

輝立資本管理有限公司

PHILLIP CAPITAL MANAGEMENT (S) LTD

A member of PhillipCapital

Co. Reg. No. 199905233W

15 May 2019

Dear Unitholder,

PHILLIP INVESTMENT FUNDS (THE "FUND")
- TERMINATION OF PHILLIP INCOME FUND

We, Phillip Capital Management (S) Ltd, the Managers of the Fund, would like to inform you of our intention to terminate the Phillip Income Fund, a sub-fund within the Fund (the "**Sub-Fund**") on or around 15 August 2019 (the "**Termination Date**").

As at 29 April 2019, the net asset value of the deposited property of the Sub-Fund was S\$2,575,800.66. One of the largest unitholders of the Sub-Fund has redeemed its units in the Sub-Fund. As a consequence, the net asset value of the Sub-Fund has fallen below S\$3 million and the costs of operating the Sub-Fund will have a greater negative impact (i.e. higher expense ratio) on the Sub-Fund than it would on a unit trust with a larger net asset value. Therefore, we believe that it is in the interest of unitholders of the Sub-Fund to terminate the Sub-Fund.

Under Clause 35(D)(i) of the Sixteenth Amending and Restating Deed (the "**Deed**") constituting the Fund dated 17 January 2018 and entered into between us and BNP Paribas Trust Services Singapore Limited (the "**Trustee**"), as amended, modified and supplemented from time to time, we may terminate the Sub-Fund if the aggregate net asset value of the deposited property of the Sub-Fund shall be less than S\$3 million by giving 3 months' notice in writing to the Trustee. In this regard, pursuant to the said Clause, we are exercising the right to terminate the Sub-Fund by giving 3 months' notice in writing to the Trustee and to you.

As a result of the impending termination of the Sub-Fund, please note that units in the Sub-Funds will no longer be offered for subscription with effect from 15 May 2019. The final deduction for any regular savings plan in respect of the subscription of units in the Sub-Funds will be for the month of May 2019.

In view of the termination of the Sub-Fund, we offer you a number of options for your consideration:-

Option 1: Switching of units

You may switch your units in the Sub-Fund to any other unit trust managed by us, including the Phillip Singapore Real Estate Income Fund and the Phillip Money Market Fund (the "**PCM Funds**"), subject to the provision on switching of units as set out in the Deed and the relevant trust deeds of such PCM Funds. Please refer to the prospectus of the relevant PCM Fund for full details.

The Phillip Singapore Real Estate Income Fund's investment objective is to achieve medium to long term capital appreciation and a regular stream of income by mainly investing, directly and/or indirectly, in real estate investment trusts ("**REITs**") listed in Singapore, including warrants, bonds and convertible bonds issued by the REITs. The Phillip Singapore Real Estate Income Fund will primarily invest in REITs listed in Singapore. It may also invest up to a maximum amount of 10% of its assets into REITs listed outside Singapore.

The Phillip Money Market Fund's investment objective is to preserve principal value and maintain a high degree of liquidity while producing returns comparable to that of Singapore dollar savings deposits. The Phillip Money Market Fund will invest primarily in short term, high quality money

i) Fees and charges and expense ratios

	Phillip Income Fund	Phillip Singapore Real Estate Income Fund (Class A SGD)	Phillip Money Market Fund (Class A)
Management Fee	1.25% p.a.	1.20% p.a.	0.45% p.a.
Trustee fee, transfer agency and fund administration fees	Currently 0.035% p.a. Maximum 0.06% p.a.	Currently 0.04% p.a. Maximum 0.12% p.a.	Currently not more than 0.03% p.a. Maximum 0.035% p.a.
Expense Ratio	1.90% p.a. (as of 31 December 2018)	1.37% p.a. (as of 30 September 2018)	0.48% p.a. (as of 31 December 2018)

ii) Performance history (as at 30 April 2019)

Total Returns	Phillip Income Fund	Phillip Singapore Real Estate Income Fund (Class A SGD)	Phillip Money Market Fund (Class A)
1 year	-1.92%	7.08%	1.23%
3 years	10.19%	27.66%	2.97%
5 years	13.50%	40.89%	4.31%
3 years (average annual compounded returns)	3.28%	8.48%	0.98%
5 years (average annual compounded returns)	2.57%	7.10%	0.85%
10 years (average annual compounded returns)	3.99%	N.A.	0.74%
Since Inception (inception date)	1.86% (16 April 2001)	9.41% (19 Sep 2011)	1.06% (16 April 2001)

Note: Fund performance is calculated on a single pricing basis, taking into account any subscription or redemption charges, with any income or dividends reinvested.

Fund performance is not necessarily indicative of its future performance.

If you would like to switch your units in the Sub-Fund to units in any of the PCM Funds, please bring this letter to any of our authorised agents or distributors on any business day before 31 July 2019, 3.30pm, and we will waive the switching fee normally applicable to such switches of units. Please note that if you switch your units in the Sub-Fund to units in any PCM Fund which is denominated in a different currency from your units in the Sub-Fund, the proceeds derived from the redemption of your units in the Sub-Fund will be converted to the denominated currency of the units in the new PCM Fund at the prevailing exchange rate as determined by us.

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Option 2: Realisation of units

You may also choose to realise your units in the Sub-Fund on any business day before 31 July 2019, 3.30pm, by submitting a realisation form obtainable from us, our authorised agents or distributors. Upon acceptance of your realisation request, your units in the Sub-Fund will be realised at the prevailing net asset value determined in accordance with the provisions of the Deed.

Option 3: No further action to be taken

No further action is required from you if you choose not to effect a free switch of your units in the Sub-Fund to units in any of the PCM Funds, or to realise your units in the Sub-Fund.

Upon the termination of the Sub-Fund, the investments of the Sub-Fund will be sold and termination proceeds will be paid to you after the provision of all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee of the Sub-Fund in connection with or arising out of the termination of the Sub-Fund have been deducted in accordance with Clause 36 of the Deed.

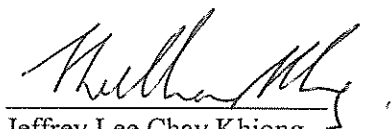
If you had invested in the Sub-Fund using cash, a cheque in the amount representing your share of the realisation/termination proceeds will be mailed to your address (as it appears in the register of holders of the Sub-Fund) after the Termination Date.

If you had invested in the Sub-Fund using SRS monies, monies representing your share of the realisation/termination proceeds will be credited to your SRS account accordingly after the Termination Date.

We thank you for your continued support and investment and we look forward to continually serving you.

Please contact Mr Charles Lee or Ms Ma Jie at (65) 6230 8133 or pcm@phillip.com.sg should you have any queries.

Yours faithfully,



Jeffrey Lee Chay Khiong
Managing Director & Chief Investment Officer
Phillip Capital Management (S) Ltd