

PHILLIP LEGACY FUNDS

ANNUAL REPORT

Financial year ended 31 December 2023



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DIRECTORY

MANAGER

Phillip Capital Management (S) Ltd
250 North Bridge Road
#06-00 Raffles City Tower
Singapore 179101
(Company Registration No. 199905233W)

DIRECTORS OF THE MANAGER

Lim Hua Min
Jeffrey Lee Chay Khiong
Linus Lim Wen Sheong
Lim Wai Sai
Louis Wong Wai Kit

TRUSTEE & REGISTRAR

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
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Singapore 018983

CUSTODIAN

The Hongkong & Shanghai Banking Corporation Limited
1 Queen's Road
Central
Hong Kong

AUDITORS

KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

SOLICITORS TO THE MANAGER

Simmons & Simmons JWS Pte Ltd
168 Robinson Rd
#11-01 Capital Tower
Singapore 068912

SOLICITORS TO THE TRUSTEE

Shook Lin & Bok
1 Robinson Rd
#18-00 AIA Tower
Singapore 048542

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2023

1. The Fund (Phillip SING Income ETF)

The investment objective of the Fund is to replicate as closely as possible, before fees and expenses, the performance of the Morningstar® Singapore Yield Focus IndexSM. (the “Index”). The Index tracks the performance of Singapore high dividend securities with a weighting emphasis on quality and financial health. The Manager employs a “passive management” or indexing investment approach designed to track the performance of the Index, by investing substantially all of the Fund’s assets in index constituents in substantially the same weightings as reflected in the Index and aims to deliver an investment performance which closely corresponds to the performance of the Index.

Details of the fund

NAV per share (31 December 2023)	S\$1.024
Net Assets Attributable to unitholders (31 December 2023)	S\$59,972,861
Fund Currency	Singapore Dollars
Listing Date on SGX-ST	24 September 2018
Stock code on SGX-ST	OVQ for PHIL SING INC Singapore Dollars

The Fund is classified as an Excluded Investment Product (EIP).

The Fund (Phillip SGD Money Market ETF)

The investment objective of the Fund is to seek to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE SGD 3-month SOR Index or any replacement index which references the Singapore Overnight Rate Average (“SORA”) and provides for the same or substantially similar exposure as the FTSE SGD 3-month SOR Index.

NAV per share (31 December 2023)	S\$103.841
Net Assets Attributable to unitholders (31 December 2023)	S\$123,295,443
Fund Currency	Singapore Dollars
Listing Date on SGX-ST	05 October 2020
Stock code on SGX-ST	MMS for PHILLIP MM S\$ Singapore Dollars

The Fund is classified as an Excluded Investment Product (EIP).

2. Distribution of Investments

Please refer to Statement of Portfolio on FS4-10.

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2023

3. Schedule of Investments by Asset Class

Phillip SING Income ETF		
Asset Class	Fair Value at 31 December 2023 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2023 %
Quoted Equities	59,339,808	98.94
Cash and cash equivalents	793,312	1.32
Other net liabilities	(160,259)	(0.26)
Net assets attributable to unitholders	59,972,861	100.00

Phillip SGD Money Market ETF		
Asset Class	Fair Value at 31 December 2023 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2023 %
Quoted Bonds	58,072,900	47.10
Fixed deposit	50,814,161	41.21
Cash and cash equivalents	14,234,353	11.54
Other net assets	174,029	0.15
Net assets attributable to unitholders	123,295,443	100.00

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2023

4. Top 10 Holdings

Phillip SING Income ETF

	Fair Value at 31 December 2023	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2023
10 largest holdings at 31 December 2023	S\$	%
DBS Group Holdings Limited	5,981,948	9.97
Oversea-Chinese Banking Corporation Limited	5,729,502	9.55
CapitaLand Mall Trust REIT	5,657,178	9.43
United Overseas Bank Limited	5,622,716	9.38
Singapore Telecommunications Limited	5,572,227	9.29
Singapore Exchange Limited	5,404,181	9.00
Netlink NBN Trust	3,979,575	6.64
Singapore Technologies Engineering Limited	3,102,413	5.17
Genting Singapore Limited	3,026,157	5.05
Frasers Centrepoint Trust	1,930,293	3.22

	Fair Value at 31 December 2022	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2022
10 largest holdings at 31 December 2022	S\$	%
DBS Group Holdings Limited	6,302,947	10.00
Oversea-Chinese Banking Corporation Limited	6,178,914	9.81
United Overseas Bank Limited	6,057,939	9.62
Singapore Technologies Engineering Limited	5,769,795	9.16
Singapore Exchange Limited	5,745,685	9.12
Singapore Telecommunications Limited	5,715,361	9.07
Venture Corporation Limited	5,713,523	9.07
Genting Singapore Limited	5,298,289	8.41
Netlink NBN Trust	2,903,560	4.61
Sheng Siong Group Limited	1,874,381	2.98

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2023

4. Top 10 Holdings

Phillip SGD Money Market ETF

10 largest holdings at 31 December 2023	Fair Value at 31 December 2023 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2023 %
MAS Bill Series 28 ZCP 12/01/2024	13,982,476	11.34
MAS Bill Series 28 ZCP 19/01/2024	10,977,204	8.90
MAS Bill Series 28 ZCP 05/01/2024	9,995,445	8.11
Bank of Communications/SG Series FXCD 4.29% 13/03/2024	4,999,950	4.05
MAS Bill Series 28 ZCP 26/01/2024	2,991,345	2.43
Commonwealth Bank Australia Series EMTN 4.15% 06/10/2024	2,991,240	2.42
Toyota Motor Finance Series BV EMTN 3.15% 19/07/2024	1,980,340	1.61
City Developments Limited Series MTN 3.9% 21/03/2024	1,747,725	1.42
BNP Paribas Series EMTN (Br) 3.65% 09/09/2024	1,492,635	1.21
China Construct Bank Series EMTN 2.85% 13/06/2024	1,489,800	1.21

10 largest holdings at 31 December 2022	Fair Value at 31 December 2022 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2022 %
MAS Bill Series 28 ZCP 06/01/2023	22,984,840	15.95
MAS Bill Series 28 ZCP 20/01/2023	18,458,655	12.81
Nova Scotiabank 2% 30/12/22 to 03/01/23	14,137,379	9.81
Sumitomo Mitsui Trust Bank 4.26% 12/12/22 to 13/02/23	10,143,562	7.04
China Construction Bank 4.35% 18/11/22 to 20/02/23	7,079,382	4.92
MAS Bill Series 84 ZCP 10/02/2023	5,970,816	4.15
RCS Trust Series MTN 2.6% 05/06/2023	5,531,664	3.84
Keppel Corp Limited Series 0.9% 16/02/2023	5,499,450	3.82
Malayan Bank 4% 28/12/22 to 30/01/23	5,000,000	3.47
MAS Bill Series 84 ZCP 17/02/2023	3,976,752	2.76

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2023

5. Credit Rating

Phillip SGD Money Market ETF

Credit Rating of Debt Securities	Fair Value at 31 December 2023 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2023 %
AA+	999,870	0.81
AA	1,008,280	0.82
AA-	2,991,240	2.42
A+	1,980,340	1.61
A	1,985,840	1.61
A-	6,492,585	5.26
A2*	1,487,025	1.21
A3*	996,260	0.81
Not rated	39,943,942	32.40
Accrued interest on debt securities	187,518	0.15
Total Debt Securities	58,072,900	47.10

Source of credit rating is from Standard & Poor's except for the following:

*Credit rating is from Moody's

Credit Rating of Fixed Deposits	Fair Value at 31 December 2023 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2023 %
A-1	50,814,161	41.21
Total Fixed Deposits	50,814,161	41.21

Source of credit rating is from Standard & Poor's

**Report to Unitholders
Year ended 31 December 2023**

6. Maturity profile of investments

Phillip SGD Money Market ETF

Maturity profile of underlying investments	Fair value at 31 December 2023	Percentage of total net assets attributable to unitholders at 31 December 2023
	S\$	%
Up to 30 days	38,196,217	30.98
31 - 90 days	7,747,545	6.28
91 - 180 days	1,985,840	1.61
181 - 365 days	8,468,755	6.87
366 - 732 days	1,487,025	1.21
Non-interest bearing	187,518	0.15
	<u>58,072,900</u>	<u>47.10</u>

7. (i) Exposure to financial derivatives as at 31 December 2023

Nil.

(ii) Net gain on derivative contracts realised for the period ended 31 December 2023

Phillip SING Income ETF S\$517

(iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2023

Nil.

(iv) Description of the method used to calculate the global exposure of financial derivatives

The global exposure relating to derivative instruments is calculated using the commitment approach. The global exposure is calculated as the sum of:

- (a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements;
- (c) the sum of the values of cash collateral received pursuant to:
 - (i) the reduction of exposure to counterparties of OTC financial derivatives; and
 - (ii) efficient portfolio management techniques relating to securities lending and repurchase transactions, and that are reinvested.

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2023

8. Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 31 December 2023

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	S\$	%	S\$	%
Real Estate Investment Trusts (REITs)	13,063,122	21.80	996,260	0.81

9. Amount and percentage of borrowings of total fund size as at 31 December 2023

Nil.

10. Amount of units created and cancelled for the period ended 31 December 2023

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
		S\$		S\$
Total amount of subscriptions		-		9,425,376
Total amount of redemptions		(3,606,000)		(33,356,259)

11.. Distribution

Please refer to Note 8 of Notes to the Financial Statements.

12. Financial ratios

Expense Ratio & Turnover Ratio

Please refer to Note 11 of Notes to the Financial Statements.

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2023

13. Performance of the Fund as at 31 December 2023

Philip SING Income ETF

Cumulative (%*)		Benchmark
3 Months	2.44	3.54
6 Months	2.96	4.82
1 Year	3.85	5.79
3 Years	12.03	17.43
5 Years	19.55	27.01
Since inception (29 Oct 2018)	19.79	27.68
Annualised (%*)		Benchmark
1 Year	3.85	5.79
3 Years	3.86	5.50
5 Years	3.64	4.90
Since inception (29 Oct 2018)	3.55	4.84

*Cumulative returns are calculated on a bid-to-bid basis, with net dividends reinvested. The benchmark for which the Fund is measured against is the Morningstar® Singapore Yield Focus IndexSM.

Source: Bloomberg

Phillip SGD Money Market ETF

Cumulative (%*)		Benchmark
3 Months	0.07	0.93
6 Months	0.87	1.87
1 Year	2.45	3.61
3 Year	3.85	5.02
Since inception (5 Oct 2020)	3.91	5.05
Annualised (%*)		Benchmark
1 Year	2.45	3.61
3 Year	1.27	1.65
Since inception (5 Oct 2020)	1.19	1.54

*Cumulative returns are calculated on a bid-to-bid basis. The benchmark for which the Fund is measured against is the FTSE SGD 3-month SOR Index.

Source: Bloomberg

14. Related party transactions for the period ended 31 December 2023

Please refer to Note 10 of Notes to the Financial Statements.

**Report to Unitholders
Year ended 31 December 2023**

15. Any other material information that will adversely impact the valuation of the Fund

Nil.

16. Soft dollar commissions/arrangements

The Manager shall be entitled to and intends to receive or enter into soft-dollar commissions or arrangements in respect of the Fund. The Manager will comply with applicable regulatory and industry standards on soft dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurements, market analysis, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial services in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by the Manager.

Soft-dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Manager will not accept or enter into soft dollar commissions or arrangements unless such soft-dollar commissions or arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in their management of the Fund, provided that the Manager shall ensure at all times that transactions are executed on a "best execution" basis taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

The Manager does not, and is not entitled to, retain cash or commission rebates for their own account in respect of rebates earned when transacting in securities for account of the Fund.

Phillip SING Income ETF and Phillip SGD Money Market ETF

The Manager did not receive any soft-dollar services in respect of the 2 exchange-traded funds during the year.

Report of the Trustee

The Trustee is under a duty to take into custody and hold the assets of Phillip Legacy Funds in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Phillip Legacy Funds during the period covered by these financial statements, set out on pages FS1 to FS24, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
HSBC Institutional Trust Services (Singapore) Limited

Authorised signatory

27 March 2024

Statement by the Manager

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages FS1 to FS24, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Phillip Legacy Funds as at 31 December 2023, and the total return and movements in unitholders' funds for the financial year ended 31 December 2023 in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that Phillip Legacy Funds will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
Phillip Capital Management (S) Ltd

Jeffrey Lee Chay Khiong
Director

27 March 2024

Independent auditors' report

Unitholders

Phillip Legacy Funds

(Constituted under a Trust Deed in the Republic of Singapore)

Opinion

We have audited the financial statements of Phillip Legacy Funds (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 31 December 2023, the Statement of Total Return and Statement of Movements of Unitholders' Funds for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS24.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for *Investment Funds*" ("RAP 7") issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2023 and the financial performance and movements in unitholders' funds for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of those matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

Phillip Capital Management (S) Ltd, the Manager of the Fund ('the Manager'), is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of the RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 SSAs 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 SSAs, 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, 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 controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by manager.
- Conclude on the appropriateness of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements 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, 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 controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chin Siang Barry .

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

27 March 2024

Statement of Total Return
Year ended 31 December 2023

	Note	Phillip SING Income ETF		Phillip SGD Money Market ETF	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$
Income					
Dividends		3,069,527	2,761,373	–	–
Interest		5	1	322,987	23,109
		<u>3,069,532</u>	<u>2,761,374</u>	<u>322,987</u>	<u>23,109</u>
Less:					
Expenses					
Management fees		240,105	256,298	125,383	139,411
Audit fees		16,302	15,002	10,927	10,056
Custody fees		17,852	18,878	20,582	22,031
Registration fees		15,071	15,002	12,416	11,191
Trustee fees		24,011	25,630	31,346	34,853
Transaction fees		29,589	31,612	3,238	3,834
Valuation fees		24,011	25,630	31,346	34,853
Other expenses		100,094	113,948	113,565	89,961
		<u>467,035</u>	<u>502,000</u>	<u>348,803</u>	<u>346,190</u>
Net income/(losses)		<u>2,602,497</u>	<u>2,259,374</u>	<u>(25,816)</u>	<u>(323,081)</u>
Net gains or losses on value of investments, financial derivatives and foreign exchange					
Net gain/(losses) on investments		330,651	(808,278)	4,221,017	1,786,226
Net gain/(losses) on financial derivatives		517	(6,185)	–	–
Net foreign exchange gains/(losses)		350	8,674	–	(61)
		<u>331,518</u>	<u>(805,789)</u>	<u>4,221,017</u>	<u>1,786,165</u>
Total return for the year before income tax		<u>2,934,015</u>	<u>1,453,585</u>	<u>4,195,201</u>	<u>1,463,084</u>
Less: Income tax	7	<u>(47,163)</u>	<u>(48,106)</u>	<u>–</u>	<u>–</u>
Total return for the year after income tax before distribution		<u>2,886,852</u>	<u>1,405,479</u>	<u>4,195,201</u>	<u>1,463,084</u>

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

Statement of Financial Position
As at 31 December 2023

	Note	Phillip SING Income ETF		Phillip SGD Money Market ETF	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$
Assets					
Portfolio of investments		59,339,808	62,427,420	108,887,061	128,410,359
Receivables	3	–	–	333,504	67,434
Cash and cash equivalents	4	793,312	712,414	14,234,353	15,736,719
Total assets		<u>60,133,120</u>	<u>63,139,834</u>	<u>123,454,918</u>	<u>144,214,512</u>
Liability					
Payables	5	160,259	142,425	159,475	132,896
Total liability		<u>160,259</u>	<u>142,425</u>	<u>159,475</u>	<u>132,896</u>
Equity					
Net assets attributable to unitholders	6	<u>59,972,861</u>	<u>62,997,409</u>	<u>123,295,443</u>	<u>144,081,616</u>

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

Statement of Movements of Unitholders' Funds
Year ended 31 December 2023

	Note	Phillip SING Income ETF		Phillip SGD Money Market ETF	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$
Net assets attributable to unitholders at the beginning of financial year		62,997,409	63,763,680	144,081,616	109,708,754
Operations					
Changes in net assets attributable to unitholders resulting from operations		2,886,852	1,405,479	4,195,201	1,463,084
Unitholders' contributions/ (withdrawals)					
Creation of units		–	–	9,425,376	46,661,590
Cancellation of units		(3,606,000)	–	(33,356,259)	(13,751,812)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(3,606,000)	–	(23,930,883)	32,909,778
Distribution	8	(2,305,400)	(2,171,750)	(1,050,491)	–
Total (decrease)/increase in net assets attributable to unitholders		(3,024,548)	(766,271)	(20,786,173)	34,372,862
Net assets attributable to unitholders at the end of financial year	6	59,972,861	62,997,409	123,295,443	144,081,616

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

Statement of Portfolio
As at 31 December 2023

	Holdings as at 31 December 2023	Fair value as at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2023 %
Phillip SING Income ETF			
By Industry (Primary)			
Quoted Equities			
Agriculture			
First Resources Limited	126,700	179,914	0.30
		179,914	0.30
Communication Services			
Netlink NBN Trust	4,737,589	3,979,575	6.64
Singapore Telecommunications Limited	2,265,133	5,572,227	9.29
Starhub Limited	181,700	199,870	0.33
		9,751,672	16.26
Consumer Discretionary			
Genting Singapore Limited	3,026,157	3,026,157	5.05
		3,026,157	5.05
Consumer Staples			
Sheng Siong Group Limited	835,648	1,337,037	2.23
		1,337,037	2.23
Financials			
DBS Group Holdings Limited	179,315	5,981,948	9.97
Great Eastern Holdings Limited	54,770	963,952	1.61
Hong Leong Finance Limited	305,644	764,110	1.27
Oversea-Chinese Banking Corporation Limited	441,410	5,729,502	9.55
Singapore Exchange Limited	551,447	5,404,181	9.00
United Overseas Bank Limited	197,635	5,622,716	9.38
UOB-Kay Hian Holdings Limited	182,168	242,283	0.40
		24,708,692	41.18
Healthcare			
Haw Par Corporation Limited	139,533	1,357,656	2.26
Tianjin Zhong Xin Pharmaceutical Group Corporation Limited	62,000	167,029	0.28
		1,524,685	2.54
Industrials			
SIA Engineering Company Limited	160,500	380,385	0.63
Singapore Technologies Engineering Limited	799,591	3,102,413	5.17
		3,482,798	5.80

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

Statement of Portfolio (cont'd)
As at 31 December 2023

	Holdings as at 31 December 2023	Fair value as at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2023 %
Phillip SING Income ETF			
By Industry (Primary)			
Quoted Equities			
Information Technology			
Venture Corporation Limited	136,970	1,864,162	3.11
		<u>1,864,162</u>	<u>3.11</u>
Real Estate Investment Trusts (REITs)			
AIMS Apac REIT Management Limited	288,740	372,475	0.62
CapitaLand Mall Trust REIT	2,759,599	5,657,178	9.43
Far East Hospitality Trust	601,795	400,194	0.67
Frasers Centrepoint Trust	857,908	1,930,293	3.22
Frasers Hospitality Trust	287,900	141,071	0.24
Ho Bee Land Limited	29,894	52,613	0.09
Keppel DC REIT	577,663	1,120,666	1.87
Mepletree Industrial Trust	637,180	1,599,322	2.67
Parkway Life REIT	372,322	1,366,422	2.28
Starhill Global REIT	813,247	422,888	0.71
		<u>13,063,122</u>	<u>21.80</u>
Real Estate			
Bukit Sembawang Estates Limited	74,744	261,604	0.44
Wing Tai Holdings Limited	108,500	139,965	0.23
		<u>401,569</u>	<u>0.67</u>
Portfolio of investments		59,339,808	98.94
Other net assets		<u>633,053</u>	<u>1.06</u>
Net assets attributable to unit holders		<u><u>59,972,861</u></u>	<u><u>100.00</u></u>

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

Statement of Portfolio (cont'd)
As at 31 December 2023

	Holdings as at 31 December 2023	Fair value as at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2023 %
Phillip SGD Money Market ETF			
By Industry (Primary)			
Quoted Bonds			
Consumer Discretionary			
BNP Paribas Series EMTN (Br) 3.65% 09/09/2024	1,500,000	1,492,635	1.21
City Developments Limited Series MTN 3% 17/01/2024	250,000	249,747	0.20
City Developments Limited Series MTN 3.9% 21/03/2024	1,750,000	1,747,725	1.42
Toyota Motor Finance Series BV EMTN 3.15% 19/07/2024	2,000,000	1,980,340	1.61
		5,470,447	4.44
Financials			
Bank of Communications/SG Series FXCD 4.29% 13/03/2024	5,000,000	4,999,950	4.05
China Construct Bank Series EMTN 2.85% 13/06/2024	1,500,000	1,489,800	1.21
Citigroup Global Markets Series GMTN 2.75% 20/05/2024	500,000	496,040	0.40
Commonwealth Bank Australia Series EMTN 4.15% 06/10/2024	3,000,000	2,991,240	2.42
Emirates NBD Bank PJSC Series EMTN 4% 19/04/2025	1,500,000	1,487,025	1.21
Hong Kong Mortgage Corporation Series EMTN 3.916% 15/02/2024	1,000,000	999,870	0.81
MAS Bill Series 28 ZCP 05/01/2024	10,000,000	9,995,445	8.11
MAS Bill Series 28 ZCP 12/01/2024	14,000,000	13,982,476	11.34
MAS Bill Series 28 ZCP 19/01/2024	11,000,000	10,977,204	8.90
MAS Bill Series 28 ZCP 26/01/2024	3,000,000	2,991,345	2.43
		50,410,395	40.88
Government			
Korea Expressway Corporation Series GMTN 5% 07/11/2024	1,000,000	1,008,280	0.82
		1,008,280	0.82
Real Estate Investment Trusts (REITs)			
CMT MTN Pte Limited Series MTN 3.48% 06/08/2024	1,000,000	996,260	0.81
		996,260	0.81

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

Statement of Portfolio (cont'd)
As at 31 December 2023

	Holdings as at 31 December 2023	Fair value as at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2023 %
Phillip SGD Money Market ETF			
By Industry (Primary)			
Quoted Bonds			
Accrued interest receivable on debt securities		187,518	0.15
Total quoted bonds		58,072,900	47.10
Fixed Deposits			
Banks			
Scotiabank, Singapore Branch		7,879,382	4.96
Sumitomo Mitsui Trust Bank, Singapore Branch		23,527,360	19.08
Qatar Bank, Singapore Branch		19,184,469	15.56
Total Fixed Deposits		50,814,161	41.21
Portfolio of investments		108,887,061	88.31
Other net assets		14,408,382	11.69
Net assets attributable to unitholders		123,295,443	100.00

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

Statement of Portfolio (cont'd)
As at 31 December 2023

	Fair value as at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2023 %	Percentage of total net assets attributable to unitholders as at 31 December 2022 %
Phillip SING Income ETF			
By Geography (Secondary)			
Quoted Equities			
China	167,029	0.28	–
Singapore	59,172,779	98.66	99.10
Portfolio of investments	59,339,808	98.94	99.10
Other net assets	633,053	1.06	0.90
Net assets attributable to unitholders	59,972,861	100.00	100.00

	Percentage of total net assets attributable to unitholders as at 31 December 2023 %	Percentage of total net assets attributable to unitholders as at 31 December 2022 %
By Industry (Primary)		
Quoted Equities		
Agriculture	0.30	–
Communication Services	16.26	14.66
Consumer Discretionary	5.05	8.41
Consumer Staples	2.23	2.98
Financials	41.18	43.36
Healthcare	2.54	2.98
Industrials	5.80	9.16
Information Technology	3.11	9.07
Real Estate Investment Trusts (REITs)	21.80	–
Real Estate	0.67	8.48
Portfolio of investments	98.94	99.10
Other net assets	1.06	0.90
Net assets attributable to unitholders	100.00	100.00

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

Statement of Portfolio (cont'd)
As at 31 December 2023

	Fair value as at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2023 %	Percentage of total net assets attributable to unitholders as at 31 December 2022 %
Phillip SGD Money Market ETF			
By Geography (Secondary)			
Fixed Deposits			
Singapore	50,814,161	41.21	25.24
Quoted Bonds			
Australia	2,991,240	2.42	–
Canada	–	–	3.83
China	6,489,750	5.26	1.69
France	1,492,635	1.21	–
Hong Kong	999,870	0.81	–
Malaysia	–	–	2.59
Netherland	1,980,340	1.61	1.39
Singapore	40,940,202	33.21	50.96
South Korea	1,008,280	0.82	2.41
United Arab Emirates	1,487,025	1.21	–
United States of America	496,040	0.40	0.86
Accrued interest on debt securities	187,518	0.15	0.17
Portfolio of investments	108,887,061	88.31	89.14
Other net assets	14,408,382	11.69	10.86
Net assets attributable to unitholders	123,295,443	100.00	100.00

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

Statement of Portfolio (cont'd)
As at 31 December 2023

	Percentage of total net assets attributable to unitholders as at 31 December 2023 %	Percentage of total net assets attributable to unitholders as at 31 December 2022 %
Phillip SGD Money Market ETF		
By Industry (Primary)		
Fixed Deposits		
Banks	41.21	25.24
Quoted Bonds		
Consumer Discretionary	4.44	3.47
Financials	40.88	49.82
Government	0.82	0.69
Industrials	–	3.82
Real Estate Investment Trusts (REITs)	0.81	5.93
Accrued interest on debt securities	0.15	0.17
Portfolio of investments	88.31	89.14
Other net assets	11.69	10.86
Net assets attributable to unitholders	100.00	100.00

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

1 Domicile and activities

Phillip Legacy Funds (“the Fund”) is an open-ended umbrella unit trust constituted pursuant to a Trust Deed dated 24 September 2018 (the “Trust Deed”) between Phillip Capital Management (S) Ltd (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed in accordance with the laws of the Republic of Singapore.

The Fund offers 2 sub-funds (the “Sub-Fund”); this was first offered for sale in Singapore on the following launch date:

Sub-Fund	Launch date
Phillip SING Income ETF (“Sub-Fund No 1”)	24 September 2018
Phillip SGD Money Market ETF (“Sub-Fund No 2”)	5 October 2020

The investment objective of the Sub-Fund No 1 is to replicate as closely as possible, before fees and expenses, the performance of the Morningstar® Singapore Yield Focus IndexSM (the “Index”).

The investment objective of the Sub-Fund No 2 is to seek to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE SGD 3-month SOR Index or any replacement index which references the Singapore Overnight Rate Average (“SORA”) and provides for the same or substantially similar exposure as the FTSE SGD 3-month SOR Index.

2 Material accounting policies

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

2.1 *Basis of preparation*

The financial statements, expressed in Singapore dollars, have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Accounting Practice 7 “*Reporting Framework for Investment Funds*” issued by the Institute of Singapore Chartered Accountants.

The adoption of the Revised RAP 7 did not result in any significant changes to the accounting policies of the Trust and had no material effect on the amounts reported for current financial years.

For the purposes of preparation of these financial statements, the basis used for calculating the expense ratio and turnover ratio are in accordance with the guidelines issued by the Investment Management Association of Singapore (“IMAS”) and the Code on Collective Investment Schemes under the Securities and Futures Act (Cap 289) (“Code”) respectively.

2.2 *Basis of valuation of investments*

Quoted investments are stated at fair value based on the bid prices at the reporting date. Unrealised gains/losses on investments are represented by the difference between the fair value and the carrying value of investments and are recognised in the Statement of Total Return. Realised gains and losses upon disposal of investments are computed on the basis of the difference between the carrying value and the selling price of investments on trade date and are taken to the Statement of Total Return.

Fixed deposits held within the Statements of Portfolio are stated at amortised cost. Due to the short-term in nature of the fixed deposits, its amortised cost approximates its fair value.

2.3 *Financial derivatives*

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value therein are recognised in the Statement of Total Return.

2.4 *Recognition of income*

Dividend income is recognised in the Statement of Total Return on the date which the Sub-Fund's right to receive payment is established.

Interest income is recognised as it accrues in the Statement of Total Return, using the effective interest method.

2.5 *Distribution policy*

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. This amount shall not be treated as part of the property of the Sub-Fund. Distributions are accrued for at the point in time when the necessary approvals have been obtained and a legal or constructive obligation has been created.

2.6 *Foreign currency translation*

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates at the reporting date. All exchange differences are recognised in the Statement of Total Return.

2.7 *Income tax expense*

The Fund was approved for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13U (formerly 13X) of the Income Tax Act by the Monetary Authority of Singapore ("MAS") with effect from 5 October 2020. The tax exemption status will be for the life of the Fund, provided the Fund continues to meet all the terms and conditions set out by MAS and the relevant Income Tax legislations.

2.8 *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.9 *Net assets attributable to unitholders*

Net assets attributable to unitholders are classified as equity.

3 **Receivables**

	Phillip SGD Money Market ETF	
	2023	2022
	S\$	S\$
Interest receivable	333,504	64,549
Other receivables	–	2,885
	<u>333,504</u>	<u>67,434</u>

4 **Cash and cash equivalents**

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Bank balances	<u>793,312</u>	<u>712,414</u>	<u>14,234,353</u>	<u>15,736,719</u>

There are bank balances placed with a financial institution related to the Trustee. Refer to Note 10.

5 **Payables**

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Accrued expenses	<u>160,259</u>	<u>142,425</u>	<u>159,475</u>	<u>132,896</u>

6 Units in issue

During the period the number of units issued, redeemed and outstanding were as follows:

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	2023	2022	2023	2022
Units at beginning of the year	62,050,000	62,050,000	1,422,320	1,094,500
Units created	–	–	91,630	464,340
Units cancelled	(3,500,000)	–	(326,600)	(136,520)
Units at end of the year	<u>58,550,000</u>	<u>62,050,000</u>	<u>1,187,350</u>	<u>1,422,320</u>
Net assets attributable to unitholders – S\$	59,972,861	62,997,409	123,295,443	144,081,616
Net asset value per unit – S\$	<u>1.024</u>	<u>1.015</u>	<u>103.841</u>	<u>101.301</u>

For subscriptions and redemptions and for various fee calculations, investments are stated at the last traded prices on the valuation day for the purpose of determining net asset value per unit. While for financial reporting purpose, investments held are stated at the relevant bid market prices as at the reporting date.

The effect of bid market prices in the net assets attributable to unitholders per unit is as follows:

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Net assets attributable to unitholders per unit per the financial statements	1.024	1.015	103.841	101.301
- Effect of adopting bid price	0.002	0.001	0.041	0.091
- Write off of preliminary expenses	–	–	0.027	0.035
- Interest adjustment	–	–	–	(0.008)
Net assets attributable to unitholders per unit for issuing/redeeming	<u>1.026</u>	<u>1.016</u>	<u>103.909</u>	<u>101.419</u>

7 Income tax

	Phillip SING Income ETF	
	2023	2022
	S\$	S\$
Income tax	47,163	48,106

The income tax charge relates to withholding tax suffered on receipt of distributions from overseas investments.

8 Distribution

Sub-Fund No.1 distributed a total of \$2,305,400 (2022: \$2,171,750) to unitholders on the register during the year as disclosed below.

Phillip SING Income ETF

	2023
	S\$
Interim (1.7 cents per unit based on units outstanding as at 10 January 2023)	1,054,850
Interim (2.1 cents per unit based on units outstanding as at 12 July 2023)	1,250,550
	2,305,400
	2022
	S\$
Interim (1.5 cents per unit based on units outstanding as at 11 January 2022)	930,750
Interim (2.0 cents per unit based on units outstanding as at 8 July 2022)	1,241,000
	2,171,750

Phillip SGD Money Market ETF

The Sub-Fund distributed a total of \$1,050,491 (2022: \$Nil) to unitholders on the register during the year as disclosed below:

	2023
	S\$
Interim (8.8 cents per unit based on units outstanding as at 30 October 2023)	1,050,491
	1,050,491

9 Financial risk management

The Sub-Funds' activities are exposed to a variety of market risks (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Manager is responsible for the implementation of overall risk management programme, which seeks to minimise potential adverse effects on the Sub-Funds' financial performance. Specific guidelines on exposures to individual securities and certain industries and/or countries are in place as part of the overall financial risk management to reduce the Sub-Funds' exposure to these risks.

a) *Market risk*

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions such as interest rate movements and volatility in securities' prices. The Manager manages each Sub-Fund's exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

i. *Price risk*

Price risk is the risk that the fair values of equities or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The investments of the Sub-Funds are subject to normal market fluctuations and the risks inherent in investing in securities markets and there can be no assurance that appreciation will occur. It is the policy of the Manager to maintain a diversified portfolio of investments so as to minimise the risk. The Manager's preferred strategy is to hold investments for the medium to long term to mitigate the volatility arising from price risk.

A 10% increase in the market prices of investments at the reporting date would increase the fair value of investments by the following amount:

	Phillip SING Income ETF	
	2023	2022
	S\$	S\$
Equity securities	<u>5,933,981</u>	<u>6,242,742</u>

A 10% decrease in the market prices of investments at the reporting date would have an equal but opposite effect on the fair value of investments, on the basis that all other variables remain constant.

Phillip SGD Money Market ETF does not hold equity securities, hence price sensitivity analysis is not presented.

ii. *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Phillip SING Income ETF is not subject to significant risk of fluctuations in the market interest rates as the Phillip SING Income ETF's financial assets and liabilities are largely non-interest bearing other than the cash and cash equivalents.

The table below summarises Phillip SGD Money Market ETF's exposure to interest rate risk. They include Phillip SGD Money Market ETF's trading assets and liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity dates.

Phillip SGD Money Market ETF

	Up to 1 year \$	1-5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
As at 31 December 2023					
Assets					
Portfolio of investments	107,212,518	1,487,025	–	187,518	108,887,061
Receivables	–	–	–	333,504	333,504
Cash and cash equivalents	14,234,353	–	–	–	14,234,353
	<u>121,446,871</u>	<u>1,487,025</u>	<u>–</u>	<u>521,022</u>	<u>123,454,918</u>
Liabilities					
Payables	–	–	–	159,475	159,475
	<u>–</u>	<u>–</u>	<u>–</u>	<u>159,475</u>	<u>159,475</u>
As at 31 December 2022					
Assets					
Portfolio of investments	122,481,332	5,700,188	–	228,839	128,410,359
Receivables	–	–	–	67,434	67,434
Cash and cash equivalents	15,736,719	–	–	–	15,736,719
	<u>138,218,051</u>	<u>5,700,188</u>	<u>–</u>	<u>296,273</u>	<u>144,214,512</u>
Liabilities					
Payables	–	–	–	132,896	132,896
	<u>–</u>	<u>–</u>	<u>–</u>	<u>132,896</u>	<u>132,896</u>

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest for the period is as disclosed below. As at 31 December 2023, should interest rates rise or fall by 1% with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders would be as follows:

	Interest rates rise/(fall) by 1%	
	Increase/(Decrease) in net assets attributable to unitholders	
	2023	2022
	S\$	S\$
Phillip SGD Money Market ETF	127,655	302,941

iii. Currency risk

The Sub-Funds are denominated in Singapore Dollars. Phillip SING Income ETF invests in underlying securities which are denominated in foreign currencies where fluctuations in the relevant exchange rates may have an impact on the income and value of the Sub-Fund. The Manager may seek to minimise exposure to foreign currency fluctuation to the extent practicable.

Assets denominated in currencies other than the Sub-Fund's functional currency comprise the following:

Phillip SING Income ETF

	EUR	USD	Total
	\$	\$	\$
31 December 2023			
Portfolio of investments	–	167,029	167,029
Cash and cash equivalents	1,374	8,419	9,793
Total assets	1,374	175,448	176,822
Net currency exposure	1,374	175,448	176,822

	EUR	USD	Total
	\$	\$	\$
31 December 2022			
Portfolio of investments	153,870	–	153,870
Cash and cash equivalents	1,016	5,769	6,785
Total assets	154,886	5,769	160,655
Net currency exposure	154,886	5,769	160,655

The portfolio of investments is a non-monetary financial asset and is exposed to both currency risk and price risk. As this financial asset is non-monetary, no separate sensitivity analysis has been performed to analyse currency risk.

The Sub-Fund's monetary assets are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets, forecasted exchange rate movements and the net asset value of the Sub-Fund.

As at 31 December 2023, with respect to the monetary assets of the Sub-Fund, had the Singapore Dollar appreciated/depreciated by 10% against foreign currencies, with all other variables remaining constant, the decrease/increase in net assets attributable to unitholders would not be significant.

For Phillip SGD Money Market ETF, assets are not denominated in currencies other than the Sub-Fund's functional currency. Hence, no currency exposure table and sensitivity analysis are presented.

b) *Liquidity risk*

The Sub-Funds are exposed to daily redemption of units in the Sub-Funds. Therefore the majority of its assets are invested in investments that are traded in an active market and can be readily disposed of. The table below analyse the Sub-Funds' financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	Less than 3 months		Less than 3 months	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Payables	160,259	142,425	159,475	132,896

c) *Credit risk*

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

The Sub-Funds are exposed to counterparty credit risk on cash and cash equivalents and other receivable balances.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal.

The Sub-Funds may also enter into derivative contracts to manage exposures to currency risk and price risk. Hence, the Sub-Funds are also exposed to the risk that amounts held with counterparties for derivative contracts may not be recoverable in the event of any default by the parties concerned.

The table below analyses the Sub-Fund's debt instruments by credit ratings.

Phillip SGD Money Market ETF

<u>Debt securities by rating category</u>	Percentage of total net assets attributable to unitholders 2023 %	Percentage of total net assets attributable to unitholders 2022 %
AAA	–	0.35
AA+	0.81	–
AA	0.82	1.39
AA-	2.42	–
A+	1.61	6.25
A	1.61	2.54
A-	5.26	3.84
A2*	1.21	–
A3*	0.81	–
Not Rated	32.40	49.36
	<u>46.95</u>	<u>63.73</u>

Source of credit rating is from Standard & Poor's except for the following:

**Credit rating is from Moody's*

The table below analyses the credit ratings of banks in which the Sub-Fund's fixed deposits are held.

Phillip SGD Money Market ETF

<u>Fixed deposits by rating category</u>	Percentage of total net assets attributable to unitholders 2023 %	Percentage of total net assets attributable to unitholders 2022 %
A-1	41.21	21.77
A-2	–	3.47
Total fixed deposits	<u>41.21</u>	<u>25.24</u>

Source of credit rating is from Standard & Poor's

The table below summarise the credit rating of banks and custodian (source: Standard & Poor's) in which the Funds' assets are held as at 31 December 2023 and 31 December 2022.

<u>Counterparty</u>	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	2023	2022	2023	2022
The Hongkong & Shanghai Banking Corporation Ltd	AA-	AA-	AA-	AA-
Oversea-Chinese Banking Corporation	-	-	AA-	AA-
JP Morgan Chase	-	-	A-	A-

d) Capital management

The Sub-Funds' capital is represented by the net assets attributable to unitholders. The Sub-Funds strive to invest the subscriptions of redeemable participating units in investments that meets the Sub-Funds' objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

e) Fair value estimation

Except for investments which are measured at fair value, at 31 December 2023, the fair values of assets and liabilities approximate their carrying values on the Statement of Financial Position due to their short period to maturity.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Funds is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Sub-Funds hold derivatives with offsetting market risks, mid-market prices are used as a basis for establishing fair values for the offsetting risk positions and bid or asking price are applied to the net open positions, as appropriate. . The carrying amounts of the financial assets and liabilities with maturity of less than one year are assumed to approximate their fair values because they are short term in nature or the effect of discounting is immaterial

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 31 December 2023:

Phillip SING Income ETF

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
2023				
Assets				
Portfolio of investments	59,339,808	–	–	59,339,808

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
2022				
Assets				
Portfolio of investments	62,427,420	–	–	62,427,420

Phillip SGD Money Market ETF

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
2023				
Assets				
Quoted bonds	–	58,072,900	–	58,072,900

2022				
Assets				
Quoted bonds	–	92,050,036	–	92,050,036

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed securities. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

There are no transfers between the levels of the fair value hierarchy during the year.

10 Related party transactions

In the normal course of the business of the Sub-Funds, management fees and trustee fees have been paid or are payable to the Manager and the Trustee respectively as noted in the Statement of Total Return.

In addition, the bank holding company and related parties of the Trustee have also provided custodian, banking, foreign exchange, fund administration, registrar and brokerage services to the Sub-Fund in the normal course of business at terms agreed between the parties and within the provisions of the Trust Deed.

The Manager may also use the services of related parties to carry out transactions involving the purchase and sale of securities.

Except as disclosed elsewhere in the financial statements, the following significant transactions took place between the Sub-Funds and their related parties during the period:

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Brokerage fee paid to:				
- a related party of the Manager	8,717	4,667	–	–
Cash and bank balances held with a related party of the Trustee	<u>793,312</u>	<u>712,414</u>	<u>3,895,517</u>	<u>15,177,291</u>

11 Financial ratios

Phillip SING Income ETF

	2023	2022
Expense ratio		
Total operating expenses	S\$ 437,403	470,387
Average daily net asset value	S\$ 59,979,314	64,066,346
Expense ratio ^(Note 1)	%	0.73
<hr/>		
Turnover ratio		
Lower of total value of purchases or sales	S\$ 14,695,346	17,969,567
Average daily net asset value	S\$ 59,979,314	64,066,346
Turnover ratio ^(Note 2)	%	24.50
<hr/>		

Phillip SGD Money Market ETF

	2023	2022
Expense ratio		
Total operating expenses	S\$ 345,565	345,322
Average daily net asset value	S\$ 125,339,285	139,340,038
Expense ratio ^(Note 1)	%	0.28
<hr/>		
Turnover ratio		
Lower of total value of purchases or sales	S\$ –	2,491,800
Average daily net asset value	S\$ 125,339,285	139,340,038
Turnover ratio ^(Note 2)	%	–
<hr/>		

Note 1 The expense ratio has been computed based on the guidelines laid down by the IMAS. The calculation of the expense ratio is based on total operating expenses divided by the average net asset value for the period. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fees, interest expenses, distributions paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Funds do not pay performance fee. The average net asset value is based on the daily balances.

Note 2 The portfolio turnover ratio is calculated in accordance with the formula stated in the Code. The calculation of the portfolio turnover ratio is based on the total value of purchases (or sales) of the underlying investments divided by the weighted average daily net asset value. Total value of purchases (or sales) does not include brokerage and other transaction costs. The total value of bonds matured during the period is not included in the computation of portfolio turnover ratio.

Important Information

Phillip Legacy Funds is a Singapore standalone unit trust constituted under Singapore law and established by way of a deed of trust dated 24 September 2018 (the “Trust Deed”). The parties to the Trust Deed are Phillip Capital Management (S) Ltd (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited, as the trustee (the “Trustee”). A copy of the Trust Deed, as amended, is available for inspection by Unitholders and potential investors at the registered office of the Manager. Unless expressly provided for in the Trust Deed or allowed under applicable laws, the assets of the Fund shall at all times belong to the Fund and be segregated from the assets of the Trustee, and shall not be used to discharge the liabilities of or claims against the Trustee or any other Fund for which the Trustee acts as trustee.

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