

# PHILLIP MASTER ISLAMIC CASH FUND

AUDITED  
ANNUAL REPORT

FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2025

Manager:

**PHILLIP MUTUAL BERHAD**  
(200201002746)(570409-K)

Trustee:

**RHB TRUSTEES BERHAD**  
(200201005356)(573019-U)

**CONTENTS**

<b>Fund Information</b>	2
<b>Fund Performance</b>	3 - 4
<b>Manager's Report</b>	5
Performance Review	5
Volatility Of The Fund	6
Income Distribution and Unit Split	6
Market Review	6 - 7
Market Outlook	7
Investment Outlook	7
Strategy Going Forward	8
Asset Allocation Of The Fund	8
Securities Financing Transactions	9
Significant Changes In The State Of Affairs Of The Fund	9
Disclosure Of Circumstances That Materially Affect Interest Of Unit Holders	9
Cross Trade	9
Soft Commission Received From Brokers	9
<b>Trustee's Report</b>	10
<b>Shariah Adviser's Report</b>	11
<b>Statement By The Manager</b>	12
<b>Independent Auditors' Report</b>	13 - 15
<b>Statement Of Financial Position</b>	16
<b>Statement Of Comprehensive Income</b>	17
<b>Statement Of Changes In Net Asset Value</b>	18
<b>Statement Of Cash Flows</b>	19
<b>Notes To The Financial Statements</b>	20 - 33
<b>Corporate Information</b>	34 - 35

**FUND INFORMATION**

**As At 31 December 2025**

Name Of Fund	:	Phillip Master Islamic Cash Fund
Manager Of Fund	:	Phillip Mutual Berhad 200201002746 (570409-K)
Investment Manager	:	Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	:	26 March 2018
Category Of Fund	:	Islamic Money Market
Type Of Fund	:	Income (Shariah)
Investment Objective	:	The Fund aims to provide investors with returns higher than Ringgit Malaysia savings deposits while maintaining principal value and a high degree of liquidity by investing in Shariah-compliant instruments.
Performance Benchmark	:	Maybank's 1-Month General Investment Account (GIA) Rate (Tier 1-Month Rate).
Distribution Policy:	:	To distribute income on a monthly basis whenever possible.
Fund Size	:	450.47 million units

**FUND PERFORMANCE****Financial Highlights**

<b>Category</b>	<b>As At 31.12.2025</b>	<b>As At 31.12.2024</b>	<b>As At 31.12.2023</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Shariah-based deposits with licensed financial institutions	99.42	99.48	99.76
Cash and liquid assets	0.58	0.52	0.24
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Net Asset Value (RM'000)	507,102	475,694	536,082
Number Of Units In Circulation (Units'000)	450,470	436,265	508,042
Net Asset Value Per Unit (RM)	1.1257	1.0904	1.0552
Total Expense Ratio ("TER")	0.32%	0.32%	0.32%
Portfolio Turnover Ratio (times)	28.93	31.84	54.22

*Notes:*

*Past performance is not necessarily indicative of future performance.*

*Unit prices and investment returns may go down, as well as up.*

**Performance Data**

	Phillip Master Islamic Cash Fund		Maybank's 1-Month GIA-i Rate		
	Total Return*	Average Annual Return	Total Return*	Average Annual Return	
1 Year's Period to 31.12.2025	3.35%	3.35%	1.59%	1.59%	
3 Years' Period to 31.12.2025	10.58%	3.53%	5.72%	1.91%	
5 Years' Period to 31.12.2025	14.87%	2.97%	8.24%	1.65%	
	<b>1.1.2025 to 31.12.2025</b>	<b>1.1.2024 to 31.12.2024</b>	<b>1.1.2023 to 31.12.2023</b>	<b>1.1.2022 to 31.12.2022</b>	<b>1.1.2021 to 31.12.2021</b>
Phillip Master Islamic Cash Fund*					
- Capital Return	3.23%	3.33%	3.31%	2.14%	-
- Income Return	0.12%	0.12%	0.12%	0.01%	1.68%
- Total Return	3.35%	3.45%	3.43%	2.15%	1.68%
Maybank's 1-Month GIA-i Rate*	1.59%	1.95%	2.08%	1.36%	1.00%

	<b>1.1.2025 to 31.12.2025</b>	<b>1.1.2024 to 31.12.2024</b>	<b>1.1.2023 to 31.12.2023</b>
<b>Unit Prices</b>			
Highest NAV (RM)	1.1257	1.0904	1.0552
Lowest NAV (RM)	1.0906	1.0554	1.0217
<b>Distributions</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Gross/Net Distribution Per Unit (%)			
- 31 January	0.01%	0.01%	0.01%
- 28/29/28 February	0.01%	0.01%	0.01%
- 31 March	0.01%	0.01%	0.01%
- 30 April	0.01%	0.01%	0.01%
- 31 May	0.01%	0.01%	0.01%
- 30 June	0.01%	0.01%	0.01%
- 31 July	0.01%	0.01%	0.01%
- 31 August	0.01%	0.01%	0.01%
- 30 September	0.01%	0.01%	0.01%
- 31 October	0.01%	0.01%	0.01%
- 30 November	0.01%	0.01%	0.01%
- 31 December	0.01%	0.01%	0.01%

**Unit Splits**

- - -

*Notes:*

\* The returns for the Fund are extracted from Lipper

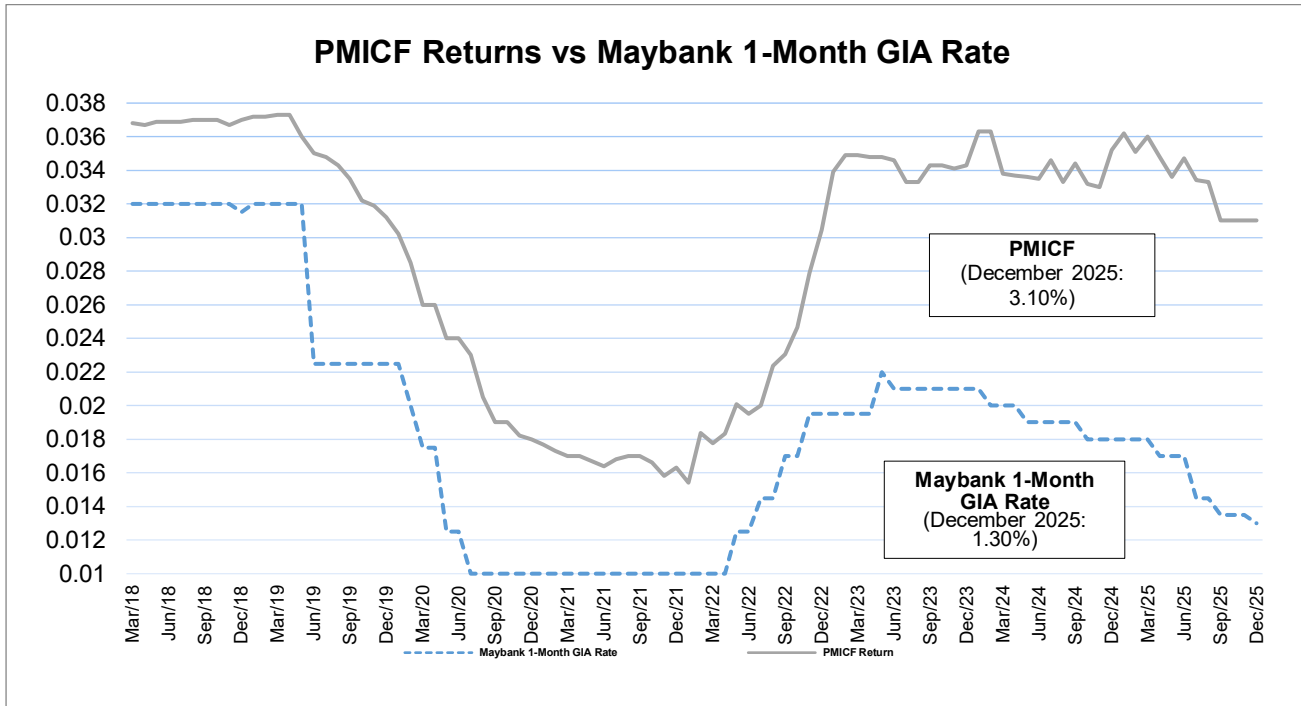
**MANAGER’S REPORT**

31 December 2025

**PERFORMANCE REVIEW**

For the purpose of benchmark comparison, we have used Maybank’s 1-Month GIA Rate as both provide similar liquidity.

Performance of Phillip Master Islamic Cash Fund (“PMICF”) vs. Maybank’s 1-Month GIA Rate since the Fund’s inception:



Source: Maybank2u Website

Since its inception, the Fund has distributed dividends on a monthly basis. Profits received by the Fund from its investments will be reinvested into the Fund’s investments, and the investment gain, if any, will be fully reflected in its Net Asset Value (NAV). During the year under review, the average return of the Fund was better than the returns offered by Maybank’s 1-Month GIA Rate. Beneath is the comparison table.

**PMICF vs Maybank 1-Month GIA Rate for the period January - December 2025**

PMICF * (% p.a.)	Maybank * (% p.a.)	Difference (%p.a.)
3.35	1.59	1.76

Source:\* Lipper

During the year under review, the total return of the Fund registered at 3.35% p.a. compared to the benchmark return of 1.59% p.a. The Fund thus outperformed the benchmark as illustrated in the comparison table above. The Fund will continue to be managed in a manner to fulfill its objective.

## VOLATILITY OF THE FUND

The net asset value (NAV) per unit of Phillip Master Islamic Cash Fund increased from RM1.0904 to RM1.1257 during the financial year under review.

## INCOME DISTRIBUTION AND UNIT SPLIT

For the year under review, the income distributions were as follows:

31.01.2025: 0.01% p.a.  
 28.02.2025: 0.01% p.a.  
 31.03.2025: 0.01% p.a.  
 30.04.2025: 0.01% p.a.  
 31.05.2025: 0.01% p.a.  
 30.06.2025: 0.01% p.a.  
 31.07.2025: 0.01% p.a.  
 31.08.2025: 0.01% p.a.  
 30.09.2025: 0.01% p.a.  
 31.10.2025: 0.01% p.a.  
 30.11.2025: 0.01% p.a.  
 31.12.2025: 0.01% p.a.

The NAV per unit after distribution was RM1.1257. No unit split was made by the Fund during the year under review.

## MARKET REVIEW

The Department of Statistics (DoSM) reported an advanced estimate of 5.7% year-on-year (YoY) growth for 4Q25F as of 16 January 2026, being 0.8% stronger than 4Q24 (4.9%) and 0.5% and 1.5% stronger than 3Q24 (5.2%), 2Q24 (4.4%) and 1Q24 (4.4%) respectively, beating out Bank Negara Malaysia's (BNM) estimates of between 4 and 4.8%. Overall, this signifies an energized economy, outpacing headwinds with momentum from the Services, Manufacturing, and Agricultural sectors. Services, being the main contributor at 59% to 60% of the total GDP, is estimated to further grow by 5.5%, moderating from 2025's 5.5% estimate; while the fastest growing sector, Construction, is expected to also stabilise to 11.9% in growth, relatively -8.8% down from the same period of 2025. However, the strengthening Ringgit during the quarter has arisen the Import Duty (+20.9%) due to stronger expected outward volume, up 16.2% from the previous year (Q424: 4.7%).

The full-year CPI of Malaysia stood at 1.6% for 2025, with core CPI standing at 2.3%, being 1.7% and 1.6% in 2024 respectively. Prominent sectors of note include Housing and Gas – being down -2.3% from 3.2% to 0.9%, IT & Communication up 6.5% from -5.4% to 0.9%, Insurance & Finances up 4.1% from 0.5% to 5.6%, and Personal Care Goods, up 3.0% from 2.7% to 5.7%.

Malaysia's labour market in 2025 further strengthened – with the unemployment rate being among the lowest in a decade at 2.90% as of November 2025. Year-to-date, the annual unemployment rate stood at 3.0%, significantly dropping from 2024's 3.3%; as indicated by lowered unemployed persons (-4.3%), and stronger labour force participation (70.9%) and employment-to-population rates (68.8%).

2025 marks a significant milestone in Malaysia's total trade, having breached the RM3 trillion value with a 6.3% YoY increase; driven by an offense by both exports at 6.5% YoY and imports at 6.2% YoY. For 2024, total trade saw a rebound to 6.2% from the previous year's red with exports having arisen by 5.7% and imports by 13.2%. Malaysia's trade balance was robust with a 9.1% increase to RM151.8 billion (bn), a significant improvement from 2024's RM131.0 bn. Strong performances by the E&E, Opticals, Machinery, and Iron & Steel sectors allowed for exports to thrive, particularly during the December period.

In terms of quantitative policies, BNM implemented a 25 basis points (bps) rate cut from 3.00 to 2.75 as of July 2025 – with the move being a pre-emptive measure to preserve domestic growth amid inflation prospects. Global trade headwinds from major international players could hinder the nation's economic from rebounding and having steady growth, hence BNM's need to allow for domestic consumption to take more center stage during this period of uncertainty. Lastly, Malaysian Government Securities (MGS) as of December 2025 saw no changes for 3-year, 5-year, a decrease of 8bps for 7-year, and an increase of 6bps for 10-year from the previous month, closing at 3.11%, 3.31%, 3.49%, and 3.51% respectively.

## **MARKET OUTLOOK**

The MADANI government has continued to advance structural reforms in line with the MADANI Economy framework, with policy execution gaining traction throughout 2025. Ongoing initiatives such as the New Industrial Master Plan 2030, the National Energy Transition Roadmap, and 2026 Budget remain centered on accelerating high-value growth, and promoting inclusive development. These efforts supported steady domestic demand in 2025 amid a more moderate global growth environment. Income-supportive measures, including phased civil servant salary adjustments, expanded upskilling and reskilling programmes, and higher minimum wage implementation, underpinned household consumption. Tourism remained a key growth driver, with Visit Malaysia 2026 and infrastructure readiness having increased tourist arrivals to exceed 42 million, reinforcing services-led consumption. Investment momentum was further supported by large-scale infrastructure projects such as the East Coast Rail Link, Johor–Singapore Special Economic Zone initiatives, and continued progress on the Pan Borneo Highway. Nevertheless, near-term risks persist from subsidy rationalisation, electricity tariff adjustments, and indirect tax expansion, weighed on cost pressures and sentiment.

Ringgit Malaysia Government Bonds are expected to yield between to ~3% to ~5% for 2026, with a steady OPR, continually growing domestic purchase power, and indirect fiscal consolidation – but nonetheless, MGS yields do fall short in relative value for overall returns. Conversely, inflation rates for 2026 are expected to grow with SARA 100, RON95, among other subsidies, along with higher labour costs and stronger EPF contributions. As such, the OPR is likely remain stagnant for 2026 to ensure stable growth both on the consumer and business fronts throughout the nation.

BNM is expected to hold 37 government bond auctions, with a larger issuance size of RM 5.0 bn. Aggregate MGS+GII supplies are forecasted to grow circa RM185.0 bn (2025: 168.5 bn), with 21 MGS auctions and 16 GII auctions being held back-to-back, alternating between either issuance. Auctions for 2026 are focused on shorter-dated issuances, implying flattening pressures within government bond yield curves. The focus on 3-year and 15-year issuances give way for more demand of shorter-dated government papers for the year; as such, the weighted average tenor is shortened to ~13 years. Conclusively, MGS and GII issuances for 2026 are likely to be well absorbed, with removed volatility from uncertain auction sizes.

## **INVESTMENT OUTLOOK**

The Fund will stay invested in short-term money market instruments with maturity not exceeding 365 days (1-year), in line with the Fund's mandate. To optimise profits for the Fund, we will actively manage the Fund by extending the placements into longer tenure placements.

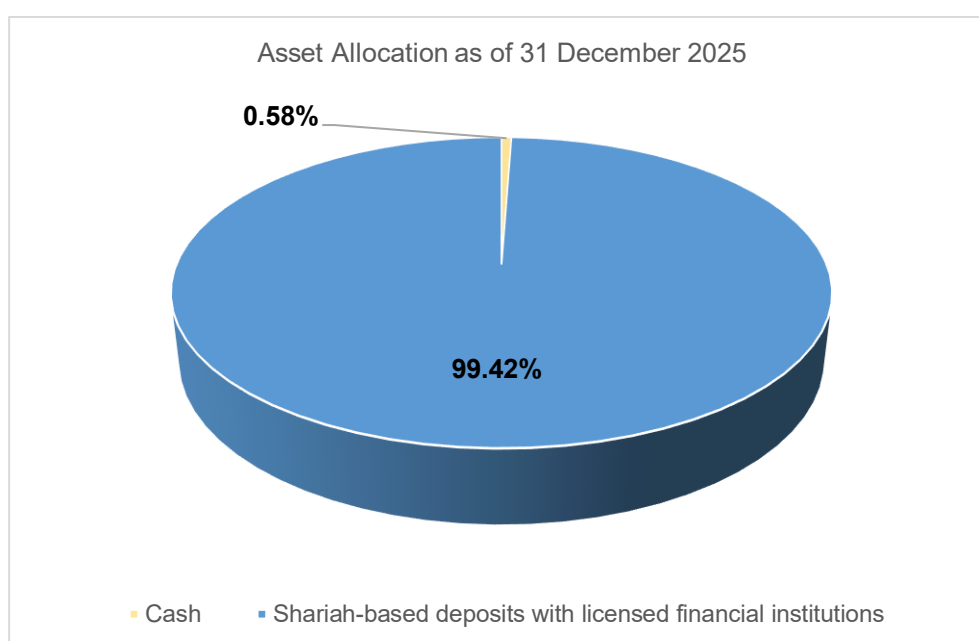
## STRATEGY GOING FORWARD

As at the end of the reporting period, the Fund had the following exposures:

- 99.42% in short-term deposits with maturity of not more than 1-year; and
- 0.58% in Cash & Other Liquid Assets

The Fund will maintain its investment in Islamic short-term money market instruments with a maturity period of no more than 365 days, aligning with the Fund's mandate. With expected headwinds to have the OPR maintain at 2.75% for at least the first half of 2026, we plan to maintain this investment strategy throughout the mentioned period to maximize returns. As a precautionary measure, the Fund will allocate a portion to short-term deposits of one month or less, as the allocation will allow for routine redemptions to be made by unit holders to mitigate liquidity risks.

## ASSET ALLOCATION OF THE FUND



The asset allocation of the Fund is as follows:

### Comparative table covering last 3 financial years for asset allocation

Sector	December 2025 %	December 2024 %	December 2023 %
Shariah-based deposits with licensed financial institutions	99.42	99.48	99.76
Cash and liquid assets	0.58	0.52	0.24
Total	100.00	100.00	100.00

The Fund will continue to stay investing in short-term Shariah money market instruments with maturity not exceeding 365 days (1-year), in-line with the Fund's mandate. The portfolio is now composed of 100% liquid instruments to meet regular redemptions and to avoid liquidity risk.

**SECURITIES FINANCING TRANSACTIONS**

For the financial year under review, the Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS OF THE FUND**

For the financial year under review, there were no significant changes in the state of affairs of the Fund not otherwise disclosed in the financial statements.

**DISCLOSURE OF CIRCUMSTANCES THAT MATERIALLY AFFECT ANY INTEREST OF THE UNIT HOLDERS**

For the financial year under review, there were no circumstances that materially affect any interest of the unit holders.

**CROSS TRADE**

No cross trade transactions have been carried out during the financial year under review.

**SOFT COMMISSION RECEIVED FROM BROKERS**

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

## TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF PHILLIP MASTER ISLAMIC CASH FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 December 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Phillip Mutual Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deeds; and
3. Any creation and cancellation of units are carried out in accordance with the deeds and any regulatory requirement.

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

**For RHB TRUSTEES BERHAD**  
**[Company No.:200201005356 (573019-U)]**

MOHD SOFIAN BIN KAMARUDDIN  
VICE PRESIDENT

LIM BEE FANG  
ASSISTANT VICE PRESIDENT

Kuala Lumpur, Malaysia  
27 February 2026

## SHARIAH ADVISER'S REPORT

For the financial year ended 31 December 2025

To the Unit Holders of  
Phillip Master Islamic Cash Fund

We hereby confirm the following:

1. We have acted as the Shariah Adviser of **Phillip Master Islamic Cash Fund** ("the Fund"). Our responsibility is to ensure that the procedures and process employed by Phillip Mutual Berhad and that the provisions of the Deed dated 19 December 2017 are in accordance with Shariah principles.
2. In our opinion, Phillip Mutual Berhad has managed and administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the **Securities Commission Malaysia** ("SC") pertaining to Shariah matters for the financial year ended 31 December 2025. We also confirm that the investment portfolio of the Fund comprises of securities which have been classified as Shariah-compliant by the **Shariah Advisory Council** ("SAC") of the SC. For securities not certified by the SAC of the SC, we have determined that such securities are in accordance with Shariah principles and have complied with the applicable Shariah guideline.

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

**Tan Sri Dr Mohd Daud Bakar**  
Executive Chairman

Kuala Lumpur, Malaysia  
27 February 2026

**STATEMENT BY THE MANAGER**

We, **Datin Hajjah Nona Binti Salleh** and **Mohd Fadzli Bin Mohd Anas**, being two of the Directors of **Phillip Mutual Berhad**, do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines so as to give a true and fair view of the financial position of **Phillip Master Islamic Cash Fund** as at 31 December 2025 and of its financial performance, changes in equity and cash flows for the financial year then ended.

For and on behalf of the Manager in accordance with a resolution of the directors,

**DATIN HAJJAH NONA BINTI SALLEH**  
Chairperson

**MOHD FADZLI BIN MOHD ANAS**  
Chief Executive Officer/ Executive Director

Kuala Lumpur, Malaysia  
27 February 2026

**INDEPENDENT AUDITORS' REPORT  
TO THE UNIT HOLDERS OF PHILLIP MASTER ISLAMIC CASH FUND**

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

**Opinion**

We have audited the financial statements of **Phillip Master Islamic Cash Fund** (“the Fund”), which comprise the statement of financial position of the Fund as at 31 December 2025 and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 33.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

**Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and Other Ethical Responsibilities*

We are independent of the Fund in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (“*By-Laws*”) and the International Ethics Standard Board of Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“*IESBA Code*”), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the *By-Laws* and the *IESBA Code*.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the Manager’s Report and Corporate Information, but does not include the financial statements of the Fund and our auditors’ report thereon.

(Forward)

Our opinion on the financial statements of the Fund does not cover the Manager's Report and Corporate Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the Manager's Report and Corporate Information and, in doing so, consider whether the Manager's Report and Corporate Information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Manager's Report and Corporate Information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Manager and Trustee for the Financial Statements**

The Manager of the Fund is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(Forward)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Other Matter**

This report is made solely to the unitholders of the Fund, as a body, in accordance with the relevant Securities Commission Malaysia guidelines and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

**DELOITTE MALAYSIA PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**

**KOK PEI LOO**  
**Partner - 03524/08/2026 J**  
**Chartered Accountant**

27 February 2026

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2025**

	Note	2025 RM	2024 RM
<b>Assets</b>			
Shariah-based deposits with licensed financial institutions	3	504,354,915	473,424,559
Profit income receivables		2,934,828	2,440,950
Cash at bank		5,170	11,506
<b>Total assets</b>		<b>507,294,913</b>	<b>475,877,015</b>
<b>Liabilities</b>			
Amount due to Manager		135,404	128,943
Amount due to Trustee		4,459	4,280
Other payables	4	43,158	39,853
Tax payable	5	10,195	9,950
<b>Total liabilities</b>		<b>193,216</b>	<b>183,026</b>
<b>Unit holders' equity</b>			
Unit holders' capital	6	441,378,266	426,684,224
Retained earnings		65,723,431	49,009,765
<b>Total equity/Net asset value ("NAV") attributable to unit holders</b>		<b>507,101,697</b>	<b>475,693,989</b>
<b>Total equity and liabilities</b>		<b>507,294,913</b>	<b>475,877,015</b>
<b>Number of units in circulation</b>	6(a)	<b>450,470,456</b>	<b>436,264,507</b>
<b>NAV per unit (ex-distribution)</b>		<b>1.1257</b>	<b>1.0904</b>

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2025**

	Note	2025 RM	2024 RM
<b>Income</b>			
Profit from Shariah-based deposits with licensed financial institutions		18,970,404	19,205,445
<b>Expenses</b>			
Manager's fee	7	1,576,313	1,557,494
Trustee's fee	8	51,810	51,526
Auditors' remuneration		8,800	8,500
Tax agent's fee		3,800	3,800
Shariah adviser's fee		8,000	8,000
Administration fees and expenses		42,428	7,811
		<u>1,691,151</u>	<u>1,637,131</u>
<b>Net income before tax</b>		17,279,253	17,568,314
Income tax expense	9	<u>-</u>	<u>-</u>
<b>Net income after tax, representing total comprehensive income for the year</b>		<u>17,279,253</u>	<u>17,568,314</u>
Net income after tax is made up of the following:			
Net realised income		<u>17,279,253</u>	<u>17,568,314</u>
<b>Distributions for the year</b>			
Gross/Net distribution (RM)	10	<u>565,587</u>	<u>569,265</u>
Gross/Net distribution per unit (RM)	10	<u>0.0012</u>	<u>0.0012</u>

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

**STATEMENT OF CHANGES IN NET ASSET VALUE**  
**For the financial year ended 31 December 2025**

	Note	Unit Holders' capital RM	Retained earnings RM	Total equity RM
<b>As at 1 January 2024</b>		504,071,361	32,010,716	536,082,077
Total comprehensive income for the year		-	17,568,314	17,568,314
Creation of units	6	1,336,581,299	-	1,336,581,299
Reinvestment of units	6	439,849	-	439,849
Cancellation of units	6	(1,414,408,285)	-	(1,414,408,285)
Distributions	10	-	(569,265)	(569,265)
<b>As at 31 December 2024</b>		<u>426,684,224</u>	<u>49,009,765</u>	<u>475,693,989</u>
<b>As at 1 January 2025</b>		426,684,224	49,009,765	475,693,989
Total comprehensive income for the year		-	17,279,253	17,279,253
Creation of units	6	1,459,430,270	-	1,459,430,270
Reinvestment of units	6	437,081	-	437,081
Cancellation of units	6	(1,445,173,309)	-	(1,445,173,309)
Distributions	10	-	(565,587)	(565,587)
<b>As at 31 December 2025</b>		<u>441,378,266</u>	<u>65,723,431</u>	<u>507,101,697</u>

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

**STATEMENT OF CASH FLOWS**  
For the financial year ended 31 December 2025

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from/(used in) operating and investing activities</b>		
Placements of Shariah-based deposits with licensed financial institutions, net of withdrawals	(30,930,356)	61,356,381
Profit received from Shariah-based deposits	18,476,526	18,236,486
Manager's fee paid	(1,569,852)	(1,569,499)
Trustee's fee paid	(51,631)	(51,854)
Payment of other fees and expenses	(59,723)	(23,828)
	<u>(14,135,036)</u>	<u>77,947,686</u>
<b>Net cash (used in)/from operating and investing activities</b>		
<b>Cash flows from/(used in) financing activities</b>		
Proceeds from creation of units	1,459,430,270	1,336,581,299
Payments for cancellation of units	(1,445,173,309)	(1,414,408,285)
Income tax paid on income distribution pursuant to Section 109DA, Income Tax Act 1967	(128,261)	(130,591)
	<u>14,128,700</u>	<u>(77,957,577)</u>
<b>Net cash from/(used in) financing activities</b>		
<b>Net decrease in cash and cash equivalents</b>	(6,336)	(9,891)
<b>Cash and cash equivalents at beginning of the year</b>	<u>11,506</u>	<u>21,397</u>
<b>Cash and cash equivalents at end of the year</b>	<u>5,170</u>	<u>11,506</u>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank	<u>5,170</u>	<u>11,506</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

### For the financial year ended 31 December 2025

#### 1. The Fund, the Manager and their principal activities

Phillip Master Islamic Cash Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Trust Deed dated 19 December 2017 as supplemented by the First Supplemental Deed dated 11 January 2023 between Phillip Mutual Berhad as the Manager and RHB Trustees Berhad as the Trustee. The Fund was launched and commenced operations on 26 March 2018.

The principal activities of the Fund aims to provide investors with returns higher than Ringgit Malaysia savings deposits while maintaining principal value and a high degree of liquidity by investing in Shariah-compliant instruments including Islamic money market instruments, placements in Islamic Deposits, and any other form of investments as permitted in the Deed.

The Manager, Phillip Mutual Berhad, is a company incorporated in Malaysia. Phillip Mutual Berhad is licensed by the Securities Commission Malaysia to carry on the regulated activities of dealing in securities restricted to unit trust schemes and dealing in private retirement schemes under the Capital Markets and Services Act 2007 and is a registered Institutional Unit Trust Adviser with the Federation of Investment Managers Malaysia that authorised to market and distribute unit trust schemes of another party. The Manager is engaged in the business of establishing and managing unit trust schemes, and marketing and distributing unit trust schemes of another party.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors on 27 February 2026.

#### 2. Material accounting policy information

##### 2.1. Basis of preparation

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines.

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

##### 2.2. Changes in accounting policies

###### Adoption of Amendments to MFRSs

The accounting policies adopted are consistent with those of the previous financial year except for the Amendments to MFRSs issued by the MASB that are relevant to the Fund’s operation and effective for annual periods beginning on or after 1 January 2025, as follows:

Amendments to MFRS 121 *Lack of Exchangeability*

The adoption of the Amendments to MFRSs did not result in significant changes in the accounting policies of the Fund and has no significant effect on the financial performance or position of the Fund.

New Standard and Amendments to MFRSs in issue but not yet effective

As at the date of authorisation of these financial statements, the Amendments to MFRSs that are relevant to the Fund’s operation which were in issue but not yet effective and not early adopted by the Fund are as listed below:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 9: <i>Financial Instruments</i> and MFRS 7: <i>Financial Instruments: Disclosures</i>	1 January 2026

The Manager of the Fund anticipates that abovementioned New Standard and Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these New Standard and Amendments to MFRSs will have no material impact on the financial statements of the Fund in the period of initial application, except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the Statement of Comprehensive Income. It also requires the disclosure of management-defined performance measures and include new requirements for the location, aggregation and disaggregation of financial information, all of which the Manager of the Fund is currently assessing.

**2.3 Accounting estimates and judgements**

The preparation of the Fund’s financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements made in applying accounting policies

In the process of applying the Fund’s accounting policies, the Manager is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

## 2.4 Financial assets and liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### i) Financial assets

#### Classification of financial assets

The Fund determines the classification of its financial assets at initial recognition, and the categories include:

#### Amortisation cost and effective profit method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Shariah-based deposits with licensed financial institutions, profit income receivables and cash at bank are classified as financial assets measured at amortised cost.

#### Impairment of financial assets

Credit losses are recognised based on the 'Expected Credit Loss' ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL (financial assets that are debt instruments). The impairment model does not apply to equity investments. ECL are a probability-weighted estimate of credit losses.

At the end of the reporting period, no ECL has been recognised.

None of the financial assets at the end of the reporting period are credit-impaired as there is no evidence of:

- Significant financial difficulty of the issuer or counterparty;
- Significant downgrade in credit rating of the instrument by a rating agency;
- A breach of contract such as a default or past due event; or
- The disappearance of an active market for a security because of financial difficulties.

#### Derecognition of financial assets

Financial assets are derecognised on the trade date when the rights to receive cash flows from the asset have expired or the Fund has transferred substantially all risks and rewards of ownership.

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

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

**iii) Financial liabilities**

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

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

**2.5 Unit Holders' capital**

The Unit Holders' contributions to the Fund are classified as equity instruments.

**2.6 Statement of cash flows**

The Fund adopts the direct method in the preparation of statement of cash flows.

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

**2.7 Income**

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

Profit income is recognised using the effective profit method.

**2.8 Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Current tax expense is determined according to Malaysian tax laws at the current tax rate based upon the taxable profit earned during the financial year.

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

Pursuant to Section 109DA, Income Tax Act 1967, all unit holders, except for individual unitholders who invest in Retail Money Market Fund (“RMMF”) unit trusts are subjected to income tax at a tax rate of 24% for interest income received from the RMMF unit trust income distribution.

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

## 2.9 Distributions

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

## 2.10 Functional and presentation currency

The financial statements are measured using the currency of the primary economic environment in which the Fund operates (“functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also its functional currency.

## 3. Shariah-based deposits with licensed financial institutions

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Licensed banks	467,943,371	399,809,553
Investment banks	36,411,544	73,615,006
	<u>504,354,915</u>	<u>473,424,559</u>

The weighted average profit rates of deposits and the average maturity of deposits at the end of the reporting period were as follows:

	<b>Weighted average profit rates (per annum) 2025 %</b>	<b>Average remaining maturity 2025 Days</b>	<b>Weighted average profit rates (per annum) 2024 %</b>	<b>Average remaining maturity 2024 Days</b>
Licensed banks	3.59%	96	3.96	71
Investment banks	<u>2.84%</u>	<u>3</u>	<u>3.56</u>	<u>64</u>

## 4. Other payables

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Administration fees and expenses	18,361	18,361
Auditors’ remuneration	8,800	8,500
Tax agent’s fee	3,800	11,400
Sales and services tax	12,197	1,592
	<u>43,158</u>	<u>39,853</u>

**5. Tax payable**

	<b>2025 RM</b>	<b>2024 RM</b>
Income tax payable on income distribution pursuant to Section 109DA, Income Tax Act 1967	<u>10,195</u>	<u>9,950</u>

Income tax payable of RM10,195 as at 31 December 2025 (2024: RM9,950) represents an amount payable to the Inland Revenue Board of Malaysia, which was deducted from income distribution, to non-individual unitholders. Pursuant to Section 109DA, Income Tax Act 1967, all unitholders, except for individual unitholders who invest in Retail Money Market Fund (“RMMF”) unit trusts are subjected to income tax at a tax rate of 24% for interest income received from the RMMF unit trust income distribution.

Section 109DA Income Tax Act 1967 shall only apply to income of RMMF unit trust which is exempted under paragraph 35A of Schedule 6 in respect of income distributed to a unitholder other than an individual.

**6. Unit holders’ capital**

	<b>Note</b>	<b>2025 RM</b>	<b>2024 RM</b>
Unit holders’ capital	(a)	<u>441,378,266</u>	<u>426,684,224</u>

**(a) Unit Holders’ capital**

<b>2025</b>	<b>No. of units</b>	<b>RM</b>
<b>As at 1 January</b>	436,264,507	426,684,224
Add: Creation of units	1,315,623,851	1,459,430,270
Add: Reinvestments of units	393,716	437,081
Less: Cancellation of units	<u>(1,301,811,618)</u>	<u>(1,445,173,309)</u>
<b>As at 31 December</b>	<u>450,470,456</u>	<u>441,378,266</u>
<b>2024</b>	<b>No. of units</b>	<b>RM</b>
<b>As at 1 January</b>	508,042,115	504,071,361
Add: Creation of units	1,246,741,562	1,336,581,299
Add: Reinvestments of units	409,630	439,849
Less: Cancellation of units	<u>(1,318,928,800)</u>	<u>(1,414,408,285)</u>
<b>As at 31 December</b>	<u>436,264,507</u>	<u>426,684,224</u>

**7. Manager’s fee**

The Eight Schedule of the Deed provides that the Manager’s fee is computed on a daily basis, up to a maximum of 2.00% per annum of the gross NAV of the Fund before deducting the Manager’s fee and Trustee’s fee for the particular day.

The Manager’s fee charged for the year ended 31 December 2025 is 0.30% (2024: 0.30%) per annum.

## 8. Trustee's fee

The Ninth Schedule of the Deed provides that the Trustee's fee is computed at 0.01% per annum of the NAV of the Fund for NAV of up to RM500 million and 0.008% per annum of the NAV of the Fund for NAV of any amount in excess of RM500 million, subject to a minimum fee of RM12,000 per annum (excluding foreign custodian fees and charges) before deducting the Manager's and Trustee's fee for that particular day.

The Trustee's fee charged for the year ended 31 December 2025 is 0.01% (2024: 0.01%) per annum.

## 9. Income tax expense

Malaysian income tax is calculated at the Malaysian tax rate of 24% (2024: 24%) of the estimated assessable income for the year. In accordance with Schedule 6 of the Income Tax Act 1967, profit income earned by the Fund is exempted from tax.

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

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
Net income before tax	<u>17,279,253</u>	<u>17,568,314</u>
Tax at Malaysian tax rate of 24% (2024: 24%)	4,147,021	4,216,395
Effect of income not subject to tax	(4,552,897)	(4,609,307)
Expenses not deductible for tax purposes (under Section 63B of the Income Tax Act, 1967)	25,449	17,073
Restriction on tax deductible expenses for the Fund	<u>380,427</u>	<u>375,839</u>
Tax expense for the year	<u>-</u>	<u>-</u>

## 10. Distributions

Distributions to unit holders were from the following sources:

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
Profit from Shariah-based deposits with licensed financial institutions	620,942	622,313
Less : Expenses	<u>(55,355)</u>	<u>(53,048)</u>
Net income distribution	<u>565,587</u>	<u>569,265</u>
<b>Analysed as:</b>		
Units reinvested in the Fund	437,081	439,849
Income tax on income distribution pursuant to section 109DA, Income Tax Act 1967	<u>128,506</u>	<u>129,416</u>
Net income distribution	<u>565,587</u>	<u>569,265</u>

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

Month of accrual	Month-end units in circulation Units	Gross distribution		Net distribution		Gross/net distribution per units in circulation RM
		RM	% [1]	RM	% [1]	
<b>2025</b>						
31.01.2025	431,400,797	43,140	0.01	33,275	0.01	0.0001
28.02.2025	415,184,238	41,518	0.01	32,033	0.01	0.0001
31.03.2025	406,129,252	40,613	0.01	31,383	0.01	0.0001
30.04.2025	514,750,598	51,475	0.01	39,696	0.01	0.0001
31.05.2025	516,545,087	51,655	0.01	39,825	0.01	0.0001
30.06.2025	493,204,590	49,320	0.01	38,063	0.01	0.0001
31.07.2025	509,501,439	50,950	0.01	39,394	0.01	0.0001
31.08.2025	477,235,322	47,724	0.01	36,969	0.01	0.0001
30.09.2025	470,167,046	47,017	0.01	36,425	0.01	0.0001
31.10.2025	506,944,130	50,694	0.01	39,220	0.01	0.0001
30.11.2025	464,372,611	46,437	0.01	35,950	0.01	0.0001
31.12.2025	450,439,499	45,044	0.01	34,848	0.01	0.0001
		<u>565,587</u>		<u>437,081</u>		<u>0.0012</u>
<b>2024</b>						
31.01.2024	513,476,237	51,348	0.01	40,016	0.01	0.0001
29.02.2024	497,995,091	49,799	0.01	38,559	0.01	0.0001
31.03.2024	494,650,198	49,465	0.01	38,140	0.01	0.0001
30.04.2024	490,196,020	49,020	0.01	37,782	0.01	0.0001
31.05.2024	467,736,216	46,774	0.01	36,053	0.01	0.0001
30.06.2024	452,755,696	45,275	0.01	34,924	0.01	0.0001
31.07.2024	456,296,177	45,630	0.01	35,256	0.01	0.0001
31.08.2024	475,412,455	47,541	0.01	36,760	0.01	0.0001
30.09.2024	468,925,796	46,892	0.01	36,243	0.01	0.0001
31.10.2024	463,197,706	46,320	0.01	35,758	0.01	0.0001
30.11.2024	475,776,419	47,578	0.01	36,685	0.01	0.0001
31.12.2024	436,233,625	43,623	0.01	33,673	0.01	0.0001
		<u>569,265</u>		<u>439,849</u>		<u>0.0012</u>

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

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

	2025 RM	2024 RM
NAV per unit cum distribution	1.1258	1.0905
NAV per unit ex-distribution	<u>1.1257</u>	<u>1.0904</u>

**11. Units held by related parties**

As at the end of the reporting period, the total number of units held legally by related parties are as follows:

	<b>2025 Unit</b>	<b>2025 RM</b>
Phillip Capital Management Sdn. Bhd.	19,655,258	22,125,924
Pristine Strategy Sdn. Bhd.	127,395	143,409
Phillip Research Sdn. Bhd.	1,364,823	1,536,382
RV Capital Sdn. Bhd.	799,710	900,234
Phillip Wealth Planners Sdn. Bhd.	112,764	126,938
PC Quote (M) Sdn. Bhd.	1,733,922	1,951,876
FAME Platform Sdn. Bhd.	1,592,537	1,792,718
Phillip Capital Holdings Sdn. Bhd.	<u>365,323</u>	<u>411,244</u>
	<b>2024 Unit</b>	<b>2024 RM</b>
Phillip Capital Management Sdn. Bhd.	17,459,448	19,037,782
Pristine Strategy Sdn. Bhd.	1,118,830	1,219,972
Phillip Research Sdn. Bhd.	1,322,497	1,442,051
RV Capital Sdn. Bhd.	814,053	887,644
Phillip Wealth Planners Sdn. Bhd.	138,045	150,524
PC Quote (M) Sdn. Bhd.	1,309,893	1,428,307
FAME Platform Sdn. Bhd.	141,826	154,647
Phillip Capital Holdings Sdn. Bhd.	<u>1,317</u>	<u>1,436</u>

The Directors of the Manager are of the opinion that the transactions with the related parties during the financial year are in the normal course of business and established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

**12. Transactions with financial institutions**

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

	<b>Transaction value</b>	
	<b>RM</b>	<b>%</b>
<b>2025</b>		
<b>Financial institutions</b>		
Kenanga Investment Bank Berhad	6,118,418,510	40.20%
MIDF Amanah Investment Berhad	3,412,549,415	22.42%
Al-Rajhi Bank	2,746,935,984	18.05%
Maybank Islamic Berhad	1,485,927,400	9.76%
MBSB Bank Berhad	313,806,191	2.06%
Public Islamic Bank Berhad	287,435,396	1.89%
AmBank Islamic Berhad	273,479,466	1.80%
Kuwait Finance House (Malaysia) Berhad	194,366,039	1.28%
Hong Leong Islamic Bank Berhad	179,962,970	1.18%
CIMB Islamic Bank Berhad	154,669,948	1.02%
Bank Islam Malaysia Bhd	51,070,766	0.34%
	<b>15,218,622,085</b>	<b>100.00</b>
<b>2024</b>		
<b>Financial institutions</b>		
Kenanga Investment Bank Berhad	8,915,961,462	54.28
MIDF Amanah Investment Berhad	2,707,713,297	16.49
Maybank Islamic Berhad	2,124,576,000	12.93
Al-Rajhi Bank	1,105,089,307	6.73
Alliance Islamic Bank Berhad	466,946,276	2.84
Public Islamic Bank Berhad	277,018,528	1.69
Kuwait Finance House (Malaysia) Berhad	251,968,928	1.53
CIMB Islamic Bank Berhad	232,054,826	1.41
Bank Islam Malaysia Bhd	203,431,656	1.24
MBSB Bank Berhad	76,107,761	0.46
AmBank Islamic Berhad	41,000,000	0.25
Hong Leong Islamic Bank Berhad	24,000,000	0.15
	<b>16,425,868,041</b>	<b>100.00</b>

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

**13. Portfolio turnover ratio**

Portfolio turnover ratio is the ratio of the average placements and withdrawals of deposits of the Fund during the financial year to the average NAV of the Fund. The portfolio turnover ratio for the current year is 28.93 times (2024: 31.84 times)

**14. Total expense ratio**

Total expense ratio is the ratio of the total fees and recovered expenses of the Fund expressed as a percentage of the Fund's average NAV. The total expense ratio for the current year is 0.32% (2024: 0.32%).

**15. Segmental reporting**

As all of the Fund's investments are in placements with financial institutions in Malaysia, the Fund does not report its results and investments by business or geographical segments.

**16. Financial risk management**

The Fund is exposed to a variety of financial risks including market risk (which includes profit rate risk), credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instrument, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance.

**(a) Market risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

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

**(i) Profit rate risk**

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

The NAV of the Fund is affected by changes in profit rates from Shariah-based deposits with licensed financial institutions.

**Profit rate risk sensitivity**

The increase/(decrease) in the NAV attributable to unit holders as at the end of the reporting period, assuming profit rate changes by +/- 50 basis points with all other variables held constant, is +/- RM615,414 (2024: RM453,265). This analysis is for illustration purpose only and is not an indication of future variance.

**(b) Credit risk**

Credit risk refers to the ability of an issuer or a counterparty to make timely payments of profit, principals and proceeds from realisation of investments. The Manager manages the credit risk by setting counterparty limits and undertaking credit evaluation to minimise such risk.

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

Credit rating	2025		2024	
	RM	As a % of deposits	RM	As a % of deposits
AAA	230,759,830	45.75	190,689,044	40.28
AA1	24,000,000	4.76	1,011,049	0.21
AA2	100,536,065	19.94	-	-
AA3	16,560,588	3.28	73,770,558	15.58
A+	36,411,544	7.22	113,698,718	24.02
A	96,086,888	19.05	94,255,190	19.91
	<u>504,354,915</u>	<u>100.00</u>	<u>473,424,559</u>	<u>100.00</u>

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

**(c) Liquidity risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units sold to unit holders by the Manager are redeemable at the unit holders' option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Deed. The Manager monitors the Fund's liquidity position on a daily basis.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unit holders. Liquid assets comprise cash, Shariah-based deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days. Any redemption by the unit holders beyond expected normal levels may result in early redemption of deposits placed by the Fund and could result in loss of profit accrued.

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

**17. Fair value of financial instruments**

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position as at the end of the reporting period by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>2025</b>			
<b>Financial assets</b>			
Shariah-based deposits with licensed financial institutions	504,354,915	-	504,354,915
Profit income receivables	2,934,828	-	2,934,828
Cash at bank	5,170	-	5,170
<b>Total financial assets</b>	<b>507,294,913</b>	<b>-</b>	<b>507,294,913</b>
<b>Financial liabilities</b>			
Amount due to Manager	-	135,404	135,404
Amount due to Trustee	-	4,459	4,459
Other payables	-	30,961	30,961
<b>Total financial liabilities</b>	<b>-</b>	<b>170,824</b>	<b>170,824</b>
<b>2024</b>			
<b>Financial assets</b>			
Shariah-based deposits with licensed financial institutions	473,424,559	-	473,424,559
Profit income receivables	2,440,950	-	2,440,950
Cash at bank	11,506	-	11,506
<b>Total financial assets</b>	<b>475,877,015</b>	<b>-</b>	<b>475,877,015</b>
<b>Financial liabilities</b>			
Amount due to Manager	-	128,943	128,943
Amount due to Trustee	-	4,280	4,280
Other payables	-	38,261	38,261
<b>Total financial liabilities</b>	<b>-</b>	<b>171,484</b>	<b>171,484</b>

The financial instruments of the Fund are not carried at fair value but their carrying amounts are reasonable approximations of fair values due to their short-term maturity.

## **18. Capital management**

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing capital are:

- (a) To invest in investments meeting the description, risk exposure and expected return indicated in its information memorandum;
- (b) To achieve consistent returns while safeguarding capital by using various investment strategies;
- (c) To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- (d) To maintain sufficient fund size to make the operation of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current financial year.

## CORPORATE INFORMATION

### MANAGER

Phillip Mutual Berhad (Registration No: 200201002746)(570409-K)

### Registered Office

Lot 25-4-12, 4th Floor, Plaza Prima Batu 4 1/2, Jalan Kelang Lama, 58200 Kuala Lumpur  
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Fax : 603-2711 3036

Website : <https://www.phillipmutual.com>

### TRUSTEE

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### Registered Office

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Fax: 603-2302 8298

### BOARD OF DIRECTORS

Datuk Ir. Hamzah Bin Hasan

Datin Hajjah Nona Binti Salleh

En. Mohd Fadzli Bin Mohd Anas

Mr. Lim Wen Sheong Linus

Mr. Lee Chay Kiong (Alternate Director to Mr. Lim Wen Sheong Linus)

Ms. Ma Jie

Datuk Ir. Elias Bin Ismail

### INVESTMENT MANAGER

Phillip Capital Management Sdn. Bhd. (Registration No: 199501004372)(333567-D)

### COMPANY SECRETARY

Koh Siang Choo (MIA 4640)

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**TAX ADVISER**

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