

PHILLIP WHOLESALE ISLAMIC 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)

CONTENTS

Fund Information	1
Fund Performance	2 - 3
Manager's Report	4
Performance Review	4
Volatility of the Fund	5
Securities Financing Transactions	5
Income Distribution and Unit Split	5
Market Review	5 - 6
Market Outlook	6
Strategy Going Forward	6
Asset Allocation of the Fund	7
Gearing and Credit Risk	7
Key Investment Team	7
Key Risk Factors	8
Significant Changes in the State of Affairs of the Fund	8
Circumstances That Materially Affect Interest of Unitholders	8
Cross Trade	8
Soft Commissions	8
Trustee's Report	9
Shariah Adviser's Report	10
Statement By The Manager	11
Independent Auditors' Report	12 - 14
Statement Of Financial Position	15
Statement Of Comprehensive Income	16
Statement Of Changes In Net Asset Value	17
Statement Of Cash Flows	18
Notes To The Financial Statements	19 - 32
Corporate Information	33 - 34

FUND INFORMATION
As at 30 April 2024

Name Of Fund	: Phillip Wholesale Islamic Income Fund
Manager Of Fund	: Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	: 3 May 2021
Category Of Fund	: Fixed Income (Wholesale Islamic)
Type Of Fund	: Income
Investment Objective	: Phillip Wholesale Islamic Income Fund aims to provide regular income by investing in Shariah-compliant investments.
Performance Benchmark	: Maybank's 1-Month General Investment Account-i (GIA-i) Rate (Tier 1-Month Rate)
Distribution Policy	: To distribute income on a monthly basis or at least quarterly, subject to availability of income.
Fund Size	: 311.12 million units

FUND PERFORMANCE**Financial Highlights**

Category	As at 30.04.2024	As at 30.04.2023	As at 30.04.2022
	%	%	%
Shariah-compliant investments - Islamic fixed income securities	6.50	1.55	-
Shariah-based deposits with licensed financial institutions	93.48	98.43	99.99
Cash	0.02	0.02	0.01
Total	100.00	100.00	100.00
Net Asset Value (RM'000)	311,121	293,465	363,082
Number Of Units In Circulation (Units '000)	311,121	293,465	363,082
Net Asset Value Per Unit (RM)	1.0000*	1.0000*	1.0000*
Total Expense Ratio ("TER")	0.28%	0.32%	0.27%
Portfolio Turnover Ratio (times)	54.43	48.11	38.98

* Price quoted is ex-distribution.

Performance Data

	Phillip Wholesale Islamic Income Fund		Maybank's 1-Month GIA-i Rate	
	Total Return*	Average Annual Return	Total Return**	Average Annual Return
1 Year Period to 30.4.2024	3.47%	3.47%	2.11%	2.11%
Since launch (3.5.2021 to 30.4.2024)	8.16%	2.72%	4.86%	1.62%
		1.5.2023 to 30.4.2024	1.5.2022 to 30.4.2023	Since launch 3.5.2021 to 30.4.2022
Phillip Wholesale Islamic Income Fund				
- Capital Return (% p.a.)		-	-	-
- Income Return (% p.a.)		3.47%	2.70%	1.79%
- Total Return (% p.a.)		3.47%	2.70%	1.79%
Maybank's 1-Month GIA-i Rate (% p.a.)		2.11%	1.68%	1.00%
		1.5.2023 to 30.4.2024	1.5.2022 to 30.4.2023	Since launch 3.5.2021 to 30.4.2022
Unit Prices				
Highest NAV (RM)		1.0000	1.0000	1.0000
Lowest NAV (RM)		1.0000	1.0000	1.0000
		Calendar year 2024	Calendar year 2023	Calendar year 2022
Distributions				
Gross/Net Distribution Per Unit (% p.a.)				
- 31 May		-	3.45%	1.86%
- 30 June		-	3.40%	1.90%
- 31 July		-	3.30%	1.98%
- 31 August		-	3.32%	2.09%
- 30 September		-	3.35%	2.20%
- 31 October		-	3.40%	2.40%
- 30 November		-	3.50%	2.67%
- 31 December		-	3.50%	3.10%
- 31 January		3.52%	3.45%	1.78%
- 28/29 February		3.50%	3.55%	1.77%
- 31 March		3.40%	3.43%	1.76%
- 30 April		3.30%	3.45%	1.80%
Unit Splits		-	-	-

Source: * Phillip Wholesale Islamic Income Fund's average monthly distribution rate for the period

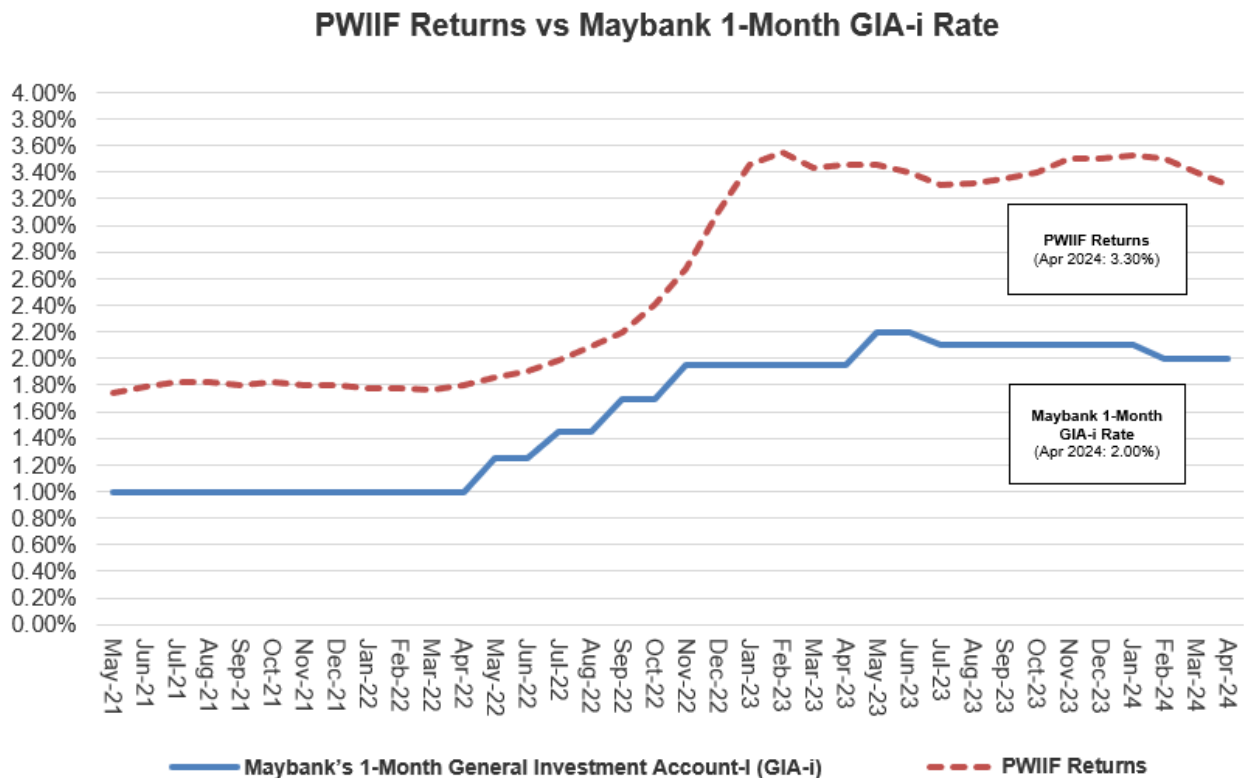
** Maybank2u website (The average return rate for the period)

MANAGER'S REPORT

Performance Review

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

Performance of Phillip Wholesale Islamic Income Fund ("PWIF") vs. Maybank's 1-Month GIA-i Rate since the Fund's 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 General Investment Account-i (GIA-i) Rate. Beneath is the comparison table.

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

PWIF * (% p.a.)	Maybank ** (% p.a.)	Difference (% p.a.)
3.47	2.11	1.36

Source: * PWIF's total return 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 3.47% p.a. compared to the benchmark return of 2.11% 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

	<u>Phillip Wholesale Islamic Income Fund</u>
Gross/Net distribution per unit	31.05.2023: 3.45% p.a. 30.06.2023: 3.40% p.a. 31.07.2023: 3.30% p.a. 31.08.2023: 3.32% p.a. 30.09.2023: 3.35% p.a. 31.10.2023: 3.40% p.a. 30.11.2023: 3.50% p.a. 31.12.2023: 3.50% p.a. 31.01.2024: 3.52% p.a. 29.02.2024: 3.50% p.a. 31.03.2024: 3.40% p.a. 30.04.2024: 3.30% p.a.
NAV per unit before distribution (as at 30 April 2024)	RM1.0000
NAV per unit after distribution (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%-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 at the end of 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.

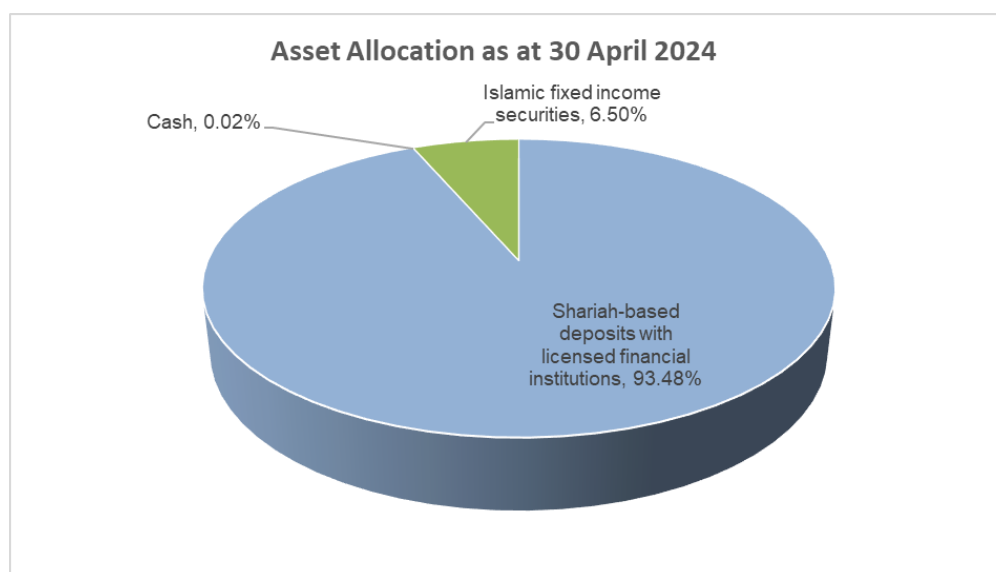
Strategy Going Forward

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 %
Shariah-compliant investments - Islamic fixed income securities	6.50	1.55
Shariah-based deposits with licensed financial institutions	93.48	98.43
Cash	0.02	0.02
Total	100.00	100.00

The Fund will continue to stay investing mainly in short-term Shariah-based 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 profit 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 ISLAMIC 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

SHARIAH ADVISER'S REPORT

To the Unit holders of Phillip Wholesale Islamic Income Fund ("Fund")

We hereby confirm the following:

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

For **Amanie Advisors Sdn Bhd**

TAN SRI DR MOHD DAUD BAKAR

Executive Chairman

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 Islamic 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 directors,

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 WHOLESALE ISLAMIC INCOME FUND**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Phillip Wholesale Islamic 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 15 to 32.

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 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 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

	Note	2024 RM	2023 RM
Assets			
Shariah-compliant investment	3	20,106,500	4,558,050
Shariah-based deposits with licensed financial institutions	4	289,160,200	287,624,502
Profit receivables		1,857,032	1,314,267
Cash at bank		76,521	56,601
Total assets		<u>311,200,253</u>	<u>293,553,420</u>
Liabilities			
Amount due to Manager		63,058	71,922
Amount due to Trustee		4,225	3,830
Other payables	6	12,072	12,300
Total liabilities		<u>79,355</u>	<u>88,052</u>
Unitholders' equity			
Unitholders' capital		311,120,898	293,465,368
Retained earnings		-	-
Total equity/Net asset value ("NAV") attributable to unitholders	7	<u>311,120,898</u>	<u>293,465,368</u>
Total equity and liabilities		<u>311,200,253</u>	<u>293,553,420</u>
Number of units in circulation (Units)	8	<u>311,120,898</u>	<u>293,465,368</u>
NAV per unit (ex-distribution)		<u>1.0000</u>	<u>1.0000</u>

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

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

	Note	2024 RM	2023 RM
Shariah-Compliant Income			
Profit from Shariah-compliant investment		477,836	129,832
Profit from Shariah-based deposits with licensed financial institutions		<u>13,430,389</u>	<u>9,718,375</u>
		<u>13,908,225</u>	<u>9,848,207</u>
Expenses			
Manager's fee	9	980,731	994,361
Trustee's fee	10	56,338	50,167
Audit fee			
- Current year		8,500	8,500
- Underprovision in prior period		-	200
Tax agent's fee		3,800	3,800
Administration expenses		<u>5,551</u>	<u>5,955</u>
		<u>1,054,920</u>	<u>1,062,983</u>
Net income before taxation		12,853,305	8,785,224
Taxation	11	<u>-</u>	<u>-</u>
Net income after taxation, representing total comprehensive income for the year		<u>12,853,305</u>	<u>8,785,224</u>
Total comprehensive income comprises the following:			
Realised income		<u>12,853,305</u>	<u>8,785,224</u>
Distributions for the year			
Gross/Net distribution (RM)	12	<u>12,853,305</u>	<u>8,785,224</u>
Gross/Net distribution per unit (sen)	12	<u>3.4210</u>	<u>2.6675</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
At 1 May 2022		363,082,167	-	363,082,167
Total comprehensive income for the year		-	8,785,224	8,785,224
Creation of units	8	394,531,822	-	394,531,822
Reinvestment of units	8	8,785,224	-	8,785,224
Cancellation of units	8	(472,933,845)	-	(472,933,845)
Distributions	12	-	(8,785,224)	(8,785,224)
At 30 April 2023		<u>293,465,368</u>	<u>-</u>	<u>293,465,368</u>
At 1 May 2023		293,465,368	-	293,465,368
Total comprehensive income for the year		-	12,853,305	12,853,305
Creation of units	8	720,378,000	-	720,378,000
Reinvestment of units	8	12,853,305	-	12,853,305
Cancellation of units	8	(715,575,775)	-	(715,575,775)
Distributions	12	-	(12,853,305)	(12,853,305)
At 30 April 2024		<u>311,120,898</u>	<u>-</u>	<u>311,120,898</u>

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

STATEMENT OF CASH FLOWS

For the financial year ended 30 April 2024

	2024 RM	2023 RM
Cash flows from/(used in) operating and investing activities		
Purchase of Shariah-compliant investment	(15,548,450)	(4,558,050)
Net (placements)/withdrawals of Shariah-based deposits with licensed financial institutions	(1,535,698)	73,201,021
Profit received from Shariah-based deposits with licensed financial institutions	12,975,281	10,767,115
Profit received from Shariah-compliant investment	390,179	85,381
Manager's fee paid	(989,595)	(1,008,894)
Trustee's fee paid	(55,943)	(50,915)
Payment for other fees and expenses	(18,079)	(18,981)
Net cash (used in)/from operating and investing activities	<u>(4,782,305)</u>	<u>78,416,677</u>
Cash flows from/(used in) financing activities		
Proceeds from creation of units	720,378,000	394,531,822
Payments for cancellation of units	(715,575,775)	(472,933,845)
Net cash from/(used in) financing activities	<u>4,802,225</u>	<u>(78,402,023)</u>
Net increase in cash and cash equivalents	19,920	14,654
Cash and cash equivalents at beginning of year	56,601	41,947
Cash and cash equivalents at end of year	<u>76,521</u>	<u>56,601</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>76,521</u>	<u>56,601</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 Islamic 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 on 3 May 2021 and commenced trading activities on 11 May 2021.

The principal activities of the Fund aims to provide regular income to investors higher than Maybank’s 1-month General Investment Account-i (GIA-i) rate while maintaining principal value and a high degree of liquidity by investing in Shariah-compliant instruments including Islamic fixed income securities, Islamic Deposits, Islamic 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	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	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:

Description	Effective for annual periods beginning on or after
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 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 profit 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 profit 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.

Shariah-compliant investment, Shariah-based deposits with licensed financial institutions, profit 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 profit 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 and comprise cash at bank, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.7 Income

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

Profit income from Shariah-compliant investment and Shariah-based deposits with licensed financial institutions is recognised using the effective profit 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, profit income earned by the Fund is exempted from tax. Profit income generated by the Fund is not charged to tax as it is profit 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. Shariah-compliant Investment

	2024 RM	2023 RM
Financial assets at amortised cost		
Islamic fixed income securities	20,106,500	4,558,050
Total shariah-compliant investment	<u>20,106,500</u>	<u>4,558,050</u>

Islamic fixed income securities

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

	Nominal value RM	Cost RM
2024		
GII Murabahah 8/2013 4.444% 22/05/2024	10,000,000	10,068,000
GII Murabahah 4/2019 3.655% 15/10/2024	10,000,000	10,038,500
	<u>20,000,000</u>	<u>20,106,500</u>
2023		
GII Murabahah 3/2018 4.094% 30/11/2023	<u>4,500,000</u>	<u>4,558,050</u>

The investment in Islamic 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). The Islamic 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 Islamic fixed income securities are measured at amortised cost.

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

As at the end of the reporting period, the Islamic fixed income securities amounting to RM20,106,500 (2023: RM4,588,050) is neither past due nor impaired and there are no expected credit losses.

4. Shariah-based deposits with licensed financial institutions

	2024 RM	2023 RM
Licensed Islamic banks	<u>289,160,200</u>	<u>287,624,502</u>

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

	Weighted average profit rates (per annum) 2024 %	Average remaining maturity 2024 Days	Weighted average profit rates (per annum) 2023 %	Average remaining maturity 2023 Days
Licensed Islamic banks	<u>3.64</u>	<u>32</u>	<u>3.83</u>	<u>65</u>

5. Shariah information of the Fund

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant.

6. Other payables

	2024 RM	2023 RM
Audit fee	8,500	8,500
Tax agent's fee	3,572	3,800
	<u>12,072</u>	<u>12,300</u>

7. Net asset value ("NAV") attributable to unitholders

	2024 RM	2023 RM
Unitholders' capital	<u>311,120,898</u>	<u>293,465,368</u>

8. Number of units in circulation

	2024	
	No. of units	RM
At 1 May 2023	293,465,368	293,465,368
Creation of units	720,378,000	720,378,000
Reinvestment of units	12,853,305	12,853,305
Cancellation of units	(715,575,775)	(715,575,775)
At 30 April 2024	<u>311,120,898</u>	<u>311,120,898</u>

	2023	
	No. of units	RM
At 1 May 2022	363,082,167	363,082,167
Creation of units	394,531,822	394,531,822
Reinvestment of units	8,785,224	8,785,224
Cancellation of units	(472,933,845)	(472,933,845)
At 30 April 2023	<u>293,465,368</u>	<u>293,465,368</u>

9. Manager's fee

The Eight 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 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 0.26% (2023: 0.30%) per annum.

10. 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.

11. 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/period. 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 tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2024 RM	2023 RM
Net income before tax	12,853,305	8,785,224
Tax at Malaysian tax rate of 24% (2023: 24%)	3,084,793	2,108,454
Effect of income not subject to tax	(3,337,974)	(2,363,570)
Expenses not deductible for tax purposes (under Section 63B of the Income Tax Act, 1967)	15,765	14,381
Restriction on tax deductible expenses for the Fund	237,416	240,735
Tax expense for the year	-	-

12. Distributions

Distributions to unitholders were from the following sources:

	2024 RM	2023 RM
Profit from Shariah-compliant investment	477,836	129,832
Profit from Shariah-based deposits with licensed financial institutions	13,430,389	9,718,375
Less: Expenses	(1,054,920)	(1,062,983)
Net income distribution	12,853,305	8,785,224

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
		RM	% [1]	RM	% [1]	RM
2024						
31.05.2023	312,707,262	891,894	3.45	891,894	3.45	0.2930
30.06.2023	338,292,175	934,913	3.40	934,913	3.40	0.2795
31.07.2023	365,382,009	989,833	3.30	989,833	3.30	0.2803
31.08.2023	402,950,611	1,118,603	3.32	1,118,603	3.32	0.2820
30.09.2023	419,362,120	1,133,509	3.35	1,133,509	3.35	0.2753
31.10.2023	417,195,414	1,233,294	3.40	1,233,294	3.40	0.2888
30.11.2023	420,438,499	1,223,085	3.50	1,223,085	3.50	0.2877
31.12.2023	397,451,126	1,182,626	3.50	1,182,626	3.50	0.2973
31.01.2024	380,520,184	1,139,058	3.52	1,139,058	3.52	0.2990
29.02.2024	367,515,347	1,095,163	3.50	1,095,163	3.50	0.2781
31.03.2024	271,824,829	979,483	3.40	979,483	3.40	0.2888
30.04.2024	311,120,898	931,844	3.30	931,844	3.30	0.2712
		<u>12,853,305</u>		<u>12,853,305</u>		<u>3.4210</u>
2023						
31.05.2022	339,945,566	563,399	1.86	563,399	1.86	0.1580
30.06.2022	342,985,544	539,978	1.90	539,978	1.90	0.1562
31.07.2022	341,718,575	583,032	1.98	583,032	1.98	0.1682
31.08.2022	369,008,395	639,819	2.09	639,819	2.09	0.1775
30.09.2022	379,171,150	682,755	2.20	682,755	2.20	0.1808
31.10.2022	342,784,384	713,234	2.40	713,234	2.40	0.2038
30.11.2022	302,565,070	694,530	2.67	694,530	2.67	0.2195
31.12.2022	294,530,004	844,934	3.10	844,934	3.10	0.2633
31.01.2023	308,171,764	891,748	3.45	891,748	3.45	0.2930
28.02.2023	308,569,065	797,302	3.55	797,302	3.55	0.2723
31.03.2023	271,034,506	953,631	3.43	953,631	3.43	0.2913
30.04.2023	293,465,368	880,862	3.45	880,862	3.45	0.2836
		<u>8,785,224</u>		<u>8,785,224</u>		<u>2.6675</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>

13. 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
2024		
Philip Mutual Berhad	<u>311,120,898</u>	<u>311,120,898</u>
2023		
Philip Mutual Berhad	<u>293,465,368</u>	<u>293,465,368</u>

Phillip Mutual Berhad acts as an institutional unit trust adviser for the Fund and has invested RM311,120,898 (2023: RM293,465,368), equivalent to 311,120,898 (2023: 293,465,368) units in the Fund as at the end of the reporting period.

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

14. Transactions with financial institutions

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

	Transaction value RM	%
2024		
Financial institutions		
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad	29,000,000	0.14
Alliance Islamic Bank Berhad	39,011,682	0.19
Amlslamic Bank Berhad	108,275,907	0.53
Bank Islam Malaysia Berhad	3,000,000	0.01
Bank Kerjasama Rakyat Berhad	4,045,731,713	19.65
Bank Simpanan Nasional	589,031,158	2.86
CIMB Islamic Bank Berhad	13,456,487,522	65.36
Hong Leong Islamic Bank Berhad	61,507,489	0.30
Kuwait Finance House (Malaysia) Berhad (FI)	3,000,000	0.01
Maybank Islamic Bank Berhad	1,860,483,895	9.04
MBSB Bank Berhad	6,017,277	0.03
Public Islamic Bank Berhad	386,742,201	1.88
	<u>20,588,288,844</u>	<u>100.00</u>
(Forward)		

	Transaction value RM	%
2023		
Financial institutions		
CIMB Islamic Bank Berhad	14,466,540,213	89.10
Maybank Islamic Bank Berhad	610,471,000	3.76
MBSB Bank Berhad	267,661,387	1.65
Amlslamic Bank Berhad	176,164,157	1.09
Bank Simpanan Nasional	155,858,252	0.96
Public Islamic Bank Berhad	144,773,618	0.89
RHB Islamic Bank Berhad	116,738,103	0.72
Kuwait Finance House (Malaysia) Berhad (FI)	84,111,931	0.52
Bank Islam Malaysia Bhd	73,053,118	0.45
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad	68,032,371	0.42
Hong Leong Islamic Bank Berhad	29,000,000	0.18
Kenanga Investment Bank Berhad - SPI	17,000,000	0.10
Alliance Islamic Bank Berhad	16,000,000	0.10
MIDF Amanah Investment Bank Berhad	10,095,288	0.06
	<u>16,235,499,438</u>	<u>100.00</u>

The above transactions are in respect of placements of Shariah-based deposits with licensed financial institutions. Transactions in these Shariah-based deposits with licensed financial institutions do not involve any commission or brokerage.

15. Portfolio turnover ratio ("PTR")

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 54.43 (2023: 48.11) times.

16. Total expense ratio ("TER")

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 0.28% (2023: 0.32%).

17. Segmental reporting

As the Fund's investments are in Islamic fixed income securities and Shariah-based deposits with licensed financial institutions in Malaysia, the Fund does not report its results and investments by business or geographical segments.

18. Financial risk management

The Fund is exposed to a variety of financial risks including market risk (which includes profit 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 profit 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 Islamic fixed income securities and Shariah-based deposits with licensed financial institutions in the local currency.

(i) Profit rate risk

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

Profit rate risk sensitivity

The increase/(decrease) in the NAV attributable to unitholders as at the end of the reporting period, assuming profit rate changes by +/- 50 basis points with all other variables held constant, is +/- RM126,105 (2023: RM256,856). 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 profit, 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	234,065,143	80.95	250,100,042	86.95
AA3	-	-	8,507,183	2.96
AA2	55,095,057	19.05	-	-
A2	-	-	4,017,277	1.40
A1	-	-	16,000,000	5.56
A-	-	-	9,000,000	3.13
	<u>289,160,200</u>	<u>100.00</u>	<u>287,624,502</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, Shariah-based deposits with licensed 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 profit accrued.

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

19. 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:

	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2024			
Financial assets			
Shariah-compliant investment	20,106,500	-	20,106,500
Shariah-based deposits with licensed financial institutions	289,160,200	-	289,160,200
Profit receivables	1,857,032	-	1,857,032
Cash at bank	76,521	-	76,521
Total financial assets	<u>311,200,253</u>	<u>-</u>	<u>311,200,253</u>
Financial liabilities			
Amount due to Manager	-	63,058	63,058
Amount due to Trustee	-	4,225	4,225
Other payables	-	12,072	12,072
Total financial liabilities	<u>-</u>	<u>79,355</u>	<u>79,355</u>

(Forward)

	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2023			
Financial assets			
Shariah-compliant investment	4,558,050	-	4,558,050
Shariah-based deposits with licensed financial institutions	287,624,502	-	287,624,502
Profit receivables	1,314,267	-	1,314,267
Cash at bank	56,601	-	56,601
Total financial assets	<u>293,553,420</u>	<u>-</u>	<u>293,553,420</u>
Financial liabilities			
Amount due to Manager	-	71,922	71,922
Amount due to Trustee	-	3,830	3,830
Other payables	-	12,300	12,300
Total financial liabilities	<u>-</u>	<u>88,052</u>	<u>88,052</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.

20. 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:

- To invest in investments meeting the description, risk exposure and expected return indicated in its information memorandum;
- To achieve consistent returns while safeguarding capital by using various investment strategies;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- 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 ½, Jalan Kelang Lama, 58200 Kuala Lumpur.
Tel : 603-7983 0277

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

TRUSTEE

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

Registered Office and Business Office

Level 17, Menara Public Bank, 146, Jalan Ampang, 50450 Kuala Lumpur.
Tel: 603-2176 6760
Fax: 603-2164 6197
Website: www.publicbank.com.my

BOARD OF DIRECTORS

Datin Hajjah Nona Binti Salleh
Mohd Fadzli Bin Mohd Anas
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 0277
Email: compac.cosec@gmail.com

AUDITOR

Deloitte PLT (LLP0010145-LCA) (AF0080)
Level 16, Menara LGB, 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.
Tel: 603-7610 8888
Fax: 603-7726 8986
Website: www.deloitte.com/my

TAX ADVISER

Deloitte Tax Services Sdn. Bhd. (Registration No: 197701005407)(36421-T)
Level 16, Menara LGB, 1 Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.
Tel: 603-7610 8888
Fax: 603-7725 7768

SHARIAH ADVISER

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

Registered Office / Head Office

Unit 11-3A, 3rd Mile Square, No 151, Jalan Klang Lama Batu 3 1/2, 58100 Kuala Lumpur.

Business Office

Level 13A-2, Menara Tokio Marine Life, 189, Jalan Tun Razak, 50400 Kuala Lumpur.

Tel: 603-2161 0260

Fax: 603-2161 0262

ENQUIRIES

Customer Service Hotline Tel: 603-2783 0300

E-mail: pcm@poems.com.my



PHILLIP CAPITAL MANAGEMENT SDN. BHD.

(199501004372)(333567-D)

Capital Markets and Services Licence No. : CMSL/A0044/2007

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

Tel: (603) 2783 0300 | Fax: (603) 2166 5099

pcm@poems.com.my | <https://www.phillipinvest.com.my>