

# **PHILLIP SELECT FUND**

## **ANNUAL REPORT**

Year ended 30 September 2024



**Phillip Capital Management**

(A member of PhillipCapital)

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## **Phillip Select Fund**

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### **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  
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Singapore 049319  
(Company Registration No. T08FC7287D)

### **AUDITORS**

KPMG LLP  
12 Marina View #15-01  
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### **SOLICITORS TO THE MANAGER**

Chan & Goh LLP  
8 Eu Tong Sen Street  
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### **SOLICITORS TO THE TRUSTEE**

Dentons Rodyk & Davidson LLP  
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### Manager's Investment Report

#### Phillip Singapore Real Estate Income Fund

The wild swings in the US 10 years treasury yield over the past financial year dragged the Singapore risk free rate (MASB 10 years bond yield) along with the same volatility attributed by inflation expectation and the delay in US Federal Reserve's first rate cut, which was suppose to fall through in 1H2024. However, data dependant Fed Chairman Jerome Powell waited for Core PCE Index to slide nearer to the target two percentage mark before calling for an end to the US rate hike cycle in September 2024. The erratic performance of the S-Reits sector over the past year has illustrated strong gains in the high teens particularly in 4Q2023 and 3Q2024 in anticipation of the declining yield at the long end curve. This was deemed to be positive as investors see relative attractiveness in the widening yield spread between the S-REIT's yield and the Singapore risk free rate. However, the market got too overwhelm on both occasions on the expectation of US Federal Reserve rate cuts and simply ignore the underlying fundamentals that the whole industry will have to bear the brunt of higher refinancing cost over the next 12-18 months as their corporate debts roll-over. In the first half of 2024, SREIT's rising interest expense are crimping dividend per unit (DPU) growth and only four names from the Hospitality, Healthcare and Retail sub-industries managed to registered positive DPU growth during the same period. Healthcare underpinned by ParkwayLife Reit (PREIT) remains the only subindustry registering the lowest cost of debts among its peers. The latter medical and eldercare landlord with assets in Japan and Singapore consistently deliver DPU growth since 2007.

Phillip Singapore Real Estate Income Fund (PS-REIT) has consistently distributed quarterly cashflow to unitholders since 2013 and over the past financial year, the fund has achieved a total return of 8.7%. The fund's moderate performance has been attributed to broad-base gains across all sub-industries anchored by Diversified Reits, Healthcare Reits, Office Reits and Real Estate Operating Companies. In recent years, India has become a focus market for many investors attributed by a stable government helmed by Prime Minister Narendra Modi and a replacement market for China. CapitaLand India Trust's (CLINT) 17.6% gains over the past 12 months has reaffirmed investors' confidence in this geographical allocation with the landlord growth strategy focusing on scaling up data centres build-up in India both organically and through acquisitions. India's data centre IT capacity stood at 800MW, a fraction of global capacity of 13,800 MW, while CLINT already accounts to more than 10% of this countrywide load. The data centre industry in India is expected to grow at a CAGR of 10% over the course of next decade but even with this growth rate India's IT capacity still will not be able to come anywhere close to global developed peers. At present, India's internet penetration stood at 45% below its Chinese peers (73%) and we believe as the usage of internet ramps up, the demand for data centres will far exceed global benchmark.

Singapore's economy looks rosier than previously estimated with a full year guidance of 3-3.5 percent for 2024. The country's real GDP performed better than expected in 3Q2024 with a 5.4 percent gain year on year led by a strong recovery in the manufacturing sector (with 11.0% upside). The service producing industries grew by 4.0 percent year on year, extending the 3.7 percent growth registered in the previous quarter. Growth was supported by expansions in all the services sectors except for the real estate, retail trade (-0.7%) and food & beverage (-0.7%) services sectors. Among the services that expanded, the transportation & storage, finance & insurance and wholesale trade sectors posted the strongest growth. Despite PS-REIT's strong performance in 3Q2024 with a 14.90% upside, sub-industries like retail and hospitality with strong local exposure showcase lacklustre performance.

Growth in accommodation sector as reported by MTI have muted in 3Q2024 while Singapore Tourism Board report strong visitors arrivals of 11.3 million visitors year to date as at end August 2024 and this is in excess of 2.3 million visitors over the same period in 2023. This year, Singapore added almost 1,500 rooms from 5 newly opened hotels which accounts to 2% of the existing supply, and this could reasonably attribute to major hotel players like CDL Hospitality Trust and Fraser Hospitality Trust reporting declining Occupancy, average daily rates (ADR) and Revenue per average room (RevPAR) for 3Q2024. The Singapore government has announced 5.8 ha of industrial land sales for 2H2024 and this is much lower than the 8.3 ha for 1H2024 and 6.4 ha for 2H2023. With the recent expansion in manufacturing in 3Q2024, we would expect better prospect and sustainable positive rental reversion from industrial landlords in Singapore.

## **Phillip Select Fund**

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With the start of easing of US fed fund rate in September this year and the high probability of the return of Donald Trump as the next US President, the tussle between the US central bank and the indefinite spending of the Treasury department would spell more volatility to capital markets across the globe, not to mentioned the rise in long yield and re-igniting inflation in US. Historically, the performance of SREITs has been sensitive to the Singapore risk free rate (MASB10 years yield), which is strongly correlated to the US 10 years treasury yield. The underlying fundamentals takes time to improve as the US Federal Reserve continues to cut rates towards the neutral target of 3% and below, the market is starting to see some recycling activities by SREITs sponsors. CapitaLand Integrated Commercial Trust announced the acquisition of a 50% interest in ION Orchard Mall in Singapore at an agreed property value of S\$1.8 billion from sponsor CapitaLand Investment Ltd in September 2024. A month later, CapitaLand Ascott Trust also made announcement to acquire Iyf Funan Singapore at agreed price of S\$263million from its sponsors fund Ascott Serviced Residence Global Fund. Over time, these build up in M&A activities will see more funds flow into the SREITs sector.

## Phillip Select Fund

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### Report to the Unitholders Year ended 30 September 2024

The following contains additional information relating to the Phillip Singapore Real Estate Income Fund (the "Sub-Fund").

#### 1. Distribution of investments

Please refer to the Statement of Portfolio on pages 17 to 18.

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

<b>Asset Class</b>	<b>Fair value at 30 September 2024 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 September 2024 %</b>
Real Estate Investment Trusts	32,008,328	96.09
Cash and cash equivalents	1,524,182	4.58
Other net liabilities	(223,290)	(0.67)
Net asset attributable to unitholders	<u>33,309,220</u>	<u>100.00</u>

#### 3. Top 10 holdings

##### Phillip Singapore Real Estate Income Fund

<b>10 largest holdings at 30 September 2024</b>	<b>Fair value at 30 September 2024 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 September 2024 %</b>
CapitaLand Ascendas REIT	3,089,695	9.28
CapitaLand Integrated Commercial Trust	2,972,664	8.92
Keppel DC REIT	2,478,049	7.44
Mapletree Industrial Trust	2,334,093	7.01
Mapletree Logistics Trust	2,308,441	6.93
Parkway Life Real Estate Investment Trust	2,021,460	6.07
Frasers Logistics & Commercial Trust	1,966,191	5.90
Keppel REIT	1,697,125	5.10
CapitaLand Ascott Trust	1,578,877	4.74
Frasers Centrepoint Trust	1,545,841	4.64

## Phillip Select Fund

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### Report to the Unitholders Year ended 30 September 2024

#### 3. Top 10 holdings *(continued)*

##### Phillip Singapore Real Estate Income Fund

10 largest holdings at 30 September 2023	Fair value at 30 September 2023 S\$	Percentage of total net assets attributable to unitholders at 30 September 2023 %
CapitaLand Ascendas REIT	3,520,861	10.43
Mapletree Logistics Trust	3,496,288	10.35
Mapletree Industrial Trust	3,263,964	9.67
CapitaLand Integrated Commercial Trust	2,889,513	8.56
Keppel DC REIT	2,375,273	7.03
Mapletree Pan Asia Commercial Trust	2,232,659	6.61
Frasers Logistics & Commercial Trust	1,668,912	4.94
Keppel REIT	1,519,415	4.50
Capitaland China Trust	1,293,895	3.83
Phillip SGX APAC Dividend Leaders REIT ETF	1,159,173	3.43

#### 4. Exposure to financial derivatives

	Fair value as at 30 September 2024 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2024 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Futures contracts	-	-	-	37,140

**Report to the Unitholders  
Year ended 30 September 2024**

**5. 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.

**6. Collateral**

Nil.

**7. Securities lending or repurchase transactions**

Nil.

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

Please refer to Statement of Portfolio on page 17 to 18.

**9. Amount and percentage of borrowings of total fund size as at 30 September 2024**

Nil.



## Phillip Select Fund

### Report to the Unitholders Year ended 30 September 2024

#### 10. Amount of units created and cancelled for the financial year ended 30 September 2024

	Class A SGD S\$	Class A USD S\$	Class I SGD S\$	Class I USD S\$
Total amount of redemptions	(5,351,970)	(220,271)	(2,933,358)	–
Total amount of subscriptions	5,320,663	196,872	910,764	6,211

#### 11. Turnover ratio

Please refer to Note 12 of Notes to Financial Statements.

#### 12. Expense ratio

Please refer to Note 12 of Notes to Financial Statements.

#### 13. Performance of Sub-Fund as at 30 September 2024

	Class A		Class I		Benchmark
	SGD	USD	SGD	USD	
<b>Cumulative (%) *</b>					
3 months	14.90	21.45	15.04	21.61	16.7
6 months	9.03	14.78	9.31	15.05	11.1
1 year	8.65	14.44	8.11	15.10	11.79
3 years	-8.94	-4.66	-7.92	-3.12	-4.78
5 years	-11.82	-1.07	-10.01	1.15	-3.51
10 years	31.51	34.79	37.25	41.06	58.21
Since inception **	89.34	35.47	99.52	44.59	132.14
<b>Annualised (%)</b>					
1 year	8.65	14.44	8.11	15.10	11.79
3 years	-3.08	-1.58	-2.71	-1.05	-1.62
5 years	-2.48	-0.22	-2.09	0.23	-0.71
10 years	2.78	3.03	3.22	3.50	4.69
Since inception **	5.02	2.72	5.44	3.60	6.67

\* Cumulative returns are calculated on a bid to bid basis, with net dividends reinvested. The Benchmark for which the Sub-Fund is measured against is the SGX S-REIT Index.

\*\* Inception Date: 19 September 2011 (Class A SGD Units and Class I SGD Units) / 29 April 2014 (Class I USD Units) / 17 July 2013 (Class A USD Units)  
Source: Bloomberg

#### 14. Related party transactions

Please refer to Note 11 of Notes to Financial Statements.

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

Nil.

**Report to the Unitholders  
Year ended 30 September 2024**

**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 30 September 2024 and 30 September 2023.

Not applicable.

- (ii) Expense ratios for the period 30 September 2024 and 30 September 2023.

Not applicable.

- (iii) Turnover ratios for the period 30 September 2024 and 30 September 2023.

Not applicable

**17. Soft dollar commissions**

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 the account of the Sub-Fund.

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 Sub-Fund and other funds managed by the Manager.

## **Report of the Trustee**

The Trustee is under a duty to take into custody and hold the assets of Phillip Select 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 Select Fund during the period covered by these financial statements, set out on pages 14 to 32, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee  
**BNP Paribas Trust Services Singapore Limited**

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**Authorised signatory**

20 December 2024

## **Statement by the Manager**

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages 14 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 and portfolio holdings of Phillip Select Fund as at 30 September 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 Select 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**

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**Linus Lim Wen Sheong**  
Director

20 December 2024



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## **Independent auditors' report**

### **Unitholders**

#### **Phillip Select Fund**

(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 Select Fund (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 30 September 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 32.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 September 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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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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 the Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### *Auditors’ responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.



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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 Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

**KPMG LLP**  
*Public Accountants and  
Chartered Accountants*

**Singapore**  
20 December 2024

**Statement of Total Return**  
**Year ended 30 September 2024**

		<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>Note</b>	<b>2024 S\$</b>	<b>2023 S\$</b>
<b>Income</b>			
Dividends		1,572,369	1,981,444
Interest on cash and bank balances		26,182	37,967
		1,598,551	2,019,411
<b>Less:</b>			
<b>Expenses</b>			
Management fees		339,779	453,530
Transfer agent fees		3,183	4,205
Trustee fees		12,730	16,818
Custody fees		44,735	40,279
Audit fee		17,408	16,462
Transaction fees		35,056	69,456
Valuation fees		12,730	16,818
Other expenses		56,205	78,841
		521,826	696,409
<b>Net income</b>		1,076,725	1,323,002
<b>Net gains or losses on investments, financial derivatives and foreign exchange</b>			
Net gains/(losses) on investments		1,650,064	(3,159,840)
Net gains on financial derivatives		37,140	77,555
Net losses on foreign exchange		(6,760)	(3,504)
		1,680,444	(3,085,789)
<b>Total return/(deficit) for the financial year before income tax</b>		2,757,169	(1,762,787)
<b>Less: Income tax</b>	8	(173,870)	(117,438)
<b>Total return/(deficit) for the financial year after income tax before distribution</b>		2,583,299	(1,880,225)

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



**Statement of Financial Position**  
**As at 30 September 2024**

<b>Phillip Singapore Real Estate Income Fund</b>			
	Note	<b>2024</b>	<b>2023</b>
		<b>S\$</b>	<b>S\$</b>
<b>Assets</b>			
Portfolio of investments		32,008,328	32,928,844
Sales awaiting settlement		6,100	970
Receivables	3	97,568	47,623
Amount held with brokers	4	–	465,141
Cash and cash equivalents	5	1,524,182	1,217,805
<b>Total assets</b>		<b>33,636,178</b>	<b>34,660,383</b>
<b>Liabilities</b>			
Payables	6	326,958	557,989
Purchases awaiting settlement		–	337,467
<b>Total liabilities</b>		<b>326,958</b>	<b>895,456</b>
<b>Equity</b>			
Net assets attributable to unitholders	7	33,309,220	33,764,927

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

**Statement of Movements of Unitholders' Funds**  
**Year ended 30 September 2024**

		<b>Phillip Singapore Real Estate Income Fund</b>	
	Note	<b>2024 S\$</b>	<b>2023 S\$</b>
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		33,764,927	49,314,812
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		2,583,299	(1,880,225)
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		6,434,510	7,752,346
Cancellation of units		(8,505,599)	(19,648,612)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(2,071,089)	(11,896,266)
Distributions	9	(967,917)	(1,773,394)
Total decrease in net assets attributable to unitholders		(455,707)	(15,549,885)
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<u>33,309,220</u>	<u>33,764,927</u>

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

**Statement of Portfolio**  
**As at 30 September 2024**

	Holdings as at 30 September 2024	Fair value as at 30 September 2024 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2024 %
<b>Phillip Singapore Real Estate Income Fund</b>			
<b>By Geography (Primary)</b>			
<b>Quoted Investment Fund</b>			
<b>Singapore</b>			
AIMS APAC REIT	366,376	483,616	1.45
Capitaland Ascendas REIT	1,080,313	3,089,695	9.28
Capitaland Ascott Trust	1,619,361	1,578,877	4.74
Capitaland India Trust	1,000,540	1,160,626	3.48
Capitaland Integrated Commercial Trust	1,402,200	2,972,664	8.92
CDL Hospitality Trusts	828,420	844,988	2.54
Cromwell European Real Estate Investment Trust	48,400	110,797	0.33
Daiwa House Logistics Trust	2,093,000	1,349,985	4.05
Digital Core REIT Management Pte Limited	508,400	400,831	1.20
ESR-LOGOS REIT	2,419,709	701,716	2.11
Far East Hospitality Trust	2,378,900	1,522,496	4.57
Frasers Centrepoint Trust	672,105	1,545,841	4.64
Frasers Hospitality Trust	712,913	335,069	1.01
Frasers Logistics & Commercial Trust	1,709,731	1,966,191	5.90
Keppel DC REIT	1,141,958	2,478,049	7.44
Keppel REIT	1,777,094	1,697,125	5.10
Lendlease Global Commercial REIT	1,443,800	873,499	2.62
Lippo Malls Indonesia Retail Trust	17	-	-
Mapletree Industrial Trust	960,532	2,334,093	7.01
Mapletree Logistics Trust	1,581,124	2,308,441	6.93
Mapletree Pan Asia Commercial Trust	591,400	875,272	2.63
OUE Commercial Real Estate Investment Trust	1,186,640	379,725	1.14
Paragon REIT	300,000	276,000	0.83
Parkway Life Real Estate Investment Trust	481,300	2,021,460	6.07
Starhill Global REIT	1,286,738	701,272	2.10
		32,008,328	96.09
<b>Total Quoted Investment Funds</b>		32,008,328	96.09
<b>Unquoted Investment Fund</b>			
<b>Singapore</b>			
EC World REIT	15,000	-	-
		-	-
<b>Portfolio of investments</b>		32,008,328	96.09
<b>Other net assets</b>		1,300,892	3.91
<b>Net assets attributable to unitholders</b>		33,309,220	100.00

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

**Statement of Portfolio (continued)**  
**As at 30 September 2024**

	Fair value as at 30 September 2024 S\$	Percentage of total net assets attributable to unitholders as at 30 September 2024 %	Percentage of total net assets attributable to unitholders as at 30 September 2023 %
<b>By Geography (Summary)</b>			
<b>Quoted</b>			
Hong Kong SAR	–	–	1.52
Singapore	32,008,328	96.09	95.79
United States of America	–	–	0.21
<b>Total Quoted Investment Funds</b>	32,008,328	96.09	97.52
<b>Unquoted</b>			
Singapore	–	–	–
<b>Portfolio of investments</b>	32,008,328	96.09	97.52
<b>Other net assets</b>	1,300,892	3.91	2.48
<b>Net assets attributable to unitholders</b>	33,309,220	100.00	100.00
<b>By Industry (Secondary)</b>			
Real Estate Investment Trust*	32,008,328	96.09	93.88
Exchange Traded Fund	–	–	3.43
Financial	–	–	0.21
<b>Portfolio of investments</b>	32,008,328	96.09	97.52
<b>Other net assets</b>	1,300,892	3.91	2.48
<b>Net assets attributable to unitholders</b>	33,309,220	100.00	100.00

\*A trust or company is defined as a Real Estate Investment Trust, if such trust's or company's business sector is classified as "Residential and Commercial REITs" under the Thomson Reuters Business Classification.

## **Notes to the Financial Statements**

These notes form an integral part of the financial statements.

### **1 General**

Phillip Select Fund (the "Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 12 July 2011 together with its Amended and Restated Deeds and its Supplemental Deeds thereon (collectively referred to as the "Trust Deed") between Phillip Capital Management (S) Ltd as the Manager and BNP Paribas Trust Services Singapore Ltd as the Trustee. The Trust Deed is governed by and construed in accordance with the laws of the Republic of Singapore.

The Fund offers one Sub-Fund: Phillip Singapore Real Estate Income Fund (the "Sub-Fund"), which was first offered for subscription on 16 August 2011.

The investment objective of Phillip Singapore Real Estate Income Fund is to achieve medium to long term capital appreciation and a regular stream of income by primarily investing in Real Estate Investment Trusts ("REITs") listed in Singapore, including warrants, bonds and convertible bonds issued by the REITs. The Sub-Fund intends to offer regular dividends through quarterly distributions (or such other frequency as the Managers may determine from time to time). The Sub-Fund is benchmarked against the SGX S-REIT Index.

### **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 preparation*

The financial statements, expressed in Singapore dollars ("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.

For the purposes of preparation of these financial statements, the basis used for calculating the expense ratio and turnover ratio are in accordance with the guidelines issued by the Investment Management Association of Singapore ("IMAS") and the Code on Collective Investment Schemes under the Securities and Futures Act 2001 ("Code") respectively.

## **2 Material accounting policies (continued)**

### **2.2 Basis of valuation of investments**

Quoted investments are stated at fair value based on the last traded prices for equities and bid process 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.

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

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

### **2.3 Financial derivatives**

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value therein are recognised in the Statement of Total Return.

### **2.4 Recognition of income**

Dividend income is recognised when declared and is stated gross of tax credits.

Interest income is recognised using the effective interest method accrued over the duration of the contract.

### **2.5 Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates at the reporting date. All exchange differences are recognised in the Statement of Total Return.

### **2.6 Income tax expenses**

The Fund is a designated unit trust under the Singapore Income Tax Act (Chapter 134). As a result, the following sources of income are not subjected to Singapore tax at the sub-fund level:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which Singapore tax has been withheld); and
- (iii) dividends derived from outside Singapore and received in Singapore.

### **2.7 Cash and cash equivalents**

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

**2 Material accounting policies (continued)**

2.8 *Net assets attributable to unitholders*

Net assets attributable to unitholders are classified as equity.

**3 Receivables**

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Receivables from unitholders for creation of new units	72,447	45,749
Dividends receivable	24,632	1,384
Other receivables	489	490
	<u>97,568</u>	<u>47,623</u>

**4 Amount held with brokers**

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Amount held with brokers	–	465,141
	<u>–</u>	<u>465,141</u>

**5 Cash and cash equivalents**

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Bank balances	1,524,182	1,217,805
	<u>1,524,182</u>	<u>1,217,805</u>

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

**6 Payables**

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Payables to unitholders for cancellation of units	200,956	86,638
Distribution payable in respect of final distribution	–	340,103
Management fee payable	62,081	69,504
Other payables and accrued expenses	63,921	61,744
	<u>326,958</u>	<u>557,989</u>

## 7 Units in issue

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

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
<b>Class A SGD Units</b>		
Units at beginning of the year	23,416,623	33,845,810
Units created	5,552,982	6,027,235
Units cancelled	(5,599,705)	(16,456,422)
Units at end of the year	23,369,900	23,416,623
Net assets attributable to unitholders - S\$	23,923,666	22,765,453
Net asset value per unit - S\$	1.0237	0.9722
<b>Class A USD Units</b>		
Units at beginning of the year	789,880	1,141,322
Units created	210,295	130,353
Units cancelled	(232,639)	(481,795)
Units at end of the year	767,536	789,880
Net assets attributable to unitholders - S\$	773,249	755,993
Net asset value per unit - S\$	1.0074	0.9571
<b>Class I SGD Units</b>		
Units at beginning of the year	9,717,553	9,943,085
Units created	900,082	1,058,503
Units cancelled	(2,949,993)	(1,284,035)
Units at end of the year	7,667,642	9,717,553
Net assets attributable to unitholders - S\$	8,436,927	10,084,417
Net asset value per unit - S\$	1.1003	1.0378
<b>Class I USD Units</b>		
Units at beginning of the year	153,024	146,065
Units created	6,083	6,959
Units at end of the year	159,107	153,024
Net assets attributable to unitholders - S\$	175,378	159,064
Net asset value per unit - S\$	1.1023	1.0395

Currently, the Manager is offering 4 classes of Units in the Sub-Fund, namely Class A SGD Units, Class A USD Units, Class I SGD Units and Class I USD Units. Class A SGD Units and Class A USD Units are offered to investors who invest a minimum of SGD1,000 or USD1,000 respectively, and Class I SGD Units and Class I USD Units are offered to investors who invest SGD500,000 or USD500,000 and above, respectively. All classes will 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.



**7. Units in issue (continued)**

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year end is presented below:

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Class A SGD Units</b>		
Net assets attributable to unitholders per unit per financial statements	1.0237	0.9722
- Effect of adopting bid prices at fair value per unit	0.0001	0.0001
- Effect of distribution per unit	–	0.0100
Net assets attributable to unitholders per unit for issuing/redeeming units	1.0238	0.9823
<b>Class A USD Units</b>		
Net assets attributable to unitholders per unit per financial statements	1.0074	0.9571
- Effect of adopting bid prices at fair value per unit	0.0001	0.0001
- Effect of distribution per unit	–	0.0101
Net assets attributable to unitholders per unit for issuing/redeeming units	1.0075	0.9673
<b>Class I SGD Units</b>		
Net assets attributable to unitholders per unit per financial statements	1.1003	1.0378
- Effect of adopting bid prices at fair value per unit	0.0001	0.0001
- Effect of distribution per unit	–	0.0099
Net assets attributable to unitholders per unit for issuing/redeeming units	1.1004	1.0478
<b>Class I USD Units</b>		
Net assets attributable to unitholders per unit per financial statements	1.1023	1.0395
- Effect of adopting bid prices at fair value per unit	–	0.0001
- Effect of distribution per unit	–	0.0100
Net assets attributable to unitholders per unit for issuing/redeeming units	1.1023	1.0496

**8 Income tax**

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Singapore income tax	173,870	117,438

The Singapore income tax represents tax deducted at source for Singapore sourced dividends and tax charge on distribution from Singapore REITs.

**9 Distributions**

**Phillip Singapore Real Estate Income Fund**

	<b>2024</b> <b>S\$</b>
Interim (1.00 cents per unit based on units outstanding as at 31 December 2023)	333,676
Interim (1.00 cents per unit based on units outstanding as at 31 March 2024)	325,232
Interim (1.00 cents per unit based on units outstanding as at 30 June 2024)	309,009
	967,917
	<b>2023</b> <b>S\$</b>
Interim (1.00 cents per unit based on units outstanding as at 31 December 2022)	442,881
Interim (1.80 cents per unit based on units outstanding as at 30 March 2023)	628,800
Interim (1.00 cents per unit based on units outstanding as at 30 June 2023)	361,610
Final (1.00 cents per unit based on units outstanding as at 30 September 2023)	340,103
	1,773,394

**10 Financial risk management**

In the ordinary course of business, the Sub-Fund is 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 financial derivative instruments, subject to the terms of the Trust Deed to moderate certain 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 quoted securities 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. The Manager's preferred strategy is to hold investments for the medium-to-long term. The Manager is therefore not concerned about the short-term price volatility with respect to its investment provided that the underlying business, economic and management characteristics of its investments remain favourable.

**10. Financial risk management (continued)**

**a) Market risks (continued)**

*Sensitivity analysis*

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

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Portfolio of investment	3,200,833	3,292,884

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

*ii. Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Sub-Fund is not subject to significant risk of fluctuations in market interest rates as there are no significant variable interest earning/bearing financial instruments held.

*iii. Currency risk*

The Sub-Fund is denominated in Singapore Dollars. The Sub-Fund invests in underlying securities which are denominated in foreign currencies where fluctuations in the relevant exchange rates may have an impact on the income and value of the Sub-Fund. The Manager may seek to minimise exposure to foreign currency fluctuation to the extent practicable.

**10. Financial risk management (continued)**

**a) Market risks (continued)**

*iii. Currency risk (continued)*

Assets and liabilities denominated in currencies other than the Sub-Fund's functional currency comprise the following:

**Phillip Singapore Real Estate Income Fund**

	<b>USD S\$</b>	<b>EUR S\$</b>	<b>HKD S\$</b>
<b>2024</b>			
<b>Assets</b>			
Portfolio of investments	400,831	110,797	–
Cash and cash equivalents	165,712	4,882	–
	<u>566,543</u>	<u>115,679</u>	<u>–</u>
<b>Liabilities</b>			
Payables	<u>(9,333)</u>	<u>–</u>	<u>–</u>
<b>Net currency exposure</b>	<u>557,210</u>	<u>115,679</u>	<u>–</u>
<b>2023</b>			
<b>Assets</b>			
Portfolio of investments	312,674	89,527	513,965
Cash and cash equivalents	55,990	–	–
	<u>368,664</u>	<u>89,527</u>	<u>513,965</u>
<b>Liabilities</b>			
Payables	<u>(14,642)</u>	<u>–</u>	<u>–</u>
<b>Net currency exposure</b>	<u>354,022</u>	<u>89,527</u>	<u>513,965</u>

**10. Financial risk management (continued)**

**a) Market risk (continued)**

Portfolio of investments and financial derivatives at fair value are non-monetary financial assets and are exposed to both currency risk and price risk. As these financial assets are non-monetary, no separate sensitivity analysis has been performed to analyse currency risk.

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

As at 30 September 2024 and 2023, with respect to the monetary assets of the Sub-Fund, had the Singapore Dollar appreciated/depreciated by 10% (2023: 10%) against foreign currencies, with all other variables remaining constant, the decrease/increase in net assets attributable to unitholders would not be significant.

**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.

The tables below analyse the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Phillip Singapore Real Estate Income Fund</b>	
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Less than 3 months</b>		
Payables	326,958	557,989
Purchases awaiting settlement	–	337,467
	326,958	895,456

**10. Financial risk management (continued)**

**c) Credit risk**

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

The Sub-Fund is exposed to counterparty credit risk on trading derivative products, cash and cash equivalents, amount due from brokers and other receivables 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 upon payment by the broker. 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.

**d) Fair value estimation**

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

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

**10. Financial risk management (continued)**

**d) Fair value estimation (continued)**

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 30 September 2024 and 2023:

**Phillip Singapore Real Estate  
Income Fund**

	<b>Level 1 S\$</b>	<b>Level 2 S\$</b>	<b>Level 3 S\$</b>	<b>Total S\$</b>
<b>2024</b>				
<b>Assets</b>				
Portfolio of investments	32,008,328	–	–	32,008,328
<b>2023</b>				
<b>Assets</b>				
Portfolio of investments	32,928,844	–	–	32,928,844

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

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

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

The following table presents the movement in level 3 instruments for the year ended 30 September 2024.

	<b>2024 Level 3 S\$</b>	<b>2023 Level 3 S\$</b>
At 1 October	–	–
Transfer from Level 1 into Level 3	–	150,000
Sales	–	(83,908)
Losses recognised in the Statement of Total Return	–	(66,092)
At 30 September	–	–

As of 30 September 2024, investment classified as Level 3 consists of one equity security for EC World REITs, which is suspended from trading since 31 August 2023 as ECW Group needs time to work on resolving several "uncertainties" pertaining to the group's financial position. The manager disclosed that the ECW Group, comprising the REIT and its subsidiaries, could not fully repay its offshore interest expenses. As a result, the Manager has fair valued the balance of 15,000 shares as S\$Nil (2023: S\$Nil). The amount is insignificant to the Sub-Fund.

**10. Financial risk management (continued)**



**11 Related parties**

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

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

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

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

	<b>Note</b>	<b>Phillip Singapore Real Estate Income Fund</b>	
		<b>2024</b>	<b>2023</b>
		<b>S\$</b>	<b>S\$</b>
Management fees paid to the Manager		339,779	453,530
Trustee fees paid to the Trustee		12,730	16,818
Transfer agent fees paid to a related party of the Trustee		3,183	4,205
Custodian fees paid to a related party of the Trustee		44,735	40,279
Brokerage fees paid to:			
- a related party of the Manager		3,333	2,824
- a related party of the Trustee		6,420	855
Valuation fees paid to a related party of the Trustee		12,730	16,818
Interest income received from/(interest expense paid to)			
- a related party of the Trustee		26,182	37,967
- a related party of the Trustee		(64)	(1,115)
		<hr/>	<hr/>
Bank balances held with a related party of the Trustee	5	<hr/> 1,524,182	<hr/> 1,217,805

**12 Financial ratios**

**Phillip Singapore Real  
Estate Income Fund  
2024                      2023**

**Expense ratio**

**Class A SGD units**

Total operating expenses	S\$	364,036		477,059
Average daily net asset value	S\$	21,732,965		29,674,023
<b>Expense ratio</b> <small>(Note 1)</small>	%	1.68		1.61

**Class A USD units**

Total operating expenses	S\$	12,227		16,245
Average daily net asset value	S\$	731,087		976,337
<b>Expense ratio</b> <small>(Note 1)</small>	%	1.67		1.66

**Class I SGD units**

Total operating expenses	S\$	108,538		130,537
Average daily net asset value	S\$	9,197,805		11,168,253
<b>Expense ratio</b> <small>(Note 1)</small>	%	1.18		1.17

**Class I USD units**

Total operating expenses	S\$	1,905		1,996
Average daily net asset value	S\$	160,503		169,157
<b>Expense ratio</b> <small>(Note 1)</small>	%	1.19		1.18

**Turnover ratio**

Lower of total value of purchases or sales	S\$	6,658,986		4,643,328
Average daily net asset value	S\$	31,822,360		41,987,769
<b>Turnover ratio</b> <small>(Note 2)</small>	%	20.93		11.06

Note 1 The expense ratio has been computed based on the guidelines laid down by the IMAS. The calculation of the expense ratio is based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fees, interest expenses, 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 fees. The average net asset values are based on the daily balances.

Note 2 The turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the turnover ratio is based on the lower of the total value of purchases or sales of the underlying investments divided by the weighted average daily net asset value. The total value of sales do not include brokerage and other transaction costs.

## **Phillip Select Fund**

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### **Important Information**

Phillip Singapore Real Estate Income Fund (the "Sub-Fund") is a sub-fund of Phillip Select Fund (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").

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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 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.