

Phillip Treasury Fund

ANNUAL REPORT

Year ended 31 March 2024

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Phillip Treasury Fund

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. S71FC2142G)

Auditors

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

Solicitors to the Manager

Chan & Goh LLP
8 Eu Tong Sen St
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Singapore 059818

Solicitors to the Trustee

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

Phillip Treasury Fund

Manager's Investment Report

Phillip USD Money Market Fund

The US Dollar Money Market Fund returned 4.86%, after fees and expenses, over the full year ended 31 March 2024, much higher than the 2.10% recorded for the corresponding period the year earlier due to an elevated interest rate environment. In comparison, the average Federal Funds Target Rate – Lower Bound benchmark return was 5.28% over the same period.

As at 31 March 2024, the overall portfolio's Weighted Average Maturity ("WAM") stood at 62 days. The portfolio remains well diversified across countries, sectors and issuers, with debt issues in financial services constituting the largest non-deposit investment allocation.

Over the course of calendar year 2023, the US Federal Reserve continued hiking policy interest rate four times in the early part of the year. It then decided to pause its rate hike cycle in the later part of 2023.

Since then, the US Federal Reserve left the target US Federal Fund Rate unchanged at 5.50% since the start of the calendar year 2024, with the last hike being the 25 basis points increase occurring in July 2023. Meanwhile, the Federal Reserve's balance sheet has also fallen by almost US\$1.7 trillion to the current US\$7.3 trillion from its mid-2022 peak, shrinking at a monthly pace of US\$95 billion. Rising geopolitical tensions and rising fiscal deficits, combined with inflationary data continuing to show signs of easing, had led market participants to anticipate a change in policy stance should inflation rate come within the Federal Reserve's target band.

However, during the most recent Federal Open Market Committee meeting in May 2024, the Federal Reserve elected to leave the policy rate unchanged, recognizing that although inflation has fallen substantially due to the policy tightening enacted previously, there is increasing concern over further progress due to stickier-than-expected inflation. Nevertheless, the Federal Reserve also recognized that while economic activities have remained robust, some degree of moderation to growth could be expected going forward. For now, policymakers have maintained that the lagged effect of previous monetary policy tightening moves will continue to be transmitted across the economy indicating more evidence would be required before a policy rate cut would be warranted, while leaving open the possibility of a future tightening move should there be upside risks to current inflation levels. The US Federal Reserve did indicate their intent to slow down the pace of the balance sheet runoff by reducing the monthly redemption cap on Treasury securities from US\$60 billion down to US\$25 billion with effect from June 2024.

Based on the United States Department of Commerce's report in May 2024, the US GDP expanded by an annualized rate of 1.3% for the first quarter of 2024, decelerating from the 3.4% recorded for the final quarter of 2023. Softer data on consumer spending, reduction in business inventory and a spike in imports were drags on the overall economic performance. Growth momentum is likely to be weaker given the effects of tighter for longer financing conditions with labour markets moving into better balance as hiring momentum showed signs of slowing.

Our strategy remains to buy and hold high-quality securities to maturity, and to manage interest rate risk by buying papers and placing deposits across a range of maturities (subject to the two-year maturity limit). Given the emphasis on strong investment grade papers for our Fund, we expect our exposures to adverse credit conditions would be limited. We will continue with prudent management of concentration and liquidity risks with a wide diversification of issuers and banks for the portfolio.

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2024

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

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 18 - 20.

2. Schedule of investments by asset class

Phillip USD Money Market Fund

Asset Class	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %
Fixed income securities	80,538,529	17.23
Term deposits	360,565,893	77.16
Cash and cash equivalents	26,678,781	5.71
Other net assets	(462,356)	(0.10)
	<u>467,320,847</u>	<u>100.00</u>

Types of Money Market Instruments and Debt Securities

Asset Class	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %
Fixed rate notes	45,371,228	9.71
Floating rate notes	34,646,208	7.41
Accrued interest on fixed income securities	521,093	0.11
	<u>80,538,529</u>	<u>17.23</u>

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2024

3. Credit rating

i) Debt securities

Phillip USD Money Market Fund

	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %
Aa2	18,537,678	3.97
Aa3	3,393,538	0.73
A1	17,153,808	3.66
A3	5,138,140	1.10
A+*	23,796,792	5.09
A*	11,997,480	2.57
Accrued interest on debt securities	521,093	0.11
Total	80,538,529	17.23

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

*Credit rating is from Standard & Poor's

ii) Fixed deposits

Phillip USD Money Market Fund

	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %
P-1	292,366,648	62.56
P-2	66,383,245	14.21
Accrued interest on fixed deposits	1,816,000	0.39
Total	360,565,893	77.16

Source of credit rating is from Moody's.

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2024

4. Top 10 holdings

Phillip USD Money Market Fund

10 largest holdings at 31 March 2024	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %
ADCB Finance Cayman Limited 6.80662% due 20/06/2024	11,997,480	2.57
Woori Bank 6.34563% due 21/05/2024	10,390,110	2.22
Hana Bank 6.32659% due 13/06/2024	10,009,000	2.14
DBS Group Holdings Limited 1.169% due 22/11/2024	9,727,000	2.08
China Construction Bank Corporation/Hong Kong 0.86% due 22/04/2024	7,973,600	1.71
Korea National Oil Corporation 0.875% due 05/10/2025	7,485,120	1.60
MUFG Bank Limited 3.25% due 08/09/2024	4,947,500	1.06
Kookmin Bank/Singapore 5.46% due 10/03/2025	3,397,682	0.73
Kookmin Bank/Singapore 5.4% due 28/05/2024	3,393,538	0.73
Baidu Incorporation 4.125% due 30/06/2025	3,142,880	0.67

10 largest holdings at 31 March 2023	Fair value at 31 March 2023 US\$	Percentage of total net assets attributable to unitholders at 31 March 2023 %
Export-Import Bank of Korea 3.625% due 27/11/2023	9,923,700	2.79
Sinopec Capital 2013 Limited 3.125% due 24/04/2023	7,542,375	2.12
CNPC General Capital Limited 3.4% due 16/04/2023	7,285,626	2.05
Alibaba Group Holding Limited 2.8% due 06/06/2023	7,260,306	2.04
Agricultural Bank of China Limited/Hong Kong 1% due 22/10/2023	5,872,500	1.65
China Development Bank 5.88371% due 12/12/2023	5,813,630	1.64
State Grid Overseas Investment 2013 Limited 3.125% due 22/05/2023	5,188,248	1.46
Hong Kong Mortgage Corporation Limited/The 5% due 22/02/2024	4,982,948	1.40
Korea National Oil Corporation 5.66743% due 16/07/2023	4,004,240	1.13
Mitsubishi UFJ Financial Group Incorporation 5.68186% due 26/07/2023	2,999,280	0.84

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2024

5. Maturity profile of investments

Phillip USD Money Market Fund

Maturity profile of underlying investments	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %
Up to 30 days	90,424,109	19.35
31 - 90 days	75,211,686	16.09
91 - 180 days	214,378,853	45.88
181 - 365 days	48,124,682	10.30
366 - 732 days	10,628,000	2.27
Non-interest bearing	2,337,092	0.50
	<u>441,104,422</u>	<u>94.39</u>

6. (i) Exposure to derivatives as at 31 March 2024

Nil.

(ii) Gain/loss on derivative contracts realised for the year ended 31 March 2024

Nil.

(iii) Net gain/loss on outstanding derivative contracts marked to market as at 31 March 2024

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 arrangement;
- 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. Collateral

Nil

9. Securities lending or repurchase transactions

Nil.

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2024

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

Nil.

11. Amount and percentage of borrowings of total fund size as at 31 March 2024

Nil.

12. Amount of units created and cancelled for the financial year ended 31 March 2024

Phillip USD Money Market Fund

US\$

Total amount of subscriptions	591,876,222
Total amount of redemptions	(499,914,302)

13. Turnover ratio

Please refer to Note 10 of Notes to Financial Statements.

14. Expense ratio

Please refer to Note 10 of Notes to Financial Statements.

15. Performance of the Sub-Fund as at 31 March 2024

Phillip USD Money Market Fund

As at 31 March 2024			
	Class A	Class I	Benchmark performance
	US\$	US\$	US\$
Cumulative (%)*			
3 months	1.24	1.29	1.17
6 months	2.47	2.51	2.37
1 year	4.86	5.05	4.80
3 years	7.21	7.75	7.67
5 years	9.40	-	9.41
10 years	14.65	-	13.17
Since inception **	18.77	7.97	13.17
Annualised (%)			
1 year	4.86	5.05	4.80
3 years	2.35	2.52	2.49
5 years	1.81	-	1.81
10 years	1.38	-	1.24
Since inception **	1.16	2.11	0.83

Note *Cumulative returns are in US dollars calculated on a bid to bid basis, with net dividends reinvested Benchmark: 1-week US\$ Libor (Source: Bloomberg)

**Class A and Class I inception date was 6 May 2009 and 27 July 2020 respectively.

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2024

16. Related party transactions

Please refer to Note 9 of Notes to Financial Statements.

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

Nil.

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

(i) Top 10 holdings at market value and as percentage of NAV as at 31 March 2024 and 31 March 2023.

Not applicable.

(ii) Expense ratios for the period 31 March 2024 and 31 March 2023.

Not applicable.

(iii) Turnover ratios for the period 31 March 2024 and 31 March 2023.

Not applicable.

19. Soft dollar commissions

The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial service in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by the Manager.

The Manager will not accept or enter into soft dollar commissions or arrangements unless such soft-dollar commissions or arrangements would, in the opinion of the Manager, assist the Manager in its management of clients' funds, provided that the Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

The Manager does not, and is not entitled to, retain cash rebates for its own account in respect of rebates earned when transacting in securities for account of clients' funds.

The Manager did not receive any soft dollar commissions during the year.

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Phillip Treasury Fund 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 Treasury Fund during the period covered by these financial statements, set out on pages 14 to 29, 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
26 June 2024

Statement of the Manager

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages 14 to 29, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Phillip Treasury Fund as at 31 March 2024, and the financial performance 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 Treasury Fund 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

26 June 2024

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Independent auditors' report

Unitholders

Phillip Treasury Fund

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

Opinion

We have audited the financial statements of Phillip Treasury Fund (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 31 March 2024, 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, as set out on pages 14 to 29.

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 March 2024 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
26 June 2024

Statement of Total Return
Year ended 31 March 2024

	Phillip USD Money Market Fund	
Note	2024	2023
	US\$	US\$
Income		
Interest income	16,441,599	6,301,675
	16,441,599	6,301,675
Less:		
Expenses		
Management fee	1,606,808	1,374,675
Transfer agent fee	8,107	1,718
Trustee fee	101,338	88,553
Custody fee	20,268	17,711
Audit fee	9,450	8,605
Administration fee	133,766	122,257
Other expenses	43,097	96,420
	1,922,834	1,709,939
Net income	14,518,765	4,591,736
Net gains or losses on value of investments and foreign exchange		
Net gains on investments	5,414,290	3,630,569
Net (losses)/gains on foreign exchange	(7,888)	9,479
	5,406,402	3,640,048
Total return for the financial year before income tax	19,925,167	8,231,784
Less: Income tax	7	-
Total return for the financial year after income tax	19,925,167	8,231,784

The accompanying notes form an integral part of these financial statements

Statement of Financial Position
As at 31 March 2024

		Phillip USD Money Market Fund	
	Note	2024	2023
		US\$	US\$
Assets			
Portfolio of investments		441,104,422	292,713,066
Receivables	3	102,959	-
Cash and cash equivalents	4	26,678,781	63,312,887
Total assets		467,886,162	356,025,953
Liability			
Payables	5	565,315	592,193
Total liability		565,315	592,193
Equity			
Net assets attributable to unitholders	6	467,320,847	355,433,760

The accompanying notes form an integral part of these financial statements

Statement of Movements of Unitholders' Funds
Year ended 31 March 2024

	Note	Phillip USD Money Market Fund	
		2024	2023
		US\$	US\$
Net assets attributable to unitholders at the beginning of the financial year		355,433,760	384,129,240
Operations			
Change in net assets attributable to unitholders resulting from operations		19,925,167	8,231,784
Unitholders' contributions/(withdrawals)			
Creation of units		591,876,222	934,858,466
Cancellation of units		(499,914,302)	(971,785,730)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		91,961,920	(36,927,264)
Total increase/(decrease) in net assets attributable to unitholders		111,887,087	(28,695,480)
Net assets attributable to unitholders at the end of the financial year	6	467,320,847	355,433,760

The accompanying notes form an integral part of these financial statements

**Statement of Portfolio
As at 31 March 2024**

Phillip USD Money Market Fund

By Geography (Primary)	Holdings at 31 March 2024	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %
Quoted Debt Securities			
Canada			
Harvest Operations Corporation 1% due 26/04/2024	1,330,000	1,325,558	0.28
		<u>1,325,558</u>	<u>0.28</u>
Cayman Islands			
ADCB Finance Cayman Limited 6.80662% due 20/06/2024	12,000,000	11,997,480	2.57
Baidu Incorporation 4.125% due 30/06/2025	3,200,000	3,142,880	0.67
Baidu Incorporation 4.375% due 14/05/2024	2,000,000	1,995,260	0.43
		<u>17,135,620</u>	<u>3.67</u>
China			
Bank of China Limited/Hong Kong 5.82384% due 12/08/2024	2,250,000	2,249,618	0.48
China Construction Bank Corporation/Hong Kong 0.86% due 22/04/2024	8,000,000	7,973,600	1.71
		<u>10,223,218</u>	<u>2.19</u>
Japan			
Mitsubishi UFJ Financial Group Incorporation 2.801% due 18/07/2024	2,000,000	1,983,090	0.42
MUFG Bank Limited 3.25% due 08/09/2024	5,000,000	4,947,500	1.06
		<u>6,930,590</u>	<u>1.48</u>
Singapore			
DBS Group Holdings Limited 1.169% due 22/11/2024	10,000,000	9,727,000	2.08
		<u>9,727,000</u>	<u>2.08</u>
South Korea			
Hana Bank 6.32659% due 13/06/2024	10,000,000	10,009,000	2.14
Kookmin Bank/Singapore 5.4% due 28/05/2024	3,400,000	3,393,538	0.73
Kookmin Bank/Singapore 5.46% due 10/03/2025	3,400,000	3,397,682	0.73
Korea National Oil Corporation 0.875% due 05/10/2025	8,000,000	7,485,120	1.60
Woori Bank 6.34563% due 21/05/2024	10,385,000	10,390,110	2.22
		<u>34,675,450</u>	<u>7.42</u>
Accrued interest on debt securities		521,093	0.11
Total Quoted Debt Securities		<u>80,538,529</u>	<u>17.23</u>

The accompanying notes form an integral part of these financial statements

Statement of Portfolio
As at 31 March 2024

Phillip USD Money Market Fund

By Geography (Primary) (continued)	Holdings at 31 March 2024	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %
Fixed Deposits			
Singapore			
Commerce Intl Merchant Bankers Bhd		30,000,000	6.42
ICBC		51,886,507	11.10
Landesbank Baden - Wuerttemberg St		30,147,950	6.45
Malayan Banking Bhd		36,383,244	7.79
National Bank of Kuwait		37,532,420	8.03
Qatar National Bank		43,465,000	9.30
Saudi National Bank		39,200,142	8.39
Scotiabank Hong Kong		45,425,886	9.72
Sumitomo Mitsui Banking		18,217,350	3.90
Sumitomo Trust And Bank		26,491,394	5.67
		358,749,893	76.77
Accrued interest on fixed deposits		1,816,000	0.39
Total Fixed Deposits		360,565,893	77.16
Portfolio of investments		441,104,422	94.39
Other net assets		26,216,425	5.61
Net assets attributable to unit holders		467,320,847	100.00

The accompanying notes form an integral part of these financial statements

Statement of Portfolio
As at 31 March 2024

Phillip USD Money Market Fund By Geography (Summary)	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %	Percentage of total net assets attributable to unitholders at 31 March 2023 %
British Virgin Islands	-	-	6.19
Canada	1,325,558	0.28	-
Cayman Islands	17,135,620	3.67	2.99
China	10,223,218	2.19	5.47
Hong Kong SAR	-	-	1.40
Japan	6,930,590	1.48	1.34
Singapore	368,476,893	78.85	59.65
South Korea	34,675,450	7.42	4.76
	<u>438,767,329</u>	<u>93.89</u>	<u>81.80</u>
Accrued interest on debt securities	521,093	0.11	0.22
Accrued interest on fixed deposit	<u>1,816,000</u>	<u>0.39</u>	<u>0.33</u>
Portfolio of investments	441,104,422	94.39	82.35
Other net assets	<u>26,216,425</u>	<u>5.61</u>	<u>17.65</u>
Net assets attributable to unit holders	<u><u>467,320,847</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

Phillip USD Money Market Fund By Industry (Secondary)	Fair value at 31 March 2024 US\$	Percentage of total net assets attributable to unitholders at 31 March 2024 %	Percentage of total net assets attributable to unitholders at 31 March 2023 %
Communications	5,138,140	1.10	2.60
Energy	8,810,678	1.88	5.86
Financial	424,818,511	90.91	69.09
Government	-	-	2.79
Utilities	-	-	1.46
	<u>438,767,329</u>	<u>93.89</u>	<u>81.80</u>
Accrued interest on debt securities	521,093	0.11	0.22
Accrued interest on fixed deposit	<u>1,816,000</u>	<u>0.39</u>	<u>0.33</u>
Portfolio of investments	441,104,422	94.39	82.35
Other net assets	<u>26,216,425</u>	<u>5.61</u>	<u>17.65</u>
Net assets attributable to unitholders	<u><u>467,320,847</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

These notes form an integral part of the financial statements.

1 Domicile and activities

Phillip Treasury Fund (the “Fund”) is an open ended umbrella unit trust constituted pursuant to a Trust Deed dated 17 February 2009 together with its Amended and Restated Deeds 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 currently comprises one sub-fund, Phillip USD Money Market Fund (the “Sub-Fund”), which was launched on 4 May 2009.

The investment objective of the Sub-Fund is to provide liquidity and manage risk while looking to provide a return which is comparable to that of USD short-term deposits.

The Sub-Fund invests in high quality short-term money market instruments and debt securities. Some of the investments may include government and corporate bonds, commercial bills and deposits with financial institutions.

2 Material accounting policies

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

2.1 Basis of financial statements preparation

The financial statements, expressed in United States Dollars, have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Accounting Practice 7 “*Reporting Framework for Investment Funds*” revised and issued by the Institute of Singapore Chartered Accountants.

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

For the purposes of preparation of these financial statements, the basis used for calculating the expense ratio and turnover ratio are in accordance with the guidelines issued by the Investment Management Association of Singapore (“IMAS”) and the Code on Collective Investment Schemes under the Securities and Futures Act (Cap 289) (“Code”) respectively.

2.2 *Basis of valuation of investments*

Quoted investments are stated at fair value based on the bid prices for debt securities at the reporting date. If there is no 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 nature of the fixed deposits, its amortised cost approximates its 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.

2.5 *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 16 August 2020. 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.

2.6 *Cash and cash equivalents*

Cash and cash equivalents comprise bank balances and amount held with broker. 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.

2.7 *Net assets attributable to unitholders*

Net assets attributable to unitholders are classified as equity.

3 **Receivables**

	Phillip USD Money Market Fund	
	2024	2023
	US\$	US\$
Receivable from unitholders for creation of units	35,000	-
Interest receivable	67,959	-
	102,959	-
	102,959	-

4 Cash and cash equivalents

	Phillip USD Money Market Fund	
	2024	2023
	US\$	US\$
Cash and bank balances	26,678,781	63,312,887
	<u>26,678,781</u>	<u>63,312,887</u>

5 Payables

	Phillip USD Money Market Fund	
	2024	2023
	US\$	US\$
Payable to unitholders for cancellation of units	202	274,221
Accrued expenses	565,113	317,972
	<u>565,315</u>	<u>592,193</u>

6 Units in issue

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

	Phillip USD Money Market Fund		
	2024		
	Class A	Class I	Total
Units at beginning of the financial year	308,197,650	6,564,382	314,762,032
Units created	466,720,830	46,263,966	512,984,796
Units cancelled	(391,134,203)	(42,462,732)	(433,596,935)
Units at end of the financial year	<u>383,784,277</u>	<u>10,365,616</u>	<u>394,149,893</u>
Net assets attributable to unitholder - US\$	456,121,693	11,199,154	467,320,847
Net asset value per unit - US\$	<u>1.1884</u>	<u>1.0804</u>	<u>1.1856</u>

	2023		
	Class A	Class I	Total
	Units at beginning of the financial year	328,520,990	20,852,048
Units created	831,766,179	8,015,858	839,782,037
Units cancelled	(852,089,519)	(22,303,524)	(874,393,043)
Units at end of the financial year	<u>308,197,650</u>	<u>6,564,382</u>	<u>314,762,032</u>
Net assets attributable to unitholder - US\$	348,694,125	6,739,635	355,433,760
Net asset value per unit - US\$	<u>1.1314</u>	<u>1.0267</u>	<u>1.1292</u>

Currently, the Managers are offering 2 Classes of Units in the Sub-Fund, namely Class A Units and Class I Units. Class A Units are offered to investors who invest less than US\$100,000 and Class I Units are offered to investors who invest US\$100,000 and above. 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 shall be 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 amortised cost in the net assets attributable to unitholders is as follows:

Phillip USD Money Market Fund

	2024	
	Class A US\$	Class I US\$
Net assets attributable to unitholders per financial statements per unit	1.1884	1.0804
Effect of adopting amortised cost per unit	0.0001	0.0001
Net assets attributable to unitholders per unit for issuing/redeeming	1.1885	1.0805

	2023	
	Class A US\$	Class I US\$
Net assets attributable to unitholders per financial statements per unit	1.1314	1.0267
Effect of adopting amortised cost per unit	0.0013	0.0013
Net assets attributable to unitholders per unit for issuing/redeeming	1.1327	1.0280

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 16 August 2010. 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 expose it to a variety of market risks (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Sub-Fund's overall risk management programme seeks to minimise potential adverse effects on the Sub-Fund's financial performance. The Sub-Fund may use financial derivative instruments, subject to the terms of the Trust Deed, to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Sub-Fund at any time as part of the overall financial risk management to reduce the Sub-Fund's risk exposures.

a) Market risks

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions such as interest rate movements and volatility in securities' prices. The Manager manages the Sub-Fund's exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

i. Price risk

Price risk is the risk that the fair values of equities or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The investments of the Sub-Fund are subject to normal market fluctuations and the risks inherent in investing in securities markets and there can be no assurance that appreciation will occur. It is the policy of the Manager to maintain a diversified portfolio of investments so as to minimise the risk.

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 tables below summarise 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.

Phillip USD Money Market Fund

	← Fixed rate →			Non-interest	Total
	Floating rate US\$	Up to 1 year US\$	1-5 years US\$	bearing US\$	US\$
2024					
Assets					
Portfolio of investments	34,646,208	393,493,121	10,628,000	2,337,093	441,104,422
Receivables	-	-	-	102,959	102,959
Cash and bank balances	26,678,781	-	-	-	26,678,781
	61,324,989	393,493,121	10,628,000	2,440,052	467,886,162
Liability					
Payables	-	-	-	565,315	565,315
	-	-	-	565,315	565,315

	← Fixed rate →				
	Floating rate US\$	Up to 1 year US\$	1-5 years US\$	Non-interest bearing US\$	Total US\$
2023					
Assets					
Portfolio of investments	17,617,375	271,157,986	1,984,720	1,952,985	292,713,066
Cash and bank balances	63,312,887	-	-	-	63,312,887
	80,930,262	271,157,986	1,984,720	1,952,985	356,025,953
Liability					
Payables	-	-	-	592,193	592,193
	-	-	-	592,193	592,193

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 March 2024, should interest rates rise or fall by 1% (2023: 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%	
	(Decrease)/Increase in net assets attributable to unitholders	
	2024 US\$	2023 US\$
Phillip USD Money Market Fund	310,374	237,527

iii. Currency risk

The Sub-Fund's assets and liabilities are held mainly in United States 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 and fixed deposits which are denominated in its 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 its assets are invested in investments that are traded in an active market and can be readily disposed of.

c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

The main credit risk to which the Sub-Fund is exposed arises from the Sub-Fund's investments in debt securities. The Sub-Fund is also exposed to counterparty credit risk on cash and bank balances and other receivable balances.

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

The Sub-Fund may also enter into derivative contracts to manage exposures to currency risk and price risk. 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 tables below analyse the credit ratings of banks in which the Sub-Fund's debt investments and fixed deposits are held.

Phillip USD Money Market Fund

<u>Debt securities by rating category</u>	Percentage of total net assets attributable to unitholders at 31 March 2024	Percentage of total net assets attributable to unitholders at 31 March 2023
	%	%
Aa2	3.97	3.92
Aa3	0.73	0.84
A1	3.66	12.85
A2	-	2.58
A3	1.10	0.56
AA+*	-	1.40
A+*	5.09	-
A*	2.57	-
	17.12	22.15

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

**Credit rating is from Standard & Poor's*

Phillip USD Money Market Fund

<u>Fixed deposits by rating category</u>	Percentage of total net assets attributable to unitholders 2024 %	Percentage of total net assets attributable to unitholders 2023 %
P-1	62.56	59.65
P-2	14.21	-
	76.77	59.65

Source of credit rating is from Moody's.

(d) Fair value estimation

Except for investments which are measured at fair value, at 31 March 2024 and 2023, the fair values of assets and liabilities approximate their carrying values on the Statement of Financial Position due to the short period to maturity.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. The carrying amounts of the financial assets and liabilities with maturity 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). The fair value of financial instruments that are not traded in an active market is determined from information provided by financial institutions and issuers using valuation techniques with observable inputs that are based on market information existing at each reporting date.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables analyse within the fair value hierarchy the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 31 March 2024 and 2023:

Phillip USD Money Market Fund

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
2024				
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Debt securities	-	80,538,529	-	80,538,529
	-	80,538,529	-	80,538,529
2023				
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Debt securities	-	79,509,306	-	79,509,306
	-	79,509,306	-	79,509,306

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, transfer agent and brokerage services to the Sub-Fund in the normal course of business at terms agreed between the parties and within the provisions of the Trust Deed.

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

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 USD Money Market Fund	
	2024 US\$	2023 US\$
Cash and cash equivalents held with a related party of the Trustee	16,110,066	63,296,715

10 Financial ratios

Phillip USD Money Market Fund

	2024	2023
	US\$	US\$
Expense ratio		
<u>Class A</u>		
Total operating expenses	US\$ 1,890,581	1,682,462
Average daily net asset value	US\$ 394,252,553	346,034,558
Total expense ratio <small>Note 1</small>	%	0.48
		0.49
<u>Class I</u>		
Total operating expenses	US\$ 32,248	26,295
Average daily net asset value	US\$ 10,296,461	8,081,851
Total expense ratio <small>Note 1</small>	%	0.31
		0.33
Turnover ratio		
Lower of total value of purchases or sales	US\$ -	13,000,000
Average daily net asset value	US\$ 404,549,014	354,116,409
Total turnover ratio <small>Note 2</small>	%	-
		3.67

Note 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 transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

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

Phillip Treasury Fund

Important Information

Phillip USD Money Market Fund (the "Sub-Fund") is sub-fund of Phillip Treasury Fund (the "Fund"), an open-ended umbrella unit trust authorised under the Securities and Futures Act, Chapter 289, by the Monetary Authority of Singapore.

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Given the economic and market risks, there can be no assurance that the Sub-Fund will achieve 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.

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