

## **Phillip Investment Funds**

### **ANNUAL REPORT**

Financial year ended 31 December 2022

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## **Phillip Investment Funds**

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### **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**

BNP Paribas Trust Services Singapore Limited  
20 Collyer Quay  
#01-01  
Singapore 049319  
(Company Registration No. 200800851W)

#### **Custodian and Fund Administrator**

BNP Paribas, operating through its Singapore Branch  
20 Collyer Quay  
#01-01  
Singapore 049319  
(Company Registration No. T08FC7287D)

#### **Auditors**

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

#### **Solicitors to the Manager**

Chan & Goh LLP  
50 Craig Road, #03-01  
Singapore 089688

#### **Solicitors to the Trustee**

Dentons Rodyk & Davidson LLP  
80 Raffles Place  
#33-00 UOB Plaza 1  
Singapore 048624

## **Phillip Investment Funds**

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

#### **Phillip Money Market Fund**

For the full year ended 31 December 2022, the fund generated a net return of 1.18%, outperforming the bank savings deposit rate of 0.07% over the same period.

As of 31 December 2022, the portfolio's Weighted Average Maturity ("WAM") stood at 89 days compared with 93 days in the previous year. During 2022, bonds markets were volatile amid rising cost pressure concerns, Russia-Ukraine conflict developments, increasingly restrictive monetary policy, and moderating optimism on the global growth outlook. The yield curve resultantly shifted higher significantly and became inverted as an increment in short-term interest rates outpaced those in the longer end of the yield curve. Global central banks embarked on a tightening of monetary policy as elevated inflation data dented consumer and investment sentiments, while fears that overly-aggressive central banks would precipitate an economic slowdown or trigger the onset of a recession. The Fund maintained ample liquidity, achieved through short-term deposit placements and short-term bond issues where the fund benefited from higher short-term yields. The fund was primarily invested in high-quality issuers within the Asian region and placed deposits with high-quality bank counterparties.

The SGD Singapore Swap Offer Rate ("SOR") for one month and three months rose sharply to 3.90% and 4.21% in December 2022, from 0.32% and 0.36% respectively at the end of the previous year. Similarly, the SIBOR for one month and three months also increased to 4.03% and 4.25% respectively, from 0.30% and 0.44% at the end of 2021.

Based on economic data released by the Ministry of Trade and Industry ("MTI") in mid-February 2023, the Singapore economy expanded by 3.6% for the entire year of 2022, compared to 8.9% for the preceding year. The economic expansion was broadly supported by manufacturing, construction, and services which were up 2.5%, 6.7%, and 4.8% respectively where all segments exhibited moderating pace of growth compared to the year before due to the base effects. Manufacturing generally saw higher outputs across all clusters except for chemicals and biomedical manufacturing. Construction benefited from higher activity volumes from private and public construction works, while services essentially found tailwinds from within wholesale trade, other services, and the information and communications sub-sectors.

The Monetary Authority of Singapore's ("MAS") core inflation measure came in at 5.5% YoY for January 2023 accelerating from the 5.1% in December 2022, mainly driven by broad-based sources of services, food, and retail alongside the increase in the GST rate. Headline consumer prices also saw a slight uptick to 6.6% for January 2023 compared to 6.5% in the previous month stemming from the higher core inflation print as well as the increase in accommodation costs. The MAS has also re-centered the SGD Nominal Effective Exchange Rate ("SGD NEER") during its October 2022 Monetary Policy Statement in light of the elevated inflationary pressure, while leaving the slope and the width of the policy band unchanged.

## **Phillip Investment Funds**

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

#### **Phillip Money Market Fund**

##### Outlook

According to the MTI's announcement in mid-February 2023, Singapore's economic growth outlook for 2023 is expected to be within the 0.5% to 2.5% range. Downside risks to the economic growth outlook, weaker external demand, tighter financial conditions stemming from hawkish central banks, inflation entrenched at elevated levels, persisting supply chain disruption, and geopolitical shocks pose near-term risks to Singapore's economic outlook. The economic outlook is generally expected to be uneven given that while prospects for aviation and tourism-related sectors remain brighter due to China's reopening, outward-oriented sectors such as manufacturing may face challenges associated with softening consumption and business investment sentiments within key end markets.

With the MAS having committed itself to five policy tightening moves since October 2021, the central bank emphasized the need to remain vigilant on economic and pricing developments with the next Monetary Policy Statement taking place in April 2023. Tight domestic labour market conditions would reinforce wage pressure and facilitate the passthrough of higher input costs toward consumer prices. As such, inflation would be expected to be elevated over the first half of 2023 before fading lower in the second half. Overall, the MAS projects headline and core inflation to be within the 5.5-6.5% and 3.5-4.5% range respectively over 2023.

We believe short terms interest rates have further room to trend higher should the US Federal Reserve require policy rates to be more restrictive than what market participants are pricing in. Credit fundamentals are still healthy among high-quality Asian corporate bond issuers while offering attractive yield levels for both the Fund and investors.

## Phillip Investment Funds

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### Report to Unitholders Year ended 31 December 2022

The following contains additional information relating to the Sub-Fund.

**1. Distribution of investments**

Please refer to the Statement of Portfolio on pages 18 to 22.

**2. Schedule of investments by asset class**

**Phillip Money Market Fund**

<b>Asset Class</b>	<b>Fair value at 31 December 2022 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
Debt securities	566,155,219	54.52
Quoted investment	104,462,600	10.06
Fixed deposits	334,268,516	32.20
Cash and cash equivalents	30,158,813	2.90
Other net assets/(liabilities)	3,327,741	0.32
Net assets attributable to unitholders	<u>1,038,372,889</u>	<u>100.00</u>

**Types of Money Market Instruments and Debt Securities**

<b>Asset Class</b>	<b>Fair value at 31 December 2022 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
Fixed rate notes	564,452,225	54.36
Accrued interest on fixed income securities	1,702,994	0.16
	<u>566,155,219</u>	<u>54.52</u>

## Phillip Investment Funds

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### Report to Unitholders Year ended 31 December 2022

#### 3. Credit rating

##### i) Debt securities

###### Phillip Money Market Fund

	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Aaa	4,694,430	0.45
AaaU	2,471,705	0.24
Aa2	73,774,490	7.10
Aa3	27,724,204	2.67
A1	30,693,392	2.96
A2	8,107,940	0.78
A3	67,406,863	6.49
A+*	4,975,000	0.48
A-*	22,049,162	2.12
NR	322,555,039	31.07
Accrued interest on debt securities	1,702,994	0.16
Portfolio of investments	<u>566,155,219</u>	<u>54.52</u>

Source of credit rating is from Moody's except for the following:

\* Credit rating is from Standard & Poor's

##### ii) Fixed deposits

###### Phillip Money Market Fund

	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
P-1	332,569,778	32.04
Accrued interest on fixed deposits	1,698,738	0.16
	<u>334,268,516</u>	<u>32.20</u>

Source of credit rating is from Moody's

## Phillip Investment Funds

### Report to Unitholders Year ended 31 December 2022

#### 4. Top 10 holdings

##### Phillip Money Market Fund

10 largest holdings at 31 December 2022	Fair value at	Percentage of total
	31 December 2022 S\$	net assets attributable to unitholders at 31 December 2022 %
Phillip SGD Money Market ETF	104,462,600	10.06
Monetary Authority of Singapore Bill 0% due 06/01/2023	97,965,700	9.43
Monetary Authority of Singapore Bill 0% due 13/01/2023	64,925,250	6.25
Monetary Authority of Singapore Bill 0% due 20/01/2023	44,911,350	4.33
Monetary Authority of Singapore Bill 0% due 17/02/2023	39,788,400	3.83
Kookmin Bank/Hong Kong 0% due 29/05/2023	27,724,204	2.67
Canadian Imperial Bank of Commerce/Singapore 0% due 30/08/2023	26,762,836	2.58
Canadian Imperial Bank of Commerce/Singapore 0% due 26/09/2023	26,107,759	2.51
RCS Trust 2.6% due 05/06/2023	22,049,162	2.12
Cagamas Global Public Listed Company 1.25% due 08/12/2023	21,981,050	2.12

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



## Phillip Investment Funds

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### Report to Unitholders Year ended 31 December 2022

#### 5. Maturity profile of investments

##### Phillip Money Market Fund

Maturity profile of underlying investments	Fair value at	Percentage of total
	31 December 2022	net assets
	S\$	attributable to
		unitholders at
		31 December 2022
		%
Up to 30 days	326,075,666	31.40
31 - 90 days	85,096,575	8.20
91 - 180 days	228,052,800	21.96
181 - 365 days	204,004,548	19.65
366 - 732 days	53,792,414	5.18
Non-interest bearing	107,864,332	10.39
	<u>1,004,886,335</u>	<u>96.78</u>

#### 6. Exposure to derivatives as at 31 December 2022

Nil.

#### 7. Global exposure to financial derivatives

The global exposure to financial derivatives is computed using the commitment approach which 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; and
- 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. EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

#### 8. Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes

Please refer to the Statement of Portfolio on pages 18 to 22.

#### 9. Amount and percentage of borrowings of total fund size as at 31 December 2022

Nil.

## Phillip Investment Funds

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### Report to Unitholders

Year ended 31 December 2022

#### 10. Amount of units created and cancelled for the financial year ended 31 December 2022

##### Phillip Money Market Fund

S\$

Total amount of subscriptions	3,083,649,062
Total amount of redemptions	(3,168,435,870)

#### 11. Turnover ratio

Please refer to Note 10 of Notes to Financial Statements.

#### 12. Expense ratio

Please refer to Note 10 of Notes to Financial Statements.

#### 13. Performance of Sub-Fund as at 31 December 2022

##### Phillip Money Market Fund

	Class A SGD	Class I SGD	Class E SGD	Benchmark performance
<b>Cumulative (%)*</b>				
3 months	0.60	0.65	0.69	0.02
6 months	0.93	1.04	1.11	0.04
1 year	1.15	1.26	1.49	0.07
3 years	1.77	2.21	-	0.29
5 years	4.28	-	-	0.62
10 years	7.74	-	-	1.29
Since inception	24.20	4.85	1.70	4.75
<b>Annualised (%)</b>				
1 year	1.15	1.26	1.49	0.07
3 years	0.59	0.73	-	0.10
5 years	0.84	-	-	0.12
10 years	0.75	-	-	0.13
Since inception	1.00	1.00	1.07	0.21

Note: Cumulative returns are calculated in Singapore dollars on a bid to bid basis, with net dividends reinvested. Inception dates for Class A, Class I and Class E were 16 April 2001, 3 April 2018 and 2 June 2021 respectively.

Benchmark: Bank deposit rate

Source: Bloomberg

#### 14. Related party transactions

Please refer to Note 9 of Notes to Financial Statements.

#### 15. Any other material information that will adversely impact the valuation of the Sub-Fund.

Nil.

## **Phillip Investment Funds**

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### **Report to Unitholders**

**Year ended 31 December 2022**

**16. For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme (“the underlying scheme”) should be disclosed as well.**

(i) Top 10 holdings at market value and as percentage of NAV as at 31 December 2022 and 31 December 2021.

Not applicable.

(ii) Expense ratios for the period 31 December 2022 and 31 December 2021.

Not applicable.

(iii) Turnover ratios for the period 31 December 2022 and 31 December 2021.

Not applicable.

### **17. Soft-dollar commissions**

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

The Manager will not accept or enter into soft-dollar commissions/arrangements unless such soft-dollar commissions/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/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.

### **Phillip Money Market Fund**

The Manager did not receive any soft-dollar services in respect of the fund during the year.

## **Report of the Trustee**

The Trustee is under a duty to take into custody and hold the assets of Phillip Investment Funds in trust for the unitholders. In accordance with the Securities and Futures Act 2001, 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 year 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 Investment Funds during the period covered by these financial statements, set out on pages 15 to 32, 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  
**BNP Paribas Trust Services Singapore Limited**

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**Authorised signatory**

28 March 2023

## **Statement by the Manager**

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages 15 to 32, 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 Investment Funds as at 31 December 2022, and the total return and movements 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 Investment Funds will be able to meet its financial obligations as and when they materialise.

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

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**Jeffrey Lee Chay Khiong**  
Director

28 March 2023

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## **Independent auditors' report**

### **Unitholders**

#### **Phillip Investment Funds**

(Constituted under a Trust Deed in the Republic of Singapore)

#### *Opinion*

We have audited the financial statements of Phillip Investment Funds (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 31 December 2022, the Statement of Total Return and Statement of Movements 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 15 to 32.

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 31 December 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 *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.

#### *Other information*

Phillip Capital Management (S) Ltd, the Manager of the Fund ('the Manager'), is responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 presentation of these financial statements in accordance with the recommendations of 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 auditor's 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.

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- 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.
- 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 March 2023

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



**Statement of Total Return**  
**Year ended 31 December 2022**

	<b>Note</b>	<b>Phillip Money Market Fund</b>	
		<b>2022</b>	<b>2021</b>
		<b>S\$</b>	<b>S\$</b>
<b>Income</b>			
Interest Income		12,672,233	9,893,875
		<u>12,672,233</u>	<u>9,893,875</u>
Less:			
<b>Expenses</b>			
Management fee		3,763,851	4,314,090
Audit fee		13,001	13,000
Custody fee		198,582	165,674
Trustee fee		111,700	134,766
Valuation fee		8,486	8,506
Other expenses		170,124	95,228
		<u>4,265,744</u>	<u>4,731,264</u>
<b>Net income</b>		<u>8,406,489</u>	<u>5,162,611</u>
<b>Net gains/(losses) on value of investments</b>			
Net gains/(losses) on investments		1,052,993	(3,373,892)
		<u>1,052,993</u>	<u>(3,373,892)</u>
<b>Total return for the financial year before income tax</b>			
		9,459,482	1,788,719
Less: Income tax	7	<u>-</u>	<u>-</u>
<b>Total return for the financial year after income tax</b>		<u>9,459,482</u>	<u>1,788,719</u>

The accompanying notes form an integral part of these financial statements

**Statement of Financial Position**  
**As at 31 December 2022**

	<b>Note</b>	<b>Phillip Money Market Fund</b>	
		<b>2022</b>	<b>2021</b>
		<b>S\$</b>	<b>S\$</b>
<b>Assets</b>			
Portfolio of investments		1,004,886,335	946,115,413
Sales awaiting settlement		-	6,017,820
Receivables	3	4,289,631	12,318,665
Cash and cash equivalents	4	30,158,813	162,104,694
<b>Total assets</b>		<b>1,039,334,779</b>	<b>1,126,556,592</b>
<b>Liability</b>			
Payables	5	961,890	12,856,377
<b>Total liability</b>		<b>961,890</b>	<b>12,856,377</b>
<b>Equity</b>			
Net assets attributable to unitholders	6	<b>1,038,372,889</b>	<b>1,113,700,215</b>

The accompanying notes form an integral part of these financial statements

**Statement of Movements of Unitholders' Funds**  
**Year ended 31 December 2022**

	Note	<b>Phillip Money Market Fund</b>	
		<b>2022</b>	<b>2021</b>
		<b>S\$</b>	<b>S\$</b>
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		1,113,700,215	1,353,299,751
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		9,459,482	1,788,719
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		3,083,649,062	6,271,115,218
Cancellation of units		(3,168,435,870)	(6,512,503,473)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(84,786,808)	(241,388,255)
Total decreases in net assets attributable to unitholders		(75,327,326)	(239,599,536)
<b>Net assets attributable to unitholders at the end of the financial year</b>	6	<u>1,038,372,889</u>	<u>1,113,700,215</u>

The accompanying notes form an integral part of these financial statements

**Statement of Portfolio**  
As at 31 December 2022

**Phillip Money Market Fund**  
**By Industry (Primary)**

	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>Quoted Debt Securities</b>			
<b>Auto Manufacturers</b>			
Toyota Motor Finance Netherlands BV 3.15% due 19/07/2024	12,750,000	12,429,720	1.20
		12,429,720	1.20
<b>Banks</b>			
Canadian Imperial Bank of Commerce/Singapore 0% due 26/09/2023	27,000,000	26,107,759	2.51
Canadian Imperial Bank of Commerce/Singapore 0% due 30/08/2023	27,000,000	26,762,836	2.58
China Construction Bank Corporation Singapore Branch 1.073% due 25/09/2023	2,250,000	2,188,547	0.21
China Construction Bank Corporation Singapore Branch 2.85% due 13/06/2024	16,500,000	16,075,125	1.55
Kookmin Bank/Hong Kong 0% due 29/05/2023	28,000,000	27,724,204	2.67
Monetary Authority of Singapore Bill 0% due 06/01/2023	98,000,000	97,965,700	9.43
Monetary Authority of Singapore Bill 0% due 10/02/2023	10,000,000	9,955,500	0.96
Monetary Authority of Singapore Bill 0% due 13/01/2023	65,000,000	64,925,250	6.25
Monetary Authority of Singapore Bill 0% due 17/02/2023	40,000,000	39,788,400	3.83
Monetary Authority of Singapore Bill 0% due 20/01/2023	45,000,000	44,911,350	4.33
QNB Finance Limited 1.37% due 04/02/2024	5,000,000	4,975,000	0.48
		361,379,671	34.80
<b>Commercial Services</b>			
Korea Expressway Corporation 5% due 07/11/2024	9,000,000	9,039,375	0.87
		9,039,375	0.87

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

**Statement of Portfolio**  
As at 31 December 2022

**Phillip Money Market Fund**  
**By Industry (Primary)** (continued)

	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>Quoted Debt Securities</b> (continued)			
<b>Diversified Financial Services</b>			
Cagamas Global Public Listed Company 1.25% due 08/12/2023	22,750,000	21,981,050	2.12
Cagamas Global Public Listed Company 3.85% due 11/09/2023	13,000,000	12,924,225	1.24
Cagamas Global Public Listed Company 4.25% due 27/09/2023	6,250,000	6,227,792	0.60
Citigroup Global Markets Holdings Incorporation/United States 2.75% due 20/05/2024	4,000,000	3,896,360	0.38
Citigroup Global Markets Holdings Incorporation/United States 3.2% due 01/08/2023	4,250,000	4,211,580	0.41
Temasek Financial IV Private Limited 2.7% due 25/10/2023	4,750,000	4,694,430	0.45
		<u>53,935,437</u>	<u>5.20</u>
<b>Engineering and Construction</b>			
Keppel Corporation Limited 0.9% due 16/02/2023	21,500,000	21,404,325	2.06
		<u>21,404,325</u>	<u>2.06</u>
<b>Food</b>			
Fraser And Neave Limited 1.18% due 11/04/2023	18,000,000	17,794,800	1.71
		<u>17,794,800</u>	<u>1.71</u>
<b>Lodging</b>			
City Developments Limited 3% due 17/01/2024	2,500,000	2,445,379	0.24
City Developments Limited 3.48% due 03/04/2023	3,000,000	2,987,737	0.29
City Developments Limited 3.9% due 21/03/2024	5,000,000	4,931,455	0.47
		<u>10,364,571</u>	<u>1.00</u>
<b>Real Estate</b>			
Ascendas Private Limited 3.5% due 18/01/2023	6,750,000	6,747,513	0.65
Keppel Land Limited 2.68% due 17/01/2023	250,000	249,786	0.02
Wing Tai Holdings Limited 4.25% due 15/03/2023	2,250,000	2,244,658	0.22
		<u>9,241,957</u>	<u>0.89</u>

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

**Statement of Portfolio**  
As at 31 December 2022

**Phillip Money Market Fund**  
**By Industry (Primary)** (continued)

	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>Quoted Debt Securities</b> (continued)			
<b>Real Estate Investment Trusts (REITS)</b>			
Capitaland Ascendas REIT 2.47% due 10/08/2023	3,000,000	2,963,253	0.29
CMT MTN Private Limited 2.8% due 13/03/2023	11,500,000	11,454,803	1.10
CMT MTN Private Limited 3.2115% due 09/11/2023	12,000,000	11,855,740	1.14
RCS Trust 2.6% due 05/06/2023	22,250,000	22,049,162	2.12
		48,322,958	4.65
<b>Sovereign</b>			
Export-Import Bank of Korea 2.953% due 19/07/2023	12,000,000	11,864,520	1.14
Housing & Development Board 2.303% due 13/03/2023	250,000	248,889	0.02
Housing & Development Board 2.42% due 24/07/2023	2,250,000	2,222,816	0.22
Land Transport Authority of Singapore 2.9% due 19/06/2023	6,250,000	6,203,186	0.60
		20,539,411	1.98
<b>Accrued interest on debt securities</b>		1,702,994	0.16
<b>Total Quoted Debt Securities</b>		566,155,219	54.52
<b>Quoted Investment Fund</b>			
<b>Money Market Fund</b>			
Phillip SGD Money Market ETF	1,030,000	104,462,600	10.06
		104,462,600	10.06
<b>Total Quoted Investment Fund</b>		104,462,600	10.06

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

**Statement of Portfolio**  
As at 31 December 2022

**Phillip Money Market Fund**  
**By Industry (Primary)** (continued)

	<b>Holdings at 31 December 2022</b>	<b>Fair value at 31 December 2022 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
<b>Fixed deposits</b>			
<b>Banks</b>			
Industrial and Commercial Bank of China Singapore Branch		20,000,000	1.93
Qatar National Bank		61,028,319	5.88
Saudi National Bank		80,000,000	7.70
Sumitomo Mitsui Trust Bank Ltd		60,265,392	5.81
Scotiabank Hong Kong		111,276,067	10.72
		332,569,778	32.04
<b>Accrued interest on fixed deposits</b>		1,698,738	0.16
<b>Total Fixed Deposits</b>		334,268,516	32.20
<b>Portfolio of investments</b>		1,004,886,335	96.78
<b>Other net assets</b>		33,486,554	3.22
<b>Net assets attributable to unitholders</b>		1,038,372,889	100.00

**Statement of Portfolio**  
As at 31 December 2022

**Phillip Money Market Fund**  
**By Industry (Primary)**

	Fair value at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Auto Manufacturers	12,429,720	1.20	-
Banks	693,949,449	66.84	46.80
Commercial Services	9,039,375	0.87	0.02
Diversified Financial Services	53,935,437	5.20	2.46
Engineering and Construction	21,404,325	2.06	10.22
Money Market Fund	104,462,600	10.06	9.82
Food	17,794,800	1.71	0.04
Lodging	10,364,571	1.00	0.89
Real Estate	9,241,957	0.89	5.78
Real Estate Investment Trusts (REITS)	48,322,958	4.65	4.48
Sovereign	20,539,411	1.98	1.08
Telecommunications	-	-	2.85
Transportation	-	-	0.27
Accrued Interest on debt securities	1,702,994	0.16	0.20
Accrued Interest on fixed deposits	1,698,738	0.16	0.04
<b>Portfolio of investments</b>	<b>1,004,886,335</b>	<b>96.78</b>	<b>84.95</b>
<b>Other net assets</b>	<b>33,486,554</b>	<b>3.22</b>	<b>15.05</b>
<b>Net assets attributable to unitholders</b>	<b>1,038,372,889</b>	<b>100.00</b>	<b>100.00</b>

**By Geography (Secondary)**

Australia	-	-	1.01
British Virgin Islands	-	-	0.46
Canada	52,870,595	5.09	-
Cayman Islands	4,975,000	0.48	-
China	18,263,672	1.76	2.69
Malaysia	41,133,067	3.96	2.04
Netherlands	12,429,720	1.20	-
Singapore	815,076,510	78.50	75.78
South Korea	48,628,099	4.68	2.73
United States of America	8,107,940	0.79	-
Accrued Interest on debt securities	1,702,994	0.16	0.20
Accrued Interest on fixed deposits	1,698,738	0.16	0.04
<b>Portfolio of investments</b>	<b>1,004,886,335</b>	<b>96.78</b>	<b>84.95</b>
<b>Other net assets</b>	<b>33,486,554</b>	<b>3.22</b>	<b>15.05</b>
<b>Net assets attributable to unitholders</b>	<b>1,038,372,889</b>	<b>100.00</b>	<b>100.00</b>



## Notes to the Financial Statements

These notes form an integral part of the financial statements.

### 1 Domicile and activities

Phillip Investment Funds (the “Fund”) is an open ended umbrella unit trust constituted pursuant to a Trust Deed dated 26 February 2001 together with its Amending and Restating Deeds and its Supplemental Deed thereon (hereafter referred to as the “Trust Deed”) between Phillip Capital Management (S) Ltd (the “Manager”) and BNP Paribas 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 a series of sub funds (the “Sub-Funds”); these were first offered for sale in Singapore on the following launch dates:

<b>Sub-Fund</b>	<b>Launch date</b>
Phillip Money Market Fund	1 March 2001

#### *Phillip Money Market Fund*

The investment objective of Phillip Money Market Fund is to aim to preserve principal value and maintain a high degree of liquidity while producing returns comparable to that of Singapore dollar savings deposits. The Sub-Fund invests primarily in short term, high quality money market instruments and debt securities. Such investments may include government and corporate bonds, commercial bills and deposits with financial institutions. The Money Market Funds Investment Guidelines in Appendix 2 of the Code on Collective Investment Schemes apply to this Sub-Fund. The Phillip Money Market Fund is relatively low risk and its objective is targeted at achieving absolute returns. The benchmark for the Phillip Money Market Fund is the bank savings deposit rate.

### 2 Significant accounting policies

#### 2.1 *Basis of 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 any significant changes to the accounting policies of the Trust and had no material effect on the amounts reported for current financial 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 2001 (“Code”) respectively.

## 2.2 *Basis of valuation of investments*

Quoted investments are stated at fair value based on the bid prices for debt securities at the reporting date. If there is no last bid price, the fair value is determined using valuation techniques that are commonly used by market participants. 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.

Fixed deposits held within the Statements of Portfolio are stated at amortised cost. Due to the short-term in nature of the fixed deposits, its amortised cost approximates its fair value.

## 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*

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 Fund was approved for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13U (formerly 13X) of the Income Tax Act by the Monetary Authority of Singapore ("MAS") with effect from 12 December 2011. The tax exemption status will be for the life of the Fund, provided the Fund continues to meet all the terms and conditions set out by MAS and the relevant Income Tax legislations.

## 2.7 *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.

2.8 *Net assets attributable to unitholders*

Net assets attributable to unitholders are classified as equity.

**3 Receivables**

	<b>Phillip Money Market Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Receivable from unitholders for creation of units	4,289,631	12,301,500
Accrued interest receivable	-	17,165
	<u>4,289,631</u>	<u>12,318,665</u>

**4 Cash and cash equivalents**

	<b>Phillip Money Market Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Cash and bank balances	<u>30,158,813</u>	<u>162,104,694</u>

**5 Payables**

	<b>Phillip Money Market Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Payable to unitholders for cancellation of units	114,315	12,186,875
Accrued expenses	847,575	669,502
	<u>961,890</u>	<u>12,856,377</u>

**6 Units in issue**

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

**Phillip Money Market Fund**

	<b>2022</b>			<b>Total</b>
	<b>Class A SGD</b>	<b>Class I SGD</b>	<b>Class E SGD</b>	
Units at beginning of the financial year	821,112,886	10,058,557	94,760,650	925,932,093
Units created	2,492,072,130	15,169,206	3,437,655	2,510,678,991
Units cancelled	(2,487,392,114)	(13,005,362)	(95,288,205)	(2,595,685,681)
Units at end of the financial year	<u>825,792,902</u>	<u>12,222,401</u>	<u>2,910,100</u>	<u>840,925,403</u>
Net assets attributable to unitholder - S\$	1,022,643,433	12,778,362	2,951,094	1,038,372,889
Net asset value per unit - S\$	<u>1.2383</u>	<u>1.0454</u>	<u>1.0140</u>	<u>1.2347</u>

	<b>2021</b>			<b>Total</b>
	<b>Class A SGD</b>	<b>Class I SGD</b>	<b>Class E SGD</b>	
Units at beginning of the financial year	1,080,721,621	26,817,164	-	1,107,538,785
Units created	4,806,092,065	5,450,793	367,756,840	5,179,299,698
Units cancelled	<u>(5,065,700,800)</u>	<u>(22,209,400)</u>	<u>(272,996,190)</u>	<u>(5,360,906,390)</u>
Units at end of the financial year	<u>821,112,886</u>	<u>10,058,557</u>	<u>94,760,650</u>	<u>925,932,093</u>
Net assets attributable to unitholder - S\$	1,008,314,542	10,416,487	94,969,186	1,113,700,215
Net asset value per unit - S\$	<u>1.2279</u>	<u>1.0355</u>	<u>1.0022</u>	<u>1.2027</u>

Class A SGD Units are offered to investors who invest S\$500 and above. Class I SGD Units are offered to investors who invest S\$250,000 and above. Class E SGD Units are offered to investors as may be permitted by the Managers at their sole discretion. All classes constitute the Sub-Fund and are not separate sub-funds. Any expense, income and/or gain which is attributable to a particular class is deducted from or added to (as the case may be) the value of the sub-fund which is attributable to that class. A separate net asset value per unit is calculated for each class.

For subscriptions and redemptions and for various fee calculations, investments are stated at the last traded price/amortised cost 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/amortised cost in the net assets attributable to unitholders is as follows:

**Phillip Money Market Fund**

	<b>2022</b>		
	<b>Class A SGD S\$</b>	<b>Class I SGD S\$</b>	<b>Class E SGD S\$</b>
Net assets attributable to unitholders per financial statements per unit	1.2383	1.0454	1.0140
Effect of adopting amortised cost per unit	0.0038	0.0033	0.0032
Net assets attributable to unitholders per unit for issuing/redeeming	<u>1.2421</u>	<u>1.0487</u>	<u>1.0172</u>

	<b>2021</b>		
	<b>Class A SGD S\$</b>	<b>Class I SGD S\$</b>	<b>Class E SGD S\$</b>
Net assets attributable to unitholders per financial statements per unit	1.2279	1.0355	1.0022
Effect of adopting amortised cost per unit	-	-	(0.0001)
Net assets attributable to unitholders per unit for issuing/redeeming	<u>1.2279</u>	<u>1.0355</u>	<u>1.0021</u>

## **7 Income Tax**

The Fund was approved for the Enhanced Tier Fund Tax Incentive Scheme under Section 13U (formerly 13X) of the Income Tax Act by the Monetary Authority of Singapore (“MAS”) with effect from 12 December 2011. The tax exemption status will be for the life of the Fund, provided the Fund continues to meet all the terms and conditions set out by MAS and the relevant Income Tax legislations.

## **8 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 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 futures contracts, options contracts and/or currency forward contracts 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 risk**

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 each 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.

#### **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 table below summarises the Sub-Fund's exposure to interest rate risks. They include the Sub-Fund's assets and trading liabilities at fair value, categorised by interest rate types.

		← Fixed rate →				
		Floating rate S\$	Up to 1 year S\$	1-5 years S\$	Non-interest bearing S\$	Total S\$
<b>Phillip Money Market Fund</b>						
<b>2022</b>						
<b>Assets</b>						
Portfolio of investments		-	843,229,589	53,792,414	107,864,332	1,004,886,335
Receivables		-	-	-	4,289,631	4,289,631
Cash and bank balances		30,158,813	-	-	-	30,158,813
		<u>30,158,813</u>	<u>843,229,589</u>	<u>53,792,414</u>	<u>112,153,963</u>	<u>1,039,334,779</u>
<b>Liability</b>						
Payables		-	-	-	961,890	961,890
		<u>-</u>	<u>-</u>	<u>-</u>	<u>961,890</u>	<u>961,890</u>

		← Fixed rate →				
		Floating rate S\$	Up to 1 year S\$	1-5 years S\$	Non-interest bearing S\$	Total S\$
<b>Phillip Money Market Fund</b>						
<b>2021</b>						
<b>Assets</b>						
Portfolio of investments		-	775,774,255	58,406,641	111,934,517	946,115,413
Sales awaiting settlement		-	-	-	6,017,820	6,017,820
Receivables		-	-	-	12,318,665	12,318,665
Cash and bank balances		162,104,694	-	-	-	162,104,694
		<u>162,104,694</u>	<u>775,774,255</u>	<u>58,406,641</u>	<u>130,271,002</u>	<u>1,126,556,592</u>
<b>Liability</b>						
Payables		-	-	-	12,856,377	12,856,377
		<u>-</u>	<u>-</u>	<u>-</u>	<u>12,856,377</u>	<u>12,856,377</u>

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest for the 12 month period is as disclosed below. As of 31 December 2022, should interest rates rise or fall by 1% with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders would be as follows:

	<b>Increase rates rise/(fall) by 1%</b>	
	<b>Increase/(Decrease) in net assets attributable to unitholders</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Phillip Money Market Fund	2,467,871	2,297,234

iii. **Currency risk**

The Sub-Fund's assets and liabilities are held mainly in Singapore dollars, which is also its functional currency, therefore no sensitivity analysis and currency exposure table are presented. In addition, the Sub-Fund invests in underlying securities which are denominated in functional currency where the fluctuations in the relevant exchange rates would not have an impact on the income and value of the Sub-Fund.

b) **Liquidity risk**

The Sub-Fund is exposed to daily redemption of units in the Sub-Fund. Therefore the majority of their assets are invested in investments that are traded in an active market and can be readily disposed of. The table below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	<b>Phillip Money Market Fund</b>	
	<b>Less than 3 months</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Payables	961,890	12,856,377

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 main credit risk to which the Sub-Fund is exposed arise from the Sub-Fund's investments in debt securities. The Sub-Fund is also exposed to counterparty credit risk on trading derivative products, cash and cash equivalents and other receivable balances.

All transactions in listed debts are settled/paid upon delivery using approved brokers. The risk of default is considered minimal.

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.

The table below analyses the credit ratings of banks in which the Sub-Fund's fixed deposits are held.

**Phillip Money Market Fund**

<u>Fixed deposits by rating category</u>	<b>Percentage of total net assets attributable to unitholders 2022 %</b>	<b>Percentage of total net assets attributable to unitholders 2021 %</b>
P-1	32.04	15.82
P-2	-	8.14
Total fixed deposits	32.04	23.96

*Source of credit rating is from Moody's.*



The table below analyses the Sub-Fund's debt instruments by credit ratings.

**Phillip Money Market Fund**

<u>Debt securities by rating category</u>	Percentage of total net assets attributable to unitholders	Percentage of total net assets attributable to unitholders
	2022 %	2021 %
Aaa	0.45	0.44
Aaau	0.24	0.04
Aa2	7.10	-
Aa3	2.67	2.60
AA+*	-	0.27
AA*	-	0.13
A1	2.96	-
A2	0.78	2.69
A3	6.49	6.43
A+*	0.48	-
A-*	2.12	1.10
Not Rated	31.07	37.23
	54.36	50.93

Source of credit rating is from Moody's except for the following:

\* Credit ratings is from Standard & Poor's

The tables below summarise the credit rating of banks and custodian (source: Moody's) in which the Fund's assets are held as at 31 December 2022 and 31 December 2021.

Counter party	Phillip Money Market Fund	
	2022	2021
BNP Paribas, operating through its Singapore Branch	Aa3	Aa3
Oversea-Chinese Banking Corporation	Aa1	Aa1
Sumitomo Mitsui Banking Corporation	A1	A1
Standard Chartered Bank	A3	A3
JP Morgan Chase	A1	A2

**Derivatives risk**

The Manager may use financial derivative instruments solely for the purposes of hedging existing positions in a portfolio or for efficient portfolio management, and such financial derivative instruments are not used to gear the overall portfolio.

(d) **Fair value estimation**

Except for investments which are measured at fair value, at 31 December 2022 and 2021, the fair values of assets and liabilities approximate their carrying values on the Statement of Financial Position.

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 position, as appropriate. The carrying amounts of the financial assets and liabilities with maturity of less than one year are assumed to approximate their fair values because they are short term in nature or the effect of discounting is immaterial.

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 December 2022 and 2021:

**Phillip Money Market Fund**

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<b>2022</b>				
<b>Assets</b>				
Financial assets designated at fair value through profit or loss at inception:				
- Debt securities	-	566,155,219	-	566,155,219
- Quoted investment funds	104,462,600	-	-	104,462,600
	104,462,600	566,155,219	-	670,617,819

**2021**

**Assets**

Financial assets designated at fair value through profit or loss at inception:

- Debt securities	-	569,539,290	-	569,539,290
- Quoted investment funds	109,327,000	-	-	109,327,000
	109,327,000	569,539,290	-	678,866,290

**9 Related party transactions**

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.

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

	<b>Phillip Money Market Fund</b>	
	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Cash and bank balances held with a related party of the Trustee	28,718,904	25,818,685

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

**10 Financial ratios**

**Expense ratio**

		<b>2022</b>	<b>2021</b>
		<b>S\$</b>	<b>S\$</b>
<b>Phillip Money Market Fund</b>			
<b>Class A SGD</b>			
Total operating expenses	S\$	4,212,703	4,571,367
Average daily net asset value	S\$	1,088,412,999	1,219,195,372
<b>Total expense ratio<sup>1</sup></b>	<b>%</b>	<b>0.42</b>	<b>0.37</b>
<b>Class I SGD</b>			
Total operating expenses	S\$	33,112	34,884
Average daily net asset value	S\$	11,824,682	13,026,359
<b>Total expense ratio<sup>1</sup></b>	<b>%</b>	<b>0.31</b>	<b>0.27</b>
<b>Class E SGD</b>			
Total operating expenses	S\$	19,496	125,013
Average daily net asset value	S\$	16,465,136	191,443,521
<b>Total expense ratio<sup>1</sup> (annualised)</b>	<b>%</b>	<b>0.15</b>	<b>0.11</b>

**Turnover ratio**

		<b>2022</b>	<b>2021</b>
		<b>S\$</b>	<b>S\$</b>
<b>Phillip Money Market Fund</b>			
Lower value of purchase (or sale) of underlying investments	S\$	12,067,650	81,029,800
Average daily net asset value	S\$	1,116,702,817	1,423,665,252
<b>Total turnover ratio<sup>2</sup></b>	<b>%</b>	<b>1.08</b>	<b>5.69</b>

<sup>1</sup> The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial year end is based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

<sup>2</sup> The portfolio turnover ratio is calculated in accordance with the formula stated in the Code. The calculation of the portfolio turnover ratio is based on the total value of purchases (or sales) of the underlying investments divided by the weighted average daily net asset value. Total value of purchases (or sales) does not include brokerage and other transaction costs. The total value of bonds matured during the year is not included in the computation of portfolio turnover ratio.

## **Phillip Investment Funds**

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### **Important Information**

Phillip Money Market Fund (the "Sub-Fund") is sub-fund of Phillip Investment Funds (the "Fund"), an open-ended umbrella unit trust authorised under the Securities and Futures Act 2001, by the Monetary Authority of Singapore.

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