

# **PHILLIP MASTER EQUITY GROWTH FUND**

**AUDITED  
ANNUAL REPORT**

**FOR THE FINANCIAL YEAR  
ENDED 30 JUNE 2022**

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 2022**

Name Of Fund	:	Phillip Master Equity Growth Fund
Manager Of Fund	:	Phillip Mutual Berhad 200201002746 (570409-K)
Investment Manager	:	Phillip Capital Management Sdn Bhd 199501004372 (333567-D)
Launch Date	:	18 June 2003
Category Of Fund	:	Equity
Type Of Fund	:	Growth
Investment Objective	:	Phillip Master Equity Growth Fund aims to provide investors with capital growth over the medium to long term through investments in high growth and situational stocks <sup>□</sup> .
		<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>
		<sup>□</sup> <i>Situational stocks are referring to stocks that the prices may be affected arising from a certain situation. For example in a situation of merger and/or acquisition, the share prices of the acquiring and/or acquired companies may go up or down significantly compared to the prices during the normal days.</i>
Performance Benchmark	:	FTE Bursa Malaysia EMAS Index (“FBM EMAS Index”) obtainable from Bloomberg and Bursa Malaysia
Distribution Policy:	:	Phillip Master Equity Growth Fund aims to achieve capital growth, distribution of income from the Fund will be of secondary importance. Distribution from the Fund, if any, will be reinvested into additional units based on the Net Asset Value (“NAV”) per unit on payment or distribution date for purposes of capital growth.
Fund Size	:	42.06 million units

PHILLIP MASTER EQUITY GROWTH FUND

Breakdown Of Unitholdings	Size Of Holdings	No. Of Unitholders	% Of Unitholders	No. Of Units (million)
	5,000 units & below	2,314	59.03	4.96
	5,001-10,000 units	612	15.61	4.40
	10,001-50,000 units	854	21.78	17.45
	50,001-500,000 units	139	3.55	14.63
	500,001 units & above	1	0.03	0.62
	Total	3,920	100.00	42.06

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

<b>Category</b>	<b>As at 30.06.2022</b>	<b>As at 30.6.2021</b>	<b>As at 30.6.2020</b>
<b>Quoted Equity Securities</b>	%	%	%
Banks	9.61	4.18	6.77
Building Materials	-	-	7.21
Capital Goods	2.60	10.12	4.40
Chemicals, Plastics & Papers	-	-	2.94
Construction & Engineering	0.68	0.41	3.81
Consumer Services	-	0.49	-
Diversified Financials	2.19	3.20	5.98
Energy	3.79	2.41	9.63
Food, Beverage & Tobacco	3.38	1.24	-
Health Care Equipment & Services	1.38	1.25	4.03
Household & Personal Products	2.52	2.53	2.44
Industrials	5.02	19.09	12.29
Insurance	0.32	-	-
Materials	10.47	7.40	4.76
Plantation	0.83	-	-
Properties	2.03	1.51	-
Real Estate	0.67	6.63	-
Retailing	5.75	6.01	4.76
Semiconductors & Semi. Equipment	9.60	5.16	-
Software & Services	5.46	2.30	9.34
Technology Hardware & Equipment	6.03	5.23	6.41
Telecommunication Services	-	-	2.80
Transportation	0.96	2.16	3.25
Utilities	4.65	-	-
	77.94	81.32	90.82
<b>Quoted Loan Stock</b>	0.94	-	-
<b>Fixed Income Securities</b>	-	0.48	0.69
<b>Cash And Liquid Assets</b>	21.12	18.20	8.49
<b>Total</b>	100.00	100.00	100.00
Net Asset Value ("NAV") (RM'000)	49,937	16,792	11,990
Number Of Units In Circulation (Units '000)	42,059	11,091	12,787
Net Asset Value Per Unit (RM)	1.1873*	1.5141*	0.9376**
Total Expense Ratio ("TER") <sup>1</sup>	1.60	1.80	2.06
Portfolio Turnover Ratio (times)	1.18	0.71	1.16

The Total Expense Ratio for the current financial year is lower due to a lower percentage of increase in expenses compared with average net asset value.

<sup>1</sup> The MER does not include brokerage and other transaction fees.

The Portfolio Turnover Ratio for the current financial year is higher due to transfer of securities from Phillip Premier Fund to Phillip Master Equity Growth Fund under a transfer scheme exercise.

**Note:**

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.

\*NAV computed based on closing share price

\*\*NAV computed based on bid share price

**Performance Data**

	Phillip Master Equity Growth Fund			FBM EMAS	
	Total Return	Average Annual Return		Total Return	Average Annual Return
1 Year's Period to 30.6.2022	-21.58%	-21.58%		-7.61%	-7.61%
3 Years' Period to 30.6.2022	33.03%	11.01%		-12.51%	-4.17%
5 Years' Period to 30.6.2022	20.55%	4.11%		-18.19%	-3.64%
	<b>1.7.2021 to 30.6.2022</b>	<b>1.7.2020 to 30.6.2021</b>	<b>1.7.2019 to 30.6.2020</b>	<b>1.7.2018 to 30.6.2019</b>	<b>1.7.2017 to 30.6.2018</b>
Phillip Master Equity Growth Fund					
- Capital Return	-21.58%	60.30%	5.83%	1.87%	-11.05%
- Income Return	-	-	-	-	-
- Total Return	-21.58%	60.30%	5.83%	1.87%	-11.05%
FBM EMAS	-7.61%	5.73%	-10.44%	-1.50%	-5.06%
	<b>1.7.2021 to 30.6.2022</b>	<b>1.7.2020 to 30.6.2021</b>	<b>1.7.2019 to 30.6.2020</b>		
<b>Unit Prices</b>					
Highest NAV (RM)	1.6716	1.7322	1.0674		
Lowest NAV (RM)	1.1856	0.9601	0.6715		
<b>Distributions</b>					
Gross Distribution Per Unit (sen)	- (30.6.2022)	- (30.6.2021)	- (30.6.2020)		
Net Distribution Per Unit (sen)	- (30.6.2022)	- (30.6.2021)	- (30.6.2020)		
<b>Unit Splits</b>	-	-	-		

**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**  
**30 June 2022**

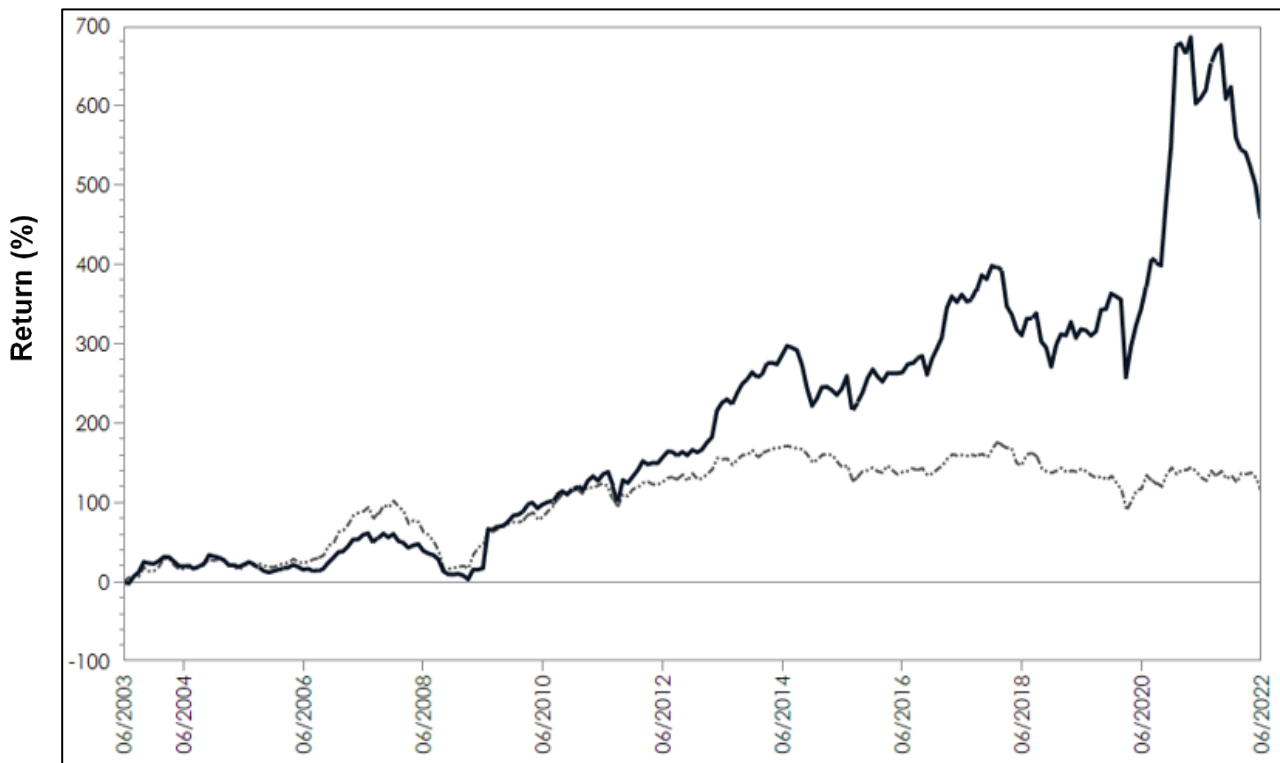
**Performance Review**

The Fund was managed within its investment objective but has failed to achieve the Fund's target in generating consistent and gradual growth over the annual financial period under review. The Fund posted a negative return of 21.58% vis-à-vis the FBM EMAS Index's negative return of 7.61%. The underperformance under the current review period is due to high exposure to selected small-mid cap stocks in the technology, consumer product, and industrial product counters that performed poorly in line with the Russian-Ukraine war, investors' fears of interest rate hikes and recession.

For the medium to long-term, the Fund had achieved its objective of providing investors with high capital growth. Since inception on 18 June 2003, the Fund achieved a cumulative return of 456.61% vis-à-vis the FBM EMAS Index's cumulative return of 112.82%.

The chart below illustrates the cumulative return of PMEGF since inception of 18 June 2003 to 30 June 2022, against the return of FBM Emas Index.

**Comparison Between Fund's Performance And Benchmark Since Inception**



	Phillip Master Equity Growth Fund	+456.61%
	FBM EMAS	+112.82%

Source: Lipper

## Investment Strategy Review

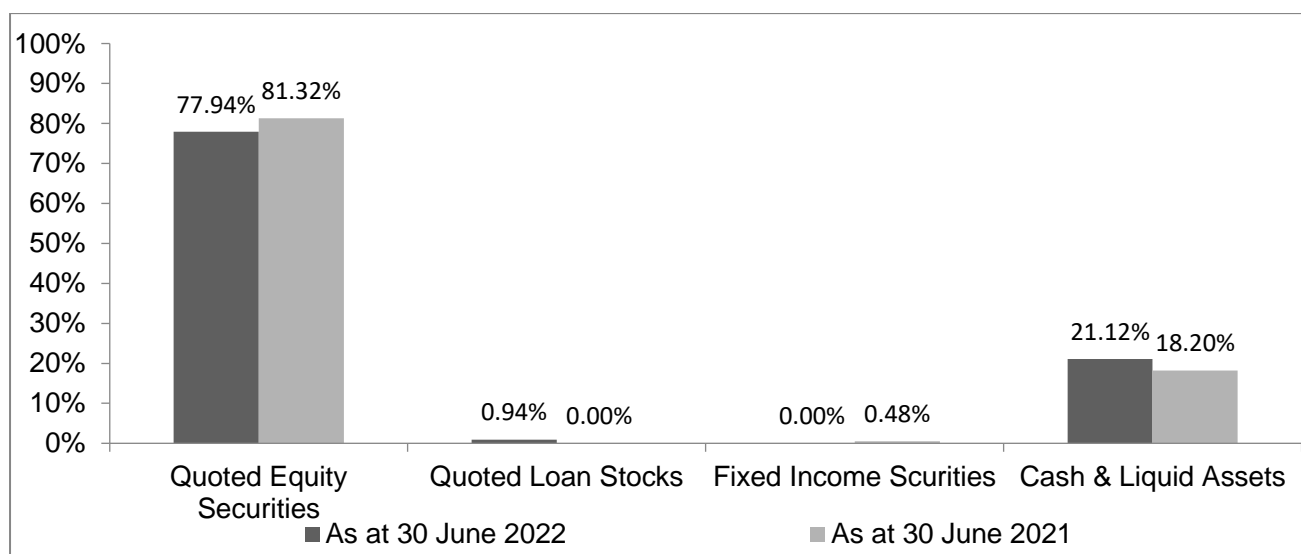
Notwithstanding the macro concerns of high inflation, rising interest rates and risk of economic slowdown worldwide, our investment strategy focuses on bottom-up stock selection in companies led by strong management teams with proven track records and high reinvestment rates of return. We aim to maintain a good balance of blue chips and fundamentally strong small-and-mid-cap counters with good growth prospects to generate alpha. In particular, our portfolio is structured to ride on the secular growth trends in technology and rising commodity prices in specific sectors, supported by solid blue chips. We believe this portfolio mix should position the fund well for the coming year.

Greater market volatility has been observed in the local and worldwide equity markets as investors fear recession and supply chain issues causing higher commodity and input prices. With the support from our investors in the form of new injection, we intend to take advantage of the renewed market volatility to buy into undervalued companies with solid fundamentals on any market weakness.

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

Overall, we remain confident that our strategy of balancing fast-growing smaller companies with blue-chips will be able to weather the tough and challenging macro conditions expected in the new year of 2023.

## Asset Allocation



The quoted equity exposure of Phillip Master Equity Growth Fund decreased from 81.32% at the beginning of the financial year under review to 77.94% due to increase in sales of equities. There were net purchases of quoted loan stock from 0% at the beginning of the financial year to 0.94% as at 30 June 2022.

## Analysis Of Net Asset Value

The net asset value (“NAV”) per unit of Phillip Master Equity Growth Fund decreased from RM1.5141 to RM1.1873 during the financial year under review. Meanwhile, the total NAV of the Fund increased from RM16,791,978 to RM49,937,469 mainly due to the transfer scheme exercise where the assets of Phillip Premier Fund were transferred to Phillip Master Equity Growth Fund on 30 September 2021.



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## Market Review

### Equity Market Review

Malaysians spent half their time from July to December 2021 under lockdown, as the number of Covid-19 infections did not peak until late August 2021. After vaccination rate had picked up significantly, movement controls were gradually relaxed since September 2021, which means more companies can operate at full production capacity.

The Malaysia Parliament reconvened on 26 July 2021 after a 7-month halt in proceedings during the state of emergency. With rumours of MP's withdrawing support for Tan Sri Dato Haji Muhyiddin Bin Yassin, political uncertainties caused market sentiment to be weak. On 16 August 2021, the then Prime Minister Tan Sri Muhyiddin Yassin eventually tendered his resignation after losing his support from coalition members. On 21 August 2021, Tan Sri Muhyiddin's deputy Dato' Sri Ismail Sabri Bin Yaakob was sworn in as Malaysia's 9th Prime Minister. The markets reacted positively to this news as this meant a temporary end to political uncertainty.

On 29 October 2021, Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz tabled Malaysia's 2022 budget, planning to spend RM332 billion on revitalising the national economy. But, the markets did not like the new budget where there was prosperity tax on companies earning more than RM100 million profits, higher stamp duty for trading of shares, and taxation on foreign sourced income.

Towards the end of the year 2021, South African scientists discovered the latest evolution of the Covid-19 virus called "Omicron", which has higher transmission rate than previous variants. Positively, the world has learnt how to live with the virus with many countries declaring a transition to the endemic phase and loosening movement restrictions in the first half of 2022.

In February 2022, tensions between Russia and Ukraine escalated when Russia recognised the independence of two separatist regions in eastern Ukraine, in response to Ukraine's attempt to join NATO. This culminated into Russia President Vladimir Putin launching a full-scale attack on 24 February 2022. Russia was immediately hit with a series of economic sanctions from the US and its allies. To inflict maximum economic pain on Russia, western governments imposed punitive sanctions, and this led to a surge in commodity prices, as Russia and Ukraine are major producers of wheat, sunflower oil, corn and fertiliser.

To combat rising inflation in US, the Federal Reserve hiked interest rates by 25bps in March 2022, its first increase since December 2018. In May, it raised rates by 50 bps, the highest increase in 22 years. In June 2022, the US Fed increased rates by another 75 bps. In late June 2022, Chairman Jerome Powell signaled that "it is certainly a possibility" that the interest rate hikes could push the US economy into a recession, even though it was not the US Fed's intended outcome.

In Malaysia, Bank Negara Malaysia ("BNM") increased the OPR by 25bps to 2% in May 2022, its first hike since January 2018. Markets are expecting another 50bps hike in 2H22. On the other hand, China has continued to ease its monetary policy to support its economy. In January 2022, China lowered its five-year loan prime rate (5-yr LPR) to 4.6% from 4.65%, and further reduced it to 4.45% in May 2022 – its largest cut on record. Despite the rising inflation, the Bank of Japan (BOJ) is still keeping its ultra-loose monetary policy, as it feels that tightening it now would add further downward pressure on its economy, which is still recovering from the pandemic.

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**Market Outlook**

Notwithstanding the challenges currently facing the economy, we see some light at the end of the tunnel. For example, China market has rebounded, JP Morgan predicted emerging markets to rebound by 20% in 2H22 and many commodity prices such as oil, metal and wheat prices have come down from their peak, which will ease inflationary pressure and recession fears. Any less negative news will be viewed as a positive for the market.

The world will continue to recover from the Covid-19 pandemic, as we transition to endemic and a new economic growth cycle emerge. Although there are risks of new Covid-19 variants emerging, we believe the world is better prepared this time due to public health measures such as wearing face masks, social distancing, work-from-home becoming a norm. The higher vaccination rate worldwide should also keep hospitalisation numbers at a controllable level.

**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 disclosed in the financial statements.

**Circumstances That Materially Affect Interest Of Unitholders**

Phillip Mutual Berhad, being the Manager of Phillip Master Equity Growth Fund and Phillip Premier Fund, consolidated both funds into 1 fund under a transfer scheme exercise via the special resolutions pursuant to the adjourned meetings of unitholders of Phillip Master Equity Growth Fund and Phillip Premier Fund held on 23 September 2021.

On 30 September 2021, Phillip Master Equity Growth Fund (transferee fund) received assets from Phillip Premier Fund (transferor fund) amounting to RM51,035,398.

**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 UNITHOLDERS OF PHILLIP MASTER EQUITY GROWTH FUND ("FUND")**

We have acted as Trustee of the Fund for the financial year ended 30 June 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Phillip Mutual Berhad** ("Management Company") has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Ezreen Eliza Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
29 August 2022

**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 set out on pages 15 to 37 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 Master Equity Growth Fund** as at 30 June 2022 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 2022

**INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF PHILLIP MASTER EQUITY GROWTH FUND**

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

**Opinion**

We have audited the financial statements of **Phillip Master Equity Growth Fund** (“the Fund”), which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2022, 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 Annual Report, but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

### **Responsibilities of 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 of 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 PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**

**KOK PEI LOO**  
**Partner - 03524/08/2022 J**  
**Chartered Accountant**

29 August 2022

**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2022**

	Note	2022 RM	2021 RM
<b>Assets</b>			
Investments	3	39,392,042	13,741,047
Dividend receivables		44,666	14,697
Interest receivable		422	144
Amount due from Manager	6	15,711	21,104
Amount due from brokers/dealers	7	209,196	-
Other receivable	8	2,817,462	-
Cash and cash equivalents	5	8,018,041	3,192,407
<b>Total assets</b>		<u>50,497,540</u>	<u>16,969,399</u>
<b>Liabilities</b>			
Amount due to Manager	6	863	502
Management fee payable	6	63,627	20,917
Amount due to brokers/dealers	7	482,064	140,507
Amount due to Trustee		1,697	500
Other payables	9	11,820	14,995
<b>Total liabilities</b>		<u>560,071</u>	<u>177,421</u>
<b>Net Asset Value (“NAV”) of the Fund</b>		<u>49,937,469</u>	<u>16,791,978</u>
<b>Equity</b>			
Unitholders’ capital		61,123,313	10,233,913
(Accumulated loss)/Retained earnings		<u>(11,185,844)</u>	<u>6,558,065</u>
<b>Total equity/NAV attributable to unitholders</b>	15	<u>49,937,469</u>	<u>16,791,978</u>
<b>Total equity and liabilities</b>		<u>50,497,540</u>	<u>16,969,399</u>
<b>Number of units in circulation (units)</b>	16	<u>42,058,535</u>	<u>11,090,651</u>
<b>NAV per unit</b>		<u>1.1873</u>	<u>1.5141</u>

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



**STATEMENT OF COMPREHENSIVE INCOME**

For the financial year ended 30 June 2022

	Note	2022 RM	2021 RM
<b>Investment (loss)/income</b>			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		810,064	258,250
Interest income		156,174	36,528
Net (loss)/gain from sale of financial assets at FVTPL		(5,560,393)	3,114,737
Net unrealised (loss)/gain on changes in value of financial assets at FVTPL		<u>(12,078,570)</u>	<u>2,839,501</u>
		<u>(16,672,725)</u>	<u>6,249,016</u>
<b>Expenses</b>			
Audit fee		8,000	8,000
Tax agent's fee		3,000	3,000
Manager's fee	10	740,444	217,237
Trustee's fee	11	22,185	17,000
Brokerage and other transaction fees		280,256	95,105
Administration expenses		<u>17,299</u>	<u>15,379</u>
		<u>1,071,184</u>	<u>355,721</u>
<b>Net (loss)/income before taxation</b>		(17,743,909)	5,893,295
Taxation	14	<u>-</u>	<u>-</u>
<b>Net (loss)/income after taxation representing total comprehensive (loss)/income for the year</b>		<u>(17,743,909)</u>	<u>5,893,295</u>
<b>Total comprehensive (loss)/income comprises the following:</b>			
Net realised (loss)/gain		(5,665,339)	3,053,794
Net unrealised (loss)/gain		<u>(12,078,570)</u>	<u>2,839,501</u>
		<u>(17,743,909)</u>	<u>5,893,295</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 2022**

	<b>Note</b>	<b>Unitholders' capital RM</b>	<b>Retained earnings/ (Accumulated loss) RM</b>	<b>NAV attributable to unitholders RM</b>
<b>At 1 July 2020</b>		11,324,947	664,770	11,989,717
Net income after taxation		-	5,893,295	5,893,295
Creation of units	<b>16</b>	8,062,735	-	8,062,735
Cancellation of units	<b>16</b>	(9,153,769)	-	(9,153,769)
<b>At 30 June 2021</b>		<u>10,233,913</u>	<u>6,558,065</u>	<u>16,791,978</u>
<b>At 1 July 2021</b>		10,233,913	6,558,065	16,791,978
Net loss after taxation		-	(17,743,909)	(17,743,909)
Creation of units	<b>16</b>	56,978,409	-	56,978,409
Cancellation of units	<b>16</b>	(6,089,009)	-	(6,089,009)
<b>At 30 June 2022</b>		<u>61,123,313</u>	<u>(11,185,844)</u>	<u>49,937,469</u>

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

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 30 June 2022**

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Cash Flows From/(Used In) Operating And Investing Activities</b>		
Proceeds from sale of investments	35,149,825	13,482,553
Purchase of investments	(81,372,989)	(10,085,881)
Dividends received	741,199	292,098
Interest received	155,896	36,439
Manager's fee paid	(697,734)	(212,572)
Trustee's fee paid	(20,988)	(18,000)
Payment for other fees and expenses	(24,729)	(118,149)
Net cash (used in)/from operating and investing activities	<u>(46,069,520)</u>	<u>3,376,488</u>
<b>Cash Flows From/(Used In) Financing Activities</b>		
Cash proceeds from units created	56,983,802	8,050,064
Cash paid on units cancelled	(6,088,648)	(9,258,113)
Net cash from/(used in) financing activities	<u>50,895,154</u>	<u>(1,208,049)</u>
<b>Net increase in cash and cash equivalents</b>	4,825,634	2,168,439
<b>Cash and cash equivalents at beginning of the year</b>	3,192,407	1,023,968
<b>Cash and cash equivalents at end of the year</b>	<u>8,018,041</u>	<u>3,192,407</u>
<b>Cash and cash equivalents comprise (Note 5):</b>		
Cash at bank	128,041	2,407
Deposit with a licensed financial institution	7,890,000	3,190,000
	<u>8,018,041</u>	<u>3,192,407</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 30 June 2022****1. The Fund, the Manager and their principal activities**

Phillip Master Equity Growth Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Master Trust Deed dated 18 March 2003 as supplemented by the Supplemental Deeds dated 19 May 2003, 6 June 2003, 3 August 2009, and 1 July 2021 made between the Manager, Phillip Mutual Berhad and the Trustee of the Fund, CIMB Commerce Trustee Berhad (the Deed and all its supplemental hereinafter referred to as the “Deeds”). The Fund was launched on 18 June 2003.

The principal activity of the Fund is to invest in a portfolio of investments that provide investors with high capital growth over the medium to long term through investment in high growth and situational securities.

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.

Phillip Mutual Berhad, being the Manager of Phillip Master Equity Growth Fund and Phillip Premier Fund, consolidated both funds into 1 fund under a transfer scheme exercise via the special resolutions pursuant to the adjourned meetings of unitholders of Phillip Master Equity Growth Fund and Phillip Premier Fund held on 23 September 2021.

On 30 September 2021, Phillip Master Equity Growth Fund (transferee fund) received assets from Phillip Premier Fund (transferor fund) amounting to RM51,035,398.

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 2022.

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

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

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

**(b) Changes in accounting policies**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 years beginning on or after 1 July 2021, as follows:

Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform - Phase 2
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The adoption of the Amendments to MFRSs did not have any impact on the financial statements of the Fund.

Amendments to MFRSs in issue but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020 Cycle	1 January 2022
Amendments to MFRS 101: <i>Classification of Liabilities as Current and Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Disclosure of Accounting Estimates</i>	1 January 2023

The Manager of the Fund anticipates that the abovementioned Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these Amendments to MFRSs will have no material impact on the financial statements of the Fund in the year of initial application.

**(c) Functional and presentation currency**

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

**(d) Financial instruments**

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

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

Financial assets

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

**(i) Financial assets at amortised cost**

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

**(h) Unrealised reserves/(deficits)**

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

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and deposit with a financial institution with original maturities of 3 months or less which have an insignificant risk of change in value.

**(j) Taxation**

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

**(k) Fair value measurement**

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

**(l) 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**

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVTPL</b>		
Fixed income securities	-	80,659
Quoted investments		
- Equity securities	38,923,042	13,660,388
- Loan stock	469,000	-
	<u>39,392,042</u>	<u>13,660,388</u>
<b>Total Investments</b>	<u>39,392,042</u>	<u>13,741,047</u>

**Fixed Income Securities**

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

Name Of Counter	Credit rating	Nominal value RM	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>2021</b>					
Talam Corporation Berhad BAIDS 0% / 28.06.2022*	C	85,945	13,126	80,659	0.48
		<u>85,945</u>	<u>13,126</u>	<u>80,659</u>	<u>0.48</u>
<b>Unrealised gain from fixed income securities as at 30 June 2021</b>				<u>67,533</u>	

\*Investment in Talam Corporation Berhad was fully redeemed on 28 June 2022.



**Quoted Investments**

The composition of quoted investments at the end of the reporting period is as detailed below. The industry classifications are based on Morgan Stanley Capital International's ("MSCI") Global Industry Classification Standard.

**Equity securities**

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>2022</b>				
<b>Banks</b>				
29,500	Hong Leong Bank Berhad	557,550	603,570	1.21
20,000	Hong Leong Financial Group Berhad	372,850	370,000	0.74
239,196	Malayan Banking Berhad	1,951,853	2,054,694	4.12
405,000	Public Bank Berhad	1,651,675	1,769,850	3.54
		<u>4,533,928</u>	<u>4,798,114</u>	<u>9.61</u>
<b>Capital Goods</b>				
10,000	Gamuda Berhad	35,480	35,800	0.07
110,100	IJM Corporation Berhad	195,822	190,473	0.38
85,000	Kerjaya Prospek Group Berhad	93,500	94,350	0.19
400,000	Muhibbah Engineering (M) Berhad	209,032	202,000	0.40
234,800	P.I.E. Industrial Berhad	826,842	737,272	1.48
5,100	SKP Resources Berhad	9,098	8,007	0.02
9,200	UWC Berhad	35,469	30,268	0.06
		<u>1,405,243</u>	<u>1,298,170</u>	<u>2.60</u>
<b>Construction &amp; Engineering</b>				
200,000	Ame Elite Consortium Berhad	355,689	326,000	0.65
53,000	TCS Group Holdings Berhad	26,500	15,635	0.03
		<u>382,189</u>	<u>341,635</u>	<u>0.68</u>
<b>Diversified Financials</b>				
50,013	AEON Credit Service (M) Berhad	675,417	694,180	1.39
310,000	Elk-Desa Resources Berhad	457,842	399,900	0.80
		<u>1,133,259</u>	<u>1,094,080</u>	<u>2.19</u>
<b>Energy</b>				
578,500	Dialog Group Berhad	1,483,381	1,232,205	2.47
328,500	Yinson Holdings Berhad	696,064	657,000	1.32
		<u>2,179,445</u>	<u>1,889,205</u>	<u>3.79</u>
<b>Food, Beverage &amp; Tobacco</b>				
694,300	Able Global Berhad	1,125,690	888,704	1.78
10,000	Carlsberg Brewery Malaysia Berhad	224,000	224,800	0.45
120,000	Farm Fresh Berhad	162,000	194,400	0.39
228,300	Kawan Food Berhad	422,355	381,261	0.76
		<u>1,934,045</u>	<u>1,689,165</u>	<u>3.38</u>

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>Health Care Equipment &amp; Services</b>				
625,900	Optimax Holdings Berhad	418,006	350,504	0.70
303,700	Supercomnet Technologies Berhad	386,556	340,144	0.68
		<u>804,562</u>	<u>690,648</u>	<u>1.38</u>
<b>Household &amp; Personal Products</b>				
240,000	Formosa Prosonic Industries Berhad	508,329	655,200	1.31
424,800	Poh Huat Resources Holdings Berhad	611,712	603,216	1.21
		<u>1,120,041</u>	<u>1,258,416</u>	<u>2.52</u>
<b>Industrials</b>				
900,000	Aurelius Technologies Berhad	1,565,260	1,269,000	2.54
15,200	Chin Well Holdings Berhad	19,760	25,840	0.05
139,800	HPP Holdings Berhad	75,085	64,308	0.13
1,800,000	MMIS Berhad	150,000	432,000	0.87
159,600	SAM Engineering and Equipment (M) Berhad	790,068	486,780	0.97
11,400	Solarvest Holdings Berhad	6,912	7,524	0.02
750,000	Supergenics Berhad	150,000	221,250	0.44
		<u>2,757,085</u>	<u>2,506,702</u>	<u>5.02</u>
<b>Insurance</b>				
50,000	Syarikat Takaful Malaysia Berhad	211,000	161,500	0.32
<b>Materials</b>				
631,100	Press Metal Aluminium Holdings Berhad	2,724,587	3,004,036	6.02
50,000	SCGM Berhad	115,000	115,000	0.23
372,900	Scientex Berhad	1,508,491	1,290,234	2.58
361,400	Thong Guan Industries Berhad	964,938	816,764	1.64
		<u>5,313,016</u>	<u>5,226,034</u>	<u>10.47</u>
<b>Plantation</b>				
198,500	Sarawak Plantation Berhad	599,550	416,850	0.83
<b>Properties</b>				
799,500	Lagenda Properties Berhad	1,116,840	1,015,365	2.03
<b>Real Estate</b>				
108,400	IGB Real Estate Investment Trust	182,893	173,440	0.35
179,200	SP Setia Berhad -Preference Share A	145,152	161,280	0.32
		<u>328,045</u>	<u>334,720</u>	<u>0.67</u>

(Forward)

PHILLIP MASTER EQUITY GROWTH FUND

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>Retailing</b>				
14,700	Bermaz Auto Berhad	26,072	24,990	0.05
2,600,800	InNature Berhad	1,728,000	1,287,396	2.58
174,750	MR D.I.Y. Group (M) Berhad	391,124	361,733	0.72
2,999,700	Mynews Holdings Berhad	2,724,033	1,199,880	2.40
		<u>4,869,229</u>	<u>2,873,999</u>	<u>5.75</u>
<b>Semiconductors &amp; Semi. Equipment</b>				
330,000	D&O Green Technologies Berhad	1,570,270	1,270,500	2.54
829,400	Greatech Technology Berhad	5,194,295	3,035,604	6.08
67,600	Vitrox Corporation Berhad	532,617	486,720	0.98
		<u>7,297,182</u>	<u>4,792,824</u>	<u>9.60</u>
<b>Software &amp; Services</b>				
1,635,800	Awanbiru Technology Berhad	1,368,764	629,783	1.26
1,649,900	CTOS Digital Berhad	2,983,167	2,095,373	4.20
		<u>4,351,931</u>	<u>2,725,156</u>	<u>5.46</u>
<b>Technology Hardware &amp; Equipment</b>				
4,156,000	Aemulus Holdings Berhad	4,317,000	2,535,160	5.08
9,700	Pentamaster Corporation Berhad	49,922	35,793	0.07
147,200	Uchi Technologies Berhad	449,043	438,656	0.88
		<u>4,815,965</u>	<u>3,009,609</u>	<u>6.03</u>
<b>Transportation</b>				
100,000	Lingkar Trans Kota Holdings Berhad	480,000	480,000	0.96
<b>Utilities</b>				
665,000	Mega First Corporation Berhad	2,459,584	2,320,850	4.65
<b>Total equity securities as at 30 June 2022</b>		<u>48,092,139</u>	<u>38,923,042</u>	<u>77.94</u>

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>2021</b>				
<b>Banks</b>				
	405 Malayan Banking Berhad	3,166	3,285	0.02
170,000	Public Bank Berhad	695,225	698,700	4.16
		<u>698,391</u>	<u>701,985</u>	<u>4.18</u>
<b>Capital Goods</b>				
760,800	Econpile Holdings Berhad	354,209	311,928	1.86
50,000	Gamuda Berhad	155,945	156,500	0.93
300,000	Jaks Resources Berhad	142,500	144,000	0.86
30,000	P.I.E. Industrial Berhad	84,000	84,000	0.50
200,000	SKP Resources Berhad	338,228	326,000	1.94
132,600	UWC Berhad	132,453	676,260	4.03
		<u>1,207,335</u>	<u>1,698,688</u>	<u>10.12</u>
<b>Construction &amp; Engineering</b>				
146,300	TCS Group Holdings Berhad	73,150	69,492	0.41
<b>Consumer Services</b>				
30,000	Genting Malaysia Berhad	84,796	83,100	0.49
<b>Diversified Financials</b>				
10,313	AEON Credit Service (M) Berhad	146,771	119,837	0.71
310,000	Elk-Desa Resources Berhad	457,842	418,500	2.49
		<u>604,613</u>	<u>538,337</u>	<u>3.20</u>
<b>Energy</b>				
140,000	Dialog Group Berhad	435,366	404,600	2.41
<b>Food, Beverage &amp; Tobacco</b>				
139,400	Able Global Berhad	225,182	207,706	1.24
<b>Health Care Equipment &amp; Services</b>				
50,500	Top Glove Corporation Bhd	93,792	210,585	1.25
<b>Household &amp; Personal Products</b>				
150,000	Formosa Prosonic Industries Berhad	231,397	424,500	2.53

(Forward)

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>Industrials</b>				
470,000	ATA IMS Berhad	930,993	1,151,500	6.86
192,500	Berjaya Corporation Berhad	63,525	51,013	0.30
15,200	Chin Well Holdings Berhad	19,760	18,240	0.11
434,000	HPP Holdings Berhad	242,163	225,680	1.34
1,800,000	MMIS Berhad	150,000	450,000	2.68
1,000,000	QES Group Berhad	265,000	820,000	4.88
10,000	SAM Engineering and Equipment (M) Berhad	67,426	71,100	0.42
60,000	Solarvest Holdings Berhad	36,380	70,200	0.42
750,000	Supergenics Berhad	150,000	210,000	1.25
1,000,700	Ta Win Holdings Berhad	130,042	140,098	0.83
		<u>2,055,289</u>	<u>3,207,831</u>	<u>19.09</u>
<b>Materials</b>				
260,000	Press Metal Aluminium Holdings Berhad	622,593	1,242,800	7.40
<b>Properties</b>				
200,000	Lagenda Properties Berhad	244,380	254,000	1.51
<b>Real Estate</b>				
425,000	Axis Real Estate Investment Trust	791,050	811,750	4.83
100,000	IGB Real Estate Investment Trust	168,200	171,000	1.02
95,700	Pavilion Real Estate Investment Trust	128,868	130,152	0.78
		<u>1,088,118</u>	<u>1,112,902</u>	<u>6.63</u>
<b>Retailing</b>				
194,700	Bermaz Auto Berhad	345,324	297,891	1.77
487,100	InNature Berhad	289,451	316,615	1.89
110,000	MR D.I.Y. Group (M) Berhad	283,790	394,900	2.35
		<u>918,565</u>	<u>1,009,406</u>	<u>6.01</u>
<b>Semiconductors &amp; Semi. Equipment</b>				
152,400	Greatech Technology Berhad	732,075	867,156	5.16
<b>Software &amp; Services</b>				
250,000	Awanbiru Technology Berhad	257,624	200,000	1.19
400,000	Datasonic Group Berhad	145,710	186,000	1.11
		<u>403,334</u>	<u>386,000</u>	<u>2.30</u>
<b>Technology Hardware &amp; Equipment</b>				
200,000	JHM Consolidation Berhad	366,670	370,000	2.20
110,000	Pentamaster Corporation Berhad	425,458	509,300	3.03
		<u>792,128</u>	<u>879,300</u>	<u>5.23</u>

(Forward)

PHILLIP MASTER EQUITY GROWTH FUND

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
	<b>Transportation</b>			
200,000	MMC Corporation Berhad	362,000	362,000	2.16
	<b>Total equity securities as at 30 June 2021</b>	<u>10,872,504</u>	<u>13,660,388</u>	<u>81.32</u>

**Loan stock**

Quantity	Name of counter	Cost RM	Fair value RM	Fair value as a % of NAV %
	<b>2022</b>			
700,000	Capital A Berhad - LA 29/12/2028	523,056	469,000	0.94

**Total Quoted Investments**

Total quoted investments comprised investments in equity securities and loan stock.

	Cost RM	Fair value RM	Fair value as a % of NAV %
<b>2022</b>			
<b>Total quoted investments</b>	<u>48,615,195</u>	<u>39,392,042</u>	<u>78.88</u>
<b>Unrealised loss from quoted investments as at 30 June 2022</b>		<u>(9,223,153)</u>	
<b>2021</b>			
<b>Total quoted investments</b>	<u>10,872,504</u>	<u>13,660,388</u>	<u>81.32</u>
<b>Unrealised gain from quoted investments as at 30 June 2021</b>		<u>2,787,884</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
<b>2022</b>			
<b>Financial assets at FVTPL</b>			
Quoted investments	39,392,042	-	39,392,042
	Level 1 RM	Level 2 RM	Total RM
<b>2021</b>			
<b>Financial assets at FVTPL</b>			
Fixed income securities	-	80,659	80,659
Quoted investments	13,660,388	-	13,660,388

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 bank and deposit with a licensed financial institution.

	2022 RM	2021 RM
Cash at bank	128,041	2,407
Deposit with a licensed financial institution:		
- Commercial bank	7,890,000	3,190,000
Cash and cash equivalents	8,018,041	3,192,407

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

	Weighted average effective interest rate (% per annum)		Weighted average remaining maturity (Days)	
	2022	2021	2022	2021
Deposit with a licensed financial institution:				
- Commercial bank	1.95	1.65	1	1

## 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 receivable/ payable for units created/cancelled is received/paid within 7 business days (2021: 10 calendar days) from the transaction dates.

## 7. Amount due from/to brokers/dealers

Amount due from/to brokers/dealers relates to disposal/purchase of investments which remain outstanding at the end of the reporting period. These are normally paid within 2 business days of the transaction dates.

## 8. Other receivable

Other receivable represents the amount to be refunded by the issuer for the subscription of excess rights issues applied by the Fund. This amount was fully collected on 5 July 2022.

## 9. Other payables

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Administration fees and expenses	160	3,335
Audit fee	8,000	8,000
Tax agent's fee	3,000	3,000
Sales and services tax	660	660
	<u>11,820</u>	<u>14,995</u>

## 10. Manager's fee

The Seventh Schedule of the Deeds provides that the Manager's fee is computed on a daily basis, up to a maximum of 2.00% (2021: 2.00%) per annum of the gross NAV of the Fund before deducting the Manager's fee and Trustee's fee for the particular day.

The Manager's fee charged for the year ended 30 June 2022 is 1.50% (2021: 1.50%) per annum of the NAV of the Fund.

## 11. Trustee's fee

The Eighth Schedule of the Deeds provides that the Trustee's fee is computed on a daily basis, up to a maximum of 0.10% (2021: 0.10%) per annum of the gross NAV of the Fund before deducting the Manager's fee and the Trustee's fee for the particular day.

With effect from 1 May 2021, the Trustee's fee was revised to 0.06% per annum from 0.07% per annum of the gross NAV of the Fund, whereas the minimum Trustee's fee was revised to RM12,000 per annum from RM18,000 per annum.

Thereafter, with effect from 1 December 2021, the Trustee's fee was revised to 0.04% per annum for NAV up to RM60 million. For any amount in excess of RM60 million, the Trustee's fee is 0.03% of the NAV in excess. This is subject to a minimum Trustee's fee of RM10,000 per annum.

The Trustee's fee charged for the year ended 30 June 2022 is RM22,185 (2021: RM17,000), which was calculated in accordance with the above tiered trustee fee.



**12. Portfolio turnover ratio (“PTR”)**

	<b>2022</b>	<b>2021</b>
Portfolio turnover ratio (“PTR”)	<u>1.18 times</u>	<u>0.71 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 transfer of securities from Phillip Premier Fund to Phillip Master Equity Growth Fund under a transfer scheme exercise as disclosed in Note 1.

**13. Total expense ratio (“TER”)**

	<b>2022</b>	<b>2021</b>
Total expense ratio (“TER”) <sup>1</sup>	<u>1.60%</u>	<u>1.80%</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 lower percentage of increase in expenses compared with average NAV.

<sup>1</sup> The TER does not include brokerage and other transaction fees.

**14. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Estimated Malaysian income tax:		
Current financial year	<u>-</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2021: 24%) of the estimated assessable income for the financial year.

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

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

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Net (loss)/income before taxation	<u>(17,743,909)</u>	<u>5,893,295</u>
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(4,258,538)	1,414,391
Tax effects of:		
Income not subject to tax	(231,897)	(1,499,764)
Losses not subject to tax	4,233,351	-
Expenses not deductible for tax purpose	77,457	31,316
Restriction on tax deductible expenses for unit trust funds	<u>179,627</u>	<u>54,057</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

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

	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Unitholders’ capital	61,123,313	10,233,913
(Accumulated loss)/Retained earnings:		
- Realised (deficit)/reserve	(1,962,691)	3,702,646
- Unrealised (deficit)/reserve	(9,223,153)	2,855,419
	<u>(11,185,844)</u>	<u>6,558,065</u>
NAV attributable to unitholders	<u>49,937,469</u>	<u>16,791,978</u>

**16. Number of units in circulation**

	<b>2022</b>		<b>2021</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
At beginning of the year	11,090,651	10,233,913	12,787,206	11,324,947
Creation of units	35,039,624	56,978,409	5,616,722	8,062,735
Cancellation of units	(4,071,740)	(6,089,009)	(7,312,277)	(9,153,769)
At end of the year	<u>42,058,535</u>	<u>61,123,313</u>	<u>11,090,651</u>	<u>10,233,913</u>

**17. Units held by the Manager and its related parties**

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

	<b>No. of units</b>		<b>Market Value</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Unit</b>	<b>Unit</b>	<b>RM</b>	<b>RM</b>
PC Quote (M) Sdn Bhd	-	2,992	-	4,530
Directors of the Manager	<u>13,502</u>	<u>13,502</u>	<u>16,031</u>	<u>20,443</u>

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

**18. Transactions with brokers/dealers**

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

	Value of trade# RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
<b>2022</b>				
<b>Brokers/dealers</b>				
Maybank Investment Bank Bhd	18,792,821	27.23	56,211	28.44
Affin Hwang Investment Bank Bhd	13,818,129	20.03	42,099	21.30
Kenanga Investment Bank Bhd	17,452,503	25.29	38,498	19.48
Credit Suisse Securities (Malaysia) Sdn Bhd	9,511,466	13.78	23,803	12.05
AmInvestment Bank Bhd	5,146,993	7.46	22,556	11.42
CIMB Investment Bank Bhd	3,662,418	5.31	11,812	5.98
M & A Securities Sdn Bhd	356,500	0.52	-	-
Hong Leong Investment Bank Bhd	247,500	0.36	2,475	1.25
RHB Investment Bank Bhd	16,500	0.02	165	0.08
	<u>69,004,830</u>	<u>100.00</u>	<u>197,619</u>	<u>100.00</u>
	Value of trade# RM	% of total trades %	Brokerage fee* RM	% of total brokerage fees %
<b>2021</b>				
<b>Brokers/dealers</b>				
Maybank Investment Bank Bhd	8,582,464	38.66	25,882	38.90
AmInvestment Bank Bhd	4,794,463	21.59	14,632	21.99
Affin Hwang Investment Bank Bhd	3,848,510	17.33	11,693	17.58
CIMB Investment Bank Bhd	1,978,021	8.91	5,909	8.88
Alliance Investment Bank Bhd	1,873,445	8.44	5,595	8.41
Credit Suisse Securities (Malaysia) Sdn BhdS	1,126,682	5.07	2,817	4.24
	<u>22,203,585</u>	<u>100.00</u>	<u>66,528</u>	<u>100.00</u>

# Excludes brokerage and other transaction fees.

\* Only applicable to equity securities.

The transactions above are with non-related parties.

## 19. Financial risk management objectives and policies

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

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

### (i) Market risk

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

The Fund's market risk is affected primarily 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 fixed income securities and quoted investments.

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

Change in price (%)	Effect on net income before tax and NAV attributable to unitholders	
	Increase/(Decrease)	
	2022	2021
	RM	RM
+5	1,969,602	687,052
(5)	<u>(1,969,602)</u>	<u>(687,052)</u>

#### (b) Interest rate risk

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

The Fund's exposure to interest rate risk with respect to fixed income securities and 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.

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

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

(iii) Liquidity risk

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

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

(iv) Specific risk

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

(v) Single issuer risk

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

## 20. Operating segment

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

## **21. Capital management**

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

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

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## CORPORATE INFORMATION

### THE MANAGER

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Datuk Ir. Hamzah Bin Hasan

Datin Hajjah Nona Binti Salleh

En. Mohd Fadzli Bin Mohd Anas

Mr. Lim Wen Sheong

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

Ms. Ma Jie (Appointed on 1 July 2022)

Mr. Andy Lim Say Kiat (Resigned on 1 July 2022)

### INVESTMENT MANAGER

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

### COMPANY SECRETARY

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