

PHILLIP GLOBAL FUTURES FUND

**AUDITED
ANNUAL REPORT**

**FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2023**

Manager:
PHILLIP CAPITAL MANAGEMENT SDN. BHD.
(199501004372)(333567-D)

Trustee:
TMF TRUSTEES MALAYSIA BERHAD
(200301008392)(610812-W)

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1. MANAGER'S REPORT

For the financial year ended 31 March 2023

TYPE OF FUND

Growth Fund.

CATEGORY OF FUND

Wholesale Derivatives Fund.

INVESTMENT OBJECTIVE

The Fund aims to achieve absolute returns in both rising and falling markets while maintaining a commitment to capital preservation.

ACHIEVEMENT OF INVESTMENT OBJECTIVE

The Fund has not achieved its investment objective. Since 12 July 2017 (inception date) to 31 March 2023, the Bloomberg Commodity Index Total Return ("BCOM") recorded a return of 30.91% while the Fund registered a return of -18.61%.

PERFORMANCE BENCHMARK

Bloomberg Commodity Index Total Return.

DISTRIBUTION POLICY

The Fund is not expected to distribute any income unless decided otherwise by the Manager.

KEY RISKS FACTORS

General Investments Risks

Liquidity Risk	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.
Risk of Loss of Investment	No guarantee or representation is made that the Fund investment programme will be successful and that the Fund will achieve its investment objective. Investors could experience a partial or total loss of subscription proceeds.
Market Disruptions Risk	A fund may incur significant losses in the event of disrupted markets and other extraordinary events in which historical pricing relationship (on which the Manager bases a number of its trading positions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets, many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving.
Market Risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's Net Asset Value ("NAV").
Inflation Risk	This is the risk that investors' investment in the Fund may not grow or generate income at a rate that keeps pace with inflation.
Manager Risk	This is the risk of the Manager making poor investment decisions which may adversely affect the performance of the Fund.
Non-Compliance Risk	This is the risk of the Manager or the Trustee not complying with their respective internal policies, the deed, derivatives law or guidelines which may adversely affect the performance of the Fund.
Mismatch Risk	This is the risk that the Fund chosen by the investors may not be suitable for the needs and circumstances of the investor.
Financing Risk	This is the risk of investing with borrowed money, which includes the investor's inability to service the loan repayments, where the investor may be subject to higher loan repayment installments.

Specific Risks associated with the Fund

Currency Risk	As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
Leverage Risk	By participating in leverage trading, the Fund will be required to pay directly and/or indirectly deposits and margins on demand to its brokers. Investments made using the Fund may be subject to counterparty risk in the event of an insolvency or similar event occurring in relation to the counterparty or any bank or financial institution with which the Manager deals with. In these circumstances, the Fund and/or the underlying vehicles through which it invests may become an unsecured creditor with respect to the deposit or margin and any unrealised profits. In such cases, the Fund and/or underlying vehicles through which it invests may incur substantial losses.
Performance Fee Encourages Speculation	Where the Fund provides for the Manager to earn a performance fee, this may create an incentive for the Manager to cause the Fund to make investments that are riskier or more speculative than would be the case in the absence of the performance fee.
Volatility Risk	The risk of a change of price of a portfolio as a result of changes in the volatility of a risk factor. It usually applies to portfolios of derivatives instruments, where the volatility of its underlying is a major influencer of prices. The volatility of a derivative is not constant. Changes in volatility may impact on the values of certain options, especially for out-of-the-money options. Volatility also tends to be mean reverting. When volatility reaches a very high level, it is more likely to decline than to rise. Conversely, when volatility reaches a very low level it is more likely to rise than to decline.
Portfolio Investment May Be Volatile Risk	The value of the derivative in which a fund will invest may be volatile. Furthermore, the Fund will be subject to the risk that inflation, economic recession, changes in the general level of interest rates or other market conditions over which the Manager will have no control may adversely affect the operating results of the Fund. As the redemption price of the Fund is tied to the value of the underlying assets of the Fund, it should be noted that the price at which the Fund may be redeemed may be more or less than the price at which they were subscribed for them depending on whether the value of the underlying assets has appreciated or depreciated between the subscription date and the redemption date.

Currency Forward Contracts Risk	With respect to the Fund, the Fund may enter into foreign currency forward contracts (agreements to exchange one currency for another at a future date) to manage currency exchange rate risks, to protect against adverse changes in exchange rates and to facilitate transactions in foreign derivatives. However, there can be no assurance that foreign currencies forward contract hedging strategies will be available to the Fund or that any such strategy that the Fund uses will achieve its desired result. Foreign currency forward contracts involve a risk of loss to the Fund if the Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearing house. Therefore, a default by the forward contract counterparty may result in a loss to the Fund for the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.
Hedging Risk	The Manager may utilise a variety of financial instruments for investment and risk management purposes. While the Manager may enter into hedging transactions to seek to mitigate risk, such transactions may result in a worse overall performance for the Fund portfolio than if it had not engaged in any such hedging transactions. Moreover, the Fund portfolio is always exposed to certain risks that cannot be hedged, such as credit risk, relating both to particular derivatives and counterparties.
Derivatives Risk	The Fund will invest in derivatives and such instruments may be influenced by a broad variety of market, economic and issuer-specific events and risks, many of which can be difficult to predict or assess. Furthermore, the value of the Fund may be adversely affected by speculative position limits of the trading in derivatives.
Investment Concentration Risk	The investment strategy of the Fund may not mandate diversification, and in such circumstances, the Fund may have all or a high percentage of its assets invested in only a few derivatives. Such lack of diversification could result in either large gains or losses depending on the performance of one or a few companies in which the Fund may be invested. Accordingly, the investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund was required to maintain a wide diversification among derivatives.
Foreign Exchange Risk	The Fund may trade in instruments denominated or whose prices are quoted in local currencies other than the base currency of the Fund i.e. Ringgit Malaysia, the prices of which derivatives and other instruments are determined with reference to such other local currencies. The Fund's investments that are denominated in local currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

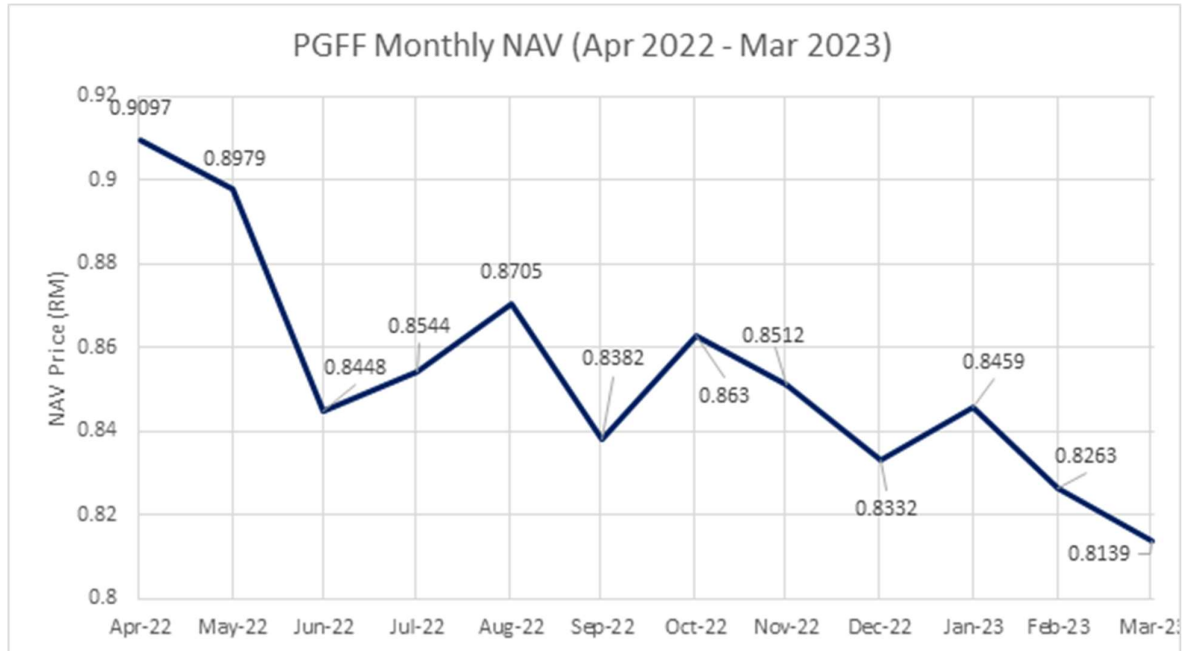
Redemption Risk	Voluntary redemptions are permitted only on certain days after provision of due notice. Investors should also be aware that in the event of excessive redemption requests, the Fund reserves the right to defer such requests and/or allow redemption on a pro rata basis.
Settlement Risk	The Fund's portfolio will be affected by uncertainties, such as political developments, changes in government policies, taxation and currency repatriation rules and restrictions on foreign investment in some of the currencies in which the Fund may invest.
Change in Tax Status and Legislation Risk	Any change in the Fund's tax status or in taxation legislation could affect the value of investments and revenue therefrom and the returns to investors. Information in the Information Memorandum concerning taxation is based on current law and practice which may be subject to change. Investors are advised to consult their local tax experts.

Note: The above mentioned risks which sophisticated investors should consider before investing into the Fund should not be considered to be an exhaustive list. Sophisticated investors should be aware that investments in the Fund may be exposed to other unforeseeable risks from time to time. Sophisticated investors are advised to consult their professional advisers. Please refer to the Information Memorandum for further details.

Please be advised that if your investments are made through an institutional unit trust adviser ("Distributor") which adopts the nominee system of ownership, you would not be deemed to be a unit holder under the deed and as a result, your rights as an investor may be limited. Accordingly, we will only recognize the Distributor as a unit holder of the fund and the Distributor shall be entitled to all the rights conferred to it under the deed.

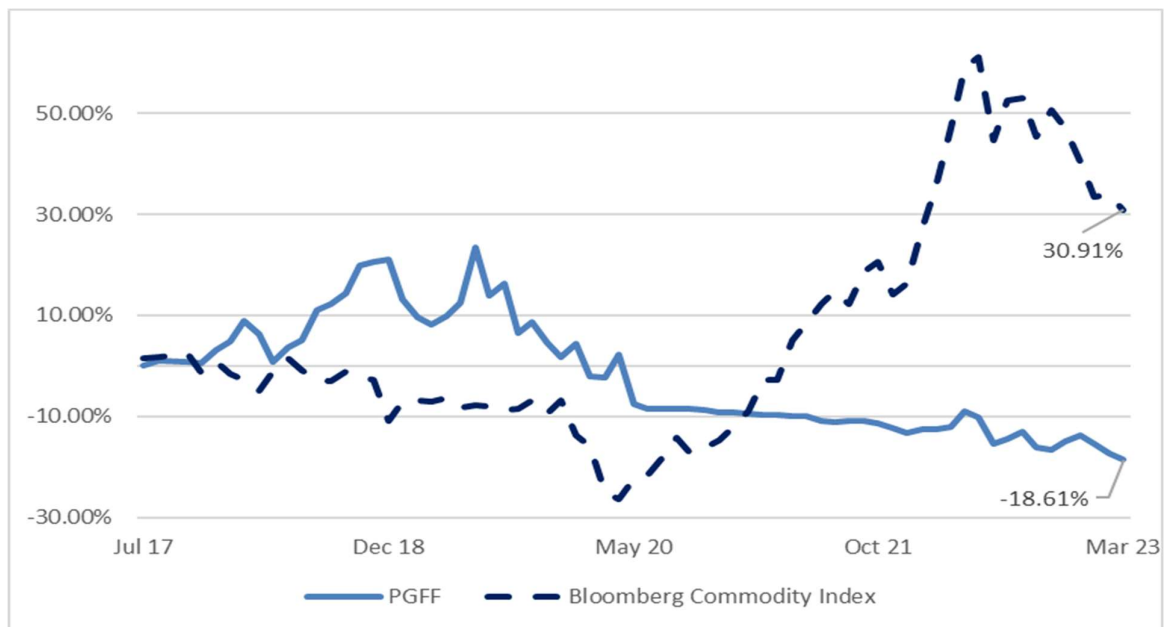
FUND PERFORMANCE

We have used Bloomberg Commodity Index Total Return (“BCOM”) as a comparison benchmark to Phillip Global Futures Fund (“PGFF”), as both provide similar liquidity. Below is PGFF’s monthly Net Asset Value (“NAV”) from April 2022 to March 2023.



Source: PGFF monthly NAV price

PGFF and BCOM Monthly Return Comparison (Inception Date : 12 July 2017)



Source: PGFF Monthly NAV price, Yahoo Finance, Marketwatch

PERFORMANCE AND VOLATILITY OF THE FUND (AS AT 31 MARCH 2023)

Period	Past 3 months	Past 6 months	Past 1 year	Past 3 years	Since inception date
Return (PGFF)	-2.32%	-2.90%	-7.44%	-16.72%	-18.61%
Return (BCOM)	-6.69%	-9.88%	-11.00%	74.38%	30.91%
Standard deviation (PGFF)	-	-	-	-	11.14%

INCOME DISTRIBUTION AND UNIT SPLIT

The Fund is not expected to distribute any income unless decided otherwise by the Manager.

MARKET REVIEW

It's been a wild year for commodities like oil, gold, copper, lumber, and wheat. Back in February 2022, the opening salvo of the war in Ukraine sent commodity markets into turmoil. Commodity prices skyrocketed, with some hitting all-time highs. By spring and early summer, commodity price increases really hurt many consumers—particularly oil prices, which peaked in the US in mid-June 2022.

MARKET OUTLOOK

Notwithstanding the fact that the world economy is always a complicated jigsaw, the near-term outlook for demand feels less complex now than it did in the immediate aftermath of the commencement of the Ukraine conflict. At that time there was considerable uncertainty regarding the future path of inflation, the speed and scale of US and global monetary tightening, and the rate at which consumer behaviour and labour market dynamics would respond to the above.

INVESTMENT OUTLOOK

We will continue to generate higher return for the Fund at our best effort while maintaining sufficient liquidity for our investor. Also, we will look for any opportunities in the market to invest in securities with an attractive risk to reward ratio.

STRATEGY AND POLICY EMPLOYED

The Fund will invest up to 50% of its net asset value ("NAV") in futures and exchange traded derivatives such as Contract For Difference (CFD). The remaining balance of the NAV of the Fund will be invested in money market instruments and/or collective investment schemes.

ASSET ALLOCATION OF THE FUND

Up to 50% of the NAV of the Fund will be invested in derivatives contracts. Remaining NAV of the Fund will be invested in liquid assets including money market instruments and/or collective investment scheme. The Fund's exposure from derivatives position shall not exceed 300% of the NAV at all times.

PORTFOLIO COMPOSITION

Portfolio	31 March 2023 Percentage of NAV (%)	31 March 2022 Percentage of NAV (%)	31 March 2021 Percentage of NAV (%)
Derivative (Liability)/Asset	(2.98)	1.47	-
Collective Investment Scheme	79.27	98.06	107.40
Net Cash & Other Liquid Asset/(Liabilities)	23.71	0.47	(7.40)
Total	100.00	100.00	100.00

Portfolio's Exposure to Derivatives

2023	Long/(Short)	Maturity date	Total exposure RM	Percentage of NAV (%)
Equity CFD				
US SP 500 Index USD1 - CFD	(4)	06/04/2023	(71,710)	17.81%
Datasonic Group Berhad - CFD	300,000	07/04/2023	126,000	31.29%
NYSE XOM EXXON MOBIL CORP	(30)	07/04/2023	(14,531)	3.61%
NYSE XOM EXXON MOBIL CORP	(12)	10/04/2023	(5,812)	1.44%
US SP 500 Index USD1 - CFD	(4)	26/04/2023	(71,710)	17.81%
NYSE XOM EXXON MOBIL CORP	(12)	28/04/2023	(5,812)	1.44%
US SP 500 Index USD1 - CFD	(8)	01/05/2023	(143,420)	35.62%
NASD INTC INTEL CORPN – CFD	140	01/05/2023	20,202	5.02%
	300,070		(166,786)	114.04%
2022				
	Long	Maturity date	Total exposure RM	Percentage of NAV (%)
Equity CFD				
Datasonic Group Berhad - CFD	400,000	08/04/2022	190,000	19.95%

The portfolio's exposure to derivatives has not exceeded 300% of the NAV throughout the financial year while at the end of the reporting period, the portfolio's exposure is 114.04%.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS OF THE FUND

For the year under review, there were no significant changes in the state of affairs of the Fund not otherwise disclosed in the financial statements.

DISCLOSURE OF CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF THE UNIT HOLDER

For the year under review, there were no circumstances that materially affect any interest of the unit holder.

GEARING AND CREDIT RISK

The Fund is not allowed to borrow money and thus is not exposed to volatility of profit rate charged for borrowing.

KEY INVESTMENT TEAM

There was no change in the key investment team during the year.

SOFT COMMISSION RECEIVED FROM BROKERS

During the year under review, we neither received soft commission nor rebates from any brokers by virtue of transactions conducted by the Fund.

2. TRUSTEE'S REPORT

TO THE UNIT HOLDER OF PHILLIP GLOBAL FUTURES FUND ("Fund")

We have acted as the Trustee of Phillip Global Futures Fund ("the Fund") for the financial year ended 31 March 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Phillip Capital Management Sdn Bhd** ("the Manager") has operated and managed the Fund during the financial year covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the Manager and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- (b) Valuation and pricing is carried out in accordance with the Deeds and relevant regulatory requirements; and
- (c) Creation and cancellation of units are carried out in accordance with the Deeds and relevant regulatory requirements.

For and on behalf of
TMF Trustees Malaysia Berhad
(Registration No: 200301008392 (610812-W))

NORHAYATI AZIT
Director, Fund Services

Kuala Lumpur, Malaysia
30 May 2023

3. STATEMENT BY MANAGER

For the financial year ended 31 March 2023

We, **Datin Hajjah Nona binti Salleh** and **Loke Ka Wai**, being two of the Directors of **Phillip Capital Management Sdn Bhd**, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 16 to 34 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines so as to give a true and fair view of the financial position of **Phillip Global Futures Fund** as at 31 March 2023 and of its financial performance, changes in net asset value and cash flows for the financial year then ended.

For and on behalf of the Manager

Phillip Capital Management Sdn Bhd (199501004372)(333567-D)

Datin Hajjah Nona binti Salleh
Executive Chairperson

Loke Ka Wai
Executive Director

Kuala Lumpur, Malaysia
30 May 2023

Independent auditors' report to the unit holder of Phillip Global Futures Fund ("the Fund")

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Phillip Global Futures Fund** ("the Fund"), which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2023, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Fund in accordance with the *By-Laws (On Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standard Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the said By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the Fund Manager's Report and we do not express any form of assurance conclusion thereon.

(Forward)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the Fund Manager's Report and, in doing so, consider whether the Fund Manager's Report is materially inconsistent with the financial statements of the Fund 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 the Fund Manager's Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

In preparing the financial statements of the Fund, 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 liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Fund, 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

(Forward)

- 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 auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund 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 control that we identify during our audit.

Other Matter

This report is made solely to the unit holder of the Fund, as a body, in accordance with the relevant Securities Commission Malaysia guidelines and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

KOK PEI LOO
Partner – 03524/08/2024 J
Chartered Accountant

30 May 2023

5. FINANCIAL STATEMENTS

i. STATEMENT OF FINANCIAL POSITION As at 31 March 2023

	Note	2023 RM	2022 RM
Assets			
Investment	3	319,179	934,034
Derivative asset	4	-	14,000
Cash at bank	5	431	593
Cash held by a broker in a margin account	5	109,354	88,864
Total assets		<u>428,964</u>	<u>1,037,491</u>
Liabilities			
Amount due to Manager	6	516	1,181
Amount due to Trustee		1,528	1,528
Derivative liability	4	11,990	-
Redemption payable		-	70,453
Other payables	7	12,300	11,800
Total liabilities		<u>26,334</u>	<u>84,962</u>
Unit holders' equity			
Unit holders' capital	8(a)	5,979,058	6,494,973
Accumulated losses		<u>(5,576,428)</u>	<u>(5,542,444)</u>
Total equity/Net asset value ("NAV") attributable to unit holders	8	<u>402,630</u>	<u>952,529</u>
Total equity and liabilities		<u>428,964</u>	<u>1,037,491</u>
Number of units in circulation	8(a)	<u>494,716</u>	<u>1,083,235</u>
NAV per unit		<u>0.8139</u>	<u>0.8793</u>

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

ii. STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2023

	Note	2023 RM	2022 RM
Income/(Loss)			
Net realised gain/(loss) on sale of investments		41,629	(27,667)
Net unrealised (loss)/gain on changes in value of financial assets at fair value through profit or loss ("FVTPL")		(20,377)	17,441
Gross dividends from financial assets at FVTPL		4,650	1,600
Interest income		-	21,919
		<u>25,902</u>	<u>13,293</u>
Expenses			
Manager's fee	9	9,643	26,499
Trustee's fee	10	18,000	18,000
Other expenses		32,243	21,194
		<u>59,886</u>	<u>65,693</u>
Net loss before tax		(33,984)	(52,400)
Income tax expense	11	-	(160)
Net loss after tax, representing total comprehensive loss for the year		<u>(33,984)</u>	<u>(52,560)</u>

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

iii. STATEMENT OF CHANGES IN NET ASSET VALUE
For the financial year ended 31 March 2023

	Note	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 April 2021		7,842,733	(5,489,884)	2,352,849
Total comprehensive loss for the year		-	(52,560)	(52,560)
Cancellation of units	8(a)	(1,347,760)	-	(1,347,760)
At 31 March 2022		<u>6,494,973</u>	<u>(5,542,444)</u>	<u>952,529</u>
As at 1 April 2022		6,494,973	(5,542,444)	952,529
Total comprehensive loss for the year		-	(33,984)	(33,984)
Cancellation of units	8(a)	(515,915)	-	(515,915)
At 31 March 2023		<u>5,979,058</u>	<u>(5,576,428)</u>	<u>402,630</u>

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

iv. STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2023

	Note	2023 RM	2022 RM
Cash flows from/(used in) operating and investing activities			
Proceeds from sale of investments		662,097	2,769,132
Purchase of investments		-	(1,200,428)
Dividend income received		4,650	1,600
Interest income received		-	25,584
Manager's fee paid		(10,308)	(30,372)
Trustee's fee paid		(18,000)	(18,399)
Tax paid		-	(185)
Payment of other fees and expenses		(31,743)	(23,394)
(Withdrawal)/Injection of cash held by a broker in a margin account		(20,490)	185,255
Net cash from operating and investing activities		<u>586,206</u>	<u>1,708,793</u>
Cash flows used in financing activities			
Payments for cancellation of units		(586,368)	(1,712,594)
Net cash used in financing activities		<u>(586,368)</u>	<u>(1,712,594)</u>
Net decrease in cash and cash equivalents		(162)	(3,801)
Cash and cash equivalents at the beginning of the year		<u>593</u>	<u>4,394</u>
Cash and cash equivalents at the end of the year	5	<u>431</u>	<u>593</u>

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

v. NOTES TO FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

1. The Fund, the Manager and its principal activity

Phillip Global Futures Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Trust Deed dated 11 July 2017 between Phillip Capital Management Sdn Bhd as the Manager and TMF Trustees Malaysia Berhad as the Trustee. The Fund was launched on 12 July 2017 and commenced trading activities in August 2017.

The principal activity of the Fund is to achieve absolute returns in both rising and falling markets while maintaining a commitment to capital preservation.

The Manager, Phillip Capital Management Sdn Bhd, is a private limited company incorporated in Malaysia. The Manager is licensed under the Capital Markets and Services Act 2007 to carry out fund management activities.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 30 May 2023.

2. Summary of significant accounting policies

2.1 Basic of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) as issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines.

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.2 Changes in accounting policies

Adoption of Amendments to MFRS

The accounting policies adopted are consistent with those of the previous financial year except for the Amendments to MFRSs issued by the MASB that are relevant to the Fund’s operation and effective for annual years beginning on or after 1 April 2022, as follows:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020 Cycle

The adoption of the Amendments to MFRSs did not have any impact on the financial statements of the Fund.

Amendments to MFRSs in issue but not yet effective

As at the date of authorisation of these financial statements, the Amendments to MFRSs that are relevant to the Fund's operation which were in issue but not yet effective and not early adopted by the Fund are as listed below:

Description	Effective for annual periods beginning on or after
Amendments to MFS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current and Non-current</i>	1 January 2024

The Manager of the Fund anticipates that the abovementioned Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these Amendments to MFRSs will have no material impact on the financial statements of the Fund in the period of initial application.

2.3 Accounting estimates and judgements

The preparation of the Fund's financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements made in applying accounting policies

In the process of applying the Fund's accounting policies, the Manager is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

2.4 Financial assets and liabilities

Financial assets and financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

(i) Classification of financial assets

The Fund determines the classification of its financial assets at initial recognition, and the categories include:

Amortisation cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include cash and cash equivalents (inclusive of cash at bank and cash held by a broker in a margin account).

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. These include the investment and derivative asset.

(ii) Impairment of financial assets

Credit losses are recognised based on the 'Expected Credit Loss' ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL (financial assets that are debt instruments). The impairment model does not apply to equity investments. ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the end of the reporting period:

As the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive);

- Financial assets that are credit-impaired at the end of the reporting period:

As the difference between the gross carrying amount and the present value of estimated future cash flows.

At the end of each reporting period, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or counterparty;
- Significant downgrade in credit rating of the instrument by a rating agency;
- A breach of contract such as a default or past due event; or
- The disappearance of an active market for a security because of financial difficulties.

For balances with short-term nature, full impairment will be recognised on uncollected balances after the grace period.

(iii) Derecognition of financial assets

Financial assets are derecognised on the trade date when the rights to receive cash flows from the asset have expired or the Fund has transferred substantially all risks and rewards of ownership.

Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Financial liabilities

Amortisation cost and effective interest method

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating amortised cost of a debt instrument and of allocating interest income over the relevant period.

The Fund includes in this category amounts due to the Manager and the Trustee, redemption payable and other payables. A financial liability is derecognised when it is settled.

Financial liabilities at FVTPL

Financial liabilities that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Financial liabilities at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. This includes the derivative liability.

2.5 Unit holders' capital

The unit holders' contributions to the Fund are classified as equity instruments.

2.6 Statement of cash flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents, excluding restricted cash, are short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.7 Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Dividend income is recognised when the Fund's right to receive payment is established.

Interest income is recognised using the effective interest method.

2.8 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax expense is determined according to Malaysian tax laws at the current tax rate based upon the taxable profit earned during the financial year.

No deferred tax is recognised as no temporary differences have been identified.

2.9 Functional and presentation currency

The financial statements are measured using the currency of the primary economic environment in which the Fund operates ("functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also its functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Fund are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The exchange rates used for these transactions in foreign currencies are:

<u>Foreign currency</u>	<u>2023</u> RM	<u>2022</u> RM
1 US Dollar	<u>4.4169</u>	<u>4.2019</u>

3. Investment

2023	Quantity	Cost RM	Market value RM	Percentage of NAV %
Collective investment scheme in Malaysia - Phillip Master Islamic Cash Fund	<u>309,943</u>	<u>310,007</u>	<u>319,179</u>	<u>79.27%</u>

2022	Quantity	Cost RM	Market value RM	Percentage of NAV %
Collective investment scheme in Malaysia - Phillip Master Islamic Cash Fund	<u>930,128</u>	<u>930,593</u>	<u>934,034</u>	<u>98.06%</u>

The collective investment schemes are money market funds managed by a related fund management company.

4. Derivative (liability)/asset

	2023 RM	2022 RM
(Liability)/Asset		
Equity Contract for Difference (CFD)	<u>(11,990)</u>	<u>14,000</u>

Contract For Difference (CFD) is a leveraged derivative product that tracks the price movement of an underlying instrument. CFD essentially allows to trade the direction of securities which can be settled at any time during a specified period.

CFDs are collateralised by cash held by brokers in margin accounts and changes in the contracts' notional value are settled net upon close position. The fair value of CFD is classified as financial assets or liabilities at fair value through profit or loss.

CFD as at the end of the reporting period is detailed below:

2023	Quantity	Maturity date	Notional value RM	Fair Value* RM	Percentage of NAV (%)
Equity CFD					
US SP 500 Index USD1 - CFD	4	06/04/2023	71,710	(57)	0.01%
Datasonic Group Berhad -CFD	300,000	07/04/2023	126,000	(10,500)	2.61%
NYSE Xom Exxon Mobil Corp	30	07/04/2023	14,531	42	0.01%
NYSE Xom Exxon Mobil Corp	12	10/04/2023	5,812	(100)	0.02%
US SP 500 Index USD1 – CFD	4	26/04/2023	71,710	(1,188)	0.30%
NYSE Xom Exxon Mobil Corp	12	28/04/2023	5,812	(37)	0.01%
US SP 500 Index USD1 – CFD	8	01/05/2023	143,420	(707)	0.18%
NASD Intc Intel Corpn – CFD	140	01/05/2023	20,202	557	0.14%
2022	Quantity	Maturity date	Notional value RM	Fair Value* RM	Percentage of NAV (%)
Equity CFD					
Datasonic Group Berhad -CFD	400,000	08/04/2022	190,000	14,000	1.47%

**Being the difference between the contract price and the market notional price.*

5. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position.

	2023 RM	2022 RM
Cash at bank	431	593
Cash held by a broker in a margin account	109,354	88,864
	109,785	89,457
Less: Restricted cash*	(109,354)	(88,864)
Total cash and cash equivalents	431	593

* Restricted cash represents cash held by a broker in a margin account.

The currency profile of cash at bank and cash held by a broker in a margin account are as follows:

	2023 RM	2022 RM
Malaysia Ringgit	81,574	89,457
United States Dollar	28,211	-
	<u>109,785</u>	<u>89,457</u>

6. Amount due to Manager

The amount due to Manager arose from outstanding management fee payable.

7. Other payables

	2023 RM	2022 RM
Audit fee	8,500	8,000
Taxation services fee	3,800	3,800
	<u>12,300</u>	<u>11,800</u>

8. Total equity/NAV attributable to unit holders

	Note	2023 RM	2022 RM
Unit holders' capital	(a)	<u>5,979,058</u>	<u>6,494,973</u>
Accumulated losses:			
At the beginning of the financial year		(5,542,444)	(5,489,884)
Total comprehensive loss for the year		<u>(33,984)</u>	<u>(52,560)</u>
At the end of the financial year		<u>(5,576,428)</u>	<u>(5,542,444)</u>
Total equity/NAV attributable to unit holders		<u>402,630</u>	<u>952,529</u>

(a) Unit holders' capital

	2023	
	No. of units	RM
At 1 April 2022	1,083,235	6,494,973
Less: Cancellation of units	<u>(588,519)</u>	<u>(515,915)</u>
At 31 March 2023	<u>494,716</u>	<u>5,979,058</u>
	2022	
	No. of units	RM
At 1 April 2021	2,606,808	7,842,733
Less: Cancellation of units	<u>(1,523,573)</u>	<u>(1,347,760)</u>
At 31 March 2022	<u>1,083,235</u>	<u>6,494,973</u>

9. Manager's fee

The Eighth Schedule of the Deed provides that the Manager's fee is computed on a monthly basis, up to a maximum of 3.00% per annum of the gross NAV of the Fund before deducting the Manager's fee and Trustee's fee for the particular day.

The Manager's fee provided in the financial statements is computed at 1.50% (2.00% for April 2021 and 1.50% effective from 1 May 2021) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis.

10. Trustee's fee

The Ninth Schedule of the Deed provides that the Trustee's fee is computed on a monthly basis, up to a maximum of 0.12% per annum of the gross NAV of the Fund before deducting the Manager's fee and the Trustee's fee for that particular day, or subject to a minimum of RM18,000 per annum.

The Trustee's fee charged for the year ended 31 March 2023 is the minimum charge of RM18,000 (2022: RM18,000) per annum.

11. Income tax expense

	2023 RM	2022 RM
Tax expense for the year	-	160

Income tax is calculated at the Malaysian tax rate of 24% (2022: 24%) of the estimated assessable income for the financial year.

There was no taxation charge for the current financial year due to tax-exempt income received.

The tax charged for the previous financial year is in relation to the taxable other income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, investment income earned by the Fund is tax-exempted.

A reconciliation of income tax expense applicable to net loss before tax at the statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Fund is as follows:

	2023 RM	2022 RM
Net loss before tax	(33,984)	(52,400)
Tax at Malaysian tax rate of 24% (2022: 24%)	(8,156)	(12,576)
Effect of income not subject to tax	(6,216)	(3,190)
Effect of expenses not deductible for tax purposes (under Section 63B of the Income Tax Act, 1967)	10,018	7,646
Restriction on tax deductible expenses for the Fund	4,354	8,280
Tax expense for the year	-	160

12. Transactions with a futures broking company

As at the end of the reporting period, the transactions with a futures broking company are as follows:

	Value of trade RM	Percentage of trade %	Brokerage fees RM	Percentage of total fees %
2023				
Phillip Capital Sdn Bhd (f.k.a. Phillip Futures Sdn Bhd)	<u>7,951,568*</u>	<u>100</u>	<u>2,100</u>	<u>100</u>
	Value of trade RM	Percentage of trade %	Brokerage fees RM	Percentage of total fees %
2022				
Phillip Futures Sdn Bhd	<u>3,312,000*</u>	<u>100</u>	<u>612</u>	<u>100</u>

*Note: The value of trade is reported in the notional value which is contract price multiplied by number of contracts multiplied by tick size.

Phillip Futures Sdn Bhd is a related company to the Manager, whereby the dealings have been transacted on an arm's length basis.

13. Units held by related parties

As at the end of the reporting period, the total number of units held legally by a related company is as follows:

	No. of units Unit	Market value RM
2023		
Phillip Mutual Berhad	<u>494,716</u>	<u>402,649</u>
	No. of units Unit	Market value RM
2022		
Phillip Mutual Berhad	<u>1,043,936</u>	<u>917,933</u>

Phillip Mutual Berhad acts as an institutional unit trust adviser for the Fund and has invested RM402,649 (2022: RM917,933) equivalent to 494,716 units (2022: 1,043,936 units) in the Fund as at the end of the reporting period.

The transactions with the related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with non-related parties.

14. Portfolio turnover ratio

Portfolio turnover ratio is the ratio of the average acquisitions and disposals of investments of the Fund during the year to the average NAV of the Fund.

The portfolio turnover ratio for the current financial year is 6.66 times (2022: 2.31 times), calculated using the formula of the sum of notional value of CFD/future contracts and collective investment schemes divided by the average NAV of the Fund.

15. Total expense ratio

The Total expense ratio is the ratio of the total fees and recovered expenses of the Fund expressed as a percentage of the Fund's average NAV. The total expense ratio for the financial year is 7.04% (2022: 3.59%).

16. Financial risk management

The Fund is exposed to a variety of financial risks including market risk (which includes interest rate risk and price risk), credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instrument, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices.

Market risk of the fund is managed through portfolio diversification across a number of sectors and industries. It comprises the following:

(i) Interest rate risk

Cash and money market instruments are particularly sensitive to movements in interest rates. When interest rates rise, the returns on cash will rise while the value of money market instruments will fall and vice versa, thus affecting the NAV of the Fund. When the interest rate trend is anticipated to rise, the exposure to fixed income securities will be reduced to an acceptable level.

The Fund does not have any significant interest rate risk exposure as at the end of the reporting period.

(ii) Price risk

Price risk is the risk of unfavourable changes in the fair values of investments as the result of changes in the levels of equity price. The price risk exposure arises from the Fund's investments in derivative instruments.

The increase/(decrease) in the NAV attributable to unit holders as at end of the reporting period, assuming prices change by +/- 5% with all other variables held constant, is as follows:

Change in price (%)	Effect on net loss before tax and NAV attributable to unitholders Increase/(Decrease)	
	2023 RM	2022 RM
+5	22,960	9,500
(5)	<u>(22,960)</u>	<u>(9,500)</u>

(b) Credit risk

Credit risk refers to the ability of an issuer or a counterparty to make timely payments of interest, principals and proceeds from realisation of investments. The Manager manages the credit risk by setting counterparty limits and undertaking credit evaluation to minimise such risk.

None of the financial assets of the Fund were past due or impaired as at the end of the reporting period.

(c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore subject to foreign exchange risks.

(d) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unit holders by the Manager are redeemable at the unit holders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deed. The Manager monitors the Fund's liquidity position on a daily basis.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unit holders. Liquid assets comprise cash and other instruments which are capable of being converted into cash within 7 days.

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. The Fund's investments are highly liquid investments which can be realised should all of the Fund's unit holders' equity be required to be redeemed. For other assets, the analysis into maturity groupings is based on the remaining year from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

As at the end of the reporting period, all the financial assets of the Fund other than the investments, are expected to be realisable on demand within one year from the end of the reporting period. All the financial liabilities of the Fund are due on demand or within one year from the end of the reporting period.

17. Fair value of financial instruments

(a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 2.4 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities of the Fund in the statement of financial position as at the end of the reporting period by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

	Financial assets/ liability at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
2023			
Assets			
Investment	319,179	-	319,179
Cash at bank	-	431	431
Cash held by a broker in a margin account	-	109,354	109,354
	<u>319,179</u>	<u>109,785</u>	<u>428,964</u>
Liabilities			
Amount due to Manager	-	516	516
Amount due to Trustee	-	1,528	1,528
Derivative liability	11,990	-	11,990
Other payables	-	12,300	12,300
	<u>11,990</u>	<u>14,344</u>	<u>26,334</u>
2022			
Assets			
Investment	934,034	-	934,034
Derivative asset	14,000	-	14,000
Cash at bank	-	593	593
Cash held by a broker in a margin account	-	88,864	88,864
	<u>948,034</u>	<u>89,457</u>	<u>1,037,491</u>
Liabilities			
Amount due to Manager	-	1,181	1,181
Amount due to Trustee	-	1,528	1,528
Redemption payable	-	70,453	70,453
Other payables	-	11,800	11,800
	<u>-</u>	<u>84,962</u>	<u>84,962</u>

(a) Financial instruments that are carried at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions.

The fair value of investment in collective investment scheme and derivative asset/(liability) have been estimated by reference to independent market sources.

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value.

Other than the financial assets at FVTPL, the other financial instruments of the Fund that are not carried at fair value but their carrying amounts are reasonable approximations of fair value due to their short-term maturity.

(c) Fair value hierarchy

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Total RM
2023		
Financial assets/(liabilities) at FVTPL:		
Collective investment scheme in Malaysia	319,179	319,179
Equity CFD	<u>(11,990)</u>	<u>(11,990)</u>
2022		
Financial assets at FVTPL:		
Collective investment scheme in Malaysia	934,034	934,034
Equity CFD	<u>14,000</u>	<u>14,000</u>

During the financial year ended 31 March 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

18. Capital Management

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its information memorandum;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to make the operation of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial year.

6. CORPORATE INFORMATION

MANAGER

Phillip Capital Management Sdn Bhd (199501004372)(333567-D)

Registered Office

Lot 25-4-12, 4th Floor, Plaza Prima, Batu 4 1/2, Jalan Kelang Lama, 58200 Kuala Lumpur.
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Business Office

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Fax: 603-2166 5099
Website: <https://www.phillipcapital.com.my>
E-mail: pcm@phillipcapital.com.my

TRUSTEE

TMF Trustees Malaysia Berhad (200301008392)(610812-W)

Registered and Business Office:

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Tel: 603-2382 4288
Fax: 603-2026 1451
Website: <http://www.tmf-group.com>

BOARD OF DIRECTORS

Datin Hajjah Nona Binti Salleh
Mohd Fadzli Bin Mohd Anas
Saw Leong Aun
Chai Chung Bin
Loke Ka Wai
Norlia Binti Mohd Ali (Appointed on 1 November 2022)

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AUDITORS

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Deloitte Tax Services Sdn Bhd (197701005407)(36421-T)

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SALE & REPURCHASE OF UNITS

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