

Phillip Investment Funds

ANNUAL REPORT

Financial year/period ended 31 December 2024

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Phillip Investment Funds

Directory

Manager

Phillip Capital Management (S) Ltd
250 North Bridge Road, #06-00,
Raffles City Tower,
Singapore 179101
(Company Registration No. 199905233W)

Directors of the Manager

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

Trustee & Registrar

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

Custodian and Fund Administrator

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

Auditors

Ernst & Young LLP
One Raffles Quay,
North Tower, Level 18,
Singapore 048583

Solicitors to the Manager

Chan & Goh LLP
8 Eu Tong Sen Street, #24-93 The Central,
Singapore 059818

Solicitors to the Trustee

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

Phillip Investment Funds

Manager's Investment Report

Phillip Money Market Fund

For the full year ended 31 December 2024, the Fund generated a net return of 3.22%, outperforming. The bank savings deposit rate was 0.50% over the same period.

As of 31 December 2024, the portfolio's Weighted Average Maturity ("WAM") stood at 36 days, compared with 47 days in the previous year. During the second half of 2024, rate markets were volatile amid geopolitical uncertainty, policy rate easing by central banks, easing inflation figures alongside a slowing growth outlook. The Fund maintained sufficient liquidity through short-term deposit placements and short-term bond issues, from which the Fund benefited still high short-term yields. The Fund was primarily invested in high-quality issuers within the Asian region and placed deposits with high-quality bank counterparties.

As of December 2024, the SGD Singapore Overnight Rate Average ("SORA") for one month was 2.96%, down from 3.65% at the end of 2023. Similarly, the SGD SORA for three months was 3.07%, compared with 3.71% recorded for the end of 2023.

Based on economic data released by the Ministry of Trade and Industry ("MTI") in mid-February 2025, the Singapore economy expanded by 4.4% year-on-year ("YoY") for the entire year of 2024, accelerating further from the 1.8% YoY expansion recorded for the previous year. Economic expansion was driven by broad-based sources such as manufacturing, construction, and services, up 4.3%, 4.5%, and 4.4%, respectively. The services sector saw broad-based growth across the various sub-sectors, except for retail trade and food & beverages, which experienced weakness caused by locals shifting their consumption overseas. Construction also saw better construction activity volumes within private and public projects. Manufacturing expanded overall, boosted by strong output from the electronics, transport engineering, and general manufacturing clusters.

The Monetary Authority of Singapore's ("MAS") core inflation measure came in at 0.8% YoY for January 2025, decelerating from 1.7% in December 2024 due to lower inflation across all core categories. Headline consumer prices declined to 1.2% compared to 1.5% in the previous month, driven by the lower core inflation data and moderation in accommodation costs. The MAS has also slightly reduced the slope of the SGD Nominal Effective Exchange Rate ("SGD NEER") during the most recent January 2025 Monetary Policy Statement while implementing no changes to the policy band's level and width. The change reflects the expectation that growth momentum will be slow in the coming year.

Outlook

According to the MTI's announcement in February 2025, Singapore's economic growth outlook 2025 is expected to be within the 1.0% to 3.0% range. While Singapore's external demand outlook is expected to hold up, economic growth momentum within trading partners might be expected to moderate, given potential trade frictions and decelerating disinflation leading to tighter global financial conditions.

During its Monetary Policy Statement in January 2025, the MAS indicated that the adjusted monetary policy stance is sufficient in ensuring medium-term price stability. With consumer prices having shown signs of easing in recent quarters, as business costs and demand-driven inflation appear well-contained, the MAS deemed the existing policy stance sufficient to ensure medium-term price stability. Although near-term trade frictions may spur higher inflation, the longer-term expectations will be for weaker global demand to mitigate any sustained increment to pricing pressure. As such, the MAS has indicated its full-year forecast for headline inflation to 1.5% to 2.5%, even as core inflation will be forecasted to be within the 1.0% to 2.0% range.

Given the uncertainty regarding the inflationary outlook under the new administration, short-term interest rates will be lower at the current level while observing the US Federal Reserve for policy action. Credit fundamentals are still healthy among high-quality Singapore sovereigns, Asian corporate bond issuers, and bank counterparties while offering an attractive yield level.

Phillip Investment Funds

Manager's Investment Report

Sustainable Reserve Fund

For the full year ended 31 December 2024, the fund generated a net return of 4.24% and outperformed its benchmark, the 6-month compounded Singapore Overnight Rate Average ("SORA") which returned 2.35%. Since inception the fund has returned 4.05% which also beat the benchmark's 2.36% return. As of 31 December 2024, the portfolio's weighted average duration stood at 1.89 years compared to 1.37 years in the previous year. During the year, the returns can be attributed to substantial performance contributions from corporate perpetual bonds and banks T2 and bond positions with tenors of between 3-5 years within the portfolio. Corporate perpetual bonds and banks T2 were strong contributors to returns, mainly due to the issues of higher yields on offer and solid credit fundamentals amongst issuers for the perpetual securities in the portfolio.

Market Review

The Federal Reserve (Fed) maintained its current policy stance in the US, leaving interest rates unchanged. US Treasury yields were volatile in January, with the 10-year yield peaking at 4.8% before dropping to 4.5% by the end of the month. Strong economic data drove the initial rise, which was later reversed due to softer core CPI data. Geopolitical risks, particularly new US tariffs on Canada, Mexico, and China, added further volatility to the market.

Regarding local debt performance, Singapore Government Securities (SGS) underperformed relative to US Treasuries. SGS yields rose across the curve, with the 10-year SGS yield ending January at 2.9%, up six basis points over the month. On the other hand, non-Singapore government credit outperformed SGS peers, with credit markets delivering flat returns according to the Markit iBoxx ALBI Singapore indices.

The Asian credit market showed a modestly positive performance, with both investment-grade (IG) and high-yield (HY) credits posting gains. Investment-grade credits outperformed, benefiting from stronger performance in duration-related gains and tighter credit spreads. However, high-yield credits exhibited more mixed results, with some segments experiencing spread widening, leading to less favorable returns overall.

2024 will be remembered for its remarkable blend of market optimism and unexpected turbulence. Breakthroughs in AI technology drove market optimism, while the turbulence stemmed from Donald Trump's return to the presidency in November, which brought a renewed focus on trade policy, tax cuts, and deregulation. His re-election was initially volatile as his proposed tariffs raised inflation concerns while his deregulation efforts buoyed specific sectors such as energy and financial services.

In the United States, the narrative of US exceptionalism dominated much of 2024. Investors were optimistic about the US economy outperforming other advanced economies, driven by robust consumer spending and a resilient labour market. However, this sentiment shifted dramatically when the Federal Reserve unexpectedly cut interest rates by 50bps in September, followed by additional cuts in November and December. The rate cuts, which were aimed at supporting economic growth, resulted in an "un-inverting" and steepening of the yield curve, which raised concerns about a potential US economic slowdown.

Europe faced a challenging economic environment in 2024, mainly due to the lasting effects of the Russia-Ukraine war, which raised energy prices considerably for households and businesses and negatively impacted industrial production. President Trump's threats to impose sweeping tariffs on European goods for what he perceives as an imbalanced trade relationship with the bloc have also further complicated the economic situation for Europe. The ECB's move towards a more accommodative monetary policy stance in the second half of 2024, however, has provided some relief.

We also note an interesting phenomenon in Europe where yield spreads for government bonds in periphery countries like Spain, Italy, and Greece have narrowed compared to core countries such as Germany and France. This is due to improving economic fundamentals and greater political stability in the periphery economies, leading to decreased risk premiums relative to the core countries.

China's economic policies also played a crucial role in shaping market dynamics. Introducing a series of fiscal and monetary measures aimed at boosting markets significantly impacted Chinese equities,

Sustainable Reserve Fund (cont'd)

drawing investor attention back to the region. Chinese government bonds also performed well due to their safe-haven appeal in a deflationary environment.

Outlook and Strategy

The Monetary Authority of Singapore (MAS) has taken a significant step in easing monetary policy for the first time in nearly five years. This move slightly reduces the SGD Nominal Effective Exchange Rate (S\$NEER) slope, reflecting expectations of slower economic growth and moderating inflation. Core inflation, which excludes private transport and accommodation costs, is now projected to range between 1.0% to 2.0% in 2025, down from the previous forecast of 1.5% to 2.5%. This revision follows a faster-than-expected decline in core inflation to 1.8% in December 2024. Headline inflation remains forecasted to be between 1.5% and 2.5%, while GDP growth in 2025 is expected to slow to 1.0% to 3.0%, compared to 4.0% in 2024. MAS also emphasized that external uncertainties continue to affect Singapore's economic outlook.

2025 is poised to be a stagflationary year due to the dual-pronged risk of inflation from tariffs and slowing global economic growth. In light of this precarious situation, we expect global and local interest rates to remain low but relatively stable as both the FED and MAS gradually ease monetary policy. This year, we expect SGD SORA OIS rates to have a lower pass-through than USD rates. This means that global interest rate changes, especially in the US, will have a reduced impact on Singapore bond yields, providing some stability for SGD-denominated assets.

In 2025, with greater rate volatility expected amid policy uncertainty (especially under a potential Trump administration), carry strategies will likely offer more clarity than duration calls. The Fund will focus on carry strategies by selectively allocating to high-yielding bonds or currencies while managing exposure to interest rate changes. Since the Fed is expected to maintain a cautious stance and not ease rates gradually, it's crucial to avoid being overly sensitive to duration risk. Instead, look for opportunities to earn positive carry from assets with higher yielders and corporate bonds in regions with higher rates. As well as look for new issue opportunities in sectors that are expected to perform well amid easing global rates, particularly in Asia.

With moderate inflation and growth expected, MAS policy will likely be accommodative, making domestic and investment-grade corporate bonds attractive. Consider increasing exposure to short-duration bonds to take advantage of stable yields and Singapore corporate bonds with solid fundamentals but attractive carry, especially if global yields are easing. Diversification remains key to managing risks from geopolitical uncertainties (such as trade tensions or tariff hikes). The portfolio will remain well-diversified across regions and sectors to mitigate any significant impact from unforeseen developments. Hedge where appropriate, especially in trade-sensitive sectors or markets heavily exposed to tariffs.

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2024

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

1. Distribution of investments

Please refer to the Statements of Portfolio on pages 24 to 31.

2. Schedule of investments by asset class

Phillip Money Market Fund

Asset Class	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Debt securities	1,111,564,289	59.93
Quoted investment funds	126,850,720	6.84
Fixed deposits	556,923,432	30.03
Cash and cash equivalents	200,564,403	10.81
Other net liabilities	(141,233,674)	(7.61)
Net assets attributable to unitholders	<u>1,854,669,170</u>	<u>100.00</u>

Types of Money Market Instruments and Debt Securities

Asset Class	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Fixed rate notes	1,109,867,579	59.84
Accrued interest on fixed income securities	1,696,710	0.09
	<u>1,111,564,289</u>	<u>59.93</u>

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2024

2. Schedule of investments by asset class (continued)

Sustainable Reserve Fund

Asset Class	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Debt securities	13,533,526	97.06
Cash and cash equivalents	687,062	4.93
Other net liabilities	(277,676)	(1.99)
Net assets attributable to unitholders	13,942,912	100.00

Types of Money Market Instruments and Debt Securities

Asset Class	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Floating rate notes	4,692,900	33.66
Fixed rate notes	8,736,804	62.66
Accrued interest on fixed income securities	103,822	0.74
	13,533,526	97.06

3. Credit rating

i) Debt securities

Phillip Money Market Fund

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
A2	89,508,409	4.82
A3	12,448,274	0.67
P-2	79,948,196	4.31
Not Rated	927,962,700	50.04
Accrued interest on debt securities	1,696,710	0.09
Portfolio of investments	1,111,564,289	59.93

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2024

3. Credit rating (continued)

Sustainable Reserve Fund

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
A1	534,763	3.84
A2	531,674	3.81
A3	1,701,042	12.20
Baa1	1,246,160	8.94
Baa2	1,256,749	9.01
Baa3	667,972	4.79
A+*	273,160	1.96
A*	168,712	1.21
A-*	250,189	1.79
BBB*	168,743	1.21
Not Rated	5,591,489	40.11
Accrued interest on debt securities	103,822	0.74
Portfolio of investments	12,494,475	89.61

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

* Credit rating is from Standard & Poor's

ii) Fixed deposits

Phillip Money Market Fund

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
P-1	471,295,044	25.41
P-1u	31,409,111	1.69
P-2	51,127,923	2.76
Accrued interest on fixed deposits	3,091,354	0.17
	556,923,432	30.03

Source of credit rating is from Moody's

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Report to Unitholders Year ended 31 December 2024

4. Top 10 holdings

Phillip Money Market Fund

10 largest holdings at 31 December 2024	Fair value at	Percentage of total
	31 December 2024 S\$	net assets attributable to unitholders at 31 December 2024 %
Monetary Authority of Singapore Bill 0% due 17/01/2025	159,784,000	8.62
Monetary Authority of Singapore Bill 0% due 27/02/2025	159,211,200	8.58
Monetary Authority of Singapore Bill 0% due 03/01/2025	149,986,500	8.09
Monetary Authority of Singapore Bill 0% due 10/01/2025	149,892,000	8.08
Monetary Authority of Singapore Bill 0% due 03/02/2025	139,598,200	7.53
Phillip SGD Money Market ETF	126,850,720	6.84
Monetary Authority of Singapore Bill 0% due 13/02/2025	89,665,200	4.83
Bank Of Communications Company Limited/Singapore 3.44% due 17/01/2025	59,992,200	3.23
Monetary Authority of Singapore Bill 0% due 06/02/2025	49,844,500	2.69
Intesa Sanpaolo Spa/London 3.3% due 15/10/2025	46,796,726	2.52

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

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2024

4. Top 10 holdings (continued)

Sustainable Reserve Fund

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
10 largest holdings at 31 December 2024		
Monetary Authority of Singapore Bill 0% due 03/02/2025	498,578	3.58
GII IHT Private Limited 3.29% due 26/10/2026	497,750	3.57
Singapore Life Holdings Private Limited 3.375% due 24/02/2031	496,250	3.56
Monetary Authority of Singapore Bill 0% due 17/01/2025	299,595	2.15
Monetary Authority of Singapore Bill 0% due 27/03/2025	297,830	2.14
Australia & New Zealand Banking Group Limited 5.731% due 18/09/2034	274,636	1.97
Kookmin Bank/Singapore 5.46% due 10/03/2025	273,160	1.96
Bank Of China Limited/Hong Kong 0% due 23/01/2025	272,249	1.95
Petronas Capital Limited 3.5% due 18/03/2025	271,883	1.95
Misc. Capital Two Labuan Limited 3.75% due 06/04/2027	265,417	1.90

5. Maturity profile of investments

Phillip Money Market Fund

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Maturity profile of underlying investments		
Up to 30 days	549,635,800	29.64
31 - 90 days	543,101,124	29.28
91 - 180 days	491,014,537	26.47
181 - 365 days	79,948,196	4.31
Non-interest bearing	131,638,784	7.10
	<u>1,795,338,441</u>	<u>96.80</u>

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2024

6. Exposure to financial derivatives

Sustainable Reserve Fund

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders 31 December 2024 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	16,335	0.12	16,335	-

7. Global exposure to financial derivatives

The global exposure to financial derivatives is computed using the commitment approach which is calculated as the sum of:

- a. the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- b. the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- c. the sum of the values of cash collateral received pursuant to:
 - i. the reduction of exposure to counterparties of OTC financial derivatives; and
 - ii. EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

8. Collateral

Nil.

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

Nil.

10. Amount and percentage of borrowings of total fund size as at 31 December 2024

Nil.

Phillip Investment Funds

Report to Unitholders

Year ended 31 December 2024

11. Amount of units created and cancelled for the financial year/period ended 31 December 2024

	Phillip Money Market Fund	Sustainable Reserve Fund
	S\$	S\$
Total amount of subscriptions	1,405,504,691	14,815,774
Total amount of redemptions	(701,175,582)	(1,363,550)

12. Turnover ratio

Please refer to Note 12 of Notes to Financial Statements on page 47.

13. Expense ratio

Please refer to Note 12 of Notes to Financial Statements on page 46.

14. Performance of Sub-Funds as at 31 December 2024

Phillip Money Market Fund

	Class A SGD	Class I SGD	Class E SGD	Benchmark performance
Cumulative (%)*				
3 months	0.71	0.75	0.80	0.13
6 months	1.54	1.64	1.73	0.27
1 year	3.22	3.44	3.60	0.52
3 years	7.69	8.27	8.86	1.27
5 years	8.35	9.29	-	1.51
10 years	13.69	-	-	2.30
Since inception **	32.23	12.11	9.09	6.02
Annualised (%)				
1 year	3.22	3.44	3.60	0.52
3 years	2.50	2.68	2.87	0.42
5 years	1.62	1.79	-	0.30
10 years	1.29	-	-	0.23
Since inception **	1.18	1.71	2.46	0.25

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

Benchmark: Bank deposit rate

Source: Bloomberg

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2024

14. Performance of Sub-Funds as at 31 December 2024 (continued) Sustainable Reserve Fund

	Class A Units (acc)	Class A Units (dist)	Class B Units (acc)	Benchmark performance
Cumulative (%)				
3 months	1.39	1.40	1.41	0.42
6 months	2.05	2.05	2.09	1.08
1 year	4.24	4.25	4.58	2.35
Since inception **	4.73	4.73	5.11	2.75
Annualised (%)				
1 year	4.24	4.25	4.58	2.35
Since inception **	4.05	4.05	4.37	2.36

Note: Cumulative returns are calculated in Singapore dollars on a bid to bid basis, with net dividends reinvested. Inception dates 30 October 2023 for Class A, Class B .

Benchmark: 6-months Singapore overnight rate average

Source: Bloomberg

15. Related party transactions

Please refer to Note 11 of Notes to Financial Statements on page 45.

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

Nil.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

Report to Unitholders Year ended 31 December 2024

18. Soft-dollar commissions

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

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

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

Phillip Money Market Fund

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

Sustainable Reserve Fund

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

19. ESG related disclosure

The Sub-Fund, Sustainable Reserve Fund is an "ESG Fund" in accordance with Section A of Circular No. CFC 02/2022: Disclosure and Reporting Guidelines for Retail ESG Funds (the "ESG Circular") issued by the Monetary Authority of Singapore.

Further details on the ESG policies of the Underlying Fund are set out below.

Phillip Investment Funds

Report to Unitholders Year ended 31 December 2024

Environmental, Social and Governance (“ESG”) Characteristics of Sustainable Reserve Fund

A narrative on how and the extent to which the scheme’s ESG focus has been met during the financial period

The investment objective of Sustainable Reserve Fund (“SRF”) is to achieve income yields enhancement over the 6 months Singapore Overnight Rate Average (“SORA”). SRF adopts Phillip Capital Management (S) Ltd’s (the “Manager”) approach to sustainable investing, by selecting issuers that are committed to and are taking appropriate actions that contribute to a green economy.

SRF invests substantially all of its assets in global fixed income instruments (including short-term interest-bearing debt instruments and bonds), money market instruments and bank deposits (including fixed deposits). The fixed income instruments may be issued by governments, government agencies, companies and supranational. SRF is a short duration bond fund, and its investments will be broadly diversified with no specific industry or sectoral emphasis. The Investment Guidelines in Appendix 1 of the Code on Collective Investment Schemes apply. The benchmark for SRF is the 6 months SORA

Action taken by the scheme in attaining the scheme’s ESG focus (e.g. stakeholder engagement activities), including the actual proportion of investments that meet the scheme’s ESG FOCUS

The Manager seeks to invest at least 70% of SRF’s total assets in deposits and instruments issued by issuers that meet industry-specific ESG criteria through positive screening and active management, utilising the Manager’s complete ESG integrated investment framework. As of the financial period end, the Manager has met this objective.

The Manager seeks to build constructive relationship with senior management representatives, to share the views when given the opportunity, and to support companies taking positive changes in terms of ESG. The Manager will continue to incorporate insights from stewardship activities into investment decision and vice versa, to proactively enhance long term value for investors. ESG analysts engage actively with target companies that are flagged through our ESG research and risk management processes. Activities include site visits, one on one calls and targeted surveys that help to validate our company reports.

How the ESG focus is measured and monitored, and the related internal or external control mechanisms that are in place to monitor compliance with the scheme’s ESG focus on a continuous basis (including methodologies used to measure the attainment of the scheme’s ESG focus, if any)

Its ESG analytics prioritizes fundamental research using primary sources of ESG data at the issuer level to measure its Sustainable Investing objectives. For validity and where data is lacking, the Manager employ carefully curated sources of secondary data and our Engagement Plan and Policy, where data is verified, progress is monitored, and improvement is affirmed.

Methodologies:

- 1. Carbon Risk Rating:** based on a Carbon Performance Score (a metric for the current carbon-related performance of a company as well as its capabilities to seize climate-related opportunities and manage its industry-specific climate risks in the future) and Carbon Risk Classification (a classification of a company’s individual exposure to climate change risks based on its specific industry assignment and business activities).

Report to Unitholders Year ended 31 December 2024

Environmental, Social and Governance (“ESG”) Characteristics of Sustainable Reserve Fund (cont’d)

Methodologies (cont’d):

- ESG Corporate Rating:** provides relevant and forward-looking environmental, social, and governance (ESG) data and performance assessments. Rooted in a holistic and gradual understanding of materiality, companies are assessed against a standard set of universal ESG topics as well as additional industry-specific topics. The materiality approach covers both material sustainability risks as well as adverse impacts on society and the environment. Drawing on an overall pool of more than 700 indicators, our 3rd party data provider applies approximately 100 social, environmental, and governance related indicators per rating, covering topics such as employee matters, supply chain management, business ethics, corporate governance, environmental management, eco-efficiency and others. Differentiated weighting scenarios ensure that the topics most material for a given business model are duly accounted for.
- The Manager’s ESG Rating:** based on 3 research objectives; Managing ESG Risk, Mitigating Negative Externalities, Measuring Positive Change and Impact. Each research objective includes Environmental, Social, and Governance metrics financially material to the industry and where relevant, specific to the assessed entity. Each research objective assesses risks and opportunities across domains that address social injustice, health and breached planetary boundaries such as climate change, biodiversity loss, and pollution. Its ESG Ratings follow a strict scoring system relevant to each of the three objectives, then assessed across investment recommendation levels based on research objective threshold scores, and key action indicators (level of action taken, contribution/transition to the green economy, commitment to their own targets and to the global goals).

Sources and usage of ESG data or any assumptions made where data is lacking

The Manager supplements its proprietary research with sell-side research and selected database services.

Due diligence carried out in respect of the ESG-related features of the scheme’s investments

The portfolio is subject to environmental risk management measures. As part of the due diligence carried out in respect of the ESG-related features of the scheme’s investments, climate scenario analysis is conducted for the portfolio, accounting for both physical and transition risks.

Stakeholder engagement policies (including proxy voting) that can help shape corporate behaviour of companies that the scheme invests in and contribute to the attainment of the scheme’s ESG focus.

Engagement activities provide an opportunity to apply timely and nuanced factors within the voting decision-making process. Where available, the Manager refer to its Proxy Statement and how it includes ESG factors with emphasis on the following inclusions:

- Explicitly define ESG priorities
- Ensuring ESG metrics are material and appropriate for a proxy statement
- Peer comparison of statement with ESG leaders
- Identify reporting standards or frameworks that are used.
- Ensure promises are measurable and actionable.

Phillip Investment Funds

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Phillip Investment Funds in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Phillip Investment Funds during the year/period covered by these financial statements, set out on pages 21 to 55, 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 March 2025

Phillip Investment Funds

Statement by the Manager

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages 21 to 55, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Phillip Investment Funds as at 31 December 2024, and the total return and changes in unitholders' funds for the year/period then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that Phillip Investment Funds will be able to meet its financial obligations as and when they materialise.

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

Jeffrey Lee Chay Khiong
Director

26 March 2025

Phillip Investment Funds

Independent Auditors' Report For the year/period ended 31 December 2024

Unitholders

Phillip Investment Funds

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the sub-funds of Phillip Investment Funds (the "Fund"), namely Phillip Money Market Fund and Sustainable Reserve Fund (collectively the "Sub-Funds"), which comprise the Statement of Financial Position and Statement of Portfolio as at 31 December 2024, the Statement of Total Return and Statement of Movements of Unitholders' Funds for the year/period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" ("RAP 7") issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2024 and the financial performance and movements in unitholders' funds for the year/period 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 Sub-Funds ('the Manager'), is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Sub-Funds' 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 Sub-Funds or to cease the Sub-Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Sub-Funds' financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' 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 Sub-Funds' 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 Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young LLP
*Public Accountants and
Chartered Accountants*

Singapore
26 March 2025

Phillip Investment Funds

Statements of Total Return Year/period ended 31 December 2024

		Phillip Money Market Fund		Sustainable Reserve fund Period from 30 October 2023 (date of inception) to 31 December 2024
	Note	2024 S\$	2023 S\$	2024 S\$
Income				
Dividend income		3,073,200	809,600	–
Interest Income		31,897,226	25,515,835	416,629
Other income		–	–	935
		<u>34,970,426</u>	<u>26,325,435</u>	<u>417,564</u>
Expenses				
Management fee		5,970,473	4,672,588	31,338
Audit fee		12,745	14,470	13,061
Custody fee		188,165	184,274	11,007
Trustee fee		131,974	97,458	1,718
Valuation fee		8,496	8,500	3,069
Other expenses		275,206	191,747	76,575
		<u>6,587,059</u>	<u>5,169,037</u>	<u>136,768</u>
Net income		<u>28,383,367</u>	<u>21,156,398</u>	<u>280,796</u>
Net gains on value of investments and financial derivatives				
Net gains on investments		17,943,302	15,459,990	184,638
Net foreign exchange gains		–	–	11,337
Net gains on financial derivatives		–	–	16,335
		<u>17,943,302</u>	<u>15,459,990</u>	<u>212,310</u>
Total return for the financial year/period before income tax		<u>46,326,669</u>	<u>36,616,388</u>	<u>493,106</u>
Less: Income tax	3	<u>–</u>	<u>–</u>	<u>–</u>
Total return for the financial year/period after income tax		<u>46,326,669</u>	<u>36,616,388</u>	<u>493,106</u>

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Financial Position As at 31 December 2024

		Phillip Money Market Fund		Sustainable Reserve fund
	Note	2024	2023	2024
		S\$	S\$	S\$
Assets				
Portfolio of investments	4	1,795,338,441	1,005,581,957	13,533,526
Sales awaiting settlement		–	–	518,265
Receivables	5	472,622	7,717,001	19,674
Cash at banks		200,564,403	98,210,421	687,062
Financial derivatives at fair value	7	–	–	58,951
Total assets		1,996,375,466	1,111,509,379	14,817,478
Liabilities				
Payables	6	2,108,096	7,495,987	35,593
Purchases awaiting settlement		139,598,200	–	796,357
Financial derivatives at fair value	7	–	–	42,616
Total liabilities		141,706,296	7,495,987	874,566
Net assets attributable to unitholders	8	1,854,669,170	1,104,013,392	13,942,912

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Movements of Unitholders' Funds Year/period ended 31 December 2024

	Note	Phillip Money Market Fund		Sustainable Reserve fund
		2024 S\$	2023 S\$	Period from 30 October 2023 (date of inception) to 31 December 2024 S\$
Net assets attributable to unitholders at the beginning of year/period		1,104,013,392	1,038,372,889	–
Operations				
Change in net assets attributable to unitholders resulting from operations		46,326,669	36,616,388	493,106
Unitholders' subscriptions/(redemptions)				
Creation of units		1,405,504,691	692,540,501	14,815,774
Cancellation of units		(701,175,582)	(663,516,386)	(1,363,550)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		704,329,109	29,024,115	13,452,224
Distributions	4	–	–	(2,418)
Total increase in net assets attributable to unitholders		750,655,778	65,640,503	13,942,912
Net assets attributable to unitholders at the end of financial year/period	8	1,854,669,170	1,104,013,392	13,942,912

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Portfolio As at 31 December 2024

	Holdings	Fair value S\$	Percentage of total net assets attributable to unitholders %
Phillip Money Market Fund By Industry (Primary)			
Quoted Debt Securities			
Banks			
Bank Of Communications Company Limited/Singapore 3.39% due 12/02/2025	16,000,000	15,996,521	0.86
Bank Of Communications Company Limited/Singapore 3.44% due 17/01/2025	60,000,000	59,992,200	3.23
Emirates NBD Bank PISC 4% due 19/04/2025	13,500,000	13,519,688	0.73
Intesa Sanpaolo Spa/London 3.3% due 15/10/2025	47,000,000	46,796,726	2.52
Intesa Sanpaolo Spa/London 4.11% due 15/07/2025	33,000,000	33,151,470	1.79
		169,456,605	9.13
Real Estate Investment Trusts (REITS)			
Capital Land Ascendas REIT 3.14% due 02/03/2025	12,500,000	12,448,274	0.67
Sovereign			
Monetary Authority of Singapore Bill 0% due 03/01/2025	150,000,000	149,986,500	8.09
Monetary Authority of Singapore Bill 0% due 03/02/2025	140,000,000	139,598,200	7.53
Monetary Authority of Singapore Bill 0% due 06/02/2025	50,000,000	49,844,500	2.69
Monetary Authority of Singapore Bill 0% due 09/01/2025	30,000,000	29,981,100	1.62
Monetary Authority of Singapore Bill 0% due 10/01/2025	150,000,000	149,892,000	8.08
Monetary Authority of Singapore Bill 0% due 13/02/2025	90,000,000	89,665,200	4.83
Monetary Authority of Singapore Bill 0% due 17/01/2025	160,000,000	159,784,000	8.62
Monetary Authority of Singapore Bill 0% due 27/02/2025	160,000,000	159,211,200	8.58
		927,962,700	50.04

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statement of Portfolio As at 31 December 2024

	Holdings	Fair value S\$	Percentage of total net assets attributable to unitholders %
Phillip Money Market Fund (cont'd) By Industry (Primary) (cont'd)			
Quoted Debt Securities (cont'd)			
Accrued interest on debt securities		1,696,710	0.09
Total Quoted Debt Securities		1,111,564,289	59.93
Quoted Investment Fund			
Money Market Fund			
Phillip SGD Money Market ETF	1,220,000	126,850,720	6.84
Total Quoted Investment Fund		126,850,720	6.84
Fixed deposits			
Banks			
China Construction Bank		30,000,000	1.62
Bank Julius Baer & Co AG Singapore		50,301,004	2.71
Maybank Singapore		51,127,923	2.76
MUFG Bank		20,052,318	1.08
National Bank of Kuwait		51,281,596	2.76
Qatar National Bank		161,491,937	8.71
Saudi National Bank		31,409,111	1.69
Scotiabank Hong Kong		73,261,315	3.95
Sumitomo Mitsui Banking Corporation		30,000,000	1.62
Sumitomo Mitsui Trust Bank Ltd		54,906,874	2.96
		553,832,078	29.86
Accrued interest on fixed deposits		3,091,354	0.17
Total Fixed Deposits		556,923,432	30.03
Portfolio of investments		1,795,338,441	96.80
Other net assets		59,330,729	3.20
Net assets attributable to unitholders		1,854,669,170	100.00

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Portfolio As at 31 December 2024

	Fair value S\$	Percentage of total net assets attributable to unitholders 2024 %	Percentage of total net assets attributable to unitholders 2023 %
Phillip Money Market Fund (cont'd)			
By Industry (Primary) (cont'd)			
Auto Manufacturers	–	–	1.14
Banks	723,288,683	38.99	58.11
Commercial Services	–	–	0.82
Diversified Financial Services	–	–	0.90
Money Market Fund	126,850,720	6.84	8.67
Food	–	–	–
Real Estate Investment Trusts (REITS)	12,448,274	0.67	0.47
Sovereign	927,962,700	50.04	19.53
Accrued interest on debt securities	1,696,710	0.09	0.14
Accrued interest on fixed deposits	3,091,354	0.17	0.39
Portfolio of investments	1,795,338,441	96.80	91.08
Other net assets	59,330,729	3.20	8.92
Net assets attributable to unitholders	1,854,669,170	100.00	100.00
By Geography (Secondary)			
Australia	–	–	2.13
Cayman Islands	–	–	0.45
China	75,988,721	4.10	5.97
France	–	–	0.72
Hong Kong SAR	–	–	0.54
Italy	79,948,196	4.31	–
Netherlands	–	–	1.14
Singapore	1,621,093,772	87.40	76.75
South Korea	–	–	1.27
United Arab Emirates	13,519,688	0.73	1.22
United States of America	–	–	0.36
Accrued interest on debt securities	1,696,710	0.09	0.14
Accrued interest on fixed deposits	3,091,354	0.17	0.39
Portfolio of investments	1,795,338,441	96.80	91.08
Other net assets	59,330,729	3.20	8.92
Net assets attributable to unitholders	1,854,669,170	100.00	100.00

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Portfolio As at 31 December 2024

	Holdings	Fair value 2024 S\$	Percentage of total net assets attributable to unitholders 2023 %
Sustainable Reserve Fund By Industry (Primary)			
Quoted Debt Securities			
Banks			
Australia & New Zealand Banking Group Limited 3.75% due 15/11/2034	250,000	249,677	1.79
Australia & New Zealand Banking Group Limited 5.731% due 18/09/2034	200,000	274,636	1.97
Banco Santander SA 3.6% due 23/10/2030	250,000	250,189	1.79
Bank Of China Limited/Hong Kong 0% due 23/01/2025	200,000	272,249	1.95
Barclays Public Listed Company 3.75% due 23/05/2030	250,000	248,750	1.78
BNP Paribas SA 3.95% due 15/04/2035	250,000	248,026	1.78
Commonwealth Bank of Australia 6.152% due 27/11/2039	300,000	259,791	1.86
DBS Group Holdings Limited 3.98% due 31/12/2049	250,000	250,813	1.80
Deutsche Bank AG 4.4% due 05/04/2028	250,000	253,524	1.82
Deutsche Bank AG 5% due 05/09/2026	250,000	253,073	1.82
HSBC Holdings Public Listed Company 5.25% due 14/12/2172	250,000	254,250	1.82
Kookmin Bank/Singapore 5.46% due 10/03/2025	200,000	273,160	1.96
Societe Generale SA 4.875% due 13/10/2026	200,000	166,722	1.20
Standard Chartered Public Listed Company 2.608% due 12/01/2028	200,000	259,898	1.86
Standard Chartered Public Listed Company 4.75% due 14/06/2026	1,000,000	175,991	1.26
Sumitomo Mitsui Banking Corporation/Sydney 5.2679% due 26/11/2029	200,000	168,712	1.21
United Overseas Bank Limited 2.55% due 31/12/2061	250,000	240,000	1.72
		4,099,461	29.39

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Portfolio As at 31 December 2024

	Holdings	Fair value S\$	Percentage of total net assets attributable to unitholders %
Sustainable Reserve Fund (cont'd)			
By Industry (Primary) (cont'd)			
Quoted Debt Securities (cont'd)			
Diversified Financial Services			
IFAST Corporation Limited 4.328% due 11/06/2029	250,000	254,125	1.82
OUE Treasury Private Limited 4% due 08/10/2029	250,000	248,629	1.79
		502,754	3.61
Insurance			
Singapore Life Holdings Private Limited 3.375% due 24/02/2031	500,000	496,250	3.56
Swiss RE Finance UK Public Listed Company 3.125% due 03/07/2035	250,000	247,500	1.78
		743,750	5.34
Internet			
Tencent Holdings Limited 3.975% due 11/04/2029	200,000	262,514	1.88
Lodging			
Hotel Properties Limited 5.1% due 03/05/2029	250,000	253,300	1.82
Shangri-La Hotel Limited 4.5% due 12/11/2025	250,000	252,065	1.80
		505,365	3.62
Oil and Gas			
Petronas Capital Limited 3.5% due 18/03/2025	200,000	271,883	1.95
Private Equity			
Vertex Venture Holdings Limited 3.3% due 28/07/2028	250,000	248,925	1.79

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Portfolio As at 31 December 2024

	Holdings	Fair value S\$	Percentage of total net assets attributable to unitholders %
Sustainable Reserve Fund (cont'd)			
By Industry (Primary) (cont'd)			
Quoted Debt Securities (cont'd)			
Real Estate			
Allgreen Treasury Private Limited 3.15% due 16/01/2025	250,000	249,875	1.79
Capitaland India Trust 3.7% due 30/08/2027	250,000	252,257	1.81
City Developments Limited 3.397% due 24/10/2029	250,000	249,073	1.79
Frasers Property Ahl Limited 3% due 09/10/2028	250,000	245,838	1.77
Frasers Property Treasury Private Limited 4.15% due 23/02/2027	250,000	252,466	1.81
GII IHT Private Limited 3.29% due 26/10/2026	500,000	497,750	3.57
GII IHT Private Limited 3.4% due 10/08/2025	250,000	249,750	1.79
Ho Bee Land Limited 4.35% due 11/07/2029	250,000	251,325	1.80
Keppel Management Limited 2% due 28/05/2026	250,000	245,228	1.76
Wing Tai Holdings Limited 4.38% due 03/04/2029	250,000	248,656	1.78
		2,742,218	19.67
Real Estate Investment Trusts (REITS)			
Capital Land Ascendas REIT 3% due 31/12/2060	250,000	247,056	1.77
Capital Land Ascendas REIT 3.14% due 02/03/2025	250,000	248,965	1.79
Mapletree Industrial Trust 3.15% due 31/12/2061	250,000	246,381	1.77
Suntec REIT MTN Private Limited 2.95% due 05/02/2027	250,000	247,000	1.77
		989,402	7.10
Sovereign			
Monetary Authority Of Singapore Bill 0% due 03/02/2025	500,000	498,578	3.58
Monetary Authority Of Singapore Bill 0% due 09/01/2025	250,000	249,843	1.79
Monetary Authority Of Singapore Bill 0% due 17/01/2025	300,000	299,595	2.15
Monetary Authority Of Singapore Bill 0% due 27/03/2025	300,000	297,830	2.14
		1,345,846	9.66
Telecommunications			
Singtel Group Treasury Private Limited 3.3% due 31/12/2061	250,000	244,375	1.75

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Portfolio
As at 31 December 2024

	Holdings	Fair value S\$	Percentage of total net assets attributable to unitholders %
Sustainable Reserve Fund (cont'd)			
By Industry (Primary) (cont'd)			
Quoted Debt Securities (cont'd)			
Transportation			
Misc. Capital Two Labuan Limited 3.75% due 06/04/2027	200,000	265,417	1.90
Qube Treasury PTY Limited 5.6% due 11/12/2031	200,000	168,743	1.21
		434,160	3.11
Accrued interest on debt securities		103,822	0.74
Total Quoted Debt Securities		12,494,475	89.61
Fixed deposits			
Banks			
Qatar National Bank		520,675	3.73
Sumitomo Mitsui Trust Bank Ltd		518,376	3.72
		1,039,051	7.45
Portfolio of investments		13,533,526	97.06
Other net assets		409,386	2.94
Net assets attributable to unitholders		13,942,912	100.00

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Statements of Portfolio As at 31 December 2024

	Fair value	Percentage of total net assets attributable to unitholders 2024
	S\$	%
Sustainable Reserve Fund (cont'd)		
By Industry (Primary) (cont'd)		
Banks	5,138,512	36.84
Diversified Financial Services	502,754	3.61
Insurance	743,750	5.34
Internet	262,514	1.88
Lodging	505,365	3.62
Oil and Gas	271,883	1.95
Private Equity	248,925	1.79
Real Estate	2,742,218	19.67
Real Estate Investment Trusts (REITS)	989,402	7.10
Sovereign	1,345,846	9.66
Telecommunications	244,375	1.75
Transportation	434,160	3.11
Accrued interest on debt securities	103,822	0.74
Portfolio of investments	13,533,526	97.06
Other net assets	409,386	2.94
Net assets attributable to unitholders	13,942,912	100.00
By Geography (Secondary)		
Australia	1,198,685	8.60
Britain	1,186,389	8.52
Cayman Islands	262,514	1.88
China	272,249	1.95
France	414,748	2.97
Germany	506,597	3.64
Japan	168,712	1.21
Malaysia	537,300	3.85
Singapore	8,359,161	59.95
South Korea	273,160	1.96
Spain	250,189	1.79
Accrued interest on debt securities	103,822	0.74
Portfolio of investments	13,533,526	97.06
Other net assets	409,386	2.94
Net assets attributable to unitholders	13,942,912	100.00

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

1. Domicile and activities

Phillip Investment Funds (the “Fund”) is an open ended umbrella unit trust constituted pursuant to a Trust Deed dated 26 February 2001 together with its Amending and Restating Deeds and its Supplemental Deed thereon (hereafter referred to as the “Trust Deed”) between Phillip Capital Management (S) Ltd (the “Manager”) and BNP Paribas Trust Services Singapore Limited (the “Trustee”). The Trust Deed is governed by and construed in accordance with the laws of the Republic of Singapore.

The Fund offers a series of sub-funds (the “Sub-Funds”); these were first offered for sale in Singapore on the following launch dates:

Sub-Fund	Launch date
Phillip Money Market Fund	1 March 2001
Sustainable Reserve Fund	30 October 2023

Phillip Money Market Fund (the “Sub-Fund”)

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

Sustainable Reserve Fund (the “Sub-Fund”)

The investment objective of Sustainable Reserve Fund is to achieve income yields enhancement over the 6-months Singapore Overnight Rate Average (“SORA”). The Sub-Fund adopts the Manager’s approach to sustainable investing, by selecting issuers that are committed to and are taking appropriate actions that contribute to a green economy.

The Sub-Fund invests substantially all of its assets in global fixed income instruments (including short-term interest bearing debt instruments and bonds), money market instruments and bank deposits (including fixed deposits). The fixed income instruments may be issued by governments, government agencies, companies and supranational. The Sub-Fund is a short-duration bond fund and its investments will be broadly diversified with no specific industry or sectoral emphasis. The Sub-Fund Investment Guidelines in Appendix 1 of the Code on Collective Investment Schemes apply. The benchmark for the Sustainable Reserve Fund is the 6-months SORA

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information

2.1 *Basis of preparation*

The financial statements, expressed in Singapore dollars (“SGD” or “S\$”), have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the *Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts”* (“RAP 7”) issued by the Institute of Singapore Chartered Accountants.

The adoption of the revised RAP 7 did not result in any significant changes to the accounting policies of the Fund and had no material effect on the amounts reported for current financial year/period.

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

2.2 *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.

2.3 *Valuation of investments*

Quoted investments are stated at fair value based on the bid prices for debt securities at the reporting date. If there is no last bid price, the fair value is determined using valuation techniques that are commonly used by market participants. Unrealised gains/losses on investments are represented by the difference between the fair value and the carrying value of investments and are recognised in the Statement of Total Return. Realised gains and losses upon disposal of investments are computed on the basis of the difference between the carrying value and the selling price of investments on trade date and are taken to the Statement of Total Return.

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

2.4 *Financial assets at amortised cost*

Financial assets at amortised cost include receivables, cash and bank balances, margin and collateral accounts.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

2. Material accounting policy information (cont'd)

2.5 *Sales and purchases awaiting settlement*

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statements of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

2.6 *Financial derivatives*

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Deeds.

Financial derivatives are recognised initially at fair value. Subsequent to the initial recognition, financial outstanding at the end of the financial year are valued at forward rates or at current market prices using the "mark to market" method, as applicable, and the resultant gains and losses are taken up in the Statements of Total Return.

2.7 *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when, and only when, the Sub-Funds have a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.8 *Impairment of financial assets*

The Sub-Funds recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Sub-Funds expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

2.9 *Distribution policy*

Distribution to the unitholders is recognised in the Statements of Total Return in the period in which the dividends were declared. Dividends are declared at the discretion of the Manager. Distribution is accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

3. Income tax

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

4. Distributions

	2024 S\$
<u>Sustainable Reserve Fund</u>	
March interim distribution of S\$0.01 (Class A (dist)) per unit in respect of the year ended 31 December 2024	981
June interim distribution of S\$0.01 (Class A (dist)) per unit in respect of the year ended 31 December 2024	762
September interim distribution of S\$0.01 (S Class A (dist)) per unit in respect of the year ended 31 December 2024	675
	2,418

5. Receivables

	Phillip Money Market Fund 2024 S\$	2023 S\$	Sustainable Reserve Fund 2024 S\$
Receivable from unitholders for creation of units	63,843	7,530,151	13,000
Accrued interest receivable	408,779	186,850	6,674
	472,622	7,717,001	19,674

6. Payables

	Phillip Money Market Fund 2024 S\$	2023 S\$	Sustainable Reserve Fund 2024 S\$
Payable to unitholders for cancellation of units	7,206	6,609,274	–
Accrued expenses	2,100,890	886,713	35,593
	2,108,096	7,495,987	35,593

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

7. Financial derivatives at fair value

Financial derivatives comprise forward foreign exchange contracts for purchases and sales of foreign currencies. The period-end positive and negative fair values represent the unrealised gains and losses respectively on revaluation of forward foreign exchange contracts at the Statements of Financial Position date. The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at Statements of Financial Position date are analysed below.

There are no financial derivatives transacted for Phillip Money Market Fund.

	Contract or Underlying Principal Amount S\$	Fair Value assets S\$	Fair Value liabilities S\$
Sustainable Reserve Fund			
31 December 2024			
Forward foreign exchange contracts	7,542,432	58,951	42,616

Sustainable Reserve Fund also restricts its exposure to credit losses on the trading derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Master netting arrangements do not result in an offset of Statements of Financial Position assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Sub-Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period. As it is affected by each transaction subject to the arrangement.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

7. Financial derivatives at fair value (continued)

Financial assets and financial liabilities which are subject to enforceable master netting agreements or similar agreements for the period ended 31 December 2024 are detailed in the following table.

(i) Offsetting financial assets

	Gross amounts of recognised financial assets S\$	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position S\$	Net amounts of financial assets presented in the Statement of Financial Position S\$	Related accounts not set-off in the Statement of Financial Position		
				Financial instruments S\$	Cash collateral S\$	Net exposure S\$
2024						
Forward foreign exchange contracts	58,951	–	58,951	(42,616)	–	16,335

(ii) Offsetting financial liabilities

	Gross amounts of recognised financial liabilities S\$	Gross amounts of recognised financial assets set-off in the Statement of Financial Position S\$	Net amounts of financial liabilities presented in the Statement of Financial Position S\$	Related accounts not set-off in the Statement of Financial Position		
				Financial instruments S\$	Cash collateral S\$	Net exposure S\$
2024						
Forward foreign exchange contracts	42,616	–	42,616	(42,616)	–	–

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

8. Units in issue

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

Phillip Money Market Fund

	Class A SGD	Class I SGD	Class E SGD	Total
2024				
Units at beginning of the year	834,461,577	25,358,008	6,924,141	866,743,726
Units created	798,659,912	79,947,971	256,504,902	1,135,112,785
Units cancelled	(446,257,023)	(44,418,804)	(64,724,509)	(555,400,336)
Units at end of the year	1,186,864,466	60,887,175	198,704,534	1,446,456,175
Net assets attributable to unitholders – S\$	1,569,586,890	68,272,861	216,809,419	1,854,669,170
Net asset value per unit – S\$	1.3224	1.1213	1.0911	1.2822
2023				
Units at beginning of the year	825,792,902	12,222,401	2,910,100	840,925,403
Units created	507,438,185	39,751,483	9,636,486	556,826,154
Units cancelled	(498,769,510)	(26,615,876)	(5,622,445)	(531,007,831)
Units at end of the year	834,461,577	25,358,008	6,924,141	866,743,726
Net assets attributable to unitholders – S\$	1,069,230,822	27,489,954	7,292,616	1,104,013,392
Net asset value per unit – S\$	1.2813	1.0841	1.0532	1.2737

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

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

8. Units in issue (cont'd)

Sustainable Reserve Fund

	Class A Acc	Class A Dist	Class B Acc	Total
2024				
Units at beginning of the period	–	–	–	–
Units created	2,196,736	290,528	12,149,168	14,636,432
Units cancelled	(1,133,710)	(198,408)	–	(1,332,118)
Units at end of the period	1,063,026	92,120	12,149,168	13,304,314
Net assets attributable to unitholders – S\$	1,110,568	93,425	12,738,919	13,942,912
Net asset value per unit – S\$	1.0447	1.0141	1.0485	1.0479

Class A Units (acc) and Class A Units (dist) are offered to investors who invest S\$100 and above. Class B Units (acc) and Class B Units (dist) are offered to investors who invest S\$500,000 and above. All classes constitute the Sub-Fund and are not separate sub fund. Any expense, income and/or gain which is attributable to a particular class is deducted from or added to (as the case may be) the value of the sub fund which is attributable to that class. A separate net asset value per unit is calculated for each class.

For subscriptions and redemptions and for various fee calculations, investments are stated at the last traded price/amortised cost on the valuation day for the purpose of determining net asset value per unit while for reporting purpose the investments are valued at the relevant last traded or bid market prices as at the reporting date.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

8. Units in issue (cont'd)

The effect of last traded price/amortised cost in the net assets attributable to unitholders is as follows:

Phillip Money Market Fund

	Class A SGD S\$	Class I SGD S\$	Class E SGD S\$
2024			
Net assets attributable to unitholders per unit per financial statements	1.3224	1.1213	1.0911
Effect of adopting amortised cost per unit	–	(0.0001)	(0.0001)
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	(0.0001)	(0.0001)	(0.0001)
Net assets attributable to unitholders per unit for issuance/redemption	1.3223	1.1211	1.0909
2023			
Net assets attributable to unitholders per unit per financial statements	1.2813	1.0841	1.0532
Effect of adopting amortised cost per unit	0.0001	–	0.0001
Net assets attributable to unitholders per unit for issuance/redemption	1.2814	1.0841	1.0533

[^] The net asset value for the purposes of processing unit subscription and redemption was established in accordance with the methodology indicated in the Fund's Prospectus. This item reflects the movement in net asset value between the last dealing date and the end of reporting period due to accrual of income and operating expenses.

For valuation purpose, preliminary expenses are amortised over a period of 36 months from date of commencement of operations while for reporting purpose these preliminary expenses are expensed in the period when they are incurred.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

8. Units in issue (cont'd)

The effect of preliminary expenses in the net assets attributable to unitholders is as follows:

Sustainable Reserve Fund

2024	Class A Acc S\$	Class A Dist S\$	Class B Acc S\$
Net assets attributable to unitholders per unit per financial statements	1.0447	1.0141	1.0485
Effect of expensing preliminary expenses per unit	0.0009	0.0010	0.0009
Effects of mid price per unit	0.0017	0.0016	0.0017
Net assets attributable to unitholders per unit for issuance/redemption	1.0473	1.0167	1.0511

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management

The Sub-Funds' activities are exposed to a variety of market risks (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Sub-Funds' overall risk management programme seeks to minimise potential adverse effects on the Sub-Funds' financial performance. The Sub-Funds may use futures contracts, options contracts and/or currency forward contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Sub-Funds at any time as part of the overall financial risk management to reduce the Sub-Funds' risk exposures.

(a) Market risk

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

(i) Price risk

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

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

(ii) Interest rate risk

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

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

	Floating rate S\$	Up to 1 year S\$	Non-interest bearing S\$	Total S\$
Phillip Money Market Fund				
2024				
Assets				
Portfolio of investments	–	1,663,699,657	131,638,784	1,795,338,441
Receivables	–	–	472,622	472,622
Cash at banks	200,564,403	–	–	200,564,403
	<hr/>	<hr/>	<hr/>	<hr/>
	200,564,403	1,663,699,657	132,111,406	1,996,375,466
<hr/>				
Liabilities				
Payables	–	–	2,108,096	2,108,096
Purchases awaiting settlement	–	–	139,598,200	139,598,200
	<hr/>	<hr/>	<hr/>	<hr/>
	–	–	141,706,296	141,706,296
	<hr/>	<hr/>	<hr/>	<hr/>

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

	Floating rate S\$	Up to 1 year S\$	1-5 years S\$	Non-interest bearing S\$	Total S\$	
Phillip Money Market Fund						
2023						
Assets						
Portfolio of investments	–	849,687,591	54,325,377	101,568,989	1,005,581,957	
Receivables	–	–	–	7,717,001	7,717,001	
Cash at banks	98,210,421	–	–	–	98,210,421	
	98,210,421	849,687,591	54,325,377	109,285,990	1,111,509,379	
Liability						
Payables	–	–	–	7,495,987	7,495,987	
Sustainable Reserve Fund						
2024						
Assets						
Portfolio of investments	4,692,900	4,202,845	4,365,216	168,743	103,822	13,533,526
Sales awaiting settlement	–	–	–	–	518,265	518,265
Receivables	–	–	–	–	19,674	19,674
Cash at banks	687,062	–	–	–	–	687,062
Financial derivatives at fair value	–	–	–	–	58,951	58,951
	5,379,962	4,202,845	4,365,216	168,743	700,712	14,817,478
Liabilities						
Payables	–	–	–	–	35,593	35,593
Purchases awaiting settlement	–	–	–	–	796,357	796,357
Financial derivatives at fair value	–	–	–	–	42,616	42,616
	–	–	–	–	874,566	874,566

The accompanying notes form an integral part of these financial statements

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest for the 12-month period is as disclosed below. As of 31 December 2024 and 2023, should interest rates rise or fall by 1% with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders would be as follows:

	Phillip Money Market Fund	Sustainable Reserve Fund	
	2024	2023	2024
	S\$	S\$	S\$
Increase/(Decrease) in net assets attributable to unitholders	1,222,844	845,979	265,424

(iii) Currency risk

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

Sustainable Reserve 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 Sustainable Reserve Fund. The Manager may seek to minimise exposure to foreign currency fluctuation to the extent practicable.

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

Sustainable Reserve Fund

	USD	AUD	HKD	EUR
	S\$	S\$	S\$	S\$
2024				
Assets				
Portfolio of investments	1,899,533	768,576	180,562	–
Cash at banks	272,844	–	–	1,473
	<u>2,172,377</u>	<u>768,576</u>	<u>180,562</u>	<u>1,473</u>
Financial derivatives at fair value (notional value)	1,354,881	(760,193)	–	–
Net currency exposure	<u>3,527,258</u>	<u>8,383</u>	<u>180,562</u>	<u>1,473</u>

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(a) Market risk (cont'd)

(iii) Currency risk (cont'd)

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.

Sustainable Reserve 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 Sustainable Reserve Fund.

As at 31 December 2024, with respect to the monetary assets of the Sustainable Reserve Fund, had the Singapore Dollar appreciated/depreciated by 5% against foreign currencies, with all other variables remaining constant, the decrease/increase in net assets attributable to unitholders would be as follows:

	2024 S\$
United States Dollar (US\$)	176,363
Australia Dollar (AUD)	419
Hong Kong Dollar (HKD)	9,028
Euro (EUR)	<u>74</u>

(b) Liquidity risk

The Sub-Funds are exposed to daily redemption of units in the Sub-Funds. Therefore, the majority of their assets are invested in investments that are traded in an active market and can be readily disposed of.

The table below analyse the Sub-Funds' financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Phillip Money Market Fund		Sustainable
	Less than 3 months		
	2024	2023	2024
	S\$	S\$	S\$
Payables	2,108,096	7,495,987	35,593
Purchases awaiting settlement	139,598,200	–	796,357
Contractual cash outflows (excluding gross settled derivatives)	141,706,296	7,495,987	831,950

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

The table below analyses Sustainable Reserve Fund's derivative financial instruments in a loss position that will be settled on a gross basis into relevant maturity groupings based on the remaining period from the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 3 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 3 months S\$
<u>Sustainable Reserve Fund</u>	
At 31 December 2024	
Financial derivatives at fair value	
Forward foreign exchange contracts	
- Outflow	(2,728,440)
- Inflow	2,685,824
	<hr/>
Net outflow	(42,616)
	<hr/> <hr/>

(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-Funds are exposed arise from the Sub-Funds' investments in debt securities. The Sub-Funds are also exposed to counterparty credit risk on trading derivative products, cash at banks, sales awaiting settlement and other receivable balances.

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

The Sub-Funds may also enter into derivative contracts to manage exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Sub-Funds are 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 Manager minimises the Sub-Funds' credit risk by undertaking transactions with banks that are part of banking groups with good credit-rating assigned by international credit rating agencies.

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(c) *Credit risk (cont'd)*

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

Phillip Money Market Fund

	Percentage of total net assets attributable to unitholders 2024 %	Percentage of total net assets attributable to unitholders 2023 %
<u>Fixed deposits by rating category</u>		
P-1	25.41	47.17
P-1u	1.69	–
P-2	2.76	–
Total fixed deposits	29.86	47.17

Source of credit rating is from Moody's

Sustainable Reserve Fund

	Percentage of total net assets attributable to unitholders 2024 %
<u>Fixed deposits by rating category</u>	
P-1	7.45
Total fixed deposits	7.45

Source of credit rating is from Moody's.

Phillip Investment Funds

Notes to the financial statements
For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(d) Credit risk (cont'd)

The table below analyses the Sub-Funds' debt investments by credit ratings.

Phillip Money Market Fund

	Percentage of total net assets attributable to unitholders 2024 %	Percentage of total net assets attributable to unitholders 2023 %
<u>Debt securities by rating category</u>		
Aa2	–	0.82
Aa3	–	1.36
A1	–	2.62
A2	4.82	1.58
A3	0.67	0.38
AA-*	–	0.77
A+*	–	0.90
A-*	–	0.81
A-1+*	–	0.54
P-2	4.31	–
Not Rated	50.04	33.60
Total debt securities	59.84	43.38

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

* Credit rating is from Standard & Poor's

Phillip Investment Funds

Notes to the financial statements
For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(c) Credit risk (cont'd)

The table below analyses the Sub-Funds' debt investments by credit ratings (cont'd):

Sustainable Reserve Fund

	Percentage of total net assets attributable to unitholders 2024 %
<u>Debt securities by rating category</u>	
A1	3.84
A2	3.81
A3	12.20
Baa1	8.94
Baa2	9.01
Baa3	4.79
A+*	1.96
A*	1.21
A-*	1.79
BBB*	1.21
Not Rated	40.11
Total debt securities	88.87

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

* Credit ratings is from Standard & Poor's

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

The tables below summarise the credit rating of banks and custodian (*source: Moody's*) in which the Fund's assets are held as at 31 December 2024 and 31 December 2023.

<u>Counter party</u>	Phillip Money Market Fund		Sustainable
	2024	2023	Reserve Fund 2024
BNP Paribas, acting through its Singapore Branch	A1	Aa3	A1
China Construction Bank	A1	N.A.	–
Bank Julius Baer & Co AG Singapore	A1	N.A.	–
JP Morgan Chase	N.A.	A1	–
Maybank Singapore	A2	N.A.	–
MUFG Bank	A1	N.A.	–
National Bank of Kuwait	A1	N.A.	–
Oversea-Chinese Banking Corporation	Aa1	Aa1	–
Qatar National Bank	Aa2	N.A.	Aa2
Saudi National Bank	Aa3u	N.A.	–
Scotiabank Hong Kong	Aa2	N.A.	–
Sumitomo Mitsui Banking Corporation	A1	A1	–
Sumitomo Mitsui Trust Bank Ltd.	A1	N.A.	A1
Standard Chartered Bank	N.A.	A3	–
United Overseas Bank	Aa1	–	–

Derivatives risk

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

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(d) Fair value estimation

Except for investments which are measured at fair value, at 31 December 2024 and 2023, the fair values of assets and liabilities approximate their carrying values on the Statement of Financial Position.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Sub-Fund holds derivatives with offsetting market risks, mid-market prices are used as a basis for establishing fair values for the offsetting risk positions and bid or asking price are applied to the net open position, as appropriate. The carrying amounts of the financial assets and liabilities with maturity of less than one year are assumed to approximate their fair values because they are short term in nature or the effect of discounting is immaterial.

The Sub-Funds classify 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).

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

9. Financial risk management (cont'd)

(d) Fair value estimation (cont'd)

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 31 December 2024 and 2023:

Phillip Money Market Fund

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
2024				
Assets				
Financial assets designated at fair value through profit or loss				
- Debt securities	–	1,111,564,289	–	1,111,564,289
- Quoted investment funds	126,850,720	–	–	126,850,720
				126,850,720
	126,850,720	1,111,564,289	–	– 1,238,415,009

2023

Assets

Financial assets designated at fair value through profit or loss				
- Debt securities	–	384,852,759	–	384,852,759
- Quoted investment funds	95,738,880	–	–	95,738,880
				95,738,880
	95,738,880	384,852,759	–	– 480,591,639

Sustainable Reserve Fund

2024

Assets

Financial assets designated at fair value through profit or loss				
- Debt securities	–	12,494,475	–	12,494,475
- Financial derivatives at fair value	–	58,951	–	58,951
				–
	–	12,553,426	–	– 12,553,426

Liabilities

Financial liabilities designated at fair value through profit or loss				
- Financial derivatives at fair value	–	42,616	–	42,616
				–
	–	42,616	–	– 42,616

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. These include debt securities and over-the-counter derivatives.

Phillip Investment Funds

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2024

10. Related parties

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

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

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

	Phillip Money Market Fund	Sustainable Reserve Fund	
	2024	2023	2024
	S\$	S\$	S\$
Cash and bank balances held with a related party of the Trustee	37,989,204	24,876,556	681,107

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

11. Financial ratios

Phillip Money Market Fund

	2024	2023
	S\$	S\$
Expense Ratio		
Class A SGD		
Total operating expenses	S\$ 6,328,971	5,112,129
Average daily net asset value	S\$ 1,294,834,833	1,048,167,666
Total expense ratio¹	% 0.49	0.49
Class I SGD		
Total operating expenses	S\$ 114,976	49,347
Average daily net asset value	S\$ 42,140,346	18,275,534
Total expense ratio¹	% 0.27	0.27
Class E SGD		
Total operating expenses	S\$ 142,868	7,258
Average daily net asset value	S\$ 129,848,784	6,604,003
Total expense ratio¹(annualised)	% 0.11	0.11

Phillip Investment Funds

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2024

11. Financial ratios (cont'd)

Phillip Money Market Fund (cont'd)

	2024 S\$	2023 S\$
Turnover Ratio		
Lower value of purchase (or sale) of underlying investments	S\$ 15,343,400	17,374,410
Average daily net asset value	S\$ 1,466,823,963	1,073,047,204
Total turnover ratio²	% 1.05	1.62

Sustainable Reserve Fund

		2024 S\$
Expense Ratio		
Class A Acc		
Total operating expenses		
- Including preliminary expenses	S\$	18,145
- Excluding preliminary expenses	S\$	14,333
Average daily net asset value	S\$	1,144,527
Total expense ratio¹		
- Including preliminary expenses (annualised)	%	1.38
- Excluding preliminary expenses (annualised)	%	1.09

Class A Dist

Total operating expenses		
- Including preliminary expenses	S\$	1,262
- Excluding preliminary expenses	S\$	1,014
Average daily net asset value	S\$	81,299
Total expense ratio¹		
- Including preliminary expenses (annualised)	%	1.36
- Excluding preliminary expenses (annualised)	%	1.09

Class B Acc

Total operating expenses		
- Including preliminary expenses	S\$	117,164
- Excluding preliminary expenses	S\$	81,873
Average daily net asset value	S\$	9,347,776
Total expense ratio¹(annualised)		
- Including preliminary expenses (annualised)	%	1.08
- Excluding preliminary expenses (annualised)	%	0.75

Turnover Ratio

Lower value of purchase (or sale) of underlying investments	S\$	7,339,043
Average daily net asset value	S\$	10,573,602
Total turnover ratio²	%	69.41

Phillip Investment Funds

NOTES TO THE FINANCIAL STATEMENTS ***For the financial year ended 31 December 2024***

11. Financial ratios (cont'd)

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

Phillip Investment Funds

Notes to the financial statements For the financial year ended 31 December 2024

Important Information

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

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