

PHILLIP RECOVERY FUND

AUDITED
ANNUAL REPORT

FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2025

Manager:

PHILLIP MUTUAL BERHAD
(200201002746)(570409-K)

Trustee:

CIMB COMMERCE TRUSTEE BERHAD
(199401027349)(313031-A)

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FUND INFORMATION
As At 30 June 2025

Name Of Fund	: Phillip Recovery Fund
Manager Of Fund	: Phillip Mutual Berhad 200201002746 (570409-K)
Investment Manager	: Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	: 15 April 1999
Category Of Fund	: Equity
Type Of Fund	: Growth
Investment Objective	: Phillip Recovery Fund aims to provide above average returns in the form of capital growth over a medium* to long-term* period by investing mainly in cyclical stocks, stocks that are likely to be crisis survivors as well as stocks that are undergoing restructuring, which may offer considerable recovery prospects and also any other investment as may be permitted by the Securities Commission from time to time. As this Fund concentrates on capital appreciation, there will be little or no income distribution.
	: <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>
Performance Benchmark	: Since inception until 5 July 2009 – Kuala Lumpur Composite Index (KLCI) From 6 July 2009 onwards – FTSE Bursa Malaysia Top 100 Index (FBM 100)
Distribution Policy	: Distribution of income, if any, will be made once a year.
Fund Size	: 43.5 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	10.94	9.62	-
Capital Goods	4.47	7.65	10.83
Chemicals, Plastics & Papers	-	0.33	-
Construction & Engineering	2.44	-	6.65
Consumer Products & Services	-	2.39	0.52
Diversified Financials	-	2.48	-
Energy	2.31	2.35	4.51
Food, Beverage & Tobacco	7.87	7.01	5.05
Health Care Equipment & Services	-	-	7.55
Insurance	-	2.48	-
Industrials	-	-	15.60
Materials	4.56	7.16	-
Plantation	2.36	-	-
Properties	1.74	-	-
Real Estate	11.66	7.39	-
Retailing	4.63	7.80	-
Semiconductors & Semi. Equipment	3.83	5.69	19.79
Software & Services	5.14	8.47	2.12
Technology Hardware & Equipment	3.14	3.35	12.91
Telecommunication Services	4.51	-	1.85
Transportation	7.82	5.62	1.44
Utilities	7.04	7.16	-
	84.46	86.95	88.82
Warrants	0.02	-	-
Quoted Loan Stock	-	0.76	-
Cash And Liquid Assets	15.52	12.29	11.18
Total	100.00	100.00	100.00
Net Asset Value ("NAV") (RM'000)	15,161	18,970	16,833
Number Of Units In Circulation (Units'000)	43,477	49,331	55,438
Net Asset Value Per Unit (RM)	0.3487	0.3846	0.3037
Total Expense Ratio ("TER") ¹	1.70%	1.70%	1.71%
Portfolio Turnover Ratio (times)	2.53	1.78	0.85

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 increase in investing activities.

Note:

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.

Performance Data

	Phillip Recovery Fund		FBM 100		
	Total Return	Average Annual Return	Total Return	Average Annual Return	
1 Year's Period to 30.6.2025	-9.31%	-9.31%	-4.82%	-4.82%	
3 Years' Period to 30.6.2025	20.15%	6.72%	11.77%	3.92%	
5 Years' Period to 30.6.2025	8.32%	1.66%	7.84%	1.57%	
	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 Recovery Fund					
- Capital Return	-9.31%	26.64%	4.62%	-17.27%	8.98%
- Income Return	-	-	-	-	-
- Total Return	-9.31%	26.64%	4.62%	-17.27%	8.98%
FBM 100	-4.82%	19.85%	-2.03%	-7.61%	4.44%
	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)	0.3966	0.3984	0.3405	0.3754	
Lowest NAV (RM)	0.3143	0.3065	0.2781	0.2861	
Distributions					
Gross Distribution Per Unit (sen)	- (30.6.2025)	- (30.6.2024)	- (30.6.2023)	- (30.6.2022)	
Net Distribution Per Unit (sen)	- (30.6.2025)	- (30.6.2024)	- (30.6.2023)	- (30.6.2022)	
Unit Splits	-	-	-	-	

Notes:

- All figures pertaining to the Fund's return were extracted from Lipper.*
- 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.*

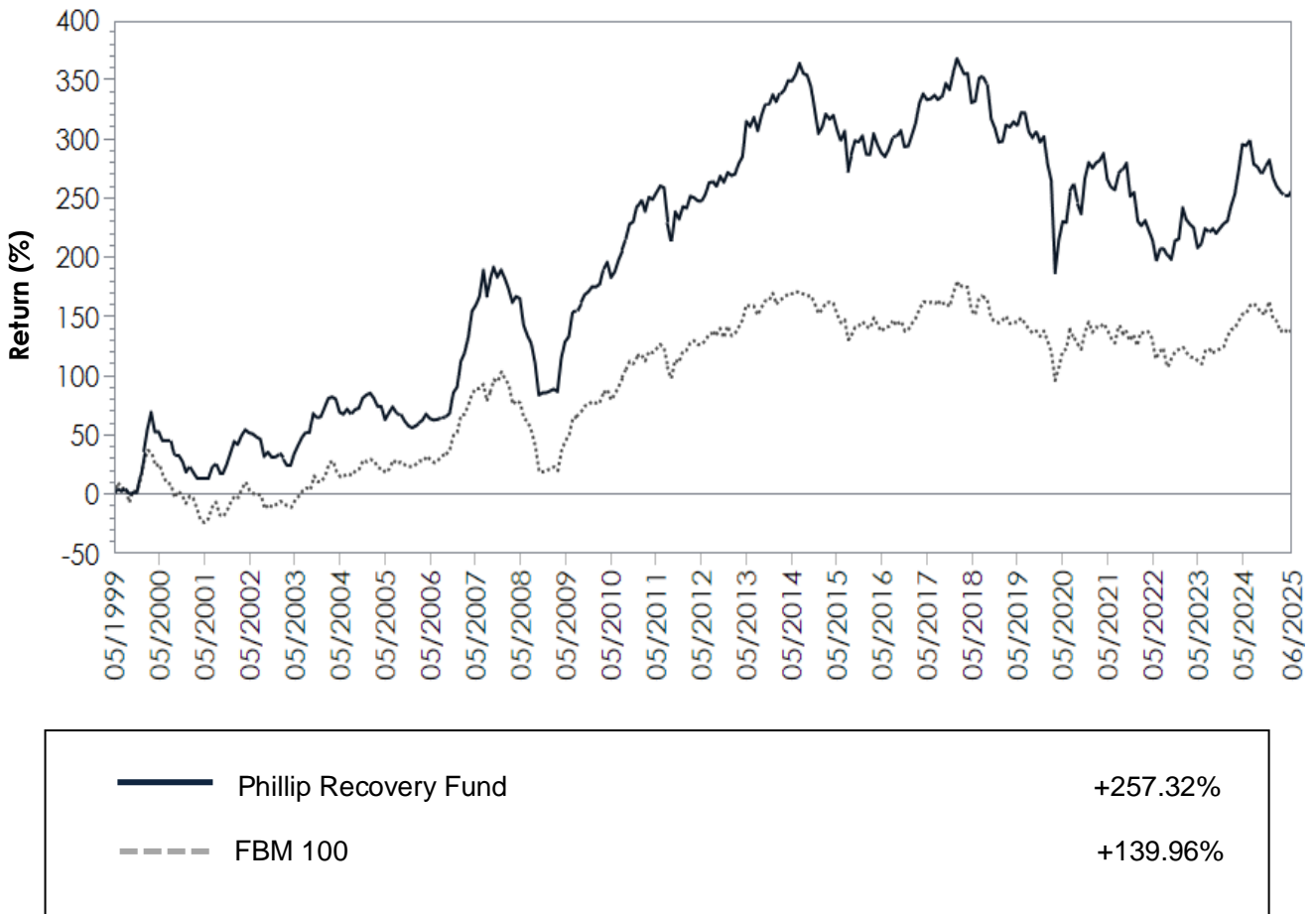
MANAGER'S REPORT
As at 30 June 2025

Performance Review

From 6 May 1999 (date of launch: 15 April 1999) to 30 June 2025, Phillip Recovery Fund registered a total return of 257.32%, while its benchmark, the FTSE Bursa Malaysia Top 100 Index (FBM 100), rose 139.96%.

For the financial year under review, the Fund registered a loss of 9.31%. In comparison, its benchmark registered a loss of 4.82%.

Since inception, Phillip Recovery Fund has met its investment objective of providing above average returns in the form of capital growth over a long-term period.



Source: Lipper

Investment Strategy Review

During the second half of the financial year, the Malaysian equity market faced renewed headwinds amid persistent external uncertainties and uneven domestic recovery momentum. The market correction in this period was largely driven by sustained foreign outflows, delayed policy execution, and cautious investor sentiment following global monetary shifts and political developments, including the outcome of the U.S. presidential election.

In response, the Fund continued to adhere to its bottom-up investment strategy, with a disciplined focus on recovery names that possess resilient earnings potential, strong management quality, and sound balance sheets. The Fund maintained its bias toward small- and mid-cap companies with turnaround stories and structural growth drivers, while selectively rotating into defensive sectors to cushion against rising volatility.

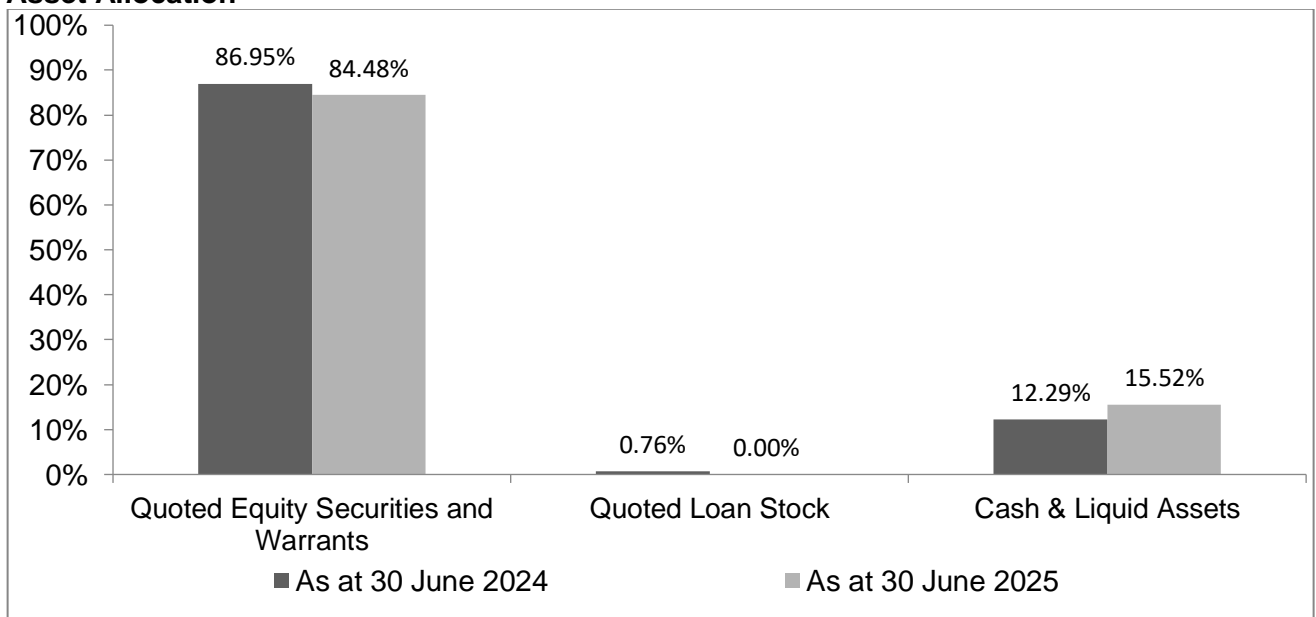
Despite the broad-based market decline, the Fund remained committed to its conviction in domestic recovery themes such as data center infrastructure, renewable energy, and selective consumer plays. The Fund also tactically increased exposure in undervalued export-oriented names positioned to benefit from regional supply chain realignment and a more stable Ringgit outlook.

Nonetheless, stock-specific setbacks and timing mismatches in recovery trajectories contributed to the Fund’s underperformance relative to the benchmark during this period. The management continues to actively review and rebalance holdings, aiming to improve portfolio resilience and risk-adjusted return going forward.

Looking ahead, the Fund views market weakness as an opportunity to accumulate quality recovery names at attractive valuations. The Fund remains confident that its diversified portfolio — anchored in fundamental research, turnaround potential, and secular growth themes — is well positioned to capture upside when investor sentiment improves.

As Environment, Social, Governance (“ESG”) issues play a more prominent role worldwide, the Fund has also intensified the Fund’s ESG research efforts and is mindful of the ESG premium or discount that certain companies and sectors command. The Fund is pleased to note that more and more companies under its portfolio have taken ESG issues to heart and are working hard to improve on their ESG initiatives.

Asset Allocation



The quoted equity exposure of Phillip Recovery Fund (inclusive of quoted equity securities, warrants and quoted loan stock) of Phillip Recovery Fund decreased to 84.48% as at 30 June 2025 from 87.71% recorded at the beginning of the financial year under review due to the decrease in purchases of equities.

Analysis Of Net Asset Value

The net asset value (“NAV”) per unit of Phillip Recovery Fund decreased from RM0.3846 to RM0.3487 during the financial year under review. Meanwhile, total NAV of the Fund decreased from RM18,970,480 to RM15,160,778 due to unfavourable market movement.

Market Review

Equity Market Review

Malaysia’s equity market experienced significant volatility during the Fund’s financial year under review, reflecting a dynamic interplay of global uncertainties and domestic structural shifts. The FBMKLCI registered a full-year gain of +12.9% in calendar year 2024—its first annual increase since 2020—driven by improving macro sentiment, foreign fund inflows in 2H2024, and rising optimism surrounding government policy execution and bilateral cooperation, particularly the Johor-Singapore Special Economic Zone (JS-SEZ).

The July–August 2024 period saw a strong rally led by construction and infrastructure-linked names, supported by robust foreign interest and anticipation of renewed fiscal impetus. However, risk-off episodes emerged in early August amid global jitters tied to the unwinding of the yen carry trade, uncertainty surrounding U.S. economic resilience, and geopolitical tensions. Still, a swift domestic rebound followed in September, buoyed by local institutional accumulation and leadership in banking, plantations, and selective large-cap names.

As the year progressed into Q4 2024, investor sentiment turned more cautious. Foreign investors reversed course and offloaded RM7.8 billion in equities from October to December, ending the year with net outflows of RM1.3 billion. Meanwhile, local institutions stepped in as net buyers, providing a stabilizing force with RM11.6 billion in cumulative inflows. Sectoral performance became increasingly fragmented—defensive sectors such as healthcare, REITs, and utilities outperformed, while export-oriented and rate-sensitive sectors like telecommunications, energy, and consumer names faced headwinds from currency volatility and shifting global yield expectations.

Despite persistent foreign outflows, the market closed 2024 on a strong note, supported by technical year-end rebalancing and a 3.0% December rally. Growth-sensitive sectors, especially technology and industrials, re-rated on hopes of more accommodative global financial conditions in 2025. These developments, coupled with stable macro fundamentals and improving fiscal discipline, laid a solid foundation for selective opportunities moving forward.

However, the positive momentum did not carry over into 2025. The first half of the year was marred by renewed volatility, with the FBMKLCI declining 4.8% to close at 1,508 points in June. A combination of tightening U.S. export restrictions on AI chips, intensifying U.S.-China trade frictions, and weak corporate earnings visibility—particularly in Q1—weighed heavily on investor sentiment. Foreign funds remained net sellers in five of the six months, withdrawing RM10.8 billion in total by mid-year.

Sectoral trends turned rotational and uneven. Technology and construction stocks faced steep corrections early in 2025, although the latter rebounded in May on rising expectations of government stimulus and infrastructure rollout. Meanwhile, AI and data centre-linked counters came under pressure amid policy uncertainty and intensifying competition from Chinese platforms. In contrast, REITs and plantation names proved more resilient, supported by firm CPO prices and a benign interest rate outlook.

On the macro front, the Ringgit appreciated by 4.7% against the U.S. Dollar between January and May 2025, reflecting an improving current account position and a broad decline in the Dollar Index (from 108.4 to 99.3). Commodity performance was mixed—CPO remained relatively elevated, while crude oil experienced episodic volatility due to fluctuating OPEC+ policies and Middle East geopolitical risks.

Looking ahead, while external risks remain significant—including ongoing trade tensions, shifting monetary policy direction, and geopolitical instability—the Malaysian equity market continues to offer selective opportunities, particularly in domestically driven, policy-aligned sectors. The Fund remains positioned to navigate these complexities through an active and bottom-up investment approach.

Market Outlook

Overall, we remain constructive on the Malaysian equity market, underpinned by resilient corporate earnings growth, relatively attractive valuations within the region, and the potential for supportive policy measures. In particular, a possible interest rate cut by Bank Negara Malaysia and the upcoming unveiling of the 13th Malaysia Plan could serve as key catalysts to reignite investor confidence and drive market re-rating. In Malaysia, we continue to like mid and large-cap stocks and remain bullish on selected small-cap stocks. Sector-wise, we favour the Construction sector, supported by infrastructure project rollouts, FDI inflows, and data centre investments. Additionally, we favour the Technology sector, seeing indications of a stabilisation of a down-cycle in the semiconductor, along with companies poised to benefit from the current excitement in Artificial Intelligence (AI).

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 The Unitholders

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

Cross Trade

No cross trade transactions have been carried out 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 RECOVERY 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** has operated and managed the Fund during the financial year covered by these financial statements in accordance with the following:

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

For and on behalf of
CIMB Commerce Trustee Berhad

Tok Puan Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, 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 Recovery 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 RECOVERY FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Phillip Recovery Fund** ("the Fund"), which comprise the statement of financial position 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 material accounting policy information, as set out on pages 14 to 34.

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 of 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 Fund Manager's 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 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 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	12,806,851	16,638,784
Dividend receivable		35,253	98,137
Interest receivable		189	3,100
Cash and cash equivalents	5	<u>2,363,685</u>	<u>2,276,484</u>
Total assets		<u>15,205,978</u>	<u>19,016,505</u>
Liabilities			
Amount due to Manager	6	32,533	33,028
Other payables		12,667	12,997
Total liabilities		<u>45,200</u>	<u>46,025</u>
Net Asset Value (“NAV”) of the Fund		<u>15,160,778</u>	<u>18,970,480</u>
Equity			
Unitholders’ capital		19,574,164	21,716,580
Accumulated losses		<u>(4,413,386)</u>	<u>(2,746,100)</u>
Total equity/ NAV attributable to unitholders	12	<u>15,160,778</u>	<u>18,970,480</u>
Total equity and liabilities		<u>15,205,978</u>	<u>19,016,505</u>
Number of units in circulation (units)	13	<u>43,477,244</u>	<u>49,331,386</u>
NAV per unit		<u>0.3487</u>	<u>0.3846</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 (Loss)/Income			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		676,863	254,138
Interest income		56,325	52,551
Net realised (loss)/gain from sale of financial assets at FVTPL		(1,063,707)	4,109,888
Net unrealised (loss)/gain on changes in value of financial assets at FVTPL		(699,031)	316,068
		<u>(1,029,550)</u>	<u>4,732,645</u>
Expenses			
Audit fee		8,800	8,500
Tax agent's fee		3,400	3,400
Manager's fee	7	248,034	262,179
Trustee's fee	8	10,000	10,000
Brokerage and other transaction fees		357,107	268,015
Administration expenses		10,395	12,318
		<u>637,736</u>	<u>564,412</u>
Net (Loss)/Income Before Taxation		(1,667,286)	4,168,233
Taxation	11	-	-
Net (Loss)/Income After Taxation		<u>(1,667,286)</u>	<u>4,168,233</u>
Total Comprehensive (Loss)/Income		<u>(1,667,286)</u>	<u>4,168,233</u>
Total Comprehensive (Loss)/Income comprises the following:			
Realised (loss)/gain		(968,255)	3,852,165
Unrealised (loss)/gain		(699,031)	316,068
		<u>(1,667,286)</u>	<u>4,168,233</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	Accumulated Losses RM	NAV Attributable To Unitholders RM
At 1 July 2023		23,747,756	(6,914,333)	16,833,423
Net income after taxation		-	4,168,233	4,168,233
Creation of units	13	22,669	-	22,669
Cancellation of units	13	(2,053,845)	-	(2,053,845)
At 30 June 2024		<u>21,716,580</u>	<u>(2,746,100)</u>	<u>18,970,480</u>
At 1 July 2024		21,716,580	(2,746,100)	18,970,480
Net loss after taxation		-	(1,667,286)	(1,667,286)
Creation of units	13	108,695	-	108,695
Cancellation of units	13	(2,251,111)	-	(2,251,111)
At 30 June 2025		<u>19,574,164</u>	<u>(4,413,386)</u>	<u>15,160,778</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	42,704,581	32,726,091
Purchase of investments	(40,984,477)	(30,261,438)
Dividends received	727,219	169,874
Interest received	59,236	49,605
Manager's fee paid	(253,031)	(259,362)
Trustee's fee paid	(10,000)	(10,000)
Payment for other fees and expenses	(18,413)	(23,725)
Net cash from operating and investing activities	<u>2,225,115</u>	<u>2,391,045</u>
Cash flows from/(used in) financing activities		
Cash proceeds from units created	108,695	22,669
Cash paid on units cancelled	(2,246,609)	(2,044,365)
Net cash used in financing activities	<u>(2,137,914)</u>	<u>(2,021,696)</u>
Net increase in cash and cash equivalents	87,201	369,349
Cash and cash equivalents at beginning of the year	2,276,484	1,907,135
Cash and cash equivalents at end of the year	<u>2,363,685</u>	<u>2,276,484</u>
Cash and cash equivalents comprise (Note 5) :		
Cash at banks	18,685	7,484
Deposit with a licensed financial institution	2,345,000	2,269,000
	<u>2,363,685</u>	<u>2,276,484</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 Recovery Fund, formerly known as Pacific Recovery Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Deed dated 14 April 1999 as amended by the First Supplemental Deed dated 13 June 2000, Second Supplemental Deed dated 7 August 2000, Third Supplemental Deed dated 18 December 2000, Fourth Supplemental Deed dated 30 August 2007, Supplemental Master Deed dated 27 April 2011, Second Supplemental Master Deed dated 2 June 2011, Third Supplemental Master Deed dated 4 March 2013 and its Fourth Supplemental Master Deed dated 5 October 2020 made between the previous Manager, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2020) and the Trustee, CIMB Commerce Trustee Berhad, Fifth Supplemental Master Deed dated 6 November 2020, Sixth Supplemental Master Deed dated 25 November 2020 made between the Managers, BOS Wealth Management Malaysia Berhad (the Manager prior to 1 December 2020), Phillip Mutual Berhad (the new Manager with effect from 1 December 2020) and the Trustee of the Fund, CIMB Commerce Trustee Berhad, Seventh Supplemental Master Deed dated 1 July 2021 made between the Manager, Phillip Mutual Berhad and the Trustee, CIMB Commerce Trustee Berhad and Eighth Supplemental Master Deed dated 11 January 2023 made between the Manager, Phillip Mutual Berhad and the Trustee, CIMB Commerce Trustee Berhad (the Deed and all its supplemental deeds hereinafter referred to as the “Deeds”). The Fund was launched on 15 April 1999.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Deeds, which include securities listed 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. Material accounting policy information**(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 policiesAmendments 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 is not expected to have material impact on the financial statements of the Fund in the period 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 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 and other payables. 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 and interest receivable), 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 method on an accrual basis.

(h) Unrealised reserves/(deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying 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 deposit with a financial institution with original maturities of 3 months or less which have an insignificant risk of changes 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) 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.

(m) 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 reporting period.

3. Investments

	2025	2024
	RM	RM
Financial assets at FVTPL		
Quoted Investments		
- Equity securities	12,804,229	16,495,474
- Warrants	2,622	-
- Loan stock	-	143,310
	<u>12,806,851</u>	<u>16,638,784</u>

Quoted equity securities

The composition of quoted equity securities at the end of the reporting period is as detailed below:

Quantity	Name of Counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2025				
Banks				
66,400	AMMB Holdings Berhad	347,834	338,640	2.23
70,800	Alliance Bank Malaysia Berhad	334,610	305,148	2.01
9,152	Alliance Bank Malaysia Berhad - Rights	30,476	7,916	0.05
49,300	CIMB Group Holdings Berhad	338,198	334,747	2.21
34,900	Malayan Banking Berhad	373,725	338,530	2.23
77,900	Public Bank Berhad	373,141	335,749	2.21
		<u>1,797,984</u>	<u>1,660,730</u>	<u>10.94</u>
Capital Goods				
570,000	HSS Engineers Berhad	454,879	319,200	2.11
136,800	IJM Corporation Berhad	342,000	358,416	2.36
		<u>796,879</u>	<u>677,616</u>	<u>4.47</u>
Construction & Engineering				
194,400	Binastra Corporation Berhad	344,088	369,360	2.44
Energy				
180,900	Bm Greentech Berhad	306,337	350,946	2.31
Food, Beverage & Tobacco				
71,800	Genting Plantations Berhad	401,880	359,000	2.37
94,700	IOI Corporation Berhad	357,966	354,178	2.34
551,000	Leong Hup International Berhad	357,724	341,620	2.25
175,000	PWF Corp Berhad	158,375	138,250	0.91
		<u>1,275,945</u>	<u>1,193,048</u>	<u>7.87</u>
Materials				
67,600	Malayan Cement Berhad	334,499	339,352	2.24
67,900	Press Metal Aluminium Holdings Berhad	332,031	351,722	2.32
		<u>666,530</u>	<u>691,074</u>	<u>4.56</u>
Plantation				
301,100	Johor Plantations Group Berhad	405,466	358,309	2.36

(Forward)

Quantity	Name of Counter	Cost RM	Fair value RM	Fair value as a % of NAV %
	Properties			
600,000	Skyworld Development Berhad	323,940	264,000	1.74
	Real Estate			
	Eco World Development Group			
185,100	Berhad	293,073	359,094	2.37
148,900	IGB Real Estate Investment Trust	351,404	378,206	2.49
38,300	KLCCP Stapled Group	325,439	337,040	2.22
72,000	Sunway Bhd	338,400	338,400	2.23
169,300	Sunway Real Estate Investment Trust	309,819	355,530	2.35
		1,618,135	1,768,270	11.66
	Retailing			
61,900	MBM Resources Berhad	322,873	287,835	1.90
245,000	Shangri-La Hotels (Malaysia) Bhd	606,010	414,050	2.73
		928,883	701,885	4.63
	Semiconductors & Semi. Equipment			
27,400	Malaysian Pacific Industries Berhad	859,265	580,880	3.83
	Software & Services			
114,300	ITMax System Bhd	421,095	426,339	2.81
371,700	Zetrix AI Bhd (Formerly known as My E.G. Services Bhd)	332,672	353,115	2.33
		753,767	779,454	5.14
	Technology Hardware & Equipment			
1,671,900	Aemulus Holdings Berhad	1,030,629	476,492	3.14
	Telecommunication Services			
95,300	Maxis Berhad	334,503	344,033	2.27
51,800	Telekom Malaysia Berhad	350,383	339,290	2.24
		684,886	683,323	4.51
	Transportation			
507,000	Capital A Berhad	420,033	430,950	2.85
45,500	MISC Berhad	338,065	345,345	2.28
75,300	Westports Holdings Berhad	343,823	406,620	2.69
		1,101,921	1,182,915	7.82

(Forward)

Quantity	Name of Counter	Cost RM	Fair value RM	Fair value as a % of NAV %
	Utilities			
85,500	Gas Malaysia Berhad	358,955	365,085	2.41
90,700	Mega First Corporation Bhd	399,774	335,590	2.22
25,400	Tenaga Nasional Berhad	355,600	365,252	2.41
		<u>1,114,329</u>	<u>1,065,927</u>	<u>7.04</u>
	Total equity securities as at 30 June 2025	<u>14,008,984</u>	<u>12,804,229</u>	<u>84.46</u>

Quantity	Name of Counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2024				
	Banks			
120,400	Alliance Bank Malaysia Berhad	465,690	456,316	2.41
66,500	CIMB Group Holdings Berhad	461,247	452,200	2.38
23,800	Hong Leong Bank Berhad	460,414	456,960	2.41
46,100	Malayan Banking Berhad	460,510	459,156	2.42
		<u>1,847,861</u>	<u>1,824,632</u>	<u>9.62</u>
	Capital Goods			
426,800	Engtex Group Berhad	493,110	452,408	2.39
346,600	Kimlun Corporation Bhd	501,838	460,978	2.43
333,000	PESTECH International Bhd.	82,184	68,265	0.36
407,600	SKP Resources Berhad	488,497	468,740	2.47
		<u>1,565,629</u>	<u>1,450,391</u>	<u>7.65</u>
	Chemicals, Plastics & Papers			
77,366	RGT Berhad	84,523	62,280	0.33
	Consumer Services			
709,400	DXN Holdings Berhad	466,201	454,016	2.39
	Diversified Financials			
63,000	AEON Credit Service (M) Berhad	463,806	470,610	2.48
	Energy			
191,200	Hibiscus Petroleum Berhad	459,466	445,496	2.35

(Forward)

Quantity	Name of Counter	Cost RM	Fair value RM	Fair value as a % of NAV %
Food, Beverage & Tobacco				
117,600	Guan Chong Bhd	468,480	432,768	2.28
271,700	Power Root Berhad	466,348	426,569	2.25
274,900	Teo Seng Capital Bhd.	482,941	470,079	2.48
		<u>1,417,769</u>	<u>1,329,416</u>	<u>7.01</u>
Insurance				
37,700	LPI Capital Bhd	<u>464,226</u>	<u>469,742</u>	<u>2.48</u>
Materials				
92,700	Malayan Cement Berhad	455,760	461,646	2.43
105,600	Scientex Berhad	455,311	455,136	2.40
116,200	Ta Ann Holdings Berhad	470,094	442,722	2.33
		<u>1,381,165</u>	<u>1,359,504</u>	<u>7.16</u>
Real Estate				
62,000	KLCCP Stapled Group	467,192	458,800	2.42
426,200	Paramount Corporation Berhad	485,308	481,606	2.54
331,900	Pavilion Real Estate Investment Trust	471,088	461,341	2.43
		<u>1,423,588</u>	<u>1,401,747</u>	<u>7.39</u>
Retailing				
324,800	Aeon Company (M) Berhad	464,950	451,472	2.38
92,100	MBM Resources Berhad	476,416	487,209	2.57
245,000	Shangri-La Hotels (Malaysia) Bhd	606,010	541,450	2.85
		<u>1,547,376</u>	<u>1,480,131</u>	<u>7.80</u>
Semiconductors & Semi. Equipment				
27,400	Malaysian Pacific Industries Berhad	<u>859,265</u>	<u>1,080,108</u>	<u>5.69</u>
Software & Services				
920,000	Datasonic Group Bhd	500,579	469,200	2.47
141,145	My E.G. Services Bhd	107,419	143,968	0.76
868,400	Ramssol Group Berhad	485,543	564,460	2.98
451,100	Rexit Berhad	451,289	428,545	2.26
		<u>1,544,830</u>	<u>1,606,173</u>	<u>8.47</u>
Technology Hardware & Equipment				
1,671,900	Aemulus Holdings Berhad	<u>1,030,629</u>	<u>635,322</u>	<u>3.35</u>

(Forward)

Quantity	Name of Counter	Cost RM	Fair value RM	Fair value as a % of NAV %
Transportation				
707,000	Capital A Berhad	585,727	608,020	3.20
53,900	MISC Berhad	459,828	459,228	2.42
		<u>1,045,555</u>	<u>1,067,248</u>	<u>5.62</u>
Utilities				
98,200	Mega First Corporation Bhd	467,520	462,522	2.44
129,400	YTL Corporation Berhad	468,333	446,430	2.35
93,300	YTL Power International Berhad	470,755	449,706	2.37
		<u>1,406,608</u>	<u>1,358,658</u>	<u>7.16</u>
	Total equity securities as at 30 June 2024	<u>17,008,497</u>	<u>16,495,474</u>	<u>86.95</u>

Warrants

Quantity	Name of Counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2025				
15,473	RGT Berhad - Warrants 2024/2029	-	1,393	0.01
35,120	VS Industry Berhad - WC	-	1,229	0.01
		<u>-</u>	<u>2,622</u>	<u>0.02</u>
2024				
15,473	RGT Berhad - Warrants 2024/2029	-	-	-

Quoted loan stock

Quantity	Name of Counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2024				
168,600	Capital A Berhad - LA 29/12/2028	<u>133,389</u>	<u>143,310</u>	<u>0.76</u>

Total quoted investments

Total quoted investments comprised investments in quoted equity securities, warrants and a quoted loan stock.

	Cost RM	Fair value RM	Fair value as a % of NAV %
2025			
Total quoted investments	<u>14,008,984</u>	<u>12,806,851</u>	<u>84.48</u>
Unrealised loss from quoted investments as at 30 June 2025		<u>(1,202,133)</u>	
2024			
Total quoted investments	<u>17,141,886</u>	<u>16,638,784</u>	<u>87.71</u>
Unrealised loss from quoted investments as at 30 June 2024		<u>(503,102)</u>	

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	Total RM
2025		
Financial assets at FVTPL		
Quoted investments	<u>12,806,851</u>	<u>12,806,851</u>
2024		
Financial assets at FVTPL		
Quoted investments	<u>16,638,784</u>	<u>16,638,784</u>

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 a deposit with a licensed financial institution.

	2025 RM	2024 RM
Cash at banks	18,685	7,484
Deposit with a licensed financial institution:		
- Commercial bank	<u>2,345,000</u>	<u>2,269,000</u>
Cash and cash equivalents	<u>2,363,685</u>	<u>2,276,484</u>

The effective interest rate and remaining maturity of the deposit with a licensed financial institution at the end of the reporting period were as follows:

	Effective interest rate (% per annum)		Remaining maturity (Days)	
	2025	2024	2025	2024
Deposit with a licensed financial institution:				
- Commercial bank	<u>2.95</u>	<u>2.95</u>	<u>1</u>	<u>1</u>

6. Amount due to Manager

The amount due to Manager represents amount payable for units cancelled and/or amount payable for management fee.

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

7. 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.

8. Trustee’s fee

The Trustee’s fee provided in the financial statements is computed at 0.05% (2024: 0.05%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis, subject to a minimum fee of RM10,000 per annum.

9. Portfolio turnover ratio (“PTR”)

	2025	2024
Portfolio turnover ratio (“PTR”)	<u>2.53 times</u>	<u>1.78 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.

10. Total expense ratio (“TER”)

	2025	2024
Total expense ratio (“TER”) ¹	<u>1.70%</u>	<u>1.70%</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.

11. 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>(1,667,286)</u>	<u>4,168,233</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(400,148)	1,000,376
Tax effects of:		
Income not subject to tax	(175,965)	(1,135,835)
Losses not deductible for tax purpose	423,057	-
Expenses not deductible for tax purpose	91,416	70,496
Restriction on tax deductible expenses for unit trust funds	<u>61,640</u>	<u>64,963</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

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

	2025 RM	2024 RM
Unitholders’ capital	19,574,164	21,716,580
Accumulated losses:		
- Realised deficits	(3,211,253)	(2,242,998)
- Unrealised deficits	(1,202,133)	(503,102)
	(4,413,386)	(2,746,100)
NAV attributable to unitholders	<u>15,160,778</u>	<u>18,970,480</u>

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

13. Number of units in circulation

	2025		2024	
	No. of units	RM	No. of units	RM
At beginning of the financial year	49,331,386	21,716,580	55,437,812	23,747,756
Creation of units	299,066	108,695	62,813	22,669
Cancellation of units	(6,153,208)	(2,251,111)	(6,169,239)	(2,053,845)
At end of the financial year	<u>43,477,244</u>	<u>19,574,164</u>	<u>49,331,386</u>	<u>21,716,580</u>

14. Units held by the Manager and its related parties

There were no units held by the Manager and other related parties.

15. Transactions with brokers/dealers

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

Brokers/dealers	Value of trade [#] RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
2025				
Affin Hwang Investment Bank Bhd	13,599,179	16.25	40,835	16.28
AmInvestment Bank Bhd	22,371,407	26.74	67,114	26.76
CGS International Securities Malaysia Sdn. Bhd.	5,777,683	6.91	17,333	6.91
CIMB Investment Bank Bhd	5,373,958	6.42	16,122	6.43
Kenanga Investment Bank Bhd	15,851,164	18.95	47,299	18.86
Maybank Investment Bank Bhd	12,693,113	15.17	38,079	15.18
Public Investment Bank	8,001,619	9.56	24,005	9.58
	<u>83,668,123</u>	<u>100.00</u>	<u>250,787</u>	<u>100.00</u>

(Forward)

	Value of trade [#] RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
Brokers/dealers				
2024				
Kenanga Investment Bank Bhd	8,869,050	14.24	26,207	14.05
Maybank Investment Bank Bhd	15,435,038	24.79	46,000	24.65
Affin Hwang Investment Bank Bhd	10,568,196	16.98	31,762	17.02
CIMB Investment Bank Bhd	14,261,591	22.91	42,785	22.93
Public Investment Bank	11,286,525	18.13	33,899	18.17
AmInvestment Bank Bhd	1,158,470	1.86	3,923	2.10
Phillip Capital Sdn Bhd	241,400	0.39	608	0.33
KAF Equities Sdn Bhd	388,791	0.62	1,166	0.62
Mercury Securities Sdn Bhd	48,000	0.08	240	0.13
	<u>62,257,061</u>	<u>100.00</u>	<u>186,590</u>	<u>100.00</u>

[#] Excludes brokerage and other transaction fees.

* Only applicable to equity securities.

Phillip Capital Sdn Bhd is a related company to the Manager, whereby the dealings have been transacted on an arm's length basis.

16. 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 relevant Securities Commission Malaysia 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 by 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 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	640,343	831,939
(5)	(640,343)	(831,939)

(b) Interest rate risk

This risk refers to the effect of interest rate changes on the returns on deposits with financial institutions. In the event of reduction in interest rates, the returns on deposits with financial institutions will decrease, thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of the deposits with financial institutions.

The Fund's exposure to interest rate risk with respect to deposit 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, dividend receivable and interest 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 identifies companies that have a good likelihood of recovery from any cyclical downturn or some non-structural setback with strong possibility of earnings improvement as part of their investing decision-making process to achieve above average returns in the form of capital growth over a medium to long-term period.

(iii) Liquidity risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of 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 are due within three months, while the NAV attributable to unitholders are payable 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.

17. 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.

18. 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' redemption.

CORPORATE INFORMATION

THE MANAGER

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

Registered Office

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TRUSTEE

CIMB Commerce Trustee Berhad (Registration No: 199401027349)(313031-A)

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BOARD OF DIRECTORS

Prof. Tan Sri Dato' (Dr) Ir. Jamilus Bin Md. Hussin (Demised on 28 June 2024)
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)

COMPANY SECRETARY

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