
RCS Trust 2.6% due 05/06/2023	250,000	250,878	1.99
		250,878	1.99
SHIPBUILDING			
Sembcorp Industries Limited 4.75% due 29/12/2049	250,000	256,056	2.03
		256,056	2.03

Statements of Portfolio
As at 30 June 2017 (unaudited)

By Industry - Primary (continued)	Phillip Income Fund		
	Holdings at 30 June 2017	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Debt Securities (continued)			
SOVEREIGN			
Turkey Government International Bond 7% due 05/06/2020	200,000	301,555	2.39
Vietnam Government International Bond 4.8% due 19/11/2024	200,000	290,900	2.31
		592,455	4.70
Accrued Interest on debt securities		46,955	0.37
Total Quoted Debt Securities		4,153,262	32.95
 Quoted Investment Fund			
COMMERCIAL SERVICES			
Hutchison Port Holdings Trust	306,000	181,170	1.44
		181,170	1.44
 EQUITY FUND			
One STOXX Asean Select Dividend Index Fund	123,100	521,024	4.13
Phillip SGX Apac Dividend Leaders REIT ETF	233,000	301,243	2.39
Phillip Singapore Real Estate Income Fund	559	774	0.01
Proshares VIX Short-Term Futures ETF	8,000	117,091	0.93
		940,132	7.46
 REAL ESTATE			
Ascendas India Trust	175,000	198,625	1.57
		198,625	1.57
 Total Quoted Investment Fund		1,319,927	10.47
 QUOTED REAL ESTATE INVESTMENT TRUSTS (REITS)			
Capitaland Mall Trust	98,000	193,550	1.54
Frasers Hospitality Trust	198,000	143,550	1.14
		337,100	2.68
 Total Quoted Real Estate Investment Trusts		337,100	2.68
 Portfolio of investments		11,408,873	90.52
Other net assets		1,195,333	9.48
Net assets attributable to unitholders		12,604,206	100.00

Statements of Portfolio
As at 30 June 2017 (unaudited)

By Industry (Summary)	Phillip Income Fund		
	Fair value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %	Percentage of total net assets attributable to unitholders at 31 December 2016 %
Airlines	161,920	1.29	1.23
Auto Manufacturers	319,285	2.53	0.84
Auto Parts & Equipment	195,724	1.55	-
Banks	1,370,773	10.88	14.47
Beverages	302,707	2.40	-
Building Materials	167,289	1.33	0.75
Commercial Services	181,170	1.44	-
Chemicals	-	-	0.97
Cosmetics/Personal Care	-	-	3.27
Diversified Financial Services	693,121	5.50	1.26
Electric	406,374	3.22	-
Engineering and Construction	268,268	2.13	2.17
Equity Fund	940,132	7.46	19.88
Food & beverage	807,556	6.41	4.35
Holding Companies-Diversified	521,974	4.14	2.65
Home Builders	194,555	1.54	-
Insurance	445,906	3.54	3.84
Internet	281,358	2.23	2.30
Iron/Steel	-	-	1.12
Mining	208,992	1.66	0.69
Money Market Fund	-	-	5.56
Miscellaneous Manufacture	185,725	1.47	-
Oil and Gas	943,384	7.49	4.65
Real Estate	469,779	3.73	3.94
Real Estate Investment Trusts (REITS)	587,978	4.66	6.14
Retail	282,559	2.24	0.69
Shipbuilding	363,856	2.89	0.79
Sovereign	592,455	4.70	6.01
Telecommunications	427,399	3.39	2.66
Transportation	344,387	2.73	1.96
Accrued interest on debt securities	46,955	0.37	0.23
Portfolio of investments	11,408,873	90.52	92.42
Other net assets	1,195,333	9.48	7.58
Net assets attributable to unit holders	12,604,206	100.00	100.00

Statements of Portfolio
As at 30 June 2017 (unaudited)

By Geography (Secondary)	Phillip Income Fund		
	Fair Value at 30 June 2017 S\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %	Percentage of total net assets attributable to unitholders at 31 December 2016 %
Australia	693,595	5.50	7.76
Britain	695,327	5.52	2.26
British Virgin Islands	268,267	2.13	2.17
Cayman Islands	481,137	3.82	2.30
China/Hong Kong	1,077,643	8.55	10.24
France	204,335	1.62	-
India	429,595	3.41	1.12
Indonesia	1,214,205	9.63	4.65
Ireland	199,753	1.59	1.58
Japan	594,250	4.72	-
Malaysia	409,919	3.25	0.96
Netherlands	207,127	1.64	4.37
Philippines	86,197	0.68	2.09
Singapore	2,690,836	21.35	38.24
South Korea	117,086	0.93	2.81
Switzerland	-	-	1.33
Taiwan	386,585	3.07	1.51
Thailand	896,515	7.11	2.15
Turkey	301,555	2.39	2.47
United States of America	117,091	0.93	4.18
Vietnam	290,900	2.31	-
Accrued Interest on debt securities	46,955	0.37	0.23
Portfolio of investments	11,408,873	90.52	92.42
Other net assets	1,195,333	9.48	7.58
Net assets attributable to unitholders	12,604,206	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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