

Phillip Wealth Funds
- Phillip HKD Money Market Fund

30 June 2024 (unaudited)

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Investment Manager's report

Phillip Wealth Funds

- Phillip HKD Money Market Fund

Review

For the half year ended 30 June 2024, the fund generated a net return of 1.90% and 3.94% for the 6-month and 1-year period respectively.

As of 30 Jun 2024, the fund's Weighted Average Maturity "WAM" stood at 33.82 days and annualized average 30-days yields at 3.43% p.a. The fund primarily invested in fixed-rate bonds issues of the Asian and European region and bank deposits.

The Hong Kong continued to record moderate growth in the second quarter of 2024, with real GDP recorded a year-on-year expansion of 3.3% after experiencing a 1.5% growth last year. Recent GDP recorded a 2.8% increase in the preceding quarter. Externally, the overall growth in exports of goods remained robust, although the growth in exports of services slowed. Domestically, total investment spending increased, but private consumption spending started to slightly decrease. The seasonally adjusted unemployment rate stayed low at 3.0% in May – July 2024, same as April – June 2024. Though there are a number of variables that could cause uncertainties on multiple fronts, such as geopolitical tensions and the forecast for interest rates and the global economy, Hong Kong economy should continue to rise throughout the rest of the year.

Regarding the Hong Kong Dollar Market, HKD spot rate remained above 7.8 against the USD in the first half year of 2024. Aggregate Balance was at HKD44.96 billion as of the end of June 2024. It had been in a stable situation since the year start, which indicated that there is enough liquidity in the system.

Short-term interest rates slightly decrease in the first half year of 2024. The Hong Kong Interbank Offered Rate (HIBOR) for one month and three months dropped to 4.61% and 4.75% at the end of June 2024, compared to 4.93% and 4.97% a year ago, respectively.

Outlook

The fund aims for a target weighted average maturity of less than 60 days, with overnight and seven days liquidity of no less than 7.5% and 15%, respectively. The fund will continue to focus its investments on high-quality short-term corporate papers of issuers with solid balance sheets, robust business models, and steady operating cash flows. Similarly, the fund will place deposits and short terms money market securities in high quality bank counterparties of solid balance sheet and parentage.

Statement of financial position
as at 30 June 2024 (unaudited)
(Expressed in Hong Kong dollars)

	30 June 2024 HK\$	31 December 2023 HK\$
Assets		
Financial assets at fair value through profit or loss	48,008,113	83,622,357
Bank deposits with maturity over three months at acquisition	269,426,530	187,057,421
Interest receivable	3,386,201	3,139,759
Cash and cash equivalents	315,856,070	174,534,193
Total assets	636,676,914	448,353,730
Liabilities		
Accrued expenses and other payables	744,887	615,551
Total liabilities	744,887	615,551
Net assets attributable to unitholders	635,932,027	447,738,179

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements are prepared under the historical cost convention as modified by fair valuation of financial assets and financial liabilities (including derivative instruments) held at fair value through profit or loss.

Standards and amendments to existing standards effective 01 January 2024

There are no standards, amendments to standards or interpretations that are effective for annual period beginning 01 January 2024 that have a material impact on the financial statements of the Sub-Fund.

Statement of comprehensive income
for the period from 01 January 2024 to 30 June 2024
(unaudited)
(Expressed in Hong Kong dollars)

	<i>Period from 01 January 2024 to 30 June 2024</i>	<i>Period from 01 January 2023 to 30 June 2023</i>
	HK\$	HK\$
Interest income calculated using the effective interest method	8,197,760	3,523,226
Net gains from financial assets at fair value through profit or loss	620,546	138,382
Net foreign exchange gain/(loss)	(25)	159
Other income	<u>1,606,534</u>	<u>2,074,050</u>
Total revenue	<u>10,424,815</u>	<u>5,735,817</u>
Management fees	(914,423)	(353,098)
Trustee's fees	(48,549)	(34,527)
Custodian fees	(93,078)	(93,486)
Auditors' remuneration	(77,135)	(63,474)
Legal and professional fee	(27,221)	(27,210)
Other operating expenses	<u>(96,377)</u>	<u>(76,179)</u>
Total operating expenses	<u>(1,256,783)</u>	<u>(647,974)</u>
Increase in net assets attributable to unitholders and total comprehensive income for the period	<u>9,168,032</u>	<u>5,087,843</u>

Statement of changes in net assets attributable to unitholders for the period from 01 January 2024 to 30 June 2024 (unaudited)
(Expressed in Hong Kong dollars)

	<i>01 January 2024 to 30 June 2024 HK\$</i>	<i>01 January 2023 to 30 June 2023 HK\$</i>
Balance at the beginning of the period	447,738,179	303,508,214
Increase/(decrease) in net assets attributable to unitholders and total comprehensive income for the period	<u>9,168,032</u>	<u>5,087,843</u>
Contributions and redemptions by unitholders		
Subscriptions of units	2,530,366,068	761,256,834
Redemption of units	<u>(2,351,340,252)</u>	<u>(714,326,822)</u>
Total contributions and redemptions by unitholders	<u>179,025,816</u>	<u>46,930,012</u>
Balance at the end of the period	<u><u>635,932,027</u></u>	<u><u>355,526,069</u></u>

Statement of changes in net assets attributable to unitholders for the period from 01 January 2024 to 30 June 2024 (unaudited) (continued)
(Expressed in number of units)

	Class A units		Class B units	
	2024	2023	2024	2023
Balance at 01 January	36,351,367.94	20,602,827.37	5,294,684.41	8,762,619.94
Subscription of units during the period	230,943,361.36	72,043,494.13	355,744.02	490,720.47
Redemption of units during the period	(214,947,002.37)	(64,177,483.00)	-	(3,958,658.16)
Balance at 30 June	<u>52,347,726.93</u>	<u>28,468,838.50</u>	<u>5,650,428.43</u>	<u>5,294,682.25</u>
Net asset value per unit	<u>HK\$ 10.9918</u>	<u>HK\$ 10.5751</u>	<u>HK\$ 10.7136</u>	<u>HK\$ 10.2867</u>

Portfolio statement as at 30 June 2024 (unaudited)

(Expressed in Hong Kong dollars)

By Geography (Primary)	<i>Holdings</i>	<i>Market value HK\$</i>	<i>% of net assets value %</i>
Debt instruments- Unlisted but quoted			
<i>Certificates of deposit</i>			
CHINA			
Agricultural Bank of China Limited/Macao 4.5% due 03/07/2024	20,000,000	20,000,027	3.14
Total certificates of deposit		20,000,027	3.14
<i>Bonds</i>			
CHINA			
China Development Bank/Hong Kong 2.85% due 19/07/2024	3,000,000	2,997,667	0.47
HONG KONG SAR			
Hong Kong Science & Technology Parks Corporation 3.2% due 11/07/2024	3,000,000	2,999,010	0.47
NETHERLANDS			
Cooperatieve Rabobank UA 5.4025% due 03/08/2024	20,000,000	20,012,750	3.15
SWEDEN			
Volvo Treasury AB 2.31% due 12/07/2024	2,000,000	1,998,659	0.32
Total bonds		28,008,086	4.41
Debt instruments (total)		48,008,113	7.55
Other net assets		587,923,914	92.45
Total net assets		635,932,027	100.00
Total investments, at cost		48,009,320	

Portfolio statement as at 30 June 2024 (unaudited)
(continued)
(Expressed in Hong Kong dollars)

	Market value HK\$	% of net assets %
Daily liquid asset	635,932,027	100.00
Weekly liquid asset	635,932,027	100.00

The weighted average maturity of the portfolio of the Sub-Fund is 22.28 days.

Statement of movements in portfolio holdings (unaudited)
for the period from 01 January 2024 to 30 June 2024
(unaudited)

	<i>% of net asset value</i>	
	<i>30 June</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
Debt instruments - Unlisted but quoted Other net assets	7.55	18.68
	<u>92.45</u>	<u>81.32</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>

Administration

Manager

Phillip Capital Management (HK) Limited
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Directors of the Manager

Mr. Lim Wah Sai
Mr. Wong Wai Kit, Louis
Mr. Lim Wen Sheong, Linus
Ms. Loh Yang Nee, Sabrina

Trustee

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Administration (continued)

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