

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

## **Semi-Annual Report**

*Period ended 30 September 2022 (Unaudited)*

**PHILLIP GLOBAL OPPORTUNITIES FUNDS  
- GLOBAL OPPORTUNITIES FUND**

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**PHILLIP GLOBAL OPPORTUNITIES FUNDS  
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**MANAGER**

Phillip Capital Management (S) Ltd  
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#06-00 Raffles City Tower  
Singapore 179101  
(Company Registration Number: 199905233W)

**DIRECTORS OF THE MANAGER**

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

**TRUSTEE & REGISTRAR**

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**CUSTODIAN**

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1 Queen's Road  
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**AUDITORS**

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#15-01  
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**SOLICITORS TO THE MANAGER**

Chan & Goh LLP  
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One Marina Boulevard  
#28-00  
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### **Manager's Investment Report**

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

2022 is the year of unprecedented time for most of us living in this modern era. The incursion of Ukraine by Russian forces is a real-life example of how devastating the impact of war have on millions of Ukrainians in terms of massive economic damage and loss of ordinary lives. While the rest of the world oppose to the Russian military actions, the global impact from the war is non-avoidance as supply chains are disrupted, global food prices have escalated and not to mention energy prices have breached a decade high in June 2022. The end-game of this rising tension in the Eastern Europe is anyone's guess, where a worst-case scenario is something beyond our imagination.

Prior to the Global financial Crisis in 2008, the US central bank's balance sheet totalled US\$870 billion (approximate) and since then it has ballooned to an astronomical figure of US\$9 trillion in 2022 after two rounds of economic crisis. This unprecedented result of the US Federal Reserve's quantitative easing actions over the past 14 years have collectively caused assets prices in USD denomination (both real estates and equities) to hit decades high.

Since the early eighties where Paul Volcker, then chairman of US Federal Reserve, risk his reputation and career to reign in inflation when US CPI hit 13.5% in 1980, since then the world have not experience high level of inflation for the past four decades. Headline inflation in US peak at 9.1% in June 2022 as the world's largest economy re-opens its border internationally. The robust recovery of the US economy supported by government fiscal stimulus during the pandemic lockdowns in 2020/21 have also resulted in unemployment rate declining to an all-time low of 3.5% in 3Q2022. US wage growth continued into 2022 with a range of 4-5% year on year have also fuelled consumption, which makes inflation more resilient.

Till end of September 2022, the US Fed has run ahead of market expectation with its aggressive rate hikes. Fed Chairman Jerome Powell and his board of governors have decisively increased the Fed Fund rate five times since March 2022 with three rounds of unprecedented 75 basis points hikes. The team is bent on making sure that inflation is brought down to the long term rate of two percent before any indications of rates pivoting. Effectively, the cost of overnight borrowing by financial institutions in US have jumped by almost three percentage points within a short span of six months and the implication is basically to slow down demand and business activities in the near future.

There is no doubt that a recession in US is imminent in 2023 as major equities indices have reflected deep declines in 2022. The Dow Jones Industrial Index, S&P 500 Index and Nasdaq Composite have all entered into bear market territories by 3Q2022. Our view is that the magnitude of the US recession will not be a deep one as household in US is still flooded with cash savings (approximately US\$1.7 trillion). During the pandemic, savings rate for US household have spike up to more than 30% of disposable income from a historical mean of less than 10% prior to 2020 and household have accumulated more than US\$2.2 trillion of cash in 2020/21.

As at the end of September 2022, Phillip Global Opportunities Fund has declined 11.6% in SGD terms over a 1-year performance while our internal reference composite index declined more than 15.5% over the same period in the same currency. Outperformance are mainly attributed to the allocation effect, where the investment team have made a deliberate effort to risk off on equities in February early this year. During that moment, equities exposure of the fund have been brought down to less than 40% of Net Asset Value while the fixed income exposure (60%) have been tactically shifted to short duration bonds and money market instruments. By end of June 2022, the manager have shifted the asset allocation back to its neutral stand (60% equities / 40% fixed income).

Global growth is expected to slowed in 2023, both US and Eurozone will see near zero real GDP growth for 2023 while Asia ex Japan will shine with 4.4% growth according to UBS estimates. It's a consensus

view that CPI in developed markets will slow substantially in 2023, which gives some breather on the market bottoming.

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

a) **I Investments classified by geography**

	<b>Fair Value at 30/09/2022 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2022 %</b>
<b>By Geography (Summary)</b>		
Hong Kong	6,676,775	9.12
Ireland	4,256,811	5.81
Singapore	25,190,681	34.41
United States of America	30,296,807	41.39
<b>Portfolio of investments</b>	66,421,074	90.73
<b>Other net assets</b>	6,785,744	9.27
<b>Net assets attributable to unitholders</b>	73,206,818	100.00

**II Investments classified by industry**

	<b>Fair Value at 30/09/2022 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2022 %</b>
<b>By Industry (Summary)</b>		
Fund	66,421,074	90.73
<b>Portfolio of investments</b>	66,421,074	90.73
<b>Other net assets</b>	6,785,744	9.27
<b>Net assets attributable to unitholders</b>	73,206,818	100.00

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

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**III Investments classified by asset class**

	<b>Fair Value at 30/09/2022 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2022 %</b>
<b>Fund</b>	66,421,074	90.73
<b>Portfolio of investments</b>	66,421,074	90.73
<b>Other net assets</b>	6,785,744	9.27
<b>Net assets attributable to unitholders</b>	<u>73,206,818</u>	<u>100.00</u>

**b) Top Ten Holdings**

<b><u>10 Largest Holdings at 30 September 2022</u></b>	<b>Fair Value at 30/09/2022 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2022 %</b>
Phillip SGD Money Market ETF	<b>11,096,758</b>	<b>15.16</b>
UOB United SGD Fund Class A Acc	<b>7,634,913</b>	<b>10.43</b>
iShares Dow Jones U.S. ETF	<b>6,988,471</b>	<b>9.55</b>
iShares MSCI AC Asia Ex Japan Index ETF	<b>6,676,775</b>	<b>9.12</b>
Technology Select Sector SPDR Fund ETF	<b>6,664,926</b>	<b>9.10</b>
Phillip Global Quality Fund	<b>6,459,010</b>	<b>8.82</b>
iShares Core MSCI Europe ETF	<b>5,981,707</b>	<b>8.17</b>
iShares USD Short Duration Corporate Bond UCITS ETF	<b>4,256,811</b>	<b>5.81</b>
Vanguard S&P 500 ETF	<b>3,602,285</b>	<b>4.92</b>
iShares Core S&P 500 ETF	<b>3,598,786</b>	<b>4.92</b>

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<b><u>10 Largest Holdings at 30 September 2021</u></b>	<b>Fair Value at 30/09/2021 S\$</b>	<b>Percentage of Net Assets Attributable to Unitholders at 30/09/2021 %</b>
Phillip Global Quality Fund	7,386,546	11.42
Janus Henderson Mortgage-Backed Securities ETF	6,029,072	9.32
iShares Barclays USD Asia High Yield Bond Index ETF	5,933,933	9.18
iShares Core MSCI Europe ETF	5,408,568	8.36
iShares USD Short Duration Corporate Bond UCITS ETF	4,975,159	7.69
Vanguard Short-Term Corporate Bond ETF	4,171,886	6.45
iShares 0-5 Year High Yield Corporate Bond ETF	3,775,131	5.84
iShares MSCI AC Asia Ex Japan Index ETF	3,408,845	5.27
iShares Dow Jones U.S. ETF	3,370,103	5.21
iShares High Yield Bond Factor ETF	2,809,939	4.34

c) (i) Exposure to derivatives as at 30 September 2022.  
Nil

(ii) Loss on derivative contracts realised for the period from 1 April 2022 to 30 September 2022  
Nil

(iii) Gain on outstanding derivative contracts marked to market as at 30 September 2022  
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.



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- e) Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 30 September 2022.

	S\$	%
Fund	66,421,074	90.73

- f) Amount and percentage of borrowings of total fund size as at 30 September 2022.  
Nil

- g) Amount of redemptions and subscriptions for the period from 1 April 2022 to 30 September 2022.  
Total amount of redemptions S\$ 7,552,861  
Total amount of subscriptions S\$ 11,898,404

- h) Amount of related party transactions for the period from 1 April 2022 to 30 September 2022  
Interest income received from a related party of the Trustee S\$11  
Bank balances held with a related party of the Trustee S\$6,605,123

- i) **Performance of the Fund as at 30 September 2022**

<b>Cumulative (%*)</b>	
3 Months	-4.05
6 Months	-8.73
1 Year	-11.64
3 Years	7.51
5 Years	15.50
10Years	29.78
Since inception (1 Aug 2011)	29.39
<b>Annualised (%)*</b>	
1 Year	-11.64
3 Years	2.44
5 Years	2.92
10Years	2.64
Since inception (1 Aug 2011)	2.33

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

- j) **Expense Ratio**

		<b>2022</b>	<b>2021</b>
Total operating expenses	S\$	1,266,743	923,224
Average daily net asset value	S\$	73,374,805	52,459,713
Prorated expense ratio of the underlying funds (*)	%	0.40	0.19
Expense ratio (*)	%	2.13	1.95

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

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

- The prorated ratio of the individual target funds, weighted according to the share they represent in the assets of the fund of funds as of the closing date, and;
- Expense ratio of the fund of funds minus any rebates of management fees and commissions received from the target funds during the reporting period. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

**k) Turnover Ratio**

		<b>2022</b>	<b>2021</b>
Lower of total value of purchases or sales	S\$	14,970,128	29,032,667
Average daily net asset value	S\$	76,612,512	59,176,992
Turnover ratio	%	<u>19.54</u>	<u>49.06</u>

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

- l) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts.  
Nil.
- m) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme ("the underlying scheme") should be disclosed as well.
- (i) Top 10 holdings at market value and as percentage of NAV as at 30 September 2022  
Not applicable.
  - (ii) Expense ratios for the period ended 30 September 2022  
Not applicable.
  - (iii) Turnover ratios for the period ended 30 September 2022  
Not applicable.

n) **Soft dollar arrangements**

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

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

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

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

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**Statement of Total Return**

Period ended 30 September 2022

	<b>30/09/2022</b>	<b>30/09/2021</b>
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Dividends	304,592	503,087
Interest	11	-
	<u>304,603</u>	<u>503,087</u>
Less:		
<b>Expenses</b>		
Management fees	576,596	444,528
Management fee rebate	(39,913)	(3,187)
Trustee fees	19,220	14,818
Custody fees	8,151	6,862
Valuation fees	19,220	14,818
Transaction fees	14,296	42,139
Audit fees	7,772	8,412
Other expenses	44,854	35,160
	<u>650,196</u>	<u>563,550</u>
<b>Net loss</b>	<u>(345,593)</u>	<u>(60,463)</u>
<b>Net gains or losses on value of investments and financial derivatives</b>		
Net (losses)/gains on investments	(6,482,748)	1,785,344
Net losses on financial derivatives	-	(45,188)
Net losses on foreign exchange	(74,230)	(56,199)
	<u>(6,556,978)</u>	<u>1,683,957</u>
<b>Total (deficit)/return for the period before income tax</b>	(6,902,571)	1,623,494
Income tax expense	(790)	(46,591)
<b>Total (deficit)/ return for the period after income tax before distribution</b>	<u>(6,903,361)</u>	<u>1,576,903</u>

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**Statement of Financial Position**

As at 30 September 2022

	<b>30/09/2022</b>	<b>31/03/2022</b>
	<b>S\$</b>	<b>S\$</b>
<b>Assets</b>		
Portfolio of investments	66,421,074	58,616,178
Receivables	61,605	118,527
Cash and cash equivalents	7,082,005	17,615,206
<b>Total assets</b>	<u>73,564,684</u>	<u>76,349,911</u>
<b>Liabilities</b>		
Payables	<u>357,866</u>	<u>585,275</u>
<b>Total liabilities</b>	<u>357,866</u>	<u>585,275</u>
<b>Equity</b>		
Net assets attributable to unitholders	<u>73,206,818</u>	<u>75,764,636</u>

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**Statement of Movement in Unitholders' Funds**

Period ended 30 September 2022

	<b>30/09/2022</b>	<b>31/03/2022</b>
	<b>S\$</b>	<b>S\$</b>
<b>Net assets attributable to unitholders at the beginning of financial period/year</b>	75,764,636	51,992,549
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	(6,903,361)	(809,611)
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	11,898,404	33,607,632
Cancellation of units	(7,552,861)	(9,025,934)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	4,345,543	24,581,698
Total increase in net assets attributable to unitholders	(2,557,818)	23,772,087
<b>Net assets attributable to unitholders at the end of financial period/year</b>	<u>73,206,818</u>	<u>75,764,636</u>

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**Statement of Portfolio**

As at 30 September 2022

	Holdings as at 30/09/2022	Fair value as at 30/09/2022 S\$	Percentage of total net assets attributable to unitholders as at 30/09/2022 %
<b>By Geography (Primary)</b>			
<b>Quoted</b>			
<b>Hong Kong</b>			
iShares MSCI AC Asia Ex Japan Index ETF	818,982	<u>6,676,775</u> <u>6,676,775</u>	9.12 <u>9.12</u>
<b>Ireland</b>			
iShares USD Short Duration Corporate Bond UCITS ETF	562,927	<u>4,256,811</u> <u>4,256,811</u>	5.81 <u>5.81</u>
<b>Singapore</b>			
Phillip Global Quality Fund	7,182,264	6,459,010	8.82
Phillip SGD Money Market ETF	110,240	11,096,758	15.16
UOB United SGD Fund Class A Acc	3,947,732	<u>7,634,913</u>	<u>10.43</u>
		<u>25,190,681</u>	<u>34.41</u>
<b>United States of America</b>			
iShares Core MSCI Europe ETF	105,484	5,981,707	8.17
iShares Core S&P 500 ETF	6,993	3,598,786	4.92
iShares Dow Jones U.S. ETF	55,604	6,988,471	9.55
Technology Select Sector SPDR Fund ETF	39,118	6,664,926	9.10
Vanguard S&P 500 ETF	7,649	3,602,285	4.92
Vanguard Short-Term Corporate Bond ETF	32,451	<u>3,460,632</u>	<u>4.73</u>
		<u>30,296,807</u>	<u>41.39</u>

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	<b>Holdings as at 30/09/2022</b>	<b>Fair value as at 30/09/2022 S\$</b>	<b>Percentage of total net assets attributable to unitholders as at 30/09/2022 %</b>
<b>By Geography (Primary)</b>			
Portfolio of investments		66,421,074	90.73
Other net assets		6,785,744	9.27
<b>Net assets attributable to unitholders</b>		<b>73,206,818</b>	<b>100.00</b>

	<b>Fair value as at 30/09/2022 S\$</b>	<b>Percentage of total net assets attributable to unitholders as at 30/09/2022 %</b>	<b>Percentage of total net assets attributable to unitholders as at 31/03/2022 %</b>
<b>By Geography (Summary)</b>			
<b>Quoted</b>			
Hong Kong	6,676,775	9.12	3.30
Ireland	4,256,811	5.81	5.47
Singapore	25,190,681	34.41	41.63
United States of America	30,296,807	41.39	26.95
<b>Portfolio of investments</b>	<b>66,421,074</b>	<b>90.73</b>	<b>77.35</b>
<b>Other net assets</b>	<b>6,785,744</b>	<b>9.27</b>	<b>22.65</b>
<b>Net assets attributable to unitholders</b>	<b>73,206,818</b>	<b>100.00</b>	<b>100.00</b>



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	Fair value as at 30/09/2022 S\$	Percentage of total net assets attributable to unitholders as at 30/09/2022 %	Percentage of total net assets attributable to unitholders as at 31/03/2022 %
<b>By Industry (Secondary)</b>			
<b>Quoted</b>			
Equity Fund	55,324,316	75.57	60.13
Money Market Fund	11,096,758	15.16	17.22
<b>Portfolio of investments</b>	66,421,074	90.73	77.35
<b>Other net assets</b>	6,785,744	9.27	22.65
<b>Net assets attributable to unitholders</b>	73,206,818	100.00	100.00

**Important Information**

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

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