

**Phillip International Funds
- Phillip Global Rising Yield Innovators Fund**

Semi-Annual Report

*Period from 28 August 2020 (inception date) to 31 December 2020
(Unaudited)*

**PHILLIP INTERNATIONAL FUNDS
- PHILLIP GLOBAL RISING YIELD INNOVATORS FUND**

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**PHILLIP INTERNATIONAL FUNDS
- PHILLIP GLOBAL RISING YIELD INNOVATORS FUND**

MANAGER

Phillip Capital Management (S) Ltd
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Singapore 179101
(Company Registration Number: 199905233W)

DIRECTORS OF THE MANAGER

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Louis Wong Wai Kit

TRUSTEE

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Singapore 486027

CUSTODIAN

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AUDITORS

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Singapore 048581

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One Marina Boulevard
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SOLICITORS TO THE TRUSTEE

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1 Robinson Road
#18-00
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Manager's Investment Report

The Phillip Global Rising Yield Innovators Fund delivered a positive performance as at end-December 2020, since its inception in late August 2020. The "B" class was up 11.95% while the "A" class was up 10.2%.

The calendar year 2020 was an extraordinary year, where the full impact of the Covid-19 outbreak triggered lockdowns across the world and collapsed stock markets in the early part of the year. A policy-driven recovery, led by global central banks with aggressive monetary intervention, drove a market recovery from the lows since then.

It was against this uncertain backdrop that the Fund launched in the third quarter of 2020. Since then, positive vaccine news in November and a US Presidential result (a win for Joe Biden) that was generally viewed as positive for markets saw the rally accelerate around year-end.

Looking forward, the general consensus is generally that there will be immediate economic hardship again for a while in 2021, as the second wave of Covid-19 takes its toll on the global economy, following which some believe there would be a strong economic recovery due to a potent cocktail of vaccines and ultra-easy monetary policy.

The Fund approach is to invest in global stocks with quality businesses who are resilient in economic downturns and generate long-term shareholders' returns. A focus will be on identifying companies that align strongly with the innovation theme, such as those that capitalise on innovation in offering faster, cheaper, more productive, more cost effective, more compelling products and services. Resilience is also a key criterion, along the lines of both business model resiliency and financial resiliency.

We are confident that this approach can deliver sustainable returns to investors over the long term.

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Report to unitholders

a) **I Investments classified by geography**

	Fair Value at 31/12/2020 S\$	Percentage of Net Assets Attributable to Unitholders at 31/12/2020 %
By Geography (Summary)		
Australia	666,815	1.64
Canada	378,870	0.93
Denmark	1,527,278	3.75
Finland	6,630,940	16.28
Germany	926,601	2.28
Italy	1,374,377	3.38
Japan	10,486,613	25.75
Sweden	14,221,119	34.93
United Kingdom	364,217	0.89
United States of America	1,638,538	4.02
Portfolio of investments	38,215,368	93.85
Other net assets	2,503,295	6.15
Net assets attributable to unitholders	40,718,663	100.00

a) **II Investments classified by industry**

	Fair Value at 31/12/2020 S\$	Percentage of Net Assets Attributable to Unitholders at 31/12/2020 %
By Industry (Summary)		
Communications	7,810,054	19.19
Consumer, Cyclical	6,339,633	15.56
Consumer, Non-cyclical	8,796,479	21.62
Industrial	1,094,609	2.69
Technology	14,174,593	34.79
Portfolio of investments	38,215,368	93.85
Other net assets	2,503,295	6.15
Net assets attributable to unitholders	40,718,663	100.00

**PHILLIP INTERNATIONAL FUNDS
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a) **III Investments classified by asset class**

	Fair Value at 31/12/2020 S\$	Percentage of Net Assets Attributable to Unitholders at 31/12/2020 %
Equities	38,215,368	93.85
Portfolio of investments	38,215,368	93.85
Other net assets	2,503,295	6.15
Net assets attributable to unitholders	40,718,663	100.00

b) **Top Ten Holdings**

<u>10 Largest Holdings at 31 December 2020</u>	Fair Value at 31/12/2020 S\$	Percentage of Net Assets Attributable to Unitholders at 31/12/2020 %
Invisio AB	2,172,565	5.34
Swedencare AB	2,092,099	5.14
Revenio Group Oyj	2,033,510	5.00
Lime Technologies AB	2,032,957	4.99
Sectra AB	2,006,726	4.93
Admicom Oyj	1,746,474	4.28
Verkkokauppa.Com Oyj	1,727,068	4.24
Rakus Co Ltd	1,592,253	3.91
Cbrain A/S	1,527,278	3.75
Fortnox AB	1,458,837	3.58

*As the fund only commenced on 28 August 2020, no comparatives are available.

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- c) (i) Exposure to Derivatives as at 31 December 2020.
Nil
- c) (ii) Gains/Losses on derivative contracts realised for the period from 28 August 2020 (inception date) to 31 December 2020
Nil
- c) (iii) Gains/Losses on outstanding derivative contracts marked to market as at 31 December 2020
Nil
- d) Description of the method used to calculate the global exposure of financial derivatives
- The global exposure relating to derivative instruments is calculated using the commitment approach. The global exposure of the sub-fund is calculated as the sum of:
- (i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (iii) the sum of the values of cash collateral received pursuant to:
- (a) the reduction of exposure to counterparties of OTC financial derivatives; and
- (b) efficient portfolio management techniques relating to securities lending and repurchase transactions, and that are reinvested.
- e) Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 31 December 2020.
Nil
- f) Amount and percentage of borrowings of total fund size as at 31 December 2020.
Nil
- g) Amount of redemptions and subscriptions for the period from 28 August 2020 (inception date) to 31 December 2020.
- | | |
|-------------------------------|----------------|
| Total amount of redemptions | S\$ 1,316,082 |
| Total amount of subscriptions | S\$ 37,821,934 |
- h) Amount of related party transactions for the period from 28 August 2020 (inception date) to 31 December 2020
- | | |
|--|---------------|
| Bank balances held with a related party of the Trustee | S\$ 3,352,611 |
|--|---------------|

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i) **Performance of the Fund as at 31 December 2020**

	Class A	Class B	Benchmark
	SGD	SGD	
Cumulative (%)*			
3 months	9.43	10.88	25.53
Since inception	10.21	11.95	21.62
Annualised (%)			
Since inception	32.83	39.03	77.09

*Returns are in Singapore dollar calculated on a bid-to-bid basis. Source: Bloomberg

Inception dates for Class A and Class B were 1 September 2020 and 28 August 2020 respectively.

j) **Expense Ratio**

		2020
Class A SGD		
Total operating expenses	S\$	1,226
Average daily net asset value	S\$	176,895
Expense ratio ^(*) (annualised)	%	2.01
Class B SGD		
Total operating expenses	S\$	228,411
Average daily net asset value	S\$	34,865,492
Expense ratio ^(*) (annualised)	%	1.90

*As the fund only commenced on 28 August 2020, no comparatives are available.

The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). In the case of funds of funds, which are generally defined as funds with more than 50% of their total assets in other underlying funds, a summarised expense ratio of the target funds and the fund of funds is calculated as of the closing date of the financial period. This corresponds to the sum of:

- The prorated ratio of the individual target funds, weighted according to the share they represent in the assets of the fund of funds as of the closing date, and;
- Expense ratio of the fund of funds minus any rebates of management fees and commissions received from the target funds during the reporting period. 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 average net asset value is based on the daily balances.

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k) **Turnover Ratio**

		2020
Lower of total value of purchases or sales	S\$	8,725,717
Average daily net asset value	S\$	35,042,387
Turnover ratio	%	<u>72.33</u>

*As the fund only commenced on 28 August 2020, no comparatives are available.

The portfolio turnover ratio is calculated based on the lower of purchases or sales of the underlying investments expressed as a percentage of 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.

- l) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts.
Nil.
- m) 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 2020
Not applicable.
 - (ii) Expense ratios for the period ended 31 December 2020
Not applicable.
 - (iii) Turnover ratios for the period ended 31 December 2020
Not applicable.

n) **Soft dollar arrangements**

The Manager may receive or enter into soft-dollar commissions or arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial service 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 or arrangements unless such soft-dollar commissions or 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 or 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.

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

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Statement of Total Return

Period from 28 August 2020 (inception date) to 31 December 2020

	31/12/2020 S\$
Income	
Dividends	32,831
	<u>32,831</u>
Less:	
Expenses	
Management fees	151,222
Performance fees	986,863
Trustee fees	3,383
Custody fees	4,488
Administration fees	3,383
Transaction fees	88,082
Registrar fees	15,928
Audit fees	6,156
Establishment costs	32,000
Interest expense	499
Other expenses	13,077
	<u>1,305,081</u>
Net loss	<u><u>(1,272,250)</u></u>
Net gains or losses on value of investments and financial derivatives	
Net gains on investments	5,542,238
Net losses on foreign exchange	(51,462)
	<u>5,490,776</u>
Total return for the period before income tax	4,218,526
Income tax expense	(5,715)
Total return for the period after income tax before distribution	<u><u>4,212,811</u></u>

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Statement of Financial Position

As at 31 December 2020

	31/12/2020
	S\$
Assets	
Portfolio of investments	38,215,368
Sales awaiting settlement	616,030
Receivables	264,939
Cash and cash equivalents	3,352,611
Total assets	<u>42,448,948</u>
Liabilities	
Purchases awaiting settlement	358,110
Establishment costs payable	20,000
Payables	1,352,175
Total liabilities	<u>1,730,285</u>
Equity	
Net assets attributable to unitholders	<u>40,718,663</u>

*As the fund only commenced on 28 August 2020, no comparatives are available.

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Statement of Movement in Unitholders' Funds

Period from 28 August 2020 (inception date) to 31 December 2020

	31/12/2020 S\$
Net assets attributable to unitholders at the beginning of financial period	-
Operations	
Change in net assets attributable to unitholders resulting from operations	4,212,811
Unitholders' Contributions/(withdrawals)	
Creation of units	37,821,934
Cancellation of units	(1,316,082)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	36,505,852
Total increase in net assets attributable to unitholders	<u>40,718,663</u>
Net assets attributable to unitholders at the end of financial period	<u>40,718,663</u>

*As the fund only commenced on 28 August 2020, no comparatives are available.

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Statement of Portfolio
As at 31 December 2020

	Holdings as at 31/12/2020	Fair value as at 31/12/2020 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2020 %
By Geography (Primary)			
Quoted Equities			
AUSTRALIA			
Objective Corporation Ltd	39,000	471,722	1.16
Pro Medicus Ltd	5,600	195,093	0.48
		666,815	1.64
CANADA			
Cargojet Inc	1,700	378,870	0.93
		378,870	0.93
DENMARK			
Cbrain A/S	37,000	1,527,278	3.75
		1,527,278	3.75
FINLAND			
Admicom Oyj	8,000	1,746,474	4.28
Harvia Oyj	22,000	871,620	2.14
Remedy Entertainment Oyj	4,000	252,268	0.62
Revenio Group Oyj	25,000	2,033,510	5.00
Verkkokauppa.Com Oyj	150,000	1,727,068	4.24
		6,630,940	16.28
GERMANY			
Ivu Traffic Technologies AG	30,000	926,601	2.28
		926,601	2.28
ITALY			
Gruppo Mutuionline SpA	22,000	1,239,834	3.05
Italian Wine Brands SpA	4,000	134,543	0.33
		1,374,377	3.38

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Statement of Portfolio (continued)

As at 31 December 2020

	Holdings as at 31/12/2020	Fair value as at 31/12/2020 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2020 %
By Geography (Primary) (continued)			
Quoted Equities (continued)			
JAPAN			
Carenet Inc	5,000	300,186	0.74
Grace Technology Inc	12,000	1,063,004	2.61
Ir Japan Holdings Ltd	5,000	1,054,811	2.59
Lasertec Corporation	6,000	930,128	2.28
M3 Inc	8,000	997,769	2.45
Media Do Co Ltd	11,000	1,043,418	2.56
Medical Data Vision Co Ltd	14,000	508,255	1.25
Monotaro Co Ltd	10,200	685,499	1.68
Nihon M&A Center Inc	8,800	777,283	1.91
Property Data Bank Inc	26,000	611,406	1.50
Raccoon Holdings Inc	7,000	153,050	0.38
Rakus Co Ltd	52,000	1,592,253	3.91
Techmatrix Corporation	28,000	769,551	1.89
		10,486,613	25.75
SWEDEN			
Fortnox AB	19,600	1,458,837	3.58
Generic Sweden AB	178,987	1,195,387	2.94
Instalco AB	10,000	403,936	0.99
Invisio AB	54,000	2,172,565	5.34
Lime Technologies AB	31,000	2,032,957	4.99
Mips AB	15,500	1,284,629	3.15
Pricer AB	50,000	311,803	0.77
Sectra AB	17,000	2,006,726	4.93
Swedencare AB	40,000	2,092,099	5.14
Vitec Software Group AB	23,000	1,262,180	3.10
		14,221,119	34.93

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Statement of Portfolio (continued)

As at 31 December 2020

	Holdings as at 31/12/2020	Fair value as at 31/12/2020 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2020 %
By Geography (Primary) (continued)			
Quoted Equities (continued)			
UNITED KINGDOM			
Games Workshop Group PLC	1,800	364,217	0.89
		<u>364,217</u>	<u>0.89</u>
UNITED STATES OF AMERICA			
Microsoft Corp	1,000	293,961	0.72
Nvidia Corp	700	483,116	1.18
Taiwan Semiconductor Manufacturing Company Ltd	2,600	374,693	0.92
West Pharmaceutical Services Inc	1,300	486,768	1.20
		<u>1,638,538</u>	<u>4.02</u>
Portfolio of investments		38,215,368	93.85
Other net assets		<u>2,503,295</u>	<u>6.15</u>
Net assets attributable to unitholders		<u><u>40,718,663</u></u>	<u><u>100.00</u></u>

**PHILLIP INTERNATIONAL FUNDS
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Statement of Portfolio (continued)

As at 31 December 2020

	Fair value as at 31/12/2020 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2020 %
By Geography (Summary)		
Quoted Equities		
Australia	666,815	1.64
Canada	378,870	0.93
Denmark	1,527,278	3.75
Finland	6,630,940	16.28
Germany	926,601	2.28
Italy	1,374,377	3.38
Japan	10,486,613	25.75
Sweden	14,221,119	34.93
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Statement of Portfolio (continued)

As at 31 December 2020

	Fair value as at 31/12/2020 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2020 %
By Industry (Secondary)		
Quoted Equities		
Communications	7,810,054	19.19
Consumer, Cyclical	6,339,633	15.56
Consumer, Non-cyclical	8,796,479	21.62
Industrial	1,094,609	2.69
Technology	14,174,593	34.79
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Portfolio of investments	38,215,368	93.85
Other net assets	2,503,295	6.15
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Net assets attributable to unitholders	40,718,663	100.00
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Important Information

Phillip Global Rising Yield Innovators Fund (the “Sub-Fund”) is a sub-fund of Phillip International Funds (the “Fund”), an umbrella unit trust authorised under the Securities and Futures Act, Chapter 289, by the Monetary Authority of Singapore

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Given the economic and market risks, there can be no assurance that the Sub-Fund will achieve its investment objectives. Investments in the Sub-Fund are 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.