

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

**Semi-Annual Report**

*Period ended 31 December 2021 (Unaudited)*

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

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

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**MANAGER**

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

**DIRECTORS OF THE MANAGER**

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Linus Lim Wen Sheong  
Jeffrey Lee Chay Khiong  
Lim Wah Sai  
Louis Wong Wai Kit

**TRUSTEE**

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Singapore 486027

**CUSTODIAN**

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5 Changi Business Park Crescent Level 5  
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**AUDITORS**

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**SOLICITORS TO THE MANAGER**

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### **Manager's Investment Report**

The Phillip Global Rising Yield Innovators Fund delivered a positive performance for the half-year ending December 2021. The "B" class was up 7.0% while the "A" class was up 6.4%.

The last two years have been extraordinary, with full-blown Covid-19 outbreaks panicking markets before global central banks drove a market recovery from the lows with aggressive monetary intervention.

2021 has seen a strong global economic recovery, albeit from a low base the previous year due to Covid-19 lockdowns. Global vaccination programs have enabled phased reopenings, even through the emergence of new variants – first the Delta variant from India in early 2021, and then the Omicron variant from southern Africa in late 2021. It is also worth noting though, that this recovery has been uneven in several ways, for example in the relative performance of more developed and developing countries. The second half of 2021 has also seen inflation becoming a significant concern globally. Today's inflation is partly driven by supply-side factors, and the Omicron variant has further disrupted supply chains and contributed to labour shortages.

Looking forward, the tide of accommodative monetary policy has likely changed with the rise of persistent inflation and a strong US economy, with the US Federal Reserve looking to taper its quantitative easing program and to start raising interest rates. We believe we are looking at a year of transition in terms of Fed monetary policy, on whether inflation would prove persistent, and on signs of a mid-cycle correction in the stock markets.

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.

While there may be short-term volatility, we are confident that this approach can deliver sustainable returns to investors over the long term.

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**Report to unitholders<sup>1</sup>**

a) **I Investments classified by geography**

	<b>Fair Value at 31/12/2021 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 31/12/2021 %</b>
<b>By Geography (Summary)</b>		
Denmark	2,150,769	5.76
Finland	6,348,485	16.99
Germany	2,885,326	7.72
Italy	2,311,941	6.19
Japan	225,248	0.60
Sweden	18,875,269	50.52
Switzerland	995,780	2.67
United Kingdom	2,140,074	5.73
<b>Portfolio of investments</b>	35,932,892	96.18
<b>Other net assets</b>	1,427,677	3.82
<b>Net assets attributable to unitholders</b>	37,360,569	100.00

a) **II Investments classified by industry**

	<b>Fair Value at 31/12/2021 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 31/12/2021 %</b>
<b>By Industry (Summary)</b>		
Communications	2,746,669	7.35
Consumer, Cyclical	12,257,651	32.81
Consumer, Non-cyclical	11,236,946	30.07
Industrial	5,727,179	15.34
Technology	3,964,447	10.61
<b>Portfolio of investments</b>	35,932,892	96.18
<b>Other net assets</b>	1,427,677	3.82
<b>Net assets attributable to unitholders</b>	37,360,569	100.00

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<sup>1</sup> As required by the Code on Collective Investment Schemes

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a) **III Investments classified by asset class**

	<b>Fair Value at 31/12/2021 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 31/12/2021 %</b>
Equities	35,932,892	96.18
<b>Portfolio of investments</b>	35,932,892	96.18
<b>Other net assets</b>	1,427,677	3.82
<b>Net assets attributable to unitholders</b>	37,360,569	100.00

b) **Top Ten Holdings**

<b><u>10 Largest Holdings at 31 December 2021</u></b>	<b>Fair Value at 31/12/2021 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 31/12/2021 %</b>
Mips AB	4,241,955	11.35
Swedencare AB	3,895,755	10.43
Biotage AB	2,925,948	7.83
Eckert & Ziegler Strahlen UN	2,885,326	7.72
Revenio Group Oyj	2,554,940	6.84
Garo AB	2,412,232	6.46
Generic Sweden AB	2,331,229	6.24
Pharmanutra SpA	2,311,941	6.19
Cbrain A/S	2,150,769	5.76
Focusrite PLC	2,140,074	5.73

<b><u>10 Largest Holdings at 31 December 2020</u></b>	<b>Fair Value at 31/12/2020 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 31/12/2020 %</b>
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

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- c) (i) Exposure to Derivatives as at 31 December 2021.  
Nil
- c) (ii) Gain on derivative contracts realised for the financial period ended 31 December 2021  
Nil
- c) (iii) Gain on outstanding derivative contracts marked to market as at 31 December 2021  
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 2021.  
Nil
- f) Amount and percentage of borrowings of total fund size as at 31 December 2021.  
Nil
- g) Amount of redemptions and subscriptions for the period from 1 July 2021 to 31 December 2021.  
Total amount of redemptions S\$13,376,321  
Total amount of subscriptions S\$4,764,357
- h) Amount of related party transactions for the period from 1 July 2021 to 31 December 2021.  
Bank balances held with a related party of the Trustee S\$1,887,453  
Brokerage fees paid to a related party of the Trustee S\$15,295

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i) **Performance of the Fund as at 31 December 2021**

	<b>Class A</b>	<b>Class B</b>	<b>Benchmark</b>
	<b>SGD</b>	<b>SGD</b>	
<b>Cumulative (%)*</b>			
3 months	0.37	0.50	2.37
6 months	6.40	6.97	0.69
1 year	10.36	10.97	20.69
Since inception	21.63	24.23	46.78
<b>Annualised (%)</b>			
1 year	10.36	10.97	20.69
Since inception	15.70	17.54	33.09

\*Returns are in Singapore dollar calculated on a bid-to-bid basis, with net dividends reinvested.  
Source: Bloomberg

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

j) **Expense Ratio**

		<b>2021</b>	<b>2020</b>
<b>Class A SGD</b>			
Total operating expenses	S\$	7,138	1,226
Average daily net asset value	S\$	304,701	176,895
Expense ratio (annualised) <sup>(Note 1)</sup>	%	2.34	2.01
<b>Class B SGD</b>			
Total operating expenses	S\$	779,920	228,411
Average daily net asset value	S\$	38,782,055	34,865,492
Expense ratio (annualised) <sup>(Note 1)</sup>	%	2.01	1.90

Note 1: 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 average net asset value for the year.

The total operating expenses do not include (where applicable) brokerage and other transaction 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**

		<b>2021</b>	<b>2020</b>
Lower of total value of purchases or sales	S\$	9,537,825	8,725,717
Average daily net asset value	S\$	37,862,216	35,042,387
Turnover ratio <sup>(Note 2)</sup>	%	<u>25.19</u>	<u>24.90</u>

Note 2: The turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes under the Securities and Futures Act (Cap 289). The calculation of the 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. The total value of purchase (or sales) do 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 2021

Not applicable.

(ii) Expense ratios for the period ended 31 December 2021

Not applicable.

(iii) Turnover ratios for the period ended 31 December 2021

Not applicable.

n) **Soft dollar 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 does 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.

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**Statement of Total Return**

Period ended 31 December 2021

	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Dividends	30,019	32,831
	<u>30,019</u>	<u>32,831</u>
Less:		
<b>Expenses</b>		
Management fees	239,068	151,222
Performance fees	416,843	986,863
Trustee fees	5,508	3,383
Custody fees	5,975	4,488
Administration fees	5,508	3,383
Transaction fees	40,746	88,082
Registrar fees	23,518	15,928
Audit fees	7,799	6,156
Establishment costs	-	32,000
Interest expense	-	499
Other expenses	146,670	13,077
	<u>891,635</u>	<u>1,305,081</u>
<b>Net loss</b>	<u>(861,616)</u>	<u>(1,272,250)</u>
<b>Net gains or losses on value of investments and financial derivatives</b>		
Net gains on investments	3,479,691	5,542,238
Net gains/(losses) on foreign exchange	40,530	(51,462)
	<u>3,520,221</u>	<u>5,490,776</u>
<b>Total return for the period before income tax</b>	2,658,605	4,218,526
Income tax expense	(11,746)	(5,715)
<b>Total return for the period after income tax before distribution</b>	<u>2,646,859</u>	<u>4,212,811</u>

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**Statement of Financial Position**

As at 31 December 2021

	<b>31/12/2021</b>	<b>30/06/2021</b>
	<b>S\$</b>	<b>S\$</b>
<b>Assets</b>		
Portfolio of investments	35,932,892	39,839,842
Sales awaiting settlement	-	2,117,521
Receivables	70,891	164,056
Cash and cash equivalents	1,887,453	2,864,278
<b>Total assets</b>	<u>37,891,236</u>	<u>44,985,697</u>
<b>Liability</b>		
Payables	530,667	1,660,023
<b>Total liability</b>	<u>530,667</u>	<u>1,660,023</u>
<b>Equity</b>		
Net assets attributable to unitholders	<u>37,360,569</u>	<u>43,325,674</u>

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**Statement of Movement in Unitholders' Funds**

Period ended 31 December 2021

	<b>31/12/2021</b>	<b>30/06/2021</b>
	<b>S\$</b>	<b>S\$</b>
<b>Net assets attributable to unitholders at the beginning of financial period</b>	43,325,674	-
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	2,646,859	5,894,014
<b>Unitholders' Contributions/(withdrawals)</b>		
Creation of units	4,764,357	45,162,551
Cancellation of units	(13,376,321)	(7,730,891)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(8,611,964)	37,431,660
Total (decrease)/increase in net assets attributable to unitholders	(5,965,105)	43,325,674
<b>Net assets attributable to unitholders at the end of financial period</b>	<u>37,360,569</u>	<u>43,325,674</u>

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**Statement of Portfolio**

As at 31 December 2021

	Holdings as at 31/12/2021	Fair value as at 31/12/2021 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2021 %
<b>Global Rising Yield Innovators Fund</b>			
<b>By Geography (Primary)</b>			
<b>Quoted Equities</b>			
<b>DENMARK</b>			
Cbrain A/S	37,000	2,150,769	5.76
		<u>2,150,769</u>	<u>5.76</u>
<b>FINLAND</b>			
Admicom Oyj	14,000	1,813,678	4.85
Harvia Oyj	22,000	1,979,867	5.30
Revenio Group Oyj	30,000	2,554,940	6.84
		<u>6,348,485</u>	<u>16.99</u>
<b>GERMANY</b>			
Eckert & Ziegler Strahlen UN	20,000	2,885,326	7.72
		<u>2,885,326</u>	<u>7.72</u>
<b>ITALY</b>			
Pharmanutra SpA	20,000	2,311,941	6.19
		<u>2,311,941</u>	<u>6.19</u>
<b>JAPAN</b>			
Weathernews Inc	2,000	225,248	0.60
		<u>225,248</u>	<u>0.60</u>
<b>SWEDEN</b>			
Biotage AB	75,000	2,925,948	7.83
Garo AB	75,000	2,412,232	6.46
Generic Sweden AB	190,000	2,331,229	6.24
Hms Networks AB	5,000	415,440	1.11
Mips AB	24,000	4,241,955	11.35
Nibe Industrier AB	80,000	1,629,001	4.36
Swedencare AB	170,000	3,895,755	10.43
Troax Group AB	10,000	690,166	1.85
Vitrolife AB	4,000	333,543	0.89
		<u>18,875,269</u>	<u>50.52</u>

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**Statement of Portfolio (continued)**  
As at 31 December 2021

	Holdings as at 31/12/2021	Fair value as at 31/12/2021 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2021 %
<b>Global Rising Yield Innovators Fund</b>			
<b>By Geography (Primary) (continued)</b>			
<b>Quoted Equities (continued)</b>			
<b>SWITZERLAND</b>			
Comet Holding AG	2,000	995,780	2.67
		<u>995,780</u>	<u>2.67</u>
<b>UNITED KINGDOM</b>			
Focusrite PLC	80,000	2,140,074	5.73
		<u>2,140,074</u>	<u>5.73</u>
<b>Portfolio of investments</b>		35,932,892	96.18
<b>Other net assets</b>		1,427,677	3.82
<b>Net assets attributable to unitholders</b>		<u><u>37,360,569</u></u>	<u><u>100.00</u></u>

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**Statement of Portfolio (continued)**

As at 31 December 2021

	Fair value as at 31/12/2021 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2021 %	Percentage of total net assets attributable to unitholders as at 30/06/2021 %
<b>Global Rising Yield Innovators Fund</b>			
<b>By Geography (Summary)</b>			
<b>Quoted Equities</b>			
Australia	-	-	0.43
Denmark	2,150,769	5.76	5.75
Finland	6,348,485	16.99	26.97
Germany	2,885,326	7.72	12.28
Italy	2,311,941	6.19	-
Japan	225,248	0.60	-
Norway	-	-	1.06
Sweden	18,875,269	50.52	30.00
Switzerland	995,780	2.67	-
United Kingdom	2,140,074	5.73	3.36
United States of America	-	-	11.18
<b>Total Equities</b>	<b>35,932,892</b>	<b>96.18</b>	<b>91.03</b>
<b>Quoted Exchange Traded Fund</b>			
Singapore	-	-	0.92
<b>Total Quoted Exchange Traded Fund</b>	<b>-</b>	<b>-</b>	<b>0.92</b>
<b>Portfolio of investments</b>	<b>35,932,892</b>	<b>96.18</b>	<b>91.95</b>
<b>Other net assets</b>	<b>1,427,677</b>	<b>3.82</b>	<b>8.05</b>
<b>Net assets attributable to unitholders</b>	<b>37,360,569</b>	<b>100.00</b>	<b>100.00</b>

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**Statement of Portfolio (continued)**

As at 31 December 2021

	Fair value as at 31/12/2021 S\$	Percentage of total net assets attributable to unitholders as at 31/12/2021 %	Percentage of total net assets attributable to unitholders as at 30/06/2021 %
<b>Global Rising Yield Innovators Fund</b>			
<b>By Industry (Secondary)</b>			
<b>Quoted Equities</b>			
Basic Materials	-	-	0.68
Communications	2,746,669	7.35	11.33
Consumer, Cyclical	12,257,651	32.81	39.45
Consumer, Non-cyclical	11,236,946	30.07	14.42
Industrial	5,727,179	15.34	6.28
Technology	3,964,447	10.61	18.87
<b>Total Equities</b>	<b>35,932,892</b>	<b>96.18</b>	<b>91.03</b>
<b>Quoted Exchange Traded Fund</b>			
Money Market Fund	-	-	0.92
<b>Total Quoted Exchange Traded Fund</b>	<b>-</b>	<b>-</b>	<b>0.92</b>
<b>Portfolio of investments</b>	<b>35,932,892</b>	<b>96.18</b>	<b>91.95</b>
<b>Other net assets</b>	<b>1,427,677</b>	<b>3.82</b>	<b>8.05</b>
<b>Net assets attributable to unitholders</b>	<b>37,360,569</b>	<b>100.00</b>	<b>100.00</b>



### **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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