



PERFORMA BALANCED CROSS ASSET FUND

**QUARTERLY REPORT
30 SEPTEMBER 2022**

MANAGER
Cross Light Capital Sdn Bhd
201901034174 (1343504-X)

TRUSTEE
Pacific Trustees Bhd
199401031319 (317001-A)

PERFORMA BALANCED CROSS-ASSET FUND

Quarterly Report and Financial Statements As at 30 September 2022

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QUARTERLY REPORT

FUND INFORMATION

| | |
|----------------------|--|
| Fund Name | PERFORMA BALANCED CROSS ASSET FUND |
| Fund Type | Growth |
| Fund Category | Hedge Fund / Mixed Assets (Wholesale) |
| Investment Objective | The Fund aims to achieve medium to long term capital growth from absolute returns. |
| Benchmark | The total returns (the returns net of dividends distributed and fees where applicable) of an equally weighted portfolio of the iShares Core Growth Allocation ETF(AOR), Standard & Poor Depositary Receipts S&P 500 ETF (SPY) and IQ Hedge Multi-Strategy Tracker ETF (QAI) rebalanced daily at zero trading cost: R Benchmark = 1/3 iShares Core Growth Allocation ETF(AOR) + 1/3 SPDR S&P 500 ETF Trust (SPY) + 1/3 IQ Hedge Multi-Strategy Tracker ETF (QAI) where "R" denotes total returns and "x" denotes "multiplied" or "times". Investors should note that the Manager's investment objective is capital growth through absolute returns and is not managing the Fund with the objective of outperforming the reference benchmark or any benchmark. The Manager's investment philosophy is that the Fund is to be managed free from benchmarks from the perspective of the investment objective as the Manager is not seeking to outperform the referenced benchmark. |
| Distribution Policy | The Fund is not expected to make distributions. |

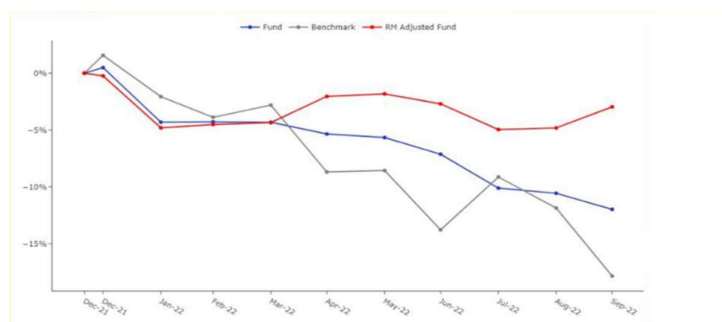
FUND PERFORMANCE DATA

| Category | As at 30 Sep 2022 | As at 30 Jun 2022 |
|-------------------------------|----------------------|----------------------|
| Total NAV (USD) | 1,228,567.40 | 1,296,253.25 |
| NAV per Unit (USD Lead) | 0.44010921 | 0.46435636 |
| Unit in Circulation (million) | 2,791,505.49 | 2,791,505.49 |

Performa Balanced Cross Asset Fund (as at 30 September 2022)

| | 1 Month 01/09/2022 - 30/09/2022 | 3 Months 01/07/2022 - 30/09/2022 | 6 Months 31/03/2022 - 30/09/2022 | 1 Year 01/10/2021 - 30/09/2022 | 3 Years 01/10/2019 - 30/09/2022 | Since Inception 21/12/2021 - 30/09/2022 |
|-----------------------|---------------------------------------|--|--|--------------------------------------|---------------------------------------|--|
| Fund | -1.58% | -5.22% | -8.00% | N/A | N/A | -11.98% |
| Benchmark | -6.78% | -4.71% | -15.47% | -15.03% | 8.36% | -17.84% |
| Outperformance | 5.20% | -0.51% | 7.47% | N/A | N/A | 5.86% |

Movement of the Fund versus the Benchmark



"This information is prepared by Cross Light Capital Sdn Bhd for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up."

Past performance is not necessarily indicative of future performance and that Unit prices and investment returns may go down, as well as up.

Asset Allocation

Fund's asset mix during the period under review:

| | 30 Sep 2022 |
|---------------------------|-------------|
| | (%) |
| Equity & ETF | 100 |
| Unit Trust | 0 |
| Cash "net" & money market | 0 |
| Total | 100 |

Strategies Employed

The Fund maintained its objective of providing its investors with medium to long term capital growth from absolute returns.

To meet the Fund's objective, the Manager maintained the strategies employed to invest in listed collective investment schemes (such as exchange-traded funds ("ETFs") and exchange-traded notes ("ETNs")) to gain a diversified exposure in multiple global asset classes and investment strategies, including but not limited to equities, fixed income, real estate and infrastructure assets, natural resources, carbon credits, precious metals, multiple asset class volatility, currencies, private equity replication strategies, absolute return or liquid alternative hedge fund strategies and digital assets

The Fund maintained its investment strategy which involves employing a global multiple asset or cross-asset and strategic asset allocation framework, combined with tactical asset allocation overlays to enable a more active or dynamic asset allocation strategy, with the aim to generate: (1) higher risk adjusted returns, (2) lower correlation to equity markets and (3) greater diversification benefits than a passive asset allocation (and less active asset allocation) strategies and/or other funds with less or no exposures to global multiple assets and investment strategies.

The Manager maintained its investment strategy of implementing a multiple asset long-short approach with the use of leverage* by investing in ETFs and ETNs to enable the Fund to gain exposure into multiple global asset classes and investment strategies, which may include but are not limited to: 1. equities, 2. fixed income, 3. real estate and infrastructure assets, 4. natural resources and carbon credits, 5. precious metals, 6. multiple asset class volatility, 7. currencies, cross currencies, foreign exchange related instruments and/or cash, 8. private equity replication strategies, 9. absolute return or liquid alternative hedge fund strategies, 10. digital assets exposures, and their related instruments and derivatives.

Market Review

Most global asset markets continued their downtrend in the third quarter of 2022 with global equities (ACWI -6.84%), US treasury bonds 7 year to 10 year (IEF -6.78%) and gold (GLD -8.12%) all ending lower. Central banks reaffirmed their commitment to fight inflation with the US Federal Reserve, European Central Bank and Bank of England all raising interest rates in the quarter. Interest rate sensitive asset classes underperformed with Global Real Estate (RWO -14.84%) and Global Infrastructure (IGF -10.23%) equities ending the quarter significantly lower, whilst US small cap stocks (IWM -3.08%), US growth stocks (IVW -3.26%) and Bitcoin (BTC USD -3.45%) outperforming in the quarter. Other major themes in the quarter were US equities (SPY -4.84%) outperformed the emerging market equities (EEM -12.15%), the underperformance of Value equities (IVE -6.45%) and the relatively muted level of implied equity volatility (VIX) taking into consideration the significant declines across multiple asset classes.

In Bond markets, market volatility remained heightened during the third quarter as investors and central banks continue to adjust to higher inflation amid concerns over slowing economic growth, the potential for a global recession and financial stability risk amid high levels of global debt to GDP. The UK's budgetary announcement with Liz Truss as the new Conservative leader and Prime Minister of the UK, accelerated the sell-off in the gilt market as investors questioned the credibility of the government's fiscal framework. The UK government bond markets suffered significant losses and the British Pound Sterling hit an all-time low of \$1.03 in the closing days of September. The Bank of England (BOE) intervened by temporarily buying long dated gilts; in a statement the Governor Andrew Bailey noted that the BoE was monitoring developments in the financial markets "very closely". The UK 10-year yield increased from 2.24% to 4.15% and 2-year rose from 1.88% to 3.92%.

Natural Resources (DBC -9.56%) recorded negative returns in the third quarter, driven lower by weaker prices for energy, industrial metals and precious metals. Concerns over a global economic slowdown and potential for a global recession saw energy the worst-performing component of the index in the quarter, with sharply lower prices for crude oil and unleaded gasoline offsetting higher prices for natural gas. Within industrial metals, prices for aluminium, copper and nickel were all lower. Within the precious metals component, the price of both gold and silver declined in the quarter.

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | Since Inception |
|---|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 01/09/2022-30/09/2022 | 01/07/2022 - 30/09/2022 | 31/03/2022 - 30/09/2022 | 01/10/2021 - 30/09/2022 | 01/10/2019 - 30/09/2022 | 21/12/2021 - 30/09/2022 |
| Balanced 60/40 S&P Target Risk Growth Index (AOR) | -6.2% | -6.51% | -16.44% | -19.19% | -1.49% | -20.46% |
| Global Equities MSCI All Country World Index (ACWI) | -8.16% | -6.84% | -21.13% | -21.89% | 7.96% | -23.93% |
| US Equities S&P 500 Index (SPY) | -8.48% | -4.84% | -19.67% | -16.45% | 23.72% | -21.65% |
| Malaysian Equities (USD Returns) MSCI Malaysia Index (EWM) | -8.39% | -7.81% | -20.7% | -19.6% | -27.05% | -14.48% |
| Developed Market Equities MSCI EAFE Index (EFA) | -7.66% | -10.27% | -23.63% | -28.12% | -12.95% | -27.31% |
| Emerging Market Equities MSCI Emerging Markets Index (EEM) | -10.51% | -12.15% | -22.46% | -30.44% | -13.73% | -27.43% |
| Growth Factor S&P 500 Growth Index (IVW) | -8.86% | -3.26% | -22.98% | -21.24% | 32.17% | -28.02% |
| Value Factor S&P 500 Value Index (IVE) | -8.23% | -6.45% | -16.36% | -11.65% | 10.64% | -14.66% |
| Size Factor Russell 2000 Index (IWM) | -8.47% | -3.08% | -19.07% | -25.26% | 11.97% | -23.86% |
| Momentum Factor MSCI USA Momentum SR Variant Index (MTUM) | -5.91% | -3.67% | -21.1% | -25.15% | 12.55% | -25.22% |
| Global Real Estate Dow Jones Global Select Real Estate Securities Index (RWO) | -14.11% | -14.84% | -29.55% | -26.32% | -26.13% | -30.29% |
| Global Infrastructure S&P Global Infrastructure Index (IGF) | -10.04% | -10.23% | -16.48% | -8.05% | -8.23% | -8.17% |
| US Treasury Bonds IDC US Treasury 7-10 Year Index (IEF) | -3.72% | -6.78% | -10.45% | -16.75% | -14.54% | -16.64% |
| US Investment Grade Credit Markit iBoxx USD Liquid Investment Grade Index (LQD) | -5.17% | -7.57% | -15.07% | -23.2% | -19.31% | -22.59% |
| Commodities DBIQ Optimum Yield Diversified Commodity Index (DBC) | -3.81% | -9.56% | -7.1% | 18.39% | 61.08% | 19.2% |
| Gold (GLD) | -2.03% | -8.12% | -14.39% | -6.03% | 10.76% | -7.4% |
| Bitcoin (BTC/USD) | -3.45% | 0.84% | -57.33% | -59.62% | 132.9% | -60.29% |
| CBOE Volatility Index (VIX) | 24.57% | 19.25% | 54.86% | 50.9% | 71.55% | 51.55% |

Investment Outlook

The Fund's investment strategy involves employing a global multiple asset or cross-asset and strategic asset allocation framework, combined with tactical asset allocation overlays to enable a more active or dynamic asset allocation strategy; the strategic asset allocation framework employed by the Fund is based on leading United States university endowment funds such as Yale and Harvard universities which are characterized by relatively lower allocation to traditional asset classes (equities, fixed income instruments and cash) and a relatively higher allocation to a large number of alternative investment classes including hedge fund, absolute return strategies, private equity and other asset classes such as natural resources and real assets like real estate and infrastructure assets. The Fund may employ dynamic asset allocation within abovementioned cross assets and investment strategies, with the goal of adapting to the highest risk adjusted asset allocation in the current market and economic regime as assessed by the Manager. The medium to long term outlook for the Fund continues to be positive given its focus on diversified multiple asset exposures through strategic asset allocation combined with tactical asset allocation overlays. Moreover, the use of long-short strategies combined with leverage can improve risk adjusted returns and help mitigate drawdowns in asset markets. It is important to note, however, that investors are recommended to hold an investment in the Fund over a longer time period of between 5 years to 7 years as the shorter term performance of the Fund can be uncertain. Risks include non-trending or whipsaw asset markets and unforeseen events which may impact of the performance of multiple asset portfolio with long-short strategies and leverage employed.

Our outlook for long exposures in global asset markets is mostly challenging as central banks continue to raise interest rates amid high valuations in US equity markets; after an extended period of lower volatility and dis-inflation, we expect higher levels of volatility and inflation. Our base case remains that levels of inflation remain persistently higher than central bank targets; analysing 67 published studies on global inflation and monetary policy, Havranek and Rusnak (2013)¹ find that in a sample size of 198 instances of policy rate hikes of 1% or more in developed economies, the average lag until a 1% decrease in inflation was achieved was between roughly two and four years. Hence our working framework is that equities remain in a downtrend as monetary policy remain restrictive; although we cannot rule out a significant bear market rally as base effects in calculating CPI inflation could see lower levels of inflation in 2023 compared to 2022. We remain committed to our flexible and pragmatic approach incorporating dynamic asset allocation given the uncertain macroeconomic and geopolitical environment. We continue to believe that risks remain elevated, as periods where the US Federal Reserve raise interest rates and withdraw liquidity, have historically been associated with risk-off events with heightened financial stability risks. Moreover, the hiking cycle is taking place in the context of elevated debt to GDP levels in developed economies not seen since the World War Two period and recessionary economic conditions in the US (i.e. Yield curve inversions and weaker PMIs). We believe that the market has been experiencing a regime change to shorter market cycles and higher volatility led by changes in the macroeconomic and geopolitical environment from disinflation to inflation and from globalization to a more multi-polar world. We expect our multi-asset approach with ability to hedge, can outperform (adjusting for risk), traditional investment strategies like a 60% equities/40% bond fund (AOR) which returned -19.19% for the one year period ending 30th September 2022. We believe that our hybrid approach of discretionary fundamental investing and systematic investing emphasizing data-driven insights, scientific testing, and disciplined portfolio construction techniques is likely to outperform traditional investment strategies.

¹ Havranek, Tomas, and Marek Rusnak. 2013. "Transmission Lags of Monetary Policy: A Meta-Analysis." *International Journal of Central Banking*, vol. 9, no. 4: 39–76.

Performance Attribution

Performa Balanced Cross Asset Fund (For the quarter ended 30 Sept 2022)

| Asset Class | Quarterly Gross Estimated Attribution |
|---------------------------------------|--|
| U.S. Equity (including hedging) | 1.65% |
| Absolute Returns | -3.01% |
| Private Equity Replication | -0.22% |
| Natural Resources | -0.74% |
| Real Estate and Infrastructure Assets | -0.18% |
| Global Equity (ex. U.S.) | -0.56% |
| Government Bonds | -0.36% |
| Precious Metals | -0.97% |
| Corporate Bonds | -0.01% |
| Total | -4.39% |

Exposures

Performa Balanced Cross Asset Fund (as at 30 Sept 2022)

| Asset Class | Gross Dollar Exposure | Net Dollar Exposure |
|---------------------------------------|------------------------------|----------------------------|
| U.S. Equity | 14.67% | -14.67% |
| Absolute Returns | 12.82% | 11.09% |
| Private Equity Replication | 0.49% | 0.49% |
| Natural Resources | 5.08% | 5.08% |
| Real Estate and Infrastructure Assets | 0.00% | 0.00% |
| Global Equity (ex. U.S.) | 2.67% | -2.40% |
| Government Bonds | 2.18% | 2.18% |
| Precious Metals | 11.18% | 11.18% |
| Corporate Bonds | 0.00% | 0.00% |
| Total | 49.10% | 12.96% |

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PERFORMA BALANCED CROSS-ASSET FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPT 2022

| | Quarter 2 July 2022 - Sept 2022 USD | Quarter 1 April 2022 - June 2022 USD |
|--|--|---|
| INVESTMENT (LOSS) / INCOME | | |
| Dividend income | (267) | 2,324 |
| Interest income from financial asset at amortised cost | - | 183 |
| Net loss on foreign currency exchange | 64 | (38) |
| Net (loss)/gain on financial assets at fair value through profit or loss | (56,220) | (27,659) |
| | <u>(56,423)</u> | <u>(25,190)</u> |
| EXPENSES | | |
| Management fee | (6,229) | (6,493) |
| Trustee fee | (586) | (606) |
| Performance fee | - | - |
| Broker interest and other charges | 1,892 | (370) |
| Tax agent's fee | (625) | (625) |
| Auditors' remuneration | (387) | (401) |
| Other expenses | (5,328) | (4,991) |
| | <u>(11,263)</u> | <u>(13,486)</u> |
| NET (LOSS) / PROFIT BEFORE TAXATION | <u>(67,686)</u> | <u>(38,676)</u> |
| Taxation | - | - |
| NET (LOSS) / PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE FINANCIAL PERIOD | <u>(67,686)</u> | <u>(38,676)</u> |
| Net (loss) / profit after taxation is made up of the following: | | |
| Realised amount | (36,801) | (30,802) |
| Unrealised amount | (30,885) | (7,874) |
| | <u>(67,686)</u> | <u>(38,676)</u> |

PERFORMA BALANCED CROSS-ASSET FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPT 2022

| | As at Sept 2022 USD | As at June 2022 USD |
|--|---------------------------|---------------------------|
| ASSETS | | |
| Cash and cash equivalents | 1,102,835 | 1,141,827 |
| Amount due from brokers | 56,691 | - |
| Amount due to from Manager | - | - |
| - creation of units | - | - |
| - management fee rebate receivable | - | - |
| Other receivable | 9 | - |
| Financial assets at amortised cost through profit or loss | 381,208 | 493,679 |
| Tax recoverable | - | - |
| TOTAL ASSETS | 1,540,743 | 1,635,506 |
| LIABILITIES | | |
| Amount due to brokers | 78,668 | - |
| Amount due to Manager | 6,229 | - |
| - management fee | - | 6,493 |
| Amount due to Trustee | 572 | 602 |
| Auditors' remuneration | 1,132 | 795 |
| Tax agent's fee | 625 | 625 |
| Financial assets at amortised cost through profit or loss | 221,973 | 327,903 |
| Other payables and accruals | 2,977 | 2,835 |
| TOTAL LIABILITIES | 312,176 | 339,253 |
| NET ASSET VALUE OF THE FUND | 1,228,567 | 1,296,253 |
| EQUITY | | |
| Unitholders' capital | 1,390,983 | 1,390,983 |
| Retained earnings | (162,416) | (94,730) |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | 1,228,567 | 1,296,253 |
| NUMBER OF UNITS IN CIRCULATION | 2,791,505 | 2,791,505 |
| NET ASSET VALUE PER UNIT (RM) | 0.4401 | 0.4644 |

PERFORMA BALANCED CROSS-ASSET FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPT 2022

| | Unitholders' <u>capital</u> USD | Retained <u>Earnings</u> USD | <u>Total</u> USD |
|--|---------------------------------------|------------------------------------|---------------------|
| Balance as at 1 July 2022 | 1,390,983 | (94,730) | 1,296,253 |
| Total comprehensive loss for the financial period | - | (67,686) | (67,686) |
| Movement in unitholders' capital: | | | |
| Creation of units arising from applications | - | - | - |
| Cancellation of units | - | - | - |
| Balance as at 30 Sept 2022 | 1,390,983 | (162,416) | 1,228,567 |
| Balance as at 1 July 2021 | - | - | - |
| Total comprehensive income for the financial period | - | - | - |
| Movement in unitholders' capital: | | | |
| Creation of units arising from applications | - | - | - |
| Cancellation of units | - | - | - |
| Balance as at 30 Sept 2021 | - | - | - |

TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF PERFORMA BALANCED CROSS ASSET FUND

We have acted as Trustee of Performa Balanced Cross Asset Fund ("the Fund") for the period ended 30 Sept 2022. To the best of our knowledge, Cross Light Capital Sdn Bhd, the Manager, has operated and managed the Fund in accordance with the following:-

limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Market and Services Act 2007 and other applicable laws;

valuation/pricing is carried out in accordance with the Deed and any regulatory requirements;

creation and cancellation of units are carried out in accordance with the Deed and relevant regulatory requirements; and

the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of
PacificTrustees Berhad [Company No.: 199401031319 (317001-A)]



Razak Bin Ahmad
Chief Executive Officer

Kuala Lumpur, Malaysia

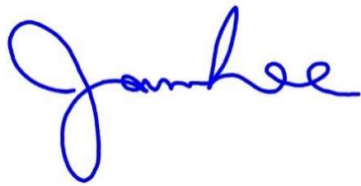
26th AUGUST 2022

**MANAGER'S STATEMENT
TO THE UNIT HOLDERS OF PERFORMA BALANCED CROSS ASSET FUND**

I, Jason Yew Kit Lee, for and on behalf of the board of directors of the Manager, Cross Light Capital Sdn Bhd, state that in my opinion as the Manager, the financial statements hereby attached reflect a true and fair view of the Fund's financial position, and that the Fund has been operated and managed in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Market and Services Act 2007 and other applicable laws;
- (b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements;
- (c) creation and cancellation of units are carried out in accordance with the Deed and relevant regulatory requirements; and
- (d) the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of
Cross Light capital Sdn Bhd
[Company No.: 201901034174 (1343504-X)]



Jason Yew Kit LEE, Director