

PHILLIP ASIAPAC INCOME FUND

AUDITED
ANNUAL REPORT

FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2025

Manager:

PHILLIP MUTUAL BERHAD
(200201002746)(570409-K)

Trustee:

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

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FUND INFORMATION
As At 31 December 2025

Name Of Fund	: Phillip AsiaPac Income Fund
Manager Of Fund	: Phillip Mutual Berhad 200201002746 (570409-K)
Investment Manager	: Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	: 28 November 2006
Category Of Fund	: Balanced
Type Of Fund	: Income and growth
Investment Objective	: Phillip AsiaPac Income Fund aims to provide steady and attractive income [□] and moderate growth in the medium* to long term* by investing in a portfolio of Malaysian and foreign securities. [□] <i>Income is in reference to the Fund's distribution, which could be in the form of cash or units.</i> * <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	: Composite benchmark: 40% MSCI All Countries Asia Pacific Ex-Japan Index (MXAPJ) 60% 3-Month Kuala Lumpur Interbank Offer Rate (KLIBOR)
Distribution Policy	: Investors will receive income distributions once a year subject to the availability of income.
Fund Size	: 12.38 million units

FUND PERFORMANCE**Financial Highlights**

Category	As At 31.12.2025	As At 31.12.2024	As At 31.12.2023
Local Quoted Equity Securities	%	%	%
Banks	4.74	0.48	-
Financial Services	2.85	1.76	-
Hotel	5.50	2.24	-
Retailing	-	-	1.79
Semiconductors & semi. equipment	-	-	3.94
Telecommunication services	-	-	3.62
Transportation	-	-	-
Foreign Quoted Equity Securities:			
- Hong Kong	24.02	28.32	20.53
- Indonesia	-	-	2.93
- Singapore	0.54	1.78	4.62
- South Korea	-	-	2.36
- Thailand	-	-	2.22
- United States of America	2.62	-	3.26
	40.27	34.58	45.27
Fixed Income Securities	29.85	32.76	27.60
Warrant	0.06	0.22	0.81
Collective Investment Scheme	19.09	20.16	19.25
Cash And Liquid Assets	10.73	12.28	7.07
Total	100.00	100.00	100.00
Net Asset Value (RM'000) - ex-distribution	6,758	6,157	7,315
Number Of Units In Circulation (Units '000)	12,384	12,276	15,081
Net Asset Value Per Unit (RM)	0.5457	0.5016	0.4851*
Total Expense Ratio ("TER") ¹	1.93%	2.27%	1.63%
Portfolio Turnover Ratio (times)	0.42	0.40	0.28

The Total Expense Ratio for the current financial year is lower due to a decrease in expenses compared to the increase in average net asset value attributable to unitholders.

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 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.

Performance Data

	Phillip AsiaPac Income Fund		Composite Benchmark [#]		
	Total Return	Average Annual Return	Total Return	Average Annual Return	
1 Year's Period to 31.12.2025	8.79%	8.79%	8.27%	8.27%	
3 Years' Period to 31.12.2025	16.40%	5.47%	19.26%	6.42%	
5 Years' Period to 31.12.2025	6.51%	1.30%	13.44%	2.69%	
	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021
Phillip AsiaPac Income Fund					
- Capital Return	8.79%	3.40%	-4.43%	-6.76%	-8.81%
- Income Return	0.00%	3.99%	4.12%	3.94%	3.67%
- Total Return	8.79%	7.52%	-0.49%	-3.09%	-5.58%
Composite Benchmark [#]	8.27%	4.10%	5.81%	-5.26%	0.40%

	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Unit Prices			
Highest NAV (RM)	0.5767	0.5216	0.5337
Lowest NAV (RM)	0.4899	0.4460*	0.4851*
Distributions			
Gross Distribution Per Unit (sen)	- (31.12.2025)	2.00 (31.12.2024)	2.00 (29.12.2023)
Net Distribution Per Unit (sen)	- (31.12.2025)	2.00 (31.12.2024)	2.00 (29.12.2023)

Source Of Distribution	1.1.2025 to 31.12.2025 RM'000	1.1.2024 to 31.12.2024 RM'000	1.1.2023 to 31.12.2023 RM'000
- Net realised income	-	1,023	849
- Capital (distribution equalisation)	-	(787)	(559)
Total distributions	-	236	290
	%	%	%
- Net realised income	-	433.33	293.15
- Capital (distribution equalisation)	-	(333.33)	(193.15)
Total distributions	-	100.00	100.00
Unit Splits	-	-	-

* Price quoted is ex-distribution price.

The benchmark returns are adjusted for the movement of Ringgit Malaysia against foreign currencies.

Notes:

1. All figures pertaining to the Fund's return 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.

MANAGER’S REPORT

31 December 2025

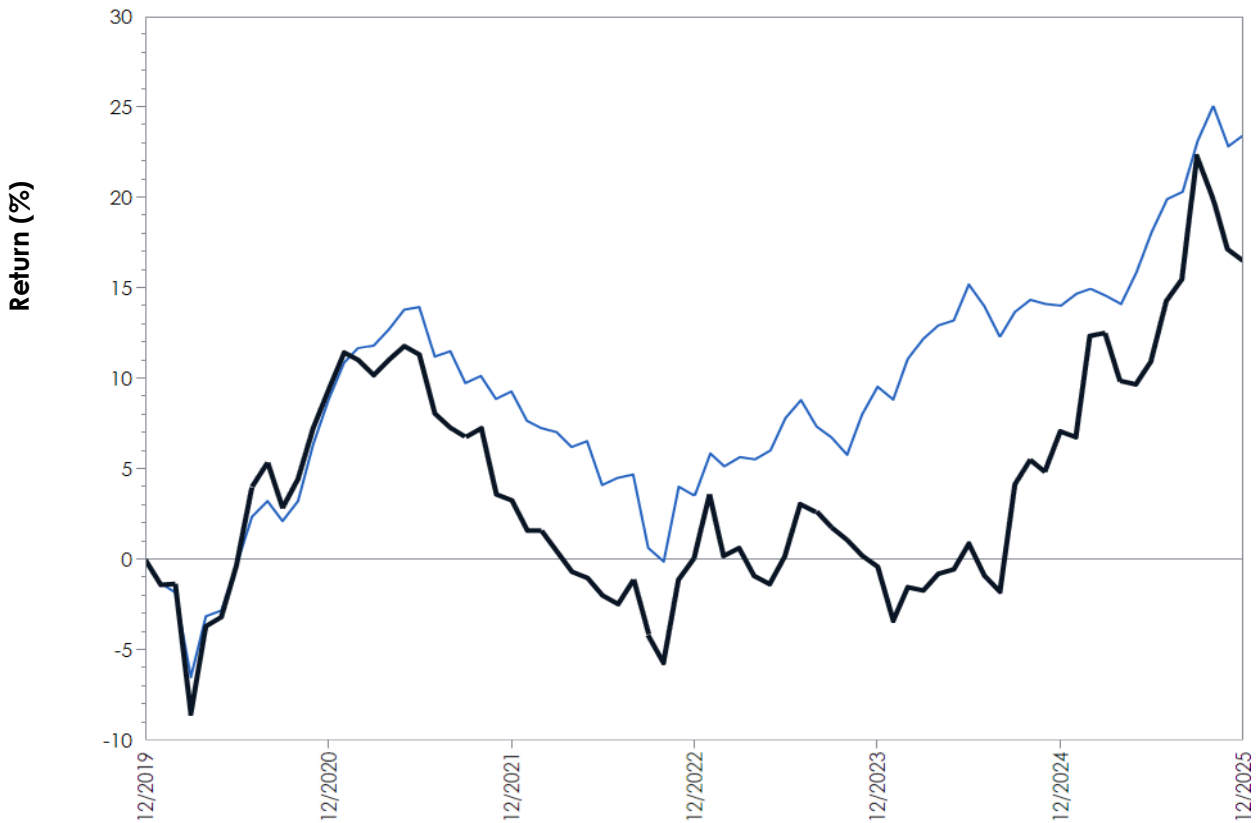
Performance Review



From 31 December 2015 (date of launch: 28 November 2006) to 31 December 2025, Phillip AsiaPac Income Fund registered a total return of 16.46%, while its composite benchmark (40% MSCI All Countries Asia Pacific Ex-Japan Index [MXAPJ] and 60% 3-Month Kuala Lumpur Interbank Offer Rate [KLIBOR]), rose 23.47%.

For the financial year under review (1 January 2025 to 31 December 2025), the Fund registered a gain of 8.79%. In comparison, its benchmark rose 8.27%.

In terms of one-year return, the Fund met its investment objective of providing moderate growth, however the Fund managed to reward unitholders with continuous dividend payout. In a longer term (six-years return), the Fund has met the objective of providing steady and attractive income and moderate growth.

Comparison Between Fund’s Performance And Benchmark (Past 6 years)



	Phillip AsiaPac Income Fund	+16.46%
	Composite Benchmark (40% MXAPJ & 60% 3-month KLIBOR)	+23.47%

Source: Lipper

Notes:

The benchmark returns are adjusted for the movement of Ringgit Malaysia against foreign currencies

Investment Strategy Review

Equity Strategy Review

The 2025 global equity landscape was defined by a transition from narrow, U.S.-centric growth toward a more diversified cross-border expansion, with overseas markets frequently outperforming U.S. large-cap standards. Although the year was punctuated by significant volatility—most notably a mid-year correction triggered by shifting trade policies—markets demonstrated remarkable structural resilience, supported by the evolution of Artificial Intelligence from a speculative theme into a fundamental driver of industrial productivity. This broadening of market breadth was further bolstered by a moderating U.S. Dollar, which catalyzed a resurgence in developing economies and fueled a historic rally in precious metals, as investors sought hedges against persistent inflationary pressures. Ultimately, the year concluded with most major indices near record highs, underscoring a shift toward a "higher-for-longer" economic regime where corporate earnings, rather than multiple expansion, dictated leadership.

Going forward, the Fund's key strategy remains to focus on bottom-up stock selection for companies that will benefit from cyclical upturn in earnings and strong fundamentals. The Fund is currently overweight in China, positioning for the eventual recovery in its economy, while on the lookout for undervalued dividend names to boost cash coffers (for dividend payment). We will also continue to monitor domestic Sukuk market, while keeping a close eye on global bond yields and the Ringgit movement.

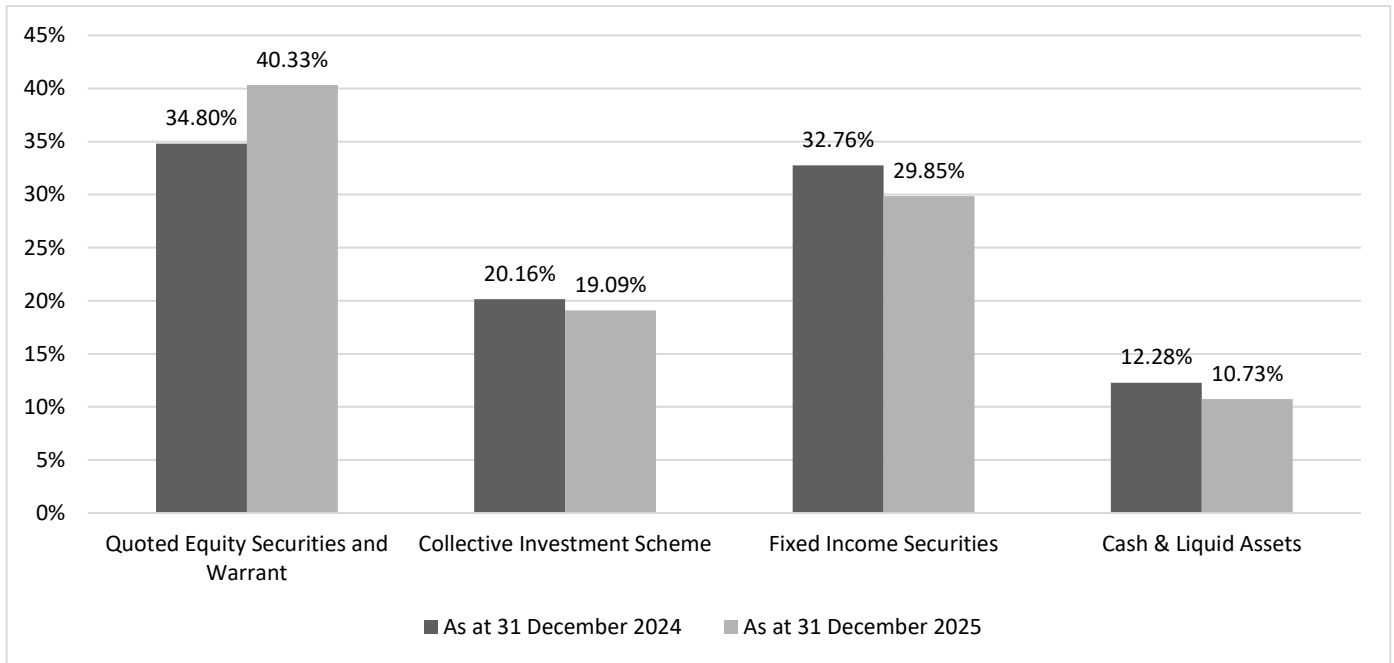
Fixed Income Strategy Review

Fixed income allocation of the portfolio was kept within the range of 40-49% for most of the period, while portfolio rebalancing activities were largely focused on liquidity management and maintaining fixed income weightings within its long-term target allocation range.

Bank Negara Malaysia reduced its OPR by 25 basis points to 2.75% in 2H2025. The Monetary Policy Committee decided to reduce the Overnight Policy Rate to support Malaysia's economic growth. The adjustment reflects the Committee's assessment that inflationary pressures remain manageable, while downside risks to growth warrant continued monetary accommodation.

The domestic bond yield moved in tandem with the global bond market in 2H2025. The Fund sold longer-dated bonds in December 2025 to realize some gains. We will participate in the new issuance to take advantage of the credit spread. We are overweight corporate bonds over MGS/GII for better yield pick-up.

Asset Allocation



The quoted equity securities investment (inclusive of warrant) for Phillip AsiaPac Income Fund increased to 40.33% as at 31 December 2025 from 34.80% recorded at the beginning of the financial year due to net buying of equities.

The fixed income securities and collective investment scheme (“CIS”) allocation of Phillip AsiaPac Income Fund decreased to 48.94% as at 31 December 2025 from 52.92% recorded at the beginning of the financial year under review largely due to net selling of bond and CIS. The collective investment scheme as at 31 December 2025 refers to Phillip Dana Murni, a sukuk fund, managed by the Manager.

The exposure of Phillip AsiaPac Income Fund in the collective investment scheme is taken into account when assessing the asset allocation of Phillip AsiaPac Income Fund in fixed income and equity securities. Management fees on the collective investment scheme managed by the Manager and external investment manager are rebated to the Fund.

Analysis Of Net Asset Value

The net asset value (NAV) per unit of Phillip AsiaPac Income Fund increased from RM 0.5016 as at 31 December 2024 to RM 0.5457 as at 31 December 2025. Meanwhile, total NAV of the Fund increase from RM6,156,626 to RM6,757,610 on the back of improved performance.

Market Review

Review Of Asia Pacific Ex Japan Equity Markets

In 2025, the Asia Pacific ex-Japan region staged a powerful recovery, delivering a total return of approximately 29.5% in USD terms and outperforming most major global indices. This rally was primarily fueled by a "North Asian surge" in South Korea and Taiwan, where the global AI infrastructure buildout drove triple-digit gains for semiconductor and memory chip leaders. China also provided a significant boost to the region as aggressive government stimulus and breakthroughs in domestic AI (like the DeepSeek models) triggered a massive valuation re-rating for tech giants, helping the Hang Seng and Shanghai indices erase years of underperformance.

The ASEAN equity markets delivered a generally resilient performance. Vietnam was the regional standout, with its VN-Index posting total returns exceeding 40% as structural reforms (Doi Moi 2.0) and aggressive public infrastructure spending catalyzed a massive rally in industrials and banks. Singapore and Malaysia also recorded their strongest gains in years—the STI returned 22.7% and the KLCI surged on a 6.3% currency appreciation—driven by their expanding roles as global hubs for AI data centers and semiconductor packaging. Conversely, Thailand lagged with a 10% decline due to political uncertainty and a "stormy" year for tourism and domestic demand. Overall, the region benefited from a weaker US Dollar and a strategic shift in global supply chains, helping ASEAN attract record foreign direct investment (FDI) even as investors rotated out of more expensive developed markets.

Bond Market Review

Fixed-income markets in 2025 reflected a gradual transition from restrictive monetary policy toward cautious accommodation, occurring against a backdrop of moderating inflation, decelerating but uneven growth, and heightened fiscal and geopolitical uncertainty. Market pricing was characterised by frequent reassessment of policy trajectories, elevated term premia, and episodic risk aversion, resulting in pronounced volatility across sovereign yield curves.

In the United States, the Federal Reserve pivoted toward easing, delivering three policy rate cuts during the year and reducing the federal funds rate to 3.50%–3.75% by December, the lowest level since 2022. The recalibration was driven by easing inflation dynamics, a cooling labour market, and a contraction in real GDP in early 2025, which materially increased downside risks to growth. A significant inflection point occurred in May following Moody's downgrade of the U.S. sovereign rating to AA+, reflecting concerns over fiscal sustainability and rising debt servicing costs. The downgrade precipitated a repricing of long-duration risk, briefly pushing the 30-year U.S. Treasury yield above 5% and entrenching structurally higher term premia.

Political developments compounded market uncertainty. Intensified pressure from the Trump administration for more aggressive monetary easing, alongside proposals for fiscal expansion and renewed protectionist measures, increased uncertainty around the medium-term inflation and debt trajectory. Consequently, U.S. Treasury yields exhibited high volatility throughout the year. While front-end yields declined in line with policy easing expectations, longer-dated yields remained constrained by fiscal risks and elevated term premia, resulting in alternating bull-flattening and bear-steepening episodes rather than a sustained directional trend.

In Malaysia, fixed income markets were comparatively resilient, underpinned by credible monetary policy, stable domestic demand conditions, and well-anchored inflation. In July, Bank Negara Malaysia reduced the Overnight Policy Rate by 25 basis points to 2.75%, signalling a shift toward a more accommodative policy stance in response to weakening external demand, tighter global financial conditions, and early signs of moderation in domestic growth. With headline inflation remaining below 2.0%, the policy adjustment provided support to the front and intermediate segments of the yield curve without undermining inflation expectations.

Foreign investor flows were a notable transmission channel during the year. Net outflows in early 2025, driven by unfavourable U.S.–Malaysia yield differentials, reversed in the second quarter as global investors rebalanced away from U.S. assets following the sovereign downgrade and reassessed Malaysia’s relative macroeconomic stability. Overall, in 2025 Ringgit debt market recorded total net inflows of RM25.6 billion.

Rating actions also played a stabilising role. Fitch’s reaffirmation of Malaysia’s BBB+ sovereign rating with a stable outlook reinforced investor confidence in the country’s fiscal discipline and macroeconomic fundamentals. As a result, Malaysian Government Securities (MGS) and Government Investment Issues (GII) yields remained orderly over the year, supported by sustained domestic institutional demand, even as long-end yields edged modestly higher toward year-end in line with global term premia repricing.

Overall, 2025 underscored the importance of policy credibility, institutional depth, and domestic liquidity in mitigating external volatility. Key events, including the U.S. sovereign rating downgrade, the Federal Reserve’s policy pivot, and Bank Negara Malaysia’s mid-year easing, were absorbed without systemic disruption, reaffirming the role of fixed income, particularly Malaysian sovereign bonds, as an effective stabiliser within diversified portfolios amid heightened macroeconomic and policy uncertainty.

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”).

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

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

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. The brokers from whom the soft commission are received had also executed trades for other funds or investment managed by the Investment Manager. 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 UNIT HOLDERS OF PHILLIP ASIAPAC INCOME FUND ("Fund")**

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

1. Limitations imposed on the investment powers of the management company under the 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 regulatory requirement.

For and on behalf of
CIMB Commerce Trustee Berhad

Tok Puan Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
27 February 2026

STATEMENT BY THE MANAGER

We, **Datin Hajjah Nona Binti Salleh** and **Mohd Fadzli Bin Mohd Anas**, being two of the directors of **Phillip Mutual Berhad**, do hereby 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 AsiaPac Income Fund** as at 31 December 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
Director

MOHD FADZLI BIN MOHD ANAS
Chief Executive Officer/ Executive

Kuala Lumpur, Malaysia
27 February 2026

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF PHILLIP ASIAPAC INCOME FUND****Report On The Audit Of The Financial Statements****Opinion**

We have audited the financial statements of **Phillip AsiaPac Income Fund** ("the Fund"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 38.

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

Basis For Opinion

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

Independence And Other Ethical Responsibilities

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

Information Other Than The Financial Statements And Auditors' Report Thereon

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

(Forward)

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

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

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

Responsibilities of the Manager and Trustee for the Financial Statements

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

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

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

Auditors' Responsibilities For The Audit Of The Financial Statements

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

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

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

(Forward)

- Obtain an understanding of internal control relevant to the audit in order to design audit 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 MALAYSIA PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

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

27 February 2026

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Note	2025 RM	2024 RM
Assets			
Investments	3	6,032,053	5,400,607
Dividend receivable		-	1,888
Interest receivable		9,263	16,010
Amount due from Manager	6	-	28,571
Tax recoverable		36,076	35,079
Cash and cash equivalents	5	727,384	1,270,383
Total assets		<u>6,804,776</u>	<u>6,752,538</u>
Liabilities			
Amount due to Manager	6	8,205	579,373
Other payables		38,961	15,863
Distribution payable	13	-	676
Total liabilities		<u>47,166</u>	<u>595,912</u>
Net Asset Value (“NAV”) of the Fund		<u>6,757,610</u>	<u>6,156,626</u>
Equity			
Unitholders’ capital		3,958,766	3,926,545
Retained earnings		2,798,844	2,230,081
NAV attributable to unitholders	14	<u>6,757,610</u>	<u>6,156,626</u>
Total equity and liabilities		<u>6,804,776</u>	<u>6,752,538</u>
Number of units in circulation (units)	15	<u>12,383,735</u>	<u>12,275,861</u>
NAV per unit (ex-distribution)		<u>0.5457</u>	<u>0.5016</u>

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

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

	Note	2025 RM	2024 RM
Investment income			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		115,396	140,665
Interest income		93,327	114,730
Net gain/(loss) on investments			
- Financial assets at FVTPL		148,582	190,004
- Foreign exchange		(46,075)	4,448
Net unrealised (loss)/gain on foreign exchange		(19,333)	6,546
Net unrealised gain on changes in value of financial assets at FVTPL		429,303	200,567
		<u>721,200</u>	<u>656,960</u>
Expenses			
Audit fee			
- Current year		8,800	8,500
- Underprovision in prior year		300	-
Tax agent's fee		3,400	3,400
Manager's fee	7	93,981	89,503
Trustee's fee	8	8,400	8,400
Custodian's fee	9	573	621
Brokerage and other transaction fees		12,968	24,223
Administration expenses		24,015	45,303
		<u>152,437</u>	<u>179,950</u>
Net income before taxation		568,763	477,010
Taxation	12	-	-
Net income after taxation		<u>568,763</u>	<u>477,010</u>
Total comprehensive income		<u>568,763</u>	<u>477,010</u>
Total comprehensive income comprises the following:			
Realised gain		158,793	269,897
Unrealised gain		409,970	207,113
		<u>568,763</u>	<u>477,010</u>
Distribution for the year			
Gross/net distribution (RM)	13	<u>-</u>	<u>236,129</u>
Gross/net distribution per unit (RM)	13	<u>-</u>	<u>0.02</u>

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

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

	Note(s)	Unitholders' capital RM	Retained earnings RM	NAV attributable to unitholders RM
At 1 January 2024		4,539,078	2,776,284	7,315,362
Net income after taxation		-	477,010	477,010
Creation of units arising from application	15	143,238	-	143,238
Creation of units arising from distributions	15	235,453	-	235,453
Cancellation of units	15	(1,778,308)	-	(1,778,308)
Distribution	13 & 15	787,084	(1,023,213)	(236,129)
At 31 December 2024		<u>3,926,545</u>	<u>2,230,081</u>	<u>6,156,626</u>
At 1 January 2025		3,926,545	2,230,081	6,156,626
Net income after taxation		-	568,763	568,763
Creation of units arising from application	15	3,410,311	-	3,410,311
Cancellation of units	15	(3,378,090)	-	(3,378,090)
At 31 December 2025		<u>3,958,766</u>	<u>2,798,844</u>	<u>6,757,610</u>

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	2025	2024
	RM	RM
Cash flows from/(used in) operating and investing activities		
Proceeds from sale of investments	2,974,284	3,658,560
Purchase of investments	(3,009,602)	(1,797,411)
Dividends received	60,863	81,262
Interest received	97,354	112,413
Manager's fee paid	(93,295)	(90,152)
Trustee's fee paid	(8,344)	(8,403)
Custodian's fee paid	(573)	(621)
Payment for other fees and expenses	(26,441)	(58,020)
Tax paid	(997)	(13,188)
Net cash (used in)/from operating and investing activities	<u>(6,751)</u>	<u>1,884,440</u>
Cash flows from/(used in) financing activities		
Cash proceeds from units created	3,438,882	350,120
Cash paid on units cancelled	(3,949,944)	(1,215,588)
Distributions paid	(676)	(236,129)
Net cash used in financing activities	<u>(511,738)</u>	<u>(1,101,597)</u>
Net (decrease)/increase in cash and cash equivalents	(518,489)	782,843
Effect of exchange rate changes	(24,510)	(15,867)
Cash and cash equivalents at beginning of the year	<u>1,270,383</u>	<u>503,407</u>
Cash and cash equivalents at end of the year	<u>727,384</u>	<u>1,270,383</u>
Cash and cash equivalents comprise (Note 5):		
Cash at banks	377,384	702,383
Deposit with a licensed financial institution	350,000	568,000
	<u>727,384</u>	<u>1,270,383</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025**1. The Fund, the Manager and their principal activities**

Phillip AsiaPac Income Fund, formerly known as Pacific AsiaPac Income Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 6 November 2006 as amended by the First Supplemental Deed dated 28 June 2007, Supplemental Master Deed dated 22 May 2009, Second Supplemental Master Deed dated 25 June 2010, Third Supplemental Master Deed dated 12 July 2017, Fourth Supplemental Master Deeds dated 12 July 2017, Fifth Supplemental Master Deed dated 5 October 2020, Sixth Supplemental Master Deed dated 5 October 2020 made between the previous Manager, BOS Wealth Management Malaysia Berhad (formerly known as Pacific Mutual Fund Bhd, the Manager prior to 1 December 2020) and the Trustees, HSBC (Malaysia) Trustee Berhad (the Trustee prior to 1 October 2017) and CIMB Commerce Trustee Berhad (the new Trustee with effect from 1 October 2017), Seventh Supplemental Master Deed dated 6 November 2020, Eighth 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, CIMB Commerce Trustee Berhad, Ninth Supplemental Master Deed dated 1 July 2021 made between the Manager, Phillip Mutual Berhad and the Trustee, CIMB Commerce Trustee Berhad and Tenth 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 28 November 2006.

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, foreign securities, unlisted securities, futures contracts and any other investments 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 27 February 2026.

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 policies

Adoption of Amendments to MFRSs

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

Amendments to MFRS 121 *Lack of Exchangeability*

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

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

As at the date of authorisation of these financial statements, the New Standard 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 9: <i>Financial Instruments</i> and MFRS 7: <i>Financial Instruments: Disclosures</i>	1 January 2026

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

(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.

The Fund’s investors are mainly in Malaysia, with the subscriptions and redemptions of the redeemable shares denominated in RM. The primary activity of the Fund is to invest in a portfolio of global securities. The Fund’s performance is measured and reported to the investors in RM. The Investment Committee considers the RM as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into RM at rates of exchange prevailing at the end of the reporting period.

Transactions in foreign currencies are translated into RM at the rates of exchange ruling on the dates of transactions. Exchange differences arising are included in profit or loss.

(e) 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, amount due from manager, and cash and cash equivalents.

(ii) Financial assets at FVTPL

A financial asset is measured at FVTPL 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, 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.

(f) 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.

(g) 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 not financing component (e.g. dividend receivable, interest receivable, and amount due from Manager), full impairment will be recognised on uncollected balances after the grace period is exceeded.

(h) 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, accretion of discount and amortisation of premium are recognised using the effective interest method on an accrual basis.

(i) 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.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposit with a licensed financial institution with original maturities of three months or less which have an insignificant risk of changes in value.

(k) 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.

(l) 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.

(m) Distributions

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.

(n) 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.

(o) 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 RM	2024 RM
Financial assets at FVTPL		
Fixed income securities	2,017,290	2,016,820
Quoted investments		
- Equity securities	2,720,852	2,129,164
- Warrant	3,975	13,515
- Collective investment scheme	1,289,936	1,241,108
	<u>4,014,763</u>	<u>3,383,787</u>
Total Investments	<u>6,032,053</u>	<u>5,400,607</u>

Fixed income securities

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

	Credit rating	Nominal value RM	Cost RM	Fair value RM	Fair value as a % of NAV %
Name of counter					
2025					
AME IMTN 4.02%	AA3	1,000,000	1,000,000	1,005,700	14.88
Cenergi Sea Berhad 5.30% 23/12/2026	AA3	<u>1,000,000</u>	<u>997,282</u>	<u>1,011,590</u>	<u>14.97</u>
		<u>2,000,000</u>	<u>1,997,282</u>	<u>2,017,290</u>	<u>29.85</u>
Unrealised gain from fixed income securities as at 31 December 2025				<u>20,008</u>	
2024					
Cenergi Sea Berhad 5.30% 23/12/2026	AA3	1,000,000	994,526	1,016,660	16.51
Tan Chong Motor Holdings Berhad 5.00% 14/03/2025	A	<u>1,000,000</u>	<u>1,000,028</u>	<u>1,000,160</u>	<u>16.25</u>
		<u>2,000,000</u>	<u>1,994,554</u>	<u>2,016,820</u>	<u>32.76</u>
Unrealised gain from fixed income securities as at 31 December 2024				<u>22,266</u>	

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

Equity securities

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2025				
<u>Hong Kong</u>				
Banks				
4,500	China Merchants Bank Co., Ltd.	120,046	123,861	1.83
Insurance				
6,000	Ping An Insurance (Group) Company of China Limited	165,522	203,776	3.02
Media & Entertainment				
750	Tencent Holdings Limited	177,360	234,194	3.47
Retailing				
7,000	Alibaba Group Holding Limited	546,625	521,091	7.71
4,725	Meituan	314,501	254,443	3.77
500	JD.com, Inc.	35,109	29,089	0.43
		896,235	804,623	11.91
Technology Hardware & Equipment				
7,500	Sunny Optical Technology Group Co., Limited	349,041	256,284	3.79
Total equity securities - Hong Kong		1,708,204	1,622,738	24.02
<u>Malaysia</u>				
Banks				
5,400	AMMB Holdings Berhad	22,842	35,100	0.52
37,000	RHB Bank Bhd	229,770	285,270	4.22
		252,612	320,370	4.74
Financial Services				
550,000	Evergreen Max Cash Capital Berhad	225,772	192,500	2.85
Hotel				
218,600	Shangri-La Hotels (Malaysia) Bhd	418,670	371,620	5.50
Transportation				
10,000	Lingkar Trans Kota Holdings Berhad*	47,400	-	-
Total equity securities - Malaysia		944,454	884,490	13.09

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<u>Singapore</u>				
Real Estate				
17,000	Sasseur Real Estate Investment Trust	39,599	36,476	0.54
Total equity securities - Singapore		39,599	36,476	0.54
<u>United States of America</u>				
Retailing				
385	PDD Holdings Incorporated	164,549	177,148	2.62
Total equity securities - United States of America		164,549	177,148	2.62
Total equity securities as at 31 December 2025		2,856,806	2,720,852	40.27

*On 12 September 2023, the securities in Lingkaran Trans Kota Holdings Berhad was delisted from the official list of the main market of Bursa Malaysia Securities Berhad.

2024

<u>Hong Kong</u>				
Automobiles & Components				
24,500	Geely Automobile Holdings Limited	191,731	208,922	3.39
Banks				
4,500	China Merchants Bank Co., Ltd.	120,046	103,572	1.68
Insurance				
6,000	Ping An Insurance (Group) Company of China Limited	165,522	158,983	2.58
Media & Entertainment				
750	Tencent Holdings Limited	177,360	179,956	2.92
Pharma., Biotech. & Life Sciences				
28,000	WuXi Biologics (Cayman) Inc.	462,599	282,913	4.60
Retailing				
7,200	Alibaba Group Holding Limited	598,508	341,373	5.54
725	Meituan	63,024	63,284	1.03
		661,532	404,657	6.57

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
Technology Hardware & Equipment				
35,000	Pax Global Technology Ltd	104,354	108,146	1.76
7,500	Sunny Optical Technology Group Co., Limited	349,041	297,122	4.83
		<u>453,395</u>	<u>405,269</u>	<u>6.58</u>
	Total equity securities - Hong Kong	<u>2,232,185</u>	<u>1,744,272</u>	<u>28.32</u>
<u>Malaysia</u>				
Banks				
5,400	AMMB Holdings Berhad	<u>22,842</u>	<u>29,592</u>	<u>0.48</u>
Financial Services				
297,000	Evergreen Max Cash Capital Berhad	<u>141,762</u>	<u>108,405</u>	<u>1.76</u>
Retailing				
66,800	Shangri-La Hotels (Malaysia) Bhd	<u>160,382</u>	<u>137,608</u>	<u>2.24</u>
Transportation				
10,000	Lingkar Trans Kota Holdings Berhad*	<u>47,400</u>	<u>-</u>	<u>-</u>
	Total equity securities - Malaysia	<u>372,386</u>	<u>275,605</u>	<u>4.48</u>
<u>Singapore</u>				
Real Estate				
10,000	Keppel DC REIT	69,713	71,417	1.16
17,000	Sasseur Real Estate Investment Trust	39,828	37,870	0.62
		<u>109,541</u>	<u>109,287</u>	<u>1.78</u>
	Total equity securities - Singapore	<u>109,541</u>	<u>109,287</u>	<u>1.78</u>
	Total equity securities as at 31 December 2024	<u>2,714,112</u>	<u>2,129,164</u>	<u>34.58</u>

*On 12 September 2023, the securities in Lingkar Trans Kota Holdings Berhad was delisted from the official list of the main market of Bursa Malaysia Securities Berhad.

Warrant

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2025				
	<u>Malaysia</u>			
79,500	Jentayu Sustainables Berhad - WB 20/02/2032	-	3,975	0.06
2024				
	<u>Malaysia</u>			
79,500	Jentayu Sustainables Berhad - WB 20/02/2032	-	13,515	0.22

Collective investment scheme

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
2025				
	<u>Malaysia</u>			
2,376,448	Phillip Dana Murni	1,260,650	1,289,936	19.09
2024				
	<u>Malaysia</u>			
2,268,935	Phillip Dana Murni	1,203,929	1,241,108	20.16

Total quoted investments

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

2025				
	Total quoted investments as at 31 December 2025	<u>4,117,456</u>	<u>4,014,763</u>	<u>59.42</u>
	Unrealised loss from quoted investments as at 31 December 2025		<u>(102,693)</u>	
2024				
	Total quoted investments as at 31 December 2024	<u>3,918,041</u>	<u>3,383,787</u>	<u>54.96</u>
	Unrealised loss from quoted investments as at 31 December 2024		<u>(534,254)</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	Level 2 RM	Total RM
2025			
Financial assets at FVTPL			
Fixed income securities	-	2,017,290	2,017,290
Quoted investments	4,014,763	-	4,014,763
2024			
Financial assets at FVTPL			
Fixed income securities	-	2,016,820	2,016,820
Quoted investments	3,383,787	-	3,383,787

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 deposit with a licensed financial institution.

	2025 RM	2024 RM
Cash at banks:		
- Malaysia	3,715	4,368
- Outside Malaysia	373,669	698,015
	<u>377,384</u>	<u>702,383</u>
Deposit with a licensed financial institution:		
- Commercial bank	350,000	568,000
	<u>350,000</u>	<u>568,000</u>
Cash and cash equivalents	<u>727,384</u>	<u>1,270,383</u>

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

	Effective interest rate (% per annum)		Remaining maturity (Days)	
	2025	2024	2025	2024
Deposit with a licensed financial institution:				
- Commercial bank	2.70	2.95	2	2

The currency profile of cash and cash equivalents is as follows:

	2025 RM	2024 RM
United States Dollar	371,344	695,448
Malaysian Ringgit	353,715	572,368
Hong Kong Dollar	2,325	2,567
	727,384	1,270,383

6. Amount due from/to Manager

Amount due from Manager represents amount receivable for units created, 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 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 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	1.00%

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 RM8,400 per annum.

9. Custodian’s fee

The custodian’s fee provided in the financial statements ranges from 0.01% to 0.30% (2024: 0.01% to 0.30%) per annum, computed based on the NAV attributable to unitholders of the Fund of the respective foreign portfolio at the end of the month.

10. Portfolio turnover ratio (“PTR”)

	2025	2024
Portfolio turnover ratio (“PTR”)	<u>0.42 times</u>	<u>0.40 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 an increase in investing activities.

11. Total expense ratio (“TER”)

	2025	2024
Total expense ratio (“TER”) ¹	<u>1.93%</u>	<u>2.27%</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 lower due to a decrease in expenses compared to the increase in average net asset value attributable to unitholders.

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

12. 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.

All income earned by the Fund for the financial year is tax-exempted, except for foreign-sourced income received in Malaysia.

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>568,763</u>	<u>477,010</u>
Taxation at Malaysian statutory rate of 24% (2024: 24%)	136,503	114,482
Tax effects of:		
Income not subject to tax	(188,786)	(157,670)
Losses not subject to tax	15,698	-
Expenses not deductible for tax purpose	11,846	19,667
Restriction on tax deductible expenses for unit trust funds	<u>24,739</u>	<u>23,521</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

13. Distribution

	2025 RM	2024 RM
Reinvestment of income distribution	-	235,453
Distribution payable	-	676
Net final distributions paid on 7 January 2025	-	236,129
Distribution to unitholders is from the following sources:		
Dividend income	-	140,666
Interest income	-	114,730
Realised gain on sale of investments	-	194,452
Prior years' realised income	-	529,412
Distribution equalisation	-	(563,181)
	-	416,079
Less:		
Expenses	-	(179,950)
Taxation	-	-
Net income distribution	-	236,129
Gross/net distribution per unit (sen) on 31 December 2024	-	2.00

The net unrealised loss arising from investments at the end of the reporting period was RMNil (2024: RM511,988).

14. Net asset value ("NAV") attributable to unitholders

	2025 RM	2024 RM
Unitholders' capital	3,958,766	3,926,545
Retained earnings:		
- Realised reserves	2,904,125	2,745,332
- Unrealised deficits	(105,281)	(515,251)
	2,798,844	2,230,081
NAV attributable to unitholders	6,757,610	6,156,626

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

15. Number of units in circulation

	2025		2024	
	No. of units	RM	No. of units	RM
At beginning of the year	12,275,861	3,926,545	15,080,995	4,539,078
Creation of units arising from application	6,615,734	3,410,311	294,778	143,238
Creation of units arising from distributions	-	-	469,404	235,453
Cancellation of units	(6,507,860)	(3,378,090)	(3,569,316)	(1,778,308)
Distribution	-	-	-	787,084
At end of the year	12,383,735	3,958,766	12,275,861	3,926,545

16. Units held by the Manager and its related parties

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

17. Transactions with brokers/dealers

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

Brokers/dealers	Value of trade# RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
2025				
Affin Hwang Investment Bank Bhd	452,759	15.19	1,037	13.08
CCB International (Singapore) Pte Ltd	180,881	6.07	452	5.70
CGS International Securities Malaysia Sdn. Bhd.	41,756	1.40	125	1.58
Kenanga Investment Bank Bhd	291,434	9.78	874	11.03
Maybank Investment Bank Bhd	791,659	26.57	2,375	29.96
Public Investment Bank	18,900	0.63	57	0.72
Shenwan Honyuan Securities (H.K) Limited	1,202,621	40.36	3,007	37.93
	<u>2,980,010</u>	<u>100.00</u>	<u>7,927</u>	<u>100.00</u>
2024				
Affin Hwang Investment Bank Bhd	1,474,101	28.11	3,096	22.31
Am Investment Bank Bhd	276,592	5.27	830	5.98
CCB International (Singapore) Pte Ltd	881,117	16.81	2,218	15.99
CIMB Investment Bank Bhd	561,048	10.70	1,578	11.37
KAF Investment Bank Bhd	102,900	1.96	309	2.23
Kenanga Investment Bank Bhd	202,386	3.86	607	4.38
Maybank Investment Bank Bhd	1,634,217	31.17	4,903	35.34
Phillip Capital Sdn Bhd	111,214	2.12	334	2.40
	<u>5,243,575</u>	<u>100.00</u>	<u>13,875</u>	<u>100.00</u>

Excludes brokerage and other transaction fees.

* Only applicable to equity securities.

The transactions above are with non-related parties.

18. 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.

(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 the net income before tax and NAV attributable to 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	200,738	169,189
(5)	(200,738)	(169,189)

(b) Interest rate risk

This risk refers to the effect of interest rate changes on the market value of fixed income securities returns on deposits with financial institutions. In the event of reduction in interest rates, the returns on deposits with financial institutions will decrease while prices of fixed income securities 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 financial institutions.

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

(c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Fund’s assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore subject to foreign exchange risks.

The table below indicates the currencies to which the Fund had significant exposure at the end of the reporting period on its net asset value. The analysis shows the currency risk concentration and calculates the effect on NAV attributable to unitholders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

	Currency risk RM	Concentration as a % of NAV	Changes in currency rates %	Effect on net Income before tax and NAV attributable to unitholders RM
2025				
HKD	1,625,063	24.05	+5	81,253
SGD	36,476	0.54	+5	1,824
USD	549,215	8.13	+5	27,461
2024				
HKD	1,746,838	28.37	+5	87,342
SGD	110,556	1.80	+5	5,528
USD	696,340	11.31	+5	34,817

An equivalent decrease in the currency rates shown above would have resulted in an equivalent, but opposite impact.

(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 generally arises from investments, cash and cash equivalents, dividend receivable, interest receivable and amount due from Manager. The maximum exposure to credit risk is presented in the Statement of Financial Position. None of these balances are impaired. Cash and cash equivalents are placed in financial institutions with strong credit ratings. The Investment Committee of the Fund will invest in a portfolio of local and foreign securities that have potential capital growth and income in the medium to long term.

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 reporting period:

	RAM Credit Rating	MARC Credit Rating	Government Guaranteed	As a % of NAV
2025	AA3	-	-	29.85
2024	AA3	-	-	16.51
	-	A	-	16.25
				32.76

(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 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 net asset value. Under such restriction, the risk exposure to the securities of any issuer is minimised.

19. 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.

20. 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**THE MANAGER**

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