

PHILLIP INVESTMENT FUNDS

Annual Report

Year ended 31 December 2019



Phillip Capital Management

(A member of PhillipCapital)

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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
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 Report

Phillip Money Market Fund

The fund generated a net return of 1.34% for the year ended 31 December 2019, which outperformed the bank savings deposit rate of 0.17% over the same period.

For 2019, the portfolio's Weighted Average Maturity ("WAM") averaged 43 days vs 74 days in the previous year. Despite short-term interest rates declining over the course of the year, front-end yields exhibited greater resilience hence the decision to maintain a lower WAM for the portfolio. The SGD Singapore Swap Offer Rate ("SOR") for one month and three months reached 1.49% and 1.54% at the end of December 2019, respectively from 1.75% and 1.92% a year ago. The SIBOR for one month and three months over the same period also fell to 1.75% and 1.77%, respectively, from 1.76% and 1.89%. The portfolio is well-diversified across different economic sectors and geographical regions. The fund was primarily invested in fixed-rate issues of the Asian region and bank deposits.

Economic data released by the Ministry of Trade and Industry (MTI) in mid-February 2020 indicated that Singapore's GDP grew by 0.7% for the entire 2019 to \$507.6 billion. Growth was mainly supported by the services sector which expanded by 1.1% given better output from the finance & insurance, business services and other services sectors. Labour markets softened slightly as unemployment rates ticked higher from 2.1% in 2018 to 2.3% in 2019 as firms exercised greater caution in hiring activities in view of economic uncertainties.

The Monetary Authority of Singapore ("MAS") core inflation measure declined to 1% in 2019 from 1.7% in 2018 primarily driven by lower electricity & gas prices caused by the Open Electricity Market. Headline consumer price index strengthened slightly to 0.6% for 2019, up from 0.4% in the year before, as higher food and education costs were partially offset by declines in housing and utilities prices.

Outlook

According to MTI forecasts, Singapore's economic growth outlook for 2020 will be downgraded to -0.5% to 1.5%, with full-year expansion expected to come in around 0.5% along the mid-point of the forecast range. This represents further moderation of growth from the 0.7% recorded for 2019, as the Singapore government was cognizant of downside risks to economic growth both domestically and globally stemming from the COVID-19 virus outbreak and US-China trade uncertainties. Outward-oriented sectors such as manufacturing and wholesale trade are expected to experience weaker demand conditions in key demand markets as virus containment efforts led to supply chain disruptions and diminished consumption sentiments. Domestically, lower inbound tourist arrivals are expected to be a drag on the tourism and transportation sectors, while the pullback in consumption by locals will exert headwinds on firms operating in the retail and food services segment. However, certain sectors are expected to exhibit resilience such as the construction and information & communications.

The Monetary Authority of Singapore ("MAS") estimates the core inflation measure, which excludes changes in the prices of cars and accommodations to be within the 0.5% to 1.5% range for 2020, compared to the 1.0% in 2019. However, headline inflation outlook has been revised down to 1% to 1.5% citing benign external inflationary pressures and demand conditions. Domestically, labour market conditions are expected to soften contributing to a moderation in labour cost pressure, while the weaker demand environment will inhibit cost pass through to end-consumers. The GST hike expected for 2021 have also been postponed in light of the lackluster economic environment.

In the recent Budget 2020, the Singapore government forecasted a budget deficit of \$10.9 billion, as fiscal stimulus measures are unveiled to mitigate the impact of the virus outbreak. The \$6.4 billion fiscal support package consists of \$4 billion targeting local businesses through corporate tax rebates and working capital financing, \$1.6 billion dedicated to households and \$800m supporting healthcare agencies fighting the outbreak.

Outlook

The US Federal Reserve's recently implemented 50bps rate cut lowered fed fund rates to 1.00-1.25%, citing rising growth risks for the US economy due to virus outbreak concerns. Similarly, other central banks have implemented interest rate cuts to support economic activities, thereby creating a monetary policy environment for which we expect the future interest rates to remain low.

The fund will continue to maintain highly liquidity and invest in high credit quality bank counterparties and bond issuers.

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2019

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

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 18 to 22.

2. Schedule of investments by asset class

Phillip Money Market Fund

Asset Class	Fair value at 31 December 2019	Percentage of total net assets attributable to unitholders at 31 December 2019
	S\$	%
Debt securities	176,274,107	21.73
Fixed deposits	515,222,403	63.53
Cash and cash equivalents	120,385,265	14.84
Other net assets	(857,298)	(0.10)
Net assets attributable to unitholders	811,024,477	100.00

Types of Money Market Instruments and Debt Securities

Asset Class	Fair value at 31 December 2019	Percentage of total net assets attributable to unitholders at 31 December 2019
	S\$	%
Fixed rate notes	175,029,721	21.58
Accrued interest on fixed income securities	1,244,386	0.15
	176,274,107	21.73

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2019

3. Credit rating

i) Debt securities

Phillip Money Market Fund

	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %
Aaa	22,037,563	2.72
Aa1	9,035,999	1.11
Aa2	7,331,503	0.90
A1	36,554,384	4.51
A2	1,506,742	0.19
A3	2,006,872	0.25
A*	16,526,019	2.03
Not Rated	80,030,639	9.87
Accrued interest on debt securities	1,244,386	0.15
Portfolio of investments	176,274,107	21.73

Source of credit rating is from Moody's except for the following:

* Credit rating is from Standard & Poor's

ii) Fixed deposits

Phillip Money Market Fund

	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %
P-1	429,262,991	52.93
P-2	85,549,422	10.55
Accrued interest on fixed deposit	409,990	0.05
	515,222,403	63.53

Source of credit rating is from Moody's

**Report to Unitholders
Year ended 31 December 2019**

4. Top 10 holdings

Phillip Money Market Fund

	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %
10 largest holdings at 31 December 2019		
Singtel Group Treasury Private Limited 3.4875% due 08/04/2020	23,834,837	2.94
Temasek Financial I Limited 3.265% due 19/02/2020	21,536,704	2.66
Capitaland Treasury Limited 4.3% due 31/08/2020	16,975,341	2.09
China Construction Bank Corporation/Singapore 2.643% due 21/09/2020	16,526,019	2.04
China Construction Bank Corporation/Singapore 2.08% due 26/10/2020	12,215,297	1.51
Monetary Authority of Singapore Bill 0% due 03/01/2020	9,998,971	1.23
Monetary Authority of Singapore Bill 0% due 10/01/2020	9,995,371	1.23
Monetary Authority of Singapore Bill 0% due 17/01/2020	9,991,029	1.23
Monetary Authority of Singapore Bill 0% due 07/02/2020	9,983,791	1.23
PSA Corporation Limited 3.385% due 28/04/2020	9,035,999	1.11

	Fair value at 31 December 2018 S\$	Percentage of total net assets attributable to unitholders at 31 December 2018 %
10 largest holdings at 31 December 2018		
CDL Properties Limited 1.98% due 18/04/2019	20,000,000	2.89
Korea Development Bank 1.64% due 10/04/2019	20,000,000	2.89
Industrial & Commercial Bank of China Limited/Sydney 1.9% due 08/05/2019	19,993,859	2.89
China Construction Bank Corporation/Singapore 2.643% due 21/09/2020	15,037,350	2.17
MUFG Bank Limited/Singapore 1.62% due 21/01/2019	15,000,000	2.17
Industrial & Commercial Bank of China Limited/Sydney 1.75% due 27/06/2019	14,971,516	2.16
Mapletree Treasury Services Limited 2.92% due 21/01/2019	13,750,762	1.99
Housing & Development Board 2.223% due 28/05/2019	12,501,625	1.81
Temasek Financial I Limited 3.265% due 19/02/2020	11,886,183	1.71
Singapore Government Bond 2.5% due 01/06/2019	10,023,000	1.45

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2019

5. Maturity profile of investments

Phillip Money Market Fund

	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %
Maturity profile of underlying investments		
Up to 30 days	132,893,932	16.39
31 – 90 days	418,213,237	51.57
91 - 180 days	61,592,959	7.59
181 - 365 days	64,558,383	7.96
366 - 732 days	12,583,623	1.55
Non-interest bearing	1,654,376	0.20
	691,496,510	85.26

6. Exposure to financial derivatives as at 31 December 2019

Nil.

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:

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

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

Nil.

9. Amount and percentage of borrowings of total fund size as at 31 December 2019

Nil.

**Report to Unitholders
Year ended 31 December 2019**

10. Amount of units created and cancelled for the financial year ended 31 December 2019

Phillip Money Market Fund

S\$

Total amount of redemptions	(2,558,854,109)
Total amount of subscriptions	2,667,281,500

11. Turnover ratio

Please refer to Note 10 of Notes to Financial Statements.

12. Expense ratio

Please refer to Note 10 of Notes to Financial Statements.

13. Performance of Sub-Fund as at 31 December 2019

Phillip Money Market Fund

	Class A	Class I	Benchmark
	SGD	SGD	
Cumulative (%)*			
3 months	0.30	0.35	0.04
6 months	0.66	0.77	0.08
1 year	1.34	1.55	0.17
3 years	3.31	-	0.50
5 years	4.93	-	0.78
10 years	7.79	-	1.39
Since inception	22.04	2.58	4.45
Annualised (%)			
1 year	1.34	1.55	0.17
3 years	1.09	-	0.17
5 years	0.97	-	0.16
10 years	0.75	-	0.14
Since inception	1.07	1.47	0.23

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.

Benchmark: Bank deposit rate

Source: Bloomberg

14. Related party transactions

Please refer to Note 9 of Notes to Financial Statements.

**Report to Unitholders
Year ended 31 December 2019**

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 31 December 2019 and 31 December 2018.

Not applicable.

(ii) Expense ratios for the period 31 December 2019 and 31 December 2018.

Not applicable.

(iii) Turnover ratios for the period 31 December 2019 and 31 December 2018.

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 year.

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Phillip Investment Funds in trust for the unitholders. In accordance with the Securities and Futures Act (Chapter 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Phillip Investment Funds during the period covered by these financial statements, set out on pages 14 to 31, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
BNP Paribas Trust Services Singapore Limited

Authorised signatory

31 March 2020

Statement by the Manager

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages 15 to 34, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Phillip Investment Funds as at 31 December 2019, and the total return and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that Phillip Investment Funds will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
Phillip Capital Management (S) Ltd

Jeffrey Lee Chay Khiong
Director

31 March 2020

Independent auditors' report

Unitholders

Phillip Investment Funds

(Constituted under a Trust Deed in the Republic of Singapore)

Opinion

We have audited the financial statements of Phillip Investment Funds (the “Fund”), which comprise the Statement of Financial Position and Statement of Portfolio as at 31 December 2019, the Statement of Total Return and Statement of Movements of Unitholders’ Funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 34.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2019 and the financial performance and movements in unitholders’ funds for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the audit of the financial statements section of our report*. We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Phillip Capital Management (S) Ltd, the Manager of the Fund (‘the Manager’), is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors’ report thereon.

We have obtained all other information prior to the date of this auditors’ report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

31 March 2020

Statement of Total Return
Year ended 31 December 2019

	Phillip Money Market Fund	
Note	2019	2018
	S\$	S\$
Income		
Interest	14,017,564	14,176,451
	<u>14,017,564</u>	<u>14,176,451</u>
Less:		
Expenses		
Management fees	3,432,246	3,530,804
Audit fee	13,001	12,871
Custody fees	87,202	116,197
Trustee fees	76,672	78,601
Valuation fees	8,486	8,500
Other expenses	63,243	(11,214)
	<u>3,680,850</u>	<u>3,735,759</u>
Net income	<u>10,336,714</u>	<u>10,440,692</u>
Net gains or losses on value of investments and financial derivatives		
Net losses on investments	(118,189)	(1,397,719)
	<u>(118,189)</u>	<u>(1,397,719)</u>
Total return for the year before income tax	10,218,525	9,042,973
Less: Income tax	-	-
Total return for the year after income tax before distribution	<u>10,218,525</u>	<u>9,042,973</u>

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

Statement of Financial Position
As at 31 December 2019

		Phillip Money Market Fund	
	Note	2019	2018
		S\$	S\$
Assets			
Portfolio of investments		691,496,510	609,669,126
Receivables	3	7,277,286	7,482,438
Cash and cash equivalents	4	120,385,265	83,210,651
Total assets		<u>819,159,061</u>	<u>700,362,215</u>
Liabilities			
Payables	5	7,626,313	7,983,654
Purchases awaiting settlement		508,271	-
Total liabilities		<u>8,134,584</u>	<u>7,983,654</u>
Equity			
Net assets attributable to unitholders	6	811,024,477	692,378,561

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

Statement of Movements of Unitholders' Funds
Year ended 31 December 2019

	Phillip Money Market Fund	
	Note	
	2019	2018
	S\$	S\$
Net assets attributable to unitholders at the beginning of financial year	<u>692,378,561</u>	<u>733,509,987</u>
Operations		
Change in net assets attributable to unitholders resulting from operations	10,218,525	9,042,973
Unitholders' contributions / (withdrawals)		
Creation of units	2,667,281,500	2,968,078,133
Cancellation of units	(2,558,854,109)	(3,018,252,532)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	108,427,391	(50,174,399)
	<u>118,645,916</u>	<u>(41,131,426)</u>
Total increase/(decrease) in net assets attributable to unitholders		
	<u>118,645,916</u>	<u>(41,131,426)</u>
Net assets attributable to unitholders at the end of financial year	<u>811,024,477</u>	<u>692,378,561</u>

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

Statement of Portfolio
As at 31 December 2019

	Holdings at 31 December 2019	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %
Phillip Money Market Fund			
By Industry (Primary)			
Quoted Debt Securities			
Airlines			
Singapore Airlines Limited 3.22% due 09/07/2020	3,000,000	3,014,202	0.37
		<u>3,014,202</u>	<u>0.37</u>
Banks & Financials			
China Construction Bank Corporation/Singapore 2.08% due 26/10/2020	12,250,000	12,215,297	1.51
China Construction Bank Corporation/Singapore 2.643% due 21/09/2020	16,500,000	16,526,019	2.04
DBS Group Holdings Limited 2.78% due 11/01/2021	5,000,000	5,043,584	0.62
		<u>33,784,900</u>	<u>4.17</u>
Commercial Services			
National University of Singapore 2.2% due 27/05/2020	500,000	500,859	0.07
PSA Corporation Limited 3.385% due 28/04/2020	9,000,000	9,035,999	1.11
		<u>9,536,858</u>	<u>1.18</u>
Electric			
SP PowerAssets Limited 4.665% due 18/08/2020	2,250,000	2,287,919	0.28
		<u>2,287,919</u>	<u>0.28</u>
Engineering and Construction			
Keppel Corporation Limited 3.1% due 12/10/2020	4,250,000	4,274,857	0.53
		<u>4,274,857</u>	<u>0.53</u>
Investment Companies			
Temasek Financial I Limited 3.265% due 19/02/2020	21,500,000	21,536,704	2.66
		<u>21,536,704</u>	<u>2.66</u>

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

Statement of Portfolio
As at 31 December 2019

	Holdings at 31 December 2019	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %
Phillip Money Market Fund			
By Industry (Primary)			
Quoted Debt Securities			
Lodging			
City Developments Limited 3% due 02/04/2020	1,500,000	1,503,412	0.18
City Developments Limited 3% due 27/10/2020	2,000,000	2,006,383	0.25
		<u>3,509,795</u>	<u>0.43</u>
Real Estate			
Ascendas Private Limited 2.68% due 10/05/2021	500,000	500,161	0.06
Ascendas Private Limited 2.965% due 16/03/2021	5,000,000	5,026,968	0.62
Capitaland Treasury Limited 4.3% due 31/08/2020	16,750,000	16,975,341	2.09
Hongkong Land Treasury Services Singapore Private Limited 3.43% due 14/05/2020	1,500,000	1,506,742	0.19
South Beach Consortium Private Limited 2.83% due 17/03/2021	750,000	755,048	0.09
United Engineers Limited 3.68% due 01/06/2021	1,000,000	1,004,787	0.12
UOL Treasury Services Private Limited 2.5% due 29/09/2020	5,000,000	5,000,318	0.62
		<u>30,769,365</u>	<u>3.79</u>

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

Statement of Portfolio
As at 31 December 2019

	Holdings at 31 December 2019	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %
Phillip Money Market Fund			
By Industry (Primary) (continued)			
Quoted Debt Securities (continued)			
Real Estate Investment Trusts (REITS)			
Ascendas Real Estate Investment Trust 2.95% due 03/08/2020	2,000,000	2,006,872	0.25
		<u>2,006,872</u>	<u>0.25</u>
Sovereign			
Monetary Authority of Singapore Bill 0% due 03/01/2020	10,000,000	9,998,971	1.23
Monetary Authority of Singapore Bill 0% due 07/02/2020	10,000,000	9,983,791	1.23
Monetary Authority of Singapore Bill 0% due 10/01/2020	10,000,000	9,995,371	1.23
Monetary Authority of Singapore Bill 0% due 17/01/2020	10,000,000	9,991,029	1.23
		<u>39,969,162</u>	<u>4.92</u>
Telecommunications			
Singtel Group Treasury Private Limited 2.58% due 24/09/2020	250,000	251,175	0.03
Singtel Group Treasury Private Limited 2.72% due 03/09/2021	250,000	253,075	0.03
Singtel Group Treasury Private Limited 3.4875% due 08/04/2020	23,750,000	23,834,837	2.94
		<u>24,339,087</u>	<u>3.00</u>
Accrued interest on debt securities		<u>1,244,386</u>	<u>0.15</u>
Total Quoted Debt Securities		<u>176,274,107</u>	<u>21.73</u>

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

Statement of Portfolio
As at 31 December 2019

	Holdings at 31 December 2019	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %
Phillip Money Market Fund			
By Industry (Primary) (continued)			
Fixed deposits			
Banks			
Credit Suisse		74,503,916	9.19
First Abu Dhabi Bank PJSC		48,296,173	5.96
Industrial and Commercial Bank of China Singapore Branch		50,606,355	6.24
Malayan Banking Berhad		65,549,422	8.08
Qatar National Bank		68,961,024	8.50
Sumitomo Mitsui Banking Corporation		65,993,330	8.14
Sumitomo Mitsui Trust Bank Ltd		70,841,412	8.73
The Bank of East Asia Ltd		20,000,000	2.47
United Overseas Bank Limited		50,060,781	6.17
		<hr/> 514,812,413	<hr/> 63.48
Accrued interest on fixed deposit		409,990	0.05
Total Fixed Deposits		<hr/> 515,222,403	<hr/> 63.53
Portfolio of investments		691,496,510	85.26
Other net assets		119,527,967	14.74
Net assets attributable to unitholders		<hr/> 811,024,477	<hr/> 100.00

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

Statement of Portfolio
As at 31 December 2019

	Fair value at 31 December 2019 S\$	Percentage of total net assets attributable to unitholders at 31 December 2019 %	Percentage of total net assets attributable to unitholders at 31 December 2018 %
Phillip Money Market Fund			
By Industry (Primary)			
Airlines	3,014,202	0.37	-
Banks	548,597,313	67.65	73.37
Commercial Services	9,536,858	1.18	0.72
Electric	2,287,919	0.28	-
Engineering and construction	4,274,857	0.53	-
Investment Companies	21,536,704	2.66	3.70
Lodging	3,509,795	0.43	0.91
Real Estate	30,769,365	3.79	4.71
Real Estate Investment Trusts (REITS)	2,006,872	0.25	-
Sovereign	39,969,162	4.92	4.27
Telecommunications	24,339,087	3.00	-
Accrued interest on debt securities	1,244,386	0.15	0.21
Accrued interest on fixed deposit	409,990	0.05	0.17
Portfolio of investments	691,496,510	85.26	88.06
Other net assets	119,527,967	14.74	11.94
Net assets attributable to unitholders	811,024,477	100.00	100.00

By Geography (Secondary)

China	28,741,316	3.54	7.80
Japan	-	-	2.93
Singapore	661,100,818	81.52	74.06
South Korea	-	-	2.89
Accrued interest on debt securities	1,244,386	0.15	0.21
Accrued interest on fixed deposit	409,990	0.05	0.17
Portfolio of investments	691,496,510	85.26	88.06
Other net assets	119,527,967	14.74	11.94
Net assets attributable to unitholders	811,024,477	100.00	100.00

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

1 Domicile and activities

Phillip Investment Funds (the “Fund”) is an open ended umbrella unit trust constituted pursuant to a Trust Deed dated 26 February 2001 together with its Amending and Restating Deeds and its Supplemental Deed thereon (hereafter referred to as the “Trust Deed”) between Phillip Capital Management (S) Ltd (the “Manager”) and BNP Paribas Trust Services Singapore Limited (the “Trustee”). The Trust Deed is governed by and construed in accordance with the laws of the Republic of Singapore.

The Fund offers a series of sub-funds (the “Sub-Funds”); these were first offered for sale in Singapore on the following launch dates:

Sub-Fund	Launch date
Phillip Money Market Fund	1 March 2001
Phillip Income Fund	1 March 2001 (terminated on 16 August 2019)

Phillip Money Market Fund

The investment objective of Phillip Money Market Fund is to aim to preserve principal value and maintain a high degree of liquidity while producing returns comparable to that of Singapore dollar savings deposits. The Sub-Fund invests primarily in short term, high quality money market instruments and debt securities. Such investments may include government and corporate bonds, commercial bills and deposits with financial institutions. The Money Market Funds Investment Guidelines in Appendix 2 of the Code on Collective Investment Schemes apply to this Sub-Fund. The Phillip Money Market Fund is relatively low risk and its objective is targeted at achieving absolute returns. The benchmark for the Phillip Money Market Fund is the bank savings deposit rate.

Phillip Income Fund

Pursuant to the Termination Notice to the unitholders dated 15 May 2019, Phillip Income Fund was terminated on 16 August 2019. In accordance with the Code on Collective Investment Schemes under the Securities and Futures Act (Cap 289) (“Code”), Phillip Income Fund’s financial statements need not be prepared and audited, hence these financial statements only present Phillip Money Market Fund.

2 Significant accounting policies

2.1 *Basis of preparation*

The financial statements, expressed in Singapore dollars, have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Accounting Practice 7 “*Reporting Framework for Unit Trusts*” issued by the Institute of Singapore Chartered Accountants.

On 1 January 2017, the Fund has adopted the recommendations of revised RAP 7 (revised March 2017) issued by the Institute of Singapore Chartered Accountants effective for the financial year beginning 1 January 2017.

RAP 7 was revised in March 2017 to take into account, amongst others, the changes made to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosures* in relation to the offsetting of financial assets and liabilities; and new standards issued after 2012 including FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interest in Other Entities* and FRS 113 *Fair Value Measurement*. RAP 7 (Revised March 2017) (“Revised RAP 7”) is applicable to unit trusts with annual periods beginning on or after 1 July 2016. The adoption of the Revised RAP 7 did not result in any significant changes to the accounting policies of the Trust and had no material effect on the amounts reported for current or prior financial years.

For the purposes of preparation of these financial statements, the basis used for calculating the expense ratio and turnover ratio are in accordance with the guidelines issued by the Investment Management Association of Singapore (“IMAS”) and the Code on Collective Investment Schemes under the Securities and Futures Act (Cap 289) (“Code”) respectively.

2.2 *Basis of valuation of investments*

Quoted investments are stated at fair value based on the bid prices for debt securities at the reporting date. If there is no last bid price, the fair value is determined using valuation techniques that are commonly used by market participants. Unrealised gains/losses on investments are represented by the difference between the fair value and the carrying value of investments and are recognised in the Statement of Total Return. Realised gains and losses upon disposal of investments are computed on the basis of the difference between the carrying value and the selling price of investments on trade date and are taken to the Statement of Total Return.

Fixed deposits are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.3 *Financial derivatives*

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value therein are recognised in the Statement of Total Return.

2.4 *Recognition of income*

Interest income is recognised as it accrues in the Statement of Total Return, using the effective interest method.

2.5 *Foreign currency translation*

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates at the reporting date. All exchange differences are recognised in the Statement of Total Return.

2.6 *Income tax expense*

The Fund was approved for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13X of the Income Tax Act by the Monetary Authority of Singapore (“MAS”) with effect from 12 December 2011. The tax exemption status will be for the life of the Fund, provided the Fund continues to meet all the terms and conditions set out by MAS and the relevant Income Tax legislations.

2.7 *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.8 *Net assets attributable to unitholders*

Net assets attributable to unitholders are classified as equity.

3 **Receivables**

	Phillip Money Market Fund	
	2019	2018
	S\$	S\$
Receivable from unitholders for creation of units	7,189,024	7,465,769
Accrued interest receivable	88,262	16,669
	<u>7,277,286</u>	<u>7,482,438</u>

4 **Cash and cash equivalents**

	Phillip Money Market Fund	
	2019	2018
	S\$	S\$
Cash and bank balances	120,385,265	83,210,651
	<u>120,385,265</u>	<u>83,210,651</u>

5 Payables

	Phillip Money Market Fund	
	2019	2018
	S\$	S\$
Payable to unitholders for cancellation of units	7,242,187	7,618,482
Accrued expenses	384,126	365,172
	<u>7,626,313</u>	<u>7,983,654</u>

6 Units in issue

During the year the number of units issued, redeemed and outstanding were as follows:

Phillip Money Market Fund

	2019		
	Class A SGD	Class I SGD	Total
Units at beginning of the year	567,355,356	9,015,387	576,370,743
Units created	2,187,261,800	14,885,794	2,202,147,594
Units cancelled	(2,103,797,440)	(7,595,294)	(2,111,392,734)
Units at end of the year	<u>650,819,716</u>	<u>16,305,887</u>	<u>667,125,603</u>
Net assets attributable to unitholders – S\$	794,296,714	16,727,763	811,024,477
Net asset value per unit – S\$	<u>1.2205</u>	<u>1.0259</u>	<u>1.2157</u>

	2018		
	Class A SGD	Class I SGD	Total
Units at beginning of the year	616,165,751	–	616,165,751
Units created	2,471,662,493	10,445,608	2,482,108,101
Units cancelled	(2,520,472,888)	(1,430,221)	(2,521,903,109)
Units at end of the year	<u>567,355,356</u>	<u>9,015,387</u>	<u>576,370,743</u>
Net assets attributable to unitholders – S\$	683,271,662	9,106,899	692,378,561
Net asset value per unit – S\$	<u>1.2043</u>	<u>1.0102</u>	<u>1.2013</u>

Class A SGD Units are offered to investors who invest S\$500 and above. Class I SGD Units are offered to investors who invest S\$500,000 and above. All classes constitute the Sub-Fund and are not separate sub-funds. Any expense, income and/or gain which is attributable to a particular class is deducted from or added to (as the case may be) the value of the sub-fund which is attributable to that class. A separate net asset value per unit is calculated for each class.

For subscriptions and redemptions and for various fee calculations, investments are stated at the last traded price/amortised cost on the valuation day for the purpose of determining net asset value per unit while for reporting purpose the investments are valued at the relevant last traded or bid market prices as at the reporting date.

The effect of last traded price/amortised cost in the net assets attributable to unitholders is as follows:

Phillip Money Market Fund

	2019	
	Class A SGD S\$	Class I SGD S\$
Net assets attributable to unitholders per unit per financial statements	1.2205	1.0259
Effect of adopting amortised cost per unit	(0.0001)	(0.0001)
Net assets attributable to unitholders per unit for issuing/redeeming	<u>1.2204</u>	<u>1.0258</u>
	2018	
	Class A SGD S\$	Class I SGD S\$
Net assets attributable to unitholders per unit per financial statements	1.2043	1.0102
Effect of adopting amortised cost per unit	—	(0.0001)
Net assets attributable to unitholders per unit for issuing/redeeming	<u>1.2043</u>	<u>1.0101</u>

7 Income tax

The Fund was approved for the Enhanced Tier Fund Tax Incentive Scheme under Section 13X of the Income Tax Act by the Monetary Authority of Singapore (“MAS”) with effect from 12 December 2011. The tax exemption status will be for the life of the Fund, provided the Fund continues to meet all the terms and conditions set out by MAS and the relevant Income Tax legislations.

8 Financial risk management

The Sub-Fund’s activities are exposed to a variety of market risks (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Sub-Fund’s overall risk management programme seeks to minimise potential adverse effects on the Sub-Fund’s financial performance. The Sub-Fund may use futures contracts, options contracts and/or currency forward contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Sub-Fund at any time as part of the overall financial risk management to reduce the Sub-Fund’s risk exposures.

a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions such as interest rate movements and volatility in securities' prices. The Manager manages each Sub-Fund's exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

i. Price risk

Price risk is the risk that the fair values of equities or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The investments of the Sub-Fund are subject to normal market fluctuations and the risks inherent in investing in securities markets and there can be no assurance that appreciation will occur. It is the policy of the Manager to maintain a diversified portfolio of investments so as to minimise the risk.

ii. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The table below summarises the Sub-Fund's exposure to interest rate risks. They include the Sub-Fund's assets and trading liabilities at fair value, categorised by interest rate types.

		<----- Fixed rate ----->			
	Floating rate S\$	Up to 1 year S\$	1-5 years S\$	Non-interest bearing S\$	Total S\$
Phillip Money Market Fund					
2019					
Assets					
Portfolio of investments	—	677,258,511	12,583,623	1,654,376	691,496,510
Receivables	—	—	—	7,277,286	7,277,286
Cash and cash equivalents	120,385,265	—	—	—	120,385,265
	120,385,265	677,258,511	12,583,623	8,931,662	819,159,061
Liabilities					
Payables	—	—	—	7,626,313	7,626,313
Purchases awaiting settlement	—	—	—	508,271	508,271
	—	—	—	8,134,584	8,134,584

		<----- Fixed rate ----->				
	Floating rate S\$	Up to 1 year S\$	1-5 years S\$	Non-interest bearing S\$	Total S\$	
Phillip Money Market Fund						
2018						
Assets						
Portfolio of investments	–	580,146,652	26,923,533	2,598,941	609,669,126	
Receivables	–	–	–	7,482,438	7,482,438	
Cash and cash equivalents	35,275,366	–	–	47,935,285	83,210,651	
	<u>35,275,366</u>	<u>580,146,652</u>	<u>26,923,533</u>	<u>58,016,664</u>	<u>700,362,215</u>	
Liabilities						
Payables	–	–	–	7,983,654	7,983,654	

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest for the 12 month period is as disclosed below. As of 31 December 2019, should interest rates rise or fall by 1% with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders would be as follows:

	Interest rates rise/(fall) by 1%	
	Increase/(Decrease) in net assets attributable to unitholders	
	2019 S\$	2018 S\$
Phillip Money Market Fund	<u>737,617</u>	<u>940,700</u>

iii. **Currency risk**

The Sub-Fund is denominated in Singapore dollars. The Sub-Fund invests in underlying securities which are denominated in foreign currencies where fluctuations in the relevant exchange rates may have an impact on the income and value of the Sub-Fund. The Manager may seek to minimise exposure to foreign currency fluctuation to the extent practicable.

Investments and cash and cash equivalents of Phillip Money Market Fund are denominated in the Sub-Fund's functional currency.

b) Liquidity risk

The Sub-Fund is exposed to daily redemption of units in the Sub-Fund. Therefore the majority of their assets are invested in investments that are traded in an active market and can be readily disposed of.

c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

The main credit risk to which the Sub-Fund is exposed arise from the Sub-Fund's investments in debt securities. The Sub-Fund is also exposed to counterparty credit risk on trading derivative products, cash and cash equivalents and other receivable balances.

All transactions in listed debts are settled/paid upon delivery using approved brokers. The risk of default is considered minimal.

The Sub-Fund may also enter into derivative contracts to manage exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Sub-Fund is also exposed to the risk that amounts held with counterparties for derivative contracts may not be recoverable in the event of any default by the parties concerned.

The table below analyses the credit ratings of banks in which the Sub-Fund's fixed deposits are held.

Phillip Money Market Fund

<u>Fixed deposits by rating category</u>	Percentage of total net assets attributable to unitholders 2019 %	Percentage of total net assets attributable to unitholders 2018 %
P-1	52.93	46.98
P-2	10.55	12.77
Total fixed deposits	63.48	59.75

Source of credit rating is from Moody's.

The table below analyses the Sub-Fund's debt investments by credit ratings.

Phillip Money Market Fund

<u>Debt securities by rating category</u>	Percentage of total net assets attributable to unitholders 2019 %	Percentage of total net assets attributable to unitholders 2018 %
Aaa	2.72	6.31
Aa1	1.11	–
Aa2	0.90	2.89
A1	4.51	8.55
A2	0.19	–
A3	0.25	–
A*	2.03	–
Not Rated	9.87	10.18
Total debt securities	21.58	27.93

Source of credit rating is from Moody's except for the following:

** Credit ratings is from Standard & Poor's*

Derivatives risk

The Manager may use financial derivative instruments solely for the purposes of hedging existing positions in a portfolio or for efficient portfolio management, and such financial derivative instruments are not used to gear the overall portfolio.

d) Fair value estimation

Except for investments which are measured at fair value, at 31 December 2019 and 2018, the fair values of assets and liabilities approximate their carrying values on the Statement of Financial Position.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Sub-Fund holds derivatives with offsetting market risks, mid-market prices are used as a basis for establishing fair values for the offsetting risk positions and bid or asking price are applied to the net open position, as appropriate.

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2019 and 2018:

Phillip Money Market Fund

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
2019				
Assets				
Debt securities	–	176,274,107	–	176,274,107
Fixed deposits	–	515,222,403	–	515,222,403
	–	691,496,510	–	691,496,510
2018				
Assets				
Debt securities	–	194,819,374	–	194,819,374
Fixed deposits	–	414,849,752	–	414,849,752
	–	609,669,126	–	609,669,126

9 Related parties

In the normal course of the business of the Sub-Fund, management fees and trustee fees have been paid or are payable to the Manager and the Trustee respectively as noted in the Statement 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-Fund 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-Fund and its related parties during the year:

	Phillip Money Market Fund	
	2019	2018
	S\$	S\$
Cash and bank balances held with a related party of the Trustee	44,730,731	47,900,935

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

10 Financial ratios

Expense Ratio

	2019	2018
	S\$	S\$
Phillip Money Market Fund		
Class A SGD		
Total operating expenses	S\$ 3,656,659	3,727,652
Average daily net asset value	S\$ 757,692,648	783,176,802
Total expense ratio ^{Note 1}	% 0.48	0.48
Class I SGD		
Total operating expenses	S\$ 24,191	8,107
Average daily net asset value	S\$ 9,028,296	4,133,860
Total expense ratio ^{Note 1}	% 0.27	0.20
Total expense ratio ^{Note 1} (annualised)	% 0.27	0.26

Turnover Ratio

	2019	2018
	S\$	S\$
Phillip Money Market Fund		
Lower value of purchase (or sale) of underlying investments	S\$ 1,260,225	—
Average daily net asset value	S\$ 766,720,944	786,260,792
Total turnover ratio ^{Note 2}	% 0.16	—

Note 1 The expense ratio has been computed based on the guidelines laid down by the IMAS. The calculation of the expense ratio is based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fees, interest expenses, distributions 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 performance fee. The average net asset value is based on the daily balances.

Note 2 The portfolio turnover ratio is calculated in accordance with the formula stated in the Code. The calculation of the portfolio turnover ratio is based on the total value of purchases (or sales) of the underlying investments divided by the weighted 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 year is not included in the computation of portfolio turnover ratio.

11 Subsequent event

Subsequent to 31 December 2019, the spread of the novel coronavirus (COVID-19) has created a high level of uncertainty to the near-term global economic prospects. There is no material impact to the Sub-Fund as it primarily invests in short term, high quality money market instruments and debt securities. The Sub-Fund benefitted from net new subscriptions and its NAV has crossed the S\$1 billion mark (as at 27 March 2020).

As the situation is rapidly evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects presently unknown.

Important Information

Phillip Money Market Fund (the "Sub-Fund") is sub-fund 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.

This document is published by Phillip Capital Management (S) Ltd, the manager of the Fund (the "Manager"), for information only and it does not constitute a prospectus nor form part of any offer or invitation to subscribe for or to purchase, or solicitation of any offer to subscribe for or to purchase, any units in the Sub-Fund. All applications for units in the Sub-Fund must be made on the application forms accompanying the latest prospectus of the Fund (the "Prospectus").

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Given the economic and market risks, there can be no assurance that the Sub-Fund will achieve their investment objectives. Investments in the Sub-Fund is not deposits or other obligations of, or guaranteed, or insured by the Manager or the distributors or their affiliates and are subject to investment risks, including the possible loss of the full principal amount invested. Returns may be affected by, among other things, the investment strategies or objectives of the Sub-Fund and material market and economic conditions. The value of the units and the income from them can fall as well as rise. Past performance is not necessarily indicative of the future performance of the Sub-Fund.

This document should not be taken as a recommendation to buy or sell since it does not take into account the specific investment objectives, financial situation and the particular needs of any particular recipient of this document. Investors should seek advice from a financial advisor before purchasing units in the Sub-Fund. In any case, investors should read the Prospectus and consider the risks as well as suitability of the Sub-Fund before deciding whether to subscribe for units in the Sub-Fund. Copies of the Prospectus are available and may be obtained from the Manager.