

PHILLIP STRATEGY FUNDS

SEMI-ANNUAL REPORT

For the financial period from 22 October 2021 (date of constitution)
to 31 March 2022 (unaudited)



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PHILLIP STRATEGY FUNDS

DIRECTORY

MANAGER

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250 North Bridge Road
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Company Registration No. 199905233W

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

TRUSTEE & REGISTRAR

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Singapore 018983
(Company Registration Number: 194900022R)

CUSTODIAN

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AUDITORS

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SOLICITORS TO THE MANAGER

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168 Robinson Rd
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SOLICITORS TO THE TRUSTEE

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PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT

1. The Fund (Phillip MSCI Singapore Daily (2X) Leveraged Product)

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the MSCI Singapore Index.

Details of the fund

NAV per share (31 March 2022)	S\$1.848
Fund Currency	Singapore Dollars
Listing Date on SGX-ST	1 December 2021
Stock code on SGX-ST	LSS for PHIL Long SiMSCI2X S\$

The Fund (Phillip MSCI Singapore Daily (-1X) Inverse Product)

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) of the daily performance of the MSCI Singapore Index.

NAV per share (31 March 2022)	S\$1.996
Fund Currency	Singapore Dollars
Listing Date on SGX-ST	1 December 2021
Stock code on SGX-ST	SSS for PHIL Short SiMSCI-1X

2. Distribution of Investments

Please refer to Statement of Portfolio on pages 14 – 18.

PHILLIP STRATEGY FUNDS

3. Schedule of Investments by Asset Class

Phillip MSCI Singapore Daily (2x) Leveraged Product

Asset Class	Fair Value at 31 March 2022 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2022 %
Quoted Fund	751,423	16.52
Quoted Equities	1,847,171	40.66
Financial derivatives, at fair value	6,160	0.14
Cash and cash equivalents	645,998	14.21
Other net assets	1,296,453	28.47
Net assets attributable to unitholders	4,547,205	100.00

Phillip MSCI Singapore Daily (-1x) Inverse Product

Asset Class	Fair Value at 31 March 2022 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2022 %
Quoted Funds	6,215,965	62.39
Cash and cash equivalents	1,762,168	17.69
Financial derivatives, at fair value	(15,975)	(0.16)
Other net assets	2,000,535	20.08
Net assets attributable to unitholders	9,962,693	100.00

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

4. Top 10 Holdings

Phillip MSCI Singapore Daily (2x) Leveraged Product

	Fair Value at 31 March 2022 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2022 %
10 largest holdings at 31 March 2022		
Phillip Investment Funds – Money Market	751,423	16.52
DBS Group Holdings Limited	376,215	8.27
Sea Limited	271,921	5.98
Oversea-Chinese Banking Corporation Limited	241,410	5.31
United Overseas Bank Limited	217,736	4.79
Singapore Telecommunications Limited	126,192	2.78
CapitaLand Integrated Commercial Trust	60,300	1.33
Capitaland Investment Limited	59,451	1.31
Ascendas Real Estate Investment Trust	56,940	1.25
Keppel Corp Limited	53,928	1.19

Phillip MSCI Singapore Daily (-1x) Inverse Product

	Fair Value at 31 March 2022 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2022 %
10 largest holdings at 31 March 2022		
Phillip Investment Funds – Money Market	4,008,287	40.23
Phillip SGD Money Market ETF	2,207,678	22.16

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

5. (i) Exposure to financial derivatives as at 31 March 2022

Phillip MSCI Singapore Daily (2x) Leveraged Product	S\$7,400,185
Phillip MSCI Singapore Daily (-1x) Inverse Product	(S\$10,045,500)

(ii) Net (losses)/gains on derivative contracts realised for the period ended 31 March 2022

Phillip MSCI Singapore Daily (2x) Leveraged Product	(S\$356,588)
Phillip MSCI Singapore Daily (-1x) Inverse Product	S\$59,723

(iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 March 2022

Nil.

(iv) 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 is calculated as the sum of:

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

6. Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 31 March 2022

Please refer to Statement of Portfolio on pages 14 to 18.

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

7. Amount and percentage of borrowings of total fund size as at 31 March 2022

Nil.

8. Amount of units created and cancelled for the period ended 31 March 2022

	Phillip MSCI Singapore Daily (2x) Leveraged Product S\$	Phillip MSCI Singapore Daily (-1x) Inverse Product S\$
Total amount of subscriptions	5,019,400	10,064,800
Total amount of redemptions	-	-

9. Performance of the Fund as at 31 March 2022

Phillip MSCI Singapore Daily (2X) Leveraged Product and (-1X) Inverse Product

	Phillip MSCI Singapore Daily (2X) Leveraged Product	Phillip MSCI Singapore Daily (-1X) Inverse Product	Benchmark
Cumulative (%*)			
3 Months	-4.20	-1.29	-0.99
Since inception (22 Oct 2021)	-7.60	-0.20	-4.10
Annualised (%*)			
Since inception (22 Oct 2021)	-21.37	-0.61	-11.95

*Cumulative returns are calculated on a NAV-NAV basis for both products. The benchmark for which the Product is measured against is the MSCI Singapore Index

Source: Bloomberg

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

10. Related party transactions for the period ended 31 March 2022

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

	Phillip MSCI Singapore Daily (2x) Leveraged Product	Phillip MSCI Singapore Daily (-1x) Inverse Product
	Period from 22 October 2021 (date of constitution) to 31 March 2022	
	S\$	S\$
Brokerage fees paid to a related party of the Manager	8,738	10,599
Margin deposit held with related party of the Manager	1,335,678	2,049,110
Bank balances held with a related party of the Trustee	<u>645,998</u>	<u>1,762,168</u>

11. Financial ratios

Expense ratio

	Phillip MSCI Singapore Daily (2x) Leveraged Product	Phillip MSCI Singapore Daily (-1x) Inverse Product
	Period from 22 October 2021 (date of constitution) to 31 March 2022	
Total operating expenses (excluding preliminary expenses)	S\$ 35,099	55,247
Expense ratio ¹ (excluding preliminary expenses)(annualised)	%	2.24
Average daily net asset value	S\$ 4,719,671	10,239,919
Total operating expenses (including preliminary expenses)	S\$ 123,599	143,747
Expense ratio ¹ (including preliminary expenses)(annualised)	%	<u>4.12</u>
		<u>2.59</u>

Turnover ratio

Lower of total value of purchases or sales	S\$ 977,367	2,000,000
Average daily net asset value	S\$ 4,719,671	10,239,919
Turnover ratio ²	%	<u>20.71</u>
		<u>19.53</u>

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

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 period. 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-Funds do not pay performance fee. The average net asset value is based on the daily balances.

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 period is not included in the computation of portfolio turnover ratio.

12. 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**

10 largest holdings at 31 December 2021	Fair value at 31 December 2021 S\$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Monetary Authority of Singapore Bill 0% due 07/01/2022	116,985,710	10.50
Phillip SGD Money Market ETF	109,327,000	9.82
Monetary Authority Of Singapore Bill 0% due 28/01/2022	78,458,367	7.04
Capitamalls Asia Treasury Limited 3.7% due 29/08/2022	41,459,968	3.72
Keppel Corporation Limited 0.58% 22/02/2022 0.58% due 22/02/2022	37,000,000	3.32
Keppel Corporation Limited 3.145% due 14/02/2022	36,838,278	3.31
Bank Of Communications Company Limited/Singapore 0.5% due 18/01/2022	29,999,302	2.69
Kookmin Bank/Hong Kong 0% due 27/05/2022	28,924,600	2.61
Keppel Corporation Limited 0.64% 23/06/2022 0.64% due 23/06/2022	25,000,000	2.24
Cagamas Global Public Listed Company 1.25% due 08/12/2023	22,750,000	2.04

PHILLIP STRATEGY FUNDS

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

		2021 S\$
Phillip Money Market Fund		
Class A SGD		
Total operating expenses	S\$	4,571,367
Average daily net asset value	S\$	1,219,195,372
Total expense ratio¹	%	<u>0.37</u>
Class I SGD		
Total operating expenses	S\$	34,884
Average daily net asset value	S\$	13,026,359
Total expense ratio¹	%	<u>0.27</u>
Class E SGD		
Total operating expenses	S\$	125,013
Average daily net asset value	S\$	191,443,521
Total expense ratio¹ (annualised)	%	<u>0.11</u>

(iii) Turnover ratio for the year ended 31 December 2021

		2021 S\$
Phillip Money Market Fund		
Lower value of purchase (or sale) of underlying investments	S\$	81,029,800
Average daily net asset value	S\$	1,423,665,252
Total turnover ratio²	%	<u>5.69</u>

13. Soft dollar commissions/arrangements

The Manager is entitled to and intends to receive or enter into soft-dollar commissions or arrangements in respect of the Fund. 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.

Soft-dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

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, be reasonably expected to assist the Manager in their management of the Fund, provided that the Manager shall ensure at all times that transactions are executed on a "best execution" basis 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.

PHILLIP STRATEGY FUNDS

The Manager does not, and is not entitled to, retain cash or commission rebates for their own account in respect of rebates earned when transacting in securities for account of the Fund.

14. Any other material information that will adversely impact the valuation of the Fund

Nil.

PHILLIP STRATEGY FUNDS

STATEMENT OF TOTAL RETURN (Unaudited)

For the financial period from 22 October 2021 (date of constitution) to 31 March 2022

	Phillip MSCI Singapore Daily (2x) Leveraged Product	Phillip MSCI Singapore Daily (-1x) Inverse Product
	S\$	S\$
Income		
Dividends	1,950	-
	<u>1,950</u>	<u>-</u>
Less:		
Expenses		
Audit fees	4,378	4,378
Custody fees	187	448
Management fees	14,055	30,582
Preliminary expenses	88,500	88,500
Registration fees	5,343	5,343
Trustee fees	625	1,359
Transaction fees	3,433	486
Valuation fees	703	1,529
Other expenses	17,515	22,207
	<u>134,739</u>	<u>154,832</u>
Net losses	(132,789)	(154,832)
Net gains or losses on value of investments and financial derivatives		
Net gains on investments	11,686	8,977
Net (losses)/gains on financial derivatives	(350,428)	43,748
Net (losses) on foreign exchange	(430)	-
	<u>(339,172)</u>	<u>52,725</u>
Total deficit for the period before income tax	(471,961)	(102,107)
Less: Income tax	(234)	-
Total deficit for the period after income tax before distribution	(472,195)	(102,107)

PHILLIP STRATEGY FUNDS

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 31 March 2022

	Phillip MSCI Singapore Daily (2x) Leveraged Product	Phillip MSCI Singapore Daily (-1x) Inverse Product
	2022 S\$	2022 S\$
Assets		
Portfolio of investments	2,598,594	6,215,965
Margin Deposits	1,335,678	2,049,110
Cash and cash equivalents	645,998	1,762,168
Financial derivatives, at fair value	<u>6,160</u>	<u>-</u>
Total assets	<u>4,586,430</u>	<u>10,027,243</u>
Liabilities		
Payables	39,225	48,575
Financial derivatives, at fair value	<u>-</u>	<u>15,975</u>
Total liabilities	<u>39,225</u>	<u>64,550</u>
Equity		
Net assets attributable to unitholders	<u>4,547,205</u>	<u>9,962,693</u>

PHILLIP STRATEGY FUNDS

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS (Unaudited)

For the financial period from 22 October 2021 to 31 March 2022

	Phillip MSCI Singapore Daily (2x) Leveraged Product	Phillip MSCI Singapore Daily (-1x) Inverse Product
	S\$	S\$
Net assets attributable to unitholders at the beginning of the financial period	-	-
Operations		
Change in net assets attributable to unitholders resulting from operations	(472,195)	(102,107)
Unitholders' contributions/(withdrawals)		
Creation of units	5,019,400	10,064,800
Cancellation of units	-	-
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	5,019,400	10,064,800
Total increase in net assets attributable to unitholders	4,547,205	9,962,693
Net assets attributable to unitholders at the end of the financial period	4,547,205	9,962,693

PHILLIP STRATEGY FUNDS

STATEMENT OF PORTFOLIO (Unaudited)

As at 31 March 2022

Phillip MSCI Singapore Daily (2x) Leveraged Product By Industry (Primary)	Holdings as at 31/03/2022 Units	Fair Value as at 31/03/2022 S\$	Percentage of Total Net Assets Attributable to Unitholders as at 31/03/2022 %
Quoted Fund			
Financials			
Phillip Investment Funds – Money Market	748,877	751,423	16.52
Quoted Equities			
Communication Services			
Sea Limited	1,677	271,921	5.98
Singapore Telecommunications Limited	47,800	126,192	2.78
		398,113	8.76
Consumer Discretionary			
Genting Singapore Limited	35,000	28,525	0.63
Consumer Staples			
Singapore Airlines Limited	7,800	42,900	0.94
Venture Corp Limited	1,600	28,112	0.62
Wilmar International Limited	11,000	51,810	1.14
		122,822	2.70
Financials			
DBS Group Holdings Limited	10,500	376,215	8.27
Oversea-Chinese Banking Corporation Limited	19,500	241,410	5.31
Singapore Exchange Limited	4,700	46,812	1.04
United Overseas Bank Limited	6,800	217,736	4.79
		882,173	19.41
Industrials			
Grab Holdings Limited	10,868	51,358	1.13
Keppel Corp Limited	8,400	53,928	1.19
Singapore Technologies Engineering Limited	9,000	37,080	0.82
		142,366	3.14

PHILLIP STRATEGY FUNDS

STATEMENT OF PORTFOLIO (Unaudited) (continued)

As at 31 March 2022

Phillip MSCI Singapore Daily (2x) Leveraged Product By Industry (Primary)	Holdings as at 31/03/2022 Units	Fair Value as at 31/03/2022 S\$	Percentage of Total Net Assets Attributable to Unitholders as at 31/03/2022 %
Quoted Equities			
Real Estate			
Ascendas Real Estate Investment Trust	19,500	56,940	1.25
CapitaLand Integrated Commercial Trust	26,800	60,300	1.33
Capitaland Investment Limited	14,900	59,451	1.31
City Developments Limited	2,400	18,888	0.42
Mapletree Commercial Trust	12,500	23,625	0.52
Mapletree Logistics Trust	19,000	34,960	0.77
UOL Group Limited	2,700	19,008	0.42
		273,172	6.02
Portfolio of investments		2,598,594	57.18
Futures Contracts			
SGX MSCI Singapore Free Index Futures	221	6,160	0.14
Financial derivatives, at fair value		6,160	0.14
Other net assets		1,942,451	42.68
Net assets attributable to unitholders		4,547,205	100.00

PHILLIP STRATEGY FUNDS

STATEMENT OF PORTFOLIO (Unaudited) (continued)

As at 31 March 2022

Phillip MSCI Singapore Daily (2x) Leveraged Product By Industry (Summary)	Fair value at 31/03/2022 S\$	Percentage of Total Net Assets Attributable to Unitholders as at 31/3/2022 %
Quoted Fund		
Financials	751,423	16.52
Quoted Equities		
Communication Services	398,113	8.76
Consumer Discretionary	28,525	0.63
Consumer Staples	122,822	2.70
Financials	882,173	19.41
Industrials	142,366	3.14
Real Estate	273,172	6.02
	<u>1,847,171</u>	<u>40.66</u>
Portfolio of investments	2,598,594	57.18
Futures Contracts		
Financials	6,160	0.14
Financial derivatives, at fair value	<u>6,160</u>	<u>0.14</u>
Other net assets	1,942,451	42.68
Net assets attributable to unitholders	<u>4,547,205</u>	<u>100.00</u>

By Geography (Secondary)	Fair Value as at 31/03/2022 S\$	Percentage of Total Net Assets Attributable to Unitholders as at 31/03/2022 %
Quoted Fund		
Singapore	751,423	16.52
Quoted Equities		
Singapore	<u>1,847,171</u>	<u>40.66</u>
Portfolio of investments	2,598,594	57.18

PHILLIP STRATEGY FUNDS

STATEMENT OF PORTFOLIO

(Unaudited)

As at 31 March 2022

By Geography (Secondary)(continued)

	Fair Value as at 31/03/2022 S\$	Percentage of Total Net Assets Attributable to Unitholders as at 31/03/2022 %
Futures Contracts		
Singapore	6,160	0.14
Financial derivatives, at fair value	<u>6,160</u>	<u>0.14</u>
Other net assets	1,942,451	42.68
Net assets attributable to unitholders	<u><u>4,547,205</u></u>	<u><u>100.00</u></u>

	Holdings as at 31/03/2022 Units	Fair Value as at 31/03/2022 S\$	Percentage of Total Net Assets Attributable to Unitholders as at 31/03/2022 %
Phillip MSCI Singapore Daily (-1x) Inverse Product By Industry (Primary)			
Quoted Funds			
Financials			
Phillip Investment Funds-Money Market	3,994,705	4,008,287	40.23
Phillip SGD Money Market ETF	22,000	2,207,678	22.16
		<u>6,215,965</u>	<u>62.39</u>
Portfolio of investments		6,215,965	62.39
Futures Contracts			
SGX MSCI Singapore Free Index Futures	(300)	(15,975)	(0.16)
Financial derivatives, at fair value		<u>(15,975)</u>	<u>(0.16)</u>
Other net assets		3,762,703	37.77
Net assets attributable to unitholders		<u><u>9,962,693</u></u>	<u><u>100.00</u></u>

PHILLIP STRATEGY FUNDS

STATEMENT OF PORTFOLIO (Unaudited) (continued)

As at 31 March 2022

Phillip MSCI Singapore Daily (-1x) Inverse Product By Industry (Summary)	Fair Value as at 31/03/2022 S\$	Percentage of Total Net Assets Attributable to Unitholders as at 31/03/2022 %
Quoted Funds		
Financials	6,215,965	62.39
Portfolio of investments	<u>6,215,965</u>	<u>62.39</u>
Futures Contracts		
Financials	(15,975)	(0.16)
Financial derivatives, at fair value	<u>(15,975)</u>	<u>(0.16)</u>
Other net assets	3,762,703	37.77
Net assets attributable to unitholders	<u><u>9,962,693</u></u>	<u><u>100.00</u></u>

By Geography (Secondary)	Fair Value as at 31/03/2022 S\$	Percentage of Total Net Assets Attributable to Unitholders as at 31/03/2022 %
Quoted Funds		
Singapore	6,215,965	62.39
Portfolio of investments	<u>6,215,965</u>	<u>62.39</u>
Futures Contracts		
Singapore	(15,975)	(0.16)
Financial derivatives, at fair value	<u>(15,975)</u>	<u>(0.16)</u>
Other net assets	3,762,703	37.77
Net assets attributable to unitholders	<u><u>9,962,693</u></u>	<u><u>100.00</u></u>