

# PHILLIP VALUE GROWTH FUND

AUDITED  
ANNUAL REPORT

FOR THE FINANCIAL YEAR  
ENDED 30 APRIL 2024

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

Trustee:  
**CIMB COMMERCE TRUSTEE BERHAD**  
(199401027349)(313031-A)

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**FUND INFORMATION**
**As at 30 April 2024**

Name Of Fund	: Phillip Value Growth Fund
Manager Of Fund	: Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	: 3 May 2021
Category Of Fund	: Equity (Wholesale)
Type Of Fund	: Growth and Income
Investment Objective	: Phillip Value Growth Fund aims to achieve long term* capital growth with regular income distribution.
	<i>* Long term is a period of more than three years.</i>
Performance Benchmark	: FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBMKLCI)
Distribution Policy	: Subject to availability of income, the Fund intends to distribute its income on a yearly basis.
Fund Size	: 21.93 million units

## FUND PERFORMANCE

### Financial Highlights

Category	As at 30.4.2024	As at 30.4.2023	As at 30.4.2022
<b>Quoted Equity Securities</b>	%	%	%
Banks	-	3.41	3.50
Capital Goods	3.33	2.61	2.09
Consumer Durables & Apparel	0.52	-	-
Diversified Financials	3.47	-	-
Energy	4.59	9.76	5.91
Food, Beverage & Tobacco	9.09	14.97	9.88
Health Care Equipment & Services	15.75	3.39	5.93
Industrials	16.21	5.58	6.36
Insurance	6.68	4.26	3.99
Materials	3.85	10.80	10.27
Pharma, Biotech. & Life Sciences	-	5.63	7.46
Plantation	-	-	0.85
Real Estate	9.87	-	-
Semiconductors & Semi. Equipment	-	10.33	10.02
Software & Services	8.59	5.67	4.51
Technology Hardware & Equipment	3.64	9.02	9.35
Telecommunication Services	3.29	2.37	2.35
Transportation	3.27	-	4.11
	92.15	87.80	86.58
<b>Cash And Liquid Assets</b>	7.85	12.20	13.42
<b>Total</b>	100.00	100.00	100.00
Net Asset Value (RM'000)	19,995	22,608	24,891
Number Of Units In Circulation (Units '000)	21,932	27,543	28,851
Net Asset Value Per Unit (RM)	0.9117	0.8208	0.8627
Total Expense Ratio ("TER") <sup>1</sup>	1.73%	1.42%	1.48%
Portfolio Turnover Ratio (times)	0.66	0.35	0.77

The TER for the current financial year is higher due to a lower percentage of decrease in expenses compared with the decrease in average net asset value attributable to unitholders of the Fund.

<sup>1</sup> The TER does not include brokerage and other transaction fees.

The Portfolio Turnover Ratio for the current financial year is higher due to increase in investing activities.

#### 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.

Performance Data

	Phillip Value Growth Fund		FBMKLCI	
	Total Return*	Average Annual Return	Total Return	Average Annual Return
1 Year's Period to 30.4.2024	11.07%	11.07%	11.30%	11.30%
Since launch (3.5.2021 to 30.4.2024)	-8.83%	-2.95%	-0.41%	-0.14%
		1.5.2023 to 30.4.2024	1.5.2022 to 30.4.2023	Since launch 3.5.2021 to 30.4.2022
Phillip Value Growth Fund				
- Capital Return		11.07%	- 4.86%	-13.73%
- Income Return		-	-	-
- Total Return		11.07%	- 4.86%	-13.73%
FBMKLCI		11.30%	-11.53%	1.44%
		1.5.2023 to 30.4.2024	1.5.2022 to 30.4.2023	Since launch 3.5.2021 to 30.4.2022
<b>Unit Prices</b>				
Highest NAV (RM)		0.9117	0.8627	1.0000
Lowest NAV (RM)		0.8029	0.7790	0.8627
<b>Distributions</b>				
Gross Distribution Per Unit (sen)		-	-	-
Net Distribution Per Unit (sen)		-	-	-
<b>Unit Splits</b>		-	-	-

\* NAV price of RM 1.00 is used for calculation of Total Return for NAV per unit begin during the Initial Offering Period.

Notes:

1. All figures pertaining to the Fund's return were extracted from Lipper.
2. 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.

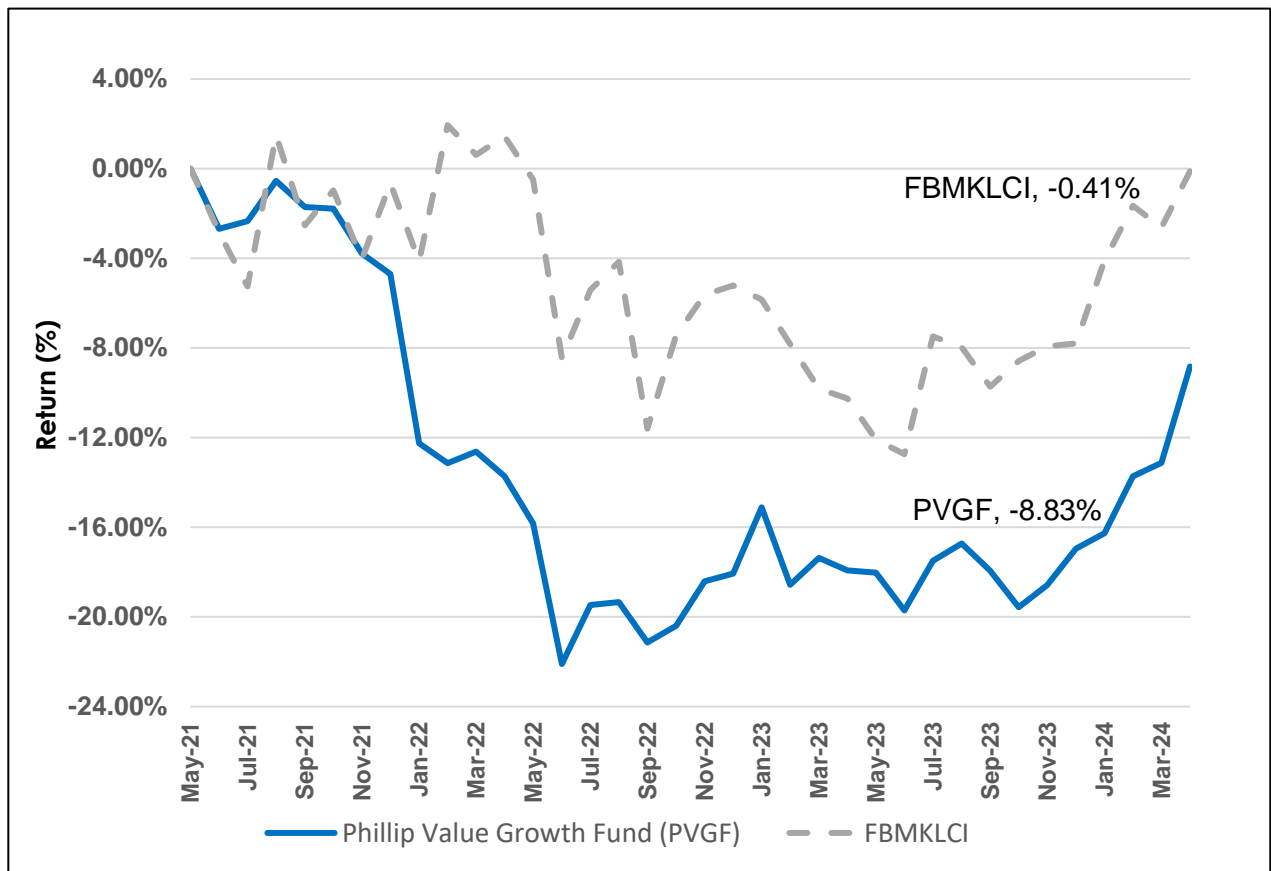
## MANAGER'S REPORT

### Performance Review

From 12 May 2021 (date of launch: 3 May 2021) to 30 April 2024, Phillip Value Growth Fund ("PVGF") registered a loss of 8.83%, while its benchmark, the FTSE Bursa Malaysia KLCI registered a slight loss of 0.41%. For the past 1-year performance, the Fund registered a positive return of 11.07% while its benchmark FBMKLCI rose 11.30%.

Based on the performance of Phillip Value Growth Fund, the Fund has yet to meet its investment objective of achieving long term capital growth with regular income distribution as the Fund is in losing state and the Fund is unable to declare any income distribution in this financial year under review.

### Comparison Between Fund's Performance And Benchmark Since Inception



Source: Lipper

### Investment Strategy Review

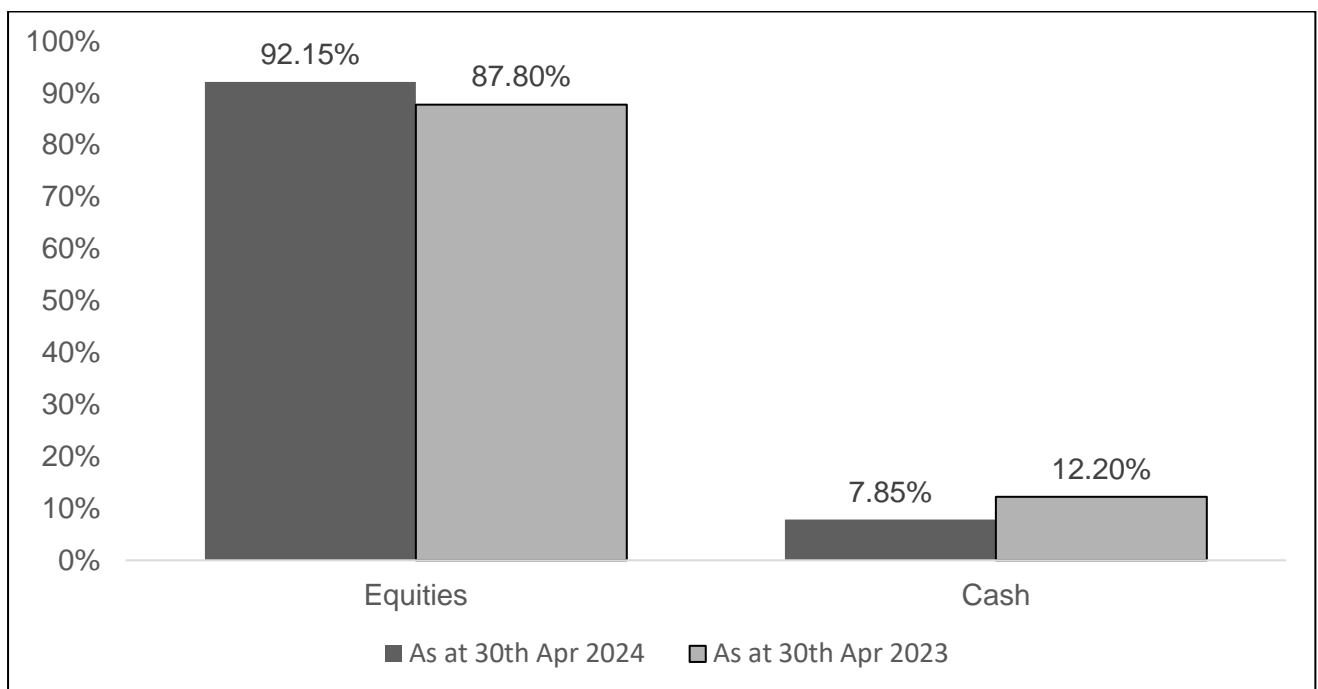
The Fund focuses on buy and hold strategy with portfolio rebalancing measures on monthly or quarterly basis, when needed, on companies that exceeded individual or sectoral maximum capping limits from time to time and if there are new opportunities occur in our watchlist especially when the price-to-book is at the low or discounted level. Overall, the Fund is actively managed and the companies in the portfolio and watchlist are closely monitored. In August 2023 and September 2023, the Fund underwent a massive portfolio rebalancing to enhance the stock selection criteria with more emphasis on the Fund's bottom-line growth within a 1-year period.

To further enhance our strategies to diversify certain portfolio allocation to growth investing opportunities that fulfill businesses with high growth prospect and businesses with double digit profit growth, the Fund added Fraser & Neave Holdings Berhad, Kelington Group Bhd, SAM Engineering and Equipment (M) Berhad, LGMS Berhad, Pentamaster Corporation Berhad, Optimax Holdings Berhad, Supercomnet Technologies Berhad, TMC Life Sciences Berhad, Westports Holdings Berhad, Time Dotcom Berhad, Astino Bhd, Sunway Real Estate Investment Trust, Dagang Nexchange Berhad, Pantech Group Holdings Berhad, AEON Credit Service (M) Berhad, KSL Holdings Bhd, Nongate Holdings Bhd, MNRB Holdings Bhd, IOI Properties Group Bhd and MST Golf Group Berhad in broadening our new investment opportunities.

During the financial year, the Fund disposed of a few counters which include Syarikat Takaful Malaysia Berhad, Telekom Malaysia Bhd, Hup Seng Industries Bhd, Gamuda Berhad, Able Global Bhd, Petronas Chemicals Group Bhd, PMB Technology Bhd, Dutch Lady Milk Industries Bhd, Kawan Food Bhd, Scientex Bhd, Malayan Pacific Industries Bhd, Public Bank Bhd, Apex Healthcare Bhd, Thong Guan Industries, VSTECS Bhd, Unisem (M) Bhd and Astino Bhd.

The Fund also reduced its cash position as compared to the previous year in view of a positive outlook on the market sentiment, in which the Malaysian stock market will turnaround to an uptrend market when in the fourth quarter of 2023, thus we increased the equity position of the Fund.

### Asset Allocation



The quoted equity investments of Phillip Value Growth Fund increased to 92.15% as at 30 April 2024 from 87.80% recorded at the beginning of the financial year under review due to net purchase of equities during the financial year.

Cash decreased to 7.85% as at 30 April 2024 from 12.20% recorded at the beginning of the financial year under review.

### Analysis Of Net Asset Value

The net asset value (NAV) per unit of Phillip Value Growth Fund increased from RM0.8208 to RM0.9117 during the financial year under review. Meanwhile, total NAV of the Fund decreased from RM22,607,547 to RM19,994,723 due to the net fund redemptions and fund performance.

## Market Review

### Equity Market Review

In February 2024 our local equity market was at 1551.44 pts level, then decreased to 1536.07 pts level in March 2024 and in April 2024 increased to 1575.97 pts level. We believe our economy fundamentals remained strong, but consumers are still cautious. The consumer market continues to soften despite the strengthening of the job market with steady employment growth and lower jobless rate at 3.3%.

In addition, inflationary pressure remains low, below +2.0%yoy since July 2023. Malaysia's consumers are still pessimistic amid potential increase in inflation pressure. MIER's Consumer Sentiment Index stayed below its demarcation line of 100 points throughout 2023, reflecting a pessimistic mood. E-Commerce transactions are also showing declining trends.

Despite the challenges in our economy performance, we have seen the GDP of Q12024 remained at a strong growth of 4.2%, that above the market expectations. We forecasted the stock market sentiment will continue to remain positive as we can observe more foreign investment funds continue to flow into our market as well as the effects of economy transformation plans that was rolled out by our unity government that provided the confidence to institutional, foreign and local investors. Hence, we may foresee the bullish market may last until the second half of 2024.

As we continue to follow the Federal Reserve (FED) in February 2024, it seems that FED has shifted away from a tightening stance with Fed Chair Jerome Powell expressing expectations for rate cuts in second half of 2024. The January 2024 jobs report, which surpassed expectations with the addition of 353,000 jobs and a +0.6% increase in hourly wages and strong productivity growth and ongoing contraction in manufacturing activity, signaling a less overheated economy.

While markets have largely discounted a March 2024 rate cut and are now uncertain about an early May 2024 cut, the FED, in its fourth consecutive meeting, decided to keep interest rates unchanged. The Federal Open Market Committee (FOMC) stated that it does not anticipate reducing the target range until it has greater confidence in sustained movement towards the +2.0% inflation target.

Initial applications for U.S. unemployment benefits also dropped, highlighting ongoing strength in the labour market despite notable job cuts seen at large companies. According to Labour Department data released, initial claims decreased by 12,000 to 201,000 in the week ending 17 February 2024 reflecting filings near record lows, which reinforces the other reports that indicated the labour market's resilience despite elevated interest rates.

China's factory activity during end January 2024 experienced a contraction once again. With modest uptick in foreign demand, the impact of weak domestic sentiment outweighed the improvement, resulting another setback to investors seeking clarity on the government's economic support measures. Thus, the official manufacturing Purchasing Managers Index (PMI) for last month was 49.2.

Then China unexpectedly reduced the benchmark reference rate for mortgages during the monthly fixing to boost credit demand and rejuvenate the property market. Improved net interest margins for commercial banks, resulting from recent deposit rate cuts and reductions in bank reserves, have enabled lenders to lower borrowing costs to bolster the economy. The five-year loan prime rate (LPR) decreased by 25 basis points to 3.95% from the previous 4.20%, while the one-year LPR remained steady at 3.45%.

We use Market Price-to-Book ratio (Market PB) as an average price-to-book of all equities in Malaysia market. It indicates the overall valuation of Malaysia equities market in terms of net asset perspective. The latest Market PB as of 30 April 2024 were 1.89. It increased from previous level of 1.84. This indicates that the price to book value of Malaysia equities stayed in the non-high-risk zone as some sectors or counters had encountered further correction in the quarter.





Source: Algobox of Grandpine Capital

### Securities Financing Transactions

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

### Income Distribution Nil

### Unit Split Nil

### Significant Changes In The State Of Affairs Of The Fund

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

### Circumstances That Materially Affect Interest Of Unitholders

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

### Key Investment Team

No	Name	Designation
1	Ang Kok Heng	Chief Investment Officer
2	Bernard Tan Boon Phin	Portfolio Manager
3	Tan Sze Nee	Senior Manager, Fixed Income
4	Hazlin Binti Omar	Portfolio Manager, Fixed Income

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**Key Risk Factors**

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

- Market risk
- Inflation risk
- Manager's risk
- Stock specific risk
- Liquidity risk
- Concentration risk
- Economic risk
- Interest rate risk
- Credit and default risk
- Performance risk due to large redemptions

**Soft Commissions**

During the financial year under review, the investment manager has received soft commissions from brokers in compliance with applicable legal, regulatory and industry standards. Soft commissions are received by the investment manager where the same can reasonably be expected to assist in the provision of investment services to its clients. Examples of goods and services under such soft commission arrangement include research and advisory services, computer software or any other information facilities to the extent that they are used to support the investment decision making process, data and quotation and there was no churning of trades.

**TRUSTEE'S REPORT  
TO THE UNITHOLDERS OF PHILLIP VALUE GROWTH FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 April 2024 and we hereby confirm 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 year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any relevant regulatory requirements.

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
28 June 2024

**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 Value Growth Fund** as at 30 April 2024 and of its financial performance, changes in net asset value and cash flows for the financial year then ended.

Signed on behalf of the Manager in accordance with a resolution of the director,

**DATIN HAJJAH NONA BINTI SALLEH**  
Executive Chairperson

**LOKE KA WAI**  
Executive Director

Kuala Lumpur, Malaysia  
28 June 2024

## **INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PHILLIP VALUE GROWTH FUND**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **Phillip Value Growth Fund** ("the Fund"), which comprise the statement of financial position as at 30 April 2024, 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 material accounting policy information, as set out on pages 15 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 April 2024, 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 of 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 Standards 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 *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 Fund Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

(Forward)

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.

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 this Fund Manager's Report, we are required to report that fact. We have nothing to report in this regard.

### **Manager's and Trustee's Responsibilities 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 of auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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.

(Forward)

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

28 June 2024

**STATEMENT OF FINANCIAL POSITION**  
**As at 30 April 2024**

	<b>Note</b>	<b>2024 RM</b>	<b>2023 RM</b>
<b>Assets</b>			
Investments	<b>3</b>	18,425,077	19,850,531
Dividend receivable		300	36,469
Interest receivable		183	604
Amount due from brokers/dealers	<b>6</b>	-	37,085
Cash and cash equivalents	<b>5</b>	2,261,702	2,722,285
<b>Total assets</b>		<u>20,687,262</u>	<u>22,646,974</u>
<b>Liabilities</b>			
Amount due to Manager	<b>7</b>	675,250	26,033
Other payables		17,289	13,394
<b>Total liabilities</b>		<u>692,539</u>	<u>39,427</u>
<b>Total equity/Net asset value ("NAV") of the Fund</b>		<u>19,994,723</u>	<u>22,607,547</u>
<b>Equity</b>			
Unitholders' capital		22,728,280	27,443,677
Accumulated losses		(2,733,557)	(4,836,130)
<b>NAV attributable to unitholders</b>	<b>13</b>	<u>19,994,723</u>	<u>22,607,547</u>
<b>Total equity and liabilities</b>		<u>20,687,262</u>	<u>22,646,974</u>
<b>Number of units in circulation (Units)</b>	<b>14</b>	<u>21,932,078</u>	<u>27,543,404</u>
<b>NAV per unit</b>	<b>13</b>	<u>0.9117</u>	<u>0.8208</u>

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



**STATEMENT OF COMPREHENSIVE INCOME**  
For the financial year ended 30 April 2024

	Note	2024 RM	2023 RM
<b>Income/(Loss)</b>			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		386,827	596,744
Interest income		74,568	94,263
Net realised loss from sale of financial assets at FVTPL		(2,032,663)	(1,265,046)
Net unrealised gain/(loss) on changes in value of financial assets at FVTPL		4,143,427	(165,073)
		<u>2,572,159</u>	<u>(739,112)</u>
<b>Expenses</b>			
Audit fee			
- Current year		8,500	8,500
- Underprovision in prior year		-	200
Tax agent's fee		3,800	3,800
Manager's fee	8	315,597	350,420
Trustee's fee	9	12,000	12,000
Brokerage and other transaction fees		114,575	46,313
Administration expenses		15,114	15,757
		<u>469,586</u>	<u>436,990</u>
<b>Net income/(loss) before taxation</b>		2,102,573	(1,176,102)
<b>Taxation</b>	12	<u>-</u>	<u>-</u>
<b>Net income/(loss) after taxation, representing total comprehensive income/(loss) for the year</b>		<u>2,102,573</u>	<u>(1,176,102)</u>
<b>Total comprehensive income/(loss) comprises the following:</b>			
Realised loss		(2,040,854)	(1,011,029)
Unrealised income/(loss)		4,143,427	(165,073)
		<u>2,102,573</u>	<u>(1,176,102)</u>

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

**STATEMENT OF CHANGES IN NET ASSET VALUE**  
For the financial year ended 30 April 2024

	Note	Unitholders' capital RM	Accumulated losses RM	NAV attributable to unitholders RM
<b>At 1 May 2022</b>		28,551,255	(3,660,028)	24,891,227
Net loss after taxation		-	(1,176,102)	(1,176,102)
Creation of units	14	1,003,759	-	1,003,759
Cancellation of units	14	(2,111,337)	-	(2,111,337)
<b>At 30 April 2023</b>		<u>27,443,677</u>	<u>(4,836,130)</u>	<u>22,607,547</u>
<b>At 1 May 2023</b>		27,443,677	(4,836,130)	22,607,547
Net income after taxation		-	2,102,573	2,102,573
Creation of units	14	99,502	-	99,502
Cancellation of units	14	(4,814,899)	-	(4,814,899)
<b>At 30 April 2024</b>		<u>22,728,280</u>	<u>(2,733,557)</u>	<u>19,994,723</u>

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

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 30 April 2024**

	<b>2024 RM</b>	<b>2023 RM</b>
<b>Cash Flows From/(Used in) Operating and Investing Activities</b>		
Proceeds from sale of investments	15,206,574	6,703,869
Purchase of investments	(11,721,949)	(4,798,084)
Dividends received	397,099	570,418
Interest received	74,989	93,812
Manager's fee paid	(314,446)	(354,991)
Trustee's fee paid	(11,934)	(12,032)
Payment for other fees and expenses	(23,585)	(29,063)
Net cash from operating and investing activities	<u>3,606,748</u>	<u>2,173,929</u>
<b>Cash Flows From/(Used in) Financing Activities</b>		
Cash proceeds from units created	99,502	1,003,759
Cash paid on units cancelled	(4,166,833)	(2,111,337)
Net cash used in financing activities	<u>(4,067,331)</u>	<u>(1,107,578)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(460,583)	1,066,351
<b>Cash and cash equivalents at beginning of year</b>	2,722,285	1,655,934
<b>Cash and cash equivalents at end of year</b>	<u>2,261,702</u>	<u>2,722,285</u>
<b>Cash and cash equivalents comprise (Note 5):</b>		
Cash at bank	3,702	2,285
Deposit with a licensed financial institution	2,258,000	2,720,000
	<u>2,261,702</u>	<u>2,722,285</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

### For the financial year ended 30 April 2024

#### 1. The Fund, the Manager and their principal activities

Phillip Value Growth Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 27 April 2021 (hereinafter referred to as the "Deed"), made between the Manager, Phillip Capital Management Sdn Bhd and the Trustee, CIMB Commerce Trustee Berhad. The Fund was launched on 3 May 2021 and commenced trading activities on 12 May 2021.

The principal activity of the Fund is to invest in "Permitted Investments" as defined in the Deed, which include stocks and shares of companies quoted on Bursa Malaysia Securities Berhad, fixed income securities and money market instruments as approved by the Securities Commission Malaysia.

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 28 June 2024.

#### 2. Material accounting policy information

##### (a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 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.

##### (b) Changes in accounting policies

###### Amendments to MFRSs

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 periods beginning on or after 1 May 2023, as follows:

Amendments to MFRS 101  
Amendments to MFRS 108  
Amendments to MFRS 112

*Disclosure of Accounting Policies*  
*Definition of Accounting Estimates*  
*International Tax Reform - Pillar Two Model Rules*

The adoption of the Amendments to MFRSs did not result in significant changes in the accounting policies of the Fund and has no significant effect on the financial performance or position of the Fund, except as discussed below:

*Amendments to MFRS 101 Disclosure of Accounting Policies*

The Fund has adopted Amendments to MFRS 101 effective from 1 May 2023. The Amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The Amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the Amendments did not result in any changes to the accounting policies of the Fund, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in Note 2(c) to 2(l).

*Amendments to MFRSs in issue but not yet effective*

As of 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:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 101: <i>Classification of Liabilities as Current and Non-current</i>	1 January 2024
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025

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.

**(c) Functional and presentation currency**

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

**(d) Financial instruments**

The Fund recognises financial assets and financial liabilities in the statement of financial position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

### Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss ("FVTPL") on the basis of both the Fund's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### (i) Financial assets at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. 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 dividend receivable, interest receivable, amounts due from brokers/dealers and cash and cash equivalents.

#### (ii) Financial assets at FVTPL

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category its Permitted Investments. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

### Financial liabilities

Financial liabilities are recognised initially at fair value i.e. the consideration for goods and services received and subsequently stated at amortised cost. These include amount due to Manager and other payables. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

## **(e) Derecognition of financial assets and liabilities**

### Financial assets

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

### Financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liability is derecognised, and through the amortisation process.

#### **(f) 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, either on a 12-month or lifetime basis based on the significant increase in credit risk since initial recognition. The impairment model does not apply to equity investments.

Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund’s financial statements. For balances which are short-term in nature and with no financing component (e.g. dividend receivable, interest receivable and amount due from brokers/dealers), full impairment will be recognised on uncollected balances after the grace period is exceeded.

#### **(g) Income recognition**

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 rate method on an accrual basis.

#### **(h) Unrealised reserves/(deficits)**

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying quoted investments at their fair value and are recognised in the statement of comprehensive income.

#### **(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and deposits with financial institutions with original maturities of 3 months or less which have an insignificant risk of change in value.

#### **(j) 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.

#### **(k) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### **(l) Unitholders’ capital**

Unitholders’ capital meets the conditions for the definition of puttable instruments classified as equity instruments.

Distribution equalisation is accounted for on the date of creation and cancellation of units. It represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

### (m) Significant 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 reporting period.

## 3. Investments

	2024 RM	2023 RM
<b>Financial assets at FVTPL</b>		
Quoted investments		
- Equity securities	<u>18,425,077</u>	<u>19,850,531</u>

#### Equity securities

The composition of quoted investments at the end of the reporting period is as detailed below.

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>2024</b>				
	<b>Capital Goods</b>			
1,685,000	Dagang Nexchange Berhad	<u>705,421</u>	<u>665,575</u>	<u>3.33</u>
	<b>Consumer Durables &amp; Apparel</b>			
228,800	MST Golf Group Berhad	<u>103,649</u>	<u>104,104</u>	<u>0.52</u>

(Forward)



Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>Diversified Financials</b>				
97,500	AEON Credit Service (M) Berhad	563,850	693,225	3.47
<b>Energy</b>				
507,500	Coastal Contracts Berhad	905,730	761,250	3.81
65,000	Dialog Group Berhad	136,451	156,650	0.78
		1,042,181	917,900	4.59
<b>Food, Beverage &amp; Tobacco</b>				
61,900	Ajinomoto (Malaysia) Berhad	907,950	1,202,098	6.01
19,500	Fraser & Neave Holdings Berhad	512,770	616,200	3.08
		1,420,720	1,818,298	9.09
<b>Health Care Equipment &amp; Services</b>				
156,500	Hartalega Holdings Berhad	1,019,184	438,200	2.19
136,100	Kossan Rubber Industries Berhad	475,102	299,420	1.50
1,125,000	Optimax Holdings Berhad	752,978	725,625	3.63
	Supercomnet Technologies Berhad			
519,200		661,008	809,952	4.05
88,000	Supermax Corporation Berhad	316,048	74,800	0.37
965,500	TMC Life Sciences Berhad	598,926	666,195	3.33
153,400	Top Glove Corporation Berhad	707,704	134,992	0.68
		4,530,950	3,149,184	15.75
<b>Industrials</b>				
286,000	Kelington Group Berhad	427,602	783,640	3.92
200,000	Nationgate Holdings Berhad	286,600	348,000	1.74
	SAM Engineering and Equipment			
142,500	(M) Berhad	648,500	698,250	3.49
840,000	Sunview Group Berhad	443,396	562,800	2.81
545,100	Wellcall Holdings Berhad	565,073	850,356	4.25
		2,371,171	3,243,046	16.21
<b>Insurance</b>				
29,700	Allianz Malaysia Berhad	405,278	624,888	3.13
406,000	MNRB Holdings Berhad	559,219	710,500	3.55
		964,497	1,335,388	6.68
<b>Materials</b>				
719,900	Pantech Group Holdings Berhad	622,249	770,293	3.85
<b>Real Estate</b>				
245,000	IOI Properties Group Berhad	524,032	529,200	2.65
460,000	KSL Holdings Berhad	499,450	791,200	3.96
	Sunway Real Estate Investment			
410,000	Trust	618,250	651,900	3.26
		1,641,732	1,972,300	9.87

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>Software &amp; Services</b>				
18,252	Agmo Holdings Berhad	-	9,765	0.05
145,300	LGMS Berhad	154,423	175,813	0.88
1,638,595	My E.G. Services Bhd	1,515,095	1,532,086	7.66
		<u>1,669,518</u>	<u>1,717,664</u>	<u>8.59</u>
<b>Technology Hardware &amp; Equipment</b>				
149,000	Pentamaster Corporation Berhad	766,598	636,230	3.18
100,000	V.S. Industry Berhad	130,188	91,000	0.46
		<u>896,786</u>	<u>727,230</u>	<u>3.64</u>
<b>Telecommunication Services</b>				
127,500	Time Dotcom Berhad	<u>679,750</u>	<u>657,900</u>	<u>3.29</u>
<b>Transportation</b>				
167,000	Westports Holdings Berhad	<u>571,830</u>	<u>652,970</u>	<u>3.27</u>
<b>Total equity securities as at 30 April 2024</b>		<u>17,784,304</u>	<u>18,425,077</u>	<u>92.15</u>
<b>2023</b>				
<b>Banks</b>				
198,000	Public Bank Berhad	<u>807,021</u>	<u>770,220</u>	<u>3.41</u>
<b>Capital Goods</b>				
142,275	Gamuda Berhad	<u>442,760</u>	<u>590,441</u>	<u>2.61</u>
<b>Energy</b>				
507,500	Coastal Contracts Berhad	905,730	1,162,175	5.14
316,800	Dialog Group Berhad	845,217	725,472	3.21
45,000	Petronas Chemicals Group Berhad	424,035	318,600	1.41
		<u>2,174,982</u>	<u>2,206,247</u>	<u>9.76</u>
<b>Food, Beverage &amp; Tobacco</b>				
430,900	Able Global Berhad	671,032	568,788	2.52
71,900	Ajinomoto (Malaysia) Berhad	1,054,630	1,147,524	5.08
23,400	Dutch Lady Milk Industries Berhad	753,288	611,208	2.70
643,100	Hup Seng Industries Berhad	610,861	466,247	2.06
284,300	Kawan Food Berhad	562,369	591,344	2.61
		<u>3,652,180</u>	<u>3,385,111</u>	<u>14.97</u>
<b>Health Care Equipment &amp; Services</b>				
156,500	Hartalega Holdings Berhad	1,019,184	294,220	1.30
136,100	Kossan Rubber Industries Berhad	475,102	170,125	0.75
175,840	Supermax Corporation Berhad	631,521	152,981	0.68
153,400	Top Glove Corporation Berhad	707,704	150,332	0.66
		<u>2,833,511</u>	<u>767,658</u>	<u>3.39</u>

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>Industrials</b>				
780,000	Sunview Group Berhad	383,039	585,000	2.59
582,100	Wellcall Holdings Berhad	603,429	675,236	2.99
		<u>986,468</u>	<u>1,260,236</u>	<u>5.58</u>
<b>Insurance</b>				
38,200	Allianz Malaysia Berhad	503,052	530,980	2.35
131,500	Syarikat Takaful Malaysia Berhad	526,130	432,635	1.91
		<u>1,029,182</u>	<u>963,615</u>	<u>4.26</u>
<b>Materials</b>				
156,800	PMB Technology Berhad	538,769	650,720	2.88
277,300	Scientex Berhad	1,214,748	945,593	4.18
371,300	Thong Guan Industries Berhad	963,337	846,564	3.74
		<u>2,716,854</u>	<u>2,442,877</u>	<u>10.80</u>
<b>Pharma, Biotech. &amp; Life Sciences</b>				
312,600	Apex Healthcare Bhd	928,731	1,272,282	5.63
<b>Semiconductors &amp; Semi. Equipment</b>				
	Malaysian Pacific Industries Berhad			
35,300	Berhad	1,387,377	998,990	4.42
446,500	Unisem (M) Berhad	1,630,024	1,335,035	5.91
		<u>3,017,401</u>	<u>2,334,025</u>	<u>10.33</u>
<b>Software &amp; Services</b>				
15,143	Agmo Holdings Berhad	-	9,389	0.04
1,612,214	My E.G. Services Bhd	1,496,233	1,273,649	5.63
		<u>1,496,233</u>	<u>1,283,038</u>	<u>5.67</u>
<b>Technology Hardware &amp; Equipment</b>				
1,053,800	V.S. Industry Berhad	1,371,922	858,847	3.80
900,200	VSTECS Berhad	1,250,196	1,179,262	5.22
		<u>2,622,118</u>	<u>2,038,109</u>	<u>9.02</u>
<b>Telecommunication Services</b>				
108,200	Telekom Malaysia Berhad	645,744	536,672	2.37
<b>Total equity securities as at 30 April 2023</b>		<u>23,353,185</u>	<u>19,850,531</u>	<u>87.80</u>

### Total quoted investments

Total quoted investments comprised investments in equity securities.

	<b>Cost RM</b>	<b>Fair value RM</b>	<b>Fair value as a % of NAV %</b>
<b>2024</b>			
<b>Total investments</b>	<u>17,784,304</u>	<u>18,425,077</u>	<u>92.15</u>
<b>Unrealised gain from investments as at 30 April 2024</b>		<u>640,773</u>	
	<b>Cost RM</b>	<b>Fair value RM</b>	<b>Fair value as a % of NAV %</b>
<b>2023</b>			
<b>Total investments</b>	<u>23,353,185</u>	<u>19,850,531</u>	<u>87.80</u>
<b>Unrealised loss from investments as at 30 April 2023</b>		<u>(3,502,654)</u>	

#### 4. Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

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).

	<b>Level 1 RM</b>	<b>Total RM</b>
<b>2024</b>		
<b>Financial assets at FVTPL</b>		
Quoted investments	<u>18,425,077</u>	<u>18,425,077</u>
<b>2023</b>		
<b>Financial assets at FVTPL</b>		
Quoted investments	<u>19,850,531</u>	<u>19,850,531</u>

The carrying amounts of other financial assets and financial liabilities, approximate fair values due to the relatively short-term maturities of these financial instruments.

## 5. Cash and cash equivalents

Cash and cash equivalents include cash at banks and deposit with a licensed financial institution.

	2024 RM	2023 RM
Cash at banks	3,702	2,285
Deposit with a licensed financial institution:		
- Commercial bank	2,258,000	2,720,000
Cash and cash equivalents	2,261,702	2,722,285

The rate of return and remaining maturity of deposits with a financial institution at the end of the reporting period were as follows:

	Effective interest rate (% per annum)		Remaining maturity (Days)	
	2024	2023	2024	2023
Deposits with a licensed financial institution:				
- Commercial bank	2.95	2.70	2	4

## 6. Amount due from brokers/dealers

The amount due from brokers/dealers relate to disposal of investments which remain outstanding at the end of the reporting period. These are normally received within 2 (2023: 2) business days from the transaction dates.

## 7. Amount due to Manager

The amount due to Manager represents amount payable for units cancelled and/or amount payable for management fee.

Management fee is payable on a monthly basis and amount payable for units cancelled is paid within 7 (2023: 7) business days from the transaction dates.

## 8. 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 charged for the financial year is 1.50% (2023: 1.49%) per annum.

## 9. 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 0.10% per annum of the NAV of the Fund, subject to a minimum of RM12,000 per annum.

The Trustee's fee provided in the financial statements is at the minimum of RM12,000 (2023: RM12,000) computed at 0.05% (2023: 0.05%) per annum.

## 10. Portfolio turnover ratio ("PTR")

	2024	2023
Portfolio turnover ratio ("PTR")	<u>0.66 times</u>	<u>0.35 times</u>

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year over the average NAV attributable to unitholders of the Fund calculated on a daily basis. The Portfolio Turnover Ratio for the current financial year is higher due to increase in investing activities.

## 11. Total expense ratio ("TER")

	2024	2023
Total expense ratio ("TER") <sup>1</sup>	<u>1.73%</u>	<u>1.42%</u>

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the financial year. The TER for the current financial year is higher due to a lower percentage of decrease in expenses compared with the decrease in average net asset value attributable to unitholders of the Fund.

<sup>1</sup> The TER does not include brokerage and other transaction fees.

## 12. Taxation

	2024 RM	2023 RM
Estimated Malaysian income tax:		
Current financial year	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2023: 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.

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

	2024 RM	2023 RM
Net income/(loss) before taxation	2,102,573	(1,176,102)
Tax at Malaysian statutory rate of 24% (2023: 24%)	504,618	(282,265)
Tax effects of:		
Income not subject to tax	(1,105,157)	(165,842)
Losses not deductible for tax purpose	487,839	343,229
Expenses not deductible for tax purpose	34,917	18,689
Restriction on tax deductible expenses for unit trust funds	77,783	86,189
Tax expense for the financial year	-	-

### 13. Net asset value ("NAV") attributable to unitholders

	2024 RM	2023 RM
Unitholders' capital	22,728,280	27,443,677
Accumulated loss:		
- Realised deficits	(3,374,330)	(1,333,476)
- Unrealised reserves/(deficits)	640,773	(3,502,654)
	(2,733,557)	(4,836,130)
NAV attributable to unitholders	19,994,723	22,607,547

The NAV per unit is rounded off to four decimal places.

### 14. Number of units in circulation

	2024		2023	
	No. of units	RM	No. of units	RM
As beginning of year	27,543,404	27,443,677	28,851,458	28,551,255
Creation of units	120,969	99,502	1,231,309	1,003,759
Cancellation of units	(5,732,295)	(4,814,899)	(2,539,363)	(2,111,337)
At end of year	21,932,078	22,728,280	27,543,404	27,443,677

### 15. Units held by the Manager and its related parties

There were no units held by the Manager and its related parties.

## 16. Transactions with brokers/dealers

Details of transactions with the brokers/dealers for the financial year are as follows:

	Value of trade <sup>#</sup> RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
<b>2024</b>				
<b>Brokers/dealers</b>				
Phillip Capital Sdn Bhd	<u>26,908,266</u>	<u>100.00</u>	<u>79,064</u>	<u>100.00</u>
<b>2023</b>				
<b>Brokers/dealers</b>				
Alliance Investment Bank Bhd	4,832,007	50.14	14,496	49.98
Phillip Capital Sdn Bhd	<u>4,805,625</u>	<u>49.86</u>	<u>14,506</u>	<u>50.02</u>
	<u>9,637,632</u>	<u>100.00</u>	<u>29,002</u>	<u>100.00</u>

<sup>#</sup>Excludes brokerage and other transaction fees.

\* Only applicable to equity securities.

The transactions above are with non-related parties.

## 17. Financial risk management objectives and policies

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk, specific risk and single issuer risk.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment restrictions as stipulated in the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

### (i) Market risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund seeks to diversify some of these risks by investing into different sectors to mitigate risk exposure to any single asset class.

The Fund's market risk is affected primarily due to the following risks:

#### (a) Price risk

Price risk is the adverse changes in the fair value of securities as a result of changes in the levels of equity indices and the value of individual securities. The price risk exposure arises from the Fund's quoted investments.



The table below summarises the effect on the net income/(loss) before tax and NAV attributable to the unitholders of the Fund at the end of the reporting period due to possible changes in prices, with all other variables held constant:

Change in price (%)	Effect on net income/(loss) before tax and NAV attributable to unitholders	
	Increase/(Decrease) 2024 RM	2023 RM
+5	921,254	(992,527)
(5)	(921,254)	992,527

(b) Interest rate risk

This risk refers to the effect of interest rate changes on the returns on deposits with financial institutions. In the event of reduction in interest rates, the return on the deposit with a licensed financial institution will decrease, thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of the deposit with a licensed financial institution.

The Fund's exposure to interest rate risk with respect to the deposit with a licensed financial institution is not considered to be significant at the end of the reporting period and consequently no sensitivity analysis on interest rate risk has been presented.

(ii) Credit risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, interest and proceeds from realisation of investments. Such events can lead to loss of capital or delayed or reduced income for the Fund resulting in a reduction in the Fund's NAV and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

Credit risk is generally arising from investments, cash and cash equivalents and other receivables (including dividend receivable, interest receivable and amount due from brokers/dealers). The maximum exposure to credit risk is presented in the statement of financial position. Cash and cash equivalents are placed in financial institutions with strong credit ratings. The Investment Committee of the Fund identifies companies with small market capitalisation which offer above average earnings growth prospects as part of their investing decision-making process.

(iii) Liquidity risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of liquid assets that allows the Fund to meet daily redemption of units without jeopardising potential returns.

The maturity of the Fund's financial liabilities fall due within three months while the NAV attributable to unitholders are repayable on demand.

(iv) Specific risk

The Fund is exposed to the individual risks of the respective companies issuing securities which includes changes to the business performance of the company, consumer tastes and demands, lawsuits and management practices. This risk is minimised through the diversification of the portfolio of investments of the Fund.

(v) Single issuer risk

The Fund's exposure to securities issued by any issuer is limited to not more than a certain percentage of the Fund's NAV. Under such restriction, the risk exposure to the securities of any issuer is minimised.

## 18. 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 material accounting policy information in Note 2(d) 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 at amortised cost RM	Financial assets at FVTPL RM	Financial liabilities at amortised cost RM	Total RM
<b>2024</b>				
<b>Assets</b>				
Investments	-	18,425,077	-	18,425,077
Dividend receivable	300	-	-	300
Interest receivable	183	-	-	183
Cash and cash equivalents	2,261,702	-	-	2,261,702
	<u>2,262,185</u>	<u>18,425,077</u>	<u>-</u>	<u>20,687,262</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	675,250	675,250
Other payables	-	-	17,289	17,289
	<u>-</u>	<u>-</u>	<u>692,539</u>	<u>692,539</u>
<b>2023</b>				
<b>Assets</b>				
Investments	-	19,850,531	-	19,850,531
Dividend receivable	36,469	-	-	36,469
Interest receivable	604	-	-	604
Amount due from brokers/dealers	37,085	-	-	37,085
Cash and cash equivalents	2,722,285	-	-	2,722,285
	<u>2,796,443</u>	<u>19,850,531</u>	<u>-</u>	<u>22,646,974</u>

(Forward)

	Financial assets at amortised cost RM	Financial assets at FVTPL RM	Financial liabilities at amortised cost RM	Total RM
<b>Liabilities</b>				
Amount due to Manager	-	-	26,033	26,033
Other payables	-	-	13,394	13,394
	<u>-</u>	<u>-</u>	<u>39,427</u>	<u>39,427</u>

The financial instruments of the Fund are not carried at fair value but their carrying amounts are reasonable approximations of fair values due to their short-term maturity.

## 19. Operating segment

The Fund is organised into one main operating segment for investment management purposes. The Investment Department takes a team approach to the investment process of the Fund. The decision-making process involves input from the entire team, with each team member (inclusive of analysts) contributing their respective expertise and views to yield fully informed conclusions. The Investment Committee is responsible for ensuring adherence to investment guidelines, both internal and external, as well as to assess strategy and implementation effectiveness, and to oversee the entire investment function. Accordingly, significant operating decisions are based upon the analysis of the Fund as one operating segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

## 20. Capital management

The Fund's capital comprises unitholders' subscription to the Fund. The unitholders' capital fluctuates according to the daily subscription and redemption of units at the discretion of unitholders.

The Fund aims to achieve its investment objective and at the same time, maintain sufficient liquidity to meet unitholders' redemptions.

## CORPORATE INFORMATION

### THE 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.phillipinvest.com.my>  
E-mail: [pcm@phillipcapital.com.my](mailto:pcm@phillipcapital.com.my)

### TRUSTEE

CIMB Commerce Trustee Berhad (Registration No: 199401027349)(313031-A)

### Registered Office

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### BOARD OF DIRECTORS

Datin Hajjah Nona Binti Salleh  
Mr. Mohd Fadzli Bin Mohd Anas  
Loke Ka Wai  
Norlia Binti Mohd Ali  
Saw Leong Aun (Resigned on 10 May 2023)  
Chai Chung Bin (Resigned on 29 December 2023)

### COMPANY SECRETARY

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## **PHILLIP CAPITAL MANAGEMENT SDN BHD**

(199501004372)(333567-D)

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