

Phillip Investment Funds

ANNUAL REPORT

Financial year ended 31 December 2023

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Phillip Investment 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

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

Custodian and Fund Administrator

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

Auditors

Until 30 May 2023:
KPMG LLP
12 Marina View
#15-01
Asia Square Tower 2
Singapore 018961

With effect from 31 May 2023:
Ernst & Young LLP
One Raffles Quay, North Tower, Level 18,
Singapore 048583

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

Manager's Investment Report

Phillip Money Market Fund

For the full year ended 29 December 2023, the fund generated a net return of 3.19%, outperforming the bank savings deposit rate of 0.51% over the same period.

As of 29 December 2023, the portfolio's Weighted Average Maturity ("WAM") stood at 47 days compared with 89 days in the previous year. During the second half of 2023, bonds markets were volatile amid easing inflationary data and rising geopolitical tension. The yield curve saw its front end shifting higher and became increasingly inverted as increments to short-term interest rates outpaced those in the longer end of the yield curve. There is also increasing consensus among global central banks that we are currently at the peak of the monetary policy hiking cycle with the last US Federal Fund rate hike occurring in July 2023. However, policymakers have guided for financial conditions to remain restrictive and pushed back on the idea of a near-term pivot in policy rates until there are more tangible evidences of inflation declining sustainably to target inflation rates. 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 Overnight Rate Average ("SORA") for one month and three months rose sharply to 3.65% and 3.71% at December 2023, from 2.78% and 3.10% respectively at the end of the previous year.

Based on economic data released by the Ministry of Trade and Industry ("MTI") in mid-February 2024, the Singapore economy expanded by 1.1% year-on-year for the whole of 2023, slowing down from the 3.8% recorded for the entire 2022. The economic expansion was largely driven by construction and services which were up 5.2% and 2.3% respectively while the manufacturing contracted by 4.3%. Construction benefited from higher activity volumes from private and public construction works, while services essentially found tailwinds from transportation & storage and the information and communications sub-sectors. On the other hand, manufacturing saw output declines within all subsectors, with the exception of the transport engineering cluster.

The Monetary Authority of Singapore's ("MAS") core inflation measure came in at 3.1% YoY for January 2024 decelerating from the 3.3% in December 2023, mainly driven by declines within food and services, while partly offset by the increase in the GST from 8% to 9%. Headline consumer prices also saw a decline to 2.9% compared to 3.7% in the previous month driven by the lower core inflation print as well as declines to accommodations and private transportations costs. The MAS has also left the SGD Nominal Effective Exchange Rate ("SGD NEER") unchanged during its most recent October 2023 Monetary Policy Statement in light of the sustained appreciation of the policy band being effective in reducing imported inflation and domestic cost pressures.

Outlook

According to the MTI's announcement in February 2024, Singapore's economic growth outlook for 2024 is expected to be within the 1.0% to 3.0% range. The near-term outlook for Singapore will see modest growth in the earlier half of 2024 reflecting the weaker external demand caused by tighter financial conditions before recovering gradually over the second half of the year as global monetary policies are eased. Any escalation in geopolitical tensions, financial sector vulnerabilities or idiosyncratic shocks would pose downside risks to growth expectations. Even as most sectors within the economy will be expected to record moderation of growth from that of 2023, the manufacturing and the tourism & aviation-related would be key beneficiaries of the rebound in global semiconductor demand and tourism demand respectively.

With the MAS having committed itself to five policy tightening moves since October 2021, the central bank indicated during its Monetary Policy Statement in October 2023 under the belief that the existing monetary policy is sufficiently restrictive to achieve medium-term price stability. Over 2024, the MAS expects core inflation to gradually decline due to the easing of imported inflation, global energy prices, food costs and easing wage growth within the domestic labour markets. On the overall, the MAS projects both headline and core inflation to be within the 2.5-3.5% range for 2024.

Phillip Investment Funds

Manager's Investment Report

Phillip Money Market Fund

We believe short-term interest rates are unlikely to trend higher, although the US Federal Reserve have maintained that policy rates will continue to stay restrictive unless there will sufficient evidence of price disinflation. 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

Report to Unitholders Year ended 31 December 2023

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 20.

2. Schedule of investments by asset class

Phillip Money Market Fund

Asset Class	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Debt securities	384,852,759	34.85
Quoted investment funds	95,738,880	8.67
Fixed deposits	524,990,318	47.55
Cash and cash equivalents	98,210,421	8.90
Other net assets/(liabilities)	221,014	0.02
Net assets attributable to unitholders	<u>1,104,013,392</u>	<u>100.00</u>

Types of Money Market Instruments and Debt Securities

Asset Class	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Fixed rate notes	383,301,504	34.71
Accrued interest on fixed income securities	1,551,255	0.14
	<u>384,852,759</u>	<u>34.85</u>

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2023

3. Credit rating

i) Debt securities

Phillip Money Market Fund

	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Aa2	9,074,509	0.82
Aa3	14,988,000	1.36
A1	28,978,909	2.62
A2	17,433,210	1.58
A3	4,236,619	0.38
AA-*	8,512,900	0.77
A+*	9,963,550	0.90
A-*	8,955,852	0.81
A-1+*	5,999,238	0.54
Not Rated	370,897,597	33.60
Accrued interest on debt securities	1,551,255	0.14
Portfolio of investments	480,591,639	43.52

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 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
P-1	520,711,464	47.17
Accrued interest on fixed deposits	4,278,854	0.39
	524,990,318	47.56

Source of credit rating is from Moody's

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2023

4. Top 10 holdings

Phillip Money Market Fund

10 largest holdings at 31 December 2023	Fair value at	Percentage of total
	31 December 2023 S\$	net assets attributable to unitholders at 31 December 2023 %
Phillip SGD Money Market ETF	95,738,880	8.67
Monetary Authority of Singapore Bill 0% due 12/01/2024	71,919,360	6.51
Monetary Authority of Singapore Bill 0% due 19/01/2024	66,873,370	6.06
Bank Of Communications Company Limited/Singapore 4.29% due 13/03/2024	49,499,641	4.48
Monetary Authority of Singapore Bill 0% due 26/01/2024	41,887,860	3.79
Monetary Authority of Singapore Bill 0% due 05/01/2024	34,988,100	3.17
China Construction Bank Corporation Singapore Branch 2.85% due 13/06/2024	16,369,031	1.48
National Australia Bank Limited 4.3% due 12/07/2024	14,988,000	1.36
Emirates NBD Bank PJSC 4% due 19/04/2025	13,467,890	1.22
Toyota Motor Finance Netherlands BV 3.15% due 19/07/2024	12,609,878	1.14

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

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2023

5. Maturity profile of investments

Phillip Money Market Fund

Maturity profile of underlying investments	Fair value at	Percentage of total
	31 December 2023	net assets
	S\$	attributable to
		unitholders at
		31 December 2023
		%
Up to 30 days	273,871,675	24.81
31 - 90 days	99,966,602	9.05
91 - 180 days	392,483,006	35.55
181 - 365 days	83,366,308	7.55
366 - 732 days	54,325,377	4.92
Non-interest bearing	101,568,989	9.20
	<u>1,005,581,957</u>	<u>91.08</u>

6. Exposure to derivatives as at 31 December 2023

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 19 to 21.

9. Amount and percentage of borrowings of total fund size as at 31 December 2023

Nil.

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2023

10. Amount of units created and cancelled for the financial year ended 31 December 2023

Phillip Money Market Fund

S\$

Total amount of subscriptions	692,540,501
Total amount of redemptions	(663,516,386)

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 2023

Phillip Money Market Fund

	Class A SGD	Class I SGD	Class E SGD	Benchmark performance
Cumulative (%)*				
3 months	0.83	0.85	0.93	0.14
6 months	1.65	1.76	1.85	0.27
1 year	3.11	3.33	3.50	0.54
3 years	4.45	4.90	-	0.84
5 years	6.38	7.30	-	1.15
10 years	10.63	-	-	1.88
Since inception **	28.11	8.38	5.30	5.47
Annualised (%)				
1 year	3.11	3.33	3.50	0.54
3 years	1.46	1.61	-	0.28
5 years	1.24	1.42	-	0.23
10 years	1.02	-	-	0.19
Since inception **	1.10	-	-	0.23

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

Report to Unitholders

Year ended 31 December 2023

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 2023 and 31 December 2022.

Not applicable.

- (ii) Expense ratios for the period 31 December 2023 and 31 December 2022.

Not applicable.

- (iii) Turnover ratios for the period 31 December 2023 and 31 December 2022.

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.

Phillip Investment Funds

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

Authorised signatory

27 March 2024

Phillip Investment Funds

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 2023, 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

Jeffrey Lee Chay Khiong
Director

27 March 2024

Phillip Investment Funds

Independent Auditors' Report For the year ended 31 December 2023

Unitholders

Phillip Investment 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 Investment Funds (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 31 December 2023, the Statement of Total Return and Statement of Movements of Unitholders' Funds for the year then ended, and notes to the financial statements, including material accounting policy information.

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 2023 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 matter

The financial statements of the Fund for the year ended 31 December 2022 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 28 March 2023.

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.

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 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.

- 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.

Ernst & Young LLP
*Public Accountants and
Chartered Accountants*

Singapore

27 March 2024

Phillip Investment Funds

Statement of Total Return Year ended 31 December 2023

	Note	Phillip Money Market Fund 2023 S\$	2022 S\$
Income			
Dividends		809,600	-
Interest Income		25,515,835	12,672,233
		<u>26,325,435</u>	<u>12,672,233</u>
Less:			
Expenses			
Management fee		4,672,588	3,763,851
Audit fee		14,470	13,001
Custody fee		184,274	198,582
Trustee fee		97,458	111,700
Valuation fee		8,500	8,486
Other expenses		191,747	170,124
		<u>5,169,037</u>	<u>4,265,744</u>
Net income		<u>21,156,398</u>	<u>8,406,489</u>
Net gains on value of investments			
Net gains on investments		15,459,990	1,052,993
		<u>15,459,990</u>	<u>1,052,993</u>
Total return for the financial year before income tax		36,616,388	9,459,482
Less: Income tax	6	-	-
Total return for the financial year after income tax		<u>36,616,388</u>	<u>9,459,482</u>

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statement of Financial Position As at 31 December 2023

	Note	Phillip Money Market Fund 2023 S\$	2022 S\$
Assets			
Portfolio of investments		1,005,581,957	1,004,886,335
Receivables	3	7,717,001	4,289,631
Cash at banks		98,210,421	30,158,813
Total assets		<u>1,111,509,379</u>	<u>1,039,334,779</u>
Liability			
Payables	4	<u>7,495,987</u>	961,890
Total liability		<u>7,495,987</u>	<u>961,890</u>
Net assets attributable to unitholders	5	<u>1,104,013,392</u>	<u>1,038,372,889</u>

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statement of Movements of Unitholders' Funds Year ended 31 December 2023

	Note	Phillip Money Market Fund 2023 S\$	2022 S\$
Net assets attributable to unitholders at the beginning of the financial year		1,038,372,889	1,113,700,215
Operations			
Change in net assets attributable to unitholders resulting from operations		36,616,388	9,459,482
Unitholders' subscription/(redemptions)			
Creation of units		692,540,501	3,083,649,062
Cancellation of units		(663,516,386)	(3,168,435,870)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		29,024,115	(84,786,808)
Total increase/(decrease) in net assets attributable to unitholders		65,640,503	(75,327,326)
Net assets attributable to unitholders at the end of the financial year	5	<u>1,104,013,392</u>	<u>1,038,372,889</u>

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statement of Portfolio As at 31 December 2023

Phillip Money Market Fund By Industry (Primary)	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Debt Securities			
Auto Manufacturers			
Toyota Motor Finance Netherlands BV 3.15% due 19/07/2024	12,750,000	12,609,878	1.14
		12,609,878	1.14
Banks			
Bank Of Communications Company Limited/Singapore 4.29% due 13/03/2024	49,500,000	49,499,641	4.48
BNP Paribas SA 3.65% due 09/09/2024	8,000,000	7,962,991	0.72
China Construction Bank Corporation Singapore Branch 2.85% due 13/06/2024	16,500,000	16,369,031	1.48
Commonwealth Bank of Australia 4.15% due 06/10/2024	8,500,000	8,512,900	0.77
Emirates NBD Bank PJSC 4% due 19/04/2025	13,500,000	13,467,890	1.22
Kookmin Bank/Singapore 4.1% due 26/07/2024	5,000,000	4,988,550	0.46
Monetary Authority of Singapore Bill 0% due 05/01/2024	35,000,000	34,988,100	3.17
Monetary Authority of Singapore Bill 0% due 12/01/2024	72,000,000	71,919,360	6.51
Monetary Authority of Singapore Bill 0% due 19/01/2024	67,000,000	66,873,370	6.06
Monetary Authority of Singapore Bill 0% due 26/01/2024	42,000,000	41,887,860	3.79
National Australia Bank Limited 4.3% due 12/07/2024	15,000,000	14,988,000	1.36
QNB Finance Limited 1.37% due 04/02/2024	5,000,000	4,975,000	0.45
		336,432,693	30.47
Commercial Services			
Korea Expressway Corporation 5% due 07/11/2024	9,000,000	9,074,509	0.82
		9,074,509	0.82
Diversified Financial Services			
Citigroup Global Markets Holdings Incorporation/United States 2.75% due 20/05/2024	4,000,000	3,965,320	0.36
Hong Kong Mortgage Corporation Limited/The 3.916% due 15/02/2024	6,000,000	5,999,238	0.54
		9,964,558	0.90

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statement of Portfolio As at 31 December 2023

Phillip Money Market Fund By Industry (Primary) (continued)	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Debt Securities (continued)			
Lodging			
City Developments Limited 3% due 17/01/2024	2,500,000	2,497,663	0.23
City Developments Limited 3.9% due 21/03/2024	7,500,000	7,492,723	0.68
		9,990,386	0.91
Real Estate Investment Trusts (REITS)			
CMT MTN Private Limited 3.48% due 06/08/2024	4,250,000	4,236,619	0.38
RCS Trust 3.05% due 04/09/2024	1,000,000	992,861	0.09
		5,229,480	0.47
Accrued interest on debt securities		1,551,255	0.14
Total Quoted Debt Securities		384,852,759	34.85
Quoted Investment Fund			
Money Market Fund			
Phillip SGD Money Market ETF	920,000	95,738,880	8.67
Total Quoted Investment Fund		95,738,880	8.67
Fixed Deposits			
Banks			
Qatar National Bank		194,646,042	17.63
Saudi National Bank		111,868,694	10.13
Sumitomo Mitsui Banking Corporation		30,425,505	2.76
Sumitomo Mitsui Trust Bank Ltd		103,065,901	9.34
Scotiabank Hong Kong		80,705,322	7.31
		520,711,464	47.17
Accrued interest on fixed deposits		4,278,854	0.39
Total Fixed Deposits		524,990,318	47.56
Portfolio of investments		1,005,581,957	91.08
Other net assets		98,431,435	8.92
Net assets attributable to unitholders		1,104,013,392	100.00

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statement of Portfolio As at 31 December 2023

Phillip Money Market Fund By Industry (Primary)

	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Auto Manufacturers	12,609,878	1.14	1.20
Banks	857,144,157	77.64	66.84
Commercial Services	9,074,509	0.82	0.87
Diversified Financial Services	9,964,558	0.90	5.20
Engineering and Construction	-	-	2.06
Money Market Fund	95,738,880	8.67	10.06
Food	-	-	1.71
Lodging	9,990,386	0.91	1.00
Real Estate	-	-	0.89
Real Estate Investment Trusts (REITS)	5,229,480	0.47	4.65
Sovereign	-	-	1.98
Accrued Interest on debt securities	1,551,255	0.14	0.16
Accrued Interest on fixed deposits	4,278,854	0.39	0.16
Portfolio of investments	1,005,581,957	91.08	96.78
Other net assets	98,431,435	8.92	3.22
Net assets attributable to unitholders	1,104,013,392	100.00	100.00

By Geography (Secondary)

Australia	23,500,900	2.13	-
Canada	-	-	5.09
Cayman Islands	4,975,000	0.45	0.48
China	65,868,672	5.97	1.76
France	7,962,991	0.72	-
Hong Kong SAR	5,999,238	0.54	-
Malaysia	-	-	3.96
Netherlands	12,609,878	1.14	1.20
Singapore	847,338,900	76.75	78.50
South Korea	14,063,059	1.27	4.68
United Arab Emirates	13,467,890	1.22	-
United States of America	3,965,320	0.36	0.79
Accrued Interest on debt securities	1,551,255	0.14	0.16
Accrued Interest on fixed deposit	4,278,854	0.39	0.16
Portfolio of investments	1,005,581,957	91.08	96.78
Other net assets	98,431,435	8.92	3.22
Net assets attributable to unitholders	1,104,013,392	100.00	100.00

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Notes to the Financial Statements For the financial year ended 31 December 2023

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 (thereafter 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:

Sub-Fund	Launch date
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 Material accounting policy information

2.1 *Basis of preparation*

The financial statements, expressed in Singapore dollars ("SGD" or "S\$"), 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.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

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 carrying amount approximates its amortised cost and fair value.

2.3 Recognition of income

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

2.4 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.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

3 Receivables

	Phillip Money Market Fund	
	2023	2022
	S\$	S\$
Receivable from unitholders for creation of units	7,530,151	4,289,631
Accrued interest receivable	186,850	-
	<u>7,717,001</u>	<u>4,289,631</u>

4 Payables

	Phillip Money Market Fund	
	2023	2022
	S\$	S\$
Payable to unitholders for cancellation of units	6,609,274	114,315
Accrued expenses	886,713	847,575
	<u>7,495,987</u>	<u>961,890</u>

5 Units in issue

During the year the number of units created, cancelled and outstanding were as follows:

Phillip Money Market Fund

	2023			Total
	Class A SGD	Class I SGD	Class E SGD	
Units at beginning of the financial year	825,792,902	12,222,401	2,910,100	840,925,403
Units created	507,438,185	39,751,483	9,636,486	556,826,154
Units cancelled	<u>(498,769,510)</u>	<u>(26,615,876)</u>	<u>(5,622,445)</u>	<u>(531,007,831)</u>
Units at end of the financial year	<u>834,461,577</u>	<u>25,358,008</u>	<u>6,924,141</u>	<u>866,743,726</u>
Net assets attributable to unitholder - S\$	1,069,230,822	27,489,954	7,292,616	1,104,013,392
Net asset value per unit - S\$	<u>1.2813</u>	<u>1.0841</u>	<u>1.0532</u>	<u>1.2737</u>

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

	2022			
	Class A SGD	Class I SGD	Class E SGD	Total
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	825,792,902	12,222,401	2,910,100	840,925,403
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\$	1.2383	1.0454	1.0141	1.2347

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

	Class A SGD SGD S\$	Class I SGD SGD S\$	Class E SGD SGD S\$
2023			
Net assets attributable to unitholders per financial statements per unit	1.2813	1.0841	1.0532
Effect of adopting amortised cost per unit	0.0001	-	0.0001
Net assets attributable to unitholders per unit for issuing/redeeming	1.2814	1.0841	1.0533

	Class A SGD SGD S\$	Class I SGD SGD S\$	Class E SGD SGD S\$
2022			
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	1.2421	1.0487	1.0172

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

6 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.

7 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.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

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 →			Non-interest bearing S\$	Total S\$
	Floating rate S\$	Up to 1 year S\$	1-5 years S\$		
Phillip Money Market Fund					
2023					
Assets					
Portfolio of investments	-	849,687,591	54,325,377	101,568,989	1,005,581,957
Receivables	-	-	-	7,717,001	7,717,001
Cash and bank balances	98,210,421	-	-	-	98,210,421
	<u>98,210,421</u>	<u>849,687,591</u>	<u>54,325,377</u>	<u>109,285,990</u>	<u>1,111,509,379</u>
Liabilities					
Payables	-	-	-	7,495,987	7,495,987
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,495,987</u>	<u>7,495,987</u>

	← Fixed rate →			Non-interest bearing S\$	Total S\$
	Floating rate S\$	Up to 1 year S\$	1-5 years S\$		
Phillip Money Market Fund					
2022					
Assets					
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>
Liabilities					
Payables	-	-	-	961,890	961,890
	<u>-</u>	<u>-</u>	<u>-</u>	<u>961,890</u>	<u>961,890</u>

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

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 2023, 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:

	Increase rates rise/(fall) by 1%	
	Increase/(Decrease) in net assets attributable to unitholders	
	2023 S\$	2022 S\$
Increase/(Decrease) in net assets attributable to unitholders	845,979	2,467,871

(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.

	Phillip Money Market Fund Less than 3 months	
	2023 S\$	2022 S\$
Payables	7,495,987	961,890

(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.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

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>	Percentage of total net assets attributable to unitholders 2023 %	Percentage of total net assets attributable to unitholders 2022 %
P-1	47.17	32.04
Total fixed deposits	47.17	32.04

Source of credit rating is from Moody's.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

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
	2023 %	2022 %
Aaa	-	0.45
AaaU	-	0.24
Aa2	0.82	7.10
Aa3	1.36	2.67
A1	2.62	2.96
A2	1.58	0.78
A3	0.38	6.49
AA-*	0.77	-
A+*	0.90	0.48
A-*	0.81	2.12
A-1+*	0.54	-
Not Rated	33.60	31.07
	<u>43.38</u>	<u>54.36</u>

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 2023 and 31 December 2022.

<u>Counter party</u>	Phillip Money Market Fund	
	2023	2022
BNP Paribas, acting through its Singapore Branch Oversea-Chinese Banking Corporation	Aa3	Aa3
Sumitomo Mitsui Banking Corporation	Aa1	Aa1
Standard Chartered Bank	A1	A1
JP Morgan Chase	A3	A3
	<u>A1</u>	<u>A1</u>

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 2023 and 2022, the fair values of assets and liabilities approximate their carrying values on the Statement of Financial Position.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

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 2023 and 2022:

Phillip Money Market Fund

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
2023				
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Debt securities		- 384,852,759	-	384,852,759
- Quoted investment funds	95,738,880	-	-	95,738,880
	<u>95,738,880</u>	<u>384,852,759</u>	<u>-</u>	<u>480,591,639</u>
2022				
Assets				
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
	<u>104,462,600</u>	<u>566,155,219</u>	<u>-</u>	<u>670,617,819</u>

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

8. 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.

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:

	Phillip Money Market Fund	
	2023	2022
	S\$	S\$
Cash and bank balances held with a related party of the Trustee	<u>24,876,556</u>	<u>28,718,877</u>

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

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2023

9. Financial ratios

Expense ratio

		2023 S\$	2022 S\$
Phillip Money Market Fund			
Class A SGD			
Total operating expenses	S\$	5,112,129	4,212,703
Average daily net asset value	S\$	1,048,167,666	1,088,412,999
Total expense ratio¹	%	<u>0.49</u>	<u>0.42</u>
Class I SGD			
Total operating expenses	S\$	49,347	33,112
Average daily net asset value	S\$	18,275,534	11,824,682
Total expense ratio¹	%	<u>0.27</u>	<u>0.31</u>
Class E SGD			
Total operating expenses	S\$	7,258	19,496
Average daily net asset value	S\$	6,604,003	16,465,136
Total expense ratio¹	%	<u>0.11</u>	<u>0.15</u>

Turnover ratio

		2023 S\$	2022 S\$
Phillip Money Market Fund			
Lower value of purchase (or sale) of underlying investments	S\$	17,374,410	12,067,650
Average daily net asset value	S\$	1,073,047,204	1,116,702,817
Total turnover ratio²	%	<u>1.62</u>	<u>1.08</u>

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio 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.

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

Phillip Investment Funds

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.

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 Sub-Fund. All applications for units in the Sub-Fund must be made on the application forms accompanying the latest prospectus of the Fund (the "Prospectus").

The information and opinions contained in this document have been obtained from public sources which the Manager believes to be reliable and accurate. However, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information and it should not be relied upon as such. Opinions included herein constitute the judgement of the Manager at the time specified and may be subject to change without notice, they are not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient and are not intended to provide the sole basis of evaluation of any investment. Neither the Manager nor the Fund, nor any of their respective associates, directors, officers or employees, accepts any liability whatsoever for any loss arising directly or indirectly from any use of this document or any information contained herein.

Given the economic and market risks, there can be no assurance that the Sub-Fund will achieve their investment objectives. Investments in the Sub-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 Sub-Fund and material market and economic conditions. The value of the units and the income from them can fall as well as rise. Past performance is not necessarily indicative of the future performance of the Sub-Fund.

This document should not be taken as a recommendation to buy or sell since it does not take into account the specific investment objectives, financial situation and the particular needs of any particular recipient of this document. Investors should seek advice from a financial advisor before purchasing units in the Sub-Fund. In any case, investors should read the Prospectus and consider the risks as well as suitability of the Sub-Fund before deciding whether to subscribe for units in the Sub-Fund. Copies of the Prospectus are available and may be obtained from the Manager.