

PHILLIP STRATEGY FUNDS

ANNUAL REPORT

Period from 22 October 2021 (date of constitution) to 30 September 2022

CONTENTS

	Page
Directory	1
Manager's Investment Report	2 – 8
Report of the Trustee	9
Statement by the Manager	10
Independent auditors' report	11 – 13
FINANCIAL STATEMENTS	
Statement of Total Return	FS1
Statement of Financial Position	FS2
Statement of Movements of Unitholders' Funds	FS3
Statement of Portfolio	FS4 – FS9
Notes to the Financial Statements	FS10 – FS22
Important information	FS23

PHILLIP STRATEGY FUNDS

DIRECTORY

MANAGER

Phillip Capital Management (S) Ltd
250 North Bridge Road
#06-00 Raffles City Tower
Singapore 179101
Company Registration No. 199905233W

DIRECTORS OF THE MANAGER

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

TRUSTEE & REGISTRAR

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

CUSTODIAN

The Hongkong & Shanghai Banking Corporation Limited
1 Queen's Road
Central
Hong Kong

AUDITORS

KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

SOLICITORS TO THE MANAGER

Simmons & Simmons JWS Pte Ltd
168 Robinson Rd
#11-01 Capital Tower
Singapore 068912

SOLICITORS TO THE TRUSTEE

Shook Lin & Bok
1 Robinson Rd
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PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT

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

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 (30 September 2022)	S\$1.299
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)

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 (30 September 2022)	S\$2.283
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 FS4 – FS9.

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

3. Schedule of Investments by Asset Class

Phillip MSCI Singapore Daily (2x) Leveraged		Percentage of Total Net Assets Attributable to Unitholders at 30 September 2022
Asset Class	Fair Value at 30 September 2022 S\$	%
Quoted fund	263,501	13.93
Quoted equities	898,046	47.48
Financial derivatives, at fair value	(19,180)	(1.01)
Other net assets	749,180	39.60
Net assets attributable to unitholders	1,891,547	100.00

Phillip MSCI Singapore Daily (-1x) Inverse		Percentage of Total Net Assets Attributable to Unitholders at 30 September 2022
Asset Class	Fair Value at 30 September 2022 S\$	%
Quoted funds	4,237,802	61.87
Financial derivatives, at fair value	40,160	0.59
Other net assets	2,571,601	37.54
Net assets attributable to unitholders	6,849,563	100.00

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

4. Top 10 Holdings

Phillip MSCI Singapore Daily (2x) Leveraged

	Fair Value S\$	Percentage of Total Net Assets Attributable to Unitholders %
10 largest holdings at 30 September 2022		
Phillip Money Market Fund	263,501	13.93
DBS Group Holdings Limited	196,529	10.39
Oversea-Chinese Banking Corporation Limited	131,202	6.94
United Overseas Bank Limited	102,024	5.39
Sea Limited	78,576	4.15
Singapore Telecommunications Limited	73,416	3.88
Keppel Corp Limited	32,618	1.72
Ascendas Real Estate Investment Trust	29,321	1.55
CapitaLand Integrated Commercial Trust	29,184	1.54
CapitaLand Investment Limited	29,064	1.54

Phillip MSCI Singapore Daily (-1x) Inverse

	Fair Value S\$	Percentage of Total Net Assets Attributable to Unitholders %
10 largest holdings at 30 September 2022		
Phillip SGD Money Market ETF	2,214,520	32.33
Phillip Money Market Fund	2,023,282	29.54

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

5. (i) Exposure to financial derivatives as at 30 September 2022

Please refer to Note 7 on page FS 13.

(ii) Net (losses)/gains on derivative contracts realised for the period ended 30 September 2022

Phillip MSCI Singapore Daily (2x) Leveraged Product	(\$1,256,394)
Phillip MSCI Singapore Daily (-1x) Inverse Product	\$1,319,034

(iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 30 September 2022

Phillip MSCI Singapore Daily (2x) Leveraged Product	(\$19,180)
Phillip MSCI Singapore Daily (-1x) Inverse Product	\$40,160

(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 30 September 2022

Please refer to Statement of Portfolio on pages FS4 – FS9.

7. Amount and percentage of borrowings of total fund size as at 30 September 2022

Nil.

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

8. Amount of subscriptions and redemptions for the period ended 30 September 2022

	Phillip MSCI Singapore Daily (2x) Leveraged S\$	Phillip MSCI Singapore Daily (-1x) Inverse S\$
Total amount of subscriptions	5,019,400	10,064,800
Total amount of redemptions	(1,490,000)	(4,364,000)

9. Performance of the Fund as at 30 September 2022

Philip MSCI Singapore Daily (2x) Leveraged and (-1x) Inverse

	Phillip MSCI Singapore Daily (2X) Leveraged	Phillip MSCI Singapore Daily (-1X) Inverse	Benchmark
Cumulative (%*)			
3 Months	0.39	-1.89	0.28
6 Months	-29.71	14.38	-15.49
Since inception (1 Dec 2021)	-35.05	14.15	-18.08
Annualised (%*)			
Since inception (1 Dec 2021)	-40.54	17.28	-22.85

*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. 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.

Phillip MSCI Singapore Daily (-1x) Inverse

- (i) Top 10 holdings at market value and as percentage of NAV as at 30 June 2022

Phillip SGD Money Market ETF

10 largest holdings at 30 June 2022	Fair Value at 30 June 2022 S\$	Percentage of Total Net Assets Attributable to Unitholders at 30 June 2022 %
Fraser and Neave Limited 0.88% 14/09/2022	12,061,983	8.27
Sumitomo Mitsui Trust Bank 1% 07/04/2022 to 07/07/2022	10,000,000	6.86
MAS Bill Zcp Series 28 08/07/2022	9,996,981	6.85
China Construction Bank 1.40% 18/05/2022 to 18/08/2022	7,007,681	4.80
MAS Bill Zcp Series 28 29/07/2022	6,988,737	4.79
Capitamalls Asia Treasury Series EMTN 3.7% 29/08/2022	6,254,750	4.29
Keppel Corporation Limited 0.9% 16/02/2023	5,497,242	3.77
RCS Trust Series MTN 2.6% 05/06/2023	5,464,030	3.75
Qatar National Bank 0.95% 11/04/2022 to 12/07/2022	5,006,233	3.43
MAS Bill Zcp Series 28 15/07/2022	4,997,048	3.43

- (ii) Expense ratios for the period ended 30 June 2022.

Phillip SGD Money Market ETF

	30 June 2022	
Total operating expenses (excluding preliminary expenses)	S\$	314.617
Expenses ratio (excluding preliminary expenses)(annualised)	%	0.25
Average daily net asset value	S\$	126,421,687
Total operating expenses (including preliminary expenses)	S\$	314,617
Expense ratio (including preliminary expenses)(annualised)	%	<u>0.25</u>

PHILLIP STRATEGY FUNDS

MANAGER'S INVESTMENT REPORT (continued)

(iii) Turnover ratios for the period ended 30 June 2022.

Phillip SGD Money Market ETF

		30 June 2022
Lower of total value of purchases or sales	S\$	-
Average daily net asset value	S\$	137,349,739
Turnover ratio	%	<u>-</u>

Phillip MSCI Singapore Daily (2x) Leveraged

Nil.

11. 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.

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.

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

Nil.

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Phillip Strategy 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 Strategy Funds during the period covered by these financial statements, set out on pages FS1 to FS22, 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

29 December 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 FS22, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Phillip Strategy Funds as at 30 September 2022, and the total return and movements in unitholders' funds for the financial period from 22 October 2021 (date of constitution) to 30 September 2022 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 Strategy 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

29 December 2022

Independent auditors' report

Unitholders
Phillip Strategy 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 Strategy Funds (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 30 September 2022, the Statement of Total Return and Statement of Movements of Unitholders' Funds for the period from 22 October 2021 (date of constitution) to 30 September 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS22.

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 Investment Funds" ("RAP 7") issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 September 2022 and the financial performance and movements in unitholders' funds for the period from 22 October 2021 (date of constitution) to 30 September 2022.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of those matters.

We have determined that there are no key audit matters to communicate in our report.

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.

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

Responsibilities of the Manager for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

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- 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 auditors' 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 auditors' 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.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lee Chin Siang Barry.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
29 December 2022

STATEMENT OF TOTAL RETURN

Period from 22 October 2021 (date of constitution) to 30 September 2022

	Note	Phillip MSCI Singapore Daily (2x) Leveraged Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$
Income			
Dividends		41,107	-
Interest		117	-
		<u>41,224</u>	<u>-</u>
Less:			
Expenses			
Management fees		26,471	67,200
Audit fees		10,999	10,999
Custody fees		458	1,279
Preliminary expenses		88,500	88,500
Registration fees		12,864	12,864
Trustee fees		1,176	2,987
Transaction fees		5,298	900
Valuation fees		1,323	3,360
Other expenses		37,001	53,136
		<u>184,090</u>	<u>241,225</u>
Net losses		<u>(142,866)</u>	<u>(241,225)</u>
Net gains/(losses) on value of investments, financial derivatives and foreign exchange			
Net (losses)/gains on investments		(222,652)	30,814
Net (losses)/gains on financial derivatives		(1,275,574)	1,359,194
Net foreign exchange gains/(losses)		3,864	(20)
		<u>(1,494,362)</u>	<u>1,389,988</u>
Total (deficit)/return for the period before income tax		(1,637,228)	1,148,763
Less: Income tax	9	(625)	-
Total (deficit)/return for the period after income tax before distribution		<u>(1,637,853)</u>	<u>1,148,763</u>

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

STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	Phillip MSCI Singapore Daily (2x) Leveraged 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse 2022 S\$
Assets			
Portfolio of investments		1,161,547	4,237,802
Financial derivatives, at fair value		-	40,160
Receivable	3	2	-
Amount due from broker	4	469,389	1,395,013
Cash and cash equivalents	5	306,660	1,212,260
Total assets		<u>1,937,598</u>	<u>6,885,235</u>
Liabilities			
Payables	6	26,871	35,672
Financial derivatives, at fair value	7	19,180	-
Total liabilities		<u>46,051</u>	<u>35,672</u>
Equity			
Net assets attributable to unitholders	8	<u>1,891,547</u>	<u>6,849,563</u>

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial period from 22 October 2021 (date of constitution) to 30 September 2022

	Note	Phillip MSCI Singapore Daily (2x) Leveraged Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$
Net assets attributable to unitholders at the beginning of financial period		-	-
Operations			
Changes in net assets attributable to unitholders resulting from operations		(1,637,853)	1,148,763
Unitholders' contributions/(withdrawals)			
Creation of units		5,019,400	10,064,800
Cancellation of units		(1,490,000)	(4,364,000)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		3,529,400	5,700,800
Total increase in net assets attributable to unitholders		1,891,547	6,849,563
Net assets attributable to unitholders at the end of financial period	8	1,891,547	6,849,563

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

STATEMENT OF PORTFOLIO

As at 30 September 2022

	Holdings as at 30 September 2022 Units	Fair value as at 30 September 2022 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2022 %
Phillip MSCI Singapore Daily (2x) Leveraged By Industry (Primary)			
Quoted Fund			
Money Market Fund			
Phillip Money Market Fund	260,892	263,501	13.93
		<u>263,501</u>	<u>13.93</u>
Quoted Equities			
Communication Services			
Sea Limited	977	78,576	4.15
Singapore Telecommunications Limited	27,600	73,416	3.88
		<u>151,992</u>	<u>8.03</u>
Consumer Discretionary			
Genting Singapore Limited	19,700	15,366	0.81
		<u>15,366</u>	<u>0.81</u>
Consumer Staples			
Singapore Airlines Limited	4,400	22,440	1.19
Venture Corp Limited	1,000	16,420	0.87
Wilmar International Limited	6,200	23,746	1.26
		<u>62,606</u>	<u>3.32</u>
Financials			
DBS Group Holdings Limited	5,900	196,529	10.39
Oversea-Chinese Banking Corporation Limited	11,100	131,202	6.94
Singapore Exchange Limited	2,700	25,515	1.35
United Overseas Bank Limited	3,900	102,024	5.39
		<u>455,270</u>	<u>24.07</u>
Industrials			
Grab Holdings Limited	6,368	23,941	1.27
Keppel Corp Limited	4,700	32,618	1.72
Singapore Technologies Engineering Limited	5,200	18,564	0.98
		<u>75,123</u>	<u>3.97</u>

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

Statement of Portfolio (cont'd)

As at 30 September 2022

Real Estate

Ascendas Real Estate Investment Trust	10,900	29,321	1.55
CapitaLand Integrated Commercial Trust	15,200	29,184	1.54
CapitaLand Investment Limited	8,400	29,064	1.54
City Developments Limited	1,400	10,640	0.56
Mapletree Commercial Trust	7,000	12,040	0.64
Mapletree Logistics Trust	10,800	16,848	0.89
UOL Group Limited	1,600	10,592	0.56
		<u>137,689</u>	<u>7.28</u>

Portfolio of investments

1,161,547 61.41

Futures Contracts

SGX MSCI Singapore Free Index Futures	108	<u>(19,180)</u>	<u>(1.01)</u>
Financial derivatives, at fair value		<u>(19,180)</u>	<u>(1.01)</u>

Other net assets

749,180 39.60

Net assets attributable to unitholders

1,891,547 100.00

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

STATEMENT OF PORTFOLIO (continued)

As at 30 September 2022

	Holdings as at 30 September 2022 Units	Fair value as at 30 September 2022 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2022 %
Phillip MSCI Singapore Daily (-1x) Inverse By Industry (Primary)			
Quoted Funds			
Singapore			
Phillip Money Market Fund	2,003,250	2,023,282	29.54
Phillip SGD Money Market ETF	22,000	2,214,520	32.33
		4,237,802	61.87
Portfolio of investments		4,237,802	61.87
Futures Contracts			
SGX MSCI Singapore Free Index Futures	(247)	40,160	0.59
Financial derivatives, at fair value		40,160	0.59
Other net assets		2,571,601	37.54
Net assets attributable to unitholders		6,849,563	100.00

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

STATEMENT OF PORTFOLIO (continued)

As at 30 September 2022

	Fair value as at 30 September 2022 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2022 %
Phillip MSCI Singapore Daily (2x) Leveraged		
By Geography (Secondary)		
Quoted Fund		
Singapore	263,501	13.93
Quoted Equities		
Singapore	898,046	47.48
Portfolio of investments	1,161,547	61.41
Futures Contracts		
Singapore	(19,180)	(1.01)
Financial derivatives, at fair value	(19,180)	(1.01)
Other net assets	749,180	39.60
Net assets attributable to unitholders	1,891,547	100.00

	Fair value as at 30 September 2022 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2022 %
By Industry (Summary)		
Quoted Fund		
Financials	263,501	13.93
Quoted Equities		
Communication Services	151,992	8.03
Consumer Discretionary	15,366	0.81
Consumer Staples	62,606	3.32
Financials	455,270	24.07
Industrials	75,123	3.97
Real Estate	137,689	7.28
	1,161,547	61.41

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

Phillip Strategy Funds

Financial statements

Period from 22 October 2021 (date of constitution) 30 September 2022

Portfolio of investments	1,161,547	61.41
Futures Contracts		
Financials	(19,180)	(1.01)
Financial derivatives, at fair value	<u>(19,180)</u>	<u>(1.01)</u>
Other net assets	749,180	39.60
Net assets attributable to unitholders	<u>1,891,547</u>	<u>100.00</u>

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

STATEMENT OF PORTFOLIO (continued)
 As at 30 September 2022

	Fair value as at 30 September 2022 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2022 %
Phillip MSCI Singapore Daily (-1x) Inverse		
By Geography (Secondary)		
Quoted Funds		
Singapore	4,237,802	61.87
Portfolio of investments	4,237,802	61.87
Futures Contracts		
Singapore	40,160	0.59
Financial derivatives, at fair value	40,160	0.59
Other net assets	2,571,601	37.54
Net assets attributable to unitholders	6,849,563	100.00

	Fair value as at 30 September 2022 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2022 %
By Industry (Summary)		
Quoted Funds		
Financials	4,237,802	61.87
Portfolio of investments	4,237,802	61.87
Futures Contracts		
Financials	40,160	0.59
Financial derivatives, at fair value	40,160	0.59
Other net assets	2,571,601	37.54
Net assets attributable to unitholders	6,849,563	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 Strategy Funds (“the Fund”) is an open-ended umbrella unit trust constituted pursuant to a Trust Deed dated 22 October 2021 (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 offers 2 sub-funds (the “Sub-Fund”); this was first offered for sale in Singapore on the following launch:

Sub-Fund	Inception date
Phillip MSCI Singapore Daily (2x) Leveraged (“Sub-Fund No 1”)	1 December 2021
Phillip MSCI Singapore Daily (-1x) Inverse (“Sub-Fund No 2”)	1 December 2021

Phillip MSCI Singapore Daily (2x) Leveraged

The investment objective of Sub-Fund No 1 is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the MSCI Singapore Index (the “Index”).

Phillip MSCI Singapore Daily (-1x) Inverse

The investment objective of Sub-Fund No 2 is to provide investment results that, before fees and expenses, closely correspond to inverse (-1x) of the daily performance of the MSCI Singapore Index (the “Index”).

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 Trusts Funds*” issued by the Institute of Singapore Chartered Accountants.

The Fund has adopted the recommendations of revised RAP 7 (revised July 2020) issued by the Institute of Singapore Chartered Accountants effective for the financial years beginning on or after 1 July 2020.

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 (Chapter 289) (“Code”) respectively.

2.2 *Basis of valuation of investments*

Purchase of investments are recognised on the trade date. Quoted investments are stated at fair value based on the bid prices at the reporting date. These assets are subsequently measured at fair value. 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.

Investments are derecognised on trade date of disposal. 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.

“Fair value” is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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 in the Statement of Total Return on the date which the Sub-Fund's right to receive payment is established.

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

2.5 *Distribution policy*

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. This amount shall not be treated as part of the property of the Sub-Fund. Distributions are accrued for at the point in time when the necessary approvals have been obtained and legal or constructive obligation has been created.

2.6 *Foreign currency translation*

The Fund qualifies as an authorised scheme under the Securities and Futures Act 2001 (“SFA”) of Singapore and is offered to retail investors in Singapore. The Fund’s activities are substantially based in Singapore, with subscriptions and redemptions of the units of the Fund being denominated in Singapore Dollar (“SGD”).

The performance of the Fund is measured and reported to the investors in Singapore Dollar. The manager considers the Singapore Dollar as the currency which most faithfully represents the economic effect of the underlying transactions, events and conditions. The financial statements are expressed in Singapore Dollar, which is the Fund’s functional and presentation currency.

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.

2.7 *Income tax expenses*

The following sources of income are not subjected to Singapore Tax as long as the Fund qualifies for Section 13D of the Singapore Income Tax Act 1947:

- (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; and
- (iv) Gains or profits derived from transactions in future contracts relating to any securities or financial index.

2.8 *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

2.9 *Payables*

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.10 *Cash and cash equivalents*

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

2.11 *Amount due from broker*

Amount due from broker represent margin accounts.

2.12 *Net assets attributable to unitholders*

Net assets attributable to unitholders are classified as equity.

3. Receivables

	Phillip MSCI Singapore Daily (2x) Leveraged 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse 2022 S\$
Other receivables	2	-

4. Amount due from broker

	Phillip MSCI Singapore Daily (2x) Leveraged 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse 2022 S\$
Amount due from broker	469,389	1,395,013

The amount due from broker is with a related party of the Manager.

5. Cash and cash equivalents

	Phillip MSCI Singapore Daily (2x) Leveraged 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse 2022 S\$
Bank balances	306,660	1,212,260

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

6. Payables

	Phillip MSCI Singapore Daily (2x) Leveraged 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse 2022 S\$
Management fee payable	3,362	10,236
Other payables and accrued expenses	23,509	25,436

7. Financial Derivatives

Financial derivative contracts comprise futures contracts due for settlement or contractual repricing within 3 months from the reporting date. The contracted or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the reporting date are analysed below.

	<u>Phillip MSCI Singapore Daily (2x) Leveraged Product</u>		
	Notional amount	Fair value assets	Fair value liabilities
2022	\$	\$	\$
Contracts:			
Futures	3,050,200	-	19,180

	<u>Phillip MSCI Singapore Daily (-1x) Inverse Product</u>		
	Notional amount	Fair value assets	Fair value liabilities
2022	\$	\$	\$
Contracts:			
Futures	6,972,215	40,160	-

8. Units in issue

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

	Phillip MSCI Singapore Daily (2x) Leveraged Period from 22 October 2021 (date of constitution) to 30 September 2022	Phillip MSCI Singapore Daily (-1x) Inverse Period from 22 October 2021 (date of constitution) to 30 September 2022
Units at beginning of the period	-	-
Units created	2,509,700	5,032,400
Units cancelled	(1,000,000)	(2,000,000)
Units at end of the period	<u>1,509,700</u>	<u>3,032,400</u>
Net assets attributable to unitholders – S\$	1,891,547	6,849,563
Net asset value per unit – S\$	<u>1.253</u>	<u>2.259</u>

For subscriptions and redemptions and for various fee calculations, investments are stated at the last traded prices on the valuation day for the purpose of determining net asset value per unit. While for financial reporting purpose, investments held are stated at the relevant bid market prices as at the reporting date.

The effect of bid market prices in the net assets attributable to unitholders per unit is as follows:

	Phillip MSCI Singapore Daily (2x) Leveraged Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$
Net assets attributable to unitholders per unit per the financial statements	1.253	2.259
- Effect of adopting last traded price	(0.003)	0.000
- Write off of preliminary expenses	0.049	0.024
Net assets attributable to unitholders per unit for issuing/redeeming	<u>1.299</u>	<u>2.283</u>

9. Income tax

	Phillip MSCI Singapore Daily (2x) Leveraged From 22 October 2021 (date of constitution) to 30 September 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse From 22 October 2021 (date of constitution) to 30 September 2022 S\$
Income tax	625	-

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

10. Financial risk management

The Sub-Fund's activities are exposed to a variety of market risks (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Manager is responsible for the implementation of overall risk management programme, which seeks to minimise potential adverse effects on the Sub-Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries and/or countries are in place as part of the overall financial risk management to reduce the Sub-Fund's exposure to these risks.

The Sub-Fund's assets principally consist of investments in Index shares in substantially the same weightings as reflected in the Index, and cash. The Manager will rebalance the Sub-Fund's investment from time to time to reflect any changes to the composition of, or the weighting of securities in, the Index with a view to minimise tracking error of the Sub-Fund's overall returns relative to the performance of the Index.

The financial instruments are held in accordance with the published investment policies of the Sub-Fund and managed accordingly to achieve the investment objectives.

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 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 to mitigate the volatility arising from price risk.

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

	Phillip MSCI Singapore Daily (2x) Leveraged 2022 S\$	Phillip MSCI Singapore Daily (-1X) Inverse 2022 S\$
Quoted funds and quoted equities	116,155	423,780

A 10% decrease in the market prices of investments at the reporting date would have an equal but opposite effect on the fair value of investments, on the basis that all other variables remain constant.

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.

Assets denominated in currencies other than Singapore dollars, the Sub-Fund's functional currency comprise the following:

Phillip MSCI Singapore Daily (2x) Leveraged

	USD S\$	Total S\$
30 September 2022		
Portfolio of investments	102,517	102,517
Cash and cash equivalents	94,219	94,219
Total assets	196,736	196,736
Net currency exposure	196,736	196,736

The portfolio of investments is a non-monetary financial asset and is exposed to both currency risk and price risk. As this financial asset is non-monetary, no separate sensitivity analysis has been performed to analyse currency risk.

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

As at 30 September 2022, with respect to the monetary assets of the Sub-Fund, had the Singapore Dollar appreciated/depreciated by 10% against foreign currencies, with all other variables remaining constant, the decrease/increase in net assets attributable to unitholders would not be significant.

For Phillip MSCI Singapore Daily (-1x) Inverse Product, assets and liabilities are not denominated in currencies other than the Sub-Fund's functional currency. Hence, no currency exposure table and sensitivity analysis are presented.

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.

	Phillip MSCI Singapore Daily (2x) Leveraged Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$
		Less than 3 months
Payables	26,871	35,672
Financial derivatives, at fair value	19,180	-

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 cash and cash equivalents, amount due from broker 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. Payments 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 obligations.

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

The custodian and bank in which the funds' assets are held as at 30 September 2022 have credit rating of AA- (source: FitchRating).

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 meets 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 30 September 2022, the fair values of assets and liabilities approximate their carrying values on the Statement of Financial Position due to their short period to maturity.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Sub-Fund holds derivatives with offsetting market risks, mid-market prices are used as a basis for establishing fair values for the offsetting risk positions and bid or asking price are applied to the net open positions, 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 30 September 2022:

Phillip MSCI Singapore Daily (2x) Leveraged

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
2022				
Assets				
Portfolio of investments	1,161,547	-	-	1,161,547
Liabilities				
Held for trading				
Financial derivatives, at fair value	19,180	-	-	19,180

Phillip MSCI Singapore Daily (-1x) Inverse

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
2022				
Assets				
Portfolio of investments	4,237,802	-	-	4,237,802
Financial derivatives, at fair value	40,160	-	-	40,160
	<u>4,277,962</u>	<u>-</u>	<u>-</u>	<u>4,277,962</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed securities. The Sub-Funds does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

There are no transfers between the levels of the fair value hierarchy during the period.

11. Related parties

In the normal course of the business of the Sub-Fund, management fees and trustee fees have been paid or are payable to the Manager and the Trustee respectively as noted in the Statement of Total Return.

In addition, the bank holding company and related parties of the Trustee have also provided custodian, banking, foreign exchange, fund administration and brokerage services to the Sub-Fund in the normal course of business at terms agreed between the parties and within the provisions of the Trust Deed.

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

Phillip Strategy Funds

Financial statements

Period from 22 October 2021 (date of constitution) to 30 September 2022

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

	Phillip MSCI Singapore Daily (2x) Leveraged Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$	Phillip MSCI Singapore Daily (-1x) Inverse Period from 22 October 2021 (date of constitution) to 30 September 2022 S\$
Brokerage fee paid to: - a related party of the Manager	1,425	–
Futures contracts held with related party of the Manager	(19,180)	40,160
Amount due from broker held with a related party of the Manager	469,389	1,395,013
Cash and bank balances held with a related party of the Trustee	306,660	1,212,260

12. Financial ratios

Expense ratio

	Phillip MSCI Singapore Daily (2x) Leveraged Period from 22 October 2021 (date of constitution) to 30 September 2022	Phillip MSCI Singapore Daily (-1x) Inverse Period from 22 October 2021 (date of constitution) to 30 September 2022
Total operating expenses (excluding preliminary expenses)	\$ 76,118	\$ 127,818
Total operating expenses (including preliminary expenses)	\$ 164,618	\$ 216,318
Average daily net asset value	\$ 3,531,075	\$ 8,938,643
Expenses ratio (Note 1) (excluding preliminary expenses) (annualised)	% 2.62	% 1.88
Expenses ratio (Note 1) (including preliminary expenses) (annualised)	% 5.13	% 2.87

Turnover ratio

	Phillip MSCI Singapore Daily (2x) Leveraged Period from 22 October 2021 (date of constitution) to 30 September 2022	Phillip MSCI Singapore Daily (-1x) Inverse Period from 22 October 2021 (date of constitution) to 30 September 2022
Lower of total value of purchase or sales	\$ 2,440,077	\$ 6,000,000
Average daily net asset value	\$ 3,531,075	\$ 8,938,643
Turnover ratio (Note 2)	% 69.10	% 67.12

- Note 1 The expense ratio has been computed based on the guidelines laid down by the IMAS. The calculation of the expense ratio is based on total operating expenses divided by the average net asset value for the 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.
- Note 2 The portfolio turnover ratio is calculated in accordance with the formula stated in the Code. The calculation of the portfolio turnover ratio is based on the total value of purchases (or sales) of the underlying investments divided by the weighted average daily net asset value. Total value of purchases (or sales) does not include brokerage and other transaction costs.

13. Comparative information

No comparative figures are presented for Phillip MSCI Singapore Daily (2x) Leveraged and Phillip MSCI Singapore Daily (-1x) Inverse as this is the first set of financial statements prepared by the Sub-Fund since its launch.

Important information

Phillip Strategy Funds (“the Fund”) is an open-ended umbrella unit trust constituted pursuant to a Trust Deed dated 22 October 2021 (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. Unless expressly provided for in the Trust Deed or allowed under applicable laws, the assets of the Fund shall at all times belong to the Fund and be segregated from the assets of the Trustee, and shall not be used to discharge the liabilities of or claims against the Trustee or any other Fund for which the Trustee acts as trustee.

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

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Given the economic and market risks, there can be no assurance that the Fund will achieve their investment objectives. Investments in the Fund is not deposits or other obligations of, or guaranteed, or insured by the Manager or the distributors or their affiliates and are subject to investment risks, including the possible loss of the full principal amount invested. Returns may be affected by, among other things, the investment strategies or objectives of the 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 Fund.

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