

# **Phillip Global Opportunities Funds - Global Opportunities Fund**

## **Semi-Annual Report**

*Period ended 30 September 2024 (Unaudited)*



**Phillip Capital Management**

(A member of PhillipCapital)

**PHILLIP GLOBAL OPPORTUNITIES FUNDS  
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**PHILLIP GLOBAL OPPORTUNITIES FUNDS  
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**MANAGER**

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Singapore 179101  
(Company Registration Number: 199905233W)

**DIRECTORS OF THE MANAGER**

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

**TRUSTEE & REGISTRAR**

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**SOLICITORS TO THE MANAGER**

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## **Manager's Investment Report**

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

Over the past fiscal year, it has been a roller coaster ride for the US 10 years Treasury yield (UST10Y) where the de-facto risk free rate has seen its fair share of volatility since peaking at 5% in Oct 2023. By end of September 2024, UST10Y has trended lower to 3.78% in the wake of a weaker PCE CPI data (2.7%) tracked by the US Federal Reserve. The fifty basis points cut in the US Federal Fund Rate affirms the US Central Bank's "strong commitment" towards achieving stable inflation while simultaneously ensuring jobless rate (4.2% end Sep 2024) does not tick higher according to Fed Chair Jerome Powell. Despite his narrative on ruling out the risk of any economic downturn being elevated following a larger than expected rate cut, the thought on pulling off a soft-landing through this recalibration of policy stance will not be on a pre-set course but rather data dependent decisions making will continue meeting by meeting.

The Fed's latest dot-plot projection sets the "neutral" rate at 2.9%, which would not be reached until 2026. The neutral rate is often presented in real (inflation-adjusted) terms, with inflation assumption being that the Fed is hitting its 2% target. This so called "neutral rate of interest", or the point where rates are believed to neither stimulate nor restrict economic growth. Despite the challenge for policymakers in moving to a neutral stance, the neutral rate like the potential GDP is unobservable and estimating the true value may be imperfect. Although imperfect, this neutral rate provides an important indication whether the current monetary stance is accommodative or restrictive.

Likewise, the US 10 years treasury has always been used as a benchmark to price various capital market instruments, especially on the fixed income space. The price or rather the yield is a function of many determinants on both the supply and demand sides, which eventually sets the pricing for both primary issuance and secondary market trading. As of end September 2024, the total fiscal debt of the United States stood at US\$35.5 trillion, of which US\$28 trillion are marketable debts securities held by the public with the remaining US\$7 trillion non-marketable securities held by relevant government agencies. Treasury debts outstanding has increased by US\$11 trillion or 66% since the end of 2019, driven by pandemic-era fiscal stimulus and ongoing high deficits. The Congressional Budget Office (CBO) projects annual deficits of US\$1.8 trillion- US\$1.9 trillion over the next 5 years, rising to close to US\$2.9 trillion by 2034 under the current law. The Committee for a Responsible Federal Budget (CFRB) estimates that new policies under either new Presidential Elects could raise national debt by US\$3.5 trillion to US\$7.5 trillion through 2035 over the CBO baseline. In recent years, higher interest rates have increased the average coupon on Treasury securities with outlays projected to exceed US\$1 trillion annually and effectively creating an upward pressure on yield.

US Federal Reserve's total assets (approx. US\$7 trillion) attributes to more than 25% of US Treasury Department's debt issuances. Since the latter half of 2022, US Federal Reserve has been embarking on a Quantitative Tightening (QT) policy separately from the changes in central bank interest rate policy by allowing almost US\$90 billion of treasury securities to roll-off monthly. Since June this year, this cap has been shifted down to US\$60 billion per month to slow down the QT process and has the serendipitous of putting some downward pressures on yields, mitigating the risk of a push upwards towards 5%.

**Phillip Global Opportunities Fund (PGOF)** registered a moderate gain of 0.8% in SGD terms over the six months ended 30 September 2024 impacted by the weakening of USDSGD (approx. 5%). One of the crucial observations to note is that the negative yield spread between the US 2 years Treasury yield versus the US 10 years Treasury (UST2Y – UST10Y) have started to turn positive (12.3 basis points) in the month of September 2024. Historically, since the early 2000s, there has been 3 occasions where positive reversion of two-tens would expect to brace for a huge market sell off within the following 12 months. Needless to mention would be the valuation for developed markets especially the United States are trading 1-2 SD above their valuation matrixes. In anticipation of this potential event, our team have made a call on scaling down the fund's asset allocation down to 50% equities and 50% fixed income.

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**Report to unitholders<sup>1</sup>**

a) **I Investments classified by geography**

	<b>Fair Value at 30/09/2024 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2024 %</b>
<b>By Geography (Summary)</b>		
Ireland	16,012,324	16.59
Singapore	6,933,110	7.18
United States of America	68,689,130	71.18
<b>Portfolio of investments</b>	<b>91,634,564</b>	<b>94.95</b>
<b>Other net assets</b>	<b>4,872,611</b>	<b>5.05</b>
<b>Net assets attributable to unitholders</b>	<b>96,507,175</b>	<b>100.00</b>

**II Investments classified by industry**

	<b>Fair Value at 30/09/2024 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2024 %</b>
<b>By Industry (Summary)</b>		
Quoted Funds	91,634,564	94.95
<b>Portfolio of investments</b>	<b>91,634,564</b>	<b>94.95</b>
<b>Other net assets</b>	<b>4,872,611</b>	<b>5.05</b>
<b>Net assets attributable to unitholders</b>	<b>96,507,175</b>	<b>100.00</b>

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<sup>1</sup> As required by the Code on Collective Investment Schemes

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**III Investments classified by asset class**

	<b>Fair Value at 30/09/2024 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2024 %</b>
Quoted Funds	91,634,564	94.95
<b>Portfolio of investments</b>	91,634,564	94.95
<b>Other net assets</b>	4,872,611	5.05
<b>Net assets attributable to unitholders</b>	96,507,175	100.00

**b) Top Ten Holdings**

<b><u>10 Largest Holdings at 30 September 2024</u></b>	<b>Fair Value at 30/09/2024 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2024 %</b>
iShares iBoxx \$ Investment Grade Corporate Bond ETF	9,185,430	9.52
iShares Broad USD Investment Grade Corporate Bond ETF	9,183,746	9.52
Vanguard Intermediate-Term Corporate Bond ETF	9,180,888	9.51
PIMCO Investment Grade Corporate Bond Index ETF	9,172,943	9.50
Phillip Global Quality Fund	6,933,110	7.18
iShares Euro Total Market Growth Large UCITS ETF	6,825,684	7.07
iShares MSCI Emerging Markets Small-Cap ETF	6,283,772	6.51
Technology Select Sector SPDR Fund ETF	5,837,978	6.05
Vanguard USD Corporate Bond UCITS ETF	5,313,564	5.51
Vanguard S&P 500 ETF	5,281,676	5.47

<b><u>10 Largest Holdings at 30 September 2023</u></b>	<b>Fair Value at 30/09/2023 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2023 %</b>
iShares Broad USD Investment Grade Bond ETF	8,344,838	10.11
PIMCO Investment Grade Corporate Bond Index ETF	8,307,895	10.06
iShares iBoxx \$ Investment Grade Corporate Bond ETF	8,217,995	9.95
iShares Dow Jones U.S. ETF	7,924,841	9.60
iShares MSCI AC Asia Ex Japan Index ETF	7,390,418	8.95
Technology Select Sector SPDR Fund ETF	7,385,013	8.94
iShares Core MSCI Europe ETF	6,473,030	7.84
Phillip Global Quality Fund	6,290,235	7.62
iShares \$ Asia Investment Grade Corp Bond UCITS ETF	4,310,056	5.22
Nikko AM SGD Investment Grade Corporate Bond ETF	4,199,707	5.09

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- c) (i) Exposure to derivatives as at 30 September 2024.  
Nil

(ii) Loss on derivative contracts realised for the period from 1 April 2024 to 30 September 2024  
Nil

(iii) Gain on outstanding derivative contracts marked to market as at 30 September 2024  
Nil

- d) Description of the method used to calculate the global exposure of financial derivatives

The global exposure relating to derivative instruments is calculated using the commitment approach. The global exposure of the sub-fund is calculated as the sum of:

(i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;

(ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and

(iii) the sum of the values of cash collateral received pursuant to:

(a) the reduction of exposure to counterparties of OTC financial derivatives; and

(b) efficient portfolio management techniques relating to securities lending and repurchase transactions, and that are reinvested.

- e) Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 30 September 2024.

	S\$	%
Fund	91,634,564	94.95

- f) Amount and percentage of borrowings of total fund size as at 30 September 2024.  
Nil

- g) Amount of redemptions and subscriptions for the period from 1 April 2024 to 30 September 2024.

Total amount of redemptions	S\$ (25,206,253)
Total amount of subscriptions	S\$ 24,545,082

- h) Amount of related party transactions for the period from 1 April 2024 to 30 September 2024.

Interest income received from a related party of the Trustee	S\$ 3,522
Bank balances held with a related party of the Trustee	S\$ 4,799,624

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i) **Performance of the Fund as at 30 September 2024**

<b>Cumulative (%*)</b>	
3 Months	-0.49
6 Months	0.76
1 Year	12.09
3 Years	6.47
5 Years	29.56
10Years	48.82
Since inception (1 Aug 2011)	55.92
<b>Annualised (%)*</b>	
1 Year	12.09
3 Years	2.11
5 Years	5.32
10Years	4.06
Since inception (1 Aug 2011)	3.43

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

j) **Expense Ratio**

		<b>2024</b>	<b>2023</b>
Total operating expenses	S\$	1,530,931	1,365,512
Average daily net asset value	S\$	93,858,791	80,561,391
Prorated expense ratio of the underlying funds (*)	%	0.39	0.33
Expense ratio (*)	%	<u>2.03</u>	<u>2.03</u>

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

In the case of funds of funds, which are generally defined as funds with more than 50% of their total assets in other underlying funds, a summarised expense ratio of the target funds and the fund of funds is calculated as of the closing date of the financial period. This corresponds to the sum of:

- The prorated ratio of the individual target funds, weighted according to the share they represent in the assets of the fund of funds as of the closing date, and;
- Expense ratio of the fund of funds minus any rebates of management fees and commissions received from the target funds during the reporting period. 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 Fund does not pay any performance fee. The average net asset value is based on the daily balances.



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**k) Turnover Ratio**

		<b>2024</b>	<b>2023</b>
Lower of total value of purchases or sales	S\$	23,599,985	36,256,070
Average daily net asset value	S\$	99,238,801	83,457,796
Turnover ratio	%	<u>23.78</u>	<u>43.44</u>

The portfolio turnover ratio is calculated based on the lower of purchases or sales of the underlying investments expressed as a percentage of average daily net asset value for the preceding 6 months at the close of the semi-annual financial statements. Total value of purchases (or sales) does not include brokerage and other transaction costs.

- l) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts.  
Nil.
- m) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme (“the underlying scheme”) should be disclosed as well.
- (i) Top 10 holdings at market value and as percentage of NAV as at 30 September 2024  
Not applicable.
  - (ii) Expense ratios for the period ended 30 September 2024  
Not applicable.
  - (iii) Turnover ratios for the period ended 30 September 2024  
Not applicable.

n) **Soft dollar arrangements**

The Manager may 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 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.

During the period, soft dollar services received from each broker were investment research and publications, data and quotation services. Soft dollar services were received from the Manager's panel of brokers which executed transactions for the Fund and other funds managed by the Manager.

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**Statement of Total Return**

Period ended 30 September 2024

	<b>30/09/2024</b>	<b>30/09/2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Dividends	1,185,167	610,730
Interest	3,522	2,789
	<u>1,188,689</u>	<u>613,519</u>
Less:		
<b>Expenses</b>		
Management fees	746,694	627,839
Management fee rebate	(36,271)	(62,908)
Trustee fees	24,890	20,928
Custody fees	9,202	8,200
Valuation fees	24,890	20,928
Transaction fees	28,466	14,906
Audit fees	8,160	8,694
Other expenses	68,953	69,022
	<u>874,984</u>	<u>707,609</u>
<b>Net gains/(losses)</b>	<u>133,705</u>	<u>(94,090)</u>
<b>Net gains or losses on value of investments and foreign exchange</b>		
Net gains on investments	875,050	1,952,391
Net losses on foreign exchange	(90,428)	(56,752)
	<u>784,622</u>	<u>1,895,639</u>
<b>Total return for the period before income tax</b>	1,098,327	1,801,549
Income tax expense	(169,356)	(140,909)
<b>Total return for the period after income tax before distribution</b>	<u>928,971</u>	<u>1,660,640</u>

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**Statement of Financial Position**

As at 30 September 2024

	<b>30/09/2024</b>	<b>31/03/2024</b>
	<b>S\$</b>	<b>S\$</b>
<b>Assets</b>		
Portfolio of investments	91,634,564	92,472,644
Receivables	364,923	281,838
Cash and cash equivalents	4,799,624	3,739,917
<b>Total assets</b>	<u>96,799,111</u>	<u>96,494,399</u>
<b>Liability</b>		
Payables	291,936	255,024
<b>Total liability</b>	<u>291,936</u>	<u>255,024</u>
<b>Equity</b>		
Net assets attributable to unitholders	<u>96,507,175</u>	<u>96,239,375</u>

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**Statement of Movement in Unitholders' Funds**

Period ended 30 September 2024

	<b>30/09/2024</b>	<b>31/03/2024</b>
	<b>S\$</b>	<b>S\$</b>
<b>Net assets attributable to unitholders at the beginning of financial period/year</b>	96,239,375	81,244,130
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	928,971	11,194,884
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	24,545,082	28,478,736
Cancellation of units	(25,206,253)	(24,678,375)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(661,171)	3,800,361
Total increase in net assets attributable to unitholders	267,800	14,995,245
<b>Net assets attributable to unitholders at the end of financial period/year</b>	<b>96,507,175</b>	<b>96,239,375</b>

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**Statement of Portfolio**

As at 30 September 2024

	<b>Holdings as at 30/09/2024</b>	<b>Fair value as at 30/09/2024 S\$</b>	<b>Percentage of total net assets attributable to unitholders as at 30/09/2024 %</b>
<b>By Geography (Primary)</b>			
<b>Quoted Funds</b>			
<b>Ireland</b>			
iShares Euro Total Market Growth Large UCITS ETF	79,950	6,825,684	7.07
iShares S&P 500 Information Technology Sector UCITS ETF	94,410	3,873,076	4.01
Vanguard USD Corporate Bond UCITS ETF	71,100	5,313,564	5.51
		<u>16,012,324</u>	<u>16.59</u>
<b>Singapore</b>			
Phillip Global Quality Fund	5,087,028	6,933,110	7.18
		<u>6,933,110</u>	<u>7.18</u>
<b>United States of America</b>			
Distillate US Fundamental Stability & Value ETF	60,204	4,375,421	4.54
iShares Broad USD Investment Grade Corporate Bond ETF	136,268	9,183,746	9.52
iShares Core S&P 500 ETF	7,143	5,281,305	5.47
iShares iBoxx \$ Investment Grade Corporate Bond ETF	63,412	9,185,430	9.52
iShares MSCI Emerging Markets Small-Cap ETF	76,911	6,283,772	6.51
PIMCO Investment Grade Corporate Bond Index ETF	71,962	9,172,943	9.50
Technology Select Sector SPDR Fund ETF	20,171	5,837,971	6.05
Vaneck Morningstart Wide Moat ETF	39,472	4,905,971	5.09
Vanguard Intermediate-Term Corporate Bond ETF	85,509	9,180,888	9.51
Vanguard S&P 500 ETF	7,809	5,281,676	5.47
		<u>68,689,130</u>	<u>71.18</u>
<b>Total Quoted Funds</b>		91,634,564	94.95
<b>Portfolio of investments</b>		91,634,564	94.95
<b>Other net assets</b>		4,872,611	5.05
<b>Net assets attributable to unitholders</b>		<u>96,507,175</u>	<u>100.00</u>

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**Statement of Portfolio (continued)**

As at 30 September 2024

	Fair value as at 30/09/2024 S\$	Percentage of total net assets attributable to unitholders as at 30/09/2024 %	Percentage of total net assets attributable to unitholders as at 31/03/2024 %
<b>By Geography (Summary)</b>			
<b>Quoted Funds</b>			
Ireland	16,012,324	16.59	-
Singapore	6,933,110	7.18	7.80
United States of America	68,689,130	71.18	88.29
<b>Portfolio of investments</b>	91,634,564	94.95	96.09
<b>Other net assets</b>	4,872,611	5.05	3.91
<b>Net assets attributable to unitholders</b>	96,507,175	100.00	100.00

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**Statement of Portfolio (continued)**

As at 30 September 2024

	Fair value as at 30/09/2024 S\$	Percentage of total net assets attributable to unitholders as at 30/09/2024 %	Percentage of total net assets attributable to unitholders as at 31/03/2024 %
<b>By Industry (Secondary)</b>			
Equity Fund	91,634,564	94.95	96.09
<b>Portfolio of investments</b>	91,634,564	94.95	96.09
<b>Other net assets</b>	4,872,611	5.05	3.91
<b>Net assets attributable to unitholders</b>	96,507,175	100.00	100.00



### **Important Information**

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

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Given the economic and market risks, there can be no assurance that the Sub-Fund will achieve its investment objectives. Investments in the Sub-Fund are not deposits or other obligations of, or guaranteed, or insured by the Manager or the distributors or their affiliates and are subject to investment risks, including the possible loss of the full principal amount invested. Returns may be affected by, among other things, the investment strategies or objectives of the Sub-Fund and material market and economic conditions. The value of the units and the income from them can fall as well as rise. Past performance is not necessarily indicative of the future performance of the Sub-Fund.

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.