

PHILLIP SELECT BALANCE FUND

**AUDITED
ANNUAL REPORT**

**FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2025**

Manager:

PHILLIP MUTUAL BERHAD
(200201002746)(570409-K)

Trustee:

MTRUSTEE BERHAD
(198701004362)(163032-V)

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FUND INFORMATION

As At 30 June 2025

Name Of Fund	:	Phillip SELECT Balance Fund
Manager Of Fund	:	Phillip Mutual Berhad 200201002746 (570409-K)
Investment Manager	:	Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	:	11 August 2003
Category Of Fund	:	Balanced
Type Of Fund	:	Growth and income
Investment Objective	:	Phillip SELECT Balance Fund aims to provide medium* to long-term* capital growth and some income [□] by actively allocating its assets among a diversified portfolio of equity and fixed income securities according to market conditions.
		<i>* Medium term is defined as a period of one to three years, and long term is a period of more than three years.</i>
		[□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i>
Performance Benchmark	:	Composite benchmark: Since inception until 5 July 2009 60% Kuala Lumpur Composite Index (KLCI) 40% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR) From 6 July 2009 onwards 60% FTSE Bursa Malaysia Top 100 Index (FBM 100) 40% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR)
Distribution Policy:	:	Income, if any, will be distributed annually.
Fund Size	:	55.60 million units

FUND PERFORMANCE
Financial Highlights

Category	As At 30.6.2025	As At 30.6.2024	As At 30.6.2023
Quoted Equity Securities	%	%	%
Banks	4.08	7.45	6.52
Capital Goods	8.17	6.50	6.92
Chemicals, Plastics & Papers	-	0.68	-
Commercial & Professional Services	1.47	-	-
Construction & Engineering	2.08	0.84	0.66
Consumer Services	1.61	3.79	-
Diversified Financials	1.19	-	-
Energy	4.29	2.79	1.04
Financial Services	1.15	3.23	-
Food, Beverage & Tobacco	0.38	-	0.90
Health Care Equipment & Services	0.15	0.98	2.68
Industrials	1.52	2.77	6.23
Insurance	0.63	-	-
Manufacturing	-	1.02	-
Real Estate	3.66	1.19	-
Retailing	2.77	-	3.35
Semiconductors & Semi. Equipment	1.22	4.18	9.15
Software & Services	2.79	4.15	2.90
Technology Hardware & Equipment	-	1.35	0.63
Telecommunication Services	1.22	4.50	3.74
Transportation	0.85	4.63	1.65
Utilities	12.45	2.74	2.24
	51.68	52.79	48.61
Fixed Income Securities	30.60	30.05	33.16
Warrant	0.02	-	-
Collective Investment Scheme	12.57	10.75	11.32
Cash And Liquid Assets	5.13	6.41	6.91
Total	100.00	100.00	100.00
Net Asset Value ("NAV") (RM'000) – ex-distribution	26,867	30,246	25,333
Number Of Units In Circulation (RM'000)	55,602	58,270	57,608
Net Asset Value Per Unit (RM)	0.4833	0.5191*	0.4398
Total Expense Ratio ("TER") ¹	1.53%	1.53%	1.54%
Portfolio Turnover Ratio (times)	1.15	0.92	0.66

The Total Expense Ratio for the current financial year is the same as the previous financial year.

¹ The TER does not include brokerage and other transaction fees.

The Portfolio Turnover Ratio for the current financial year is higher due to an increase in investing activities.

Notes:

The net asset value per unit of the Fund is largely determined by market factors. Therefore, past performance figures shown were only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

* Price quoted is ex-distribution price.

Performance Data

	Phillip SELECT Balance Fund		Composite Benchmark		
	Total Return	Average Annual Return	Total Return	Average Annual Return	
1 Year's Period to 30.6.2025	-6.90%	-6.90%	-1.54%	-1.54%	
3 Years' Period to 30.6.2025	18.93%	6.31%	11.47%	3.82%	
5 Years' Period to 30.6.2025	18.77%	3.75%	10.84%	2.17%	
	1.7.2024 to 30.6.2025	1.7.2023 to 30.6.2024	1.7.2022 to 30.6.2023	1.7.2021 to 30.6.2022	1.7.2020 to 30.6.2021
Phillip SELECT Balance Fund					
- Capital Return	-6.90%	18.03%	5.19%	-9.80%	8.37%
- Income Return	-	2.89%	-	-	2.16%
- Total Return	-6.90%	21.44%	5.19%	-9.80%	10.71%
Composite Benchmark	-1.54%	13.16%	0.21%	-3.66%	3.48%
	1.7.2024 to 30.6.2025	1.7.2023 to 30.6.2024	1.7.2022 to 30.6.2023	1.7.2021 to 30.6.2022	
Unit Prices					
Highest NAV (RM)	0.5315	0.5341*	0.4599	0.4725	
Lowest NAV (RM)	0.4489	0.4271*	0.4106	0.4150	
Distributions					
Gross Distribution Per Unit (sen)	- (30.06.2025)	1.50 (28.06.2024)	- (30.6.2023)	- (30.6.2022)	
Net Distribution Per Unit (sen)	- (30.06.2025)	1.50 (28.06.2024)	- (30.6.2023)	- (30.6.2022)	
Source Of Distribution	RM'000	RM'000	RM'000	RM'000	
- Net realised income	-	853	-	-	
- Capital (distribution equalisation)	-	(1)	-	-	
Total distributions	-	852	-	-	
	%	%	%	%	
- Net realised income	-	100.03	-	-	
- Capital (distribution equalisation)	-	(0.03)	-	-	
Total distributions	-	100.00	-	-	
Unit Splits	-	-	-	-	

Notes:

1. All figures pertaining to the Fund's returns were extracted from Lipper.
2. The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

* Price quoted is ex-distribution price,

MANAGER'S REPORT
30 June 2025

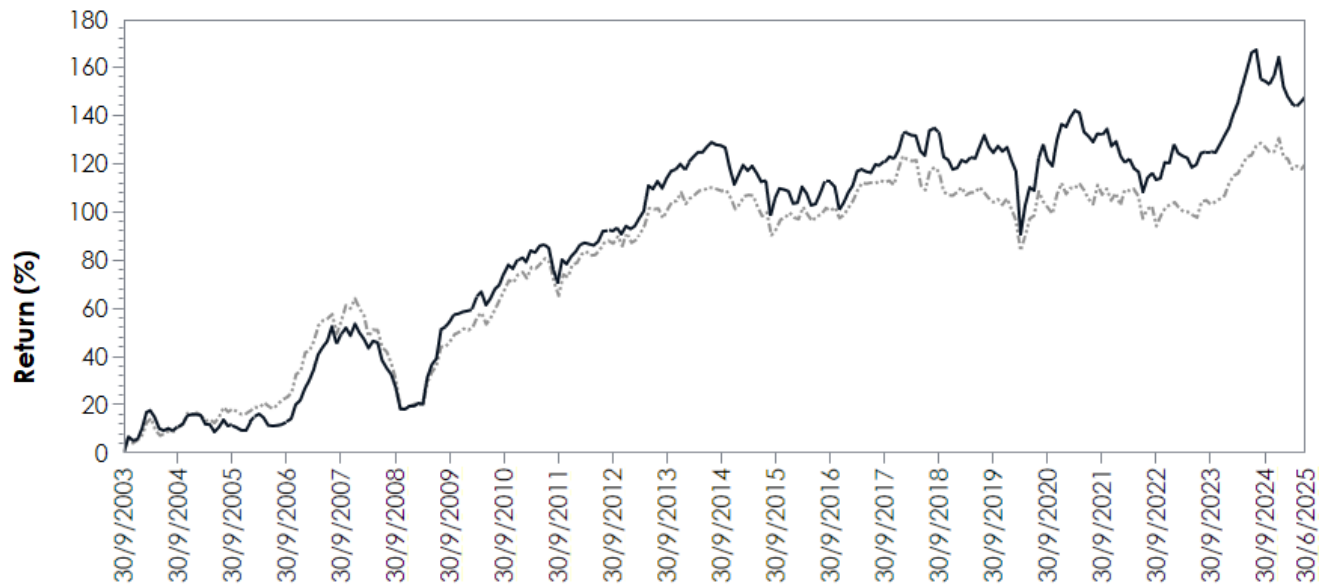
Performance Review

From 2 September 2003 (date of launch: 11 August 2003) to 30 June 2025, Phillip SELECT Balance Fund registered a total return of 147.98%, while its composite benchmark (60% FTSE Bursa Malaysia Top 100 Index [FBM 100] and 40% 3-Month Kuala Lumpur Interbank Offer Rate [KLIBOR]), rose 120.30%.

For the financial year under review, the Fund registered a loss of 6.90%. In comparison, its benchmark registered a loss of 1.54%.

Since inception, Phillip SELECT Balance Fund has met its investment objective of providing capital growth and income.

Comparison Between Fund's Performance and Benchmark



—	Phillip SELECT Balance Fund	+147.98%
....	Composite Benchmark (60% FBM 100 & 40% 3-Month KLIBOR)	+120.30%

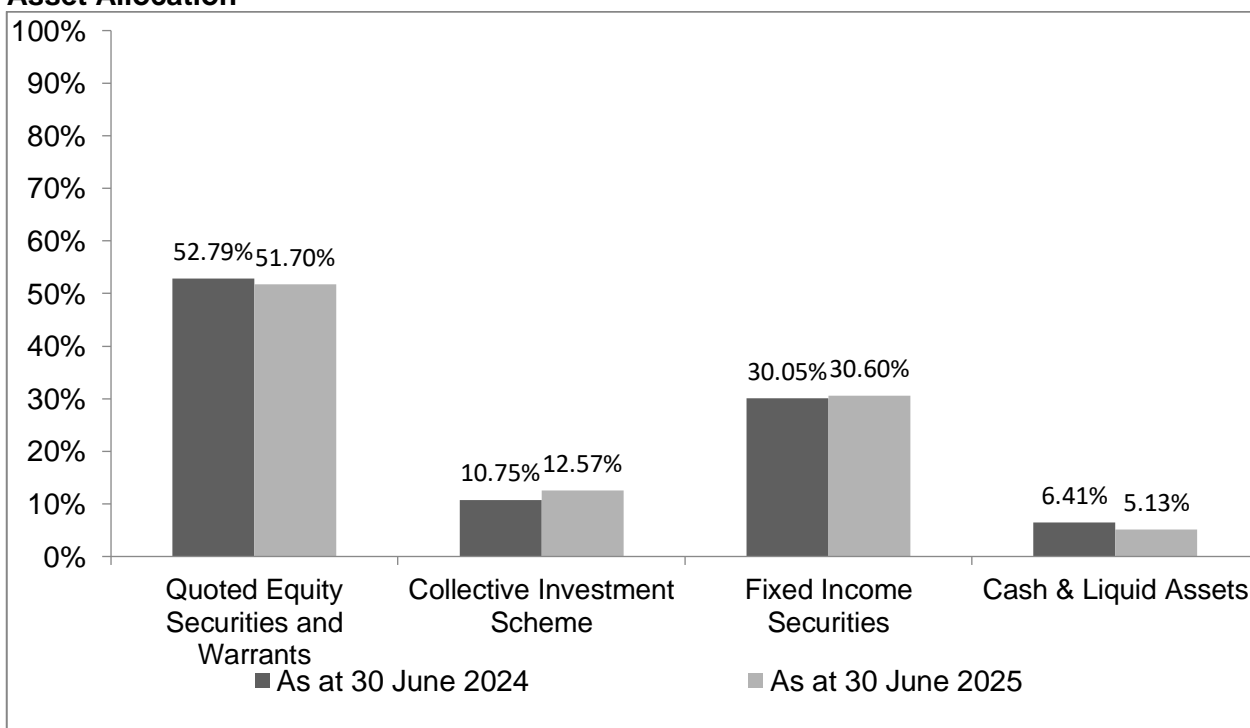
Source: Lipper

Investment Strategy Review

For the financial year under review, the Fund registered a return of -6.90%, underperforming its benchmark, which declined by -1.54%. The underperformance was mainly due to sustained foreign fund outflows and disappointment in AI-related capital expenditure, which dampened sentiment in technology-linked stocks. Geopolitical tensions and spikes in U.S. Treasury yields further contributed to market volatility. Investor sentiment was also affected by Donald Trump’s unexpected announcement of a 90-day pause on new tariffs during his presidential campaign, which created uncertainty around global trade and pressured Malaysia’s export-driven sectors. On the domestic front, the World Bank’s downgrade of Malaysia’s 2025 GDP growth forecast to 3.9% and Bank Negara Malaysia’s cut in the Statutory Reserve Requirement (SRR) in May signalled growing concerns over softer domestic demand and slowing credit momentum.

Moving forward, we aim to maintain a high equity exposure, focusing on fundamentally strong large and mid-cap names with solid earnings visibility and long-term growth prospects. Nonetheless, we remain cautious and will continue to monitor potential risks that could impact market direction. For fixed income, we will adopt a defensive strategy by positioning in selective high-quality bonds with attractive yields, while managing duration and liquidity risks prudently.

Asset Allocation



The quoted equity exposure of Phillip SELECT Balance Fund (inclusive of quoted equity securities and warrants) declined to 51.70% as at 30 June 2025, from 52.79% at the start of the financial year. The reduction was in line with our strategy to trim equity positions in response to weaker economic activity and heightened risk-off sentiment in the market.

The fixed-income securities allocation slightly increased to 30.60% as at 30 June 2025 from 30.05% recorded at the beginning of the financial year under review.

The 12.57% in the collective investment scheme was placed in Phillip Dana Murni, a Sukuk fund managed by the Manager. Such investment is in-line with the objective of Phillip SELECT Balance Fund and is an efficient way to manage the exposure of fixed-income securities invested by Phillip SELECT Balance Fund. The exposure of Phillip SELECT Balance Fund in the collective investment scheme is taken into account when assessing the asset allocation of Phillip SELECT Balance Fund in fixed-income securities. The management fee on the collective investment scheme managed by the Manager is rebated to the Fund.

Analysis Of Net Asset Value

The net asset value (“NAV”) per unit of Phillip SELECT Balance decreased from RM0.5191 to RM0.4833 during the financial year under review. Meanwhile, the total NAV of the Fund decreased from RM30,246,075 to RM26,867,129 mainly due to withdrawals and a price decrease in shares.

Market Review

Equity Market Review

During the first half of the Fund's financial year under review, Malaysia's equity market experienced notable volatility but ultimately delivered a positive full-year outcome in 2024, with the FBMKLCI advancing 12.9%, its first annual gain since 2020. The initial momentum in July and August was driven by a resurgence in foreign portfolio inflows, increased risk appetite for construction-related names, and optimism surrounding bilateral developments such as the Johor-Singapore Special Economic Zone. However, heightened global uncertainty, particularly the unwinding of the yen carry-trade and concerns over a potential US economic slowdown, triggered brief but sharp risk-off episodes in early August. Nevertheless, the domestic market rebounded swiftly, aided by strong institutional support and selective sector leadership in finance and plantations.

From September 2024 onwards, the market entered a more cautious phase, marked by a divergence in investor behaviour. Foreign investors continued to pare exposure in the final quarter, with cumulative net outflows of RM7.8 billion between October and December 2024, reversing their earlier bullish stance and ending the year as net sellers (RM1.3 billion YTD). Local institutions, by contrast, maintained a contrarian accumulation strategy, absorbing supply and emerging as the dominant net buyers (RM11.6 billion YTD). Sectoral performance turned more fragmented in Q42024, with defensives such as healthcare, utilities, and REITs outperforming, while export-oriented and rate-sensitive sectors like telcos, energy, and consumer lagged amid currency volatility and shifting yield expectations.

Despite persistent foreign outflows, the equity market closed the year on a strong footing, supported by technical factors such as year-end portfolio rebalancing and window-dressing activities. December's 3.0% rally reflected a re-rating of growth-sensitive sectors, particularly technology and industrials, on expectations of easing global financial conditions in 2025. Structurally, the Malaysian equity market remains underpinned by macroeconomic stability, an improving fiscal outlook, and sustained institutional liquidity. While external headwinds, such as geopolitical tensions and US monetary policy, may continue to cast a shadow, domestic fundamentals suggest the potential for selective alpha generation in the quarters ahead.

The first half of 2025 was marked by heightened volatility in Malaysia's equity market, with the FBMKLCI contracting by 4.8% to close at 1,508 points in June 2025. This decline reflected a confluence of external and domestic headwinds, including tightening US export controls on AI chips, escalating US-China trade frictions, and muted corporate earnings visibility, particularly in the first quarter. Foreign portfolio flows remained largely negative, with foreign investors being net sellers in five of the six months, cumulatively offloading RM10.8 billion worth of equities by the end of June. Although a reprieve emerged in April and May amid a short-lived trade truce and foreign fund inflows, investor risk appetite remained fragile.

Sectoral performance was mixed and highly rotational. The technology and construction sectors experienced pronounced drawdowns early in the year, but the latter rebounded sharply in May on expectations of fiscal support and project rollouts. Meanwhile, AI and data centre-related counters came under pressure due to deteriorating global policy visibility and rising competition from emerging Chinese AI platforms. On the other hand, plantation and REITs offered relative defensiveness, underpinned by firm CPO prices and stable yield appeal amid softening interest rate expectations.

Macro fundamentals were moderately supportive. The Ringgit appreciated by 4.7% against the US Dollar from January to May 2025, aided by a broad-based decline in the Dollar Index (from 108.4 to 99.3) and improving trade dynamics. Commodities exhibited divergent trends: while crude oil prices were volatile due to geopolitical disruptions and fluctuating OPEC+ supply expectations, CPO prices, despite a downward correction, remained elevated by historical standards.

Bond Market Review

During the first half of the Fund's financial year under review, the US bond market was shaped by ongoing economic uncertainty and evolving expectations for interest rates. Although inflation showed signs of slowing, the Federal Reserve maintained its benchmark rate through mid-year, pointing to continued strength in employment and consumer activity. This cautious stance kept bond yields elevated as markets delayed pricing in potential rate cuts.

A turning point came in September, when the Fed announced its first rate cut since starting the tightening cycle. This decision was based on a combination of falling inflation, slowing job growth, and weakening business sentiment. Bond yields declined sharply in response, particularly in medium-term maturities, as investors anticipated a more dovish path for interest rates in 2025. However, this optimism faded in the final quarter of the year. Yields rose again amid concerns about growing US government debt and an increased pace of Treasury bond issuance. Additional pressure came from Fitch's downgrade of the US credit rating and rising political uncertainty ahead of the presidential election. Global tensions added to the volatility, prompting mixed reactions from investors.

By mid-2025, market volatility remained high. Inflation continued to trend lower, reaching 2.5% in June, but bond yields climbed back above 4.40% as investors worried about long-term fiscal sustainability and limited room for further Fed action. With another credit downgrade and sticky core inflation, the market began to focus more on structural issues, leading to higher yields on longer-dated bonds despite expectations for more Fed rate cuts ahead.

On the domestic front, Malaysia's bond market demonstrated resilience in the second half of 2024, underpinned by stable domestic conditions and prudent monetary policy. Bank Negara Malaysia (BNM) kept the Overnight Policy Rate unchanged at 3.00%, supported by contained inflation and a steady growth outlook. Lower food and fuel prices helped cool inflation, reinforcing investor confidence in Malaysia's macroeconomic stability.

Local bond yields gradually declined in tandem with global trends, particularly after the US Federal Reserve began easing in September 2024. The 10-year Malaysian Government Securities (MGS) yield fell to 3.81% by year-end. Strong demand at government bond auctions and active participation by domestic institutions provided a buffer against global volatility, even as foreign ownership of MGS declined slightly during this period.

In early 2025, foreign investors started to return to the Malaysian bond market as global rate expectations shifted downward. The 10-year MGS yield eased further to 3.48% in June 2025, reflecting improved risk sentiment and confidence in Malaysia's relative stability. Although BNM kept rates on hold, attractive real yields and a strong macro backdrop continued to support the fixed income market.

Nevertheless, the outlook remains sensitive to global developments. In June 2025, Malaysia recorded RM5.4 billion in net foreign outflows amid renewed pressure on global bond markets triggered by rising US yields and geopolitical concerns. Still, Malaysia's fundamentals remain sound, core inflation is low, real interest rates are positive, and BNM's policy stance is credible. Going forward, global monetary policy shifts and fiscal discipline at home will be key to sustaining investor interest.

Market Outlook

Equity Market Outlook

We expect equity market sentiment in 2H2025 to remain cautious and range-bound, shaped by lingering external uncertainties and domestic policy developments. Key headwinds include ongoing US-China trade tensions, potential spillovers from tariff-driven global growth slowdown, and rising domestic cost pressures stemming from higher SST, RON95 fuel prices, and electricity tariffs. However, downside risks may be partially cushioned by strong domestic liquidity, below-mean market valuations, and the potential for policy support, particularly a possible BNM rate cut and the unveiling of the 13th Malaysia Plan, which could reinvigorate investor interest. We expect continued rotational interest in defensive, income-generating sectors such as REITs, consumer staples, and healthcare, while structural themes like supply chain diversification, supported by government initiatives (e.g., NIMP 2030, NETR, and JS-SEZ), may continue to benefit select names in technology and industrials. Overall, we adopt a selective, bottom-up strategy, favouring companies with resilient earnings, strong balance sheets, and domestic-centric revenue exposure.

Bond Market Outlook and Strategy

In the near term, the US Treasury (UST) yields are expected to remain volatile with a slight downward bias, driven by growing recession concerns and market expectations of Federal Reserve (Fed) rate cuts later this year. Softer economic data, declining business confidence, and dovish Fed commentary have reinforced the case for policy easing. However, risks of upward pressure on yields persist due to potential fiscal expansion under Trump's proposed spending plans, renewed U.S.-EU trade tensions, and any positive surprises in inflation or labour market data. Investors will closely monitor key indicators such as non-farm payrolls and CPI to recalibrate interest rate expectations. These global developments have influenced capital flows, narrowing the UST-MGS yield differential and increasing the appeal of emerging market bonds like Malaysia's.

Domestically, Malaysian Government Securities (MGS) and Government Investment Issues (GII) yields are expected to remain stable, supported by strong local institutional demand, manageable supply, and potential capital reallocation from developed to emerging markets. Following the 25 basis points (bps) cut in the Overnight Policy Rate (OPR) in July 2025, bringing it down to 2.75%, the outlook for the OPR in the remainder of the year is cautiously dovish. Bank Negara Malaysia's (BNM) decision signals a shift toward a more accommodative stance in response to mounting external risks, weakening global trade momentum, and early signs of domestic demand softening. Inflation remains well-anchored, with headline CPI trending below 2.0%, providing BNM with the policy space to act pre-emptively to support growth.

Looking ahead, further rate cuts will be highly data-dependent. If economic activity continues to lose steam, particularly in exports and private investment, and if global financial conditions tighten further or protectionist policies re-emerge under a potential Trump presidency, BNM may consider another 25bps cut before year-end. However, if domestic demand holds up and inflationary pressures begin to re-emerge, particularly from subsidy reforms or food price shocks, BNM may pause to assess the impact of its recent easing. For now, the base case is for a prolonged hold at 2.75%, with a slight easing bias should downside risks to growth materialise further.

Securities Financing Transactions

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

Income Distribution Nil

Unit Split Nil

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 as disclosed in the financial statements.

Circumstances That Materially Affect Interest Of Unitholders

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

Cross Trade

There was no cross-trade transaction undertaken by the Fund during the financial year under review.

Soft Commissions

During the financial year under review, the Investment Manager has received soft commissions from brokers in compliance with applicable legal, regulatory and industry standards. Soft commissions are received by the Investment Manager where the same can reasonably be expected to assist in the provision of investment services to its clients. Examples of goods and services under such soft commission arrangement include research and advisory services, computer software or any other information facilities to the extent that they are used to support the investment decision making process, data and quotation and there was no churning of trades.

**TRUSTEE'S REPORT
TO THE UNITHOLDERS OF PHILLIP SELECT BALANCE FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 June 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Phillip Mutual Berhad** ("Management Company") has operated and managed the Fund during the financial year covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the Management Company under the deed, securities laws and the Guidelines on Unit Trusts Funds;
- (b) Valuation and pricing is carried out in accordance with the deed; and
- (c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirements.

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

For **MTRUSTEE BERHAD**

NURIZAN JALIL
Chief Executive Officer

Selangor, Malaysia
29 August 2025

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 declare that, in the opinion of the Manager, the accompanying financial statements are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and the relevant Securities Commission Malaysia guidelines so as to give a true and fair view of the financial position of **Phillip SELECT Balance Fund** as at 30 June 2025 and of its financial performance, changes in net asset value and cash flows for the financial year then ended.

Signed on behalf of the Manager in accordance with a resolution of the directors.

DATIN HAJJAH NONA BINTI SALLEH
Chairperson

MOHD FADZLI BIN MOHD ANAS
Chief Executive Officer/ Executive Director

Kuala Lumpur, Malaysia
29 August 2025

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF PHILLIP SELECT BALANCE FUND**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Phillip SELECT Balance Fund** ("the Fund"), which comprise the statement of financial position of the Fund as at 30 June 2025, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2025, and of its financial performance and 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

(Forward)

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 Annual Report, but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

Responsibilities of 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 judgment and maintain professional skepticism throughout the audit. We also:

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

(Forward)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of 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 of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matter

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

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

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

29 August 2025

STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	2025 RM	2024 RM
Assets			
Investments	3	25,492,895	28,311,250
Dividend receivable		45,182	10,846
Interest receivable		76,213	98,154
Other receivable	6	550,000	-
Amount due from Manager	8	1,225	3,333
Amount due from brokers/dealers	7	646,429	-
Tax recoverable		17,138	17,138
Cash and cash equivalents	5	1,034,000	1,959,986
Total assets		<u>27,863,082</u>	<u>30,400,707</u>
Liabilities			
Amount due to Manager	8	40,001	42,880
Amount due to brokers/dealers	7	943,291	-
Other payables		12,661	13,040
Distribution payable	14	-	98,712
Total liabilities		<u>995,953</u>	<u>154,632</u>
Net Asset Value (“NAV”) of the Fund		<u>26,867,129</u>	<u>30,246,075</u>
Equity			
Unitholders’ capital		26,083,920	27,368,251
Retained earnings		783,209	2,877,824
Total equity/NAV attributable to unitholders	15	<u>26,867,129</u>	<u>30,246,075</u>
Total equity and liabilities		<u>27,863,082</u>	<u>30,400,707</u>
Number of units in circulation (units)	16	<u>55,601,544</u>	<u>58,269,768</u>
NAV per unit		<u>0.4833</u>	<u>0.5191</u>

The accompanying notes form an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 30 June 2025

	Note	2025 RM	2024 RM
Investment income/(loss)			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		554,720	465,767
Interest income		451,761	444,744
Net realised gain from sale of financial assets at FVTPL		855,378	1,184,771
Net unrealised (loss)/gain on changes in value of financial assets at FVTPL		<u>(3,294,888)</u>	<u>3,684,092</u>
		<u>(1,433,029)</u>	<u>5,779,374</u>
Expenses			
Audit fee		8,800	8,500
Tax agent's fee		3,400	3,400
Manager's fee	9	392,480	361,913
Trustee's fee	10	9,000	9,000
Brokerage and other transaction fees		227,349	188,161
Administration expenses		19,540	15,232
Custodian's fee		1,017	900
		<u>661,586</u>	<u>587,106</u>
Net (loss)/income before taxation		(2,094,615)	5,192,268
Taxation	13	<u>-</u>	<u>-</u>
Net (loss)/income after taxation		<u>(2,094,615)</u>	<u>5,192,268</u>
Total comprehensive (loss)/income		<u>(2,094,615)</u>	<u>5,192,268</u>
Total comprehensive (loss)/income comprises the following:			
Realised gain		1,200,273	1,508,176
Unrealised (loss)/gain		<u>(3,294,888)</u>	<u>3,684,092</u>
		<u>(2,094,615)</u>	<u>5,192,268</u>
Distribution for the year			
Gross/net distribution (RM)	14	<u>-</u>	<u>852,272</u>
Gross/net distribution per unit (sen)	14	<u>-</u>	<u>1.50</u>

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

STATEMENT OF CHANGES IN NET ASSET VALUE
For the financial year ended 30 June 2025

	Note	Unitholders' capital RM	Retained earnings/ (Accumulated losses) RM	NAV attributable to unitholders RM
At 1 July 2023		26,794,621	(1,461,897)	25,332,724
Net income after taxation		-	5,192,268	5,192,268
Reinvestment of units		753,560		753,560
Creation of units	16	4,181,038	-	4,181,038
Cancellation of units	16	(4,361,243)	-	(4,361,243)
Distributions		275	(852,547)	(852,272)
At 30 June 2024		<u>27,368,251</u>	<u>2,877,824</u>	<u>30,246,075</u>
At 1 July 2024		27,368,251	2,877,824	30,246,075
Net loss after taxation		-	(2,094,615)	(2,094,615)
Creation of units	16	3,652,468	-	3,652,468
Cancellation of units	16	(4,936,799)	-	(4,936,799)
At 30 June 2025		<u>26,083,920</u>	<u>783,209</u>	<u>26,867,129</u>

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2025

	2025	2024
	RM	RM
Cash flows from/(used in) operating and investing activities		
Proceeds from sale of investments	30,139,784	24,738,733
Receipt from maturity of fixed income securities	3,500,000	-
Purchase of investments	(33,399,772)	(24,177,787)
Dividends received	189,262	312,365
Interest received	473,702	427,109
Manager's fee paid	(396,627)	(356,263)
Trustee's fee paid	(9,000)	(9,001)
Custodian's fee paid	(1,017)	(900)
Payment for other fees and expenses	(42,651)	(29,850)
Net cash from operating and investing activities	<u>453,681</u>	<u>904,406</u>
Cash flows from/(used in) financing activities		
Cash proceeds from units created	3,654,576	4,177,705
Cash paid on units cancelled	(4,935,531)	(4,359,959)
Distributions paid	(98,712)	-
Net cash used in financing activities	<u>(1,379,667)</u>	<u>(182,255)</u>
Net (decrease)/increase in cash and cash equivalents	(925,986)	722,152
Cash and cash equivalents at beginning of the year	<u>1,959,986</u>	<u>1,237,834</u>
Cash and cash equivalents at end of the year	<u>1,034,000</u>	<u>1,959,986</u>
Cash and cash equivalents comprise (Note 5):		
Cash at banks	51,000	3,986
Deposits with a licensed financial institution	983,000	1,956,000
	<u>1,034,000</u>	<u>1,959,986</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2025**1. The Fund, the Manager and their principal activities**

Phillip SELECT Balance Fund, formerly known as Pacific SELECT Balance Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Deed dated 4 August 2003 as amended by the First Supplemental Deed dated 23 September 2005, Second Supplemental Deed dated 28 June 2007, Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 14 December 2009, Third Supplemental Master Deed dated 26 April 2010, Fourth Supplemental Master Deed dated 8 January 2014, Fifth Supplemental Master Deed dated 7 July 2017, Sixth Supplemental Master Deed dated 22 November 2018, Seventh Supplemental Master Deed dated 22 January 2019, Eighth Supplemental Master Deed dated 17 June 2020 made between the Manager, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2020) and the Trustee of the Fund, MTrustee Berhad, Ninth Supplemental Master Deed dated 6 November 2020, Tenth Supplemental Master Deed dated 25 November 2020, made between the Managers, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2020) and Phillip Mutual Berhad (the new Manager with effect from 1 December 2020) and the Trustee of the Fund, MTrustee Berhad, Eleventh Supplemental Master Deed dated 6 July 2021 made between the Manager, Phillip Mutual Berhad and the Trustee, MTrustee Berhad and Twelfth Supplemental Master Deed dated 11 January 2023 made between the Manager, Phillip Mutual Berhad and the Trustee, MTrustee Berhad (the Deed and all its supplemental hereinafter referred to as the “Deeds”). The Fund was launched on 11 August 2003.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Deeds, which include stocks and shares of companies quoted on Bursa Malaysia Securities Berhad, fixed income securities and money market instruments as approved by the Securities Commission Malaysia.

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 Company 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 29 August 2025.

2. Summary of significant accounting policies**(a) 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.

(b) Changes in accounting policies

Amendments to MFRSs

The accounting policies adopted are consistent with those of the previous financial year except for the Amendments to MFRSs issued by the MASB that are relevant to the Fund's operation and effective for annual years beginning on or after 1 July 2024, as follows:

Amendments to MFRS 101 *Classification of Liabilities as Current and Non-current*

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 MFRS and Amendments to MFRSs in issue but not yet effective

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

Description	Effective for annual periods beginning on or after
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 121: <i>Lack of Exchangeability</i>	1 January 2025
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 the abovementioned New MFRS 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 MFRS and Amendments to MFRSs will have no material impact on the financial statements of the Fund in the year of initial application.

(c) Functional and presentation currency

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

(d) Financial instruments

The Fund recognises financial assets and financial liabilities in the statement of financial position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss (“FVTPL”) on the basis of both the Fund’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include dividend receivable, interest receivable, other receivable, amount due from brokers/dealers, amount due from Manager and cash and cash equivalents.

(ii) Financial assets at FVTPL

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding; or
- (b) It is held within a business model whose objective is to sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category its Permitted Investments. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

Financial liabilities

Financial liabilities are recognised initially at fair value i.e. the consideration for goods and services received and subsequently stated at amortised cost. These include amount due to Manager, amount due to brokers/dealers, other payables and distribution payable. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

(e) Derecognition of financial assets and liabilitiesFinancial assets

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liability is derecognised, and through the amortisation process.

(f) 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, either on a 12-month or lifetime basis based on the significant increase in credit risk since initial recognition. The impairment model does not apply to equity investments.

Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund’s financial statements. For balances which are short-term in nature and with no financing component (e.g. dividend receivable, interest receivable, other receivable, amount due from brokers/dealers and amount due from Manager), full impairment will be recognised on uncollected balances after the grace period is exceeded.

(g) Income recognition

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.

Dividend income is recognised when the Fund’s right to receive payment is established.

Interest income is recognised using the effective interest rate method on an accrual basis.

(h) Unrealised reserves/(deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying fixed income securities and quoted investments at their fair value and are recognised in the statement of comprehensive income.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposits with financial institutions with original maturities of 3 months or less which have an insignificant risk of change in value.

(j) 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.

(k) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(l) Distribution

Distributions made by the Fund are accounted for as a deduction from realised reserves except where distributions are sourced out of distribution equalisation which are accounted for as a deduction from unitholders’ capital. Distributions are recognised in the statement of changes in NAV when they are approved by the Manager and the Trustee.

(m) Unitholders' capital

Unitholders' capital meets the conditions for the definition of puttable instruments classified as equity instruments.

Distribution equalisation is accounted for on the date of creation and cancellation of units. It represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

(n) Significant 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 financial year.

3. Investments

	2025	2024
	RM	RM
Financial assets at FVTPL		
Fixed income securities	8,222,105	9,086,888
Quoted investments		
- Equity securities	13,887,260	15,973,190
- Warrant	5,500	-
- Collective investment scheme	3,378,030	3,251,172
	<u>17,270,790</u>	<u>19,224,362</u>
Total investments	<u>25,492,895</u>	<u>28,311,250</u>

Fixed Income Securities

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

Name Of Counter	Credit rating	Nominal value RM	Cost RM	Fair value RM	Fair value as a % of NAV %
2025					
Alpha Circle Sdn Bhd 5.60% 31/05/2023	C	88,900	-	-	-
AMBANK MTN 3653D 12.10.2032	AA3	250,000	256,372	257,763	0.96
AME IMTN 4.02% 18/04/2028 (Tranche 2 Series 1)	AA3	3,000,000	3,000,000	3,010,590	11.21
Cenergi Sea Berhad 5.30% 23/12/2026	AA3	1,500,000	1,502,107	1,523,610	5.67
MAYBANK IMTN 4.130% PERPETUAL	AA3	2,000,000	2,006,296	2,007,560	7.47
TBE IMTN 5.650% 15.09.2026 (Tranche 11)	AA3	1,400,000	1,407,995	1,422,582	5.29
		<u>8,238,900</u>	<u>8,172,770</u>	<u>8,222,105</u>	<u>30.60</u>

Unrealised gain from fixed income securities as at 30 June 2025

49,335

2024

Air Selangor IMTN T5S1 Sri Sukuk Kas 19/04/2033	AAA	2,500,000	2,505,253	2,623,700	8.67
Alpha Circle Sdn Bhd 5.60% 18/11/2023	C	88,900	-	-	-
Cenergi Sea Berhad 5.30% 23/12/2026	AA3	1,500,000	1,503,458	1,529,054	5.06
GII Murabahah 4.045% 15/08/2024	-	1,000,000	1,000,966	1,000,960	3.31
Tan Chong Motor Holdings Berhad 5.00% 14/03/2025	A+	1,500,000	1,500,406	1,501,934	4.97
TBE IMTN 5.650% 15/09/2026 (Tranche 11)	AA3	1,400,000	1,414,342	1,424,010	4.71
UEMS IMTN 4.79% 11/04/2025	AA-	1,000,000	997,647	1,007,230	3.33
		<u>8,988,900</u>	<u>8,922,072</u>	<u>9,086,888</u>	<u>30.05</u>

Unrealised gain from fixed income securities as at 30 June 2024

164,816

As at 30 June 2024, the investment value of the Alpha Circle Sdn Bhd Sukuk was written down to RMNil as the Sukuk Programme has expired on 19 November 2023 at the last credit rating of C. The Fund does not anticipate any recovery of its investment from Alpha Circle Sdn Bhd in the foreseeable future. There are no changes since the previous financial year.

Quoted Investments

The composition of quoted investments at the end of the reporting period is as detailed below.

Equity securities

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2025				
Banks				
80,000	AMMB Holdings Berhad	438,328	408,000	1.52
65,000	CIMB Group Holdings Berhad	531,001	441,350	1.64
25,420	Malayan Banking Berhad	232,315	246,574	0.92
		<u>1,201,644</u>	<u>1,095,924</u>	<u>4.08</u>
Capital Goods				
163,190	Gamuda Berhad	535,157	781,680	2.91
200,000	IJM Corporation Berhad	552,313	524,000	1.95
230,000	Kerjaya Prospek Group Bhd	479,670	476,100	1.77
250,000	Sime Darby Berhad	449,190	412,500	1.54
		<u>2,016,330</u>	<u>2,194,280</u>	<u>8.17</u>
Commercial & Professional Services				
100,000	Frontken Corporation Bhd.	398,320	396,000	1.47
Construction & Engineering				
392,900	MN Holdings Berhad	371,737	557,918	2.08
Consumer Services				
882,700	Synergy House Berhad	924,872	432,523	1.61
Diversified Financials				
41,800	Bursa Malaysia Bhd	374,600	318,934	1.19
Energy				
456,600	Dialog Group Berhad	935,803	721,428	2.69
20,000	Petronas Dagangan Berhad	391,826	430,400	1.60
		<u>1,327,629</u>	<u>1,151,828</u>	<u>4.29</u>
Financial Services				
1,043,000	Evergreen Max Cash Capital Berhad	467,609	307,685	1.15

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
	Food, Beverage & Tobacco			
83,233	Guan Chong Bhd	<u>162,485</u>	<u>103,209</u>	<u>0.38</u>
	Health Care Equipment & Services			
39,900	Supercomnet Technologies Berhad	<u>57,815</u>	<u>40,698</u>	<u>0.15</u>
	Industrials			
110,000	Kelington Group Berhad	<u>327,800</u>	<u>408,100</u>	<u>1.52</u>
	Insurance			
50,000	Syarikat Takaful Malaysia Berhad	<u>195,745</u>	<u>170,500</u>	<u>0.63</u>
	Real Estate			
340,000	Sime Darby Property Berhad	485,695	489,600	1.82
105,300	Sunway Berhad	<u>491,445</u>	<u>494,910</u>	<u>1.84</u>
		<u>977,140</u>	<u>984,510</u>	<u>3.66</u>
	Retailing			
200,000	Aeon Company (M) Berhad	309,980	280,000	1.04
100,000	MBM Resources Berhad	<u>577,080</u>	<u>465,000</u>	<u>1.73</u>
		<u>887,060</u>	<u>745,000</u>	<u>2.77</u>
	Semiconductors & Semi. Equipment			
163,000	Inari Amertron Berhad	<u>489,084</u>	<u>329,260</u>	<u>1.22</u>
	Software & Services			
414,500	LGMS Berhad	574,099	373,050	1.39
691,100	SNS Network Technology Berhad	<u>515,050</u>	<u>376,649</u>	<u>1.40</u>
		<u>1,089,149</u>	<u>749,699</u>	<u>2.79</u>
	Telecommunication Services			
50,000	Telekom Malaysia Berhad	<u>327,435</u>	<u>327,500</u>	<u>1.22</u>

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
Transportation				
30,000	MISC Berhad	225,000	227,700	0.85
Utilities				
150,000	Gas Malaysia Berhad	623,490	640,500	2.38
230,800	Malakoff Corporation Berhad	183,678	185,794	0.69
100,000	Mega First Corporation Bhd	418,135	370,000	1.38
47,100	Tenaga Nasional Berhad	614,845	677,298	2.52
120,000	YTL Corporation Berhad	239,250	278,400	1.04
300,000	YTL Power International Berhad	964,590	1,194,000	4.44
		3,043,988	3,345,992	12.45
Total equity securities as at 30 June 2025		14,865,442	13,887,260	51.68

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2024				
Banks				
20,000	Hong Leong Financial Group Berhad	329,242	345,600	1.14
75,420	Malayan Banking Berhad	619,368	751,183	2.48
150,000	Public Bank Berhad	624,906	603,000	1.99
101,024	RHB Bank Berhad	560,547	556,642	1.84
		2,134,063	2,256,425	7.45
Capital Goods				
300,000	Ekovest Berhad	139,440	132,000	0.44
219,007	Gamuda Berhad	1,060,423	1,441,066	4.76
90,000	Hap Seng Consolidated Berhad	448,551	393,300	1.30
		1,648,414	1,966,366	6.50
Chemicals, Plastics & Papers				
256,666	RGT Berhad	226,750	206,616	0.68

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
	Construction & Engineering			
261,000	MN Holdings Berhad	174,900	254,475	0.84
	Consumer Services			
703,300	Synergy House Berhad	608,374	1,146,379	3.79
	Energy			
800,000	Bumi Armada Berhad	458,410	448,000	1.48
150,300	Dayang Enterprise Holdings Berhad	403,897	395,289	1.31
		862,307	843,289	2.79
	Financial Services			
2,243,000	Evergreen Max Cash Capital Berhad	1,005,605	975,705	3.23
	Health Care Equipment & Services			
200,000	Supercomnet Technologies Berhad	289,800	296,000	0.98
	Industrials			
70,000	Aurelius Technologies Berhad	192,395	256,900	0.85
169,700	Kelington Group Berhad	260,928	580,374	1.92
		453,323	837,274	2.77
	Manufacturing			
150,000	United U-Li Corporation Berhad	225,128	309,000	1.02
	Real Estate			
100,000	Sunway Berhad	352,000	361,000	1.19
	Semiconductors & Semi. Equipment			
85,000	D&O Green Technologies Berhad	373,965	311,100	1.03
301,900	Globetronics Technology Berhad	375,509	446,812	1.48
27,100	Greatech Technology Berhad	124,660	142,275	0.47
87,600	Unisem (M) Berhad	281,634	364,416	1.20
		1,155,768	1,264,603	4.18
(Forward)				

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
Software & Services				
148,100	ITMax System Berhad	341,599	379,136	1.25
393,400	LGMS Berhad	549,123	538,958	1.78
448,800	SNS Network Technology Berhad	243,215	338,844	1.12
		<u>1,133,937</u>	<u>1,256,938</u>	<u>4.15</u>
Technology Hardware & Equipment				
552,900	Aemulus Holdings Berhad	185,636	210,102	0.69
213,800	Cape EMS Berhad	205,748	199,903	0.66
		<u>391,384</u>	<u>410,005</u>	<u>1.35</u>
Telecommunication Services				
80,000	Telekom Malaysia Berhad	513,000	540,800	1.79
163,100	Time Dotcom Berhad	795,437	820,394	2.71
		<u>1,308,437</u>	<u>1,361,194</u>	<u>4.50</u>
Transportation				
700,000	Capital A Berhad	587,880	602,000	1.99
80,580	Malaysia Airports Holdings Berhad	647,711	797,743	2.64
		<u>1,235,591</u>	<u>1,399,743</u>	<u>4.63</u>
Utilities				
60,100	Tenaga Nasional Berhad	584,791	828,178	2.74
	Total equity securities as at 30 June 2024	<u>13,790,572</u>	<u>15,973,190</u>	<u>52.79</u>

Warrant

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2025				
25,000	Guan Chong Berhad – Warrant 2025/2028	-	5,500	0.02

(Forward)

		Cost RM	Fair value RM	Fair value as a % of NAV %
2024				
	RGT Berhad – Warrants 51,333 2024/2029	-	-	-

Collective investment scheme

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2025				
6,324,714	Phillip Dana Murni*	3,425,310	3,378,030	12.57
2024				
6,038,580	Phillip Dana Murni*	3,274,345	3,251,172	10.75

* Managed by the Manager

Total Quoted Investments

Total quoted investments comprised investments in equity securities, warrant and collective investment scheme.

	Cost RM	Fair value RM	Fair value as a % of NAV %
2025			
Total quoted investments	18,290,752	17,270,790	64.27
Unrealised loss from quoted investments as at 30 June 2025		(1,019,962)	
	Cost RM	Fair value RM	Fair value as a % of NAV %
2024			
Total quoted investments	17,064,917	19,224,362	63.54
Unrealised gain from quoted investments as at 30 June 2024		2,159,445	

4. Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Total RM
2025			
Financial assets at FVTPL			
Fixed income securities	-	8,222,105	8,222,105
Quoted investments	17,270,790	-	17,270,790
2024			
Financial assets at FVTPL			
Fixed income securities	-	9,086,888	9,086,888
Quoted investments	19,224,362	-	19,224,362

The carrying amounts of other financial assets and financial liabilities, approximate fair values due to the relatively short-term maturities of these financial instruments.

5. Cash and cash equivalents

Cash and cash equivalents include cash at banks and deposits with a licensed financial institution.

	2025 RM	2024 RM
Cash at banks	51,000	3,986
Deposits with a licensed financial institution:		
- Commercial bank	983,000	1,956,000
Cash and cash equivalents	1,034,000	1,959,986

The weighted average rate of return and remaining maturity of deposits with a financial institution at the end of the reporting period were as follows:

	Weighted average effective interest rate (% per annum)		Weighted average remaining maturity (Days)	
	2025	2024	2025	2024
Deposits with a licensed financial institution:				
- Commercial bank	3.00	3.00	1	1

6. Other receivable

Other receivable represents the share subscription which is pending allotment by the issuer at the end of the reporting period.

7. Amount due from/(to) brokers/dealers

The amount due from/to brokers/dealers relate to disposal/purchase of investments which remain outstanding at the end of the reporting period. These are normally received within 2 (2024: 2) business days from the transaction dates.

8. Amount due from/(to) Manager

Amount due from Manager represents amounts receivable for units created and while amount due to Manager represents amount payable for units cancelled and/or amount payable for management fee.

Management fee is payable on a monthly basis and amount receivable/payable for units created/cancelled is received/paid within 7 (2024: 7) business days from the transaction dates.

9. Manager’s fee

The Manager’s fee provided in the financial statements is computed at 1.50% (2024: 1.50%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis net of Manager’s fee rebate on the collective investment scheme as agreed by the Trustee and the Manager as follows:

Name of Fund	Rate p.a
Phillip Dana Murni	<u>1.00%</u>

10. Trustee’s fee

The Eighth Schedule of the Deed provides that the Trustee's fee is computed on a daily basis, up to a maximum of 0.03% (2024: 0.03%) per annum of the gross NAV of the Fund before deducting the Manager's fee and the Trustee's fee for that particular day, or subject to a minimum of RM 9,000 per annum.

The Trustee’s fee charged for the year ended 30 June 2025 is RM9,000 (2024: RM9,000), which was calculated in accordance with the above trustee fee rate.

11. Portfolio turnover ratio (“PTR”)

	2025	2024
Portfolio turnover ratio (“PTR”)	<u>1.15 times</u>	<u>0.92 times</u>

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year over the average NAV attributable to unitholders of the Fund calculated on a daily basis. The PTR for the current financial year is higher due to increase in investing activities.

12. Total expense ratio (“TER”)

	2025	2024
Total expense ratio (“TER”) ¹	<u>1.53%</u>	<u>1.53%</u>

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the financial year calculated on a daily basis. The TER for the current financial year is the same as the previous financial year.

¹ The TER does not include brokerage and other transaction fees.

13. Taxation

	2025 RM	2024 RM
Estimated Malaysian income tax: Current financial year	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2024: 24%) of the estimated assessable income for the financial year.

There was no taxation charge for the current and previous financial years due to tax-exempt income received.

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

	2025 RM	2024 RM
Net income before taxation	<u>(2,094,615)</u>	<u>5,192,267</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(502,708)	1,246,144
Tax effects of:		
Income not subject to tax	(446,846)	(1,387,050)
Losses not deductible for tax purpose	790,773	-
Expenses not deductible for tax purpose	62,474	52,007
Restriction on tax deductible expenses for unit trust funds	<u>96,307</u>	<u>88,899</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

14. Distribution

	2025 RM	2024 RM
Reinvestment of units	-	753,560
Distribution payable	-	<u>98,712</u>
Net distribution to unitholders paid on 4 July 2024	<u>-</u>	<u>852,272</u>

	2025	2024
	RM	RM
Distribution to unitholders is from the following sources:		
Dividend income	-	263,290
Interest income	-	251,407
Realised gain on sale of investments	-	669,732
Distribution equalisation	-	(275)
	<u>-</u>	<u>1,184,154</u>
Less:		
Expenses	-	(331,882)
	<u>-</u>	<u>852,272</u>
Gross distribution per unit (sen)	-	1.50
Net distribution per unit (sen)	<u>-</u>	<u>1.50</u>

The net unrealised losses arising from investments at the end of the reporting period was RM970,627 (2024: net unrealised gain of RM2,324,261).

15. Net asset value (“NAV”) attributable to unitholders

	2025	2024
	RM	RM
Unitholders’ capital	26,083,920	27,368,251
Accumulated losses:		
- Realised reserves	1,753,836	553,563
- Unrealised (deficits)/reserves	(970,627)	2,324,261
	<u>783,209</u>	<u>2,877,824</u>
NAV attributable to unitholders	<u>26,867,129</u>	<u>30,246,075</u>

The NAV per unit is rounded up to four decimal places.

16. Number of units in circulation

	2025		2024	
	No. of units	RM	No. of units	RM
At beginning of the year	58,269,768	27,368,251	57,607,875	26,794,621
Reinvestment of units	-	-	1,451,670	753,560
Creation of units	7,298,026	3,652,468	8,477,818	4,181,038
Cancellation of units	(9,966,250)	(4,936,799)	(9,267,595)	(4,361,243)
Distribution	-	-	-	275
At end of the year	<u>55,601,544</u>	<u>26,083,920</u>	<u>58,269,768</u>	<u>27,368,251</u>

17. Units held by the Manager and its related parties

At the end of the reporting period, the number of units held by the related parties of the Manager are as follows:

	No. of Units Unit	Market Value RM
2025		
Phillip Nominees (Tempatan) Sdn. Bhd.	<u>8,651,156</u>	<u>4,181,104</u>
2024		
Phillip Nominees (Tempatan) Sdn. Bhd.	<u>8,322,721</u>	<u>4,320,325</u>

The units held by Phillip Nominees (Tempatan) Sdn Bhd, a wholly owned subsidiary of Phillip Capital Sdn Bhd, a related company of the Manager, are under the nominees structure for unitholders of the Manager.

Other than the above, there were no units held by the Manager, directors of the Manager or other parties related to the Manager.

The holding company of the Manager is Phillip Capital Holdings Sdn Bhd. The Manager treats Phillip Capital Holdings Sdn Bhd group of companies, including Phillip Capital Sdn Bhd and its subsidiaries as related parties.

18. Transactions with brokers/dealers

Details of transactions with the brokers/dealers for the financial year are as follows:

	Value of trade# RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
2025				
Brokers/dealers				
Affin Hwang Investment Bank Bhd	5,639,024	11.05	16,737	11.11
AmlInvestment Bank Bhd	1,618,916	3.17	3,188	2.12
CGS International Securities Malaysia Sdn. Bhd.	7,369,644	14.44	22,132	14.69
CIMB Investment Bank Bhd	11,450,914	22.44	34,361	22.80
Kenanga Investment Bank Bhd	10,030,954	19.66	29,530	19.59
Maybank Investment Bank Bhd	13,960,286	27.36	41,889	27.79
Phillip Capital Sdn Bhd	957,895	1.88	2,874	1.90
	<u>51,027,633</u>	<u>100.00</u>	<u>150,711</u>	<u>100.00</u>

(Forward)

	Value of trade# RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
2024				
Brokers/dealers				
Kenanga Investment Bank Bhd	9,594,195	20.01	28,787	22.49
Maybank Investment Bank Bhd	12,017,454	25.07	34,680	27.10
CIMB Investment Bank Bhd	18,302,649	38.18	54,396	42.50
Affin Hwang Investment Bank Bhd	1,742,656	3.64	5,228	4.09
RHB Investment Bank Bhd	4,170,326	8.69	-	-
Public Investment Bank Bhd	1,474,542	3.08	4,424	3.46
Phillip Capital Sdn Bhd	232,000	0.48	464	0.36
M & A Securities Sdn Bhd	406,020	0.85	-	-
	<u>47,939,842</u>	<u>100.00</u>	<u>127,979</u>	<u>100.00</u>

#Excludes brokerage and other transaction fees.

* Only applicable to equity securities.

The transactions above are with non-related parties.

19. Financial risk management objectives and policies

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk, specific risk and single issuer risk.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment restrictions as stipulated in the Securities Commission Malaysia's Guidelines on Unit Trust Funds in Malaysia.

(i) Market risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund seeks to diversify some of these risks by investing into different sectors to mitigate risk exposure to any single asset class.

The Fund's market risk is affected primarily due to the following risks:

(a) Price risk

Price risk is the adverse changes in the fair value of securities as a result of changes in the levels of equity indices and the value of individual securities. The price risk exposure arises from the Fund's quoted investments.

The table below summarises the effect on the net income before tax and NAV attributable to the unitholders of the Fund at the end of the reporting period due to possible changes in prices, with all other variables held constant:

Change in price (%)	Effect on net income before tax and NAV attributable to unitholders	
	Increase/(Decrease)	
	2025 RM	2024 RM
+5	863,540	961,218
(5)	(863,540)	(961,218)

(b) Interest rate risk

This risk refers to the effect of interest rate changes on the market value of fixed income securities and returns on deposits with licensed financial institutions. In the event of reduction in interest rates, the returns on deposits with licensed financial institutions will decrease, while the price of fixed income will increase, thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of the portfolio of fixed income securities and deposits with licensed financial institutions.

The Fund's exposure to interest rate risk with respect to fixed income securities and deposits with a licensed financial institution is not considered to be significant at the end of the reporting period and consequently no sensitivity analysis on interest rate risk has been presented.

(ii) Credit risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, interest and proceeds from realisation of investments. Such events can lead to loss of capital or delayed or reduced income for the Fund resulting in a reduction in the Fund's NAV and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

Credit risk is generally arising from investments, cash and cash equivalents, amount due from brokers/dealers, amount due from Manager, dividend receivable, interest receivable and other receivable. The maximum exposure to credit risk is presented in the statement of financial position. Cash and cash equivalents are placed in financial institutions with strong credit ratings. The Investment Committee of the Fund targeted in a diversified portfolio of equity and fixed income which could provide medium to long-term capital growth.

Fixed income securities are either government-guaranteed or rated by RAM Rating Services Berhad ("RAM") or Malaysian Rating Corporation Berhad ("MARC").

The following table analyses the Fund’s portfolio of fixed income securities by rating categories at the end of the reporting period:

	RAM Credit Rating	MARC Credit Rating	As a % of NAV
2025	AAA	-	-
	AA3	-	30.60
	-	A+	-
	-	AA-	-
	-	C	-
	NIL	NIL	-
			30.60
	RAM Credit Rating	MARC Credit Rating	As a % of NAV
2024	AAA	-	8.67
	AA3	-	9.77
	-	A+	4.97
	-	AA-	3.33
	-	C	-
	NIL	NIL	3.31
			30.04

(iii) Liquidity risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of liquid assets that allows the Fund to meet daily redemption of units without jeopardising potential returns.

The maturity of the Fund’s financial liabilities fall due within three months while the NAV attributable to unitholders are repayable on demand.

(iv) Specific risk

The Fund is exposed to the individual risks of the respective companies issuing securities which includes changes to the business performance of the company, consumer tastes and demands, lawsuits and management practices. This risk is minimised through the diversification of the portfolio of investments of the Fund.

(v) Single issuer risk

The Fund’s exposure to securities issued by any issuer is limited to not more than a certain percentage of the Fund’s NAV. Under such restriction, the risk exposure to the securities of any issuer is minimised.

20. Operating segment

The Fund is organised into one main operating segment for investment management purposes. The Investment Department takes a team approach to the investment process of the Fund. The decision-making process involves input from the entire team, with each team member (inclusive of analysts) contributing their respective expertise and views to yield fully informed conclusions. The Investment Committee is responsible for ensuring adherence to investment guidelines, both internal and external, as well as to assess strategy and implementation effectiveness, and to oversee the entire investment function. Accordingly, significant operating decisions are based upon the analysis of the Fund as one operating segment. The financial results from this segment are equivalent to the financial statements of the Fund as a whole.

21. Capital management

The Fund's capital comprises unitholders' subscription to the Fund. The unitholders' capital fluctuates according to the daily subscription and redemption of units at the discretion of unitholders.

The Fund aims to achieve its investment objective and at the same time, maintain sufficient liquidity to meet unitholders' redemptions.

CORPORATE INFORMATION

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Datuk Ir. Hamzah Bin Hasan
Datin Hajjah Nona Binti Salleh
En. Mohd Fadzli Bin Mohd Anas
Mr. Lim Wen Sheong
Mr. Lee Chay Khiong (Alternate Director to Mr. Lim Wen Sheong)
Ms. Ma Jie
Datuk Ir. Elias Bin Ismail (Appointed on 20 December 2024)

INVESTMENT MANAGER

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

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