Phillip International Funds

Annual Report
Year ended 30 June 2026

PhillipCapitalManagement

Contents

MANAGER

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Manager’s Investment Report

Global equity markets remained volatile during the year as investors navigated uncertainty over inflation, interest rates, trade policy and geopolitical developments. Market leadership was narrow, with investor attention concentrated on large US technology and financial companies, while many smaller companies and non-US markets experienced more uneven performance.

Artificial intelligence remained an important investment theme, but investors became increasingly selective about which companies could convert rising demand into sustainable earnings and cash flow. Beyond AI, the Fund continued to find company-specific opportunities in software and cybersecurity, defence technology, satellite communications, health and wellness, marine technology, and established consumer brands.

Market sentiment shifted quickly during the period. Defence-related shares were affected by changing expectations around geopolitical tensions, while software, cybersecurity and AI-related companies experienced periods of heightened volatility. Selected Chinese companies were also affected by concerns over domestic growth, policy changes and restrictions on cross-border market activity.

Against this backdrop, company fundamentals and valuation discipline remained important. Share-price performance did not always move in line with underlying business progress, creating both short-term pressure and opportunities to invest in companies with durable competitive positions and visible long-term growth drivers.

The Fund returned -6.7% for the year ended 30 June 2026. Performance reflected sharp changes in market sentiment across the Fund's principal investment themes and regions. Although several portfolio companies continued to report healthy business fundamentals, this progress was not consistently reflected in their share prices during the year.

The Fund's focus on smaller, innovative companies can result in greater short-term price volatility, particularly when investors favour large-cap companies or rapidly rotate between sectors. The investment team continued to review earnings, financial quality and valuation, and adjusted position sizes where holdings approached the Fund's limits.

At 30 June 2026, the Fund held 91% in equities and 9% in cash across 21 companies. The portfolio was concentrated in Japan at 51% and China at 30%, followed by Korea at 8% and Europe at 2%. By sector, the largest exposures were consumer companies at 35%, technology at 33% and industrials at 21%.

The ten largest holdings represented 75% of the securities portfolio. The largest positions were Celsys, Bailong Chuangyuan,, Zhejiang Crystal-Optech, Caulis and Fujikura. During June, the Fund partially realised gains in Hanwha Aerospace to bring the position closer to its portfolio limit.

Portfolio company fundamentals remained strong in aggregate at the reporting date, with a weighted return on equity of 26%, operating margin of 20%, five-year compound annual sales growth of 19% and five-year compound annual EBITDA growth of 24%.

The outlook remains uncertain. Key risks include changes in inflation and interest-rate expectations, trade and technology restrictions, fiscal pressures, slower-than-expected economic growth, weaker corporate earnings and geopolitical tensions in the Middle East, Europe and across the Taiwan Strait. These factors may continue to produce rapid changes in market leadership and valuation.

The Fund will continue to focus on companies with structural or company-specific growth drivers, sound balance sheets and attractive long-term earnings potential. The team will monitor position limits and cash-flow conversion closely, consider taking profits where holdings become oversized, and selectively add to existing or new ideas across Greater China, Taiwan, Korea, Japan, the United States and India after further research and valuation review.

Report to unitholders[1]

a) **I Investments classified by geography**

	Fair Value at 30 June 2026	Percentage of Net Assets Attributable to Unitholders at 30 June 2026
	S$	%
China	3,688,095	26.00
Germany	292,951	2.07
Japan	7,037,257	49.61
Korea	1,169,051	8.24
The United States of America	411,317	2.90
Portfolio of investments	12,598,671	88.82
Other net assets	1,585,332	11.18
Net assets attributable to unitholders	14,184,003	100.00

II Investments classified by industry

	Fair Value at 30 June 2026	Percentage of Net Assets Attributable to Unitholders at 30 June 2026
	S$	%
Basic Materials	2,335,954	16.47
Communications	314,678	2.22
Consumer, Cyclical	2,199,132	15.50
Industrial	4,674,331	32.95
Technology	3,074,576	21.68
Portfolio of investments	12,598,671	88.82
Other net assets	1,585,332	11.18
Net assets attributable to unitholders	14,184,003	100.00

[1] As required by the Code on Collective Investment Schemes

III Investments classified by asset class

	Fair Value at 30 June 2026	Percentage of Net Assets Attributable to Unitholders at 30 June 2026
	S$	%
Equities	12,598,671	88.82
Portfolio of investments	12,598,671	88.82
Other net assets	1,585,332	11.18
Net assets attributable to unitholders	14,184,003	100.00

b) **Top Ten Holdings**

10 Largest Holdings at 30 June 2026	Fair Value at 30 June 2026	Percentage of Net Assets Attributable to Unitholders at 30 June 2026
	S$	%
Celsys Inc	1,644,936	11.60
Shandong Bailong Chuangyuan Bio-Tech Co Ltd	1,476,955	10.41
Zhejiang Crystal-Optech Co Ltd	1,352,141	9.53
Caulis Inc	1,218,760	8.59
Fujikura Ltd	1,191,478	8.40
Hanwha Aerospace Co Ltd	1,079,888	7.61
CoCreation Grass Co Ltd	858,999	6.06
Sanrio Co Ltd	656,574	4.63
Asics Corp	522,275	3.68
Atour Lifestyle Holdings Ltd	411,317	2.90

10 Largest Holdings at 30 June 2025	Fair Value at 30 June 2025 S$	Percentage of Net Assets Attributable to Unitholders at 30 June 2025 %
Phillip Money Market Fund	2,814,430	9.87
Meitu Inc	2,344,174	8.22
PharmaResearch Co Ltd	2,328,638	8.16
Hanwha Aerospace Co Ltd	1,705,709	5.98
NetEase Cloud Music Inc	1,681,386	5.89
Autel Intelligent Technology Corp Ltd	1,469,028	5.15
MIPS AB	1,421,505	4.98
Streamax Technology Co Ltd	1,229,702	4.31
Phillip SGD Money Market ETF	1,031,238	3.62
Jiangxi Guoke Military Industry Group Co Ltd	1,027,402	3.60

c) (i) Exposure to Derivatives as at 30 June 2026
Nil

c) (ii) Gain on derivative contracts realised for the year ended 30 June 2026
Nil

c) (iii) Loss on outstanding derivative contracts marked to market as at 30 June 2026
Nil

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

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

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

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

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

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

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

e) Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 30 June 2026

Please refer to Statement of Portfolio on pages FS4 to FS7.

f) Amount and percentage of borrowings of total fund size as at 30 June 2026
Nil

g) Amount of redemptions and subscriptions for the year ended 30 June 2026

Total amount of redemptions	(S$ 20,481,944)
Total amount of subscriptions	S$ 7,193,218

h) Amount of related party transactions for the year ended 30 June 2026

Bank balances held with a related party of the Trustee	S$ 1,327,651
Management fees paid to the Manager	S$ 311,173
Trustee fees paid to the Trustee	S$ 18,930
Administration fee paid to a related party of the Trustee	S$ 33,858
Custodian fee paid to a related party of the Trustee	S$ 16,227
Brokerage fees paid to a related party of the Trustee and the Manager	S$ 13,016
Interest income received from a related party of the Trustee	S$ 7

i) **Performance of the Fund as at 30 June 2026**

	Class A	Class B	Benchmark
	SGD	SGD	
Cumulative (%)*			
3 months	1.81	1.93	2.80
6 months	1.70	1.89	7.58
1 Year	-6.72	-6.42	23.35
3 Year	23.56	24.56	77.02
5 Year	-29.98	-28.41	66.22
Since inception	-19.96	-16.86	142.31
Annualised (%)			
1 Year	-6.72	-6.42	23.35
3 Year	7.31	7.59	20.97
5 Year	-6.88	-6.47	10.70
Since inception	-3.74	-3.11	16.36

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

Inception dates for Class A and Class B were 1 September 2020 and 28 August 2020 respectively.

j) **Expense Ratio**

Please refer to Note 10 of Notes to Financial Statements.

k) **Turnover Ratio**

Please refer to Note 10 of Notes to Financial Statements.

l) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts.
Nil

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

(i) Top 10 holdings at market value and as percentage of NAV as at 30 June 2026
Not applicable

(ii) Expense ratios for the year ended 30 June 2026
Not applicable

(iii) Turnover ratios for the year ended 30 June 2026
Not applicable

n) Soft dollar arrangements

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

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

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

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Phillip International 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 International Funds during the year covered by these financial statements, set out on pages FS1 to FS18, 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
Citicorp Trustee (Singapore) Limited

Authorised signatory

23 September 2026

Statement by the Manager

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages FS1 to FS18, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of Phillip International Funds as at 30 June 2026, and the financial performance and movement in unitholders' funds for the year then 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 International Funds will be able to meet its financial obligations as and when they materialise.

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

Jeffrey Lee Chay Khiong
Director

23 September 2026

Independent auditors' report

Unitholders
Phillip International Funds
(Constituted under a Trust Deed in the Republic of Singapore)

Opinion

We have audited the financial statements of Phillip International Funds (''the Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 30 June 2026, the Statement of Total Return and Statement of Movement of Unitholders' Funds for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS18.

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 30 June 2026 and the financial performance and movements in unitholders' funds for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements* section" of our report. We are independent of the Fund in accordance with the *Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Phillip Capital Management (S) Ltd., the Manager of the Fund (the "Manager") is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

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

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

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 controls as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner on the audit resulting in this independent auditors' report is Lee Chin Siang Barry.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 September 2026

Statement of Total Return
Year ended 30 June 2026

	Note	Phillip Global Rising Yield Innovators Fund 2026 S$	2025 S$
Income			
Dividends		188,034	370,912
Interest		7	1
Other income		297,807	189
		485,848	371,102
Less:			
Expenses			
Management fees	9	311,173	387,137
Trustee fees	9	18,930	19,445
Custody fees	9	16,227	8,033
Administration fees	9	33,858	19,445
Transaction fees		96,245	113,872
Registrar fees		47,427	72,493
Audit fees		19,296	16,493
Interest expense		1,099	2,550
Other expenses		70,183	89,582
		614,438	729,050
Net loss		(128,590)	(357,948)
Net losses or gains on value of investments and foreign exchange			
Net (losses)/gains on value of investments		(862,948)	6,667,618
Net losses on foreign exchange		(33,487)	(105,145)
		(896,435)	6,562,473
Total (deficit)/return for the year before income tax		(1,025,025)	6,204,525
Less: Income tax	7	(25,583)	(48,441)
Total (deficit)/return for the year after income tax before distribution		(1,050,608)	6,156,084

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

Statement of Financial Position
As at 30 June 2026

	Note	Phillip Global Rising Yield Innovators Fund	
		2026	**2025**
		S$	**S$**
Assets			
Portfolio of investments		12,598,671	26,968,263
Sales awaiting settlement		–	915,320
Receivables	3	347,011	1,507,265
Cash and cash equivalents	4	1,327,651	1,683,990
Total assets		14,273,333	31,074,838
Liabilities			
Payables	5	89,330	1,662,445
Purchase awaiting settlement		–	889,056
Total liabilities		89,330	2,551,501
Equity			
Net assets attributable to unitholders	6	14,184,003	28,523,337

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

Statement of Movement of Unitholders' Funds
Year ended 30 June 2026

	Note	Phillip Global Rising Yield Innovators Fund 2026 S$	2025 S$
Net assets attributable to unitholders at the beginning of financial year		28,523,337	37,083,706
Operations			
Change in net assets attributable to unitholders resulting from operations		(1,050,608)	6,156,084
Unitholders' contributions/(withdrawals)			
Creation of units		7,193,218	4,828,178
Cancellation of units		(20,481,944)	(19,544,631)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(13,288,726)	(14,716,453)
Total decrease in net assets attributable to unitholders		(14,339,334)	(8,560,369)
Net assets attributable to unitholders at the end of financial year	6	14,184,003	28,523,337

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

Statement of Portfolio
As at 30 June 2026

	Holdings as at 30 June 2026	Fair value as at 30 June 2026 S$	Percentage of total net assets attributable to unitholders as at 30 June 2026 %
Phillip Global Rising Yield Innovators Fund			
By Geography (Primary)			
Quoted Equities			
China			
CoCreation Grass Co Ltd	140,000	858,999	6.06
Shandong Bailong Chuangyuan Bio-Tech Co Ltd	299,846	1,476,955	10.41
Zhejiang Crystal-Optech Co Ltd	200,000	1,352,141	9.53
		3,688,095	26.00
Germany			
Rheinmetall AG	200	292,951	2.07
		292,951	2.07
Japan			
Asics Corp	15,000	522,275	3.68
Buysell Technologies Co Ltd	12,000	314,678	2.21
Caulis Inc	130,000	1,218,760	8.59
Celsys Inc	110,000	1,644,936	11.60
Fujikura Ltd	24,000	1,191,478	8.40
Furuno Electric Co Ltd	5,000	226,418	1.60
Konami Group Corp	1,500	210,880	1.49
Maruchiyo Yamaokaya Corp	10,000	269,394	1.90
Nippon Avionics Co Ltd	3,000	118,422	0.83
Sanrio Co Ltd	75,000	656,574	4.63
Seiko Group Corp	3,000	192,436	1.36
Sinfonia Technology Co Ltd	1,500	190,168	1.34
Terasaki Electric Co Ltd	5,000	133,702	0.94
Yonex Co Ltd	8,000	147,136	1.04
		7,037,257	49.61
Korea			
Han Kuk Carbon Co Ltd	4,000	89,163	0.63
Hanwha Aerospace Co Ltd	1,300	1,079,888	7.61
		1,169,051	8.24
United States of America			
Atour Lifestyle Holdings Ltd	10,000	411,317	2.90
		411,317	2.90

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

Statement of Portfolio (continued)
As at 30 June 2026

	Holdings as at 30 June 2026	Fair value as at 30 June 2026 S$	Percentage of total net assets attributable to unitholders as at 30 June 2026 %
Phillip Global Rising Yield Innovators Fund			
By Geography (Primary) (continued)			
Quoted Equities (continued)			
Total Equities		12,598,671	88.82
Portfolio of investments		12,598,671	88.82
Other net assets		1,585,332	11.18
Net assets attributable to unitholders		14,184,003	100.00

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

Statement of Portfolio (continued)
As at 30 June 2026

	Percentage of total net assets attributable to unitholders as at 30 June 2026 %	Percentage of total net assets attributable to unitholders as at 30 June 2025 %
Phillip Global Rising Yield Innovators Fund		
By Geography (Summary)		
Quoted Equities		
China	26.00	27.43
Germany	2.07	1.88
Hong Kong	–	14.11
Japan	49.61	8.91
Korea	8.24	15.08
Sweden	–	4.98
Taiwan	–	2.19
United States of America	2.90	6.40
Total Equities	88.82	80.98
Quoted Money Market Funds		
Singapore	–	13.49
Total Money Market Funds	–	13.49
Quoted Rights		
Korea	–	0.08
Total Rights	–	0.08
Portfolio of investments	88.82	94.55
Other net assets	11.18	5.45
Net assets attributable to unitholders	100.00	100.00

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

Statement of Portfolio (continued)
As at 30 June 2026

	Fair value as at 30 June 2026 S$	Percentage of total net assets attributable to unitholders as at 30 June 2026 %	Percentage of total net assets attributable to unitholders as at 30 June 2025 %
Phillip Global Rising Yield Innovators Fund			
By Industry (Secondary)			
Quoted Equities			
Basic materials	2,335,954	16.47	2.65
Communications	314,678	2.22	18.06
Consumer, Cyclical	2,199,132	15.50	21.41
Consumer, Non-cyclical	–	–	12.08
Financials	–	–	0.96
Industrial	4,674,331	32.95	20.74
Technology	3,074,576	21.68	5.08
Total Equities	12,598,671	88.82	80.98
Quoted Money Market Funds			
Money Market Funds	–	–	13.49
Total Money Market Funds	–	–	13.49
Quoted Rights			
Industrials	–	–	0.08
Total Rights	–	–	0.08
Portfolio of investments	12,598,671	88.82	94.55
Other net assets	1,585,332	11.18	5.45
Net assets attributable to unitholders	14,184,003	100.00	100.00

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

1. Domicile and activities

Phillip International Funds ("the Fund") is an open-ended umbrella unit trust constituted pursuant to a Trust Deed dated 30 July 2020 between Phillip Capital Management (S) Ltd (the "Manager") and Citicorp Trustee (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore.

The Fund comprises one sub-fund, Phillip Global Rising Yield Innovators Fund (the "Sub-Fund"), which was launched on 28 August 2020.

The investment objective of the Sub-Fund is to aim to achieve sustainable income streams and long-term capital growth. The Sub-Fund will invest primarily in global stocks with quality businesses who are resilient in economic downturns and generate sustainable long-term shareholders' returns. Such investments may include corporate equities and exchange traded funds.

2. Material accounting policies

2.1 Basis of preparation

The financial statements, expressed in Singapore Dollars ("S$"), have been prepared under the historical cost basis, as modified by the revaluation of financial investments at fair value, and in accordance with the *Statement of Recommended Accounting Practice 7 Reporting Framework for Investment Funds* ("RAP 7") revised and issued by the Institute of Singapore Chartered Accountants.

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

2.2 Investments

Investments are stated at fair value based on the last traded prices for equities and 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.

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

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

2.3 Recognition of income

Dividend income is recognised in the Statement of Total Return on the date which the Sub-Fund's right to receive payment is established.

2.4 Sales awaiting settlement and purchase awaiting settlement

In accordance with the Sub-Fund's policy of trade-date accounting for regular-way sale and purchase transactions, sale or purchase transactions awaiting settlement represents amount receivable or payable for securities sold or purchased but not yet settled as at the reporting date.

2.5 Foreign currency translation

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

2.6 Income tax expense

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

(i) gains or profits derived from Singapore or elsewhere from the disposal of securities;

(ii) interest (other than interest for which Singapore tax has been withheld);

(iii) dividends derived from outside Singapore and received in Singapore; and

(iv) gains or profits derived from foreign exchange transactions and transactions in foreign exchange spots.

2.7 Cash and cash equivalents

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

2.8 Net assets attributable to unitholders

Net assets attributable to unitholders are classified as equity.

3. Receivables

	Phillip Global Rising Yield Innovators Fund	
	2026	2025
	S$	S$
Receivable from unitholders for creation of units	10,914	18,804
Dividends receivable	20,489	3,286
Due from FX spots	–	1,484,778
Prepayments	17,409	–
GST receivable	297,807	–
Other receivables	392	397
	347,011	1,507,265

As at 30 June 2025, the amount due from FX spots arises from foreign exchange spot contracts with a broker, comprising of buying Japanese Yen amounting to JPY64,724,079 to Singapore Dollars and selling South Korean Won amounting to KRW969,902,169 to Singapore Dollars.

4. Cash and cash equivalents

	Phillip Global Rising Yield Innovators Fund	
	2026	2025
	S$	S$
Bank balances	1,327,651	1,683,990

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

5. Payables

	Phillip Global Rising Yield Innovators Fund	
	2026	2025
	S$	S$
Payable to unitholders for cancellation of units	3,890	97,976
Due to FX spots	–	1,487,913
Accrued operating expenses	85,440	76,556
	89,330	1,662,445

As at 30 June 2025, the amount due to FX spots arises from foreign exchange spot contracts with a broker, comprising of buying Japanese Yen amounting to JPY64,724,079 to Singapore Dollars and selling South Korean Won amounting to KRW969,902,169 to Singapore Dollars.

6. Units in issue

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

	Phillip Global Rising Yield Innovators Fund 2026		
	Class A	**Class B**	**Total**
Units at beginning of the financial year	522,535	31,696,586	32,219,121
Units created	1,702,098	6,457,872	8,159,970
Units cancelled	(1,793,217)	(21,815,622)	(23,608,839)
Units at end of the financial year	431,416	16,338,836	16,770,252
Net assets attributable to unitholders – S$	352,983	13,831,020	14,184,003
Net asset value per unit – S$	0.8182	0.8465	0.8458

	Phillip Global Rising Yield Innovators Fund 2025		
	Class A	**Class B**	**Total**
Units at beginning of the financial year	400,919	52,035,225	52,436,144
Units created	220,353	6,311,693	6,532,046
Units cancelled	(98,737)	(26,650,332)	(26,749,069)
Units at end of the financial year	522,535	31,696,586	32,219,121
Net assets attributable to unitholders – S$	448,388	28,074,949	28,523,337
Net asset value per unit – S$	0.8581	0.8857	0.8853

Class A and B SGD Units are offered to investors who invest S$100 and above. All classes constitute the Sub-Fund and are not separate sub-funds. Any expense, income and/or gain which is attributable to a particular class 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 redemption of units and for various fee calculations, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit. For reporting purpose, the investments are valued at the last traded price as at the reporting date.

7. Income tax

	Phillip Global Rising Yield Innovators Fund	
	2026	**2025**
	S$	**S$**
Capital gains tax	–	1,817
Overseas income tax	25,583	46,624
	25,583	48,441

The overseas income tax charge relates to withholding tax suffered on receipt of distributions from overseas investments.

8. Financial risk management

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

The following is a summary of then main risks and risk management policies.

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 the Sub-Fund's exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

i. Price risk

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

The investments of the Sub-Fund are subject to normal market fluctuations and the risks inherent in investing in securities markets and there can be no assurance that appreciation will occur. It is the policy of the Manager to maintain a diversified portfolio of investments so as to minimise the risk. The Manager's preferred strategy is to hold investments for the medium to long term. The Manager is therefore not concerned about the short-term price volatility with respect to its investments provided that the underlying business, economic and management characteristics of its investment remain favourable.

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

	Phillip Global Rising Yield Innovators Fund	
	2026	**2025**
	S$	**S$**
Portfolio of investments:		
Quoted equities	1,259,867	2,309,907
Quoted money market funds	–	384,567
Quoted rights	–	2,352
	1,259,867	2,696,826

ii. *Interest rate risk*

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

The Sub-Fund is not subject to significant risk of fluctuations in market interest rates as the Sub-Fund's financial assets and liabilities are largely non-interest bearing. Hence, no interest rate sensitivity is presented.

iii. *Currency risk*

The Sub-Fund holds both monetary and non-monetary assets and liabilities denominated in currencies other than the Singapore dollars, the functional currency. Consequently, the Sub-Fund may be exposed to currency risk since the value of these assets and liabilities denominated in other currencies will fluctuate due to changes in exchanges rates. The Manager may manage the currency risk to the extent practicable.

The table below summarises the Sub-Fund's exposure to key foreign currencies at the end of the financial year. Monetary and non-monetary items have been taken into the account for the analysis.

	Phillip Global Rising Yield Innovators Fund 2026			
	USD S$	**CNY S$**	**EUR S$**	**JPY S$**
Assets				
Portfolio of investments	411,317	3,688,095	292,951	7,037,257
Receivables	32,336	–	392	20,488
Cash and cash equivalents	3,556	–	32	–
Total Assets	447,209	3,688,095	293,375	7,057,745
Liabilities				
Payables	12,935	–	–	–
Total Liabilities	12,935	–	–	–
Net currency exposure	434,274	3,688,095	293,375	7,057,745

	Phillip Global Rising Yield Innovators Fund 2026			
	HKD S$	**KRW S$**	**TWD S$**	**Others S$**
Assets				
Portfolio of investments	–	1,169,051	–	–
Receivables	–	–	–	–
Cash and cash equivalents	–	35,420	–	3
Total Assets	–	1,204,471	–	3
Liabilities				
Payables	–	–	–	–
Total Liabilities	–	–	–	–
Net currency exposure	–	1,204,471	–	3

	Phillip Global Rising Yield Innovators Fund 2025			
	USD S$	**CNY S$**	**EUR S$**	**JPY S$**
Assets				
Portfolio of investments	1,825,274	7,824,928	537,330	2,539,091
Sales awaiting settlement	–	–	–	–
Receivables	–	–	397	573,993
Cash and cash equivalents	406,708	–	32	–
Total Assets	2,231,982	7,824,928	537,759	3,113,084
Liabilities				
Purchase awaiting settlement	–	–	–	570,707
Payables	–	–	–	–
Total Liabilities	–	–	–	570,707
Net currency exposure	2,231,982	7,824,928	537,759	2,542,377

	Phillip Global Rising Yield Innovators Fund 2025			
	HKD S$	**KRW S$**	**TWD S$**	**Others S$**
Assets				
Portfolio of investments	4,025,560	4,324,542	624,364	1,421,505
Sales awaiting settlement	–	915,320	–	–
Receivables	–	–	–	–
Cash and cash equivalents	–	87,666	158,880	3
Total Assets	4,025,560	5,327,528	783,244	1,421,508
Liabilities				
Purchase awaiting settlement	–	–	318,349	–
Payables	–	915,320	–	–
Total Liabilities	–	915,320	318,349	–
Net currency exposure	4,025,560	4,412,208	464,895	1,421,508

The portfolio of investments are non-monetary financial assets and are exposed to both currency risk and price risk. As these financial assets are non-monetary, no separate sensitivity analysis has been performed to analyse currency risk. The impact of currency risk arising from these financial assets on the Sub-Fund's net asset value has been included in the above price risk sensitivity analysis.

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

As at 30 June 2026 and 30 June 2025, with respect to the monetary assets and monetary liabilities of the Sub-Fund, had the Singapore Dollar increased/(decreased) by 10% against foreign currencies, with all other variables remaining constant, the (decrease)/increase in net assets attributable to unitholders would be as follows:

	Phillip Global Rising Yield Innovators Fund	
	2026	**2025**
	S$	**S$**
United States Dollar ("USD")	2,296	40,671
Euro ("EUR")	42	43
Japanese Yen ("JPY")	2,049	329
South Korean Won ("KRW")	3,542	8,767
Taiwan Dollar ("TWD")	–	(15,947)

b) Liquidity risk

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

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

	Phillip Global Rising Yield Innovators Fund	
	2026	**2025**
	S$	**S$**
Less than 3 months		
Payables	89,330	1,662,445
Purchase awaiting settlement	–	889,056
	89,330	2,551,501

c) Credit risk

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

The Sub-Fund is exposed to counterparty credit risk on cash and cash equivalents and receivables.

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

The Sub-Fund may also enter into derivative contracts to manage exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Sub-Fund is also exposed to the risk that amounts held with counterparties for derivative contracts may not be recoverable in the event of any default by the parties concerned.

d) Fair value estimation

The fair value of the investments 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 investments held by the Sub-Fund are the last traded price for equity securities where the last traded price falls within the bid-ask spread.

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

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

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets (by class) measured at fair value at 30 June 2026 and 30 June 2025:

Phillip Global Rising Yield Innovators Fund	**Level 1 S$**	**Level 2 S$**	**Level 3 S$**	**Total S$**
2026				
Assets				
Financial assets at fair value through profit or loss:				
Quoted equities	12,598,671	–	–	12,598,671
Quoted money market funds	–	–	–	–
Quoted rights	–	–	–	–

Phillip Global Rising Yield Innovators Fund	**Level 1 S$**	**Level 2 S$**	**Level 3 S$**	**Total S$**
2025				
Assets				
Financial assets at fair value through profit or loss:				
Quoted equities	23,099,070	–	–	23,099,070
Quoted money market funds	3,845,668	–	–	3,845,668
Quoted rights	23,525	–	–	23,525

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

9. Related parties

In the normal course of business of the Sub-Fund, management 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, registrar and brokerage services to the Sub-Fund in the normal course of business at terms agreed between the parties and within the provisions of the Trust Deed.
The Manager may also use the services of related parties to carry out transactions involving the purchase and sale of securities.

The following transactions took place between the Sub-Fund and its related parties during the year:

	Note	Phillip Global Rising Yield Innovators Fund 2026 S$	2025 S$
Bank balances held with a related party of the Trustee	4	1,327,651	1,683,990
Management fees paid to the Manager		311,173	387,137
Trustee fees paid to the Trustee		18,930	19,445
Administration fee paid to a related party of the Trustee		33,858	19,445
Custodian fee paid to a related party of the Trustee		16,227	8,033
Brokerage fees paid to a related party of the Trustee and the Manager		13,016	7,936
Interest income received from a related party of the Trustee		7	1

10. Financial ratios

		Phillip Global Rising Yield Innovators Fund 2026	2025
Expense ratio			
Class A – SGD			
Total operating expenses	S$	22,477	6,465
Average daily net asset value	S$	935,110	288,251
Total expense ratio (annualised) (Note 1)	%	2.40	2.24
Class B – SGD			
Total operating expenses	S$	494,616	606,163
Average daily net asset value	S$	23,842,709	30,789,189
Total expense ratio (annualised) (Note 1)	%	2.07	1.97

		Global Rising Yield Innovators Fund 2026	2025
Turnover ratio			
Lower of total value of purchases or sales	S$	21,347,853	30,572,569
Average daily net asset value	S$	24,777,819	31,077,440
Turnover ratio (Note 2)	%	86.16	98.38

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

The calculation of the expense ratio is based on total operating expenses divided by average net asset value for the year.

The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The average net asset value is based on the daily balances.

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

Important Information

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

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