



Cross Light Capital

CLC PERFORMA BALANCED CROSS- ASSET FUND

ANNUAL REPORT
31 DECEMBER 2023

MANAGER

Cross Light Capital Sdn Bhd
201901034174 (1343504-X)

TRUSTEE

Pacific Trustees Bhd
199401031319 (317001-A)

Annual Report and Financial Statements as at 31 December 2023

INVESTORS' LETTER	3
ANNUAL REPORT	5
Fund Information	5
Fund Performance Data	6
Movement of the Fund versus the Benchmark	6
Asset Allocation	7
Strategies Employed	8
Market Review	8
Investment Outlook	11
Performance Attribution	13
Exposures	13
Soft Commissions and Rebates	14
State of Affairs of the Funds	14
Circumstances That Materially Affect the Interest of Unit Holders	14
Cross Trades	14
Unit Splits	14
Fund Performance and NAV Data	14
TRUSTEE'S REPORT	15
MANAGER'S STATEMENT	16
INDEPENDENT AUDITORS' REPORT	19
Statement by Manager	19
Report on the Audit of Financial Statements	20

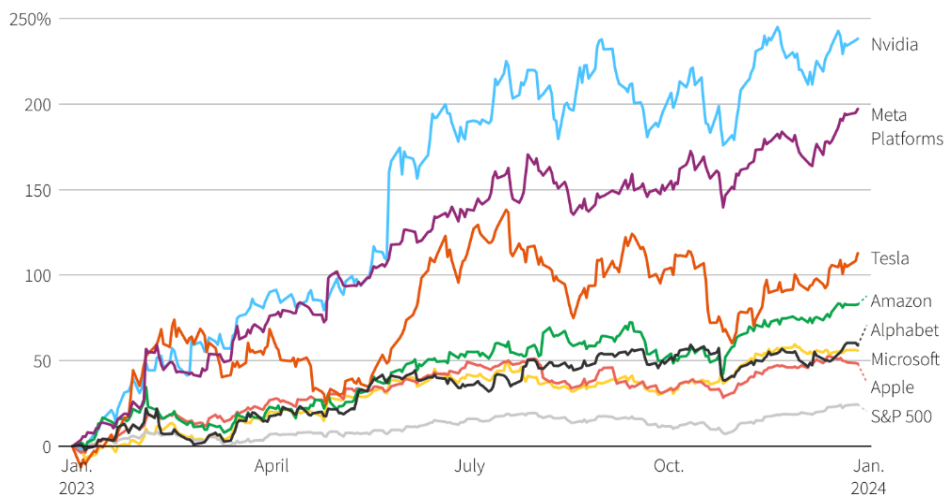
INVESTORS' LETTER

Dear Valued Investor,

We are pleased to bring you a copy of the Annual Fund Report of the CLC Performa Balanced Cross-Asset Fund for the financial year ended 31 December 2023. You may also download this report from our website at www.crosslightcapital.com.

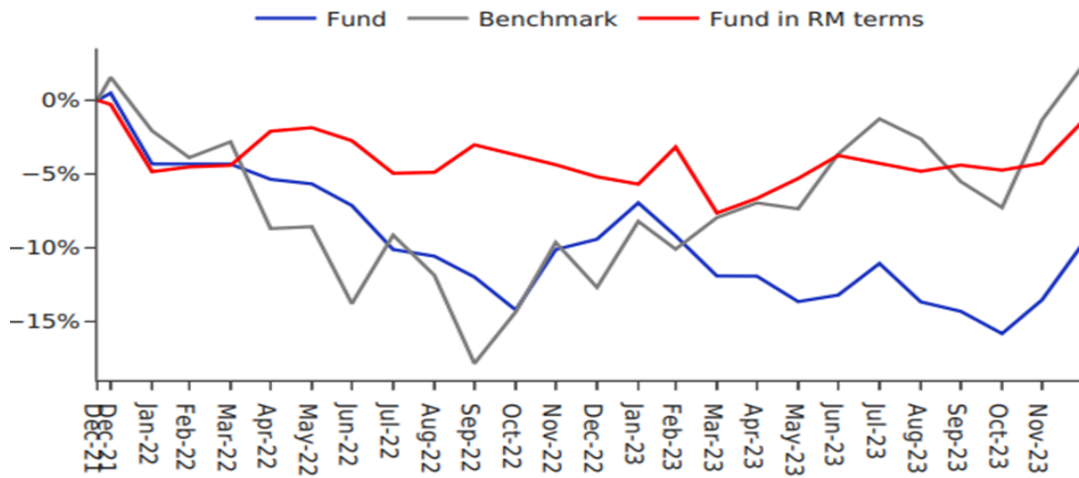
The year started with financial markets experiencing significant turbulence with heightened recession risks due to the collapse of Silicon Valley Bank and concerns surrounding a US regional banking crisis. However, the latter half of 2023 witnessed a stabilization of asset prices, limited contagion of US regional banks' issues, continued fiscal support, and optimism regarding interest rate cuts by the US Federal Reserve. The Fund underperformed the benchmark in 2023 after significant outperformance in 2022 and in 2021 for the equivalent private mandates; this underperformance was primarily influenced by the dominance of US large-cap technology stocks in the S&P 500¹, underperformance of value stocks and the whipsaw nature of markets in 2023.

The "Magnificent Seven" tech and growth stocks have outperformed the broader U.S. market in 2023



We remain committed to our US university endowment replication strategy, which aims to provide investors with exposure to three key areas: diversified mixed assets, global value stocks, and momentum or trend-following risk premia. **Looking ahead, we anticipate improved performance as the narrow rally of large cap US technology stocks broadens to include other asset classes and global value stocks which have significantly underperformed.**

¹ The "Magnificent Seven" outperformed other S&P 500 stocks by a wide margin. While these tech giants gained an impressive 111% on average, the remaining 493 stocks would have delivered only a modest 8% return.

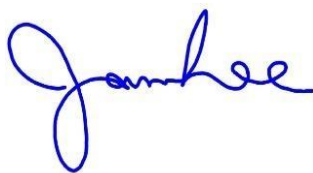


	1 Month 01/12/2023 - 31/12/2023	3 Months 01/10/2023 - 31/12/2023	6 Months 01/07/2023 - 31/12/2023	1 Year 01/01/2023 - 31/12/2023	3 Years 01/01/2021 - 31/12/2023	Since Inception 21/12/2021 - 31/12/2023
Fund	4.45%	5.4%	4.06%	-0.29%	N/A	-9.68%
Benchmark	3.78%	8.37%	6.27%	17.27%	13.66%	2.4%
Outperformance	0.67%	-2.97%	-2.21%	-17.56%	N/A	-12.07%

The challenging investment climate of 2022 and first 10 months of 2023 serves as a valuable reminder to investors that diversification beyond traditional, long-only equity and fixed income investments is critical. Our funds, with lower correlation can play a vital role in achieving this important diversification goal for investors and can assist in generating better risk-adjusted outcomes for investment portfolios. The **Fund's correlation with equity markets was 0.37** which is lower than that of many equity mutual funds, **providing our investors with significant diversification benefits** assuming investors add our funds into their existing portfolio of long only equities and bonds.

We appreciate your continuous support and the trust you place in us.

Yours faithfully,
For and on behalf of Cross Light Capital Sdn Bhd



Jason Yew Kit LEE
Director

ANNUAL REPORT

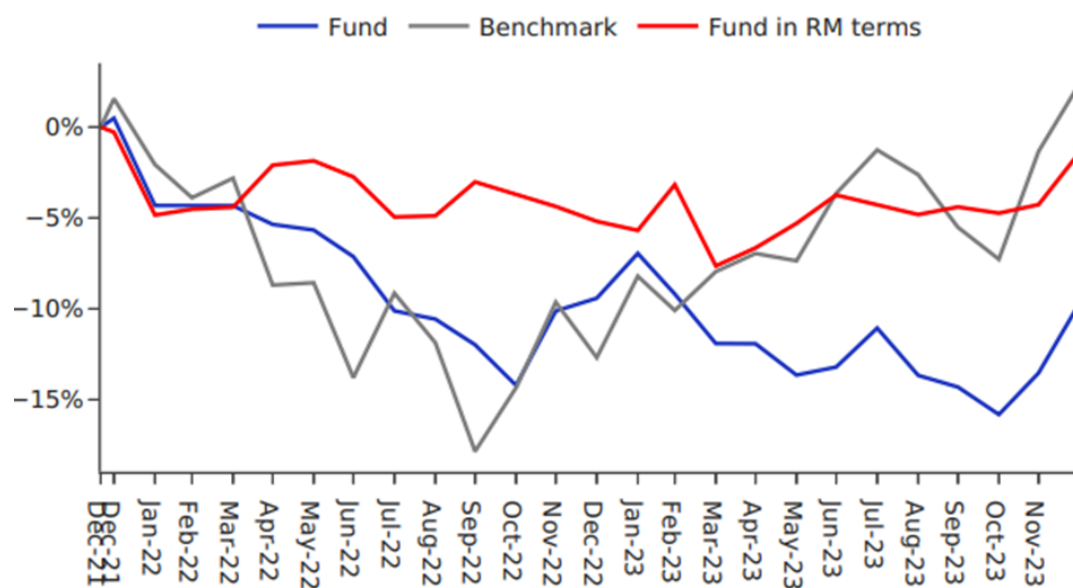
Fund Information

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	<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 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".</i></p> <p>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</p>
Distribution Policy	The Fund is not expected to make distributions.

Fund Performance Data

Category	As at 31 Dec 2023	As at 30 Dec 2022
Total NAV (USD)	1,462,553.26	1,290,285.11
NAV per Unit (USD Lead)	0.4515	0.4529
Units in Circulation	3,239,665.95	2,848,871.96

Movement of the Fund versus the Benchmark



	1 Month 01/12/2023 - 31/12/2023	3 Months 01/10/2023 - 31/12/2023	6 Months 01/07/2023 - 31/12/2023	1 Year 01/01/2023 - 31/12/2023	3 Years 01/01/2021 - 31/12/2023	Since Inception 21/12/2021 - 31/12/2023
Fund	4.45%	5.4%	4.06%	-0.29%	N/A	-9.68%
Benchmark	3.78%	8.37%	6.27%	17.27%	13.66%	2.4%
Outperformance	0.67%	-2.97%	-2.21%	-17.56%	N/A	-12.07%

This information, net of fees, is prepared by Cross Light Capital Sdn Bhd for informational 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.

Asset Allocation

Category	31.12.2023 (% of NAV)
Portfolio Composition	
- U.S. Equity	9.17
- Global Equity (ex. U.S.)	13.16
- Private Equity Replication	13.74
- Real Estate and Infrastructure	9.85
- Absolute Returns	7.30
- Government Bonds	5.88
- Corporate Bonds	11.34
- Natural Resources	0.13
- Precious Metals	4.17
- Digital Assets	2.37
Equities, ETFs, ETNs and/or collective investment schemes	77.11
Net cash and/or cash equivalents	22.89
Others	0
Total NAV (USD)	1,462,553.26
NAV per Unit (USD)	0.4515 ²
Unit in Circulation	3,239,665.95
Highest NAV	0.4653 ³
Lowest NAV	0.4209
Gross Distribution per Unit (USD)	Nil
Net Distribution per Unit (USD)	Nil
Management Expense Ratio (%)	4.23
Portfolio Turnover Ratio (times)	16.6x

Category	31.12.2023 (% of NAV)
Equities, ETFs, ETNs and/or collective investment schemes	77.11
Net cash and/or cash equivalents	22.89
Others	0
Total	100

² This NAV represents a weighted average of the NAVs for the various outstanding series of the fund.

³ Highest and Lowest NAVs are based on the lead series of the fund.

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 potential 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

2023 was characterized by whipsaw equity markets before a rally in the last quarter of the year with US equities and large cap US technology stocks in particular, leading indexes higher. These gains were driven by factors such as the expectation that the US Federal Reserve rate hike cycle will be complete, optimism surrounding advancements in artificial intelligence, and signs of economic improvement. US equities, in particular, rallied, with sectors like technology and real estate performing well amid expectations of rate cuts. Similarly, Eurozone shares rose on expectations of no further rate hikes, supported by softer inflation data. UK stocks also gained ground, especially small and mid-cap indices, buoyed by optimism about interest rates reaching their peak.

In contrast, emerging market equities (EEM +8.95%) significantly lagged behind their developed counterparts throughout the year. Concerns over higher interest rates and a

stronger US dollar weighed on these markets, although there were notable performances in specific countries such as Poland and Peru. Asia ex Japan equities saw gains overall, except in China, where concerns over economic growth persisted despite stimulus efforts.

In the fixed income markets (US Investment Grade Credit Market iBoxx USD Liquid Investment Grade Index (LQD +9.4%) and US 7-10 year Treasury Bonds (IEF +3.64%), government bond yields initially fell but rallied later in anticipation of rate cuts. Volatility remained high, fueled by downgrades to US credit ratings and rate hikes by central banks, which contributed to fluctuating investor sentiment.

Commodities experienced mixed to negative returns over the year. While there were gains in the precious metals and industrial metals, losses in the energy sector notably natural gas, crude oil and gas oil led to negative returns in 2023. The Commodities DBIQ Optimum Yield Diversified Commodity Index (DBC -6.19%), which tracks commodity prices, declined overall, led by weaker energy prices.

In the digital asset markets, there were fluctuations influenced by regulatory developments and anticipation of industry clarity. Bitcoin (BTC/USD +155.42%), Ether, and listed companies exposed to blockchain posted significant gains driven by speculation around a potential approval of a US Bitcoin ETF and positive industry developments.

	1 Month	3 Months	6 Months	1 Year	3 Years	Since Inception
	01/12/2023 - 31/12/2023	01/10/2023 - 31/12/2023	01/07/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2021 - 31/12/2023	21/12/2021 - 31/12/2023
Balanced 60/40 S&P Target Risk Growth Index (AOR)	3.58%	9.21%	5.67%	15.74%	8.56%	-0.14%
Global Equities MSCI All Country World Index (ACWI)	4.04%	11.22%	7.09%	22.27%	18.42%	3.76%
US Equities S&P 500 Index (SPY)	3.95%	11.64%	8.04%	26.18%	32.9%	7.78%
Malaysian Equities (USD Returns) MSCI Malaysia Index(EWM)	1.23%	5.02%	8.06%	-3.61%	-16.1%	-4.51%
Developed Market Equities MSCI EAFE Index (EFA)	4.26%	10.7%	5.23%	18.36%	12.93%	4.47%
Emerging Market Equities	3.12%	7.96%	3.57%	8.95%	-16.6%	-10.84%

MSCI Emerging Markets Index (EEM)						
Growth Factor S&P 500 Growth Index (IVW)	3.39%	10.07%	7.2%	29.83%	20.62%	-4.4%
Value Factor S&P 500 Value Index (IVE)	4.66%	13.55%	8.96%	22.07%	44.01%	20.34%
Size Factor Russell 2000 Index (IWM)	8.94%	13.98%	8.07%	16.83%	6.4%	-2.58%
Momentum Factor MSCI USA Momentum SR Variant Index (MTUM)	4.48%	12.56%	9.33%	9.15%	1.13%	-6.55%
Global Real Estate Dow Jones Global Select Real Estate Securities Index (RWO)	7.24%	15.69%	8.64%	10.91%	8.84%	-12.95%
Global Infrastructure S&P Global Infrastructure Index (IGF)	3.0%	10.78%	2.14%	6.14%	16.94%	9.07%
US Treasury Bonds IDC US Treasury 7-10 Year Index (IEF)	2.8%	6.41%	1.65%	3.64%	-14.99%	-12.75%
US Investment Grade Credit Markit iBoxx USD Liquid Investment Grade Index (LQD)	3.63%	10.1%	4.93%	9.4%	-11.86%	-10.14%
Commodities DBIQ Optimum Yield Diversified Commodity Index (DBC)	-2.84%	-7.36%	1.86%	-6.19%	58.25%	16.96%
Gold (GLD)	-0.44%	11.5%	7.24%	12.69%	7.18%	14.41%
Bitcoin (BTC/USD)	9.24%	51.03%	38.17%	155.42%	45.73%	-9.84%
CBOE Volatility Index (VIX)	-1.43%	-28.94%	-8.39%	-42.55%	-45.27%	-45.56%

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 at least 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 the performance of multiple asset portfolio with long-short strategies and leverage employed.

After a long period of declining interest rates with the US Federal Reserve Funds rate peaking at 20% in 1981 and ending at 0% to 0.25% during the 2008 financial crisis and again in March 2020, we expect higher levels of interest rates going forward. Given our expectation of higher cost of capital amid high equity valuations especially in US equity markets, our structural outlook is range trading equity markets similar to the 1966 to 1982 period with lower equity index returns. 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)⁴ 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. Moreover, our expectation of a higher cost of capital is taking place in the context of elevated debt to GDP levels in developed economies not seen since the World War Two period. Hence our working framework is to assume that asset markets are 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 amid elevated debt to GDP levels and stretched US equity valuations. We remain committed to our flexible and pragmatic approach incorporating dynamic asset allocation given the

⁴ 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.

uncertain macroeconomic and geopolitical environment. We expect our multi-asset approach with the ability to hedge, to outperform traditional investment strategies like a 60% equities/40% bond fund (AOR) (adjusting for risk). Our investment philosophy is to have diversified exposures to mixed assets including real assets, digital assets, value stocks and momentum or “trend following” risk premia which we believe will outperform. 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 and provide important diversification benefits to investors.

Performance Attribution

For Year Ended 31 December 2023

Asset Class	Annual Gross Estimated Attribution
U.S. Equity (including hedging)	0.68%
Global Equity (ex. U.S.)	0.21%
Private Equity Replication	1.99%
Real Estate and Infrastructure Assets	0.14%
Absolute Returns	-5.45%
Government Bonds	0.07%
Corporate Bonds	0.41%
Natural Resources	-0.74%
Precious Metals	1.80%
Digital Assets	1.53%

Exposures

For Year Ended 31 December 2023

Asset Class	Gross Dollar Exposure	Net Dollar Exposure
U.S. Equity (including hedging)	13.02%	0.57%
Global Equity (ex. U.S.)	8.66%	7.45%
Private Equity Replication	26.59%	22.11%
Real Estate and Infrastructure Assets	8.58%	7.27%
Absolute Returns	27.33%	2.61%
Government Bonds	6.09%	4.19%
Corporate Bonds	13.74%	4.84%
Natural Resources	0.14%	0.14%
Precious Metals	19.94%	1.57%
Digital Assets	6.40%	7.48%
Total	130.49%	58.23%

This information is prepared by Cross Light Capital Sdn Bhd for informational 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.

Soft Commissions and Rebates

Cross Light Capital Sdn Bhd (the “Manager”) and the Trustee will not retained any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Cross Light Capital’s funds (“Funds”) unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund’s investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

During the financial year under review, the Manager and the Trustee did not receive any rebates from the brokers or the dealers, and the Manager has not retained soft commission in the form of goods and services such as financial wire services and stocks quotations system incidental to investment management of the Funds.

Securities Financing Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

State of Affairs of the Funds

There were no other significant changes in the state of affairs of the Fund during the financial year and up to the date of Manager’s report, not otherwise disclosed in the financial statements.

Circumstances That Materially Affect the Interest of Unit Holders

There were no circumstances that had materially affected the interest of the unit holders during the financial year under review.

Cross Trades

No cross-trade transactions have been carried out during the financial year under review.

Unit Splits

No unit split exercise has been carried out during the financial year under review.

Fund Performance and NAV Data

The Fund performance data reported is the lead series from launch with series accounting method adopted.

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF CLC PERFORMA BALANCED CROSS-ASSET FUND

We have acted as Trustee of CLC Performa Balanced Cross-Asset Fund ("the Fund") for the period ended 31 December 2023. 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
27th February 2024

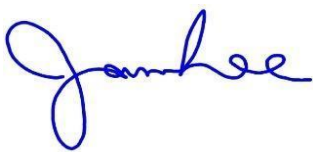
MANAGER'S STATEMENT

TO THE UNIT HOLDERS OF CLC 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

Kuala Lumpur, Malaysia
27th February 2024

**PERFORMA BALANCED
CROSS-ASSET FUND**

FINANCIAL REPORT
for the financial year ended 31 December 2023

PERFORMA BALANCED CROSS-ASSET FUND

TABLE OF CONTENT

	Page
Statement by Manager	1
Independent Auditors' Report.....	2
Statement of Financial Position.....	5
Statement of Profit or Loss and Other Comprehensive Income.....	6
Statement of Changes in Net Asset Value.....	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

PERFORMA BALANCED CROSS-ASSET FUND

STATEMENT BY MANAGER

I, Jason Yew Kit Lee, being one of the director of Cross Light Capital Sdn. Bhd. (the "Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 5 to 40 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Performa Balanced Cross-Asset Fund as at 31 December 2023 and of its financial performance, changes in net asset value and cash flows for the financial year then ended.

For and on behalf of the Manager,
Cross Light Capital Sdn. Bhd.



Jason Yew Kit Lee

Kuala Lumpur

29 February 2024

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PERFORMA BALANCED CROSS-ASSET FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Performa Balanced Cross-Asset Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information, as set out on pages 5 to 40.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' 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 and Other Ethical Responsibilities

We are independent of the Fund in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Fund and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund, 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.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PERFORMA BALANCED CROSS-ASSET FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Manager and the Trustee for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for maintaining and ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, 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 of the Fund, 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 and the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PERFORMA BALANCED CROSS-ASSET FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd): -

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

We communicate with the manager 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.

OTHER MATTERS

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

29 February 2024

Ho Yen Ling
03378/06/2024 J
Chartered Accountant

PERFORMA BALANCED CROSS-ASSET FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 USD	2022 USD
ASSETS			
Investments	4	1,320,001	463,224
Amount due from broker		329,881	113,141
Other receivables		985	1,790
Cash and cash equivalents	5	174,286	1,370,337
TOTAL ASSETS		1,825,153	1,948,492
LIABILITIES			
NON-CURRENT LIABILITY			
Deferred tax liabilities	6	7,687	-
CURRENT LIABILITIES			
Short position	7	192,257	485,959
Amount due to broker		147,444	77,239
Amount due to Manager	8	7,057	6,247
Other payables and accruals	9	8,155	88,762
TOTAL LIABILITIES		362,600	658,207
UNITHOLDERS' FUND			
Unitholders' capital		1,591,279	1,416,765
Accumulated losses		(128,726)	(126,480)
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS	10	1,462,553	1,290,285
TOTAL UNITHOLDERS' FUND AND LIABILITIES		1,825,153	1,948,492
NUMBER OF UNITS IN CIRCULATION	10(a)	3,239,666	2,848,872
NAV PER UNIT (USD)	10(b)	0.4515	0.4529

PERFORMA BALANCED CROSS-ASSET FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	1.1.2023 to 31.12.2023 USD	8.10.2021 to 31.12.2022 USD
INVESTMENT INCOME/(LOSS)			
Dividend income		25,200	14,927
Dividend expense		(7,785)	(4,095)
Interest income		35,485	10,779
Interest expense	11	(5,525)	(5,458)
Net realised gain/(loss) on foreign exchange		4	(36)
Net realised loss on disposal of financial assets and liabilities at fair value through profit or loss ("FVTPL")	12	(15,064)	(89,448)
Net unrealised gain on changes in fair value of financial assets and liabilities at FVTPL	13	38,216	8,192
Fee income from redemptions/withdrawals		485	-
Total income/(loss)		<u>71,016</u>	<u>(65,139)</u>
LESS: EXPENSES			
Trustee's fee	14	2,327	2,620
Management fee	15	28,008	27,529
Commission and brokerage fee	18	4,316	3,432
Audit fee expense		1,627	1,679
Administrative expenses		22,881	21,693
		<u>59,159</u>	<u>56,953</u>
NET INCOME/(LOSS) BEFORE TAXATION		11,857	(122,092)
Income tax expense	16	(14,103)	(4,388)
NET LOSS AFTER TAXATION		<u>(2,246)</u>	<u>(126,480)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR/PERIOD		<u>(2,246)</u>	<u>(126,480)</u>
Net loss after taxation is made up as follows:			
- net realised loss		(40,462)	(134,672)
- net unrealised income		38,216	8,192
		<u>(2,246)</u>	<u>(126,480)</u>
Distribution during the financial year/period:-			
Net distribution	17	-	-
Gross distribution per unit (USD)	17	-	-
Net distribution per unit (USD)	17	-	-

PERFORMA BALANCED CROSS-ASSET FUND

STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Unitholders' Capital USD	Accumulated Losses USD	NAV attributable to Unitholders USD
Balance as at 8.10.2021 (date of launched)		-	-	-
Transactions with unitholders:				
- Creation of units	10(a)	1,416,765	-	1,416,765
Net loss after taxation/Total comprehensive expense for the financial period		-	(126,480)	(126,480)
Balance as at 31.12.2022/1.1.2023		1,416,765	(126,480)	1,290,285
Transactions with unitholders:				
- Creation of units	10(a)	198,782	-	198,782
- Redemption of units	10(a)	(24,268)	-	(24,268)
		174,514	-	174,514
Net loss after taxation/Total comprehensive expense for the financial year		-	(2,246)	(2,246)
Balance as at 31.12.2023		1,591,279	(128,726)	1,462,553

PERFORMA BALANCED CROSS-ASSET FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	1.1.2023 to 31.12.2023 USD	8.10.2021 to 31.12.2022 USD
CASH FLOWS FOR OPERATING ACTIVITIES			
Purchase of investments		(16,164,002)	(13,879,460)
Proceeds from disposals of investments		15,232,451	14,889,047
Purchase of short position		(7,536,715)	(1,799,756)
Proceeds from disposals of short position		7,194,404	695,746
Fee income from redemptions/withdrawals		485	-
Net dividends received		17,799	10,539
Net dividends paid		(8,500)	(3,186)
Interest income received		37,275	10,779
Interest expense paid		(5,517)	(5,458)
Manager's fee paid		(27,198)	(21,282)
Trustee's fee paid		(2,350)	(2,019)
Payments for other fees and expenses		(28,331)	(21,712)
NET CASH FOR OPERATING ACTIVITIES		(1,290,199)	(126,762)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from issuance of units		118,412	1,416,765
Payments on redemption of units		(24,268)	-
Advance proceeds received from subscription		-	80,370
NET CASH FROM INVESTING ACTIVITIES		94,144	1,497,135
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,196,055)	1,370,373
Effect of exchange rate in changes in cash and cash equivalents		4	(36)
CASH AND CASH EQUIVALENTS AT BEGINNING/ DATE OF LAUNCHED OF THE FINANCIAL YEAR/PERIOD		1,370,337	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	5	174,286	1,370,337

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Performa Balanced Cross-Asset Fund (here in after referred to as “the Fund”) was constituted pursuant to the execution of a Deed dated 30 September 2021 between Cross Light Capital Sdn. Bhd. as the Manager and Pacific Trustees Berhad as the Trustee. The Fund is launched on 8 October 2021 and will continue to operate until determined otherwise by the Manager.

The principal activity of the Fund is to invest in a portfolio of investments that achieves medium to long term capital growth from absolute returns.

The Fund can invest in investments as defined in the Information Memorandum, which includes equities, fixed income, real estate and infrastructure assets, natural resources, precious metals, multiple asset class volatility, currencies, private equity replication strategies, absolute return or liquid alternative hedge fund strategies and digital assets.

The Manager, a company incorporated in Malaysia, is principally engaged in the business of assets and pension funds management. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Manager on 29 February 2024.

2. BASIS OF PREPARATION

The financial statements of the Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards.

2.1 During the current financial year, the Fund has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17: Initial Applications of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendment to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION (CONT'D)

- 2.1 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Fund except as follows:-

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Fund. The amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Fund has made updates to the accounting policies presented in Note 3 to the financial statements in line with the amendments.

- 2.2 The Fund has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 112: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Fund upon their initial application.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below: -

Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Fund recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made. The carrying amount of deferred tax liabilities as at the reporting date is disclosed in Note 6 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

The Manager believes that there are no instances of application of critical judgement in applying the accounting policies of the Fund which will have a significant effect on the amounts recognised in the financial statements.

3.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 AMOUNTS DUE FROM/TO BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers. A provision for impairment of amount due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial re-organisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or loans expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter year, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premium or discounts.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 INCOME

Realised gain or loss on disposal of investments and short position is accounted for as the difference between net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

Interest income is recognised on an accrual basis using the effective interest method.

Dividend income is recognised on a declared basis, when the right to receive dividend payment is established.

3.5 UNITHOLDERS' CAPITAL

The unitholders' capital is classified as equity.

The Fund issues cancellable units, which are cancelled at the unitholder's option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's Net Asset Value ("NAV"). The outstanding units are carried at the redemption amount that is payable as at the date of the statement of financial position if the unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholder's option at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

The units in the Fund are puttable instruments which entitle the unitholders to a pro-rata share of the net assets of the Fund. The units are subordinated and have identical features. There is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net assets of the Fund.

3.6 NET ASSETS VALUE ATTRIBUTABLE TO UNITHOLDERS

Net assets value attributable to unitholders represents the total equity in the statement of financial position, which is carried at the redemption amount that would be payable at the end of the reporting year if the unitholders exercised the right to redeem units of the Fund.

3.7 DISTRIBUTIONS

No distributions were declared on the Fund for the financial year ended 31 December 2023.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. INVESTMENTS

	2023	2022
	USD	USD
Investments at FVTPL:-		
Exchange Traded Fund (“ETF”) – outside Malaysia	<u>1,320,001</u>	<u>463,224</u>

The ETF – outside Malaysia held for trading at the end of the reporting year are as follows:-

Symbols	Quantity	Acquisition Cost USD	Fair Value USD	Percentage of NAV %
2023				
<u>New York Stock Exchange</u>				
BLOK	1,680	37,092	50,148	3.43
ARKG	463	14,719	15,191	1.04
LIT	587	29,274	29,902	2.04
PDP	261	20,517	22,313	1.53
FXI	536	13,947	12,880	0.88
QUAL	60	8,630	8,828	0.60
IGF	927	43,840	43,615	2.98
HYG	493	37,007	38,153	2.61
EMB	583	50,492	51,922	3.55
INDA	793	34,281	38,706	2.65
IVE	229	37,743	39,821	2.72
IJS	411	35,903	42,362	2.90
TIP	347	36,231	37,299	2.55
KRBN	1,158	44,801	42,255	2.89
BITO	1,692	35,989	34,669	2.37
CTA	1,013	27,966	23,907	1.63
RWX	1,642	43,766	44,810	3.06
VIG	129	20,465	21,982	1.50
EDV	1,062	74,121	86,054	5.88
DGS	1,192	54,275	59,505	4.07
EPI	217	8,739	8,897	0.61
TAN	284	14,708	15,151	1.04
TLT	97	9,219	9,591	0.66
ICLN	967	14,698	15,056	1.03
LQD	348	36,259	38,510	2.63
EFA	109	8,093	8,213	0.56
EFV	1,137	58,477	59,238	4.05
EEM	1,534	61,696	61,682	4.22

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. INVESTMENTS (CONT'D)

The ETF – outside Malaysia held for trading at the end of the reporting period are as follows (Cont'd):-

Symbols	Quantity	Acquisition Cost USD	Fair Value USD	Percentage of NAV %
2023 (Cont'd)				
EWJ	81	5,081	5,195	0.36
EWU	2,608	84,425	86,195	5.89
IWM	76	13,507	15,254	1.04
IYR	609	54,721	55,669	3.81
KWEB	959	27,636	25,893	1.77
FEZ	196	8,764	9,371	0.64
GLD	319	60,138	60,983	4.17
SPY	208	99,107	98,865	6.76
XME	17	837	1,017	0.07
GDX	29	832	899	0.06
Total ETF – Outside Malaysia		1,267,996	1,320,001	
Surplus Of Fair Value Over Acquisition Cost			52,005	

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. INVESTMENTS (CONT'D)

The ETF – outside Malaysia held for trading at the end of the reporting period are as follows (Cont'd):-

Symbols	Quantity	Acquisition Cost USD	Fair Value USD	Percentage of NAV %
2022				
New York Stock Exchange				
IEF	329	32,219	31,512	2.44
LQD	116	12,730	12,230	0.95
EFA	193	12,500	12,669	0.98
EFV	523	23,950	23,995	1.86
EEM	332	12,587	12,583	0.98
EWJ	230	12,433	12,520	0.97
EWU	553	16,891	16,954	1.31
KWEB	859	22,008	25,942	2.01
GLD	17	2,857	2,884	0.22
GDX	1,107	31,243	31,727	2.46
PDBC	38	552	562	0.04
FXI	735	20,418	20,801	1.61
IGF	15	628	688	0.05
HYG	169	12,678	12,443	0.97
EMB	660	56,427	55,829	4.33
IVE	209	31,487	30,320	2.35
IJS	151	14,568	13,788	1.07
KRBN	481	20,913	17,542	1.36
CTA	1,238	32,198	32,200	2.5
RWX	25	623	669	0.05
CBON	2,768	65,390	61,270	4.75
VIG	42	6,384	6,378	0.49
DGS	396	17,221	17,420	1.35
EPI	316	10,523	10,298	0.8
Total ETF – Outside Malaysia		469,428	463,224	
Deficit Of Fair Value Over Acquisition Cost			(6,204)	

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. CASH AND CASH EQUIVALENTS

	2023	2022
	USD	USD
Cash at bank	17,880	96,793
Cash at financial institution	156,406	1,273,544
	<hr/>	<hr/>
	174,286	1,370,337
	<hr/>	<hr/>

6. DEFERRED TAX LIABILITIES

	At 1.1.2023 USD	Recognised in Profit or Loss (Note 16) USD	At 31.12.2023 USD
2023			
<i>Deferred Tax Liabilities</i>			
Foreign sourced income not yet remitted back to Malaysia	-	7,687	7,687
		<hr/>	<hr/>

Effective 1 January 2022, the income arising from sources outside Malaysia and received in Malaysia by the Fund are subject to income tax in Malaysia pursuant to the Income Tax Act 1967 (ITA).

On 16 January 2024, the Malaysia Government has agreed to exempt the imposition on taxes on foreign sourced income on unit trusts which will take effect from 1 January 2024 to 31 December 2026. The exemption mentioned has yet to be gazetted thus the deferred tax liabilities arising from foreign sourced income not remitted back to Malaysia is not reversed.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. SHORT POSITION

	2023	2022
	USD	USD
Short position in:-		
Exchange Traded Fund (“ETF”) – Outside Malaysia	192,257	485,959

- (a) The Exchange Traded Fund (“ETF”) – Outside Malaysia held for trading at the end of the reporting year are as follows:-

Symbols	Quantity	Acquisition Cost USD	Fair Value USD	Percentage of NAV %
2023				
New York Stock Exchange				
PDBC	(4,523)	(61,468)	(60,156)	(4.11)
QQQ	(81)	(29,323)	(33,171)	(2.27)
VXX	(3,034)	(49,913)	(47,088)	(3.22)
IWF	(171)	(45,956)	(51,842)	(3.54)
Total ETF – Outside Malaysia		(186,660)	(192,257)	
Surplus Of Fair Value Over Acquisition Cost			(5,597)	

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. SHORT POSITION

- (a) The Exchange Traded Fund (“ETF”) – Outside Malaysia held for trading at the end of the reporting year are as follows (Cont'd):-

Symbols	Quantity	Acquisition Cost USD	Fair Value USD	Percentage of NAV %
2022				
New York Stock Exchange				
COPX	(892)	(32,627)	(31,604)	(2.45)
TLT	(25)	(2,497)	(2,489)	(0.19)
FEZ	(1,153)	(44,990)	(44,621)	(3.46)
SPY	(537)	(210,034)	(205,365)	(15.92)
XME	(605)	(30,897)	(30,135)	(2.34)
QQQ	(337)	(94,102)	(89,736)	(6.95)
VXX	(5,808)	(85,208)	(82,009)	(6.35)
Total ETF – Outside Malaysia		(500,355)	(485,959)	
Deficit Of Fair Value Over Acquisition Cost			14,396	

- (b) The interest expense charges on the short position at the end of reporting year are ranging from 0.26% to 13.29% (2022 – 0.26% to 13.29%) per annum.

8. AMOUNT DUE TO MANAGER

The amount due to manager represents amount payable for management fee.

9. OTHER PAYABLES AND ACCRUALS

	2023 USD	2022 USD
Advance/proceeds received from subscription	-	80,370
Dividend payable	194	909
Accruals	7,961	7,483
	8,155	88,762

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. NET ASSET VALUE (“NAV”) ATTRIBUTABLE TO UNITHOLDERS

	Note	2023 USD	2022 USD
Unitholders’ capital	(a)	1,591,279	1,416,765
Accumulated losses:			
- Realised		(175,135)	(134,672)
- Unrealised		46,409	8,192
		(128,726)	(126,480)
NAV attributable to unitholders		1,462,553	1,290,285

a) Unitholders’ capital

	2023		2022	
	No of units	USD	No of units	USD
As at 1 January/8.10.2021 (date of launched)	2,848,872	1,416,765	-	-
Creation of units	444,374	198,782	2,848,872	1,416,765
Redemption of units	(53,580)	(24,268)	-	-
As at 31 December	3,239,666	1,591,279	2,848,872	1,416,765

b) Net Asset Value (“NAV”) Per Unit

The Net Asset Value (“NAV”) per unit represents a weighted average of the NAVs for the various outstanding series of the fund.

11. INTEREST EXPENSE

The interest expense represents interest charges arising from short position.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. NET REALISED LOSS ON DISPOSAL OF FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	1.1.2023 to 31.12.2023 USD	8.10.2021 to 31.12.2022 USD
Financial Assets:		
Exchange Traded Fund ("ETF") – outside Malaysia	48,580	(105,044)
Financial Liabilities:		
Exchange Traded Fund ("ETF") – outside Malaysia	(63,644)	15,596
	<u>(15,064)</u>	<u>(89,448)</u>

13. NET UNREALISED GAIN ON CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	1.1.2023 to 31.12.2023 USD	8.10.2021 to 31.12.2022 USD
Financial Assets:		
Exchange Traded Fund ("ETF") – outside Malaysia	58,209	(6,204)
Financial Liabilities:		
Exchange Traded Fund ("ETF") – outside Malaysia	(19,993)	14,396
	<u>38,216</u>	<u>8,192</u>

14. TRUSTEE'S FEE

The Trustee's fee payable to Pacific Trustees Berhad is computed at up to 0.08% (2022 – 0.08%) per annum of the NAV of the Fund (excluding foreign custodian fees and charges) subject to a minimum of RM10,000 (2022 – RM10,000) per annum, whichever is higher.

15. MANAGEMENT FEE

The Management fee is computed on a daily basis at 2% (2022 – 2%) per annum of the NAV of the Fund before deducting the manager's fee and the trustee's fee for that particular valuation day.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. INCOME TAX EXPENSE

	1.1.2023 to 31.12.2023 USD	8.10.2021 to 31.12.2022 USD
Current tax expense: - for the financial year/period	-	-
Deferred tax (Note 6) - for the financial year/period	7,687	-
Foreign withholding tax	6,416	4,388
	14,103	4,388

The tax charge for the financial year is on dividend income after deducting tax allowable expenses.

A reconciliation of income tax expense applicable to the net income/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Fund is as follows:-

	1.1.2023 to 31.12.2023 USD	8.10.2021 to 31.12.2022 USD
Net income/(loss) before taxation	11,857	(122,092)
Tax at the statutory tax rate of 24% (2022 – 24%)	2,845	(29,302)
Tax effects of:-		
Non-taxable income	(10,118)	(4,555)
Non-deductible expenses	21,008	37,438
Effects of differential in tax rates	368	807
Total income tax expenses	14,103	4,388

17. DISTRIBUTION DURING THE FINANCIAL YEAR/PERIOD

There was no distribution paid or proposed for the financial year/period under review.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. TRANSACTIONS WITH A STOCKBROKING COMPANY

Details of the transactions with a stockbroking company during the financial year/period are as follows:-

	Value Of Trade USD	Percentage Of Total Trade %	Brokerage Fees And Commissions USD	Percentage Of Total Fees And Commissions %
2023				
Interactive Brokers LLC	46,414,517	100%	4,316	100%
<hr/>				
	Value Of Trade USD	Percentage Of Total Trade %	Brokerage Fees And Commissions USD	Percentage Of Total Fees And Commissions %
2022				
Interactive Brokers LLC	31,574,969	100%	3,432	100%

The directors of the Manager are of the opinion that the transactions have been entered into in the normal course of business and have been established based on terms and conditions that are obtainable in transactions with unrelated parties.

19. RELATED PARTY DISCLOSURES

19.1 Identities of related parties

The Fund has related party relationships with its Manager, Cross Light Capital Sdn. Bhd. and Trustees, Pacific Trustees Berhad.

19.2 Units held by the Manager and Parties related to the Manager

The Manager and Parties related to the Manager do not hold units from the fund.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund is the ratio of the average of the total acquisitions and disposals of investments and short position of the Fund for the year over the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 December 2023, the PTR of the Fund stood at 16.60 times (2022 – 12.43 times).

The PTR is calculated as follows:

	2023	2022
	USD	USD
A = Total Acquisitions of the Fund	23,770,922	15,772,051
B = Total Disposals of the Fund	22,643,595	15,802,978
PTR = $\frac{(A + B) / 2}{\text{average NAV of the Fund}}$		
	$\frac{23,207,259}{1,397,923}$	
	16.60	

The average NAV of the Fund for the financial year ended 31 December 2023 was USD1,397,923 (2022 – USD1,270,575).

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. MANAGEMENT EXPENSE RATIO (“MER”)

Management expense ratio is the ratio of the total fees and recovered expenses of the Fund expressed as a percentage of the Fund’s average NAV of the Fund calculated on daily basis. The fees and expenses include Management fee, Trustee’s fee, auditors’ remuneration, Commission and brokerage fee, and other administrative expenses. The management expense ratio for the current year is 4.23% (2022 – 4.48%).

	2023	2022
	USD	USD
A Management fee	28,008	27,529
B Performance fee	454	1,625
C Trustee’s fee	2,327	2,620
D Auditors’ remuneration	1,627	1,679
E Commission and brokerage fee	4,316	3,432
F Other administrative expenses	22,427	20,068
G Average NAV of the Fund	1,397,923	1,270,575

$$\begin{aligned} \text{MER} &= \frac{(A+B+C+D+E+F)}{G} \times 100 \\ &= \frac{59,159}{1,397,923} \times 100 \\ &= 4.23\% \end{aligned}$$

The average NAV of the Fund for the financial year ended 31 December 2023 was USD1,397,923 (2022 – USD1,270,575).

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. OPERATING SEGMENTS

The Manager is responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Information Memorandum of the Fund.

The following table provides an analysis of the Fund's operating income, assets and liabilities by business segments:-

	ETF USD	Cash and liquid assets USD	Others USD	Total USD
1.1.2023 to 31.12.2023				
Statement of Profit or Loss and Other Comprehensive Income				
Dividend income	25,200	-	-	25,200
Dividend expense	(7,785)	-	-	(7,785)
Fee income from redemptions/withdrawals	-	485	-	485
Interest income	-	35,485	-	35,48
Interest expense	(5,525)	-	-	(5,525)
Net unrealised gain on disposal of financial assets and liabilities at FVTPL	38,216	-	-	38,216
Net realised loss on disposal of financial assets and liabilities at FVTPL	(15,064)	-	-	(15,064)
Net realised gain on foreign exchange	-	4	-	4
Total operating segment income for the financial year	35,042	35,974	-	71,016

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Fund's operating income, assets and liabilities by business segments (Cont'd):-

	ETF USD	Cash and liquid assets USD	Others USD	Total USD
8.10.2021 to 31.12.2022				
Statement of Profit or Loss and Other Comprehensive Income				
Dividend income	14,927	-	-	14,927
Dividend expense	(4,095)	-	-	(4,095)
Interest income	-	10,779	-	10,779
Interest expense	(5,458)	-	-	(5,458)
Net unrealised loss on disposal of financial assets and liabilities at FVTPL	8,192	-	-	8,192
Net realised loss on disposal of financial assets and liabilities at FVTPL	(89,448)	-	-	(89,448)
Net realised loss on foreign exchange	-	(36)	-	(36)
Total operating segment loss for the financial period	(75,882)	10,743	-	(65,139)

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Fund's operating income, assets and liabilities by business segments (Cont'd):-

	ETF USD	Cash and liquid assets USD	Others USD	Total USD
31 December 2023				
Assets				
Investments	1,320,001	-	-	1,320,001
Amount due from broker	329,881	-	-	329,881
Other receivables	985	-	-	985
Cash and cash equivalents	-	174,286	-	174,286
Total segment assets	1,650,867	174,286	-	1,825,153
Liabilities				
Deferred tax liabilities	-	-	7,687	7,687
Short position	192,257	-	-	192,257
Amount due to broker	147,444	-	-	147,444
Amount due to Manager	-	-	7,057	7,057
Other payables and accruals	193	-	7,962	8,155
Total segment liabilities	339,894	-	22,706	362,600

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Fund's operating income, assets and liabilities by business segments (Cont'd):-

	ETF USD	Cash and liquid assets USD	Others USD	Total USD
31 December 2022				
Assets				
Investments	463,224	-	-	463,224
Amount due from broker	113,141	-	-	113,141
Other receivables	-	-	1,790	1,790
Cash and cash equivalents	-	1,370,337	-	1,370,337
Total segment assets	576,365	1,370,337	1,790	1,948,492
Liabilities				
Short position	485,959	-	-	485,959
Amount due to broker	77,239	-	-	77,239
Amount due to Manager	-	-	6,247	6,247
Other payables and accruals	909	-	87,853	88,762
Total segment liabilities	564,107	-	94,100	658,207

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. OPERATING SEGMENTS (CONT'D)

Expenses of the Fund are not considered part of the performance of any operating segment. The following table provides reconciliation between net reportable segment operating income/(loss) and net loss after taxation:

	2023 USD	2022 USD
Net reportable segment operating income/(loss)	71,016	(65,139)
Expenses	(59,159)	(56,953)
Net income/(loss) before taxation	11,857	(122,092)
Income tax expense	(14,103)	(4,388)
Net loss after taxation	(2,246)	(126,480)

23. FINANCIAL INSTRUMENTS

The Fund's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Fund's business whilst managing its market risk (including equity price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

23.1 CAPITAL RISK MANAGEMENT

The Fund Manager is responsible for identifying and controlling risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach for the Fund.

Monitoring and controlling risks are primarily set up to be performed based on limits established by the Manager and Trustee. These limits reflect the inherent risk management set by the Manager and Trustee for the Fund as well as the level of the risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager also has compliance personnel to ensure that the Fund complies with the various regulations and guidelines stipulated in its Information Memorandum, the Securities Commission's Guidelines on Unlisted Capital Market Products Under The Lodge and Launch Framework in Malaysia and the Investment Team.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 FINANCIAL RISK MANAGEMENT POLICIES

The Fund's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices, foreign exchange and interest rates. The policies in respect of the major areas of treasury activity are as follows:-

(i) Equity Price Risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the value of the individual shares. The equity price risk exposure arises from the Fund's investments in equity securities.

The Fund's concentration of equity price risk at the end of the reporting year analysed by the Fund's Investments and short position was as follows:-

	USD	As a % Of NAV %
2023		
Investments:		
Exchange Traded Fund ("ETF") – Outside Malaysia	1,320,001	90.25
Short position:		
Exchange Traded Fund ("ETF") – Outside Malaysia	(192,257)	(13.15)
	<hr/>	<hr/>
	USD	As a % Of NAV %
2022		
Investments:		
Exchange Traded Fund ("ETF") – Outside Malaysia	463,224	35.90
Short position:		
Exchange Traded Fund ("ETF") – Outside Malaysia	(485,959)	(37.66)
	<hr/>	<hr/>

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Equity Price Risk (Cont'd)

The following table details the sensitivity analysis to a reasonably possible change in the prices of the investments and short position as at the end of the reporting year, with all other variables held constant:-

	Effect On Net Loss After Taxation (Decrease)/ Increase USD	Effect On NAV attributable to Unitholders Increase/ (Decrease) USD
2023		
Investments:		
- strengthened by 5%	(66,000)	66,000
- weakened by 5%	66,000	(66,000)
Short position:		
- strengthened by 5%	(9,613)	9,613
- weakened by 5%	9,613	9,613
	<hr/>	<hr/>
	Effect On Net Loss After Taxation (Decrease)/ Increase USD	Effect On NAV attributable to Unitholders Increase/ (Decrease) USD
2022		
Investments:		
- strengthened by 5%	(23,161)	23,161
- weakened by 5%	23,161	(23,161)
Short position:		
- strengthened by 5%	(24,298)	24,298
- weakened by 5%	24,298	(24,298)
	<hr/>	<hr/>

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Foreign Currency Risk

The Fund is exposed to foreign currency risk on quoted investments, receivables, cash at bank and payables that are denominated in foreign currencies other than the respective functional currencies of entities within the Fund. The currencies giving rise to this risk is primarily Malaysian Ringgit. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The following table set out the Fund's exposure to foreign currency risk as at the end of the reporting year:-

Foreign Currency Exposure

	USD	As a % of NAV %
2023		
Malaysian Ringgit:		
- Cash and cash equivalents	3,141	0.21
- Other payables and accruals	(2,194)	(0.15)
	<hr/>	<hr/>
	USD	As a % of NAV %
2022		
Malaysian Ringgit:		
- Cash and cash equivalents	73,919	5.73
- Other payables and accruals	(76,151)	(5.90)
	<hr/>	<hr/>

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonable potential change in the foreign currencies as at the end of the reporting year, with all other variables held constant:-

	Effect On Net Loss After Taxation (Decrease)/ Increase USD	Effect On NAV attributable to Unitholders (Decrease)/ Increase %
2023		
Malaysian Ringgit:		
- Strengthened by 5%	157	0.01
- Weakened by 5%	(110)	(0.01)
	<hr/>	<hr/>
	Effect On Net Loss After Taxation (Decrease)/ Increase USD	Effect On NAV attributable to Unitholders (Decrease)/ Increase %
2022		
Malaysian Ringgit:		
- Strengthened by 5%	3,696	0.29
- Weakened by 5%	(3,808)	(0.30)
	<hr/>	<hr/>

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) 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 Fund's exposure to interest rate risk arises mainly from cash at financial institution and short position. The Fund's policy is to obtain the most favourable interest rates available.

Information relating to the Fund exposure to the interest rate risk of the deposit with a financial institution is disclosed in Note 6 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Twenty-five basis points strengthening in the interest rate as at the end of the reporting year would have decreased net loss after taxation by USD45 (2022 – increased net loss after taxation by USD2,211). Twenty-five basis points weakening would have had an equal but opposite effect on the net loss after taxation. This assumes that all other variables remain constant.

(b) Liquidity Risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its units every now and then. Units sold to unitholders by the Manager are redeemable at the unitholder's option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Fund's Information Memorandum. The Manager monitors the Fund's liquidity position regularly.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders. Liquid assets comprise cash and other instruments which are capable of being converted into cash within seven (7) days.

The Manager also manages the potential redemption risk by having a relatively high percentage of the portfolio in more liquid equity instruments which can be converted into cash within a short year of time. In addition, the liquidity risk is managed by giving the Manager fifteen (15) working days to pay the unitholder once a redemption is received.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the Fund's issue (classified as equity instruments) and financial liabilities. Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Fund's financial assets (undiscounted where appropriate) and equity in order to provide a complete view of the Fund's contractual commitments and liquidity:-

	1 – 3 months USD	3 – 6 months USD	Over 6 months USD	Total USD
2023				
Financial Assets:				
Investments	1,320,001	-	-	1,320,001
Amount due from broker	329,881	-	-	329,881
Other receivables	985	-	-	985
Cash and cash equivalents	174,286	-	-	174,286
	1,825,153	-	-	1,825,153
Financial Liabilities:				
Short position	192,257	-	-	192,257
Amount due to broker	147,444	-	-	147,444
Amount due to Manager	7,057	-	-	7,057
Other payables and accruals	8,155	-	-	8,155
	354,913	-	-	354,913
Unitholder's Fund	1,462,553	-	-	1,462,553

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the Fund's issue (classified as equity instruments) and financial liabilities. Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Fund's financial assets (undiscounted where appropriate) and equity in order to provide a complete view of the Fund's contractual commitments and liquidity (Cont'd):-

	1 – 3 months USD	3 – 6 months USD	Over 6 months USD	Total USD
2022				
Financial Assets:				
Investments	463,224	-	-	463,224
Amount due from broker	113,141	-	-	113,141
Other receivables	1,790	-	-	1,790
Cash and cash equivalents	1,370,337	-	-	1,370,337
	<hr/>			
	1,948,492	-	-	1,948,492
	<hr/>			
Financial Liabilities:				
Short position	485,959	-	-	485,959
Amount due to broker	77,239	-	-	77,239
Amount due to Manager	6,247	-	-	6,247
Other payables and accruals	88,762	-	-	88,762
	<hr/>			
	658,207	-	-	658,207
	<hr/>			
Unitholder's Fund	1,290,285	-	-	1,290,285
	<hr/>			

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

(i) Financial Assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets can be realised. The Fund's investments have been included in the "1 – 3 months category" on the assumption that those are liquid investments which can be realised should all of the Fund's unitholders capital be required to be redeemed.

(ii) Financial Liabilities

The maturity grouping is based on the remaining year from the end of the reporting year to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest year in which the Fund can be required to pay.

(iii) Unitholders' Fund

As unitholders can request for redemption on their units every quarter by giving the Manager an irrevocable written redemption form before 1 pm on redemption day, they have been categorised as having a maturity of "between one (1) to three (3) months". The Manager believes that it would be able to liquidate other investments should the need arise to satisfy all the redemption requirements of the Fund.

(c) Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely repayments of interest, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships, derivatives and other transactions.

The Fund Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to buy financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties by reviewing their credit ratings and credit profiles on a regular basis.

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the end of the reporting year.

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023 USD	2022 USD
Financial Assets		
<u>Fair Value Through Profit or Loss</u>		
Investments	1,320,001	463,224
	<hr/>	<hr/>
<u>Amortised Cost</u>		
Amount due from broker	329,881	113,141
Other receivables	985	1,790
Cash and cash equivalents	174,286	1,370,337
	<hr/>	<hr/>
	505,152	1,485,268
	<hr/>	<hr/>
Financial Liabilities		
<u>Fair Value Through Profit or Loss</u>		
Short position	192,257	485,959
	<hr/>	<hr/>
<u>Amortised Cost</u>		
Amount due to broker	147,444	77,239
Amount due to Manager	7,057	6,247
Other payables and accruals	8,155	8,392
	<hr/>	<hr/>
	162,656	91,878
	<hr/>	<hr/>

PERFORMA BALANCED CROSS-ASSET FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	1.1.2023 to 31.12.2023 USD	8.10.2021 to 31.12.2022 USD
Financial Assets		
<u>Fair Value Through Profit or Loss</u>		
Net realised gain/(loss) recognised in profit or loss	48,580	(105,044)
Net unrealised gain/(loss) recognised in profit or loss	58,209	(6,204)
	<hr/> 106,789	<hr/> (111,248)
	<hr/>	<hr/>
Financial Liabilities		
<u>Fair Value Through Profit or Loss</u>		
Net realised (loss)/gain recognised in profit or loss	(63,644)	15,596
Net unrealised (loss)/gain recognised in profit or loss	(19,993)	14,396
	<hr/> (83,637)	<hr/> 29,992
	<hr/>	<hr/>

23.5 FAIR VALUE INFORMATION

The Fund has carried its investments and short position that are classified as FVTPL at their fair values, determined at their quoted closing prices at the end of the reporting year. These financial assets and liabilities belong to level 1 of the fair value hierarchy.

The fair values of the other financial assets and financial liabilities which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are included in level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 2 during the financial year.

24. COMPARATIVE FIGURES

The comparative figures covered for the financial period from 8 October 2021 (date of launched) to 31 December 2022. Consequently, the comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 12 – months year ended 31 December 2023.