

Phillip Global Opportunities Funds

Annual Report

Year ended 31 March 2022



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PHILLIP GLOBAL OPPORTUNITIES FUNDS

MANAGER

Phillip Capital Management (S) Ltd
250 North Bridge Road
#06-00 Raffles City Tower
Singapore 179101
(Company Registration Number: 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

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre Tower 2
#48-01
Singapore 018983
(Company Registration Number: 194900022R)

CUSTODIAN AND FUND ADMINISTRATOR

The Hong Kong and Shanghai Banking Corporation
1 Queen's Road
Central
Hong Kong

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

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Manager's Investment Report

The investment objective of the Global Opportunities Fund is aimed to achieve medium to long-term capital appreciation. It is targeted at investors with a moderate risk appetite, with a balanced allocation of equities, commodities, REITs and bonds.

As of the cut-off of the annual reporting of this fund, geo-political tension in Eastern Europe has escalated to new heights as peace talk between Ukraine and Russia remains in grid-lock while the Russian military forces continue their incursion for more than two months. It is difficult not to forecast how this military dispute will prolong and worsens given the Russian economy has been crippled by global sanctions. Any hope of overturning Putin administration seems rather far-fetched as his dictatorship has been deeply rooted since Boris Yeltsin appointed him as the Prime Minister back in 1999.

All these have adversely impacted the global energy prices, where the WTI Crude Oil price has ascended to US\$123 pbl, a level not seen since the Global Financial Crisis in 2008. Global food prices have soared in March as the United Nation Food Price Index rose 12.6% from prior month to its highest level since 1990. Inevitably, these attributes underpinned by the Ukraine-Russia war continues to push global CPI to levels, which many of us in this generation have never experienced before.

Despite Consumer Price Index in the US and the Eurozone both registered 8.5% and 7.5% year on year growth respectively for the month of March 2022, the ECB is still taking a gradual response in fear of a slowdown in the Eurozone by keeping deposits rates at zero and continuing its net bond purchases. On the contrary, the US Federal Reserve had acknowledged that inflationary pressure is no longer transitory but Wall Street is still jittery over the expectation of more aggressive rate hikes in the coming months after the Federal Reserve's recent 25 basis points hike in the Fed Fund Rate. It is rather hard to imagine, how the US central bank is going to moderate inflationary pressure just by targeting a three-percentage points Fed Fund rate for 2022 should CPI growth rate stays at high single digit or lower mid-teens level in the coming quarter or two. Rising inflation reduces the value of fixed, long term yields and this sparks the exit of fixed income investors out of bonds as long-term yield continues to climb in the month of March 2022.

The rising infection numbers in Shanghai, China has put the flourishing city under a complete lockdown phase in compliant with the government's zero-COVID strategy. The city is of great importance as being the major financial hub of the country and also home to the busiest global port; it has seen most of its economic activities halted coming to a month. Subsequently, we would expect trade volumes between the world's largest and second largest economy decline as supply chain disruption further intensify and not to mentioned further support for inflation resiliency globally.

The investment team reckons a GDP recession is unlikely this year among major economies, especially US and Canada. Households and businesses have bolstered their balance sheets during the pandemic. With unemployment rate falling to pre-Covid level of 3.6%, most families are significantly better off financially now than they were before the pandemic began. Currently, US households are sitting on an extra savings of US\$2.6 trillion over the past two years in deposit accounts, attributed partially to federal benefits. Indeed, these are potential dry powder for a substantial spending boom in the US economy. Further expansion in services activities and labour markets should continue to drive wage growth and company earnings and not to forget that 70% of US GDP is attributed to consumer spending.

PHILLIP GLOBAL OPPORTUNITIES FUNDS

Given all these unprecedented macro uncertainties, which could potentially result in a stagflation event, the investment team has de-risk the portfolio by adjusting the equities and fixed income allocation to forty and sixty percent respectively in early February 2022. This is also in view of the US Federal Reserves' dilemma in stamping inflation through more fifty basis points rate hikes in subsequent FOMC meetings till the end of the year would compromise economic growth. On the fixed income side, the fund has also exited its position in all high yield holdings globally on the note that slow down in global economy would also add more risk to high yielding issuers. Over the course of six to nine months, the manager will be holding out in liquid assets like Money Market Funds and cash and short duration notes.

PHILLIP GLOBAL OPPORTUNITIES FUNDS

Report to unitholders¹

a) I Investments classified by geography

	Fair Value at 31/03/2022 S\$	Percentage of Net Assets Attributable to Unitholders at 31/03/2022 %
Hong Kong	2,501,996	3.30
Ireland	4,147,442	5.47
Singapore	31,541,309	41.63
United States of America	20,425,431	26.95
Portfolio of investments	58,616,178	77.35
Other net assets	17,148,458	22.65
Net assets attributable to unitholders	75,764,636	100.00

i II Investments classified by industry

	Fair Value at 31/03/2022 S\$	Percentage of Net Assets Attributable to Unitholders at 31/03/2022 %
Equity Fund	45,570,808	60.13
Money Market Fund	13,045,370	17.22
Portfolio of investments	58,616,178	77.35
Other net assets	17,148,458	22.65
Net assets attributable to unitholders	75,764,636	100.00

¹ As required by the Code on Collective Investment Schemes

PHILLIP GLOBAL OPPORTUNITIES FUNDS

i III Investments classified by asset class

	Fair Value at 31/03/2022 S\$	Percentage of Net Assets Attributable to Unitholders at 31/03/2022 %
Equity Fund	45,570,808	60.13
Money Market Fund	13,045,370	17.22
Portfolio of investments	58,616,178	77.35
Other net assets	17,148,458	22.65
Net assets attributable to unitholders	75,872,096	100.00

b) Top Ten Holdings

<u>10 Largest Holdings at 31 March 2022</u>	Fair Value at 31/03/2022 S\$	Percentage of Net Assets Attributable to Unitholders at 31/03/2022 %
UOB United SGD Fund Class A Acc	13,478,091	17.79
Phillip SGD Money Market ETF	13,045,370	17.22
Phillip Global Quality Fund	5,017,848	6.62
iShares Core MSCI Europe ETF	4,222,527	5.57
iShares USD Short Duration Corporate Bond UCITS ETF	4,147,442	5.47
iShares Dow Jones U.S. ETF	3,930,073	5.19
Vanguard Short-Term Corporate Bond ETF	3,429,522	4.53
Technology Select Sector SPDR Fund ETF	3,206,324	4.23
iShares MSCI AC Asia Ex Japan Index ETF	2,501,996	3.30
iShares Core S&P 500 ETF	2,036,194	2.69

PHILLIP GLOBAL OPPORTUNITIES FUNDS

<u>10 Largest Holdings at 31 March 2021</u>	Fair Value at 31/03/2021 S\$	Percentage of Net Assets Attributable to Unitholders at 31/03/2021 %
United Global Quality Growth Fund	7,168,315	13.79
iShares Barclays USD Asia High Yield Bond Index ETF	4,797,896	9.23
Wisdomtree Fundamental US High Yield D Corporate Fund Bond ETF	4,788,812	9.21
iShares MSCI AC Asia ex-Japan Index ETF	4,764,036	9.16
iShares Core MSCI Europe ETF	4,422,880	8.51
iShares Dow Jones U.S. ETF	3,718,649	7.15
iShares Iboxx \$ Investment Grade Corporate Bond ETF	3,345,315	6.43
iShares Core USD Aggregate Bond Fund ETF	2,534,415	4.87
SPDR Bloomberg Barclays U.S. Aggregate Bond UCITS ETF	2,135,731	4.11
Vanguard S&P 500 ETF	1,941,741	3.73

c) (i) Exposure to Derivatives as at 31 March 2022.
Nil

(ii) Loss on derivative contracts realised for the year ended 31 March 2022
S\$45,188

(iii) Loss on outstanding derivative contracts marked to market as at 31 March 2022
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.

PHILLIP GLOBAL OPPORTUNITIES FUNDS

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

	S\$	%
Equity Fund	45,570,808	60.13
Money Market Fund	13,045,370	17.22

- f) Amount and percentage of borrowings of total fund size as at 31 March 2022.
Nil

- g) Amount of redemptions and subscriptions for the year ended 31 March 2022.

Total amount of redemptions	S\$ 9,025,934
Total amount of subscriptions	S\$ 33,607,632

- h) Amount of related party transactions for the year ended 31 March 2022.

Bank balances held with a related party of the Trustee	S\$ 17,138,324
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- i) **Performance of the Fund as at 31 March 2022**

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

Cumulative (%)*	
3 months	-4.76
6 months	-3.19
1 year	-0.08
3 years	21.30
5 years	30.97
10 years	45.55
Since inception **	41.77
Annualised (%)	
1 year	-0.08
3 years	6.65
5 years	5.54
10 years	3.83
Since inception **	3.32

- j) **Expense Ratio**

Please refer to Note 11 of Notes to Financial Statements.

k) **Turnover Ratio**

Please refer to Note 11 of Notes to Financial Statements.

- 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 March 2022

Not applicable.

- (ii) Expense ratios for the period ended 31 March 2022.

Not applicable.

- (iii) Turnover ratios for the period ended 31 March 2022

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.

During the year, 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.

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Phillip Global Opportunities 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 Global Opportunities Funds during the period covered by these financial statements, set out on pages FS1 to FS16, 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
HSBC Institutional Trust Services (Singapore) Limited

Authorised signatory

28 June 2022

Statement by the Manager

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages FS1 to FS16, 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 and portfolio holdings of Phillip Global Opportunities Funds as at 31 March 2022, and the financial performance and movement in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that Phillip Global Opportunities Funds will be able to meet its financial obligations as and when they materialise.

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

Jeffrey Lee Chay Khiong
Director

28 June 2022

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Independent auditors' report

Unitholders
Phillip Global Opportunities Funds
(Constituted under a Trust Deed in the Republic of Singapore)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Phillip Global Opportunities Funds ("the Fund"), which comprise the Statements of Financial Position and Statements of Portfolio as at 31 March 2022, the Statements of Total Return and Statement of Movement 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 FS1 to FS16.

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" 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 March 2022 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 *Auditor's 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 contained in the annual report. Other information is defined as all information in the annual report other than 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.

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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 representation of these financial statements in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” issued by the Institute of Singapore Chartered Accountants, and for such internal controls 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 auditors’ 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.

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- 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

28 June 2022

Statement of Total Return
Year ended 31 March 2022

	Note	Global Opportunities Fund	
		2022	2021
		S\$	S\$
Income			
Dividends		1,133,065	705,141
Less:			
Expenses			
Audit fees		16,142	15,622
Custody fees		14,529	9,037
Management fee rebate		(6,019)	(16,038)
Management fee		969,485	611,722
Transaction costs		81,694	52,311
Trustee fees		32,316	21,541
Valuation fees		32,316	21,541
Other expenses		94,536	95,358
		1,234,999	811,094
Net losses		(101,934)	(105,953)
Net gains/(losses) on value of investments and financial derivatives			
Net (loss)/gain on investments		(388,156)	9,387,563
Net losses on financial derivatives		(45,188)	(168,553)
Net losses on foreign exchange		(98,416)	(76,801)
		(531,760)	9,142,209
Total (deficit)/return for the year before income tax		(633,694)	9,036,256
Less: Income tax	7	(175,917)	(83,591)
Total (deficit)/return for the year after income tax before distribution		(809,611)	8,952,665

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

Statement of Financial Position
As at 31 March 2022

		Global Opportunities Fund	
	Note	2022	2021
		S\$	S\$
Assets			
Portfolio of investments		58,616,178	47,995,611
Receivables	3	118,527	245,835
Cash and cash equivalents	4	17,615,206	4,015,566
Total assets		76,349,911	52,257,012
Liabilities			
Payables	5	585,275	264,463
Total liabilities		585,275	264,463
Equity			
Net assets attributable to unitholders	6	75,764,636	51,992,549

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

Statement of Movement of Unitholders' Funds
Year ended 31 March 2022

	Note	Global Opportunities Fund	
		2022	2021
		S\$	S\$
Net assets attributable to unitholders at the beginning of financial year		51,992,549	29,947,939
Operations			
Changes in net assets attributable to unitholders resulting from operations		(809,611)	8,952,665
Unitholders' contributions/(withdrawals)			
Creation of units		33,607,632	24,085,455
Cancellation of units		(9,025,934)	(10,993,510)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		24,581,698	13,091,945
Total increase in net assets attributable to unitholders		23,772,087	22,044,610
Net assets attributable to unitholders at the end of financial year	6	75,764,636	51,992,549

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

Statement of Portfolio
As at 31 March 2022

	Holdings as at 31/3/2022	Fair value as at 31/3/2022 S\$	Percentage of total net assets attributable to unitholders as at 31/3/2022 %
Global Opportunities Fund			
By Geography (Primary)			
Quoted			
Hong Kong			
iShares MSCI AC Asia Ex Japan Index ETF	253,382	2,501,996	3.30
		<u>2,501,996</u>	<u>3.30</u>
Ireland			
iShares USD Short Duration Corporate Bond UCITS ETF	562,927	4,147,442	5.47
		<u>4,147,442</u>	<u>5.47</u>
Singapore			
Phillip Global Quality Fund	4,553,401	5,017,848	6.62
Phillip SGD Money Market ETF	130,000	13,045,370	17.22
UOB United SGD Fund Class A Acc	6,894,164	13,478,091	17.79
		<u>31,541,309</u>	<u>41.63</u>
United States of America			
iShares Core MSCI Europe ETF	58,428	4,222,527	5.57
iShares Core MSCI Pacific ETF	22,028	1,813,439	2.39
iShares Core S&P 500 ETF	3,317	2,036,194	2.69
iShares Dow Jones U.S. ETF	26,103	3,930,073	5.19
Technology Select Sector SPDR Fund ETF	14,923	3,206,324	4.23
Vanguard S&P 500 ETF	3,181	1,787,352	2.35
Vanguard Short-Term Corporate Bond ETF	32,451	3,429,522	4.53
		<u>20,425,431</u>	<u>26.95</u>
Portfolio of investments		58,616,178	77.35
Other net assets		17,148,458	22.65
Net assets attributable to unitholders		<u>75,764,636</u>	<u>100.00</u>

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

Statement of Portfolio
As at 31 March 2022

	Fair value as at 31/3/2022 S\$	Percentage of total net assets attributable to unitholders as at 31/3/2022 %	Percentage of total net assets attributable to unitholders as at 31/3/2021 %
Global Opportunities Fund			
By Geography (Summary)			
Quoted			
Hong Kong	2,501,996	3.30	9.16
Ireland	4,147,442	5.47	4.11
Singapore	31,541,309	41.63	23.02
United States of America	20,425,431	26.95	56.02
Portfolio of investments	58,616,178	77.35	92.31
Other net assets	17,148,458	22.65	7.69
Net assets attributable to unitholders	75,764,636	100.00	100.00

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

Statement of Portfolio
As at 31 March 2022

	Fair value as at 31/3/2022 S\$	Percentage of total net assets attributable to unitholders as at 31/3/2022 %	Percentage of total net assets attributable to unitholders as at 31/3/2021 %
Global Opportunities Fund			
By Industry (Secondary)			
Equity Fund	45,570,808	60.13	92.31
Money Market Fund	13,045,370	17.22	-
Portfolio of investments	58,616,178	77.35	92.31
Other net assets	17,148,458	22.65	7.69
Net assets attributable to unitholders	75,764,636	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 Global Opportunities Funds (“the Fund”) is an open ended umbrella unit trust constituted pursuant to a Trust Deed dated 26 May 2011 together with its Supplemental Deeds thereon (hereafter referred to as the “Trust Deed”) between Phillip Capital Management (S) Ltd (the “Manager”) and HSBC Institutional 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 comprises one sub-fund, Global Opportunities Fund (the “Sub-Fund”), which was launched on 13 June 2011.

The investment objective of the Sub-Fund is to aim to achieve medium to long term capital appreciation. The Sub-Fund will invest primarily in collective investment schemes including Exchange Traded Funds (“ETFs”) and Real Estate Investment Trusts (“REITs”). The Sub-Fund may only invest in REITs which are constituted in Singapore and such investment into REITs are capped at 20% of the net asset value of the Sub-Fund. The Sub-Fund may also invest into business trusts and individual securities (including equities and bonds) in accordance with the Sub-Fund’s investment objective.

2. Significant accounting policies

2.1 Basis of financial statements 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 Investment Funds” revised and issued by the Institute of Singapore Chartered Accountants.

The adoption of the Revised RAP 7 did not result in substantial changes to the accounting policies of the Trust and had no material effect on the amounts reported for current or prior 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 at the reporting date. 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.

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*

Dividend income is recognised when declared and is stated gross of tax credits.

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 Sub-Fund is a designated unit trust under the Singapore Income Tax Act (Chapter 134). As a result, the following sources of income are not subjected to Singapore tax at the Sub-Fund level:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which Singapore tax has been withheld); and
- (iii) dividends derived from outside Singapore and received in Singapore.

2.7 *Cash and cash equivalents*

Cash and cash equivalents comprise bank balances and amounts held with brokers. 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

	Global Opportunities Fund	
	2022	2021
	S\$	S\$
Receivable from unitholders for creation of units	118,527	245,835
	118,527	245,835
	118,527	245,835

4. Cash and cash equivalents

	Global Opportunities Fund	
	2022	2021
	S\$	S\$
Bank balances	17,138,324	3,840,088
Amounts held with broker	476,882	175,478
	17,615,206	4,015,566

The bank balances are placed with a financial institution related to the Trustee.

5. Payables

	Global Opportunities Fund	
	2022	2021
	S\$	S\$
Payable to unitholders for cancellation of units	325,107	151,674
Accrued operating expenses	260,168	112,789
	585,275	264,463

6. Units in issue

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

	Global Opportunities Fund	
	2022	2021
	Units at beginning of the year	36,663,801
Units created	23,034,693	17,936,688
Units cancelled	(6,174,288)	(8,393,484)
Units at end of the year	53,524,206	36,663,801
Net assets attributable to unitholders – S\$	75,764,636	51,992,549
Net asset value per unit – S\$	1.4155	1.4181

For subscriptions and redemption and for various fee calculations, investments are stated at the last traded price 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 bid market prices as at the reporting date.

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

	Global Opportunities Fund	
	2022	2021
	S\$	S\$
Net assets attributable to unitholders per financial statements	1.4155	1.4181
Effect of adopting last traded price	0.0022	0.0006
Effect for movement in the net asset value between the last dealing date and the end of the reporting period	-	0.0001
Net assets attributable to unitholders for issuing/redeeming	1.4177	1.4188

7. Income tax

	Global Opportunities Fund	
	2022	2021
	S\$	S\$
Overseas income tax	175,917	83,591

The overseas income tax charge relates to withholding tax suffered on receipt of distributions from overseas investments.

8. Financial risk management

The Sub-Fund's activities expose it 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 financial derivative instruments, 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 risks

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 the 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. The Manager's preferred strategy is to hold investments for the medium to long term. The Manager is therefore not concerned about the short-term price volatility with respect to its investments provided that the underlying business, economic and management characteristics of its investments remain favourable.

A 10% increase in the market prices of investments at the reporting date would increase the fair value of investments by the following amount:

	Global Opportunities Fund	
	2022	2021
	S\$	S\$
Equity securities	5,861,618	4,799,561

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 Sub-Fund is not subject to significant risk of fluctuations in market interest rates as the Sub-Fund's financial assets and liabilities are largely non-interest bearing other than the cash and cash equivalents.

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.

As at 31 March 2022 and 2021, the concentration of the Sub-Fund's investments is set out in the Statement of Portfolio.

Investments denominated in currencies other than the Sub-Fund's functional currency comprise the following:

	Global Opportunities Fund	
	2022	2021
	S\$	S\$
Hong Kong Dollar	2,501,996	4,764,036
US Dollar	24,572,873	36,063,260

Cash and cash equivalents denominated in currencies other than the Sub-Fund's functional currency comprise the following:

	Global Opportunities Fund	
	2022	2021
	S\$	S\$
US Dollar	557	6,201

The Sub-Fund's monetary assets/liabilities are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets/liabilities, forecasted exchange rate movements and the net asset value of the Sub-Fund.

As at 31 March 2022 and 2021, with respect to the monetary assets and monetary liabilities of the Sub-Fund, had the Singapore Dollar increased/decreased by 10% against foreign currencies, with all other variables remaining constant, the decrease/increase in net assets attributable to unitholders would be as follows:

	Global Opportunities Fund	
	Increase/(Decrease) in net assets attributable to unitholders	
	2022	2021
	S\$	S\$
Hong Kong Dollar	250,200	476,404
US Dollar	2,457,343	3,606,946

b) *Liquidity risk*

The Sub-Fund is exposed to daily redemption of units in the Sub-Fund. Therefore the majority of its 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 Sub-Fund is exposed to counterparty credit risk on trading derivative products, cash and cash equivalents and receivable balances.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

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.

d) Capital management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Sub-Fund's objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

e) Fair value estimation

Except for investments which are measured at fair value, at 31 March 2022 and 2021, the fair values of the other assets and liabilities approximate their carrying values on the Statement of Financial Position due to their short period to maturity.

The fair value of the investments 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, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price 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 March 2022 and 2021:

Global Opportunities Fund	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
2022				
Assets				
Equity Fund	45,570,808	-	-	45,570,808
Money Market Fund	13,045,370	-	-	13,045,370
<hr/>				
2021				
Assets				
Equity Fund	47,995,611	-	-	47,995,611
<hr/>				

9. Related parties

In the normal course of 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.

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

Except as disclosed elsewhere in the financial statements, the following significant transactions took place between the Sub-Fund and its related parties during the year:

	Note	Global Opportunities Fund	
		2022	2021
		S\$	S\$
Bank balances held with a related party of the Trustee	4	17,138,324	3,840,088

10. Financial ratios

		Global Opportunities Fund	
		2022	2021
Expense ratio			
Total operating expenses	S\$	1,149,404	734,679
Average daily net asset value	S\$	64,704,299	40,866,605
Prorated expense ratio of the underlying funds ^(Note 1)	%	0.39	0.18
Expense ratio ^(Note 1)	%	2.17	1.98

Turnover ratio

Lower of total value of purchases or sales	S\$	79,732,916	25,564,352
Average daily net asset value	S\$	64,704,299	40,866,605
Turnover ratio ^(Note 2)	%	123.23	62.56

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 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 Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

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 year. 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 the
- Expense ratio of the fund of funds minus any rebates of management fees and commissions received from the target funds during the reporting period.

Note 2: The turnover ratio is calculated in accordance with the formula stated in the Code. 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.

Important Information

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

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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.

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