

Phillip Treasury Fund

ANNUAL REPORT

Year ended 31 March 2022

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Phillip Treasury Fund

Directory

Manager

Phillip Capital Management (S) Ltd
250 North Bridge Road #0600
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 Securities Services operating through its Singapore Branch
20 Collyer Quay
#01-01
Singapore 049319
(Company Registration No. T08FC7287D)

Auditors

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Solicitors to the Manager

Chan & Goh LLP
50 Craig Road, #03-01
Singapore 089688

Solicitors to the Trustee

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

Phillip Treasury Fund

Manager's Investment Report

Phillip USD Money Market Fund

The US Dollar Money Market Fund returned 0.14%, after fees and expenses, over the year ended 31 March 2021. The Fund's net return (after fees) of 0.14% outperformed the Federal Funds Target Rate – Lower Bound benchmark return of mostly 0.00% over the same period.

As at 31 March 2021, the overall portfolio's Weighted Average Maturity ("WAM") stood at 117 days. The portfolio remains well diversified across countries, sectors and issuers, with debt issues in financial services constituting the largest non-deposit investment allocation.

The US Federal Reserve recently raised the target US Federal Fund Rate (upper bound) by 25 basis points and 50 basis points during the FOMC meetings in March and May respectively, bringing the policy rate up to 1.00% in contrast with the 0.25% at the beginning of the calendar year. There was also guidance for similar 50 basis points increments for its upcoming two meetings in June and July 2022, though the possibility of more aggressive hikes was downplayed. The monthly bond purchase programme initiated at the onset of the pandemic in March 2020 also saw its conclusion within March 2022, and the central bank indicated its intent to wind down its US\$9 trillion balance sheet by US\$95 billion a month starting from June 2022. Having seen inflationary pressures remain stubbornly anchored at elevated levels amid a robust economic rebound, persistent supply-demand imbalances, geopolitical tensions and lofty energy prices, the Federal Reserve have pivoted away from its previous accommodative stance and adopted a hawkish approach to combatting inflation so as to maintain price stability. This new policy shift has seen interest rates rise sharply since the beginning of the year with the effect more pronounced within short-term rates.

Based on the United States Department of Commerce's report in April 2022, the GDP of the US contracted by an annual rate of 1.4% for the first quarter of 2022. Slowdown in fixed investments and defence spending, dissipating tailwinds from private inventory investments and net trade deficit have contributed towards the drag on economic growth. Given expectations of a reversal of the net trade deficit and robust labour market conditions, we expect the economic outlook to remain solid going forward in spite of tighter monetary conditions.

Our strategy remains to buy and hold high-quality securities to maturity, and to manage interest rate risk by buying papers and placing deposits across a range of maturities. There is less pressure on yields for the portfolio as interest rates rise, and correspondingly the pressure points may move to credit quality of corporates in a more challenging economic environment. Given the emphasis on strong investment grade papers for our Fund, we expect our exposures to adverse credit conditions would be limited. We will continue with prudent management of concentration and liquidity risks with a wide diversification of issuers and banks for the portfolio.

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2022

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

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 18 - 21.

2. Schedule of investments by asset class

Phillip USD Money Market Fund

Asset Class	Fair value at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders at 31 March 2022 %
Fixed income securities	202,079,899	52.61
Term deposits	82,145,146	21.38
Cash and cash equivalents	108,138,832	28.15
Other net liabilities	(8,234,637)	(2.14)
	<u>384,129,240</u>	<u>100.00</u>

Types of Money Market Instruments and Debt Securities

Asset Class	Fair value at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders at 31 March 2022 %
Fixed rate notes	134,390,673	34.99
Floating rate notes	66,167,521	17.22
Accrued interest on fixed income securities	1,521,705	0.40
	<u>202,079,899</u>	<u>52.61</u>

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2022

3. Credit rating

i) Debt securities

Phillip USD Money Market Fund

	Fair value at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders at 31 March 2022 %
Aa2	20,044,990	5.22
Aa3	11,647,181	3.03
A1	104,435,890	27.19
A2	39,017,030	10.16
A3	2,996,813	0.78
A*	6,067,082	1.58
A+*	16,349,208	4.25
Accrued interest on debt securities	1,521,705	0.40
Total	202,079,899	52.61

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

* Credit rating is from Standard & Poor's

ii) Fixed deposits

Phillip USD Money Market Fund

	Fair value at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders at 31 March 2022 %
P-1	82,097,495	21.37
Accrued interest on fixed deposits	47,651	0.01
Total	82,145,146	21.38

Source of credit rating is from Moody's.

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2022

4. Top 10 holdings

Phillip USD Money Market Fund

10 largest holdings at 31 March 2022	Fair value at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders at 31 March 2022 %
Sinopec Group Overseas Development 2017 Limited 2.5% due 13/09/2022	13,019,791	3.39
Agricultural Bank Of China Limited/Hong Kong 0.979% due 30/07/2022	13,008,320	3.39
CNOOC Finance 2012 Limited 3.875% due 02/05/2022	11,984,417	3.12
Hana Bank 1.60286% due 13/03/2023	11,033,110	2.87
Sinopec Group Overseas Development 2017 Limited 3% due 12/04/2022	9,675,968	2.52
CNPC General Capital Limited 3.95% due 19/04/2022	8,394,641	2.19
Bank Of Communications Company Limited/Hong Kong 1.38643% due 15/05/2022	8,002,800	2.08
CNPC General Capital Limited 3.4% due 16/04/2023	7,323,261	1.91
Bank Of China Limited/Luxembourg 0.96129% due 17/04/2022	6,700,670	1.74
Bank Of China Limited/Paris 1.35957% due 22/11/2022	6,067,082	1.58

10 largest holdings at 31 March 2021	Fair value at 31 March 2021 US\$	Percentage of total net assets attributable to unitholders at 31 March 2021 %
CNPC HK Overseas Capital Limited 4.5% due 28/04/2021	15,023,778	3.85
Bank Of China Limited/Hong Kong 0.4% due 23/08/2021	15,000,000	3.84
Agricultural Bank Of China Limited/Macao 0.53% due 04/06/2021	10,000,000	2.56
Agricultural Bank Of China Limited/Macao 0.37% due 09/09/2021	9,999,777	2.56
Export-Import Bank Of China/Paris 0.72125% due 15/10/2022	9,985,325	2.56
Lotte Property & Development Company Limited 1.11763% due 07/08/2021	9,398,835	2.41
Bank Of China Limited/Hong Kong 1.10475% due 11/07/2022	9,029,016	2.31
Three Gorges Finance I Cayman Islands Limited 2.3% due 02/06/2021	8,836,652	2.26
CDBI Treasure I Limited 2.25% due 02/08/2021	8,625,393	2.21
CNOOC Finance 2012 Limited 3.875% due 02/05/2022	8,020,458	2.05

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2022

5. Maturity profile of investments

Phillip USD Money Market Fund

Maturity profile of underlying investments	Fair value at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders at 31 March 2022 %
Up to 30 days	27,768,092	7.23
31 - 90 days	67,872,345	17.67
91 - 180 days	81,702,319	21.27
181 - 365 days	63,383,303	16.50
366 - 732 days	41,929,630	10.92
Non-interest bearing	1,569,356	0.40
	<u>284,225,045</u>	<u>73.99</u>

6. (i) Exposure to derivatives as at 31 March 2022

Nil.

(ii) Gain/loss on derivative contracts realised for the year ended 31 March 2022

Nil.

(iii) Net gain/loss on outstanding derivative contracts marked to market as at 31 March 2022

Nil.

7. Global exposure to financial derivatives

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

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

8. Collateral

Nil

9. Securities lending or repurchase transactions

Nil.

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2022

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

Nil.

11. Amount and percentage of borrowings of total fund size as at 31 March 2022

Nil.

12. Amount of units created and cancelled for the financial year ended 31 March 2022

Phillip USD Money Market Fund

US\$

Total amount of subscriptions	2,813,403,553
Total amount of redemptions	(2,819,195,301)

13. Turnover ratio

Please refer to Note 10 of Notes to Financial Statements.

14. Expense ratio

Please refer to Note 10 of Notes to Financial Statements.

15. Performance of the Sub-Fund as at 31 March 2022

Phillip USD Money Market Fund

As at 31 March 2022			
	Class A	Class I	Benchmark performance
	US\$	US\$	US\$
Cumulative (%)*			
3 months	0.05	0.08	-
6 months	0.06	0.14	-
1 year	0.14	0.30	-
3 years	2.18	-	1.61
5 years	5.22	-	4.65
10 years	8.43	-	5.10
Since inception **	10.93	0.50	5.10
Annualised (%)			
1 year	0.14	0.30	-
3 years	0.72	-	0.53
5 years	1.02	-	0.91
10 years	0.81	-	0.50
Since inception **	0.81	0.30	0.39

Note *Cumulative returns are in US dollars calculated on a bid to bid basis, with net dividends reinvested Benchmark: Federal Funds Target Rate - Lower Bound (Source: Bloomberg)

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

Phillip Treasury Fund

Report to Unitholders Year ended 31 March 2022

16. Related party transactions

Please refer to Note 9 of Notes to Financial Statements.

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

Nil.

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

(i) Top 10 holdings at market value and as percentage of NAV as at 31 March 2022 and 31 March 2021.

Not applicable.

(ii) Expense ratios for the period 31 March 2022 and 31 March 2021.

Not applicable.

(iii) Turnover ratios for the period 31 March 2022 and 31 March 2021.

Not applicable.

19. Soft dollar commissions

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

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

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

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

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Phillip Treasury Fund in trust for the unitholders. In accordance with the Securities and Futures Act (Chapter 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Phillip Treasury Fund during the period covered by these financial statements, set out on pages 14 to 31, 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

28 June 2022

Statement of the Manager

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages 14 to 31, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Phillip Treasury Fund as at 31 March 2022, and the financial performance and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that Phillip Treasury Fund will be able to meet its financial obligations as and when they materialise.

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

Jeffrey Lee Chay Khiong
Director

28 June 2022

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Independent auditors' report

Unitholders

Phillip Treasury Fund

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

Opinion

We have audited the financial statements of Phillip Treasury Fund (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 31 March 2022, the Statement of Total Return and Statement of Movements of Unitholders' Funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 31.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 March 2022 and the financial performance and movements in unitholders' funds for the year ended on that date.

Basis for opinion

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

Other information

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

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

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- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore

28 June 2022

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act 2005 and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Statement of Total Return
Year ended 31 March 2022

	Phillip USD Money Market Fund	
Note	2022	2021
	US\$	US\$
Income		
Interest income	502,626	1,095,500
	502,626	1,095,500
Less:		
Expenses		
Management fee	1,211,988	1,514,610
Trustee fee	98,752	99,921
Custody fee	19,750	19,984
Audit fee	9,359	8,400
Administration fee	138,253	139,889
Other expenses	41,530	53,175
	1,519,632	1,835,979
Net losses	(1,017,006)	(740,479)
Net gains or losses on value of investments		
Net gains on investments	276,153	1,727,157
Net (loss)/gain on foreign exchange	(2,335)	15,361
	273,818	1,742,518
Total (deficit)/return for the financial year before income tax	(743,188)	1,002,039
Less: Income tax	7	-
Total (deficit)/return for the financial year after income tax	(743,188)	1,002,039

The accompanying notes form an integral part of these financial statements

Statement of Financial Position
As at 31 March 2022

	Note	Phillip USD Money Market Fund	
		2022	2021
		US\$	US\$
Assets			
Portfolio of investments		284,225,045	343,562,785
Receivables	3	25,553	37,585
Cash and cash equivalents	4	108,138,832	47,577,875
Total assets		392,389,430	391,178,245
Liabilities			
Payables	5	241,152	514,069
Purchases awaiting settlement		8,019,038	-
Total liabilities		8,260,190	514,069
Equity			
Net assets attributable to unitholders	6	384,129,240	390,664,176

The accompanying notes form an integral part of these financial statements

Statement of Movements of Unitholders' Funds
Year ended 31 March 2022

	Phillip USD Money Market Fund	
Note	2022	2021
	US\$	US\$
Net assets attributable to unitholders at the beginning of the financial year	390,664,176	336,779,599
Operations		
Change in net assets attributable to unitholders resulting from operations	(743,188)	1,002,039
Unitholders' contributions/(withdrawals)		
Creation of units	2,813,403,553	3,442,556,050
Cancellation of units	(2,819,195,301)	(3,389,673,512)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(5,791,748)	52,882,538
Total (decrease)/increase in net assets attributable to unitholders	(6,534,936)	53,884,577
Net assets attributable to unitholders at the end of the financial year	6 384,129,240	390,664,176

The accompanying notes form an integral part of these financial statements

Statement of Portfolio
As at 31 March 2022

Phillip USD Money Market Fund

By Geography (Primary)

	Holdings as at 31 March 2022	Fair value as at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders as at 31 March 2022 %
Quoted Debt Securities			
Australia			
Westpac Banking Corporation 2% due 13/01/2023	4,000,000	4,003,306	1.04
		4,003,306	1.04
British Virgin Islands			
China Huaneng Group Hong Kong Treasury Management Holding Limited 2.4% due 10/12/2022	3,200,000	3,189,248	0.83
CNOOC Finance 2012 Limited 3.875% due 02/05/2022	11,974,000	11,984,417	3.12
CNOOC Finance 2013 Limited 3% due 09/05/2023	2,000,000	2,003,500	0.52
CNPC General Capital Limited 3.4% due 16/04/2023	7,290,000	7,323,261	1.91
CNPC General Capital Limited 3.95% due 19/04/2022	8,398,000	8,394,641	2.19
COSCO Finance 2011 Limited 4% due 03/12/2022	500,000	503,565	0.13
Sinopec Capital 2013 Limited 3.125% due 24/04/2023	4,000,000	4,006,960	1.04
Sinopec Group Overseas Development 2012 Limited 3.9% due 17/05/2022	3,746,000	3,750,683	0.97
Sinopec Group Overseas Development 2017 Limited 2.5% due 13/09/2022	13,037,000	13,019,791	3.39
Sinopec Group Overseas Development 2017 Limited 3% due 12/04/2022	9,675,000	9,675,968	2.52
State Grid Overseas Investment 2013 Limited 3.125% due 22/05/2023	5,200,000	5,212,532	1.36
State Grid Overseas Investment BVI Limited 2.75% due 04/05/2022	5,000,000	5,000,050	1.30
Want Want China Finance Limited 2.875% due 27/04/2022	3,000,000	2,996,813	0.78
		77,061,429	20.06
Cayman Islands			
Alibaba Group Holding Limited 2.8% due 06/06/2023	3,000,000	2,986,110	0.78
Amber Circle Funding Limited 3.25% due 04/12/2022	5,400,000	5,424,192	1.41
CDBL Funding 1 3% due 24/04/2023	1,386,000	1,381,163	0.36
CSCEC Finance Cayman II Limited 2.9% due 05/07/2022	2,600,000	2,595,242	0.68
Hong Kong Land Finance Cayman Islands Company Limited 4.5% due 01/06/2022	4,100,000	4,117,425	1.07
Tencent Holdings Limited 0.853% due 19/01/2023	1,012,000	1,007,719	0.26
		17,511,851	4.56

The accompanying notes form an integral part of these financial statements

Statement of Portfolio
As at 31 March 2022

Phillip USD Money Market Fund

By Geography - Primary (continued)

			Percentage of total net assets attributable to
	Holdings as at Fair value as at 31 March 2022	31 March 2022	unitholders as at 31 March 2022
	US\$		%
Quoted Debt Securities (continued)			
China			
Agricultural Bank Of China Limited/Hong Kong 0.979% due 30/07/2022	13,000,000	13,008,320	3.39
Agricultural Bank Of China Limited/Hong Kong 1% due 22/10/2023	6,000,000	5,848,680	1.53
Bank Of China Limited/Hong Kong 1.70371% due 24/06/2023	2,000,000	2,003,940	0.52
Bank Of China Limited/Luxembourg 0.96129% due 17/04/2022	6,700,000	6,700,670	1.74
Bank Of China Limited/Paris 1.35957% due 22/11/2022	6,050,000	6,067,082	1.58
Bank Of China Limited/Singapore 1.09129% due 17/04/2023	2,300,000	2,308,510	0.60
Bank Of Communications Company Limited/Hong Kong 1.38643% due 15/05/2022	8,000,000	8,002,800	2.08
China Development Bank 2.75% due 16/11/2022	4,417,000	4,423,846	1.15
		48,363,848	12.59
Hong Kong SAR			
AIA Group Limited 3.125% due 13/03/2023	2,300,000	2,309,108	0.60
Swire Properties MTN Financing Limited 4.375% due 18/06/2022	4,000,000	4,013,250	1.05
		6,322,358	1.65
Japan			
Mitsubishi UFJ Financial Group Incorporation 3.761% due 26/07/2023	1,754,000	1,781,814	0.46
Sumitomo Mitsui Banking Corporation 3% due 18/01/2023	3,730,000	3,784,623	0.99
		5,566,437	1.45
South Korea			
Doosan Heavy Industries & Construction Company Limited 2.25% due 18/11/2022	4,000,000	3,988,480	1.04
Export-Import Bank Of Korea 3% due 01/11/2022	5,000,000	5,022,100	1.31
Hana Bank 1.60286% due 13/03/2023	11,000,000	11,033,110	2.87
Hana Bank 1.67786% due 14/09/2022	3,000,000	3,006,990	0.78
Kookmin Bank 1.653% due 09/06/2022	4,000,000	4,003,720	1.04
Kookmin Bank 2.875% due 25/03/2023	585,000	586,155	0.15
Korea Development Bank 2.75% due 19/03/2023	2,000,000	2,009,750	0.52
Korea Expressway Corporation 1.09757% due 25/11/2022	5,000,000	5,005,500	1.30
Korea National Oil Corporation 1.11629% due 16/07/2023	4,000,000	4,019,160	1.05
Shinhan Bank Company Limited 3.875% due 05/11/2023	3,000,000	3,054,000	0.80
		41,728,965	10.86
Accrued interest on debt securities		1,521,705	0.40
Total Quoted Debt Securities		202,079,899	52.61

The accompanying notes form an integral part of these financial statements

Statement of Portfolio
As at 31 March 2022

Phillip USD Money Market Fund

By Geography - Primary (continued)

	Fair value as at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders as at 31 March 2022 %
Fixed Deposits		
Singapore		
China Construction Bank	20,056,132	5.21
National Bank of Kuwait	30,015,844	7.82
Qatar National Bank	32,025,519	8.34
	82,097,495	21.37
Accrued interest on fixed deposits	47,651	0.01
Total Fixed Deposits	82,145,146	21.38
Portfolio of investments	284,225,045	73.99
Other net assets	99,904,195	26.01
Net assets attributable to unit holders	384,129,240	100.00

The accompanying notes form an integral part of these financial statements

**Statement of Portfolio
As at 31 March 2022**

	Fair value at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders at 31 March 2022 %	Percentage of total net assets attributable to unitholders at 31 March 2021 %
Phillip USD Money Market Fund By Geography (Summary)			
Australia	4,003,306	1.04	-
British Virgin Islands	77,061,429	20.06	17.29
Cayman Islands	17,511,851	4.56	8.24
China	48,363,848	12.59	22.99
Hong Kong SAR	6,322,358	1.65	-
Japan	5,566,437	1.45	-
Singapore	82,097,495	21.37	33.24
South Korea	41,728,965	10.86	5.85
	<u>282,655,689</u>	<u>73.58</u>	<u>87.61</u>
Accrued interest on debt securities	1,521,705	0.40	0.27
Accrued interest on fixed deposit	<u>47,651</u>	<u>0.01</u>	<u>0.06</u>
Portfolio of investments	284,225,045	73.99	87.94
Other net assets	99,904,195	26.01	12.06
Net assets attributable to unit holders	<u><u>384,129,240</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

	Fair value at 31 March 2022 US\$	Percentage of total net assets attributable to unitholders at 31 March 2022 %	Percentage of total net assets attributable to unitholders at 31 March 2021 %
Phillip USD Money Market Fund By Industry (Secondary)			
Communications	3,993,829	1.04	-
Consumer, Non-cyclical	8,002,313	2.08	-
Energy	64,178,381	16.71	9.80
Financial	180,969,949	47.11	72.13
Government	5,022,100	1.31	-
Industrial	7,087,287	1.84	1.85
Utilities	13,401,830	3.49	3.83
	<u>282,655,689</u>	<u>73.58</u>	<u>87.61</u>
Accrued interest on debt securities	1,521,705	0.40	0.27
Accrued interest on fixed deposit	<u>47,651</u>	<u>0.01</u>	<u>0.06</u>
Portfolio of investments	284,225,045	73.99	87.94
Other net assets	99,904,195	26.01	12.06
Net assets attributable to unitholders	<u><u>384,129,240</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

These notes form an integral part of the financial statements.

1 Domicile and activities

Phillip Treasury Fund (the "Fund") is an open ended umbrella unit trust constituted pursuant to a Trust Deed dated 17 February 2009 together with its Amended and Restated Deeds thereon (hereafter referred to as the "Trust Deed") between Phillip Capital Management (S) Ltd (the "Manager") and BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Trust Deed is governed by and construed in accordance with the laws of the Republic of Singapore.

The Fund currently comprises one sub-fund, Phillip USD Money Market Fund (the "Sub-Fund"), which was launched on 4 May 2009.

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

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

2 Significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 *Basis of valuation of investments*

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

Fixed deposits 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.

2.3 *Recognition of income*

Interest income is recognised as it accrues in the Statement of Total Return using the effective interest method.

2.4 *Foreign currency translation*

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

2.5 *Income tax expense*

The Fund was approved for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13U (formerly 13X) of the Income Tax Act by the Monetary Authority of Singapore (“MAS”) with effect from 16 August 2020. The tax exemption status will be for the life of the Fund, provided the Fund continues to meet all the terms and conditions set out by MAS and the relevant Income Tax legislations.

2.6 *Cash and cash equivalents*

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

2.7 *Net assets attributable to unitholders*

Net assets attributable to unitholders are classified as equity.

3 **Receivables**

	Phillip USD Money Market Fund	
	2022	2021
	US\$	US\$
Receivable from unitholders for creation of units	18,986	-
Accrued interest receivable	6,567	37,585
	25,553	37,585
	25,553	37,585

4 Cash and cash equivalents

	Phillip USD Money Market Fund	
	2022	2021
	US\$	US\$
Cash and bank balances	108,138,832	47,577,875
	<u>108,138,832</u>	<u>47,577,875</u>

5 Payables

	Phillip USD Money Market Fund	
	2022	2021
	US\$	US\$
Payable to unitholders for cancellation of units	397	129,670
Accrued expenses	240,755	384,399
	<u>241,152</u>	<u>514,069</u>

6 Units in issue

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

	Phillip USD Money Market Fund		
	2022		
	Class A	Class I	Total
Units at beginning of the financial year	338,437,555	15,672,331	354,109,886
Units created	2,525,731,913	13,550,282	2,539,282,195
Units cancelled	(2,535,648,478)	(8,370,565)	(2,544,019,043)
Units at end of the financial year	<u>328,520,990</u>	<u>20,852,048</u>	<u>349,373,038</u>
Net assets attributable to unitholder - US\$	<u>363,240,385</u>	<u>20,888,855</u>	<u>384,129,240</u>
Net asset value per unit - US\$	<u>1.1057</u>	<u>1.0018</u>	<u>1.0995</u>
	2021		
	Class A	Class I	Total
Units at beginning of the financial year	304,760,597	-	304,760,597
Units created	3,095,648,982	15,672,331	3,111,321,313
Units cancelled	(3,061,972,024)	-	(3,061,972,024)
Units at end of the financial year	<u>338,437,555</u>	<u>15,672,331</u>	<u>354,109,886</u>
Net assets attributable to unitholder - US\$	<u>374,958,766</u>	<u>15,705,410</u>	<u>390,664,176</u>
Net asset value per unit - US\$	<u>1.1079</u>	<u>1.0021</u>	<u>1.1032</u>

Currently, the Managers are offering 2 Classes of Units in the Sub-Fund, namely Class A Units and Class I Units. Class A Units are offered to investors who invest less than US\$100,000 and Class I Units are offered to investors who invest US\$100,000 and above. All classes constitute the Sub-Fund and are not separate sub-funds. Any expense, income and/or gain which is attributable to a particular class shall be deducted from or added to (as the case may be) the value of the Sub-Fund which is attributable to that class, .A separate net asset value per unit is calculated for each class.

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

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

Phillip USD Money Market Fund

	2022	
	Class A US\$	Class I US\$
Net assets attributable to unitholders per financial statements per unit	1.1057	1.0018
Effect of adopting amortised cost per unit	0.0036	0.0032
Net assets attributable to unitholders per unit for issuing/redeeming	1.1093	1.0050
	2021	
	Class A US\$	Class I US\$
Net assets attributable to unitholders per financial statements per unit	1.1079	1.0021
Effect of adopting amortised cost per unit	(0.0001)	(0.0001)
Net assets attributable to unitholders per unit for issuing/redeeming	1.1078	1.0020

7 Income Tax

The Fund was approved for the Enhanced Tier Fund Tax Incentive Scheme under Section 13U (formerly 13X) of the Income Tax Act by the Monetary Authority of Singapore (“MAS”) with effect from 16 August 2020. The tax exemption status will be for the life of the Fund, provided the Fund continues to meet all the terms and conditions set out by MAS and the relevant Income Tax legislations.

8 Financial risk management

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

a) **Market 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.

ii. Interest rate risk

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

The tables below summarise the Sub-Fund's exposure to interest rate risks. They include the Sub-Fund's assets and trading liabilities at fair value, categorised by interest rate types.

Phillip USD Money Market Fund

	← Fixed rate →				
	Floating rate US\$	Up to 1 year US\$	1-5 years US\$	Non-interest bearing US\$	Total US\$
2022					
Assets					
Portfolio of investments	66,167,521	182,890,148	33,598,020	1,569,356	284,225,045
Receivables	-	-	-	25,553	25,553
Cash and bank balances	108,138,832	-	-	-	108,138,832
	<u>174,306,353</u>	<u>182,890,148</u>	<u>33,598,020</u>	<u>1,594,909</u>	<u>392,389,430</u>
Liabilities					
Payables	-	-	-	241,152	241,152
Purchases awaiting settlement	-	-	-	8,019,038	8,019,038
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,260,190</u>	<u>8,260,190</u>

	← Fixed rate →				
	Floating rate US\$	Up to 1 year US\$	1-5 years US\$	Non-interest bearing US\$	Total US\$
2021					
Assets					
Portfolio of investments	71,310,487	245,758,710	25,208,629	1,284,959	343,562,785
Receivables	-	-	-	37,585	37,585
Cash and bank balances	47,577,875	-	-	-	47,577,875
	<u>118,888,362</u>	<u>245,758,710</u>	<u>25,208,629</u>	<u>1,322,544</u>	<u>391,178,245</u>
Liabilities					
Payables	-	-	-	514,069	514,069
	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,069</u>	<u>514,069</u>

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest for the 12 month period is as disclosed below. As of 31 March 2022, should interest rates rise or fall by 1% (2021: 1%) with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders would be as follows:

	Increase rates rise/(fall) by 1%	
	(Decrease)/Increase in net assets attributable to unitholders	
	2022 US\$	2021 US\$
Phillip USD Money Market Fund	<u>839,267</u>	<u>754,931</u>

iii. **Currency risk**

The Sub-Fund's assets and liabilities are held in United States Dollars, which is also its functional currency, therefore no sensitivity analysis and currency exposure table are presented. In addition, the Sub-Fund invests in underlying securities and fixed deposits which are denominated in its functional currency where the fluctuations in the relevant exchange rates would not have an impact on the income and value of the Sub-Fund.

b) **Liquidity risk**

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

c) **Credit risk**

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

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

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

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

The tables below analyse the credit ratings of banks in which the Sub-Fund's debt investments and fixed deposits are held.

The table below analyses the Sub-Fund's debt instruments by credit ratings.

Phillip USD Money Market Fund

Debt securities by rating category	Percentage of total net assets attributable to unitholders at 31 March 2022	Percentage of total net assets attributable to unitholders at 31 March 2021
	%	%
Aa1	-	1.42
Aa2	5.22	-
Aa3	3.03	3.53
A1	27.19	29.37
A2	10.16	13.11
A3	0.78	1.28
A*	1.58	3.84
A+*	4.25	2.21
	52.21	54.76

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

*Credit rating is from Standard & Poor's

Phillip USD Money Market Fund

Fixed deposits by rating category	Percentage of total net assets attributable to unitholders at 31 March 2022	Percentage of total net assets attributable to unitholders at 31 March 2021
	%	%
P-1	21.37	32.85
	21.37	32.85

Source of credit rating is from Moody's.

(d) **Fair value estimation**

Except for investments which are measured at fair value, at 31 March 2022 and 2021, the fair values of assets and liabilities approximate their carrying values on the Statement of Financial Position due to the short period to maturity.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2). The fair value of financial instruments that are not traded in an active market is determined from information provided by financial institutions and issuers using valuation techniques with observable inputs that are based on market information existing at each reporting date.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables analyse within the fair value hierarchy the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 31 March 2022 and 2021:

Phillip USD Money Market Fund

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
2022				
Assets				
- Debt securities	-	202,079,899	-	202,079,899
- Fixed deposits	-	82,145,146	-	82,145,146
	-	<u>284,225,045</u>	-	<u>284,225,045</u>
2021				
Assets				
- Debt securities	-	214,988,325	-	214,988,325
- Fixed deposits	-	128,574,460	-	128,574,460
	-	<u>343,562,785</u>	-	<u>343,562,785</u>

9 Related party transactions

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

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

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

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

	Phillip USD Money Market Fund	
	2022	2021
	US\$	US\$
Cash and bank balances held with a related party of the Trustee	68,046,599	17,523,657
	68,046,599	17,523,657

10 Financial ratios

	Phillip USD Money Market Fund	
	2022	2021
Expense ratio		
<u>Class A Units</u>		
Total operating expenses	US\$ 1,478,293	1,831,268
Average daily net asset value	US\$ 377,040,545	398,285,542
Total expense ratio ^{Note 1}	%	0.39 0.46
<u>Class I Units</u>		
Total operating expenses	US\$ 41,339	4,700
Average daily net asset value	US\$ 18,151,547	2,362,134
Total expense ratio ^{Note 1}	%	0.23 0.29
Turnover ratio		
Lower of total value of purchases or sales	US\$ 11,033,020	-
Average daily net asset value	US\$ 395,192,092	400,647,676
Total turnover ratio ^{Note 2}	%	2.79 -

- Note 1 The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial year end is based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.
- Note 2 The turnover ratio is calculated in accordance with the formula stated in the Code. The calculation of the portfolio turnover ratio is based on the total value of purchases (or sales) of the underlying investments divided by the weighted average daily net asset value. Total value of purchases (or sales) does not include brokerage and other transaction costs. The total value of bonds matured during the year is not included in the computation of portfolio turnover ratio.

Phillip Treasury Fund

Important Information

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

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

This document should not be taken as a recommendation to buy or sell since it does not take into account the specific investment objectives, financial situation and the particular needs of any particular recipient of this document. Investors should seek advice from a financial advisor before purchasing units in the Sub-Fund. In any case, investors should read the Prospectus and consider the risks as well as suitability of the Sub-Fund before deciding whether to subscribe for units in the Sub-Fund. Copies of the Prospectus are available and may be obtained from the Manager.