

# **PHILLIP WHOLESALE INCOME FUND**

**AUDITED  
ANNUAL REPORT**

**FOR THE FINANCIAL YEAR  
ENDED 30 APRIL 2024**

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 30 April 2024**

Name Of Fund	: Phillip Wholesale Income Fund
Manager Of Fund	: Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	: 3 May 2021
Category Of Fund	: Fixed Income (Wholesale)
Type Of Fund	: Income
Investment Objective	: Phillip Wholesale Income Fund aims to provide regular income to investors.
Performance Benchmark	: Maybank's 1-month fixed deposit rate
Distribution Policy	: To distribute income on a monthly basis or at least quarterly, subject to availability of income.
Fund Size	: 1,145.08 million units

## FUND PERFORMANCE

### Financial Highlights

Category	As at 30.4.2024	As at 30.4.2023	As at 30.4.2022
	%	%	%
<b>Investment - Fixed Income Securities</b>	4.41	0.41	-
<b>Deposits with Licensed Financial Institutions</b>	95.56	99.58	100.00
<b>Cash</b>	0.03	0.01	-
<b>Total</b>	100.00	100.00	100.00
Net Asset Value (RM'000)	1,145,077	1,115,246	1,777,453
Number Of Units In Circulation (Units '000)	1,145,077	1,115,246	1,777,453
Net Asset Value Per Unit (RM)*	1.0000*	1.0000*	1.0000*
Total Expense Ratio ("TER")	0.39%	0.36%	0.32%
Portfolio Turnover Ratio (times)	28.95	35.83	25.03

\* Price quoted is ex-distribution

**Performance Data**

	<b>Phillip Wholesale Income Fund</b>		<b>Maybank's 1-Month Fixed Deposit Rate</b>	
	<b>Total Return*</b>	<b>Average Annual Return</b>	<b>Total Return**</b>	<b>Average Annual Return</b>
1 Year's Period to 30.4.2024	3.53%	3.53%	2.68%	2.68%
Since launch (3.5.2021 to 30.4.2024)	8.27%	2.76%	6.51%	2.17%
		<b>1.5.2023 to 30.4.2024</b>	<b>1.5.2022 to 30.4.2023</b>	<b>Since launch 3.5.2021 to 30.4.2022</b>
Phillip Wholesale Income Fund				
- Capital Return (% p.a.)		-	-	-
- Income Return (% p.a.)		3.53%	2.73%	1.80%
- Total Return (% p.a.)		3.53%	2.73%	1.80%
Maybank's 1-Month Fixed Deposit Rate (% p.a.)		2.68%	2.20%	1.50%
	<b>1.5.2023 to 30.4.2024</b>	<b>1.5.2022 to 30.4.2023</b>	<b>Since launch 3.5.2021 to 30.4.2022</b>	
<b>Unit Prices</b>				
Highest NAV (RM)	1.0000	1.0000	1.0000	
Lowest NAV (RM)	1.0000	1.0000	1.0000	
	<b>Calendar year 2024</b>	<b>Calendar year 2023</b>	<b>Calendar year 2022</b>	
<b>Distributions</b>				
Gross/Net Distribution Per Unit (% p.a.)				
- 31 May	-	3.60%	1.86%	
- 30 June	-	3.50%	1.90%	
- 31 July	-	3.45%	1.98%	
- 31 August	-	3.45%	2.09%	
- 30 September	-	3.45%	2.20%	
- 31 October	-	3.45%	2.40%	
- 30 November	-	3.50%	2.67%	
- 31 December	-	3.50%	3.10%	
- 31 January	3.55%	3.45%	1.78%	
- 29/28 February	3.50%	3.55%	1.77%	
- 31 March	3.40%	3.60%	1.76%	
- 30 April	3.36%	3.60%	1.80%	
<b>Unit Splits</b>	-	-	-	

Source: \* Phillip Wholesale Income Fund's average monthly distribution rate for the year

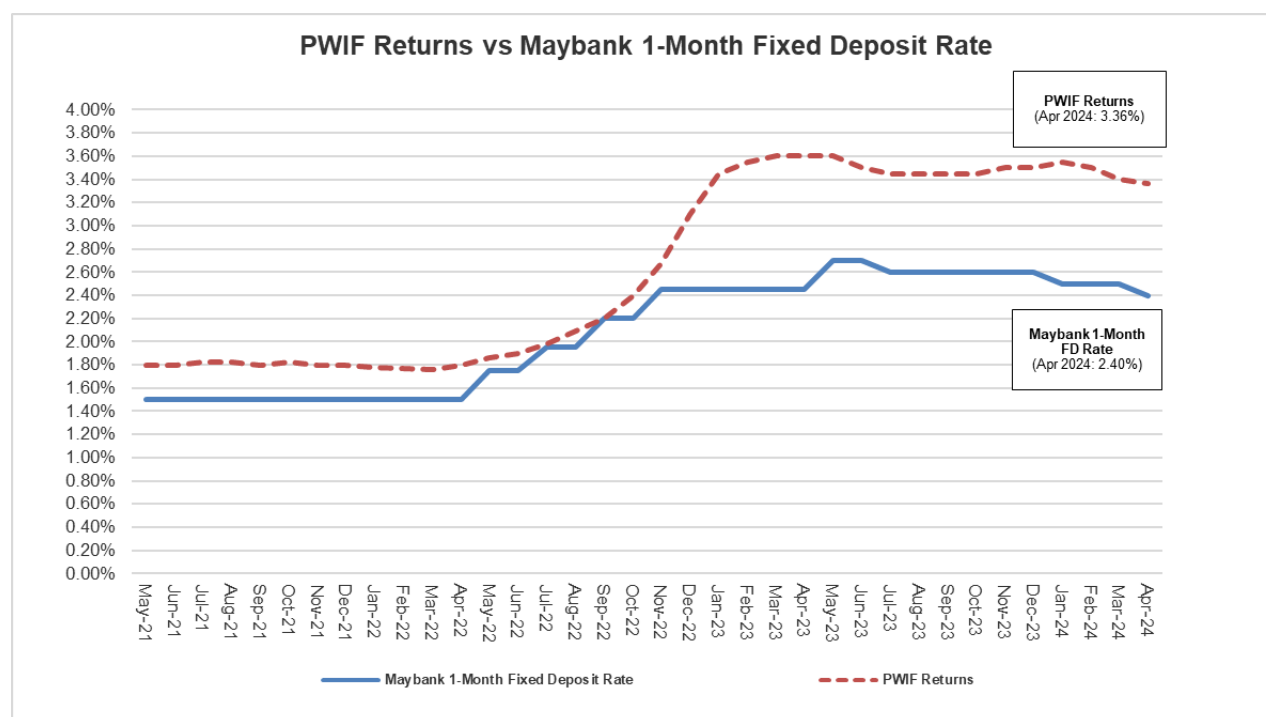
\*\* Maybank2u website (The average return rate for the year)

## MANAGER'S REPORT

### Performance Review

For the purpose of benchmark comparison, we have used Maybank's 1-month Fixed Deposit Rate, as both provide similar liquidity.

Performance of Phillip Wholesale Income Fund ("PWIF") vs. Maybank's 1-month Fixed Deposit Rate since the Fund's launch:



Date of launch: 3 May 2021

Source: Maybank2u Website

Since its launch, the Fund has distributed income monthly. During the financial year under review, the Fund's returns were better than the return offered by Maybank's 1-month Fixed Deposit Rate. Beneath is the comparison table.

### PWIF vs Maybank's 1-Month Fixed Deposit Rate

PWIF *	Maybank **	Difference
(% p.a.)	(% p.a.)	(% p.a.)
3.53	2.68	0.85

Source: \* PWIF's average monthly distribution rate for the year

\*\* Maybank2u website (The average return rate for the year)

During the financial year under review, the total return of the Fund registered at 3.53% p.a. compared to the benchmark return of 2.68% 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 year under review.

### **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**

	<b><u>Phillip Wholesale Income Fund</u></b>
<b>Gross/Net distribution per unit (% p.a.)</b>	31.05.2023: 3.60% p.a. 30.06.2023: 3.50% p.a. 31.07.2023: 3.45% p.a. 31.08.2023: 3.45% p.a. 30.09.2023: 3.45% p.a. 31.10.2023: 3.45% p.a. 30.11.2023: 3.50% p.a. 31.12.2023: 3.50% p.a. 31.01.2024: 3.55% p.a. 29.02.2024: 3.50% p.a. 31.03.2024: 3.40% p.a. 30.04.2024: 3.36% p.a.
<b>NAV per unit before distribution</b> (as at 30 April 2024)	RM1.0000
<b>NAV per unit after distribution</b> (as at 30 April 2024)	RM1.0000

### **Unit Split Nil**

### **Market Review**

To provide a review of year 2023, the Malaysian economy growth as measured by gross domestic product (GDP) normalised to 3.7%, following a strong performance registered in the previous year with 8.7% growth. The decline amid a challenging external environment mainly due to significant events happened such as intensified of geopolitical tension in Middle East that disrupted the oil production, tighter monetary policies which caused the collapse of Silicon Valley Bank that spur the sentiment of banking sector in United States (U.S.), and post pandemic economic rebound of China missed expectations. For year 2024, Malaysia’s economy expended around 1.4% and registered 4.2% growth in quarter one compared to 2.9% in the last quarter. The continued recovery in economic activity and labour market conditions supported the growth, mainly driven by exports with 5.2% growth from -7.9% quarter on quarter (q-o-q), mining & quarrying registered 5.7% growth from 3.5% q-o-q, private consumption expended by 0.5% from 4.2% q-o-q, and services sector rose to 4.7% from 4.1% q-o-q. The central bank maintains positive forecasts in Malaysia economy with estimate annual growth of 4% to 5% in year 2024, versus 3.7% in 2023.

The inflation rate remained flat with March 2024 Consumer Price Index (CPI) published 1.8% and recorded 1.6% down from 3.4% year on year basis (y-o-y). The decline was mainly in food & beverage sector (6.9% to 1.7% y-o-y), restaurant & accommodation services (7.2% to 3.0% y-o-y), household furnishing, equipment & maintenance (3.0% to 0.9% y-o-y), and transport (2.4% to 1.2% y-o-y).

Despite Malaysians reconcile with the impact of heightened water tariffs from February 2024 and introduction of Low Value Goods tax in January 2024, the impact of targeted RON95 subsidy from 2nd half of 2024 is one of the concerns. Government forecast inflation to be 2.1%-3.6% in year 2024 as we gradually shift towards subsidy rationalisation.

Throughout the financial year under review, Overnight Policy Rate (OPR) rate maintained at 3.0% since the last hike of 0.25% in March 2023. The headline and core inflation rate remains under control below 2% since July 2023. It does not pose a threat to the central bank's inflation target. Furthermore, the reserves are sufficient to finance 5.6 months of imports of goods and services (previously retained imports: 7.0 months) and are 1.0 times the total short-term external debt. Foreign investors bought RM1.67bn of Malaysian debt securities, bringing accumulated total foreign holdings of Malaysia debt securities to RM265bn as of the end at March 2024. The stable improved economy condition does not trigger the current OPR decision at 3% in near term.

## **Market Outlook**

The Malaysian economy growth is expected to remain robust in year 2024, forecasts annual growth of 4% to 5% versus 3.7% in 2023, estimated driven by improved investment and local consumption. The statements supported by announcement of several policy made by the government in July 2023 which lifted the positive sentiments in the market and attract foreign investors' attention to pour their funds in Malaysia not limit to equities or debt market but foreign direct investment. This includes the Ekonomi Madani Plan, the National Energy Transition Roadmap ('NETR') part 1 & part 2 and positive development of fiscal consolidation via Budget 2024 in October 2023. The Budget 2024 aims to reduce fiscal deficit from 5.0% to 4.3% in 2024.

## **Strategy Going Forward**

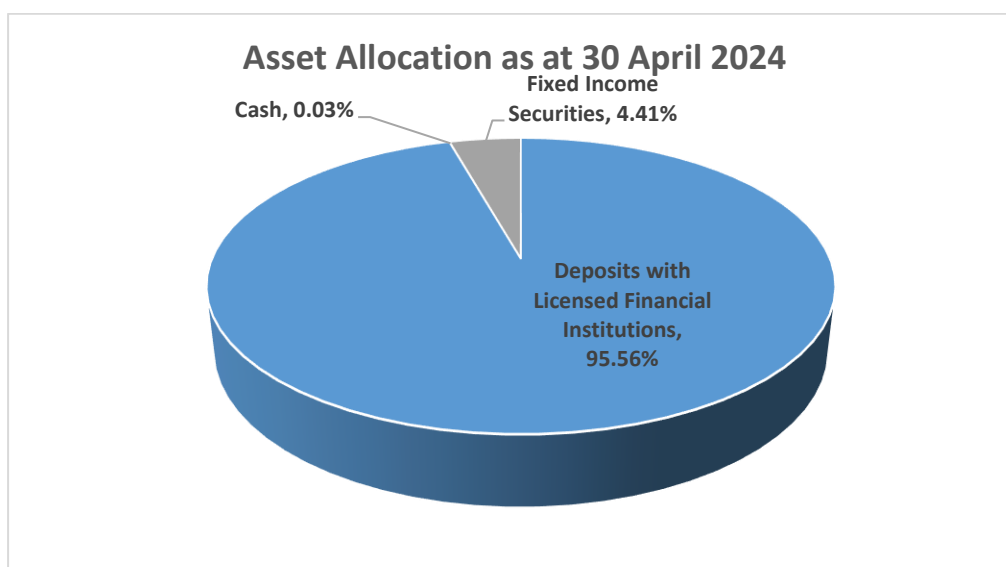
Throughout the year, the Fund allocated its entire investment to short-term deposits and money market instruments that mature within a year. The Fund will persist in pursuing opportunities and attaining its objective through primarily investing in fixed income instruments, deposits, and money market instruments, adhering to the Fund's mandate.

We anticipate the Overnight Policy Rate (OPR) will remain at 3.0%, with no expected rate cuts or hikes until the end of 2024. However, we expect inflation risks to grow due to recent government announcements on civil service wage adjustments and the likelihood of further subsidy removals after the Pangkalan Data Utama database deadline. Our strategy will focus on closely monitoring bond yield movements to identify and capitalise on opportunities in selected bonds with attractive yields.



## Asset Allocation of the Fund

The asset allocation of the Fund is as follows:



## Portfolio composition table

Sector	April 2024 %	April 2023 %
Fixed income securities	4.41	0.41
Deposits with licensed financial institutions	95.56	99.58
Cash	0.03	0.01
Total	100.00	100.00

The Fund will continue to invest mainly in short-term deposits with licensed financial institutions with maturity not exceeding 365 days (1-year), in line with the Fund's mandate.

## Gearing and Credit Risk

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

## Key Investment Team

No	Name	Designation
1	Ang Kok Heng	Chief Investment Officer
2	Tan Sze Nee	Senior Manager, Fixed Income

### **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 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 year 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 year 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 year under review.

### **Soft Commissions**

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

**TRUSTEE'S REPORT  
TO THE UNITHOLDERS OF PHILLIP WHOLESALE INCOME 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** ("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 under the Deeds, the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, 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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objectives of the Fund.

For **PB Trustee Services Berhad (196801000374)(7968-T)**

**Cheah Kuan Yoon**  
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 Wholesale Income 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 UNIT HOLDERS OF PHILLIP WHOLESALE INCOME FUND**

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

#### **Opinion**

We have audited the financial statements of **Phillip Wholesale Income 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 14 to 31.

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 its 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 for 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 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.

(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 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 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>			
Investment	<b>3</b>	50,241,000	4,558,050
Deposits with licensed financial institutions	<b>4</b>	1,088,085,106	1,104,419,913
Interest receivables		6,866,999	6,593,906
Cash at bank		303,917	59,880
<b>Total assets</b>		<u>1,145,497,022</u>	<u>1,115,631,749</u>
<b>Liabilities</b>			
Amount due to Manager		386,371	352,931
Amount due to Trustee		14,205	13,939
Other payables	<b>5</b>	<u>19,072</u>	<u>19,300</u>
<b>Total liabilities</b>		<u>419,648</u>	<u>386,170</u>
<b>Unitholders' equity</b>			
Unitholders' capital		1,145,077,374	1,115,245,579
Retained earnings		<u>-</u>	<u>-</u>
<b>Total equity/Net asset value ("NAV") attributable to unitholders</b>	<b>6</b>	<u>1,145,077,374</u>	<u>1,115,245,579</u>
<b>Total equity and liabilities</b>		<u>1,145,497,022</u>	<u>1,115,631,749</u>
<b>Number of units in circulation (Units)</b>	<b>7</b>	<u>1,145,077,374</u>	<u>1,115,245,579</u>
<b>NAV per unit (ex-distribution)</b>		<u>1.0000</u>	<u>1.0000</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</b>			
Interest income from fixed income securities		943,098	357,681
Interest income from deposits with licensed financial institutions		45,658,781	41,261,995
		<u>46,601,879</u>	<u>41,619,676</u>
<b>Expenses</b>			
Manager's fee	8	4,498,235	4,790,701
Trustee's fee	9	180,281	212,402
Audit fee		15,500	15,500
Tax agent's fee		3,800	3,800
Administration expenses		7,745	7,647
		<u>4,705,561</u>	<u>5,030,050</u>
<b>Net income before taxation</b>		41,896,318	36,589,626
Taxation	10	-	-
<b>Net income after taxation, representing total comprehensive income for the year</b>		<u>41,896,318</u>	<u>36,589,626</u>
<b>Total comprehensive income comprises the following:</b>			
Realised income		<u>41,896,318</u>	<u>36,589,626</u>
<b>Distributions for the year</b>			
Gross/Net distribution (RM)	11	<u>41,896,318</u>	<u>36,589,626</u>
Gross/Net distribution per unit (sen)	11	<u>3.4857</u>	<u>2.6943</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	Retained earnings RM	Total RM
<b>At 1 May 2022</b>		1,777,453,135	-	1,777,453,135
Total comprehensive income for the year		-	36,589,626	36,589,626
Creation of units	7	192,126,156	-	192,126,156
Reinvestment of units	7	36,589,626	-	36,589,626
Cancellation of units	7	(890,923,338)	-	(890,923,338)
Distributions	11	-	(36,589,626)	(36,589,626)
<b>At 30 April 2023</b>		<u>1,115,245,579</u>	<u>-</u>	<u>1,115,245,579</u>
 <b>At 1 May 2023</b>		 1,115,245,579	 -	 1,115,245,579
Total comprehensive income for the year		-	41,896,318	41,896,318
Creation of units	7	1,174,698,013	-	1,174,698,013
Reinvestment of units	7	41,896,318	-	41,896,318
Cancellation of units	7	(1,186,762,536)	-	(1,186,762,536)
Distributions	11	-	(41,896,318)	(41,896,318)
<b>At 30 April 2024</b>		<u>1,145,077,374</u>	<u>-</u>	<u>1,145,077,374</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>		
Purchase of investment in fixed income securities	(45,682,950)	(4,558,050)
Net withdrawals of deposits with licensed financial institutions	16,334,807	664,199,346
Interest received from deposits with licensed financial institutions	45,581,942	43,990,407
Interest received from investment in fixed income securities	746,844	313,229
Manager's fee paid	(4,464,795)	(4,889,456)
Trustee's fee paid	(180,015)	(220,615)
Payment for other fees and expenses	(27,273)	(27,575)
Net cash from operating and investing activities	<u>12,308,560</u>	<u>698,807,286</u>
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from creation of units	1,174,698,013	192,126,156
Payments for cancellation of units	(1,186,762,536)	(890,923,338)
Net cash used in financing activities	<u>(12,064,523)</u>	<u>(698,797,182)</u>
<b>Net increase in cash and cash equivalents</b>	244,037	10,104
<b>Cash and cash equivalents at beginning of year</b>	<u>59,880</u>	<u>49,776</u>
<b>Cash and cash equivalents at end of year</b>	<u>303,917</u>	<u>59,880</u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	<u>303,917</u>	<u>59,880</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 Wholesale Income Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 20 April 2021 (hereinafter referred to as the “Deed”), made between the Manager, Phillip Capital Management Sdn Bhd and the Trustee, PB Trustee Services Berhad. The Fund was launched and commenced trading activities on 3 May 2021.

The principal activities of the Fund aims to provide regular income to investors higher than Maybank’s 1-month fixed deposit rate while maintaining principal value and a high degree of liquidity by investing in fixed income instruments, deposits and money market instruments, and any other form of investments as permitted in the Deed.

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

##### 2.1 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.

##### 2.2 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 disclosed 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 2.4 to 2.10.

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:

<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.

## **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 reporting period.

## 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.

### i) Financial assets

#### 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.

Investment in fixed income securities, deposits with licensed financial institutions, interest receivables and cash at bank are classified as financial assets measured at amortised cost.

#### 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.

#### 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.

### **ii) Classification of realised and unrealised gains and losses**

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

### **iii) Financial liabilities**

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 rate method.

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

## **2.5 Unitholders' capital**

The unitholders' 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 statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investments and comprise cash at bank 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.

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.

Pursuant to Schedule 6 of Income Tax Act 1967, interest income earned by the Fund is exempted from tax. Interest income generated by the Fund is not charged to tax as it is interest income derived from Malaysia and paid by financial institutions licensed under the Financial Services Act 2013.

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

## **2.9 Distributions**

Distributions are at the discretion of the Manager. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves, either in the form of cash or units in the Fund. A proposed distribution is recognised as a liability in the year in which it is approved.

## **2.10 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.

## **3. Investment**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial asset at amortised cost</b>		
Fixed income securities	50,241,000	4,558,050
<b>Total investment</b>	<u>50,241,000</u>	<u>4,558,050</u>



### **Islamic fixed income securities**

The composition of fixed income securities at the end of the reporting period is as detailed below:

	<b>Nominal value RM</b>	<b>Cost RM</b>
<b>2024</b>		
GII Murabahah 8/2013 4.444% 22/05/2024	10,000,000	10,068,000
GII Murabahah 4/2019 3.655% 15/10/2024	20,000,000	20,077,000
Malaysian Government Securities 3.478% 14/06/2024	10,000,000	10,018,000
Malaysian Government Securities 4.059% 30/09/2024	10,000,000	10,078,000
	<u>50,000,000</u>	<u>50,241,000</u>
<b>2023</b>		
GII Murabahah 3/2018 4.094% 30/11/2023	<u>4,500,000</u>	<u>4,558,050</u>

The investment in fixed income securities issued by Government of Malaysia in GII Murabahah is paying 4.444% and 3.655% (2023: 4.094%) of interest per annum and will mature on 22 May 2024 and 15 October 2024 respectively (2023: 30 November 2023), whereas the Malaysian Government Securities is paying 3.478% and 4.059% (2023: Nil%) of interest per annum and will mature on 14 June 2024 and 30 September 2024 respectively. The fixed income securities are held by the Fund within a business model whose objective is both to collect contractual cash flows which are solely payments of principal and interest on the principal amount outstanding. Hence, the fixed income securities are measured at amortised cost.

For the purposes of impairment assessment, the fixed income securities are considered to have low credit risk since these are issued by the Government of Malaysia.

As at the end of the reporting period, the fixed income securities amounting to RM50,241,000 (2023: RM4,558,050) are neither past due nor impaired and there are no expected credit losses.

#### **4. Deposits with licensed financial institutions**

	<b>2024 RM</b>	<b>2023 RM</b>
Licensed banks	759,829,848	877,545,226
Investment banks	<u>328,255,258</u>	<u>226,874,687</u>
	<u>1,088,085,106</u>	<u>1,104,419,913</u>

The weighted average interest rates and the average remaining maturity of deposits with licensed financial institutions at the end of the reporting period were as follows:

	<b>Weighted average interest rates (% per annum)</b>		<b>Average remaining maturity (Days)</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Licensed banks	3.92	4.18	82	77
Investment banks	<u>3.62</u>	<u>3.42</u>	<u>42</u>	<u>57</u>

## 5. Other payables

	2024 RM	2023 RM
Audit fee	15,500	15,500
Tax agent's fee	3,572	3,800
	<u>19,072</u>	<u>19,300</u>

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

	2024 RM	2023 RM
Unitholders' capital	<u>1,145,077,374</u>	<u>1,115,245,579</u>

## 7. Number of units in circulation

	2024 No. of units	RM
At 1 May 2023	1,115,245,579	1,115,245,579
Creation of units	1,174,698,013	1,174,698,013
Reinvestment of units	41,896,318	41,896,318
Cancellation of units	<u>(1,186,762,536)</u>	<u>(1,186,762,536)</u>
At 30 April 2024	<u>1,145,077,374</u>	<u>1,145,077,374</u>

	2023 No. of units	RM
At 1 May 2022	1,777,453,135	1,777,453,135
Creation of units	192,126,156	192,126,156
Reinvestment of units	36,589,626	36,589,626
Cancellation of units	<u>(890,923,338)</u>	<u>(890,923,338)</u>
At 30 April 2023	<u>1,115,245,579</u>	<u>1,115,245,579</u>

## 8. Manager's fee

The Eighth Schedule of the Deed provides that the Manager's fee is computed on a daily basis, up to a maximum of 1.00% 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 year ended 30 April 2024 is 0.37% (2023: 0.34%) per annum.

## 9. Trustee's fee

The Ninth Schedule of the Deed provides that the Trustee's fee is computed on a daily basis, up to a maximum of 0.02% per annum of the NAV of the Fund, subject to a minimum of RM12,000 per annum.

The Trustee's fee charged for the year ended 30 April 2024 is 0.015% (2023: 0.015%) per annum.

## 10. Taxation

	2024 RM	2023 RM
Estimated Malaysian income tax:		
Current financial year	-	-

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2023: 24%) of the estimated assessable income for the financial year. In accordance with Schedule 6 of the Income Tax Act 1967, profit income earned by the Fund is exempted from tax.

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

	2024 RM	2023 RM
Net income before tax	41,896,318	36,589,626
Tax at Malaysian tax rate of 24% (2023: 24%)	10,055,116	8,781,510
Effect of income not subject to tax	(11,184,450)	(9,988,722)
Expenses not deductible for tax purposes (under Section 63B of the Income Tax Act, 1967)	46,038	53,724
Restriction on tax deductible expenses for the Fund	1,083,296	1,153,488
Tax expense for the year	-	-

## 11. Distributions

Distributions to unitholders were from the following sources:

	2024 RM	2023 RM
Interest income from fixed income securities	943,098	357,681
Interest income from deposits with licensed financial institutions	45,658,781	41,261,995
Less: Expenses	(4,705,561)	(5,030,050)
Net income distribution	41,896,318	36,589,626

The Fund operates on a monthly income distribution policy. Details of distributions made by the Fund to the unitholders are as follows:

Month of accrual	Month-end units in circulation Units	Gross distribution		Net distribution		Gross/net distribution per units in circulation Sen
		RM	% [1]	RM	% [1]	
<b>2024</b>						
31.05.2023	1,388,704,806	3,728,075	3.60	3,728,075	3.60	0.3058
30.06.2023	1,240,228,169	3,877,436	3.50	3,877,436	3.50	0.2877
31.07.2023	1,215,269,713	3,552,141	3.45	3,552,141	3.45	0.2930
31.08.2023	1,237,385,683	3,590,684	3.45	3,590,684	3.45	0.2930
30.09.2023	1,216,441,915	3,445,489	3.45	3,445,489	3.45	0.2836
31.10.2023	1,227,556,712	3,541,138	3.45	3,541,138	3.45	0.2930
30.11.2023	1,227,040,920	3,372,526	3.50	3,372,526	3.50	0.2877
31.12.2023	1,180,982,579	3,583,661	3.50	3,583,661	3.50	0.2973
31.01.2024	1,129,914,270	3,562,235	3.55	3,562,235	3.55	0.3015
29.02.2024	1,137,043,841	3,154,583	3.50	3,154,583	3.50	0.2781
31.03.2024	1,165,046,267	3,298,125	3.40	3,298,125	3.40	0.2888
30.04.2024	1,145,077,374	3,190,225	3.36	3,190,225	3.36	0.2762
		<u>41,896,318</u>		<u>41,896,318</u>		<u>3.4857</u>
<b>2023</b>						
31.05.2022	1,720,912,277	2,793,625	1.86	2,793,625	1.86	0.1580
30.06.2022	1,687,246,903	2,669,628	1.90	2,669,628	1.90	0.1562
31.07.2022	1,639,824,737	2,806,834	1.98	2,806,834	1.98	0.1682
31.08.2022	1,608,088,460	2,860,723	2.09	2,860,723	2.09	0.1775
30.09.2022	1,526,485,607	2,832,384	2.20	2,832,384	2.20	0.1808
31.10.2022	1,378,563,612	2,987,061	2.40	2,987,061	2.40	0.2038
30.11.2022	1,238,198,685	2,876,491	2.67	2,876,491	2.67	0.2195
31.12.2022	1,226,197,575	3,243,393	3.10	3,243,393	3.10	0.2633
31.01.2023	1,192,888,916	3,526,340	3.45	3,526,340	3.45	0.2930
28.02.2023	1,147,034,551	3,160,635	3.55	3,160,635	3.55	0.2723
31.03.2023	1,149,290,013	3,486,946	3.60	3,486,946	3.60	0.3058
30.04.2023	1,115,245,579	3,345,566	3.60	3,345,566	3.60	0.2959
		<u>36,589,626</u>		<u>36,589,626</u>		<u>2.6943</u>

[1] Distribution is accrued on a daily basis and distributed on a monthly basis.

Distribution is computed based on the annual rate stated above on unitholders' equity.

	2024 RM	2023 RM
NAV per unit cum distribution	1.0000	1.0000
NAV per unit ex-distribution	<u>1.0000</u>	<u>1.0000</u>

## 12. Units held by related party

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 Units	Market value RM
<b>2024</b>		
Philip Mutual Berhad	<u>1,145,077,374</u>	<u>1,145,077,374</u>
<b>2023</b>		
Philip Mutual Berhad	<u>1,115,245,579</u>	<u>1,115,245,579</u>

Phillip Mutual Berhad acts as an institutional unit trust adviser for the Fund and has invested RM1,145,077,374 (2023: RM1,115,245,579), equivalent to 1,145,077,374 (2023: 1,115,245,579 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.

## 13. Transactions with financial institutions

Details of transactions with financial institutions for the current financial year are as follows:

	Transaction value RM	%
<b>2024</b>		
<b>Financial institutions</b>		
Affin Hwang Investment Bank Berhad	193,043,921	0.55
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad	312,041,783	0.88
AmBank (M) Bhd	378,592,673	1.07
Bank Islam Malaysia Bhd	40,013,381	0.11
Bank Kerjasama Rakyat Berhad	337,422,708	0.95
Bank Simpanan Nasional	1,118,897,574	3.17
CIMB Bank Berhad	161,016,989	0.46
CIMB Islamic Bank Berhad	141,575,477	0.40
Hong Leong Islamic Bank Berhad	15,000,000	0.04
KAF Investment Bank Bhd	11,286,948,498	31.94
Kenanga Investment Bank Berhad	508,378,742	1.44
Kenanga Investment Bank Berhad - SPI	262,382,091	0.74
Kuwait Finance House (Malaysia) Berhad (FI)	25,000,000	0.07
Malayan Banking Bhd	2,214,913,000	6.27
MIDF Amanah Investment Bank Berhad	471,004,934	1.33
Public Bank Bhd	1,148,200,000	3.25
Public Investment Bank Berhad	16,111,461,009	45.59
Public Islamic Bank Berhad	613,403,132	1.74
	<u>35,339,295,912</u>	<u>100.00</u>
(Forward)		

	Transaction value RM	%
<b>2023</b>		
<b>Financial institutions</b>		
Public Bank Bhd	25,821,353,948	50.34
KAF Investment Bank Bhd	18,226,771,453	35.53
Malayan Banking Bhd	2,197,557,000	4.28
CIMB Bank Berhad	1,007,173,635	1.96
AmBank (M) Bhd	975,849,027	1.90
Affin Hwang Investment Bank Berhad	742,382,394	1.45
Kenanga Investment Bank Berhad	649,074,763	1.27
MBSB Bank Berhad	482,833,163	0.94
Bank Simpanan Nasional	323,777,816	0.63
RHB Bank Bhd	318,499,566	0.62
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad	278,247,771	0.54
Bank Islam Malaysia Bhd	131,630,674	0.26
Kuwait Finance House (Malaysia) Berhad (FI)	87,076,669	0.17
Alliance Islamic Bank Berhad	30,000,000	0.06
MIDF Amanah Investment Bank Berhad	23,092,166	0.05
	<u>51,295,320,045</u>	<u>100.00</u>

The above transactions are in respect of placements of short-term deposits. Transactions in these money market instruments do not involve any commission or brokerage.

#### 14. Portfolio turnover ratio

Portfolio turnover ratio is the ratio of the average placements and withdrawals of deposits of the Fund during the financial year to the average NAV of the Fund. The portfolio turnover ratio for the current financial year is 28.95 (2023: 35.83) times.

#### 15. Total expense ratio

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 current financial year is 0.39% (2023: 0.36%).

#### 16. Segmental reporting

As the Fund invests in fixed income securities and deposits with licensed financial institutions in Malaysia, the Fund does not report its results and investments by business or geographical segments.

#### 17. Financial risk management

The Fund is exposed to a variety of financial risks including market risk (which includes interest rate 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, foreign exchange rates and equity prices.

Since the previous financial year, the Fund is not exposed to changes in foreign exchange rates and equity prices as the Fund's investments are in fixed income securities and in deposits with financial institutions in the local currency.

**(i) Interest rate risk**

Interest rate fluctuations affect the deposit returns of the Fund. Interest rates offered by the financial institutions will fluctuate according to the overnight policy rate determined by Bank Negara Malaysia and this have a direct correlation with the Fund's investment in deposits. The Fund will benefit from higher interest rates and in the event that the interest rate is low the Fund's returns will also be low.

The NAV of the Fund is affected by changes in interest rates from deposits with licensed financial institutions.

Interest rate risk sensitivity

The increase/(decrease) in the NAV attributable to unitholders as at the end of the reporting period, assuming interest rate changes by +/- 50 basis points with all other variables held constant, is +/- RM1,038,579 (2023: RM1,107,597). This analysis is for illustration purpose only and is not an indication of future variance.

**(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.

The following table shows the credit rating of the financial institutions which the Fund has made placements with:

Credit rating	2024		2023	
	RM	As a % of deposits	RM	As a % of deposits
AAA	250,653,587	23.04%	386,300,410	34.98%
AA3	119,500,000	10.98%	71,513,381	6.48%
AA2	210,531,397	19.35%	-	-
AA1	327,500,000	30.10%	-	-
A-	36,977,596	3.40%	520,017,921	47.08%
AA-	-	-	24,909,946	2.25%
A+	142,922,526	13.13%	48,114,360	4.36%
BBB-	-	-	53,563,896	4.85%
	<u>1,088,085,106</u>	<u>100.00</u>	<u>1,104,419,914</u>	<u>100.00</u>

The Fund's financial assets that are subjected to the ECL model include deposits with licensed financial institutions and cash at bank. As at the end of the reporting period, none of the financial assets were credit-impaired and the impairment loss is immaterial.

**(c) 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 unitholders by the Manager are redeemable at the unitholders' 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 unitholders. Liquid assets comprise cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days. Any redemption by the unitholders beyond expected normal levels may result in early redemption of deposits placed by the Funds and could result in loss of interest accrued.

All the financial liabilities of the Fund are due on demand or within one year from the end of the reporting period.

**18. Fair value 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 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:

	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>2024</b>			
<b>Financial assets</b>			
Investment	50,241,000	-	50,241,000
Deposits with licensed financial institutions	1,088,085,106	-	1,088,085,106
Interest receivables	6,866,999	-	6,866,999
Cash at bank	303,917	-	303,917
Total financial assets	<u>1,145,497,022</u>	<u>-</u>	<u>1,145,497,022</u>
<b>Financial liabilities</b>			
Amount due to Manager	-	386,371	386,371
Amount due to Trustee	-	14,205	14,205
Other payables	-	19,072	19,072
Total financial liabilities	<u>-</u>	<u>419,648</u>	<u>419,648</u>

(Forward)



	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2023</b>			
<b>Financial assets</b>			
Investment	4,558,050	-	4,558,050
Deposits with licensed financial institutions	1,104,419,913	-	1,104,419,913
Interest receivables	6,593,906	-	6,593,906
Cash at bank	59,880	-	59,880
Total financial assets	<u>1,115,631,749</u>	<u>-</u>	<u>1,115,631,749</u>
<b>Financial liabilities</b>			
Amount due to Manager	-	352,931	352,931
Amount due to Trustee	-	13,939	13,939
Other payables	-	19,300	19,300
Total financial liabilities	<u>-</u>	<u>386,170</u>	<u>386,170</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. 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 financial year.

## **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

### **Business Office**

B-18-6 Block B Level 18 Unit 6, Megan Avenue II, 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](mailto: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](http://www.publicbank.com.my)

### **BOARD OF DIRECTORS**

Datin Hajjah Nona Binti Salleh  
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**

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.  
Tel: 603-7983 0354/0277  
Fax: 603-7981 9912  
Email: [compac.cosec@gmail.com](mailto: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.  
Tel: 603-7610 8888  
Fax: 603-7726 8986  
Website: [www.deloitte.com/my](http://www.deloitte.com/my)

### **TAX ADVISER**

Deloitte Tax Services Sdn. Bhd. (Registration No: 197701005407)(36421-T)  
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Fax: 603-7725 7768

**ENQUIRIES**

Customer Service Hotline Tel: 603-2783 0300

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## **PHILLIP CAPITAL MANAGEMENT SDN BHD**

(199501004372)(333567-D)

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