



Cross Light Capital

PERFORMA CORE GROWTH AND INCOME FUND

QUARTERLY REPORT
31 DECEMBER 2022

MANAGER

Cross Light Capital Sdn Bhd
201901034174 (1343504-X)

TRUSTEE

Pacific Trustees Bhd
199401031319 (317001-A)

Quarterly Report and Financial Statements as at 31 December 2022

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QUARTERLY REPORT

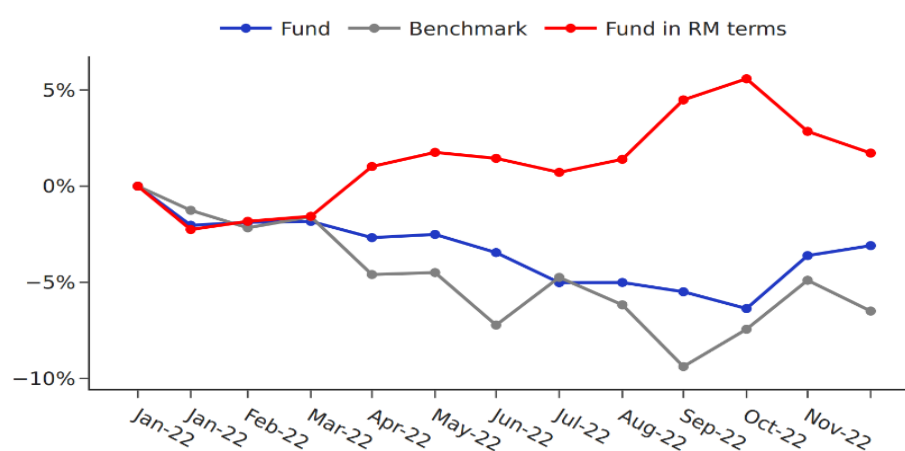
Fund Information

| | |
|-----------------------------|--|
| Fund Name | Performa Core Growth and Income Fund |
| Fund Type | Growth and Income |
| Fund Category | Hedge Fund / Mixed Assets (Wholesale) |
| Investment Objective | The Fund aims to achieve medium to long-term capital growth and distribution of income from absolute returns. |
| Benchmark | <p>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 Depository Receipts S&P 500 ETF (SPY) and IQ Hedge Multi-Strategy Tracker ETF (QAI) rebalanced daily at zero trading cost:</p> <p><i>R</i>_Benchmark = 1/2 of the following: 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".</p> <p>Investors should note that the Manager's investment objective is capital growth and distribution of income from 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.</p> |
| Distribution Policy | The Fund may make income distributions and income distributions may be accrued from prior income to paid in a later period. |

Fund Performance Data

| Category | As at 31 Dec 2022 | As at 30 Sep 2022 |
|-------------------------|-------------------|-------------------|
| Total NAV (USD) | 242,256.87 | 236,257.38 |
| NAV per Unit (USD Lead) | 0.4845 | 0.4725 |
| Units in Circulation | 499,968 | 499,968 |

Movement of the Fund versus the Benchmark



| | 1 Month 01/12/2022 - 31/12/2022 | 3 Months 01/10/2022 - 31/12/2022 | 6 Months 01/07/2022 - 31/12/2022 | 1 Year 01/01/2022 - 31/12/2022 | 3 Years 01/01/2020 - 31/12/2022 | Since Inception 05/01/2022 - 31/12/2022 |
|-----------------------|---------------------------------------|--|--|--------------------------------------|---------------------------------------|--|
| Fund | 0.54% | 2.54% | 0.37% | N/A | N/A | -3.09% |
| Benchmark | -1.68% | 3.18% | 0.78% | -7.00% | 5.3% | -6.49% |
| Outperformance | 2.22% | -0.64% | -0.41% | N/A | N/A | 3.40% |

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Asset Allocation

Fund's asset mix during the period under review:

| Category | % |
|---------------------------|------------|
| Equity, ETFs and ETNs | 100 |
| Unit Trust | 0 |
| Net Cash and 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: 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.

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.

Market Review

The relaxation of China's zero Covid policy and hopes of a cyclical peak in inflation led global asset markets broadly higher in the fourth quarter of 2022. Gains were led by Developed Market Equities (EFA +14.9%). Asset class gains were supported by declines in risk expectations (CBOE Volatility Index VIX -28.0%) and the US dollar which fell just under 8% for the quarter.

Eurozone shares outperformed with gains from economically sensitive stocks in areas like financials, industrials, consumer discretionary and energy. Gains were led by hopes that inflation may be peaking, amid milder European winter conditions and expectations that the hawkish stance from policy makers has already been priced by markets; ECB President Christine Lagarde warned that the central bank was "not done" with increasing interest rates. Other highlights in the quarter were the outperformance of US value stocks (IVE +9.8%) versus US growth stocks (IVW -1.2%) and continued declines in US treasury bonds 7 year to 10 year (IEF -1.2%) with the US Federal Reserve raising rates twice during the quarter ending at 4.5%. Gold (GLD +7.08%) outperformed Bitcoin (BTC/USD -14.3%) in the quarter whilst real assets like Global Real Estate (RWO +4.0%) and Global Infrastructure (IGF+7.2%) increased in the quarter.

Bond markets ended the year on a mixed note for the final quarter. Credit spreads generally tightened on improved market sentiment as credit spreads are the difference in yield between corporate bonds and government bonds/treasuries of similar maturity. The US 10-year yield rose from 3.83% to 3.88%, with the two-year rising from 4.28% to 4.42%. Germany's 10-year yield increased from 2.11% to 2.57%. The UK 10-year yield decreased from 4.15% to 3.67% and the 2-year eased from 3.92% to 3.56%.

Natural Resources (DBC +0.82%) ended higher for the quarter with higher prices in industrial and precious metals offsetting lower prices in agriculture. Nickel, copper and silver outperformed whilst coffee, wheat and natural gas underperformed in the quarter.

| | 1 Month | 3 Months | 6 Months | 1 Years | 3 Years | Since Inception |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 01/12/2022 - 31/12/2022 | 01/10/2022 - 31/12/2022 | 01/07/2022 - 31/12/2022 | 01/01/2022 - 31/12/2022 | 01/01/2020 - 31/12/2022 | 05/01/2022 - 31/12/2022 |
| Balanced 60/40 S&P Target Risk Growth Index (AOR) | -4.57% | 3.65% | -2.22% | -17.51% | -2.02% | -16.59% |
| Global Equities MSCI All Country World Index (ACWI) | -5.48% | 6.53% | 0.47% | -20.18% | 6.01% | -18.79% |
| US Equities S&P 500 Index (SPY) | -6.12% | 4.32% | 0.31% | -19.95% | 17.72% | -18.35% |
| Malaysian Equities (USD Returns) MSCI Malaysia Index (EWM) | -0.52% | 12.02% | 3.68% | -8.49% | -21% | -7.64% |

| | | | | | | |
|---|--------|---------|---------|---------|---------|---------|
| Developed Market Equities MSCI EAFE Index (EFA) | -3.14% | 14.92% | 4.79% | -17.11% | -6.42% | -16.85% |
| Emerging Market Equities MSCI Emerging Markets Index (EEM) | -3.78% | 6.91% | -4.89% | -22.97% | -17.21% | -21.42% |
| Growth Factor S&P 500 Growth Index (IVW) | -7.96% | -1.2% | -3.8% | -30.62% | 19.22% | -27.72% |
| Value Factor S&P 500 Value Index (IVE) | -4.31% | 9.83% | 4.2% | -7.82% | 11.09% | -8.13% |
| Size Factor Russell 2000 Index (IWM) | -6.74% | 2.99% | 1.72% | -22.62% | 5.18% | -19.78% |
| Momentum Factor MSCI USA Momentum SR Variant Index (MTUM) | -4% | 8.26% | 5.88% | -19.91% | 15.84% | -16.84% |
| Global Real Estate Dow Jones Global Select Real Estate Securities Index (RWO) | -4.46% | 3.97% | -8.46% | -27.42% | -20.1% | -26.25% |
| Global Infrastructure S&P Global Infrastructure Index (IGF) | -4.7% | 7.18% | -3.13% | -4.16% | -4.14% | -3.35% |
| US Treasury Bonds IDC US Treasury 7-10 Year Index (IEF) | -2.74% | -1.2% | -7.23% | -15.93% | -13.5% | -15.53% |
| US Investment Grade Credit Markit iBoxx USD Liquid Investment Grade Index (LQD) | -3.06% | 1.38% | -5.12% | -19.59% | -17.78% | -19.18% |
| Commodities DBIQ Optimum Yield Diversified Commodity Index (DBC) | -2.8% | 0.82% | -7.92% | 18.17% | 54.35% | 17.27% |
| Gold (GLD) | 1.07% | 7.08% | 0.78% | 0.78% | 17.85% | 0.34% |
| Bitcoin (BTC/USD) | -2.47% | -14.32% | -14.13% | -65.3% | 129.82% | -62.02% |
| CBOE Volatility Index (VIX) | 9.22% | -28.01% | -18.84% | 30.54% | 73.78% | 9.83% |

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 the above mentioned 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 markets and unforeseen events which may impact the performance of multiple asset portfolios with long-short strategies and leverage employed.

Our longer term market outlook is to expect range trading markets similar to the 1966 to 1982 period as central banks continue to raise interest rates after a long period of declining interest rates amid high valuations in US equity markets; after an extended period of lower volatility and disinflation, 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 Ruskan (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

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.

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 -17.5% for the one year period ending 31st December 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.

Performance Attribution

| Asset Class | Quarterly Gross Estimated Attribution |
|---------------------------------------|---------------------------------------|
| U.S. Equity (including hedging) | -0.19% |
| Absolute Returns | 1.17% |
| Private Equity Replication | 0.38% |
| Natural Resources | 0.03% |
| Real Estate and Infrastructure Assets | 0.01% |
| Global Equity (ex. U.S.) | 0.06% |
| Government Bonds | 0.03% |
| Precious Metals | 0.61% |
| Corporate Bonds | -0.05% |
| Total | 2.05% |

Exposures

| Asset Class | Gross Dollar Exposure | Net Dollar Exposure |
|---------------------------------------|-----------------------|---------------------|
| U.S. Equity (including hedging) | 10.97% | -10.84% |
| Absolute Returns | 8.78% | 0.07% |
| Private Equity Replication | 3.47% | 3.47% |
| Natural Resources | 1.57% | -0.69% |
| Real Estate and Infrastructure Assets | 0.07% | 0.07% |
| Global Equity (ex. U.S.) | 3.91% | 0.56% |
| Government Bonds | 1.19% | 1.19% |
| Precious Metals | 0.14% | 0.14% |
| Corporate Bonds | 1.58% | 1.58% |
| Total | 31.68% | -4.46% |

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PERFORMA CORE GROWTH AND INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

| | Quarter 4 Oct 2022 - Dec 2022 USD | Quarter 3 July 2022 - Sept 2022 USD |
|--|--|--|
| INVESTMENT INCOME/ (LOSS) | | |
| Dividend income | 633 | 75 |
| Interest income from financial asset at amortised cost | 1,762 | - |
| Net loss on foreign currency exchange | (2) | - |
| Net unrealized (loss)/gain on financial assets at fair value through profit or loss | 1,280 | - |
| Net (loss)/gain on financial assets at fair value through profit or loss | (9,190) | - |
| | <u>(5,517)</u> | <u>75</u> |
| EXPENSES | | |
| Management fee | - | - |
| Trustee fee | (329) | - |
| Performance fee | - | - |
| Broker interest and other interest charges | - | (630) |
| Tax agent's fee | - | - |
| Auditors' remuneration | (961) | - |
| Commission | - | 140 |
| Dividend | 8,749 | 105 |
| Forex and other expenses | 7,268 | 9,005 |
| Withholding tax | (548) | 195 |
| | <u>14,179</u> | <u>8,816</u> |
| NET PROFIT / (LOSS) BEFORE TAXATION | <u>8,662</u> | <u>(8,740)</u> |
| Taxation | - | - |
| NET PROFIT / (LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD | <u>8,662</u> | <u>(8,740)</u> |
| Net (loss)/profit after taxation is made up of the following: | - | - |
| Realised amount | - | - |
| Unrealised amount | - | - |
| | <u>-</u> | <u>-</u> |

PERFORMA CORE GROWTH AND INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

| | As at Dec 2022 USD | As at Sept 2022 USD |
|--|--------------------------|---------------------------|
| ASSETS | | |
| Cash and cash equivalents | 253,725 | 220,411 |
| Amount due from brokers | - | - |
| Amount due to from Manager | | |
| - creation of units | - | - |
| - management fee rebate receivable | - | - |
| Interest receivable | 457 | - |
| Financial assets at amortised cost through profit or loss | - | 16,756 |
| Tax recoverable | - | - |
| TOTAL ASSETS | 254,182 | 237,167 |
| LIABILITIES | | |
| Amount due to brokers | - | - |
| Amount due to Manager | | |
| - management fee | - | - |
| Amount due to Trustee | 83 | - |
| Auditors' remuneration | 961 | - |
| Tax agent's fee | - | - |
| Financial assets at amortised cost through profit or loss | 10,800 | - |
| Other payables and accruals | 82 | 208 |
| TOTAL LIABILITIES | 11,926 | 208 |
| NET ASSET VALUE OF THE FUND | 242,256 | 237,375 |
| EQUITY | | |
| Unitholders' capital | 249,984 | 249,700 |
| Retained earnings | (7,728) | (12,325) |
| | 242,256 | 237,375 |
| NUMBER OF UNITS IN CIRCULATION | 499,968 | 499,968 |
| NET ASSET VALUE PER UNIT (USD) | 0.48454301 | 0.47478239 |

PERFORMA CORE GROWTH AND INCOME FUND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

| | Unitholders' <u>capital</u> USD | Retained <u>Earnings</u> USD | <u>Total</u> USD |
|--|---------------------------------------|------------------------------------|---------------------|
| Balance as at 1 Oct 2022 | 249,700 | (12,325) | 237,375 |
| Total comprehensive gain/(loss) for the financial period | - | 8,662 | 8,662 |
| Movement in unitholders' capital: | | | |
| Creation of units arising from applications | - | - | - |
| Prior period adjustment to correct the beginning balances | 284 | (4,065) | (3,781) |
| Cancellation of units | - | - | - |
| Balance as at 31 Dec 2022 | 249,984 | (7,728) | 242,256 |

TRUSTEE'S REPORT

TO THE UNIT HOLDERS ON PERFORMA CORE GROWTH AND INCOME FUND

We have acted as Trustee of Performa Core Growth and Income Fund ("the Fund") for the period ended 31 Dec 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:-

- (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
Pacific Trustees Berhad [Company No: 199401031319 (317001-A)]



Razak Bin Ahmad
Chief Executive Officer

Kuala Lumpur, Malaysia
28th February 2023

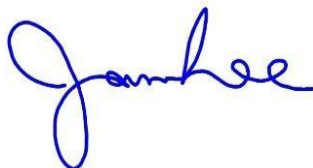
MANAGER'S STATEMENT

TO THE UNIT HOLDERS OF PERFORMA CORE GROWTH AND INCOME 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

Kuala Lumpur, Malaysia
27th February 2023