



Phillip Investment Funds

- Phillip Growth Fund
- Phillip Income Fund
- Phillip Money Market Fund

Semi-Annual Report

For the 6-month period ending 30 June 2011

Phillip Investment Funds

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Phillip Money Market Fund

MANAGER'S REPORT

For the half year ended 30 June 2011, the Fund returned 0.28% (bid-to-bid basis) compared to a return of 0.06% for Singapore Savings deposits rate.

During the period under review, the fund's yield fell in line with lower domestic interest rates. In this low interest rate environment, we continue to enhance returns by investing in high quality Singapore dollars corporate bonds and government agencies in the Asian region and placing funds with better paying counterparties with strong credits.

OUTLOOK

With recent release of dismal global economic data and the debt problems in Europe and the US, market uncertainty and volatility has increased. Singapore has the status of a safe haven destination in the region, given its sound macro economic foundations, as reflected in its AAA-sovereign rating and has thus attracted capital inflows.

Recent economic numbers out of Singapore show that the island nation has been affected by the global gloom. As Singapore is an export-oriented economy, its economy contracted 6.5 percent over April to June compared with the previous quarter and its non-oil domestic exports fell 2.8 percent year on year in July.

Prime Minister Lee Hsien Loong also warned of a gloomy outlook during his speech at Singapore's National Day Rally on August 14. The Ministry of Trade and Industry has revised its 2011 growth forecast to between 5 and 6 percent from the earlier 5 to 7 percent.

In June this year, inflation in Singapore hit 5.2 percent on the back of high housing and car prices. Singapore dollar has gained 6.5 percent against the U.S. dollar so far this year, the most among Asian currencies and has helped to curb imported inflation.

Singapore's monetary policy framework is based on managing the trade-weighted exchange rate. This implies that given the economy's openness to capital flows, domestic interest rates are strongly influenced by global liquidity conditions. SGD interest rates have been low for some time due to historically low global interest rates. The major economies are keeping monetary policy loose for a sustained period in the face of a weak recovery from 2008-2009 recession. Recently, the US Federal Reserve has pledged to keep its policy rate close to 0% until mid-2013.

The recent turmoil in global financial markets has resulted in some investors seeking the safety of short term cash deposits. This has been reflected in the SGD Swap Offer Rate (SOR). It has gone into negative, reflecting market expectations of the Singapore Dollar exchange rate.

Disclosures on the Fund¹

a) I Investment Classified by Geography

	Fair Value 30/06/2011 S\$	Percentage of total net assets attributable to unitholders at 30/06/2011 %
By Geography		
Australia	26,053,500	3.56
Germany	3,089,100	0.42
Netherlands	8,111,990	1.11
Singapore	281,061,346	38.40
South Korea	90,849,049	12.41
Supranational	503,250	0.07
United Kingdom	14,000,497	1.91
United States	23,853,472	3.26
Portfolio of investments	447,522,204	61.14
Other net assets/liabilities	284,436,795	38.86
Net assets attributable to unitholders	731,958,999	100.00

a) II Investment Classified by Industry

	Fair Value 30/06/2011 S\$	Percentage of total net assets attributable to unitholders at 30/06/2011 %
By Industry (Summary)		
Airlines	21,584,618	2.95
Airlines leasing	20,022,900	2.74
Financial	135,033,332	18.46
Food & beverage	5,003,725	0.68
Government agency	83,377,376	11.39
Industrial	4,625,560	0.63
Investment Fund	50,317,024	6.87
Property	119,052,952	16.26
REITS	8,504,718	1.16
Portfolio of investments	447,522,204	61.14
Other net assets/liabilities	284,436,795	38.86
Net assets attributable to unitholders	731,958,999	100.00

¹ As required by the Code on Collective Investment Schemes

a) **III Asset Class**

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
Fixed Income Securities	447,522,204	61.14
Cash & bank balances	285,342,062	38.98
Other Net Current Assets/(Liabilities)	(905,267)	(0.12)
	<u>731,958,999</u>	<u>100.00</u>

a) **IV Credit Rating of Debt Securities**

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
A1*	19,865,913	2.71
A3*	1,005,468	0.14
A	102,899,351	14.07
A-	19,996,997	2.74
A+	7,091,100	0.97
AA	3,045,900	0.42
AA-	3,633,560	0.50
AA+	21,804,470	2.97
AAA	8,615,240	1.18
Unrated	259,564,206	35.45
	<u>447,522,204</u>	<u>61.14</u>

Ratings are by Standard & Poors and Moody's (*)

Type of Money Market Instruments and Debt Securities

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
Fixed Rate Notes	346,253,122	47.31
Floating Rate Notes	6,961,700	0.96
Variable Rate Notes	7,499,250	1.02
Commercial papers	19,996,997	2.73
Investment Fund	50,317,024	6.87
Treasury bills	16,494,111	2.25
	<u>447,522,204</u>	<u>61.14</u>

Maturity Profile of Fixed Income Securities

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
Up to 30 Days	101,317,882	13.84
31 to 60 Days	25,999,080	3.55
61 to 90 Days	24,874,113	3.40
91 to 120 Days	61,400,176	8.38
121 to 180 Days	41,349,868	5.65
181 to 365 Days	117,052,755	16.00
366 Days to 732 Days	75,528,330	10.32
	447,522,204	61.14

b) Top Ten Holdings

10 Largest Holdings as at 30 June 2011

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
Phillip Savings Fund	50,317,024	6.87
Singapore Airlines 4.15% Due 19 December 2011	21,584,618	2.95
Oversea-Chinese Banking Corporation 5% Due 06 September 2011	16,858,113	2.30
National Agricultural Cooperative 1.5% Due 20 July 2011	16,000,000	2.19
CDL Properties Limited 3.85% Due 12 October 2011	15,881,066	2.17
Allgreen Properties Limited 2.6% Due 28 December 2011	15,081,000	2.06
Korea Development Bank 1.15% Due 16 August 2011	14,004,480	1.91
Kookmin Bank 1.28% Due 16 October 2011	13,994,960	1.91
Allgreen Properties Limited 1.3% Due 25 October 2011	13,501,350	1.84
MacQuarie Bank Ltd 1% 16 Nov 2011	13,009,100	1.78
	190,231,711	25.98

10 Largest Holdings as at 30 June 2010

	Fair Value 30/06/2010	Percentage of total net assets attributable to unitholders at 30/06/2010
	S\$	%
Phillip Savings Fund	40,158,263	5.94
Keppel Land Ltd Due 5 October 2010	20,495,900	3.03
Hotel Properties Limited 3.3% Due 7 March 2011	15,904,350	2.35
Allgreen Properties Limited 2.6% Due 28 December 2011	15,189,000	2.24
Kookmin Bank 2.05% Due 18 October 2010	15,015,000	2.22
Export-Import Bank of Korea 1.35% Due 9 April 2011	14,974,500	2.21
Kim Eng Holdings 2.3% Due 28 January 2011	13,027,950	1.93
Export-Import Bank of Korea 1.55% Due 9 December 2010	12,000,000	1.77
Korea Development Bank 1.18% Due 19 May 2011	11,997,600	1.78
Capitaland Treasury Limited Due 15 March 2011	11,967,600	1.77
	<u>170,730,163</u>	<u>25.24</u>

- c) (i) Exposure to Derivatives as at 30 June 2011:
Nil
- c) (ii) Net gain/Loss on derivative contracts realised for the period from 1 January 2011 to 30 June 2011:
Nil
- c) (iii) Net gain/losses on outstanding derivative contracts marked to market as at 30 June 2011:
Nil
- d) Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 30 June 2011:
\$50,317,024 (6.87%)
- e) Amount and percentage of borrowings of total fund size as at 30 June 2011:
Nil
- f) Amount of redemptions and subscriptions for the period 1 January 2011 to 30 June 2011:

Total amount of redemptions S\$ 1,397,249,122
Total amount of subscriptions S\$ 1,461,823,690

g) Amount of Related-Party Transactions for the period 1 January 2011 to 30 June 2011:
Nil

h) Performance of the Fund

	3 months	6 months	1 year	3 years*	5 years*	10 years*	Inception* (on 16 Apr 2001)
The Fund	0.13%	0.28%	0.57%	2.66%	7.19%	14.07%	14.32%

Note: * Cumulative returns are in Singapore dollar calculated on a bid to bid basis, with net dividends reinvested.

Source: Bloomberg as at 30 June 2011.

i) Expense Ratios	30 June 2011	30 June 2010
Without performance fee	0.52%	0.54%
With performance fee	0.52%	0.54%

The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expenses ratios dated 25 May 2005. The expenses used in the calculation do not include brokerage and other transaction costs, performance fee (where applicable), foreign exchange gains or losses, front or back end load arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. Comparative figures for 2010 have been re-stated to conform with the current period's presentation.

j) Turnover Ratios	30 June 2011	30 June 2010
	52.29%	114.06%

The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". It is calculated based on the lesser of purchases or sales for the 12 months preceding the reporting date, expressed as a percentage of the daily average NAV for the 12 months preceding the reporting date. Comparative figures for 2010 have been re-stated to conform with the current period's presentation.

k) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts:
Nil

l) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme (“the underlying scheme”) should be disclosed as well.

(i) Top 10 holdings at market value and as percentage of NAV as at 30 June 2011 and 30 June 2010:

Not applicable

(ii) Expense ratios for the period 30 June 2011 and 30 June 2010. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received:

Not applicable

(iii) Turnover ratios for the period 30 June 2011 and 30 June 2010:

Not applicable

m) Soft Dollar Arrangements

The Manager shall be entitled to and intends to receive or enter into soft-dollar commissions/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial service in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by PCM.

The Manager will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in its management of clients’ funds, provided that the Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/ arrangements.

The Manager does not, and is not entitled to, retain cash rebates for its own account in respect of rebates earned when transacting in securities for account of clients’ funds.

The Manager did not receive any soft dollar services during the period.

Phillip Income Fund

MANAGER'S REPORT

The Fund dropped by 3.43 % (on a bid-to-bid basis) for the 6-month period ending 30 June 2011, underperforming its benchmark which rose 0.18% on a SGD adjusted basis. Since its inception on 16 April 2001, the Fund was up by 8.38%.

At the start of the year, emerging markets (EM), succumbed to portfolio realignments by managers who sold shares in favor of the developed markets (DM) as inflation in EM rose to uncomfortable levels. The focus was China, where it had raised interest rates and reserve requirement several times over the review period as an ongoing effort to tame rapidly rising prices there. As investors priced in the tighter credit conditions, stock markets in Asia including Singapore, India, Indonesia, South Korea and Philippines headed south.

The DM over EM thesis played out well until the Japan earthquake in March which led to a tragic loss of human life and collateral damage. This has a knock-off impact on the equity market with Topix suffering its worst two-day fall on record. The earthquake's impact is more of a supply chain disruption than demand side shock. We think supply chain shortage-related inventory digestion in 2Q11/3Q11 will ultimately lead to strong 4Q11 demand when the supply chain rebuilds the inventory buffer on production recovery with incremental Japan reconstruction demand.

In addition to the tragedy in Japan, the remaining periods of the first half of 2011 were fraught with several macro uncertainties and widespread fear. The events included the ongoing European debt concerns, US debt ceiling crisis, Middle East political turmoil and hard landing fears in China.

As a result of the prolonged controversy over raising the statutory debt ceiling and the related fiscal policy debate in US, Standard & Poor's downgraded the US sovereign debt rating from AAA to AA+ on 5th August. The downgrade, while not unexpected, amplifies already rising sovereign risk concerns in Europe and led to a significant market correction globally. With investors in de-risking mode and confidence fragile, risk free assets such as government treasuries and safe haven currencies (Japanese Yen, Singapore Dollar, Swiss Franc) are likely to benefit while corporate grade credit spreads are generally widening.

For the fixed income portion, the Fund will focus on short duration, quality bonds to provide a steady stream of interest income. For equities, the focus would be on stocks with consistent dividend income and strong cashflow. With these strategic moves, we aim to position the Fund to provide low risk and consistent income to unitholders.

DISCLOSURES ON THE FUND²

a) I Investment Classified by Geography

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
By Geography (Summary)	S\$	%
Australia	792,664	7.40
Hong Kong	374,333	3.49
Indonesia	401,492	3.74
Japan	226,897	2.12
Malaysia	74,778	0.70
Singapore	5,126,775	47.84
South Korea	131,881	1.23
Thailand	1,138,106	10.62
United States	1,844,063	17.21
Portfolio of investments	10,110,989	94.35
Other net assets/liabilities	605,760	5.65
Net assets attributable to unitholders	10,716,749	100.00

a) II Investment Classified by Industry

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
By Industry (Summary)	S\$	%
Energy	510,704	4.77
Financial	2,913,778	27.19
Food & beverage	821,669	7.67
Government	401,492	3.75
Healthcare	467,697	4.36
Industrial	1,442,510	13.46
Materials	146,059	1.36
Property	1,019,657	9.51
REITS	1,084,058	10.12
Technology	74,778	0.70
Telecommunications	1,228,587	11.46
Portfolio of investments	10,110,989	94.35
Other net assets/liabilities	605,760	5.65
Net assets attributable to unitholders	10,716,749	100.00

² As required by the Code on Collective Investment Schemes

a) **III Asset Class**

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
Equity	5,877,401	54.84
Bonds	4,233,588	39.51
Cash & other bank balances	597,526	5.57
Other Net Current Assets/(Liabilities)	8,234	0.08
	10,716,749	100.00

a) **IV Credit Rating of Debt Securities**

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
A	653,776	6.10
A+	265,711	2.48
BB+	401,492	3.75
Unrated	2,912,609	27.18
	4,233,588	39.51

Source of credit rating: Standard & Poors

b) **Top Ten Holdings**

<u>10 Largest Holdings as at 30 June 2011</u>	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
SMRT Corporation Limited	558,720	5.21
Advanced Info Service	540,922	5.05
Citigroup Inc 3.83% Due 18 March 2014	521,895	4.87
Hotel Properties HPLSP 3.98% Due 27 April 2015	512,242	4.78
Swiber Holdings SWIB 5.75%	510,704	4.77
Goodpack Limited 4% Due 19 July 2013	508,240	4.74
GLL IHT Pte Ltd 4% Due 17 January 2014	507,415	4.73
BOC Aviation 2.4% Due 8 February 2013	499,675	4.66
Sabana Shariah Comp Ind	448,800	4.19
Hershey Food Corp Com	427,769	3.99
	5,036,382	46.99

<u>10 Largest Holdings as at 30 June 2010</u>	Fair Value 30/06/2010	Percentage of total net assets attributable to unitholders at 30/06/2010
	S\$	%
SMRT Corporation Limited	643,110	5.74
GPT Re Ltd 6.25% Due 7 November 2010	596,844	5.32
China National Offshore Oil Corporation Ltd	480,432	4.28
BP Capital PLC Due 17 March 2011	458,360	4.09
Thai Tap Water Supply Public Co Limited – NVDR	438,459	3.91
Xinyu Hengdeli Holdings Limited Due 24 August 2012	427,969	3.82
PB Issuer Ltd 3.3% Due 1 February 2013	419,001	3.74
Industrial Bank of Korea Due 21 September 2010	417,964	3.73
Hershey Foods Corp Com	409,737	3.65
Singapore Airport Terminal	387,150	3.45
	4,679,025	41.73

- c) (i) Exposure to derivatives as at 30 June 2011:
Nil
- c) (ii) Net gains on derivative contracts realized for the period from 1 January 2011 to 30 June 2011:
S\$14,857
- c) (iii) Net losses on outstanding derivative contracts marked to market as at 30 June 2011:
Nil
- d) Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 30 June 2011:
Nil
- e) Amount and percentage of borrowings of total fund size as at 30 June 2011:
Nil
- f) Amount of redemptions and subscriptions for the period 1 January 2011 to 30 June 2011:
Total amount of redemptions S\$ 244,963
Total amount of subscriptions S\$ 1,470
- g) Amount of Related-Party Transactions for the period 1 January 2011 to 30 June 2011:

Interest income earned from a related company of the Trustee S\$4,322

h) Performance of the Fund

	3 months	6 months	1 year	3 years*	5 years*	10 years*	Inception* (on 16 Apr 2001)
The Fund	0.02 %	-3.43%	-1.85%	-14.30%	-18.02%	9.45%	8.38%
Benchmark	-0.35%	0.18%	4.03%	-2.59%	-1.08%	13.12%	17.99%

Note: * Cumulative returns are in Singapore dollar based on a bid to bid basis, with net dividends reinvested.

Source: Bloomberg as at 30 June 2011

Benchmark: 30% Citigroup World Government Bond Index (SGD Unhedged) + 40% Citigroup World Money Index SGD 3 Mth Euro Deposit (SGD) + 30% MSCI World Free Index (SGD) with effect from 27 February 2005

i) Expense Ratios	30 June 2011	30 June 2010
Without performance fee	2.21%	2.23%
With performance fee	2.21%	2.23%

The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expense ratios dated 25 May 2005. The expenses used in the calculation do not include brokerage and other transaction costs, performance fee (where applicable), foreign exchange gains or losses, front or back end load arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. Comparative figures for 2010 have been re-stated to conform with the current period's presentation.

j) Turnover Ratios	30 June 2011	30 June 2010
	143.14%	164.39%

The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". It is calculated based on the lesser of purchases or sales for the 12 months preceding the reporting date, expressed as a percentage of the daily average NAV for the 12 months preceding the reporting date. Comparative figures for 2010 have been re-stated to conform with the current period's presentation.

- k) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts:
Nil

l) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme ("the underlying scheme") should be disclosed as well.

(i) Top 10 holdings at market value and as percentage of NAV as at 30 June 2011 and 30 June 2010:

Not applicable

(ii) Expense ratios for the period 30 June 2011 and 30 June 2010. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received:

Not applicable

(iii) Turnover ratios for the period 30 June 2011 and 30 June 2010:

Not applicable

m) Soft Dollar Arrangements

The Manager shall be entitled to and intends to receive or enter into soft-dollar commissions/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial service in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by PCM.

The Manager will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in its management of clients' funds, provided that the Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

The Manager does not, and is not entitled to, retain cash rebates for its own account in respect of rebates earned when transacting in securities for account of clients' funds.

During the period, soft dollars received from each broker were investment research and publications, data and quotation services. Soft dollars were received from the Manager's panel of brokers which executed transactions for the Fund and other funds managed by the Manager.

Phillip Growth Fund

MANAGER'S REPORT

The Fund dropped by 7.43 % (on a bid-to-bid basis) for the 6-month period ending 30 June 2011, underperforming its benchmark which fell 0.05% on a SGD adjusted basis. Since its inception on 16 April 2001, the Fund was up by 37.69%.

At the start of the year, emerging markets (EM), succumbed to portfolio realignments by managers who sold shares in favor of the developed markets (DM) as inflation in EM rose to uncomfortable levels. The focus was China, where it had raised interest rates and reserve requirement several times over the review period as an ongoing effort to tame rapidly rising prices there. As investors priced in the tighter credit conditions, stock markets in Asia including Singapore, India, Indonesia, South Korea and Philippines headed south.

The DM over EM thesis played out well until the Japan earthquake in March which led to a tragic loss of human life and collateral damage. This has a knock-off impact on the equity market with Topix suffering its worst two-day fall on record. The earthquake's impact is more of a supply chain disruption than demand side shock. We think supply chain shortage-related inventory digestion in 2Q11/3Q11 will ultimately lead to strong 4Q11 demand when the supply chain rebuilds the inventory buffer on production recovery with incremental Japan reconstruction demand.

In addition to the tragedy in Japan, the remaining periods of the first half of 2011 were fraught with several macro uncertainties and widespread fear. The events included the ongoing European debt concerns, US debt ceiling crisis, Middle East political turmoil and hard landing fears in China.

As a result of the prolonged controversy over raising the statutory debt ceiling and the related fiscal policy debate in US, Standard & Poor's downgraded the US sovereign debt rating from AAA to AA+ on 5th August. The downgrade, while not unexpected, amplifies already rising sovereign risk concerns in Europe and led to a significant market correction globally.

With investors in de-risking mode and confidence fragile, over-zealous fiscal austerity measures could send the economy into a renewed downturn even though a double-dip recession is not our base case in the near term.

Although we are generally cautious on the outlook for equities at this point we are also conscious that investing is primarily about buying good assets at attractive prices. Given the share price falls of the last couple of weeks the Fund may now have attractive entry points. The key focus of the Fund will be on stocks with strong fundamentals and good growth potential. Some of the stocks we favour will benefit from the growth in Indonesia. This market is in a domestically driven growth phase, making it something of a potential safe haven in an uncertain global growth environment.

Disclosures on the Fund³

a) I Investment Classified by Geography

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
By Geography (Summary)	S\$	%
Australia	678,082	3.83
China	292,943	1.65
Hong Kong	372,061	2.10
Indonesia	378,462	2.14
Japan	2,160,426	12.20
Malaysia	919,569	5.19
Singapore	3,066,954	17.31
South Korea	418,459	2.36
Switzerland	478,039	2.70
Thailand	1,604,873	9.06
United Kingdom	688,182	3.89
United States	3,547,464	20.02
Portfolio of investments	14,605,514	82.45
Other net assets/liabilities	3,109,086	17.55
Net assets attributable to unitholders	17,714,600	100.00

a) II Investment Classified by Industry

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
By Industry (Summary)	S\$	%
Consumer services	372,061	2.10
Energy	991,244	5.59
Financial	1,760,226	9.94
Food & beverage	2,169,323	12.25
Healthcare	1,191,545	6.73
Industrial	2,975,016	16.79
Materials	1,001,469	5.65
REITS	1,739,753	9.82
Technology	977,863	5.52
Telecommunications	1,427,014	8.06
Portfolio of investments	14,605,514	82.45
Other net assets	3,109,086	17.55
Net assets attributable to unitholders	17,714,600	100.00

³ As required by the Code on Collective Investment Schemes

a) **III Asset Class**

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
Equity	14,076,114	79.46
Preference Shares	529,400	2.99
Cash & other bank balances	3,176,175	17.93
Other Net Current Assets/(Liabilities)	(67,089)	(0.38)
	<u>17,714,600</u>	<u>100.00</u>

a) **IV Credit Rating of Debt Securities**

	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
A3	529,400	2.99
	<u>529,400</u>	<u>2.99</u>

Source of credit rating: Moody's

b) **Top Ten Holdings**

<u>10 Largest Holdings as at 30 June 2011</u>	Fair Value 30/06/2011	Percentage of total net assets attributable to unitholders at 30/06/2011
	S\$	%
Adobe Sys Inc Com	811,468	4.58
Hershey Foods Corp Com	800,590	4.52
SMRT Corporation Limited	798,720	4.51
All Nippon Airways Co Ltd	638,491	3.60
Cisco Sys Inc Com	613,541	3.46
Toyo Suisan Kaisha Ltd	579,779	3.27
Oversea-Chinese Banking Corporation 5.1%	529,400	2.99
Ascendas Real Estate Inv Trt	495,720	2.80
ABB Ltd-SPON ADR	478,039	2.70
E*Trade Financial Corp	470,664	2.66
	<u>6,216,412</u>	<u>35.09</u>

<u>10 Largest Holdings as at 30 June 2010</u>	Fair Value 30/06/2010	Percentage of total net assets attributable to unitholders at 30/06/2010
	S\$	%
SMRT Corporation Limited	919,360	4.69
Hershey Foods Corp Com	766,842	3.92
PB Issuer Limited 3.3% Due 1 February 2013	698,336	3.57
Pan American Silver Corp Com NPV	687,895	3.51
Zhuzhou CSR Times Electric	653,463	3.34
BP Capital PLC Due 17 March 2011	620,134	3.17
Bridgestone Corp Com	585,609	2.99
Bank Rakyat Indonesia (Persero) TBK	581,142	2.97
Bank of America Corporation	551,367	2.82
China Railways Construction Corporation Limited	534,400	2.73
	6,598,547	33.69

- c) (i) Exposure to derivatives as at 30 June 2011:
Nil
- c) (ii) Net gain on derivative contracts realized for the period from 01 January 2011 to 30 June 2011:
S\$69,278
- c) (iii) Net losses on outstanding derivative contracts marked to market as at 30 June 2011:
Nil
- d) Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 30 June 2011:
Nil
- e) Amount and percentage of borrowings of total fund size as at 30 June 2011:
Nil
- f) Amount of redemptions and subscriptions for the period 01 January 2011 to 30 June 2011:
Total amount of redemptions S\$ 674,683
Total amount of subscriptions S\$ 188,806
- g) Amount of Related-Party Transactions for the period 1 January 11 to 30 June 2011:

Brokerage fee paid to a related company of the Manager S\$ 8,139

h) Performance of the Fund

	3 months	6 months	1 year	3 years*	5 years*	10 years*	Inception* (on 16 Apr 2001)
The Fund	-3.83%	-7.43%	-3.08%	-12.27%	-17.95%	39.78%	37.69%
Benchmark	-1.50%	-0.05%	8.90%	-8.75%	-12.42%	-0.03%	5.26%

Note: * Cumulative returns are in Singapore dollar based on a bid to bid basis, with net dividends reinvested.

Source: Bloomberg as at 30 June 2011

Benchmark: 30% Citigroup World Government Bond Index (SGD Unhedged) + 70% MSCI World Free Index (SGD) with effect from 27 February 2005

i) Expense Ratios

	30 June 2011	30 June 2010
Without performance fee	1.96%	1.95%
With performance fee	1.96%	1.95%

The expense ratio is computed in accordance with the revised IMAS' guidelines on disclosure of expense ratios dated 25 May 2005. The expenses used in the calculation do not include brokerage and other transaction costs, performance fee (where applicable), foreign exchange gains or losses, front or back end load arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. Comparative figures for 2010 have been re-stated to conform with the current period's presentation.

j) Turnover Ratios

	30 June 2011	30 June 2010
	153.32%	216.13%

The portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes". It is calculated based on the lesser of purchases or sales for the 12 months preceding the reporting date, expressed as a percentage of the daily average NAV for the 12 months preceding the reporting date. Comparative figures for 2010 have been re-stated to conform with the current period's presentation.

k) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts:

Nil

l) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme ('the underlying scheme') should be disclosed as well:

(i) Top 10 holdings at market value and as percentage of NAV as at 30 June 2011 and 30 June 2010:

Not applicable

- (ii) Expense ratios for the period 30 June 2011 and 30 June 2010. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received:

Not applicable

- (iii) Turnover ratios for the period 30 June 2011 and 30 June 2010:

Not applicable

m) Soft Dollar Arrangements

The Manager shall be entitled to and intends to receive or enter into soft-dollar commissions/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial service in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by PCM.

The Manager will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in its management of clients' funds, provided that the Managers shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/ arrangements.

The Manager does not, and is not entitled to, retain cash rebates for its own account in respect of rebates earned when transacting in securities for account of clients' funds.

During the period, soft dollars received from each broker were investment research and publications, data and quotation services. Soft dollars were received from the Manager's panel of brokers which executed transactions for the Fund and other funds managed by the Manager.

Statements of Total Return
For the six-months ended 30 June 2011 (unaudited)

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	01/01/2011 to 30/06/2011 S\$	01/01/2010 to 30/06/2010 S\$	01/01/2011 to 30/06/2011 S\$	01/01/2010 to 30/06/2010 S\$	01/01/2011 to 30/06/2011 S\$	01/01/2010 to 30/06/2010 S\$
Income						
Dividends	-	-	143,734	109,222	228,241	128,911
Interest	5,382,645	4,870,671	75,748	92,357	990	38,529
	<u>5,382,645</u>	<u>4,870,671</u>	<u>219,482</u>	<u>201,579</u>	<u>229,231</u>	<u>167,440</u>
Less:						
Expenses						
Management fees	1,715,383	1,427,397	82,227	84,331	143,569	156,524
Management fees rebate	(86,104)	(65,834)	-	-	-	-
Trustees' fees	101,647	87,813	3,114	3,584	4,143	4,807
Custodian fees	31,162	31,069	7,442	8,365	7,838	7,537
Audit fees	5,749	4,605	5,748	4,605	5,748	4,605
Other	(25,895)	50,914	30,262	25,095	36,284	28,485
	<u>1,741,942</u>	<u>1,535,964</u>	<u>128,793</u>	<u>125,980</u>	<u>197,582</u>	<u>201,958</u>
Net income/(loss)	<u>3,640,703</u>	<u>3,334,707</u>	<u>90,689</u>	<u>75,599</u>	<u>31,649</u>	<u>(34,518)</u>

Note	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund		
	Financial Period from 01/01/2011 to 30/06/2011 S\$	Financial Period from 01/01/2010 to 30/06/2010 S\$	Financial Period from 01/01/2011 to 30/06/2011 S\$	Financial Period From 01/01/2010 to 30/06/2010 S\$	Financial Period from 01/01/2011 to 30/06/2011 S\$	Financial Period from 01/01/2010 to 30/06/2010 S\$	
Net gains/(losses) on value of investments							
	Net realised gains/(losses) on investments	(1,602,196)	(590,529)	(458,650)	86,792	(707,108)	607,198
	Net change in fair value of investments	267,446	(577,533)	(17,490)	327,038	(796,465)	4,483,353
	Net realised gains/(losses) on financial derivatives	-	-	14,857	6,172	69,278	47,735
	Net gains/(losses) in value of investments	(1,334,750)	(1,168,062)	(461,283)	420,002	(1,434,295)	5,172,804
	Total return for the year before income tax	2,305,953	2,166,645	(370,594)	495,601	(1,402,646)	5,138,286
9	Less: Income tax	-	-	(18,105)	(13,202)	(23,961)	(14,083)
	Total return for the year	2,305,953	2,166,645	(388,699)	482,399	(1,426,607)	5,124,203

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

Balance Sheets
As at 30 June 2011(unaudited)

	Note	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
		As at 30/06/2011	As at 31/12/2010	As at 30/06/2011	As at 31/12/2010	As at 30/06/2011	As at 31/12/2010
		S\$	S\$	S\$	S\$	S\$	S\$
Assets							
Portfolio of investments		447,522,204	40,654,770	10,110,989	9,509,415	14,605,514	17,105,831
Receivables	3	3,137,244	3,314,190	72,403	31,749	17,011	10,539
Cash and bank balances	4	285,342,062	256,168,588	597,526	2,174,497	3,176,175	2,576,146
Total assets		736,001,510	666,030,478	10,780,918	11,715,661	17,798,700	19,692,516
Liabilities							
Bank Overdraft (unsecured)		-	-	-	37,991	-	-
Payables	5	976,306	952,000	64,169	46,545	84,100	65,431
Due to brokers/unitholders		3,066,205	-	-	282,184	-	-
Net assets attributable to unitholders	6	731,958,999	665,078,478	10,716,749	11,348,941	17,714,600	19,627,085
Total liabilities		736,001,510	666,030,478	10,780,918	11,715,661	17,798,700	19,692,516

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

Portfolio Statements
As at 30 June 2011

	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Phillip Money Market Fund			
By Industry (Primary)			
Airlines			
Fixed Rate Notes – Quoted			
Singapore Airlines 4.15%			
Due 19 Dec 2011	21,250,000	21,584,618	2.95
Total Airlines		21,584,618	2.95
Airlines Leasing			
Fixed Rate Notes – Quoted			
BOC Aviation 2%			
Due 13 Sep 2011	8,000,000	8,016,000	1.10
BOC Aviation 2%			
Due 22 Mar 2012	5,000,000	5,010,000	0.68
BOC Aviation 2.4%			
Due 8 Feb 2013	6,000,000	5,996,400	0.82
Solitaire Cap 4.37%			
Due 18 Jul 2011	1,000,000	1,000,500	0.14
Total Airlines Leasing		20,022,900	2.74
Financial			
Fixed Rate Notes – Quoted			
Deutsche Bank AG DB 3.25%			
Due 10 Oct 2012	3,000,000	3,089,100	0.42
General Elec Cap Corp 3.485%			
Due 8 Mar 2012	9,100,000	9,249,798	1.26
General Elec Cap Corp 2.96%			
Due 18 May 2012	8,300,000	8,436,206	1.15
General Elec Cap Corp 4.515%			
Due 12 Jun 2012	3,500,000	3,605,125	0.49
General Elec Cap Corp 3.03%			
Due 11 Feb 2013	500,000	513,341	0.07
Kim Eng Holdings 2.2%			
Due 21 Oct 2011	6,000,000	6,010,800	0.82
Balance carried forward		30,904,370	4.21

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

Phillip Money Market Fund By Industry (Primary)	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Financial (cont'd)			
Fixed Rate Notes – Quoted			
Balance carried forward		30,904,370	4.21
Kim Eng Holdings 2.4% Due 5 Jul 2012	7,000,000	7,060,900	0.96
Kookmin Bank 1.28% Due 16 Oct 2011	14,000,000	13,994,960	1.91
Lloyds TSB Bank Plc 0.75% Due 8 Jun 2011	4,000,000	4,002,000	0.55
MaQuarie Bank Ltd 1% Due 16 Nov 2011	13,000,000	13,009,100	1.78
Morgan Stanley 3.585% Due 23 Oct 2012	2,000,000	2,049,002	0.28
National Agricultural Cooperative 1.5% Due 20 Jul 2011	16,000,000	16,000,000	2.19
Oversea-Chinese Banking Corporation 5% Due 06 Sep 2011	16,750,000	16,858,113	2.30
Rabobank 2.1% Due 10 Sep 2012	8,000,000	8,111,990	1.11
Westpac Banking 1.955% Due 22 Jan 2013	3,000,000	3,045,900	0.42
		115,036,335	15.72
Commercial Papers			
Bank of Queensland 0% Due 22 Jul 2011	10,000,000	9,998,500	1.37
Lloyds TSB Bank Plc 0% Due 21 Jul 2011	10,000,000	9,998,497	1.37
		19,996,997	2.74
Total Financial		135,033,332	18.46
Food & beverage			
Fixed Rate Notes - Quoted			
Olam International Ltd 2.125% Due 20 Jan 2012	4,250,000	4,252,975	0.58
Olam International Ltd 2.115% Due 9 Sep 2011	750,000	750,750	0.10
Total Food & beverage		5,003,725	0.68

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

Phillip Money Market Fund By Industry (Primary)	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Government Agency			
Fixed Rate Notes – Quoted			
Export-Import Bank of Korea 1.25% Due 18 Oct 2011	12,000,000	12,012,000	1.64
Export-Import Bank of Korea 12% Due 13 Apr 2012	1,500,000	1,502,100	0.21
Export-Import Bank of Korea 2.8% Due 4 May 2012	4,750,000	4,800,909	0.66
Export-Import Bank of Korea 1.57% Due 14 May 2012	6,000,000	6,027,300	0.82
Export-Import Bank of Korea 1% Due 7 Jun 2012	10,000,000	10,007,000	1.37
Housing and Development Board 3.805% Due 14 Jul 2011	2,000,000	2,002,001	0.27
International Fin Corp 1.1% Due 25 Sep 2012	500,000	503,250	0.07
Korea Development Bank 1.15% Due 16 Aug 2011	14,000,000	14,004,480	1.91
Korea Development Bank 1.6% Due 26 Jan 2012	3,000,000	3,007,800	0.41
Korea Development Bank 0.95% Due 13 Jun 2012	5,500,000	5,494,500	0.75
Korea Development Bank 0.95% Due 15 Jun 2012	4,000,000	3,998,000	0.55
Land Transport Authority 4.08% Due 21 May 2012	3,500,000	3,523,925	0.48
		66,883,265	9.14
Treasury Bills			
Monetary Authority of Singapore Bill Due 15 Jul 2011	4,500,000	4,499,511	0.61
Singapore Treasury Bill Due 25 Aug 2011	12,000,000	11,994,600	1.64
		16,494,111	2.25
Total Government Agency		83,377,376	11.39

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

	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Phillip Money Market Fund By Industry (Primary)			
Industrial			
Fixed Rate Notes - Quoted			
SingPost 3.13%			
Due 11 Apr 2013	3,500,000	3,633,560	0.50
		<u>3,633,560</u>	<u>0.50</u>
Floating Rate Notes – Quoted			
Singapore Power Assets			
Due 27 Apr 2012	1,000,000	992,000	0.14
		<u>992,000</u>	<u>0.14</u>
Total Industrial		<u>4,625,560</u>	<u>0.63</u>
Investment fund			
Fixed Rate Notes - Quoted			
Phillip Savings Fund	49,892,934	50,317,024	6.87
Total Investment fund		<u>50,317,024</u>	<u>6.87</u>
Property			
Fixed Rate Notes – Quoted			
Allgreen Properties Limited 1.3%			
Due 25 Oct 2011	13,500,000	13,501,350	1.84
Allgreen Properties Limited 2.6%			
Due 28 Dec 2011	15,000,000	15,081,000	2.06
Allgreen Properties Limited 2.66%			
Due 15 Apr 2013	1,500,000	1,521,750	0.21
Ascott Capital Pte Limited 4.7%			
Due 7 Jul 2011	6,750,000	6,751,527	0.92
Ascott Capital Pte Limited 4.38%			
Due 14 Aug 2012	12,000,000	12,356,579	1.69
Ascott Capital Pte Limited 3.58%			
Due 28 Sep 2012	2,000,000	2,045,381	0.28
Capitamalls Asia 1%			
Due 21 Jan 2012	9,350,000	9,341,966	1.28
Balance carried forward		<u>60,599,553</u>	<u>8.28</u>

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

Phillip Money Market Fund By Industry (Primary)	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Property (cont'd)			
Fixed Rate Notes – Quoted			
Balance carried forward		60,599,553	8.28
CDL Properties Limited 3.85%			
Due 12 Oct 2011	15,750,000	15,881,066	2.17
City Development Limited 4.85%			
Due 16 Apr 2012	7500,000	770,775	0.11
City Development Limited 3.45%			
Due 10 Sep 2012	9,500,000	9,709,000	1.33
City Development Limited 2.565%			
Due 4 Feb 2013	2,500,000	2,535,487	0.35
GLL IHT Pte Ltd 2%			
Due 4 Nov 2011	6,000,000	6,005,400	0.82
GLL IHT Pte Ltd 3%			
Due 30 Nov 2012	2,250,000	2,272,050	0.31
Hotel Properties Limited 4.8%			
Due 29 Jul 2011	250,000	250,573	0.03
Hotel Properties Limited 5%			
Due 5 Mar 2012	11,500,000	11,730,325	1.60
Hotel Properties Limited 4.75%			
Due 8 Oct 2012	2,000,000	2,065,924	0.28
Hotel Properties Limited 4.05%			
Due 3 Mar 2013	500,000	514,000	0.07
Midpoint Prop 3.75%			
Due 4 Jul 2011	500,000	499,750	0.07
United Overseas Land Ltd 3.34%			
Due 15 May 2012	250,000	249,350	0.03
		113,083,252	15.44
Floating Rate Notes - Quoted			
United Overseas Land Ltd			
Due 15 May 2012	6,000,000	5,969,700	0.82
		5,969,700	0.82
Total Property		119,052,952	16.26

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

REITS		
Fixed Rate Notes – Quoted		
Capitamall Trust 2%		
Due 25 Feb 2013	1,000,000	1,005,468
		0.14
		<hr/>
		1,005,468
		0.14
		<hr/>
Variable Rate Notes - Quoted		
CDL Hospitality Trusts 1.36%		
Due 19 Aug 2013	7,500,000	7,499,250
		1.02
		<hr/>
		7,499,250
		1.02
		<hr/>
Total REITS		8,504,718
		1.16
		<hr/>
Portfolio of investments		447,522,204
		61.14
Other net assets/liabilities		284,436,795
		38.86
Net assets attributable to unitholders		731,958,999
		100.00
		<hr/> <hr/>

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

	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %	Percentage of total net assets attributable to unitholders as at 31/12/2010 %
Phillip Money Market Fund			
By Industry (Summary)			
Airlines	21,584,618	2.95	1.62
Airlines Leasing	20,022,900	2.74	1.35
Financial	135,033,332	18.46	16.40
Food & beverage	5,003,725	0.68	0.27
Government Agency	83,377,376	11.39	11.26
Industrial	4,625,560	0.63	-
Investment Fund	50,317,024	6.87	6.05
Property	119,052,953	16.26	22.52
REITS	8,504,718	1.16	1.58
Supra-national	-	-	0.08
Portfolio of investments	447,522,204	61.14	61.13
Other net assets/liabilities	284,436,795	38.86	38.87
Net assets attributable to unitholders	731,958,999	100.00	100.00

Phillip Money Market Fund
By Geography (Secondary)

Australia	26,053,500	3.56	3.43
Germany	3,089,100	0.42	0.07
Netherlands	8,111,990	1.11	0.54
Luxembourg	-	-	1.05
Singapore	281,061,346	38.40	38.73
South Korea	90,849,049	12.41	14.10
Supranational	503,250	0.07	-
United Kingdom	14,000,497	1.91	0.38
United States	23,853,472	3.26	2.83
Portfolio of investments	447,522,204	61.14	61.13
Other net assets/liabilities	284,436,795	38.86	38.87
Net assets attributable to unitholders	731,958,999	100.00	100.00

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

	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Phillip Income Fund			
By Industry (Primary)			
Energy			
Quoted Bonds			
Swiber Holdings 5.75% Due 31 Aug 2012	500,000	510,704	4.77
Total Energy		510,704	4.77
Financial			
Quoted Equities			
United Overseas Bank Limited	10,000	196,200	1.83
Tisco Financial Group	182,000	270,884	2.53
Hutchison Port Holdings Trust	295,000	306,371	2.86
NYSE Euronext	8,244	346,828	3.24
		1,120,283	10.46
Quoted Bonds			
BOC Aviation 2.4% Due 8 February 2013	500,000	499,675	4.66
Citigroup Inc 3.83% Due 18 Mar 2014	500,000	521,895	4.87
Korea Development Bank 6% Due 1 Feb 2012	100,000	131,881	1.23
Lloyds TSB Bank 7.5% Due 1 Oct 2014	200,000	265,711	2.48
UA Finance Bvi Sunhkc 4% Due 28 Apr 2014	2,000,000	374,333	3.49
		1,793,495	16.73
Total Financial		2,913,778	27.19
Food & beverage			
Quoted Equities			
Cerebos Pacific Limited	78,000	393,900	3.68
Hershey Foods Corp Com	6,119	427,769	3.99
Total Food & beverage		821,669	7.67
Government			
Quoted Bonds			
Indonesia Recap 13.15% Due 15 Jan 2012	2,700,000,000	401,492	3.75
Total Government		401,492	3.75

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

	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Phillip Income Fund			
By Industry (Primary)			
Healthcare			
Quoted Equities			
Bristol-Myers Squibb Com	6,770	240,800	2.24
Takeda Pharmaceutical Co Ltd	4,000	226,897	2.12
Total Healthcare		467,697	4.36
Industrial			
Quoted Equities			
Singapore Airport Terminal	145,000	375,550	3.50
SMRT Corporation Limited	291,000	558,720	5.21
		934,270	8.71
Quoted Bonds			
Goodpack Limited 4% Due 19 Jul 2013	500,000	508,240	4.74
		508,240	4.74
Total Industrial		1,442,510	13.45
Materials			
Quoted Equities			
Kingsgate Consolidated Ltd	14,028	146,059	1.36
Total Materials		146,059	1.36
Property			
Quoted Bonds			
GLL IHT Pte Ltd 4% Due 17 Jan 2014	500,000	507,415	4.73
Hotel Properties 3.98% Due 27 Apr 2015	500,000	512,242	4.78
Total Property		1,019,657	9.51
REITS			
Quoted Equities			
Ascendas Real Estate Investments Trust	151,450	308,958	2.88
CPN Retail Growth Leasehold	638,000	326,300	3.04
Sabana Shariah Comp Ind	480,000	448,800	4.19
Total REITS		1,084,058	10.12

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

	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Phillip Income Fund By Industry (Primary)			
Technology			
Quoted Equities			
YTL E-Solutions Bhd	191,400	74,778	0.70
Total Technology		74,778	0.70
Telecommunications			
Quoted Equities			
Advanced Info Service	130,800	540,922	5.05
Cisco Sys Inc Com	16,000	306,771	2.86
Telstra Corp Ltd SHS	100,000	380,894	3.55
Total Telecommunications		1,228,587	11.46
Portfolio of investments		10,110,989	94.35
Other net assets/liabilities		605,760	5.65
Net assets attributable to unitholders		10,716,749	100.00

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

	Fair value As at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %	Percentage of total net assets attributable to unitholders as at 31/12/2010 %
Phillip Income Fund			
By Industry (Summary)			
Consumer services	-	-	2.24
Energy	510,704	4.77	4.43
Financial	2,913,778	27.19	10.41
Food & beverage	821,669	7.67	6.64
Government	401,492	3.75	7.79
Healthcare	467,697	4.36	4.25
Industrial	1,442,510	13.46	17.73
Materials	146,059	1.36	12.05
Property	1,019,657	9.51	4.43
REITS	1,084,058	10.12	6.92
Technology	74,778	0.70	1.07
Telecommunications	1,228,587	11.46	5.83
Portfolio of investments	10,110,989	94.35	83.79
Other net assets	605,760	5.65	16.21
Net assets attributable to unitholders	10,716,749	100.00	100.00

Phillip Income Fund			
By Geography (Secondary)			
Australia	792,664	7.40	4.96
China	-	-	10.29
Hong Kong	374,333	3.49	9.52
Indonesia	401,492	3.74	4.62
Japan	226,897	2.12	-
Malaysia	74,778	0.70	4.76
Singapore	5,126,775	47.84	25.19
South Korea	131,881	1.23	-
Taiwan	-	-	6.10
Thailand	1,138,106	10.62	10.27
United States	1,844,063	17.21	8.08
Portfolio of investments	10,110,989	94.35	83.79
Other net assets	605,760	5.65	16.21
Net assets attributable to unitholders	10,716,749	100.00	100.00

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

	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Phillip Growth Fund			
By Industry (Primary)			
Consumer services			
Quoted Equities			
Li & Fung Ltd	152,000	372,061	2.10
Total Consumer Services		372,061	2.10
Energy			
Quoted Equities			
Banpu Public Co Ltd- NVDR	11,800	336,641	1.90
BP Plc SHS	40,000	361,661	2.04
China Shenhua Energy Co H CNY1'H'	50,000	292,942	1.65
Total Energy		991,244	5.59
Banks			
Quoted Equities			
E*Trade Financial Corp	27,750	470,664	2.66
Tisco Financial Group	313,000	465,862	2.63
United Overseas Bank Limited	15,000	294,300	1.66
		1,230,826	6.95
Preference Shares			
Oversea-Chinese Banking Corporation 5.1%	5,000	529,400	2.99
		529,400	2.99
Total Banks		1,760,226	9.94
Food & beverage			
Quoted Equities			
Diageo Public Limited Company	13,000	326,521	1.84
Hershey Foods Corp Com	11,452	800,590	4.52
Indofood Sukses Makmur Tbk	460,000	378,462	2.14
Thai Vegetable Oil PCL	84,400	83,971	0.48
Toyo Suisan Kaisha Ltd	20,000	579,779	3.27
Total Food & beverage		2,169,323	12.25

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

	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Phillip Growth Fund			
By Industry (Primary)			
Healthcare			
Quoted Equities			
Abbott Laboratories	6,000	387,740	2.19
Bristol Myers Squibb Com	13,030	463,460	2.62
Takeda Pharmaceutical Co Ltd	6,000	340,345	1.92
Total Healthcare		1,191,545	6.73
Industrial			
Quoted Equities			
ABB Ltd-SPON ADR	15,000	478,039	2.70
All Nippon Airways Co Ltd SHS	160,000	638,491	3.60
Gamuda Bhd	222,000	344,224	1.94
Honda Motor Co Ltd	6,500	306,593	1.73
Mudajaya group Bhd	224,300	408,950	2.31
SMRT Corporation Limited	416,000	798,720	4.51
Total Industrial		2,975,016	16.79
Materials			
Quoted Equities			
Kingsgate Consolidated Ltd	25,762	268,233	1.51
POSCO	786	418,459	2.36
Sri Trang Agro-Inds Pcl-NVDR	303,000	314,776	1.78
Total Materials		1,001,468	5.65
Property			
Quoted Equities			
Japan Land Limited	965,800	-	-
Total Property		-	-

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

	Holdings as at 30/06/2011	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %
Phillip Growth Fund			
By Industry (Primary)			
Real Estate Investment Trust (REITS)			
Quoted Equities			
Advance Res Inv REIT	115	295,218	1.67
Ascendas Real Estate Investment Trust	243,000	495,720	2.80
Mapletree Commercial Trust	375,000	324,375	1.83
Mapletree Industrial Trust	262,000	306,540	1.73
Sabana Shariah Comp Ind	340,000	317,900	1.79
Total Real Estate Investment Trust (REITS)		1,739,753	9.82
Technology			
Quoted Equities			
Adobe Sys Inc Com	21,000	811,468	4.58
YTL E-Solutions Bhd	425,900	166,395	0.94
Total Technology		166,395	5.52
Telecommunications			
Quoted Equities			
Advanced Info Service-NVDR	97,600	403,624	2.29
Cisco Sys Inc Com	32,000	613,541	3.46
Telstra Corp Ltd	107,602	409,849	2.31
Total Telecommunications		1,427,014	8.06
Portfolio of investments		14,605,514	82.45
Other net assets/liabilities		3,109,086	17.55
Net assets attributable to unitholders		17,714,600	100.00

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

	Fair value as at 30/06/2011 S\$	Percentage of total net assets attributable to unitholders as at 30/06/2011 %	Percentage of total net assets attributable to unitholders as at 31/12/2010 %
Phillip Growth Fund			
By Industry (Summary)			
Consumer Services	372,061	2.10	4.87
Energy	991,244	5.59	4.87
Financial	1,760,226	9.84	12.76
Food & beverage	2,169,323	12.25	6.98
Healthcare	1,191,545	6.73	9.54
Industrial	2,975,016	16.79	25.95
Materials	1,001,469	5.65	10.98
Property	-	-	2.15
REITS	1,739,753	9.82	1.68
Technology	977,863	5.52	5.37
Telecommunications	1,427,014	8.06	2.00
Portfolio of investments	14,605,514	82.45	87.15
Other net assets	3,109,086	17.55	12.85
Net assets attributable to unitholders	17,714,600	100.00	100.00

Phillip Growth Fund			
By Geography (Secondary)			
Australia	678,082	3.83	3.85
China	292,943	1.65	11.77
Hong Kong	372,061	2.10	3.48
Indonesia	378,462	2.14	6.32
Japan	2,160,426	12.20	7.75
Malaysia	919,569	5.19	6.16
Singapore	3,066,954	17.31	9.93
South Korea	418,459	2.36	2.20
Switzerland	478,039	2.70	2.20
Taiwan	-	-	7.17
Thailand	1,604,873	9.06	8.08
United Kingdom	688,182	3.89	3.45
United States	3,547,464	20.02	14.79
Portfolio of investments	14,605,514	82.45	87.15
Other net assets	3,109,086	17.55	12.85
Net assets attributable to unitholders	17,714,600	100.00	100.00

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

1 Domicile and activities

Phillip Investment Funds (the "Fund") is an open ended umbrella unit trust constituted pursuant to a Trust Deed dated 26 February 2001 between Phillip Capital Management (S) Ltd (the "Manager") and Citicorp Trustee (Singapore) Limited (the "Trustee") as amended by a First Supplemental Deed dated 26 February 2002 an Amending & Restating Deed dated 27 February 2003, a Second Amending & Restating Deed dated 30 June 2003, a Third Amending & Restating Deed dated 2 January 2004, a Fourth Amending and Restating Deed dated 21 February 2005, a Fifth Amending and Restating Deed dated 21 February 2006, a Sixth Amending and Restating Deed dated 21 February 2007, a Seventh Amending and Restating Deed dated 20 February 2008, an Eight Amending & Restating Deed dated 20 February 2009, a Ninth Amending & Restating Deed dated 19 February 2010 and a Tenth Amending and Restating Deed dated 18 February 2011 (collectively the "Trust Deed"). The Trust Deed is governed by and construed in accordance with the laws of the Republic of Singapore.

The Fund offers a series of sub-funds; these were first offered for sale in Singapore on the following launch dates:

Sub-Fund	Launch date
Phillip Money Market Fund	1 March 2001
Phillip Income Fund	1 March 2001
Phillip Growth Fund	1 March 2001

2 Summary of significant accounting policies

2.1 Basis of financial statements preparation

The financial statements, expressed in Singapore dollars, have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

For the purposes of preparation of these financial statements, the basis used for calculating the ratio of expenses and portfolio turnover rate are in accordance with the guidelines issued by the Investment Management Association of Singapore and the Code on Collective Investment Schemes under the Securities and Futures Act (Cap 289) respectively.

2.2 *Basis of valuation of investments*

Quoted investments are stated at fair value based on the bid prices at the balance sheet date. Unrealised gain/loss on investments represented by the difference between the fair value and the carrying value of investments are recognised in the Statements of Total Return. Realised gains and losses upon disposal of investments are computed on the basis of the difference between weighted average cost and selling price of investments on trade date and are taken to the Statements of Total Return.

Unquoted investments are stated at their fair values estimated by the Managers based on information available at balance sheet date including estimates provided by market makers.

2.3 *Financial derivatives*

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statements of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in the Statements of Total Return.

2.4 *Recognition of income*

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when declared and is stated gross of tax credits.

2.5 *Foreign currencies*

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates at the reporting date. All exchange differences are recognised in the Statements of Total Return.

2.6 *Income tax expense*

The Funds is a designated unit trust under the Singapore Income Tax Act (Chapter 134). As a result, the following income will not be taxed at the Fund level:

- (i) Gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) Interest (other than interest for which Singapore tax has been withheld); and
- (iii) Dividends derived from outside Singapore and received in Singapore.

3 Receivables

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	30/06/2011	31/012/2010	30/06/2011	31/012/2010	30/06/2011	31/012/2010
	S\$	S\$	S\$	S\$	S\$	S\$
Amount receivable for creation of units	192,997	212,065	–	–	–	–
Sales awaiting settlement	–	–	–	–	6,448	–
Rebate receivable	43,886	35,479	–	–	–	–
Accrued interest receivable	2,853,741	3,066,646	70,481	31,749	–	–
Dividends receivable	–	–	1,922	–	10,563	10,539
Other receivable	46,620	–	–	–	–	–
	3,137,244	3,314,190	72,403	31,749	17,011	10,539

4 Cash and bank balances

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	30/06/2011	31/12/2010	30/06/2011	31/012/2010	30/06/2011	31/012/2010
	S\$	S\$	S\$	S\$	S\$	S\$
Term deposits	245,330,159	224,229,381	–	–	–	–
Cash and bank balances	40,011,903	3,139,207	289,559	986,231	1,789,867	961,848
Amount held with brokers	–	–	307,967	1,188,266	1,386,308	1,614,298
	285,342,062	256,168,588	597,526	2,174,497	3,176,175	2,576,146

5 Payables

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010	30/06/2011	31/12/2010
	S\$	S\$	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	236,132	556,311	–	–	–	7,149
Accrued expenses	740,174	395,689	64,169	46,545	84,100	58,282
	<u>976,306</u>	<u>952,000</u>	<u>64,169</u>	<u>46,545</u>	<u>84,100</u>	<u>65,431</u>

6 Net assets attributable to unitholders

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	Financial Period From 01/01/2011 to 30/06/2011 S\$	Financial Period From 01/01/2010 to 31/12/2010 S\$	Financial Period From 01/01/2011 to 30/06/2011 S\$	Financial Period From 01/01/2010 to 31/12/2010 S\$	Financial Period From 01/01/2011 to 30/06/2011 S\$	Financial Period From 01/01/2010 to 31/12/2010 S\$
At beginning of the financial year	665,078,478	472,394,093	11,348,941	10,989,760	19,627,085	20,610,802
Operations						
Changes in net assets attributable to unitholders resulting from operations	2,305,953	3,621,533	(388,699)	129,498	(1,426,607)	112,686
Unitholders' contributions/ (withdrawals)						
Creation of units	1,461,823,690	3,083,381,511	1,470	318,358	188,806	242,515
Cancellation of units	(1,397,249,122)	(2,894,318,659)	(244,963)	(88,675)	(674,684)	(1,338,918)
Change in net assets attributable to unitholders resulting from net creation and cancellations of units	64,574,568	189,062,852	(243,493)	229,683	(485,878)	(1,096,403)
Total increase/(decrease) in net assets attributable to unitholders	66,880,521	192,684,385	(632,192)	359,181	(1,912,495)	(983,717)
At end of the financial year	731,958,999	665,078,478	10,716,749	11,348,941	17,714,600	19,627,085
Units in issue (units)	640,092,265	583,569,549	10,437,915	10,673,930	13,567,245	13,921,543
Net assets attributable to unitholders per unit	1.1435	1.1397	1.0267	1.0632	1.3057	1.4098

7

7 Units in issue

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010	30/06/2011	31/12/2010
At beginning of the period/year	583,569,549	416,888,489	10,673,930	10,461,427	13,921,543	14,708,033
Units created	1,280,454,539	2,713,022,772	1,410	295,287	140,059	170,246
Units cancelled	(1,223,931,823)	(2,546,341,712)	(237,425)	(82,784)	(494,357)	(956,736)
At end of the period/year	<u>640,092,265</u>	<u>583,569,549</u>	<u>10,437,915</u>	<u>10,673,930</u>	<u>13,567,245</u>	<u>13,921,543</u>

8 Related parties

In the normal course of the business of the Funds, trustee fees and management fees have been paid or are payable to the Trustee and the Manager respectively as noted in the Statement of Total Return.

In addition, the bank holding company and related parties of the Trustee have also provided custodian, banking, foreign exchange, fund administration and brokerage services to the Funds in the normal course of business at terms agreed between the parties and within the provisions of the Trust Deed.

The following significant transactions took place between the Funds and its related parties during the period:

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	01/01/2011 to 30/06/2011	01/01/2010 to 30/06/2010	01/01/2011 to 30/06/2011	01/01/2010 to 30/06/2010	01/01/2011 to 30/06/2011	01/01/2010 to 30/06/2010
	S\$	S\$	S\$	S\$	S\$	S\$
Brokerage fee paid to:						
- related party of the fund manager	-	-	-	-	8,139	-
Interest income received from:						
- related party of the trustee	-	-	4,322	1,619	-	295
	<hr/>					

The Manager may also use the services of related parties to carry out transactions involving the purchase and sale of securities.

9 Income tax

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	01/01/2011 to 30/06/2011	01/01/2010 to 30/06/2010	01/01/2011 to 30/06/2011	01/01/2010 to 30/06/2010	01/01/2011 to 30/06/2011	01/01/2010 to 30/06/2010
	S\$	S\$	S\$	S\$	S\$	S\$
Singapore income tax	–	–	–	2,529	–	–
Overseas income tax	–	–	18,105	10,673	23,961	14,083
Total income tax	–	–	18,105	13,202	23,961	14,083

The income tax charge relates to tax deducted at source and withholding tax suffered on dividend income and interest income.

All the sub-funds have been granted approval as unit trusts designated for the purpose of a tax incentive scheme. As a result, the sub-funds will not be taxed at the Funds level on certain income. Distributions paid out of income not subject to tax at the Funds level to unit holders are subject to withholding tax in certain instances, depending on the tax status of the recipient.

10 Risk management

The Manager monitors on an ongoing basis, compliance with the Fund's investment restrictions as disclosed in the Fund's prospectus, which seek to contain investment risk exposures to an acceptable level.

Risk management objectives and policies

In the ordinary course of business, the Funds are exposed to a variety of risks as stated in the Fund's prospectus. The risks include market risk, credit risk, liquidity risk and foreign currency risk.

Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest and any rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. At the balance sheet date, the Funds have no significant concentration of credit risk. Cash and bank balances are placed with financial institutions of recognized credit standing.

Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Funds from promptly liquidating unfavourable positions and therefore resulting in losses to the Funds and corresponding decreases in the net assets value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

Foreign currency risk

The Sub-Funds are denominated in Singapore dollar. The Sub-Funds invest in underlying securities which are denominated in foreign currencies where fluctuations in the relevant exchange rates may have an impact on the income and value of the Sub-Funds. The Manager may seek to minimise exposure to foreign currency fluctuation to the extent possible.

As at 30 June 2011 and 31 December 2010, the concentration of the Sub-Funds' investments is set out in the Portfolio Statement.

Fair value of investments denominated in currencies other than the Sub-Funds functional currency comprise the following:

	Phillip Income Fund		Phillip Growth Fund	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
	S\$	S\$	S\$	S\$
Australian dollar	924,545	562,484	678,082	755,594
Chinese yuan	374,333	–	–	–
Pound Sterling	–	–	688,182	676,289
Hong Kong dollar	–	1,167,394	665,003	2,992,475
Indonesian rupiah	401,492	1,080,114	378,462	911,156
Japanese yen	226,897	524,705	2,160,426	1,520,201
Korean won	–	–	418,459	432,342
Malaysian Ringgit	74,778	541,106	919,569	1,208,008
Taiwan dollar	–	692,143	–	1,408,748
Thai Baht	1,138,106	1,164,675	1,604,873	1,585,082
US dollar	1,628,539	917,298	4,025,503	3,335,216

Cash and cash equivalents denominated in currencies other than the Sub-Funds' functional currency comprise the following:

	Phillip Income Fund		Phillip Growth Fund	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
	S\$	S\$	S\$	S\$
Australian dollar	51	65	2,947	2,686
Euro	–	–	1,410	1,359
Pound Sterling	–	–	1,042	1,049
Hong Kong dollar	157,921	388,406	832,672	729,862
Japanese yen	–	–	51,556	70,586
Korean won	–	–	48	47
Malaysian Ringgit	15,812	529,803	–	516,621
Swiss Franc	–	–	29	27
Taiwan dollar	–	26,686	113,026	22,009
Thai Baht	1010	91,808	163,566	227,850
US dollar	59,893	170,748	449,531	551,099

Investments and cash and cash equivalents of Phillip Money Market Fund are denominated in the Sub-Fund's functional currency.

Derivatives risk

The Manager may use financial derivative instruments solely for purposes of hedging existing positions in a portfolio or for efficient portfolio management, and such financial derivative instruments are not used to gear the overall portfolio.

Fair values

At 30 June 2011 and 31 December 2010, the fair values of assets and liabilities approximate their carrying values on the Balance Sheets.

11 Financial ratios

	Phillip Money Market Fund		Phillip Income Fund		Phillip Growth Fund	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010	30/06/2011	30/06/2010
	%	%	%	%	%	%
Expense ratios (Note 1)						
Without performance fee	0.52	0.54	2.21	2.23	1.96	1.95
With performance fee	0.52	0.54	2.21	2.23	1.96	1.95
Turnover ratios (Note 2)	59.29	114.06	143.14	164.39	153.32	216.13

Note 1 The “expenses” used in the calculation of the “Expense Ratio” do not include brokerage and other transaction costs, performance fee (where applicable), foreign exchange gains or losses, front or back end load arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The expense ratio is computed in accordance with the revised IMAS’ guidelines on disclosure of expense ratios dated 25 May 2005. The comparative figures for 2010 have been re-stated to conform with the current period’s presentation.

Note 2 The turnover ratio is calculated in accordance with the formula stated in the Code of Collective Investment Schemes under the Securities and Futures Act (Cap 289). It is calculated based on the lesser of purchases or sales for the 12 months preceding the reporting date expressed as a percentage of the daily average NAV for the 12 months preceding the reporting date. The comparative figures for 2010 have been re-stated to conform with the current period’s presentation.

12 Reconciliation of quoted net asset value

Units of PMMF are subscribed and redeemed based on the net asset value of the Phillip Money Market Fund (“PMMF”) calculated using the ‘amortised cost’ method.

The difference in Net Asset Value per unit between the amortised cost basis (adopted for subscription and redemption) and fair value basis (adopted for the preparation of financial statements) are as follows:

PMMF	Fair value basis S\$	Amortised cost basis S\$	Difference S\$
As at 30 June 2011			
Net assets	731,958,999	731,803,468	155,531
Net Asset Value Per Unit	1.1435	1.1433	0.0002
As at 31 December 2010			
Net assets	665,078,478	665,313,185	234,707
Net Asset Value Per Unit	1.1397	1.1401	0.0004