

PHILLIP WHOLESALE ISLAMIC INCOME FUND

**UNAUDITED
QUARTERLY REPORT**

**FOR THE FINANCIAL PERIOD
ENDED 31 OCTOBER 2023**

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

Trustee:
PB TRUSTEE SERVICES BERHAD
(196801000374)(7968-T)

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FUND INFORMATION
As At 31 October 2023

Name Of Fund	:	Phillip Wholesale Islamic Income Fund
Manager Of Fund	:	Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	:	3 May 2021
Category Of Fund	:	Fixed Income (Wholesale Islamic)
Type Of Fund	:	Income
Investment Objective	:	Phillip Wholesale Islamic Income Fund aims to provide regular income by investing in Shariah-compliant investments.
Performance Benchmark	:	Maybank's 1-Month General Investment Account-i (GIA-i) Rate (Tier 1-Month Rate)
Distribution Policy	:	To distribute income on a monthly basis or at least quarterly, subject to availability of income.
Fund Size	:	417.20 million units

FUND PERFORMANCE

Financial Highlights

Category	As at 31.10.2023 %	As at 31.07.2023 %	As at 30.04.2023 %
Shariah-compliant investment - Islamic fixed income security	3.51	1.25	1.54
Shariah-based deposits with licensed financial institutions	94.01	98.73	98.44
Cash	2.48	0.02	0.02
Total	100.00	100.00	100.00
Net Asset Value (RM'000)	417,195	365,382	293,465
Number Of Units In Circulation (Units '000)	417,195	365,382	293,465
Net Asset Value Per Unit (RM)*	1.0000	1.0000	1.0000
Total Expense Ratio ("TER")^	0.07%	0.07%	0.32%
Portfolio Turnover Ratio ("PTR") (times)^	14.65	16.27	48.11

Notes:

The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

** Price quoted is ex-distribution*

^ TER and PTR are computed based on respective financial period/ year.

Performance Data

	Phillip Wholesale Islamic Income Fund		Maybank's 1-Month GIA-i Rate	
	Total Return	Average Annual Return	Total Return	Average Annual Return
3 Months' Period Ended 31.10.2023	0.83%	-	0.52%	-
3 Months' Period Ended 31.07.2023	0.85%	-	0.54%	-
1 Year Period to 30.4.2023	2.70%	2.70%	1.68%	1.68%
Since launch (3.5.2021 to 30.4.2022)	1.79%	-	1.00%	-
	1.8.2023 to 31.10.2023	1.5.2023 to 31.7.2023	1.5.2022 to 30.4.2023	Since launch 3.5.2021 to 30.4.2022
Phillip Wholesale Islamic Income Fund				
- Capital Return	-	-	-	-
- Income Return	0.83%	0.85%	2.70%	1.79%
- Total Return	0.83%	0.85%	2.70%	1.79%
Maybank's 1-Month GIA-i Rate	0.52%	0.54%	1.68%	1.00%
	1.8.2023 to 31.10.2023	1.5.2023 to 31.7.2023	1.5.2022 to 30.4.2023	Since launch 3.5.2021 to 30.4.2022
Unit Prices				
Highest NAV (RM)	1.0000	1.0000	1.0000	1.0000
Lowest NAV (RM)	1.0000	1.0000	1.0000	1.0000
Distributions	2023	2023	2023	2022
Gross/Net Distribution Per Unit (% p.a.)				
- 31 May	3.45%	3.45%	-	1.86%
- 30 June	3.40%	3.40%	-	1.90%
- 31 July	3.30%	3.30%	-	1.98%
- 31 August	3.32%	-	-	2.09%
- 30 September	3.35%	-	-	2.20%
- 31 October	3.40%	-	-	2.40%
- 30 November	-	-	-	2.67%
- 31 December	-	-	-	3.10%
- 31 January	3.45%	3.45%	3.45%	1.78%
- 28 February	3.55%	3.55%	3.55%	1.77%
- 31 March	3.43%	3.43%	3.43%	1.76%
- 30 April	3.45%	3.45%	3.45%	1.80%
Unit Splits	-	-	-	-

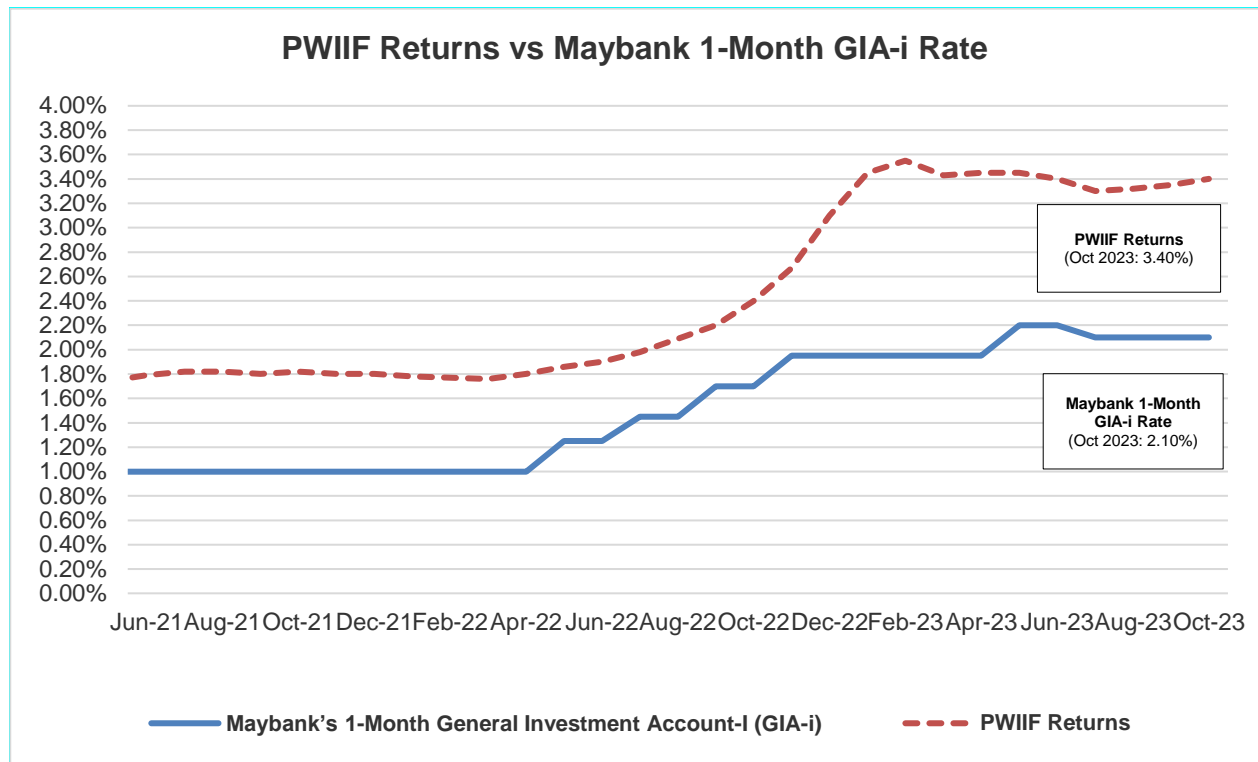
Source: All figures pertaining to the Fund's return were extracted from Lipper.

MANAGER’S REPORT

Performance Review

For the purpose of benchmark comparison, we have used Maybank’s 1-Month General Investment Account-i (GIA-i) Rate as both provide similar liquidity.

Performance of Phillip Wholesale Islamic Income Fund (PWIF) vs. Maybank’s 1-Month GIA-i Rate since the Fund’s inception:



Date of inception of PWIF: 3rd May 2021
 Source: Phillip Capital Management Sdn Bhd, Maybank2u Website

Since its inception, the Fund has distributed income monthly. During the financial period under review, the Fund’s returns were better than the return offered by Maybank’s 1-Month General Investment Account-i (GIA-i) Rate. Beneath is the comparison table.

PWIF vs Maybank’s 1-Month General Investment Account-i (GIA-i) Rate

PWIF * (% p.a.)	Maybank ** (% p.a.)	Difference (% p.a.)
3.36	2.10	1.26

Source: * PWIF’s average monthly return for the period from August 2023 to October 2023
 ** Maybank2u website (average monthly return for the period from August 2023 to October 2023)

During the financial period under review, the average monthly return of the Fund was at 3.36% p.a. The Fund has out-performed the benchmark, as illustrated in the comparison table above. As such, the Fund has achieved its objective to provide regular income to investors higher than the performance benchmark.

Volatility Of the Fund

The volatility of the Fund is negligible. The Net Asset Value of the Fund traded at RM1.00 per unit during the financial period under review.

Securities Financing Transactions

For the financial period under review, the Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).

Income Distribution

Gross/Net distribution per unit	31.08.2023: 3.32% p.a. 30.09.2023: 3.35% p.a. 31.10.2023: 3.40% p.a.
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NAV per unit before distribution (as at 31 October 2023)	RM1.0000
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NAV per unit after distribution (as at 31 October 2023)	RM1.0000
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Unit Split : Nil

Market Review

In the second quarter of 2023, the Malaysian economy experienced moderate expansion at 2.9%, a decrease from the 5.6% recorded in the first quarter of 2022, primarily due to sluggish external demand. The main driver of growth remained domestic demand, buoyed by robust contributions from private consumption and investment. Household spending benefited from sustained growth in employment and wages, while investment activity was supported by capacity expansion, progress in multi-year projects, and increased fixed asset spending by the government. Although slower goods export growth was partially offset by the continued recovery in inbound tourism, the quarter's growth was also influenced by the high base effect from the second quarter of 2022, marked by strong growth resulting from reopening effects and policy measures. On the supply side, growth was supported by the services and construction sectors, while the agriculture and mining sectors experienced setbacks due to hot weather and plant maintenance. When analyzed on a quarter-on-quarter seasonally-adjusted basis, the economy registered a 1.5% growth, as compared to 0.9% in the first quarter of 2023.

The labour market continued its positive trajectory, witnessing a 2.4% increase in the number of jobs within the economic sector, reaching 8.83 million in this quarter compared to the same period last year (Q2 2022: 8.62 million). The momentum in the labour market is anticipated to persist, maintaining steady growth in the upcoming quarter. This sustained progress is underpinned by ongoing economic development, government initiatives, and strategic investments aimed at creating high-paying job opportunities. Meanwhile, For the period of January to October 2023, trade surpassed the RM2 trillion mark, reaching RM2.181 trillion. Exports amounted to RM1.186 trillion, while imports were valued at RM995.55 billion. Trade, exports and imports each posted an 8% decrease compared to the corresponding period last year. Trade surplus was lower by 7.9%, amounting to RM190.04 billion.

Aligned with the MADANI Economy framework, forthcoming policy documents such as the New Industrial Master Plan 2030, the 12th Malaysia Plan Mid-term review, and the 2024 Budget will articulate strategies and initiatives to restructure Malaysia's economy and foster inclusive

development for the people. Key areas of focus encompass enhancing the ease of doing business, encouraging quality investments to create high-income employment opportunities, ensuring good governance, and investing in improved public services and infrastructure, all geared towards enhancing the quality of life for the people.

Meanwhile, it is anticipated that Bank Negara Malaysia (BNM) will maintain the Overnight Policy Rate (OPR) at 3% during its final policy meeting in November 2023 and throughout 2024, even in the face of mounting pressures for further tightening. This expectation is reinforced by the easing of Malaysia's headline inflation, measured by the consumer price index (CPI), which recorded a growth of 1.9% in September 2023—the lowest in the past two and a half years. On the domestic bond market, Malaysian Government Securities (MGS) long-term bonds inched higher following the movement of global bond yields. However, MGS yields were well supported due to the stable outlook for domestic rates, despite the potential for greater yield differentials against US Treasury (UST). As of October 2023, the 3-year MGS increased by 9 basis points (bps), closing at 3.66%, while the 10-year and 30-year MGS increased by 11 bps and 9 bps month-on-month (m-o-m), closing at 4.09% and 4.52%, respectively.

Market Outlook

In 2024, the Malaysian economy is anticipated to strengthen, with growth expected in the range of 4% to 5%, driven by expansion across various sectors and improved global trade prospects. The Finance Ministry predicts that world trade will see improvement, positively impacting Malaysia, given its heavy dependence on international trade. Additionally, ongoing improvements in tourist arrivals and spending are expected, while investment will be supported by the progress of multi-year infrastructure projects and catalytic initiatives. Budget 2024 measures are set to further boost economic activity. Despite a positive outlook, potential downside risks include weaker-than-expected external demand and prolonged declines in commodity production. Conversely, upside factors include stronger-than-expected tourism activity, a robust recovery from the E&E downcycle, and expedited implementation of existing and new investment projects.

Strategy Going Forward

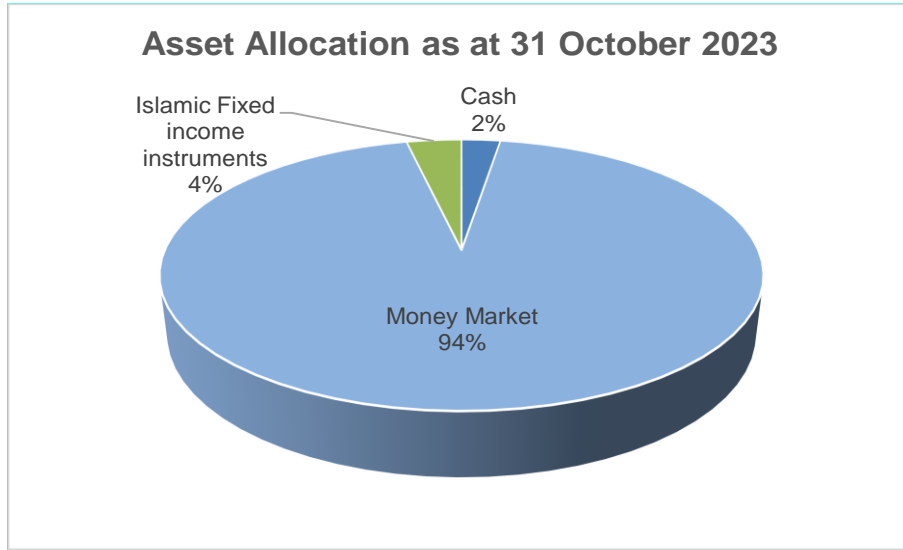
Over the review period, the Fund maintained a steadfast focus on Islamic short-term deposits and Islamic money market instruments with maturities of one year or less, consistently aligning with its investment strategy. Simultaneously, the fund is gradually increasing its exposure to fixed income instruments to enhance returns, strategically adapting to the current economic situation.

Both headline and core inflation have continued to decline, in line with the expected moderation in cost conditions. This trend is anticipated to persist into the second half of the year (2H2023), driven by the ongoing easing momentum of price increases and influenced by a high base in 2H2022, as reported by the central bank. While the growth outlook faces downside risks, primarily from weaker-than-expected external demand and more significant, prolonged declines in commodity production, potential upside factors include stronger-than-expected tourism activity, a robust recovery from the E&E (electrical and electronics) downcycle, and expedited implementation of existing and new projects. The central bank highlighted a deceleration in external demand and a decrease in commodity production, impacting Malaysia's economic growth in the second quarter of this year. As a result, we expect that BNM will keep its OPR steady at 3.0% until the conclusion of 2023.

Moving forward, our dedication to investing in Islamic fixed income instruments remains steadfast, enabling us to actively seek out high-quality Sukuks that provide attractive yields. Additionally, our investment strategy will continue to prioritize short-term Islamic money market instruments with maturities limited to 365 days, aiming to maximize returns for the Fund.

Asset Allocation of the Fund

The asset allocation of the Fund is as follows:



Portfolio composition table

Sector	October 2023	July 2022
	%	%
Shariah-compliant investment - Islamic Fixed Income Security	3.51	-
Shariah-based deposits with licensed financial institutions	94.01	99.99
Cash	2.48	0.01
Total	100.00	100.00

The portfolio composition was maintained at shorter duration (less than 1 year) and more liquid instruments to meet regular redemptions and to avoid liquidity risk.

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 financial period under review.

Key Risk Factors

The potential risks associated with investing in the Fund are including but not limited to the followings:

- Market risk
- Inflation risk
- Manager risk
- Non-Compliance risk
- Financing risk
- Liquidity risk
- Interest rate risk
- Credit and default risk
- Counterparty risk

Significant Changes In The State Of Affairs Of The Fund

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

Circumstances That Materially Affect Interest Of Unitholders

For the financial period under review, there were no circumstances that materially affect any interest of the unitholders.

Cross Trade

No cross trade transactions have been carried out during the financial period.

Soft Commissions

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

SHARIAH ADVISER'S REPORT

**To the Unit holders of Phillip Wholesale Islamic Income Fund ("Fund")
For the financial period from 1 August 2023 to 31 October 2023**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Phillip Capital Management Sdn Bhd has operated and managed the Fund during the financial period covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings, or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

For **Amanie Advisors Sdn Bhd**

Tan Sri Dr Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia
18 December 2023

STATEMENT BY THE MANAGER

We, **Datin Hajjah Nona Binti Salleh** and **Loke Ka Wai**, being two of the directors of **Phillip Capital Management Sdn Bhd**, do hereby declare that, in the opinion of the Manager, the accompanying financial statements are prepared in accordance with the requirements of the Deeds, 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 Wholesale Islamic Income Fund** as at 31 October 2023 and of its financial performance, changes in net asset value and cash flows for the financial period then ended.

Signed on behalf of the Manager in accordance with a resolution of the directors.

DATIN HAJJAH NONA BINTI SALLEH
Executive Chairperson

LOKE KA WAI
Executive Director

Kuala Lumpur, Malaysia
18 December 2023

UNAUDITED STATEMENT OF FINANCIAL POSITION
As at 31 October 2023

	31.10.2023	31.10.2022
	RM	RM
Assets		
Shariah-compliant investments	14,564,165	4,547,373
Shariah-based deposits with licensed financial institutions	390,333,416	336,872,850
Profit receivables	2,097,642	1,426,762
Cash at bank	10,305,889	48,327
Total assets	<u>417,301,112</u>	<u>342,895,312</u>
Liabilities		
Amount due to Manager	90,290	96,342
Amount due to Trustee	5,426	4,458
Other payables	9,982	10,128
Total liabilities	<u>105,698</u>	<u>110,928</u>
Unitholder's equity		
Unitholder's capital	417,195,414	342,784,384
Retained earnings	-	-
Total Equity/Net Asset Value ("NAV") attributable to unitholders	<u>417,195,414</u>	<u>342,784,384</u>
Total equity and liabilities	<u>417,301,112</u>	<u>342,895,312</u>
Number of units in circulation (units)	<u>417,195,414</u>	<u>342,784,384</u>
NAV per unit (ex-distribution)	<u>1.0000</u>	<u>1.0000</u>

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For the financial period from 1 August 2023 to 31 October 2023

	01.08.2023 to 31.10.2023 RM	01.08.2022 to 31.10.2022 RM
Shariah-Compliant Income		
Profit from Shariah-compliant investment	123,877	59,177
Profit from Shariah-based deposits with licensed financial institutions	<u>3,640,150</u>	<u>2,262,509</u>
	<u>3,764,027</u>	<u>2,321,686</u>
Expenses		
Manager's fee	257,321	266,549
Trustee's fee	15,529	13,705
Audit fee	2,136	2,292
Tax agent's fee	955	958
Administration expenses	<u>2,681</u>	<u>2,373</u>
	<u>278,622</u>	<u>285,877</u>
Net income before taxation	3,485,405	2,035,809
Taxation	<u>-</u>	<u>-</u>
Net income after taxation and total comprehensive income for the financial period	<u>3,485,405</u>	<u>2,035,809</u>
Total comprehensive income comprises the following:		
Realised income	<u>3,485,405</u>	<u>2,035,809</u>
Distributions for the period		
Gross/Net distribution (RM)	<u>3,485,405</u>	<u>2,035,809</u>
Gross/Net distribution per unit (sen)	<u>0.85</u>	<u>0.56</u>

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

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
For the financial period from 1 August 2023 to 31 October 2023

	Unitholders' capital RM	Retained earnings RM	Total RM
As at 1 August 2022	341,718,575	-	341,718,575
Total comprehensive income for the period	-	2,035,809	2,035,809
Creation of units	114,080,000	-	114,080,000
Reinvestment of units	2,035,809	-	2,035,809
Cancellation of units	(115,050,000)	-	(115,050,000)
Distributions	-	(2,035,809)	(2,035,809)
As at 31 October 2022	<u>342,784,384</u>	<u>-</u>	<u>342,784,384</u>
As at 1 August 2023	365,382,009	-	365,382,009
Total comprehensive income for the period	-	3,485,405	3,485,405
Creation of units	164,278,000	-	164,278,000
Reinvestment of units	3,485,405	-	3,485,405
Cancellation of units	(115,950,000)	-	(115,950,000)
Distributions	-	(3,485,405)	(3,485,405)
As at 31 October 2023	<u>417,195,414</u>	<u>-</u>	<u>417,195,414</u>

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

UNAUDITED STATEMENT OF CASH FLOWS

For the financial period from 1 August 2023 to 31 October 2023

	01.08.2023 to 31.10.2023 RM	01.08.2022 to 31.10.2022 RM
Cash Flows (Used In)/From Operating and Investing Activities		
Purchase of Shariah-compliant investment	(10,049,734)	(9,578,286)
Net (placements)/withdrawals of Shariah-based deposits with licensed financial institutions	(31,090,289)	1,385,558
Profit received from Shariah-based deposits with licensed financial institutions	3,355,560	2,440,774
Profit received from Shariah-compliant investment	-	7,000,000
Manager's fee paid	(252,022)	(251,454)
Trustee's fee paid	(14,590)	(13,665)
Payment for other fees and expenses	(11,180)	(11,371)
Net cash (used in)/from operating and investing activities	<u>(38,062,255)</u>	<u>971,556</u>
Cash Flows From/(Used In) Financing Activities		
Proceeds from creation of units	164,250,134	114,080,000
Payments for cancellation of units	<u>(115,950,000)</u>	<u>(115,050,000)</u>
Net cash from/(used in) financing activities	<u>48,300,134</u>	<u>(970,000)</u>
Net Increase In Cash And Cash Equivalents	10,237,879	1,556
Cash And Cash Equivalents At Beginning Of The Financial Period	68,010	46,771
Cash And Cash Equivalents At End Of Financial Period	<u>10,305,889</u>	<u>48,327</u>
Cash And Cash Equivalents Comprise:		
Cash at banks	<u>10,305,889</u>	<u>48,327</u>

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

CORPORATE INFORMATION

MANAGER

Phillip Capital Management Sdn Bhd (Registration No: 199501004372)(333567-D)

Registered Office

Lot 25-4-12, 4th Floor, Plaza Prima Batu 4 1/2, Jalan Kelang Lama, 58200 Kuala Lumpur.
Tel : 603-7890 2863 / 7983 0277

Business Office

B-18-6 Block B Level 18 Unit 6, Megan Avenue II, No 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

Tel : 603-2783 0300

Fax: 603-2166 5099

Website: <https://www.phillipinvest.com.my>

E-mail: pcm@phillipcapital.com.my

TRUSTEE

PB Trustee Services Berhad (Registration No: 196801000374 (7968-T)

Registered Office and Business Office

Level 17, Menara Public Bank, 146, Jalan Ampang, 50450 Kuala Lumpur.

Tel: 603-2176 6760

Fax: 603-2164 6197

Website: www.publicbank.com.my

BOARD OF DIRECTORS

Datin Hajjah Nona Binti Salleh

Mohd Fadzli bin Mohd Anas

Chai Chung Bin

Loke Ka Wai

Puan Norlia Mohd Ali

Saw Leong Aun (Resigned on 10 May 2023)

COMPANY SECRETARY

Koh Siang Choo (MIA 4640)

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

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Email: compac.cosec@gmail.com

AUDITOR

Deloitte PLT (LLP0010145-LCA) (AF0080)

Level 16, Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

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TAX ADVISER

Deloitte Tax Services Sdn. Bhd. (Registration No: 197701005407)(36421-T)

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SHARIAH ADVISER

Amanie Advisors Sdn Bhd (Registration No: 200501007003)(684050-H)

Registered Office / Head Office

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No.151, Jalan Klang Lama Batu 3 1/2
58100 Kuala Lumpur

Business Office

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ENQUIRIES

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PHILLIP CAPITAL MANAGEMENT SDN BHD

(199501004372)(333567-D)

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