

Scalar Retail Fund VCC

(Incorporated in Singapore. Registration Number: T22VC0160B)

Annual Report

For the financial year ended 31 December 2023

Scalar Retail Fund VCC

(incorporated in Singapore)

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Scalar Retail Fund VCC

(incorporated in Singapore)

Company information

The Company	Scalar Retail Fund VCC
Directors of the Company	Chan Chow Chuen Martin Joseph O'Regan Ooi Cheng Pheng Shahryar Sam Ahmed
Registered office of the Company	12 Marina Boulevard Marina Bay Financial Centre Singapore 018982
Manager	DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Singapore 018982
Administrator	Citibank N.A., Singapore Branch 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960
Custodian/Registrar	Citicorp Trustee (Singapore) Limited 5 Changi Business Park Crescent Level 5, Singapore 486027
Auditor	PricewaterhouseCoopers LLP 7 Straits View, Marina One East Tower, Level 12 Singapore 018936
Solicitor	Simmons & Simmons JWS Pte. Ltd. 168 Robinson Road #11-01 Capital Tower Singapore 068912
Tax advisors	EY Corporate Advisors Pte. Ltd. One Raffles Quay North Tower Level 18 Singapore 048583

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Manager's investment report for the financial year ended 31 December 2023

DBS CIO Liquid+ Fund (the "Sub-Fund") is an authorised fund registered with Monetary Authority of Singapore ("MAS") and the shares of this Sub-Fund are classified as Excluded Investment Products and Prescribed Capital Markets Products.

The investment objective of the Sub-Fund is to provide yield enhancement in excess of fixed deposit rates, while providing a high level of liquidity for investors. The Sub-Fund is a pure global fixed income fund (with a tilt towards Asia) which provides yield pickup while providing a high level of liquidity to investors. The Sub-Fund will predominantly invest its assets in investment grade bonds, high yield bonds and government securities, while keeping to a duration of between 1 to 3 years. The investments of the Sub-Fund will predominantly be denominated in US\$ but the Manager retains the flexibility to invest the assets of the Sub-Fund in non-US\$ denominated investments. The Sub-Fund may also use financial derivative instruments, including foreign exchange swaps and forwards for currency hedging, credit default swaps to hedge against credit risk and interest rates swaps and futures for duration management.

To enhance stability and minimise the volatility of the Sub-Fund, the Manager employs an "active management" approach in respect of both interest rates and credit spreads movements, by taking less duration and credit spread risk compared to traditional bond funds.

The Sub-Fund gained +6.33% in terms of USD NAV total return since commencement on 19 October 2022.

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Manager's investment report for the financial year ended 31 December 2023

Investments classified by geography

Refer to "Statement of Portfolio – By Geography (Primary)"

Investments classified by industry

Refer to "Statement of Portfolio – By Industry (Secondary)"

Investments classified by asset class

Refer to "Statement of Portfolio – By Geography (Primary)"

Investments classified by credit rating

Credit Rating	Fair Value (US\$)	% of NAV
Aaa/AAA	2,320,332	1.39
Aa1/AA+	17,662,840	10.57
Aa3/AA-	1,944,408	1.16
A1/A+	6,302,911	3.77
A2/A	8,332,474	4.98
A3/A-	20,057,568	12.00
Baa1/BBB+	33,637,084	20.13
Baa2/BBB	36,899,515	22.08
Baa3/BBB-	26,257,287	15.71
Ba1/BB+	7,275,998	4.35
Ba2/BB	1,185,062	0.71
Accrued interest	1,607,584	0.96

The credit ratings are based on the lowest of the available ratings among S&P, Moody's and Fitch, when such ratings are not available, this would then be based on the Manager's internal credit ratings.

Top 10 Holdings

Credit Rating	Fair Value (US\$)	% of NAV
United States Treasury Note/Bond 3.875% 31Mar2025	4,748,026	2.84
United States Treasury Note/Bond 4.875% 30Nov2025	2,481,951	1.48
Reliance Industries Ltd 4.125% 28Jan2025	1,481,078	0.89
Cooperatieve Rabobank Ua 4.375% 4Aug2025	1,474,080	0.88
Sk Hynix Inc 6.375% 17Jan2028	1,445,332	0.86
United States Treasury Bill 0% 2May2024	1,416,530	0.85
Credit Agricole Sa 4% 10Jan2028	1,400,393	0.84
Barclays Plc 5.2% 12May2026	1,391,593	0.83
Ubs Ag 5.125% 15May2024	1,389,682	0.83
Morgan Stanley 4.679% 17Jul2026	1,387,596	0.83

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Manager's investment report for the financial year ended 31 December 2023

Exposure to derivatives

	Fair Value (US\$)	% of NAV
Fair value of derivative contracts - net	279,783	0.17
Net losses on derivative contracts realised for the financial year ended 31 December 2023	(176,964)	NA
Net gains on outstanding contracts marked to market	43,473	NA

The global exposure of the Sub-Fund to financial derivatives is calculated based on the Commitment Approach as appropriate and is the sum of:

- a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- c) the sum of the values of cash collateral received pursuant to:
 - i) the reduction of exposure to counterparties of OTC financial derivatives; and
 - ii) EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

Amount and percentage of NAV invested in other schemes

NIL.

Amount and percentage of borrowings to NAV

NIL.

Amount of securities lending or repurchase transactions for the year ended 31 December 2023

NIL.

Amount of subscriptions and redemptions for the year ended 31 December 2023

Please refer to the Statements of Changes in Net Assets Attributable to Shareholders.

Amount of related-party transactions

Please refer to Note 13 in the Notes to the Financial Statements.

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Manager's investment report for the financial year ended 31 December 2023

Performance of Sub-Fund and benchmark

Period	USD Acc Class A	USD Dist Class A	SGD Hedged Acc Class A	SGD Hedged Dist Class A	HKD Acc Class A	HKD Dist Class A
1-month	1.19%	1.19%	1.05%	1.03%	1.17%	1.16%
3-months	2.81%	2.81%	2.36%	2.31%	2.50%	2.50%
6-months	3.46%	3.46%	2.60%	2.46%	3.09%	3.08%
1-year	5.11%	5.11%	3.33%	3.07%	5.16%	5.16%
Since Commencement	6.33%	6.33%	4.31%	4.08%	5.76%	5.78%

Expense Ratio

Please refer to Note 15 in the Notes to the Financial Statements.

Turnover Ratio

Please refer to Note 15 in the Notes to the Financial Statements.

Soft dollar arrangements

In their management of the Company and/or the Sub-Fund, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

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Directors' statement for the financial year ended 31 December 2023

The Directors present their statement to the members together with the audited financial statements for Scalar Retail Fund VCC (the "Company") and DBS CIO Liquid+ Fund (the "Sub-Fund") for the financial year ended 31 December 2023.

In the opinion of the Directors,

- (i) the financial statements of the Company and the Sub-Fund as set out on pages 13 to 55 are drawn up so as to give a true and fair view of the financial position of the Company and the Sub-Fund and portfolio holdings of the Sub-Fund as at 31 December 2023 and the financial performance and movements in shareholders' funds of the Company and the Sub-Fund for the financial year covered by the financial statements; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company and the Sub-Fund will be able to pay their debts as and when they fall due.

Board of Directors

The Directors of the Company in office at the date of this statement are as follows:

Chan Chow Chuen
Martin Joseph O'Regan
Ooi Cheng Pheng
Shahryar Sam Ahmed

Arrangement to enable Directors to acquire shares or debentures

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, save as disclosed in this statement.

Scalar Retail Fund VCC

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Directors' statement for the financial year ended 31 December 2023

Directors' interests in shares or debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 66 of the Variable Capital Companies Act 2018, an interest in shares of related corporations as stated below:

	Holdings in which Directors have a direct interest		Holdings in which Directors have a deemed interest	
	As at 31 December <u>2023</u>	As at 1 January <u>2023</u>	As at 31 December <u>2023</u>	As at 1 January <u>2023</u>
DBS Group Holdings Ltd (DBSH)				
Ordinary shares				
Chan Chow Chuen	9,828	9,818	-	-
Ooi Cheng Pheng	125,570	125,570	1,060	1,060
Shahryar Sam Ahmed	2,331	100	-	-
DBSH 3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities (callable 12 September 2025)				
Ooi Cheng Pheng	S\$250,000	S\$250,000	-	-
DBSH 3.3% Non-Cumulative, Non-Convertible Perpetual Capital Securities (callable 27 February 2025)				
Ooi Cheng Pheng	US\$2,000,000	US\$2,000,000	-	-
DBSH A\$ Floating Rate Subordinated Notes (due 16 March 2028)				
Ooi Cheng Pheng	-	A\$1,060,000	-	-
DBSH A\$ Floating Rate Subordinated Notes (due 8 April 2031)				
Ooi Cheng Pheng	A\$500,000	A\$500,000	-	-
DBSH 4.52% US\$ Subordinated Notes (due 11 December 2028)				
Ooi Cheng Pheng	-	US\$350,000	-	-
DBS Bank Ltd 2.38% Credit Linked Note (due 6 January 2023)				
Ooi Cheng Pheng	-	US\$100,000	-	-
Vector Fund VCC - Participating Shares in DBS I.D.E.A. Fund (a Sub-Fund)				
Ooi Cheng Pheng	29,700	29,700	-	-

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Directors' statement for the financial year ended 31 December 2023

DBS Group Holdings Ltd (DBSH) Share Plan

Under the DBSH Share Plan, eligible employees are granted fully paid DBSH ordinary shares or a combination of cash and shares, subject to satisfactory completion of time-based service conditions for time-based awards.

Details of ordinary shares vested in the Directors of the Company who were in office at the end of the financial year, during the financial year pursuant to the DBSH Share Plan were as follows:

<u>Name</u>	<u>Ordinary shares vested during the financial year</u>
Chan Chow Chuen	6,010
Shahryar Sam Ahmed	2,231

On behalf of the Directors

Shahryar Sam Ahmed

Director

28 March 2024

Chan Chow Chuen

Director

Scalar Retail Fund VCC

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Statement by the Manager for the financial year ended 31 December 2023

In the opinion of DBS Bank Ltd., the accompanying financial statements of Scalar Retail Fund VCC (the “Company”) and the sub-fund, namely DBS CIO Liquid+ Fund (the “Sub-Fund”) set out on pages 13 to 55 comprising the Statements of Total Return, Statements of Financial Position, Statements of Changes in Net Assets Attributable to Shareholders, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to give a true and fair view of the financial position of the Company and the Sub-Fund and the portfolio holdings of the Sub-Fund as at 31 December 2023, and the financial performance and movements in shareholders’ funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Company and the Sub-Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of DBS Bank Ltd.

Flora Sau Lin See

Authorised Signatory

28 March 2024

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF SCALAR RETAIL FUND VCC
(INCORPORATED IN SINGAPORE)**

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of Scalar Retail Fund VCC (the “Company”) and the sub-fund, namely DBS CIO Liquid+ Fund (the “Sub-Fund”) are properly drawn up in accordance with the provisions of the Variable Capital Companies Act 2018 (the “Act”) and the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” issued by the Institute of Singapore Chartered Accountants (“RAP 7”), so as to give a true and fair view of the financial position of the Company and of the Sub-Fund and portfolio holdings of the Sub-Fund as at 31 December 2023 and the financial performance and movements in shareholders’ funds of the Company and of the Sub-Fund for the financial year ended on that date.

What we have audited

The financial statements of the Company and of the Sub-Fund comprise:

- the Statements of Total Return of the Company and of the Sub-Fund for the financial year ended 31 December 2023;
- the Statements of Financial Position of the Company and of the Sub-Fund as at 31 December 2023;
- the Statements of Changes in Net Assets Attributable to Shareholders of the Company and of the Sub-Fund for the financial year then ended;
- the Statement of Portfolio of the Sub-Fund as at 31 December 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s 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

We are independent of the Company and the Sub-Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SCALAR RETAIL FUND VCC
(INCORPORATED IN SINGAPORE)**

Report on the Audit of the Financial Statements (Continued)

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and RAP 7, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the financial reporting process of the Company and the Sub-Fund.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 internal control of the Company and the Sub-Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SCALAR RETAIL FUND VCC
(INCORPORATED IN SINGAPORE)**

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management'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 ability of the Company and the Sub-Fund to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Company and the Sub-Fund to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and the Sub-Fund has been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 March 2024

Scalar Retail Fund VCC

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Statements of total return for the financial year ended 31 December 2023

		Scalar Retail Fund VCC	
		For the financial year ended December 2023 US\$	For the financial period from 2 August 2022 (date of incorporation) to 31 December 2022 US\$
	<i>Note</i>		
Income			
Other income		-	-
		-	-
Less: Expenses			
Management fees	<i>10</i>	-	-
Custodian and administration fees	<i>11</i>	-	-
Registrar fees		-	-
Professional fees		-	-
Director fee		-	-
		-	-
Net expense		-	-
Net gains or losses on value of investment and financial derivatives			
Net gains on investments		-	-
Net gains on financial derivatives		-	-
Net losses on foreign exchange		-	-
		-	-
Total return for the financial year/period before income tax		-	-
Less: Income tax	<i>14</i>	-	-
Total return for the financial year/period after income tax		-	-

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statements of total return for the financial year ended 31 December 2023

		DBS CIO Liquid+ Fund	
		For the financial year ended December 2023	For the financial period from 19 October 2022 (date of commencement) to 31 December 2022
		US\$	US\$
	Note		
Income			
Interest income		51,011	-
Other income		21,885	738
		<u>72,896</u>	<u>738</u>
Less: Expenses			
Management fees	10	(455,743)	(23,369)
Custodian and administration fees	11	(12,598)	(1,867)
Registrar fees		(15,099)	(811)
Professional fees		(24,037)	(19,000)
Director fee		(42,000)	(15,014)
Other expenses		(30,671)	-
		<u>(580,148)</u>	<u>(60,061)</u>
Net expense		<u>(507,252)</u>	<u>(59,323)</u>
Net gains or losses on value of investment and financial derivatives			
Net gains on investments		7,064,563	927,162
Net (losses)/gains on financial derivatives		(133,491)	2,424,118
Net losses on foreign exchange		(45,425)	(75,846)
		<u>6,885,647</u>	<u>3,275,434</u>
Total return for the financial year/period before income tax		6,378,395	3,216,111
Less: Income tax	14	-	-
Total return for the financial year/period after income tax		<u>6,378,395</u>	<u>3,216,111</u>

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statements of financial position as at 31 December 2023

Scalar Retail Fund VCC			
		31 December 2023	31 December 2022
	<i>Note</i>	US\$	US\$
Assets			
Portfolio of investments		-	-
Financial derivatives at fair value	5	-	-
Receivables	3	-	-
Cash and cash equivalents	4	1	1
Total assets		1	1
Liabilities			
Financial derivatives at fair value	5	-	-
Accruals and other payables	6	-	-
Purchases awaiting settlement		-	-
Total liabilities		-	-
Equity			
Management share	7	1	1
Net assets attributable to shareholders	8	-	-
Total equity		1	1

DBS CIO Liquid+ Fund			
		31 December 2023	31 December 2022
	<i>Note</i>	US\$	US\$
Assets			
Portfolio of investments		163,483,063	75,179,062
Financial derivatives at fair value	5	280,192	236,149
Receivables	3	325,572	213,654
Cash and cash equivalents	4	4,618,142	2,582,885
Total assets		168,706,969	78,211,750
Liabilities			
Financial derivatives at fair value	5	409	-
Accruals and other payables	6	190,581	243,754
Purchases awaiting settlement		1,376,627	-
Total liabilities		1,567,617	243,754
Equity			
Net assets attributable to shareholders	8	167,139,352	77,967,996
Total equity		167,139,352	77,967,996

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statements of changes in net assets attributable to shareholders for the financial year ended 31 December 2023

Participating share and total equity	Note	DBS CIO Liquid+ Fund	
		Year ended 31 December 2023	For the financial period from 19 October 2022 (date of commencement) to 31 December 2022 US\$
Net assets attributable to shareholders at the beginning of the financial year/period		77,967,996	-
Proceeds from shares issued	8	148,477,507	77,176,688
Redemption of shares	8	(62,226,405)	(2,424,803)
Net increase from share transactions		164,219,098	74,751,885
Increase in net assets attributable to shareholders resulting from operations		6,378,395	3,216,111
Distributions	9	(3,458,141)	-
Net assets attributable to shareholders at the end of financial year/period		167,139,352	77,967,996

There were no movement in the management share for Scalar Retail Fund VCC (the “Company”) for the financial year ended 31 December 2023 and 2022.

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

Scalar Retail Fund VCC

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Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
By Geography (Primary)			
Debt Securities			
Australia			
Australia & New Zealand Banking Group Ltd 2.95% 22Jul2030	600,000	570,453	0.34
Australia & New Zealand Banking Group Ltd 4.4% 19May2026	1,000,000	976,225	0.58
Glencore Funding Llc 1.625% 1Sep2025	800,000	756,528	0.45
Glencore Funding Llc 4% 27Mar2027	200,000	194,255	0.12
Glencore Funding Llc 4.875% 12Mar2029	200,000	199,891	0.12
Macquarie Bank Ltd 4.875% 10Jun2025	1,400,000	1,381,779	0.83
Santos Finance Ltd 4.125% 14Sep2027	1,400,000	1,334,319	0.80
Scentre Group Trust 1 / Scentre Group Trust 2 3.5% 12Feb2025	1,200,000	1,175,028	0.70
Sydney Airport Finance Co Pty Ltd 3.625% 28Apr2026	1,400,000	1,354,465	0.81
Telstra Group Ltd 3.125% 7Apr2025	1,000,000	977,085	0.59
Westpac Banking Corp 2.894% 4Feb2030	1,400,000	1,349,173	0.81
Woodside Finance Ltd 3.7% 15Mar2028	1,200,000	1,126,986	0.67
Total Australia		11,396,187	6.82
Belgium			
Anheuser-Busch Cos Llc / Anheuser-Busch Inbev Worldwide Inc 3.65% 1Feb2026	298,000	292,673	0.18
Total Belgium		292,673	0.18
Canada			
Canadian Pacific Railway Co 1.35% 2Dec2024	1,000,000	963,555	0.58
Enbridge Inc 4.25% 1Dec2026	1,200,000	1,185,354	0.71
Royal Bank Of Canada 4.9% 12Jan2028	600,000	607,329	0.36
Total Canada		2,756,238	1.65

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

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Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
China			
Alibaba Group Holding Ltd 3.4% 6Dec2027	400,000	379,514	0.23
Alibaba Group Holding Ltd 3.6% 28Nov2024	800,000	786,468	0.47
Baidu Inc 1.72% 9Apr2026	400,000	371,594	0.22
Baidu Inc 3.625% 6Jul2027	400,000	383,990	0.23
Baidu Inc 4.375% 29Mar2028	400,000	393,126	0.24
Bank Of China Ltd 5% 13Nov2024	1,000,000	994,460	0.59
Boc Aviation Ltd 3.25% 29Apr2025	800,000	778,008	0.47
Boc Aviation Usa Corp 1.625% 29Apr2024	400,000	395,042	0.24
Cnac Hk Finbridge Co Ltd 3.375% 19Jun2024	1,200,000	1,187,634	0.71
Industrial & Commercial Bank Of China Ltd 4.875% 21Sep2025	1,000,000	992,235	0.59
Lenovo Group Ltd 5.831% 27Jan2028	800,000	815,860	0.49
Lenovo Group Ltd 5.875% 24Apr2025	400,000	401,944	0.24
Minmetals Bounteous Finance Bvi Ltd 4.75% 30Jul2025	800,000	795,680	0.48
Sinopec Group Overseas Development 2018 Ltd 1.45% 8Jan2026	200,000	187,427	0.11
Sinopec Group Overseas Development 2018 Ltd 2.5% 8Aug2024	800,000	787,716	0.47
State Grid Overseas Investment 2014 Ltd 4.125% 7May2024	1,000,000	996,265	0.60
Tencent Holdings Ltd 3.595% 19Jan2028	800,000	761,004	0.46
Tencent Holdings Ltd 3.8% 11Feb2025	400,000	394,180	0.24
Total China		11,802,147	7.08
France			
Bnp Paribas Sa 2.591% 20Jan2028	1,000,000	925,155	0.55
Bnp Paribas Sa 4.375% 28Sep2025	400,000	392,152	0.24
Credit Agricole Sa 4% 10Jan2028	1,500,000	1,400,393	0.84
Electricite De France Sa 5.7% 23May2028	1,200,000	1,242,492	0.74
Societe Generale Sa 4.25% 14Apr2025	1,400,000	1,369,410	0.82
Totalenergies Capital International Sa 2.434% 10Jan2025	400,000	390,288	0.23
Total France		5,719,890	3.42

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
Germany			
Bmw Us Capital Llc 3.9% 9Apr2025	800,000	790,812	0.47
Deutsche Telekom International Finance Bv 3.6% 19Jan2027	800,000	778,196	0.47
Mercedes-Benz Finance North America Llc 0.75% 1Mar2024	600,000	595,326	0.36
Volkswagen Group Of America Finance Llc 3.35% 13May2025	1,000,000	973,750	0.58
Volkswagen Group Of America Finance Llc 6% 16Nov2026	200,000	204,893	0.12
Total Germany		3,342,977	2.00
Hong Kong			
Aia Group Ltd 3.2% 11Mar2025	400,000	391,780	0.23
Aia Group Ltd 5.625% 25Oct2027	600,000	619,224	0.37
Hkt Capital No 2 Ltd 3.625% 2Apr2025	1,200,000	1,178,112	0.71
Hongkong Electric Finance Ltd 2.875% 3May2026	800,000	765,296	0.46
Hpht Finance 19 Ltd 2.875% 5Nov2024	600,000	587,628	0.35
Hpht Finance 21 Ltd 2% 19Mar2026	800,000	749,908	0.45
Link Finance Cayman 2009 Ltd/The 3.6% 3Sep2024	800,000	790,636	0.47
Wharf Reic Finance Bvi Ltd 2.375% 7May2025	1,400,000	1,345,162	0.81
Total Hong Kong		6,427,746	3.84
India			
Abja Investment Co Pte Ltd 5.95% 31Jul2024	1,000,000	997,585	0.60
Bharti Airtel International Netherlands Bv 5.35% 20May2024	1,200,000	1,199,574	0.72
Indian Oil Corp Ltd 4.75% 16Jan2024	1,000,000	999,560	0.60
Oil India Ltd 5.375% 17Apr2024	1,000,000	999,295	0.60
Ongc Videsh Ltd 4.625% 15Jul2024	600,000	596,910	0.36
Ongc Videsh Vankorneft Pte Ltd 3.75% 27Jul2026	600,000	580,023	0.35
Power Finance Corp Ltd 3.75% 18Jun2024	1,000,000	991,445	0.59

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
India (continued)			
Rec Ltd 2.25% 1Sep2026	400,000	369,382	0.22
Rec Ltd 3.5% 12Dec2024	1,000,000	981,265	0.59
Reliance Industries Ltd 4.125% 28Jan2025	1,500,000	1,481,078	0.89
Total India		9,196,117	5.52
Indonesia			
Indonesia Asahan Aluminium Pt / Mineral Industri Indonesia Persero Pt 4.75% 15May2025	400,000	394,958	0.24
Indonesia Government International Bond 4.15% 20Sep2027	1,000,000	986,095	0.59
Pertamina Persero Pt 1.4% 9Feb2026	1,400,000	1,299,144	0.78
Total Indonesia		2,680,197	1.61
Ireland			
Smbc Aviation Capital Finance Dac 5.45% 3May2028	1,200,000	1,208,520	0.72
Total Ireland		1,208,520	0.72
Japan			
Mitsubishi Ufj Financial Group Inc 0.953% 19Jul2025	1,000,000	974,810	0.58
Mitsubishi Ufj Financial Group Inc 1.412% 17Jul2025	400,000	377,672	0.23
Mizuho Financial Group Cayman 3 Ltd 4.6% 27Mar2024	200,000	199,327	0.12
Mizuho Financial Group Inc 1.554% 9Jul2027	400,000	365,692	0.22
Mizuho Financial Group Inc 4.353% 20Oct2025	800,000	781,780	0.47
Sumitomo Mitsui Financial Group Inc 4.436% 2Apr2024	600,000	598,032	0.36
Sumitomo Mitsui Financial Group Inc 5.52% 13Jan2028	600,000	614,061	0.37
Total Japan		3,911,374	2.35

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
Macau			
Sands China Ltd 5.65% 8Aug2028	1,200,000	1,188,948	0.71
Total Macau		<u>1,188,948</u>	<u>0.71</u>
Malaysia			
Gohl Capital Ltd 4.25% 24Jan2027	1,400,000	1,347,556	0.81
Malayan Banking Bhd 6.45182% 16Aug2024	1,000,000	1,002,315	0.60
Petronas Capital Ltd 3.5% 18Mar2025	1,200,000	1,178,208	0.70
Total Malaysia		<u>3,528,079</u>	<u>2.11</u>
Netherlands			
Abn Amro Bank Nv 4.75% 28Jul2025	1,400,000	1,374,590	0.82
Cooperatieve Rabobank Ua 4.375% 4Aug2025	1,500,000	1,474,080	0.88
Total Netherlands		<u>2,848,670</u>	<u>1.70</u>
Philippines			
Philippine Government International Bond 4.2% 21Jan2024	1,000,000	999,050	0.60
Total Philippines		<u>999,050</u>	<u>0.60</u>
Republic of Korea			
Export-Import Bank Of Korea 5% 11Jan2028	1,200,000	1,221,792	0.73
Hana Bank 4.25% 14Oct2024	800,000	791,200	0.47
Hana Bank 4.375% 30Sep2024	400,000	396,038	0.24
Hyundai Capital Services Inc 2.125% 24Apr2025	800,000	766,928	0.46
Korea Development Bank/The 1.375% 25Apr2027	800,000	722,616	0.43
Shinhan Bank Co Ltd 3.75% 20Sep2027	1,200,000	1,131,786	0.68
Shinhan Financial Group Co Ltd 3.34% 5Feb2030	200,000	194,607	0.12
Sk Hynix Inc 6.375% 17Jan2028	1,400,000	1,445,332	0.86
Woori Bank 4.75% 30Apr2024	1,200,000	1,195,890	0.72
Total Republic of Korea		<u>7,866,189</u>	<u>4.71</u>

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
Singapore			
Bayfront Infrastructure Management Pte Ltd 4.257% 16May2026	1,000,000	993,385	0.59
Clifford Capital Pte Ltd 1.121% 23Mar2026	800,000	740,324	0.44
Clifford Capital Pte Ltd 1.733% 10Sep2024	600,000	586,623	0.35
Keppel Ltd 2.459% 4Jun2025	1,000,000	961,825	0.58
Oversea-Chinese Banking Corp Ltd 1.832% 10Sep2030	400,000	375,972	0.22
Oversea-Chinese Banking Corp Ltd 4.25% 19Jun2024	1,000,000	994,325	0.59
Psa Treasury Pte Ltd 2.5% 12Apr2026	600,000	571,410	0.34
Singapore Airlines Ltd 3% 20Jul2026	800,000	762,496	0.46
Sp Powerassets Ltd 3% 26Sep2027	800,000	758,936	0.45
United Overseas Bank Ltd 1.75% 16Mar2031	200,000	184,508	0.11
United Overseas Bank Ltd 3.75% 15Apr2029	1,200,000	1,193,802	0.71
Total Singapore		8,123,606	4.84
Spain			
Banco Santander Sa 6.527% 7Nov2027	1,200,000	1,241,172	0.74
Total Spain		1,241,172	0.74
Switzerland			
Ubs Ag 5.125% 15May2024	1,400,000	1,389,682	0.83
Total Switzerland		1,389,682	0.83
Taiwan			
Foxconn Far East Ltd 1.625% 28Oct2025	800,000	749,648	0.45
Total Taiwan		749,648	0.45

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
United Kingdom			
Astrazeneca Plc 3.375% 16Nov2025	1,000,000	978,435	0.59
Barclays Plc 5.2% 12May2026	1,400,000	1,391,593	0.83
Ck Hutchison International 23 Ltd 4.75% 21Apr2028	400,000	400,770	0.24
Diageo Capital Plc 1.375% 29Sep2025	1,000,000	945,285	0.57
Hsbc Holdings Plc 4.375% 23Nov2026	1,400,000	1,369,536	0.82
Hutchison Whampoa International 14 Ltd 3.625% 31Oct2024	1,200,000	1,184,316	0.71
Mead Johnson Nutrition Co 4.125% 15Nov2025	600,000	592,671	0.35
Standard Chartered Plc 4.3% 19Feb2027	1,400,000	1,341,032	0.80
Standard Chartered Plc 5.2% 26Jan2024	800,000	798,776	0.48
Unilever Capital Corp 2.6% 5May2024	800,000	792,208	0.47
Vodafone Group Plc 4.125% 30May2025	1,000,000	988,060	0.59
Total United Kingdom		10,782,682	6.45
United States of America			
Abbvie Inc 3.6% 14May2025	1,000,000	982,445	0.59
Amazon.Com Inc 4.55% 1Dec2027	600,000	609,045	0.36
American Tower Corp 2.4% 15Mar2025	1,200,000	1,160,652	0.69
At&T Inc 0.9% 25Mar2024	1,000,000	989,545	0.59
At&T Inc 3.8% 15Feb2027	200,000	195,304	0.12
Bank Of America Corp 1.53% 6Dec2025	1,400,000	1,345,722	0.81
Broadcom Corp / Broadcom Cayman Finance Ltd 3.875% 15Jan2027	800,000	779,996	0.47
Broadcom Inc 3.15% 15Nov2025	800,000	775,476	0.46
Charter Communications Operating Llc / Charter Communications Operating Capital 4.908% 23Jul2025	1,200,000	1,189,458	0.71
Citigroup Inc 4.658% 24May2028	1,200,000	1,192,296	0.71
Constellation Brands Inc 3.6% 9May2024	800,000	793,908	0.47
Cvs Health Corp 3.875% 20Jul2025	1,200,000	1,179,846	0.71
Dell International Llc / Emc Corp 4% 15Jul2024	800,000	792,436	0.47

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
United States of America (continued)			
Dell International Llc / Emc Corp 6.02% 15Jun2026	400,000	409,540	0.25
Delta Air Lines Inc 2.9% 28Oct2024	1,200,000	1,165,956	0.70
Ebay Inc 3.45% 1Aug2024	1,000,000	986,910	0.59
Expedia Group Inc 6.25% 1May2025	1,200,000	1,212,888	0.73
Freeport-Mcmoran Inc 4.55% 14Nov2024	400,000	396,064	0.24
Freeport-Mcmoran Inc 5% 1Sep2027	800,000	793,132	0.48
General Motors Financial Co Inc 5.1% 17Jan2024	800,000	799,816	0.48
General Motors Financial Co Inc 5.4% 6Apr2026	400,000	402,652	0.24
General Motors Financial Co Inc 6.05% 10Oct2025	600,000	607,830	0.36
Goldman Sachs Group Inc/The 3.5% 1Apr2025	1,200,000	1,174,812	0.70
Hilton Domestic Operating Co Inc 5.375% 1May2025	400,000	399,406	0.24
Hilton Worldwide Finance Llc / Hilton Worldwide Finance Corp 4.875% 1Apr2027	800,000	785,656	0.47
Hp Inc 2.2% 17Jun2025	1,400,000	1,342,390	0.80
Hyundai Capital America 5.5% 30Mar2026	700,000	703,363	0.42
International Business Machines Corp 4.5% 6Feb2028	400,000	402,126	0.24
Jpmorgan Chase & Co 6.07% 22Oct2027	1,200,000	1,234,872	0.74
Kraft Heinz Foods Co 3% 1Jun2026	600,000	576,639	0.35
Linde Inc/Ct 4.7% 5Dec2025	400,000	401,140	0.24
Lyb International Finance Iii Llc 1.25% 1Oct2025	1,400,000	1,308,755	0.78
Marathon Petroleum Corp 4.7% 1May2025	1,000,000	993,810	0.59
Mattel Inc 3.75% 1Apr2029	1,400,000	1,283,457	0.77
Metlife Inc 3.6% 13Nov2025	1,000,000	984,110	0.59
Micron Technology Inc 5.375% 15Apr2028	1,200,000	1,222,788	0.73
Morgan Stanley 4.679% 17Jul2026	1,400,000	1,387,596	0.83
Mosaic Co/The 4.05% 15Nov2027	1,000,000	977,105	0.58
Netflix Inc 5.875% 15Feb2025	1,200,000	1,210,632	0.72
Occidental Petroleum Corp 5.875% 1Sep2025	600,000	604,272	0.36
Occidental Petroleum Corp 8.5% 15Jul2027	600,000	654,711	0.39

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
United States of America (continued)			
Oracle Corp 5.8% 10Nov2025	1,000,000	1,016,765	0.61
Phillips 66 3.85% 9Apr2025	1,000,000	984,710	0.59
Rtx Corp 3.2% 15Mar2024	800,000	796,472	0.48
Southern Co/The 4.475% 1Aug2024	1,000,000	992,215	0.59
Southwest Airlines Co 5.25% 4May2025	1,200,000	1,200,894	0.72
T-Mobile Usa Inc 2.625% 15Apr2026	1,200,000	1,142,682	0.68
United Airlines 2020-1 Class B Pass Through Trust 4.875% 15Jan2026	121,600	118,350	0.07
United Parcel Service Inc 3.9% 1Apr2025	600,000	593,661	0.36
United States Treasury Bill 0% 2May2024	1,441,500	1,416,530	0.85
United States Treasury Bill 0% 30Jan2024	1,229,000	1,223,941	0.73
United States Treasury Note/Bond 3.5% 30Apr2028	892,700	878,821	0.53
United States Treasury Note/Bond 3.625% 15May2026	879,900	869,967	0.52
United States Treasury Note/Bond 3.625% 31May2028	444,300	439,736	0.26
United States Treasury Note/Bond 3.75% 15Apr2026	624,700	619,039	0.37
United States Treasury Note/Bond 3.875% 30Apr2025	1,023,200	1,014,167	0.61
United States Treasury Note/Bond 3.875% 31Mar2025	4,788,900	4,748,026	2.84
United States Treasury Note/Bond 4.25% 31May2025	1,074,600	1,070,801	0.64
United States Treasury Note/Bond 4.625% 30Jun2025	223,600	224,163	0.13
United States Treasury Note/Bond 4.75% 31Jul2025	715,400	718,809	0.43
United States Treasury Note/Bond 4.875% 30Nov2025	2,456,000	2,481,951	1.48
United States Treasury Note/Bond 5% 30Sep2025	620,100	626,543	0.37
Verizon Communications Inc 0.85% 20Nov2025	1,000,000	929,545	0.56
Warnermedia Holdings Inc 3.638% 15Mar2025	400,000	391,678	0.23

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %
Debt Securities (continued)			
United States of America (continued)			
Warnermedia Holdings Inc 6.412% 15Mar2026	800,000	800,812	0.48
Wells Fargo & Co 3.196% 17Jun2027	1,400,000	1,339,569	0.80
Welltower Op Llc 4% 1Jun2025	1,400,000	1,375,283	0.82
Total United States of America		64,423,687	38.52
Total Debt Securities		161,875,479	96.85
Accrued interest receivable on debt securities		1,607,584	0.96
Portfolio of investments		163,483,063	97.81
Other net assets		3,656,289	2.19
Net assets attributable to shareholders		167,139,352	100.00

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %	Percentage of total net assets attributable to shareholders at 31 December 2022 %
By Geography (Summary)			
Debt securities			
Australia	11,396,187	6.82	4.74
Belgium	292,673	0.18	0.49
Canada	2,756,238	1.65	2.50
China	11,802,147	7.08	7.24
France	5,719,890	3.42	2.47
Germany	3,342,977	2.00	2.70
Hong Kong	6,427,746	3.84	4.93
India	9,196,117	5.52	5.81
Indonesia	2,680,197	1.61	1.54
Ireland	1,208,520	0.72	-
Japan	3,911,374	2.35	3.68
Macau	1,188,948	0.71	-
Malaysia	3,528,079	2.11	1.52
Netherlands	2,848,670	1.70	1.88
Philippines	999,050	0.60	-
Republic of Korea	7,866,189	4.71	2.21
Singapore	8,123,606	4.84	2.67
Spain	1,241,172	0.74	0.51
Switzerland	1,389,682	0.83	0.76
Taiwan	749,648	0.45	0.69
United Arab Emirates	-	-	0.51
United Kingdom	10,782,682	6.45	4.98
United States of America	64,423,687	38.52	43.79
Accrued interest receivable on debt securities	1,607,584	0.96	0.80
Portfolio of investments	163,483,063	97.81	96.42
Other net assets	3,656,289	2.19	3.58
Net assets attributable to shareholders	167,139,352	100.00	100.00

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023 DBS CIO Liquid+ Fund

	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %	Percentage of total net assets attributable to shareholders at 31 December 2022 %
By Industry (Secondary)			
Debt securities			
Aerospace/Defense	796,472	0.48	0.50
Airlines	3,247,696	1.95	1.97
Auto Manufacturers	5,845,370	3.49	4.17
Banks	41,108,525	24.58	17.87
Beverages	2,031,866	1.22	1.46
Chemicals	3,874,634	2.31	1.94
Commercial Services	1,908,946	1.14	1.95
Computers	4,164,296	2.49	2.72
Cosmetics/Personal Care	792,208	0.47	0.50
Diversified Financial Service	5,835,474	3.49	2.70
Electric	4,755,204	2.84	2.50
Electronics	749,648	0.45	0.69
Engineering & Construction	2,316,290	1.39	1.32
Entertainment	1,192,490	0.71	0.49
Food	576,639	0.35	0.72
Healthcare-Products	-	-	0.96
Holding Companies-Divers	1,184,316	0.71	0.50
Home Furnishings	-	-	0.74
Household Products/Wares	-	-	0.51
Insurance	1,995,114	1.19	0.99
Internet	7,489,351	4.49	4.28
Iron/Steel	997,585	0.6	0.51
Lodging	3,721,566	2.23	1.23
Media	1,189,458	0.71	1.51
Mining	3,530,508	2.13	3.50
Oil & Gas	14,198,457	8.49	7.82
Oil & Gas Services	-	-	0.50
Pharmaceuticals	3,733,397	2.24	1.50
Pipelines	1,185,354	0.71	0.74
Real Estate	1,345,162	0.81	1.23
REITS	4,501,599	2.68	1.98
Retail	400,770	0.24	-
Semiconductors	4,223,592	2.52	0.73
Software	1,016,765	0.61	0.52
Sovereign	19,539,431	11.68	18.00

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Statement of portfolio as at to 31 December 2023

DBS CIO Liquid+ Fund

	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to shareholders at 31 December 2023 %	Percentage of total net assets attributable to shareholders at 31 December 2022 %
By Industry (Secondary) (continued)			
Debt securities (continued)			
Telecommunications	8,378,103	5.02	5.39
Toys/Games/Hobbies	1,283,457	0.77	-
Transportation	1,557,216	0.94	0.98
Trucking & Leasing	1,208,520	0.72	-
Accrued interest receivable on debt securities	1,607,584	0.96	0.80
Portfolio of investments	163,483,063	97.81	96.42
Other net assets	3,656,289	2.19	3.58
Net assets attributable to shareholders	167,139,352	100.00	100.00

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

Scalar Retail Fund VCC

(incorporated in Singapore)

Notes to the financial statements for the financial year ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 General information

Scalar Retail Fund VCC (the “Company”), whose registered office is located at 12 Marina Boulevard, Marina Bay Financial Centre, Singapore 018982, is a variable capital company incorporated with limited liability under the provisions of the Variable Capital Companies Act 2018 of Singapore, and is governed by the laws of the Republic of Singapore. DBS CIO Liquid+ Fund (the “Sub-Fund”) is Sub-Fund of the Company.

The Sub-Fund allow shares to be bought and sold at its net asset value (“NAV”). The Company is a variable capital company that is a body corporate upon which the Sub-Fund is launched and it owns no economic or legal interests in the Sub-Fund.

The Company may establish one or more sub-funds (which may be open-ended, closed-ended or limited liquidity) from time to time, details of which will be set out in Company’s prospectus (the “Prospectus”).

Management Shares were issued in respect of the Company only and Participating Shares were issued in respect of the Sub-Fund. Only one Management Share was issued to the Manager. Each Management Share will comprise one vote while each Participating Shares of the Sub-Fund does not have the right to vote at the general meeting of the Company.

The investment objective of Sub-Fund is to invest into a pure global fixed income portfolio (with a tilt towards Asia), which provides yield pickup while providing a high level of liquidity to the investors. The Sub-Fund will predominantly invest its assets in investment grade bonds, high yield bonds and government securities, while keeping to a duration of between 1 to 3 years. The investments of the Sub-Fund will predominantly be denominated in US\$ but the Manager retains the flexibility to invest the assets of the Sub-Fund in non-US\$ denominated investments. The Sub-Fund may also use financial derivative instruments (“FDIs”), including foreign exchange swaps and forwards for currency hedging, credit default swaps to hedge against credit risk and interest rates swaps and futures for duration management. The date of commencement of operation of Sub-Fund was 19 October 2022. There was no transaction between the date of formation of the Sub-Fund on 17 August 2022 to the date of commencement of the Sub-Fund on 19 October 2022.

The Sub-Fund is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switching (if applicable) in and out of the Sub-Fund. This is known as “dilution”. In order to counter this and to protect unitholders’ interests, the Company may apply “anti-dilution levy”. This will mean that in certain circumstances the Company may require investor to pay an additional amount which reasonably represents an appropriate provision for estimated bid/offer spread of the investments of the relevant Sub-Fund, extraordinary transactional fees or expenses, including stamp duty, other taxes, brokerage, bank charges, transfer fees or registration fees, and other charges, which will form part of the Sub-Fund assets. In respect of redemptions, the Company may deduct from the redemption proceeds such additional amount, which will be paid to the Company and will form part of the Sub-Fund assets.

Scalar Retail Fund VCC

(incorporated in Singapore)

Notes to the financial statements for the financial year ended 31 December 2023

1 General information *(continued)*

The additional amount is capped at 3% of the Net Asset Value of the shares that are being subscribed for or being redeemed.

The Company has appointed DBS Bank Ltd. (the “Manager”) to provide investment management services, Citibank N.A., Singapore Branch (the “Administrator”) to provide fund accounting and administration services and Citicorp Trustee Singapore Limited to provide transfer agency services to the Sub-Fund.

2 Material accounting policy information

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP 7”) revised and issued by the Institute of Singapore Chartered Accountants in August 2023 for the financial year beginning on or after 1 January 2023.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Company and the Sub-Fund and had no material effect on the amounts reported for the current or prior years.

The preparation of these financial statements in conformity with the RAP7 requires the management to exercise its judgement in the process of applying the Company's and the Sub-Fund's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

(a) Foreign currency translation

(i) *Functional and presentation currency*

These financial statements are presented in the US Dollar (“US\$” of “USD”), which is the Company and the Sub-Fund’s functional and presentation currency.

The functional currency is the currency of the primary economic environment in which the Sub-Fund operate. When indicators of the primary economic environment are mixed, management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The management has determined that the functional currency of the Sub-Fund is the US\$. Expenses incurred and paid by the Sub-Fund are mainly in US\$. Investor subscriptions and redemptions are denominated in US\$, Hong Kong Dollar and Singapore Dollar.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Scalar Retail Fund VCC

(incorporated in Singapore)

Notes to the financial statements for the financial year ended 31 December 2023

2 Material accounting policy information *(continued)*

(a) Foreign currency translation *(continued)*

(ii) *Transactions and balances (continued)*

Foreign exchange gains and losses arising from translation are included in the Statements of Total Return.

Foreign exchange gains and losses relating to financial assets and liabilities carried at fair value through profit or loss are presented in the Statements of Total Return within net changes in fair value on financial assets and financial liabilities at fair value through profit or loss.

(b) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) *Initial recognition*

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in the fair value of investments are included in the Statements of Total Return in the year in which they arise.

(iii) *Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statements of Total Return.

(c) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments in debt securities held by the Sub-Fund is mid price. Accrued interest or discount or premium on debt securities at the reporting date are included in the fair value of debt securities. Interest income on debt securities is presented within net gains or losses on investments on the Statements of Total Return.

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Notes to the financial statements for the financial year ended 31 December 2023

2 Material accounting policy information *(continued)*

(d) Financial derivatives

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Prospectus.

Financial derivatives outstanding at the end of the financial year are measured at their fair values using the marked-to-market method, and the resultant gains and losses are taken up in the Statements of Total Return.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

(f) Sales/ Purchases awaiting settlement

Sales/Purchases awaiting settlement is receivable for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statements of Financial Position date respectively. Purchases awaiting settlement include short-term debt balances that may be collateralised by certain of the Sub-Fund's securities held with the broker.

(g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Any changes in their value are recognised in the Statements of Total Return.

(h) Accruals and other payables

Accruals and other payables are financial liabilities, recognised when the Sub-Fund become a party to the contractual provisions of the instrument. Accruals and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Accruals and other payables are derecognised when the obligations under the liability are discharged or cancelled or expire.

Scalar Retail Fund VCC

(incorporated in Singapore)

Notes to the financial statements for the financial year ended 31 December 2023

2 Material accounting policy information *(continued)*

(i) Net assets attributable to shareholders

All participating shares issued by the Sub-Fund provide shareholders with the right to require redemption for cash at the value proportionate to the shareholders' share in the Sub-Fund's net assets at the redemption date.

The Sub-Fund offers 9 classes of shares, namely USD Acc Class A shares, USD Dist Class A shares, USD Acc Class B shares, SGD Hedged Acc Class A shares, SGD Hedged Dist Class A shares, SGD Hedged Acc Class B shares, SGD Hedged Dist Class B shares, HKD Acc Class A and HKD Dist Class A shares.

The prices at which redeemable participating shares may be issued or redeemed are calculated by reference to the Sub-Fund's NAV calculated daily in accordance with the Sub-Fund's Prospectus.

(j) Management share

The management share issued by the Company provides the shareholder the right to vote and attend the general meeting of the Company and is classified as equity.

The management share is redeemable at the option of the Company in accordance with the Constitution. The management share is not entitled to any share of the profits of the Company or any proceeds of realisation of the assets of the Company. The holder will only be entitled to the return of the capital paid up on the liquidation of the Company.

(k) Income and expenses

Interest income includes interest on cash and cash equivalents which are recorded using the effective interest method. Interest income is recognised on a gross basis before withholding tax, if any.

Expenses are accounted for on accruals basis and charged to the Statements of Total Return.

Transaction costs are costs incurred to acquire financial instruments at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the Statements of Total Return as an expense.

(l) Taxation

The taxation of income and capital gains of the Sub-Fund are subject to the fiscal laws and practice of Singapore and other countries in which the Sub-Fund invest.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax asset is recognised to the extent that it is possible that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

2 Material accounting policy information *(continued)*

(m) Distribution

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. The amount shall not be treated as part of the property of the Sub-Fund. Distributions are accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

3 Receivables

	Scalar Retail Fund VCC		DBS CIO Liquid+ Fund	
	31 December 2023 US\$	31 December 2022 US\$	31 December 2023 US\$	31 December 2022 US\$
Receivable from shareholders for creation of shares	-	-	325,572	213,654
Total	-	-	325,572	213,654

4 Cash and cash equivalents

	Scalar Retail Fund VCC		DBS CIO Liquid+ Fund	
	31 December 2023 US\$	31 December 2022 US\$	31 December 2023 US\$	31 December 2022 US\$
Cash at bank	1	1	4,618,142	2,582,885
Total	1	1	4,618,142	2,582,885

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

5 Financial derivatives at fair value

Financial derivative contracts comprise foreign exchange forward contracts due for settlement within 3 months (2022: 3 months) from the reporting date. The contract or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the reporting date are analysed below.

	DBS CIO Liquid+ Fund		
	31 December 2023		
	Notional amount	Fair value	Fair value
	US\$	assets	liabilities
		US\$	US\$
Spot contracts	323,488	308	147
Forward contracts	100,568,745	279,884	262
		280,192	409
	31 December 2022		
	Notional amount	Fair value	Fair value
	US\$	assets	liabilities
		US\$	US\$
Forward contracts	48,859,756	236,149	-
		236,149	-

6 Accruals and other payables

	Scalar Retail Fund VCC		DBS CIO Liquid+ Fund	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Payable to shareholders for cancellation of shares	-	-	2,272	186,371
Accrued operating expenses	-	-	188,309	57,383
Total	-	-	190,581	243,754

7 Management share

The Company is structured as an umbrella variable capital company and may consist of one or more Sub-Fund each comprising one or more classes or series of shares.

The Company has issued 1 management share (2022: 1) as at 31 December 2023.

The management share carries the rights of receiving notice of, attending at and voting at any general meeting of the Company, and does not entitle the holder thereof to any dividend and on a winding up entitles the holder thereof to receive the consideration paid thereof but do not otherwise entitle the holder to participate in the assets of the Company. The Company has issued 1 management share (2022: 1) to the Manager.

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

8 Participating shares in issue

During the financial year ended 31 December 2023 and 2022 the number of participating shares issued, redeemed and outstanding were as follows:

	DBS CIO Liquid+ Fund									
	For the financial year ended 31 December 2023									
	SGD Hedged Acc Class A	SGD Hedged Dist Class A	SGD Hedged Acc Class B	SGD Hedged Dist Class B	HKD Acc Class A	HKD Dist Class A	USD Acc Class A	USD Dist Class A	USD Acc Class B	USD Dist Class B
Shares at beginning	622,676	2,800,627	1,421,430	1,646,403	27,860	114,383	481,489	606,379	1,052,413	712,124
Shares created	1,221,788	9,666,421	78,483	367,015	168,167	183,131	1,959,270	4,104,021	42,197	29,272
Shares cancelled	(602,668)	(751,228)	(1,498,255)	(1,745,180)	-	(29,700)	(350,019)	(558,736)	(1,033,469)	(741,396)
Shares at ending	1,241,796	11,715,820	1,658	268,238	196,027	267,814	2,090,740	4,151,664	61,141	-
Net assets attributable to shareholders - US\$	9,820,166	89,273,021	16,415	2,047,839	265,544	349,120	22,234,007	42,479,783	653,457	-
Net asset value per share - US\$	7.91	7.62	9.90	7.63	1.35	1.30	10.63	10.23	10.69	-
Net assets attributable to shareholders - Class currency	SGD12,953,721	SGD117,760,449	SGD21,653	SGD2,701,293	HKD2,073,461	HKD2,726,133	USD22,234,007	USD42,479,783	USD653,457	-
Net asset value per share - Class currency	SGD10.43	SGD10.05	SGD13.06	SGD10.07	HKD10.58	HKD10.18	USD10.63	USD10.23	USD10.69	-
	For the financial period from 19 October 2022 (date of commencement) to 31 December 2022									
	SGD Hedged Acc Class A	SGD Hedged Dist Class A	SGD Hedged Acc Class B	SGD Hedged Dist Class B	HKD Acc Class A	HKD Dist Class A	USD Acc Class A	USD Dist Class A	USD Acc Class B	USD Dist Class B
Shares at beginning	-	-	-	-	-	-	-	-	-	-
Shares created	642,640	2,955,313	1,456,521	1,676,411	27,860	114,383	506,050	611,291	1,073,153	728,366
Shares cancelled	(19,964)	(154,686)	(35,091)	(30,008)	-	-	(24,561)	(4,912)	(20,740)	(16,242)
Shares at ending	622,676	2,800,627	1,421,430	1,646,403	27,860	114,383	481,489	606,379	1,052,413	712,124
Net assets attributable to shareholders - US\$	4,685,986	21,083,780	10,729,386	12,422,057	35,895	147,404	4,869,817	6,133,116	10,652,484	7,208,071
Net asset value per share - US\$	7.53	7.53	7.55	7.54	1.29	1.29	10.11	10.11	10.12	10.12
Net assets attributable to shareholders - Class currency	SGD6,284,827	SGD28,277,515	SGD14,390,303	SGD16,660,379	HKD280,149	HKD1,150,438	USD4,869,817	USD6,133,116	USD10,652,484	USD7,208,071
Net asset value per share - Class currency	SGD10.09	SGD10.10	SGD10.12	SGD10.12	HKD10.06	HKD10.06	USD10.11	USD10.11	USD10.12	USD10.12

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Notes to the financial statements for the financial year ended 31 December 2023

8 Participating shares in issue (continued)

A reconciliation of the net assets attributable to shareholders per share per financial statements and the net assets attributable to shareholders per share for issuing/redeeming shares at the financial year end date is presented below:

	DBS CIO Liquid+ Fund									
	For the financial year ended 31 December 2023									
	SGD Hedged Acc Class A US\$	SGD Hedged Dist Class A US\$	SGD Hedged Acc Class B US\$	SGD Hedged Dist Class B US\$	HKD Acc Class A US\$	HKD Dist Class A US\$	USD Acc Class A US\$	USD Dist Class A US\$	USD Acc Class B US\$	USD Dist Class B US\$
Accounting NAV per share as reported in the statement of financial position	7.91	7.62	9.90	7.63	1.35	1.30	10.63	10.23	10.69	-
Effect for movement in the net asset value between the last dealing date and the end of the reporting period	-	-	-	-	-	-	-	-	-	-
Dealing NAV per share for issuing/redeeming shares	7.91	7.62	9.90	7.63	1.35	1.30	10.63	10.23	10.69	-
	For the financial period from 19 October 2022 (date of commencement) to 31 December 2022									
	SGD Hedged Acc Class A US\$	SGD Hedged Dist Class A US\$	SGD Hedged Acc Class B US\$	SGD Hedged Dist Class B US\$	HKD Acc Class A US\$	HKD Dist Class A US\$	USD Acc Class A US\$	USD Dist Class A US\$	USD Acc Class B US\$	USD Dist Class B US\$
Accounting NAV per share as reported in the statement of financial position	7.53	7.53	7.55	7.54	1.29	1.29	10.11	10.11	10.12	10.12
Effect for movement in the net asset value between the last dealing date and the end of the reporting period	-	-	-	0.01	-	-	0.01	0.01	-	-
Dealing NAV per share for issuing/redeeming shares	7.53	7.53	7.55	7.55	1.29	1.29	10.12	10.12	10.12	10.12

Scalar Retail Fund VCC

(incorporated in Singapore)

Notes to the financial statements for the financial year ended 31 December 2023

8 Participating shares in issue *(continued)*

The Sub-Fund currently offers 9 classes of units, namely SGD Hedged Acc Class A, SGD Hedged Dist Class A, SGD Hedged Acc Class B, SGD Hedged Dist Class B, HKD Acc Class A, HKD Dist Class A, USD Acc Class A, USD Dist Class A and USD Acc Class B. All 9 Classes of units constitute the Sub-Fund and have different features. The key differences between the classes are the management fee rate, currency of denomination and distribution policy applicable to each class. The SGD Hedged Acc Class A, SGD Hedged Dist Class A, SGD Hedged Acc Class B, SGD Hedged Dist Class B, HKD Acc Class A, and HKD Dist Class A are subject to foreign exchange risk against the Sub-Fund's functional currency. USD Dist Class B was incepted on 19 October 2022 and was fully redeemed on 5 June 2023.

NAV is apportioned between SGD Hedged Acc Class A, SGD Hedged Dist Class A, SGD Hedged Acc Class B, SGD Hedged Dist Class B, HKD Acc Class A, HKD Dist Class A, USD Acc Class A, USD Dist Class A, and USD Acc Class B units based on the proportion of NAV of each class, which is determined by computing the equivalent number of units of SGD Hedged Acc Class A, SGD Hedged Dist Class A, SGD Hedged Acc Class B, SGD Hedged Dist Class B, HKD Acc Class A, HKD Dist Class A, USD Acc Class A, USD Dist Class A, and USD Acc Class B units in issue. Any expense, income and/or gain which is attributable to a particular class shall be deducted from or added to the net assets attributable to that class.

“Acc” refers to Accumulation classes which do not declare or pay distributions but accumulate investment gains and income in their net asset values.

“Dist” refers to Distribution classes which declare and pay distributions in accordance with the applicable distribution policies of the Sub-Fund.

Hedged classes allow the Manager to adopt currency hedging strategies and use currency hedging transactions to reduce the effect of exchange rate fluctuations between the currency in which the relevant hedged classes is denominated against the currency in which the underlying investments are denominated. The costs and expenses associated with the hedging transactions and any benefits of the hedging transactions will accrue to the hedged classes only.

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

9 Distribution to unitholders

During the financial period from 19 October 2022 (date of commencement) to 31 December 2022, no distribution was made to the unitholders of DBS CIO Liquid+ Fund.

The following table summarises the distribution made to the unitholders of DBS CIO Liquid+ Fund for financial year ended 31 December 2023:

	DBS CIO Liquid+ Fund
	US\$
SGD Hedged Dist Class A	
Distribution on ex-date 11 January 2023 at SGD 0.0502 per unit	107,798
Distribution on ex-date 12 April 2023 at SGD 0.1016 per unit	443,377
Distribution on ex-date 11 July 2023 at SGD 0.1002 per unit	721,438
Distribution on ex-date 10 October 2023 at SGD 0.0982 per unit	735,870
SGD Hedged Dist Class B	
Distribution on ex-date 11 January 2023 at SGD 0.0503 per unit	62,190
Distribution on ex-date 12 April 2023 at SGD 0.1019 per unit	64,195
Distribution on ex-date 11 July 2023 at SGD 0.1002 per unit	12,997
Distribution on ex-date 10 October 2023 at SGD 0.0983 per unit	16,696
HKD Dist Class A	
Distribution on ex-date 11 January 2023 at HKD 0.0501 per unit	734
Distribution on ex-date 12 April 2023 at HKD 0.1021 per unit	3,681
Distribution on ex-date 11 July 2023 at HKD 0.1011 per unit	3,279
Distribution on ex-date 10 October 2023 at HKD 0.1365 per unit	4,439
USD Dist Class A	
Distribution on ex-date 11 January 2023 at USD 0.0504 per unit	40,883
Distribution on ex-date 12 April 2023 at USD 0.1021 per unit	280,601
Distribution on ex-date 11 July 2023 at USD 0.1012 per unit	378,384
Distribution on ex-date 10 October 2023 at USD 0.1368 per unit	509,005
USD Dist Class B	
Distribution on ex-date 11 January 2023 at USD 0.0504 per unit	35,891
Distribution on ex-date 12 April 2023 at USD 0.1024 per unit	36,683
	<hr/> 3,458,141 <hr/>

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Notes to the financial statements for the financial year ended 31 December 2023

10 Management fees

The Company has appointed the Manager pursuant to the investment management agreement. The Manager is incorporated in Singapore and operates as an exempt capital markets services entity for the regulated activity of 'fund management' under the Securities and Futures Act 2001.

The Manager is responsible for the management of the investment of the assets of the Sub-Fund in accordance with its investment objective.

Pursuant to the investment management agreement, the Sub-Fund pays the Manager management fees at a rate of 0.4% per annum for Share Class A, up to a maximum of 1.0%, and at a rate of 0% per annum for Share B, up to a maximum of 0%, on its NAV in respect of the relevant shares. Such fees are calculated daily and payable as and when they are due.

The amounts in respect of management fees charged for the financial year/period and outstanding at the reporting date are presented in the Statements of Total Return and the Statements of Financial Position, respectively.

11 Custodian and administration fees

Citicorp Trustee (Singapore) Limited has been appointed as Custodian and Citibank N.A., Singapore Branch has been appointed to Administrator pursuant to the custody agreement and fund administration agreement respectively.

The Custodian charges custodian fees for its custodial duties at up to 0.10% per annum of the Sub-Fund's NAV attributable to shareholders, at various rates dependent on the market and based on the month end assets which are calculated daily and payable monthly in arrears.

The Administrator charges administration fees at up to 0.10% based on assets managed, which are calculated daily and payable monthly in arrears.

The Administrator can charge a fee to cover general disbursements.

The Administrator also provides the following services, and charges fees as agreed from time to time.

Financial statements preparation and audit liaison

The Administrator is entitled to charge a financial statements preparation and audit liaison for the preparation of each set of annual financial statements and for the preparation of each set of annual financial statements.

Fund annual return

The Administrator is entitled to charge a fund annual return fee for the preparation of each fund annual return.

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Notes to the financial statements for the financial year ended 31 December 2023

11 Custodian and administration fees (*continued*)

Registrar and transfer agency

For the provision of registrar and transfer agency fees, the Administrator is entitled to charge a transaction fee per investor transaction for the Company in respect of the Sub-Fund.

FATCA and CRS reporting

The Administrator is also entitled to an annual fee for the provision of FATCA and CRS services which will vary depending on the number of shareholders.

The Administrator is also reimbursed for all properly incurred and approved out of pocket expenses.

Total custodian and administration fees incurred by Sub-Fund for the financial year/period ended 31 December 2023 and 2022 amounted to US\$12,598 (2022: US\$1,867). Of which, no payable as at 31 December 2023 and 2022.

12 Financial risk management

The Manager is responsible for the management of the investment of the assets of the Sub-Fund in accordance with its investment objectives and policies described in the Prospectus.

The Sub-Fund's activities exposed it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of financial assets or liabilities will fluctuate because of changes in, amongst other things, foreign exchange rates, interest rates and other prices. The approach to the management of market risk is driven by the investment objective of the Sub-Fund.

In order to manage the market risk, the Manager may apply short-term trades as an investment strategy.

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

Price risk arises from investments held by the Sub-Fund for which prices in the future are uncertain.

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management (continued)

(a) Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The tables below summarise the Sub-Fund's exposures to the interest rate risk at 31 December 2023 and 2022.

	For the financial year ended 31 December 2023			Total US\$
	Variable rates US\$	Fixed rates US\$	Non-interest bearing US\$	
Assets				
Portfolio of investments	17,448,098	143,394,494	2,640,471	163,483,063
Receivables	-	-	325,572	325,572
Cash and cash equivalents	4,618,142	-	-	4,618,142
Financial derivatives at fair value	-	-	280,192	280,192
	<u>22,066,240</u>	<u>143,394,494</u>	<u>3,246,235</u>	<u>168,706,969</u>
Liabilities				
Purchases awaiting settlement	-	-	1,376,627	1,376,627
Accruals and other payables	-	-	190,581	190,581
Financial derivatives, at fair value	-	-	409	409
	<u>-</u>	<u>-</u>	<u>1,567,617</u>	<u>1,567,617</u>

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management (continued)

(a) Market risk (continued)

	For the financial period from 19 October 2022 (date of commencement) to 31 December 2022			
	Variable rates US\$	Fixed rates US\$	Non-interest bearing US\$	Total US\$
Assets				
Portfolio of investments	2,122,224	66,452,956	6,603,882	75,179,062
Receivables	-	-	213,654	213,654
Cash and cash equivalents	2,582,885	-	-	2,582,885
Financial derivatives at fair value	-	-	236,149	236,149
	<u>4,705,109</u>	<u>66,452,956</u>	<u>7,053,685</u>	<u>78,211,750</u>
Liabilities				
Accruals and other payables	-	-	243,754	243,754
	<u>-</u>	<u>-</u>	<u>243,754</u>	<u>243,754</u>

The effective duration, a measure of the sensitivity of the price of a fixed income security to a change in interest for the 12-month period is 1.63 (2022: 1.08). As at 31 December 2023 and 2022, should interest rates have lowered or risen by 100 basis points (“bps”) (2022: 100 bps), with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders would be US\$2,337,330 (2022: US\$717,692).

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Sub-Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Sub-Fund are exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-Fund’s assets or liabilities denominated in currencies other than US\$. The Sub-Fund may enter into foreign exchange forward contracts to either hedge some or all of these currency exposures.

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management (continued)

(a) Market risk (continued)

The tables below summarise the Sub-Fund's exposure to key currencies at the end of the financial year/period. Monetary and non-monetary items have been taken into account for the analysis.

	For the financial year ended 31 December 2023		
	SGD US\$	USD US\$	Total US\$
Assets			
Portfolio of investments	-	163,483,063	163,483,063
Receivables	324,580	992	325,572
Cash and cash equivalents	4,099	4,614,043	4,618,142
Total assets	328,679	168,098,098	168,426,777
Liabilities			
Purchases awaiting settlement	-	1,376,627	1,376,627
Accruals and other payables	1,256	189,325	190,581
Total liabilities	1,256	1,565,952	1,567,208
Net financial assets	327,423	166,532,146	166,859,569
Foreign currency contracts (Notional)	100,005,396	(100,005,396)	
Net currency exposure	100,332,819	66,526,750	
For the financial period from 19 October 2022 (date of commencement) to 31 December 2022			
	SGD US\$	USD US\$	Total US\$
Assets			
Portfolio of investments	-	75,179,062	75,179,062
Receivables	114,412	99,242	213,654
Cash and cash equivalents	36,385	2,546,500	2,582,885
Total assets	150,797	77,824,804	77,975,601
Liabilities			
Accruals and other payables	-	243,754	243,754
Total liabilities	-	243,754	243,754
Net financial assets	150,797	77,581,050	77,731,847
Forward contracts (Notional)	48,859,756	(48,859,756)	
Net currency exposure	49,010,553	28,721,294	

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management (continued)

(a) Market risk (continued)

The tables below summarise the sensitivity of the Sub-Fund net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 5% with respect to the US\$, with all other variables held constant. This represents the Management's best estimate of a reasonable possible shift in the foreign exchange rates.

	For the financial year ended 31 December 2023		For the financial period from 19 October 2022 (date of commencement) to 31 December 2022	
	Impact on net assets attributable to unitholders US\$	% of NAV	Impact on net assets attributable to unitholders US\$	% of NAV
SGD	5,016,641	3.00	2,450,528	3.14

(b) Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. The carrying amount of financial assets best represents the maximum credit risk exposure at the reporting date.

Concentrations of credit risk minimized primarily by:

- ensuring counterparties as well as the respective credit limits are approved;
- ensuring there are controls in place to identify and assess the creditworthiness of counterparties and review such controls on a semi-annual basis; and
- ensuring that transactions are undertaken with a large number of counterparties.

The table below analyses Standard & Poor's credit ratings of the debt securities held by Sub-Fund. The credit ratings are based on the lowest of the available ratings among S&P, Moody's and Fitch, when such ratings are not available, this would then be based on the Manager's internal credit ratings.

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management (continued)

(b) Credit risk (continued)

	31 December 2023		31 December 2022	
	Fair value US\$	% of NAV	Fair value US\$	% of NAV
Debt securities				
Aaa/AAA	2,320,332	1.39	14,600,647	18.72
Aa1/AA+	17,662,840	10.57	560,829	0.72
Aa3/AA-	1,944,408	1.16	-	-
A1/A+	6,302,911	3.77	4,076,558	5.22
A2/A	8,332,474	4.98	3,297,040	4.24
A3/A-	20,057,568	12.00	8,802,698	11.30
Baa1/BBB+	33,637,084	20.13	10,807,735	13.86
Baa2/BBB	36,899,515	22.08	13,586,182	17.44
Baa3/BBB-	26,257,287	15.71	14,308,956	18.35
Ba1/BB+	7,275,998	4.35	2,976,879	3.81
Ba2/BB	1,185,062	0.71	1,532,032	1.97
Accrued interest	1,607,584	0.96	629,506	0.79
	163,483,063	97.81	75,179,062	96.42

Sub-Fund's cash and cash equivalents are held with Citibank N.A., Singapore Branch, which also acts as the Sub-Fund's Administrator. As at 31 December 2023 and 2022, Citibank N.A., Singapore Branch has a credit rating of A+ as determined by Standard & Poor's. The Sub-Fund regularly monitor their credit risk by monitoring their credit quality of the counterparties as reported.

Expected credit loss

The Sub-Fund measure credit risk and expected credit losses on financial assets (except portfolio of investments and/or financial derivatives) measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due.

The Sub-Fund's offering documents provide for the daily cancellation of shares and the Sub-Fund are therefore exposed to the liquidity risk of meeting shareholder redemptions.

The Sub-Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Sub-Fund's reputation.

In order to manage the Sub-Fund's overall liquidity, it has protocols in place around redemptions.

In the event that the shareholders redeem 10% or more of the NAV of the respective class of shares, the Directors, in consultation with the Manager, may limit such redemptions to an aggregate value of 10% of the NAV on that dealing day (i.e., impose a "Redemption Gate"). In certain circumstances the Directors may also suspend redemptions if this is deemed to be in the best interest of all shareholders.

Sub-Fund's investments in listed securities are considered to be realisable as they are listed on recognised exchanges.

Sub-Fund's liabilities as of 31 December 2023 and 2022 are short term in nature.

The tables below show the residual contractual, undiscounted cash flows of the Sub-Fund's liabilities at 31 December 2023 and 2022.

	31 December 2023
	Less than 3 months
	US\$
<i>Financial liabilities measured at amortised cost</i>	
Purchases awaiting settlement	1,376,627
Accruals and other payables	190,581
Financial derivatives, at fair value	409
Total	1,567,617
	<hr/>
	31 December 2022
	Less than 3 months
	US\$
<i>Financial liabilities measured at amortised cost</i>	
Accruals and other payables	243,754
Total	243,754
	<hr/>

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the Sub-Fund's derivatives financial instruments in a loss position that will be settled on a gross basis into relevant maturity groups based on the remaining period at the Statements of Financial Position date to the contractual maturity date.

	31 December 2023
	Less than 3 months
	US\$
Financial derivatives, at fair value	
- Foreign currency contracts	
- inflow	337,211
- outflow	(337,619)
	<hr/>

There was no financial derivatives in a liability position as at 31 December 2022.

(d) Capital risk management

The capital of the Sub-Fund is represented by the net assets attributable to shareholders. The Sub-Fund's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the investment activities of the Sub-Fund. In addition, the Sub-Fund monitors the level of exposure of the Sub-Fund to safeguard its ability to meet redemption requests. The director and the Manager monitor capital on the basis of the value of net assets attributable to shareholders.

(e) Fair value estimation

The table overleaf provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value determined using a quoted price in an active market

When fair values of investment in bond securities at the reporting date are based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs, the instruments are included in level 2 of the fair value hierarchy. These include over-the-counter derivatives.

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management (continued)

(e) Fair value estimation (continued)

31 December 2023	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss				
<i>Portfolio of investments</i>				
- Debt securities	-	163,483,063	-	163,483,063
<i>Derivative financial instruments</i>				
- Spot contracts	-	308	-	308
- Forward contracts	-	279,884	-	279,884
	<u>-</u>	<u>163,763,255</u>	<u>-</u>	<u>163,763,255</u>
Financial liabilities at fair value through profit or loss				
<i>Derivative financial instruments</i>				
- Spot contracts	-	147	-	147
- Forward currency contracts	-	262	-	262
	<u>-</u>	<u>409</u>	<u>-</u>	<u>409</u>
31 December 2022	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Portfolio of investments</i>				
- Debt securities	-	75,179,062	-	75,179,062
<i>Derivative financial instruments</i>				
- Forward currency contracts	-	236,149	-	236,149
	<u>-</u>	<u>75,415,211</u>	<u>-</u>	<u>75,415,211</u>

There were no transfers between levels during the year/period ended 31 December 2023 and 2022.

Cash and cash equivalents, receivables and payables are carried at values that reflect a reasonable approximation of their fair value.

Scalar Retail Fund VCC

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Notes to the financial statements for the financial year ended 31 December 2023

12 Financial risk management *(continued)*

(f) Financial instruments by category

The aggregate carrying amounts of financial assets and liabilities at fair value through profit and loss and amortised cost of Sub-Fund are as follows:

	31 December 2023	31 December 2022
	US\$	US\$
Financial assets at fair value through profit or loss	163,763,255	75,415,211
Financial assets at amortised cost	4,943,714	2,796,539
Financial liabilities at fair value through profit or loss	409	-
Financial liabilities at amortised cost	1,567,208	243,754

13 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors

The Directors may be entitled to fees for their roles as Directors of the Company. During the financial year/period ended 31 December 2023 and 2022, the directors' fees incurred amounted to US\$42,000 (2022: US\$15,014).

Manager

Details of management fees charged by the Manager during the financial period and outstanding at the reporting date are disclosed in Note 10.

1 management share (2022: 1) of the Company has been issued to the Manager. The paid-up capital amounting to US\$1 (2022: US\$1) is paid as at 31 December 2023 and 2022.

All related party transactions were made at arm's length on normal commercial terms and conditions, unless otherwise stated.

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Notes to the financial statements for the financial year ended 31 December 2023

14 Income taxes

The Sub-Fund has been approved by the Monetary Authority of Singapore (MAS) under the Enhanced-Tier Fund (ETF) Scheme (section 13U of the Income Tax Act 1947 and the relevant regulations) and the commencement date of the ETF Scheme was on 20 October 2022. Subject to certain conditions being met on an annual basis, the Sub-Fund enjoys Singapore corporate income tax exemption on “specified income” derived from “designated investments” for the life of the Sub-Fund. The tax exemption does not apply in the year when the relevant conditions are not met. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant income tax regulations. As at 31 December 2023 and 2022, the Sub-Fund has uncertain tax exposure with respect to gains on investment for which the tax liability is estimated to be insignificant. While this represents the Manager’s best estimate, the estimated value could differ significantly from the amount ultimately payable.

15 Financial ratio

	DBS CIO Liquid+ Fund				
	For the financial year ended 31 December 2023				
	SGD Hedged Acc Class A	SGD Hedged Dist Class A	SGD Hedged Acc Class B	SGD Hedged Dist Class B	HKD Acc Class A
Total operating expenses	40,737	301,376	4,330	4,162	937
Average daily net asset value	8,179,861	60,813,532	5,652,037	5,255,819	190,131
Expense ratio (annualised) ¹	0.50%	0.50%	0.08%	0.08%	0.49%
	HKD Dist Class A	USD Acc Class A	USD Dist Class A	USD Acc Class B	USD Dist Class B
Total operating expenses	1,662	67,904	152,896	4,184	1,960
Average daily net asset value	333,068	13,741,950	30,960,851	5,429,468	5,801,251
Expense ratio (annualised) ¹	0.50%	0.49%	0.49%	0.08%	0.08%

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Notes to the financial statements for the financial year ended 31 December 2023

15 Financial ratio (continued)

	For the financial period from 19 October 2022 (date of commencement) to 31 December 2022				
	SGD Hedged Acc Class A	SGD Hedged Dist Class A	SGD Hedged Acc Class B	SGD Hedged Dist Class B	HKD Acc Class A
Total operating expenses	5,269	22,610	5,552	6,428	47
Average daily net asset value	3,977,110	17,083,971	10,483,378	12,139,142	35,747
Expense ratio (annualised) ¹	0.66%	0.66%	0.26%	0.26%	0.66%
	HKD Dist Class A	USD Acc Class A	USD Dist Class A	USD Acc Class B	USD Dist Class B
Total operating expenses	195	3,930	6,606	5,627	3,797
Average daily net asset value	145,973	2,982,538	4,985,131	10,605,471	7,155,450
Expense ratio (annualised) ¹	0.67%	0.66%	0.66%	0.27%	0.27%
				DBS CIO Liquid+ Fund	
				For the financial period from 19 October 2022 (date of commencement) to 31 December 2022	
			For the financial year ended 31 December 2023		
Turnover ratio ²			48.65%	14.94%	

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 December 2023 and 2022 was based on total operating expenses divided by the average net asset value for the year/period. The total operating expenses do not include (where applicable) brokerage and other transaction costs, interest expense, distribution paid out to shareholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio at 31 December 2023 and 2022 was based on the lower of the total value of purchases or sales of the underlying investments, being sales of US\$66,338,194 (2022: US\$10,394,600) divided by the average daily net asset value of US\$136,357,968 (2022: US\$69,593,911).

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Notes to the financial statements for the financial year ended 31 December 2023

16 Event after reporting period

On 10 January 2024, the Manager has announced the following distributions to the shareholders of the Sub-Fund for the period from 1 October 2023 to 31 December 2023. The ex-dividend date is 10 January 2024 and the record date is 9 January 2024. The payment date of distribution will be 12 January 2024.

DBS CIO Liquid+ Fund	Currency	Dividend per share
USD Distribution Class A	USD	0.1388
HKD Distribution Class A	HKD	0.1381
SGD Hedged Distribution Class A	SGD	0.0995
SGD Hedged Distribution Class B	SGD	0.0997

On 19 March 2024, DBS Target Maturity Fund 2027 was formed as a second Sub-Fund and registered under Scalar Retail Fund VCC on 25 March 2024. However, there is no material impact to the financial year ended 31 December 2023.

17 Comparative figures

The prior period comparative figures are not comparable as the prior period's financial statements are prepared for the financial period 2 August 2022 (date of incorporation) to 31 December 2022 for the Company and for the financial period from 19 October 2022 (date of commencement) to 31 December 2022 for the Sub-Fund.

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Notes to the financial statements for the financial year ended 31 December 2023

18 Approval of financial statements

The financial statements were authorised for issue in accordance with resolution of the Board of Directors of Scalar Retail Fund VCC on 28 March 2024.