

PHILLIP LEGACY FUNDS

ANNUAL REPORT

Financial year ended 31 December 2021

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DIRECTORY

MANAGER

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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

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CUSTODIAN

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Central
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AUDITORS

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SOLICITORS TO THE MANAGER

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PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2021

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 2021)	S\$1.0276
Net Assets Attributable to unitholders (31 December 2021)	S\$63,763,680
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 2021)	S\$100.236
Net Assets Attributable to unitholders (31 December 2021)	S\$109,708,754
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 FS4-6.

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2021

3. Schedule of Investments by Asset Class

Phillip SING Income ETF		Percentage of Total Net Assets Attributable to Unitholders at 31 December 2021
Asset Class	Fair Value at 31 December 2021 S\$	%
Quoted Equities	63,065,694	98.91
Cash and cash equivalents	607,313	0.95
Other net assets	90,673	0.14
Net assets attributable to unitholders	63,763,680	100.00

Phillip SGD Money Market ETF		Percentage of Total Net Assets Attributable to Unitholders at 31 December 2021
Asset Class	Fair Value at 31 December 2021 S\$	%
Quoted Bonds	69,235,129	63.11
Fixed deposit	3,012,883	2.75
Cash and cash equivalents	37,543,851	34.22
Other net liabilities	(83,109)	(0.08)
Net assets attributable to unitholders	109,708,754	100.00

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2021

4. Top 10 Holdings

Phillip SING Income ETF

	Fair Value at 31 December 2021 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2021 %
10 largest holdings at 31 December 2021		
DBS Group Holdings Limited	6,473,800	10.15
Oversea-Chinese Banking Corporation Limited	6,257,460	9.81
United Overseas Bank Limited	6,230,766	9.77
Singapore Technologies Engineering Limited	5,964,851	9.35
Singapore Exchange Limited	5,943,407	9.32
Singapore Telecommunications Limited	5,712,944	8.96
Venture Corporation Limited	4,640,953	7.28
Jardine Matheson Holdings Limited	3,998,059	6.27
CapitaLand Mall Trust REIT	2,261,562	3.55
Netlink NBN Trust	2,102,965	3.30

	Fair Value at 31 December 2020 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2020 %
10 largest holdings at 31 December 2020		
DBS Group Holdings Limited	5,814,463	9.80
Oversea-Chinese Banking Corporation Limited	5,583,803	9.41
United Overseas Bank Limited	5,415,817	9.13
Singapore Exchange Limited	5,191,009	8.75
CapitaLand Mall Trust REIT	5,161,298	8.70
Singapore Telecommunications Limited	5,007,332	8.44
Singapore Technologies Engineering Limited	4,938,599	8.32
Netlink NBN Trust	3,460,190	5.83
Genting Singapore Limited	3,106,704	5.24
Keppel DC REIT	1,972,158	3.32

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2021

4. Top 10 Holdings

Phillip SGD Money Market ETF

10 largest holdings at 31 December 2021	Fair Value at 31 December 2021 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2021 %
Bank of Communications Series FXCD 0.5% 18/01/2022	9,999,767	9.11
Ascendas Real Estate Investment Trust Series 4 03/02/2022	8,274,347	7.54
Mas Bill Zcp Series 28 07/01/2022	5,999,267	5.47
Mas Bill Zcp Series 28 21/01/2022	5,997,428	5.47
Mas Bill Zcp Series 28 28/01/2022	5,996,818	5.47
Keppel Corp Limited 0.58% 01/03/2022	5,000,000	4.56
Keppel Corp Limited Series 5 3.145% 14/02/2022	4,007,769	3.65
Capitamalls Asia Treasury Series EMTN 3.7% 29/08/2022	3,812,633	3.48
RCS Trust Series MTN 2 .6% 05/06/2023	3,069,031	2.80
Qatar National Bank	3,012,883	2.75

5. Credit Rating

Phillip SGD Money Market ETF

Credit Rating of Debt Securities	Fair Value at 31 December 2021 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2021 %
AA+	1,013,922	0.92
AA	1,010,968	0.92
A-	5,880,559	5.36
Not rated	60,955,286	55.57
Accrued interest on debt securities	374,394	0.34
Total Debt Securities	69,235,129	63.11

Source of credit rating is from Standard & Poor's

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2021

Credit Rating of Fixed Deposits	Fair Value at 31 December 2021 S\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2021 %
A-1	3,012,883	2.75
Total Fixed Deposits	3,012,883	2.75

Source of credit rating is from Standard & Poor's

6. Maturity profile of investments

Phillip SGD Money Market ETF

Maturity profile of underlying investments	Fair value at 31 December 2021 S\$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Up to 30 days	27,993,280	25.52
31 - 90 days	18,282,116	16.66
91 - 180 days	7,549,142	6.88
181 - 365 days	13,968,034	12.73
366 - 732 days	4,081,045	3.72
Non-interest bearing	374,394	0.34
	72,248,011	65.85

7. (i) Exposure to financial derivatives as at 31 December 2021

Nil.

(ii) Net gain on derivative contracts realised for the period ended 31 December 2021

Phillip SING Income ETF S\$240

(iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2021

Nil.

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2021

(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.

8. Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 31 December 2021

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
	S\$	%	S\$	%
Real Estate Investment Trust	9,768,657	15.32	19,461,614	17.74

9. Amount and percentage of borrowings of total fund size as at 31 December 2021

Nil.

10. Amount of units created and cancelled for the period ended 31 December 2021

	Phillip SING Income ETF		Phillip SGD Money Market ETF	
		S\$		S\$
Total amount of subscriptions		2,645,000		124,106,708
Total amount of redemptions		-		(14,678,600)

11.. Distribution

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

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Report to Unitholders Year ended 31 December 2021

12. Financial ratios

Expense Ratio & Turnover Ratio

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

13. Performance of the Fund as at 31 December 2021

Philip Sing Income ETF

Cumulative (%*)		Benchmark
3 Months	1.27	0.95
6 Months	-1.03	-0.99
1 Year	6.73	7.82
3 Years	13.90	16.61
Since inception (29 Oct 2018)	14.13	17.24
Annualised (%*)		Benchmark
1 Year	6.73	7.82
3 Years	4.43	5.26
Since inception (29 Oct 2018)	4.25	5.14

*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	0.05	0.06
6 Months	0.11	0.11
1 Year	0.24	0.24
Since inception (5 Oct 2020)	0.30	0.28
Annualised (%*)		Benchmark
1 Year	0.24	0.24
Since inception (5 Oct 2020)	0.24	0.23

*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 2021

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

PHILLIP LEGACY FUNDS

Report to Unitholders Year ended 31 December 2021

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 FS23, 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

30 March 2022

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 FS23, 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 2021, and the total return and movements in unitholders' funds for the financial year ended 31 December 2021 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

30 March 2022

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 2021, the Statement of Total Return and Statement of Movements of Unitholders' Funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS23.

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 2021 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 Barry Lee.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

30 March 2022

Statement of Total Return
Year ended 31 December 2021

	Phillip SING Income ETF		Phillip SGD Money Market ETF
			From 5 October 2020 (date of constitution) to 31 December 2021
Note	2021 S\$	2020 S\$	S\$
Income			
Dividends	2,171,809	2,044,855	-
Interest	-	-	39,447
	<u>2,171,809</u>	<u>2,044,855</u>	<u>39,447</u>
Less:			
Expenses			
Management fees	253,309	195,390	145,235
Audit fees	15,201	15,500	10,001
Custody fees	18,633	14,179	20,245
Preliminary expenses	-	-	88,401
Registration fees	15,072	15,096	8,198
Trustee fees	25,331	19,539	36,309
Transaction fees	44,398	33,930	4,628
Valuation fees	25,331	19,539	36,309
Other expenses	112,496	87,612	93,599
	<u>509,771</u>	<u>400,785</u>	<u>442,925</u>
Net income/(loss)	<u>1,662,038</u>	<u>1,644,070</u>	<u>(403,478)</u>
Net gains or losses on value of investments and financial derivatives			
Net gains/(losses) on investments	2,444,289	(3,926,850)	684,124
Net gains/(losses) on financial derivatives	240	(914)	-
Net foreign exchange (losses)/gains	(6,140)	2,027	-
	<u>2,438,389</u>	<u>(3,925,737)</u>	<u>684,124</u>
Total return/(deficit) for the year/period before income tax	4,100,427	(2,281,667)	280,646
Less: Income tax	7 (57,091)	(70,736)	-
Total return/(deficit) for the year/period after income tax before distribution	<u>4,043,336</u>	<u>(2,352,403)</u>	<u>280,646</u>

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

Statement of Financial Position
As at 31 December 2021

		Phillip SING Income ETF		Phillip SGD Money Market ETF
	Note	2021 S\$	2020 S\$	2021 S\$
Assets				
Portfolio of investments		63,065,694	59,008,202	72,248,012
Sales awaiting settlement		1,467	-	-
Receivables	3	167,049	25,790	4,267
Cash and cash equivalents	4	607,313	372,924	37,543,851
Total assets		<u>63,841,523</u>	<u>59,406,916</u>	<u>109,796,130</u>
Liabilities				
Payables	5	77,843	74,429	87,376
Total liabilities		<u>77,843</u>	<u>74,429</u>	<u>87,376</u>
Equity				
Net assets attributable to unitholders	6	<u>63,763,680</u>	<u>59,332,487</u>	<u>109,708,754</u>

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

Statement of Movements of Unitholders' Funds
Year ended 31 December 2021

	Note	Phillip SING Income ETF		Phillip SGD Money Market ETF
		2021 S\$	2020 S\$	From 5 October 2020 (date of constitution) to 31 December 2021 S\$
Net assets attributable to unitholders at the beginning of financial year / date of constitution		59,332,487	49,364,790	-
Operations				
Changes in net assets attributable to unitholders resulting from operations		4,043,336	(2,352,403)	280,646
Unitholders' contributions/(withdrawals)				
Creation of units		2,645,000	14,472,000	124,106,708
Cancellation of units		-	-	(14,678,600)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		2,645,000	14,472,000	109,428,108
Distribution	8	(2,257,143)	(2,151,900)	-
Total increase in net assets attributable to unitholders		4,431,193	9,967,697	109,708,754
Net assets attributable to unitholders at the end of financial year/period	6	63,763,680	59,332,487	109,708,754

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

Statement of Portfolio
As at 31 December 2021

**Percentage of
total net assets
attributable to**

	Holdings as at 31 December 2021	Fair value as at 31 December 2021 S\$	unitholders as at 31 December 2021 %
Phillip SING Income ETF			
By Industry (Primary)			
Quoted Equities			
Communication Services			
Netlink NBN Trust	2,102,965	2,102,965	3.30
Singapore Telecommunications Limited	2,462,476	5,712,944	8.96
Starhub Limited	242,932	327,959	0.51
		8,143,868	12.77
Consumer Discretionary			
Genting Singapore Limited	2,146,146	1,663,263	2.61
Jardine Matheson Holdings Limited	53,900	3,998,059	6.27
		5,661,322	8.88
Consumer Staples			
Sheng Siong Group Limited	846,615	1,227,592	1.93
		1,227,592	1.93
Financials			
DBS Group Holdings Limited	198,218	6,473,800	10.15
Great Eastern Holdings Limited	22,223	447,793	0.70
Hong Leong Finance Limited	176,735	422,397	0.67
Keppel Infrastructure Trust	967,700	522,558	0.82
Oversea-Chinese Banking Corporation Limited	548,900	6,257,460	9.81
Singapore Exchange Limited	639,076	5,943,407	9.32
United Overseas Bank Limited	231,627	6,230,766	9.77
UOB-Kay Hian Holdings Limited	102,822	163,487	0.26
		26,461,668	41.50
Healthcare			
Haw Par Corporation Limited	88,802	1,007,903	1.58
		1,007,903	1.58
Industrials			
Singapore Technologies Engineering Limited	1,590,627	5,964,851	9.35
		5,964,851	9.35
Information Technology			
Venture Corporation Limited	253,604	4,640,953	7.28
		4,640,953	7.28

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

Statement of Portfolio (cont'd)
As at 31 December 2021

	Holdings as at 31 December 2021	Fair value as at 31 December 2021 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2021 %
Phillip SING Income ETF			
By Industry (Primary)			
Quoted Equity			
Real Estate			
AIMS Apac REIT Management Limited	62,756	90,369	0.14
CapitaLand Mall Trust REIT	1,108,609	2,261,562	3.55
Cromwell European REIT	88,800	343,349	0.54
Frasers Centrepoint Trust	527,000	1,212,100	1.90
Keppel DC REIT	725,982	1,785,916	2.80
Keppel-KBS US REIT	429,309	463,104	0.73
Lendlease Global Commercial REIT	226,500	201,585	0.31
Mapletree Commercial Trust	519,311	1,028,236	1.61
Mapletree Industrial Trust	590,637	1,594,720	2.50
Parkway Life REIT	54,407	279,108	0.44
Prime US REIT	340,772	381,382	0.60
Sasseur Real Estate Investment Trust REIT	150,564	127,226	0.20
		<u>9,768,657</u>	<u>15.32</u>
Transport			
SBS Transit Limited	64,245	188,880	0.30
		<u>188,880</u>	<u>0.30</u>
Portfolio of investments		63,065,694	98.91
Other net assets		697,986	1.09
Net assets attributable to unit holders		<u>63,763,680</u>	<u>100.00</u>

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

Statement of Portfolio
As at 31 December 2021

	Holdings as at 31 December 2021	Fair value as at 31 December 2021 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2021 %
Phillip SGD Money Market ETF			
By Industry (Primary)			
Quoted Bonds			
Communication Services			
Optus Finance Pty Limited Series EMTN 3.24% 29/09/2022	2,750,000	2,811,528	2.56
Starhub Ltd Series MTN 3.08% 12/09/2022	1,000,000	1,014,586	0.93
		3,826,114	3.49
Consumer Discretionary			
City Developments Limited Series MTN 3.75% 06/07/2022	2,500,000	2,530,537	2.31
		2,530,537	2.31
Financials			
Bank of Communications Series FXCD 0.5% 18/01/2022	10,000,000	9,999,767	9.11
Cagamas Global PLC Series EMTN 1.25% 08/12/2023	500,000	500,224	0.45
Export-Import Bank Korea Series EMTN 2.318% 27/09/2022	1,000,000	1,010,968	0.92
Kookmin Bank/Hong Kong Series CD 0% 27/05/2022	1,000,000	997,390	0.91
MAS Bill Zcp Series 28 07/01/2022	6,000,000	5,999,267	5.47
MAS Bill Zcp Series 28 21/01/2022	6,000,000	5,997,428	5.47
MAS Bill Zcp Series 28 28/01/2022	6,000,000	5,996,818	5.47
		30,501,862	27.80
Government			
Housing & Development Board Series MTN 2.088% 30/08/2022	250,000	252,501	0.23
Land Transport Authority Series MTN 2.57% 31/08/2022	750,000	759,994	0.70
Public Utilities Board 3.012% 12/07/2022	500,000	506,422	0.46
		1,518,917	1.39
Industrials			
Keppel Corp Limited Series 5 3.145% 14/02/2022	4,000,000	4,007,769	3.65
Keppel Corp Limited 0.58% 22/02/2022	1,000,000	1,000,000	0.91
Keppel Corp Limited 0.58% 01/03/2022	5,000,000	5,000,000	4.56
		10,007,769	9.12

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

Statement of Portfolio (cont'd)
As at 31 December 2021

	Holdings as at 31 December 2021	Fair value as at 31 December 2021 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2021 %
Phillip SGD Money Market ETF			
By Industry (Primary)			
Quoted Bonds			
Real Estate			
Ascendas Real Estate Investment Series 10 3.2% 03/06/2022	2,000,000	2,020,804	1.84
Ascendas Real Estate Investment Trust Series 4 03/02/2022	8,250,000	8,274,347	7.54
Capitamalls Asia Treasury Series EMTN 3.7% 29/08/2022	3,750,000	3,812,633	3.48
CMT MTN Pte Limited Series MTN2.8% 13/03/2023	500,000	511,790	0.47
Keppel Land Limited Series MTN 3.8% 08/06/2022	1,500,000	1,518,065	1.38
RCS Trust Series MTN 2.6% 05/06/2023	3,000,000	3,069,031	2.80
Wing Tai Properties Finance Series EMTN 4.25% 29/11/2022	250,000	254,944	0.23
		19,461,614	17.74
Transport			
SMRT Capital Pte Limited Series MTN 2.363% 05/10/2022	1,000,000	1,013,922	0.92
		1,013,922	0.92
Accrued interest on debt securities		374,394	0.34
Total Quoted Debt Securities		69,235,129	63.11
Fixed deposits			
Banks			
Qatar National Bank		3,012,883	2.75
Total Fixed Deposits		3,012,883	2.75
Portfolio of investments		72,248,012	65.86
Other net assets		37,460,742	34.14
Net assets attributable to unitholders		109,708,754	100.00

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

Statement of Portfolio (cont'd)
As at 31 December 2021

	Fair value as at 31 December 2021 S\$	Percentage of total net assets attributable to unitholders as at 31 December 2021 %	Percentage of total net assets attributable to unitholders as at 31 December 2020 %
Phillip SING Income ETF			
By Geography (Secondary)			
Quoted Equities			
Hong Kong	3,998,059	6.27	-
Singapore	59,067,635	92.64	99.45
Portfolio of investments	63,065,694	98.91	99.45
Other net assets	697,986	1.09	0.55
Net assets attributable to unitholders	63,763,680	100.00	100.00

	Percentage of total net assets attributable to unitholders as at 31 December 2021 %	Percentage of total net assets attributable to unitholders as at 31 December 2020 %
By Industry (Primary)		
Quoted Equities		
Communication Services	12.77	14.91
Consumer Discretionary	8.88	5.24
Consumer Staples	1.93	1.99
Financials	41.50	38.85
Healthcare	1.58	3.82
Industrials	9.35	8.69
Information Technology	7.28	3.22
Real Estate	15.32	22.57
Transport	0.30	0.16
Portfolio of investments	98.91	99.45
Other net assets	1.09	0.55
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 2021

	Fair value as at 31 December 2021	Percentage of total net assets attributable to unitholders as at 31 December 2021
	S\$	%
Phillip SGD Money Market ETF		
By Geography (Secondary)		
Quoted Bonds		
Australia	2,811,528	2.56
British Virgin Islands	254,944	0.23
China	9,999,767	9.12
Malaysia	500,224	0.46
Singapore	56,298,797	51.32
South Korea	2,008,358	1.83
Accrued interest on debt securities	374,394	0.34
Portfolio of investments	72,248,012	65.86
Other net assets	37,460,742	34.14
Net assets attributable to unitholders	109,708,754	100.00

		Percentage of total net assets attributable to unitholders as at 31 December 2021
		%
By Industry (Primary)		
Quoted Bonds		
Communication Services		3.49
Consumer Discretionary		2.31
Financials		30.55
Government		1.39
Industrials		9.12
Real Estate		17.74
Transport		0.92
Accrued interest on debt securities		0.34
Portfolio of investments		65.86
Other net assets		34.14
Net assets attributable to unitholders		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 Significant accounting policies

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 Fund has adopted the recommendations of revised RAP 7 (revised July 2020) issued by the Institute of Singapore Chartered Accountants effective for the financial year beginning on or after 1 July 2020. 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 2001 (“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.

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 SING Income ETF		Phillip SGD Money Market ETF
	2021 S\$	2020 S\$	2021 S\$
Dividends receivable	167,049	-	-
Interest receivable	-	-	4,267
Other receivables	-	25,790	-
	167,049	25,790	4,267

4 **Cash and cash equivalents**

	Phillip SING Income ETF		Phillip SGD Money Market ETF
	2021 S\$	2020 S\$	2021 S\$
Bank balances	607,313	372,924	37,543,851

The bank balances are placed with a financial institution related to the Trustee.

5 **Payables**

	Phillip SING Income ETF		Phillip SGD Money Market ETF
	2021 S\$	2020 S\$	2021 S\$
Accrued expenses	77,843	74,429	87,376

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
	2021	2020	Period from 5 October 2020(date of constitution) to 31 December 2021
Units at the beginning of the year/period	59,550,000	44,200,000	-
Units created	2,500,000	15,350,000	1,241,000
Units cancelled	-	-	(146,500)
Units at the end of the year/period	<u>62,050,000</u>	<u>59,550,000</u>	<u>1,094,500</u>
Net assets attributable to unitholders – S\$	63,763,680	59,332,487	109,708,754
Net asset value per unit – S\$	<u>1.028</u>	<u>0.996</u>	<u>100.236</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
	2021 S\$	2020 S\$	Period from 5 October 2020 (date of constitution) to 31 December 2021 S\$
Net assets attributable to unitholders per unit per the financial statements	1.028	0.996	100.236
- Effect of adopting last traded price	0.000	0.002	(0.001)
- Write off preliminary expenses	-	-	0.062
"Net assets attributable to unitholders per unit	<u>1.028</u>	<u>0.998</u>	<u>100.297</u>

7 Income tax

	Phillip SING Income ETF		Phillip SGD Money Market ETF Period from 5 October 2020 (date of constitution) to 31 December 2021
	2021	2020	2021
	S\$	S\$	S\$
Income tax	57,091	70,736	–

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

8 Distribution

The Sub-Fund distributed a total of \$2,257,143 (2020: \$2,151,900) to unitholders on the register during the year as disclosed below.

Phillip SING Income ETF

	2021
	S\$
Interim (2.0 cents per unit based on units outstanding as at 12 Jan 2021)	1,191,000
Interim (1.5 cents per unit based on units outstanding as at 26 June 2021)	930,750
Interim (0.2 cents per unit based on units outstanding as at 2 August 2021)	135,393
	2,257,143
	2020
	S\$
Interim (2.7 cents per unit based on units outstanding as at 3 Jan 2020)	1,193,400
Interim (1.8 cents per unit based on units outstanding as at 25 June 2020)	958,500
	2,151,900

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	
	2021	2020
	S\$	S\$
Equity securities	6,306,569	5,900,820

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

As at 31 December 2021

	Up to 1 year \$	1-5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	67,792,573	4,081,045	-	374,394	69,235,129
Receivables	-	-	-	4,267	4,267
Cash and cash equivalents	37,543,851	-	-	-	37,543,851
	<u>105,336,424</u>	<u>-</u>	<u>-</u>	<u>378,661</u>	<u>109,796,130</u>
Liabilities					
Payables	-	-	-	87,376	87,376
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,376</u>	<u>87,376</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 31 December 2021, 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	
	2021	2020
	S\$	S\$
Phillip SGD Money Market ETF	<u>217,893</u>	n/a

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 2021			
Portfolio of investments	343,349	4,842,545	5,185,894
Cash and cash equivalents	586	23,929	24,515
Total assets	<u>343,935</u>	<u>4,866,474</u>	<u>5,210,409</u>
Net currency exposure	<u>343,935</u>	<u>4,866,474</u>	<u>5,210,409</u>

	EUR	USD	Total
	\$	\$	\$
31 December 2020			
Portfolio of investments	-	445,724	445,724
Cash and cash equivalents	232	94	326
Total assets	<u>232</u>	<u>445,818</u>	<u>446,050</u>
Net currency exposure	<u>232</u>	<u>445,818</u>	<u>446,050</u>

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 2021, 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.

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-Fund 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 2021 %	Percentage of total net assets attributable to unitholders 2020 %
AA+	0.92	n/a
AA	0.92	n/a
A-	5.36	n/a
Not Rated	55.57	n/a
	<u>62.77</u>	<u>n/a</u>

Source of credit rating is from Standard & Poor'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 2021 %	Percentage of total net assets attributable to unitholders 2020 %
A-1	2.75	n/a
Total fixed deposits	2.75	n/a

Source of credit rating is from Standard & Poor's

d) Capital management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions of redeemable participating units in investments that meets the Sub-Fund's 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 2021, 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-Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Sub-Fund holds 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 Sub-Fund classifies 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 2021:

Phillip SING Income ETF

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
2021				
Assets				
Portfolio of investments	63,065,694	-	-	63,065,694

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
2020				
Assets				
Portfolio of investments	59,008,202	-	-	59,008,202

Phillip SGD Money Market ETF

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
2021				
Assets				
Portfolio of investments	-	72,248,012	-	72,248,012

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed securities. The Sub-Fund does 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 period.

10 Related party transactions

In the normal course of the business of the Sub-Fund, 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 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-Fund and its related parties during the period:

	Phillip SING Income ETF		Phillip SGD Money Market ETF Period from 5 October 2020 (date of constitution) to 31 December
	2021 S\$	2020 S\$	2021 S\$
Brokerage fee paid to:			
- a related party of the Manager	19,225	1,159	-
Cash and bank balances held with a related party of the Trustee	607,313	372,924	19,006,538
	<hr/>	<hr/>	<hr/>

11 Financial ratios

Phillip SING Income ETF

	2021	2020
Expense ratio		
Total operating expenses	S\$ 465,372	381,603
Average daily net asset value	S\$ 63,334,540	48,825,251
Expense ratio ^(Note 1)	%	0.73
<hr/>		
Turnover ratio		
Lower of total value of purchases or sales	S\$ 49,375,656	16,833,751
Average daily net asset value	S\$ 63,334,540	48,825,251
Turnover ratio ^(Note 2)	%	77.96
<hr/>		

Phillip SGD Money Market ETF

		From 5 October 2020 (date of constitution) to 31 December 2021
Expense ratio		
Total operating expenses	S\$	349,896
Average daily net asset value	S\$	116,924,309
Expense ratio ^(Note 1) (excluding preliminary expenses) (annualised)	%	0.24
Expense ratio ^(Note 1) (including preliminary expenses) (annualised)	%	0.32
<hr/>		
Turnover ratio		
Lower of total value of purchases or sales	S\$	419,749,080
Average daily net asset value	S\$	116,924,309
Turnover ratio ^(Note 2)	%	358.99
<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.

12 Comparative Information

No comparative figures are presented for Phillip SGD Money Market ETF as this is the first set of financial statements prepared by the sub-fund since its launch.

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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