Fortress Capital

ANNUAL REPORT

FORTRESS VALUE TACTICAL FUND

31 OCTOBER 2023

FORTRESS VALUE TACTICAL FUND

Annual Report and Audited Financial Statements
For the Financial Year Ended 31 October 2023

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FORTRESS VALUE TACTICAL FUND

CORPORATE INFORMATION

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Fax: 03-2166 1622

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50470, Kuala Lumpur
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Fax: 03 – 2261 9889

AUDITORS & REPORTING ACCOUNTANTS
Crowe Malaysia PLT
Level 16 Tower C, Megan Avenue II,
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Fax: 03 2788 9998

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Crowe KL Tax Sdn Bhd
C15-5 Level 15 Tower C, Megan Avenue II,
No.12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur
Tel: 03 2788 9898
Fax: 03 2788 9899

GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name	-	Fortress Value Tactical Fund
Fund Category	-	Mixed Assets
Fund Type	-	Growth Fund

Investment Objective, Policy and Strategy

Objective of the Fund

The Fund aims to provide medium to long term capital appreciation.

Investment Strategy

The Fund aims to achieve its objective by adopting a tactical asset allocation strategy where the Fund may invest up to 100% of its NAV primarily in equities, equity-related securities (such as warrants and rights issue) and unlisted securities. The Fund will adopt a value driven approach by selecting securities that appear to be trading or valued below their intrinsic value. The Fund will also hold the flexibility to invest into opportunities in any other markets where the Manager deems attractive. The investment selection for the Fund is unconstrained by any country, sector or market capitalization. However, the Fund will only invest in markets where the regulatory authority is an ordinary or associate members of the International Organization of Securities Commissions.

In addition to equities and equity-related securities, the Fund may invest in other asset classes depending on the prevailing market conditions. These asset classes would range from fixed income securities, money market instruments, deposits and/or collective investments schemes (including but not limited to real estate investment trusts (REITs) and exchange-traded funds (ETFs) (including inverse ETFs)).

The Fund may also invest up to 20% of its NAV in derivatives such as forwards, futures, swaps and/or options, and structured products (including but not limited to equity-linked instruments, asset backed securities, currency-linked instruments).

Equities and equity-related securities are selected through our rigorous investment process. Selection criteria include growth profile, earnings quality, business model, competitive advantage, management quality and capability, corporate governance, balance sheet strength, cash flow strength, industry dynamics, and relative valuation.

The Fund adopts a tactical asset allocation, for example, when economic conditions are expected to be favourable, the Fund will have higher equity exposure; when economic conditions are expected to become less attractive, the Fund will preserve its capital with higher cash levels by investing in fixed income securities, money market instruments, deposits or collective investment schemes (such as inverse ETFs).

Temporary Defensive Position

In times of extreme market volatility, we hold the option to take temporary defensive positions that may be inconsistent with the Fund's principal strategy and asset allocation.

Asset Allocation

- 0% - 100% of the NAV of the Fund will be invested in equities, equity-related securities and unlisted securities;
- 0% - 100% of the NAV of the Fund will be invested in fixed income securities, money market instruments and/or deposits;
- 0% - 100% of the NAV of the Fund will be invested in collective investment schemes (such as REITs and ETFs); and
- 0% - 20% of the NAV of the Fund will be invested in derivatives and structured products.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there is no inconsistency with the investment objective of the Fund, the Fund will invest in the following permitted investments:

1) equities and equity-related securities;
2) fixed income securities;
3) money market instruments;
4) deposits;
5) collective investment schemes (including REITs and ETFs);
6) structured products;
7) unlisted securities;
8) derivatives; and
9) any other investments which are in line with the Fund's objective.

The Fund is not subject to any investment restrictions and limits.

FORTRESS VALUE TACTICAL FUND

FUND PERFORMANCE DATA

	Year Ended 31 October 2023	Year Ended 31 October 2022	Year Ended 31 October 2021
PORTFOLIO COMPOSITION (% OF NAV)			
Equities	73.80	84.34	80.61
Liquidity	26.20	15.66	19.39
Total Investment	100.00	100.00	100.00
Total Net Asset Value (SGD)	16,919,601	16,841,793	18,999,491
Units In Circulation	17,450,915	19,510,915	19,510,915
Net Asset Value Per Unit (SGD)	0.9696	0.8632	0.9738
Management Fee Ratio (%)	1.25	1.25	1.37
Other Expenses Ratio (%) *	0.16	0.14	0.15
Total Expense Ratio (TER) (%)	1.41	1.39	1.52
Portfolio Turnover Ratio (PTR) (times)	0.27	0.17	0.57

**Other Expenses include Trustee Fee, Custodian Fee, Audit Fee, Tax Agent Fee and others.*

UNIT PRICES FUND (SGD)

NAV Per Unit	0.9696	0.8632	0.9738
Highest NAV Per Unit for the Year	1.0249	1.0612	1.0947
Lowest NAV Per Unit for the Year	0.8711	0.8632	0.9527

ANNUAL RETURN (%)

FYE 31 October 2023 (1/11/22 – 31/10/23)	FYE 31 October 2022 (1/11/21 – 31/10/22)	FYE 31 October 2021 (1/11/20 – 31/10/21)
+12.33	-11.36	-3.62

PERFORMANCE OF THE FUND (%)

1 Year (1/11/22 – 31/10/23)	3 Year (1/11/20 – 31/10/23)	Since Inception (17/10/20 – 31/10/23)
+12.33	-4.04	-3.04

ANNUALIZED RETURN (%)

1 Year (1/11/22 – 31/10/23)	3 Year (1/11/20 – 31/10/23)	Since Inception (17/10/20 – 31/10/23)
+12.33	-1.36	-1.00

Note: Past performance is not necessarily a guarantee to future performance. The unit prices and investment returns may go down, as well as up.

FORTRESS VALUE TACTICAL FUND

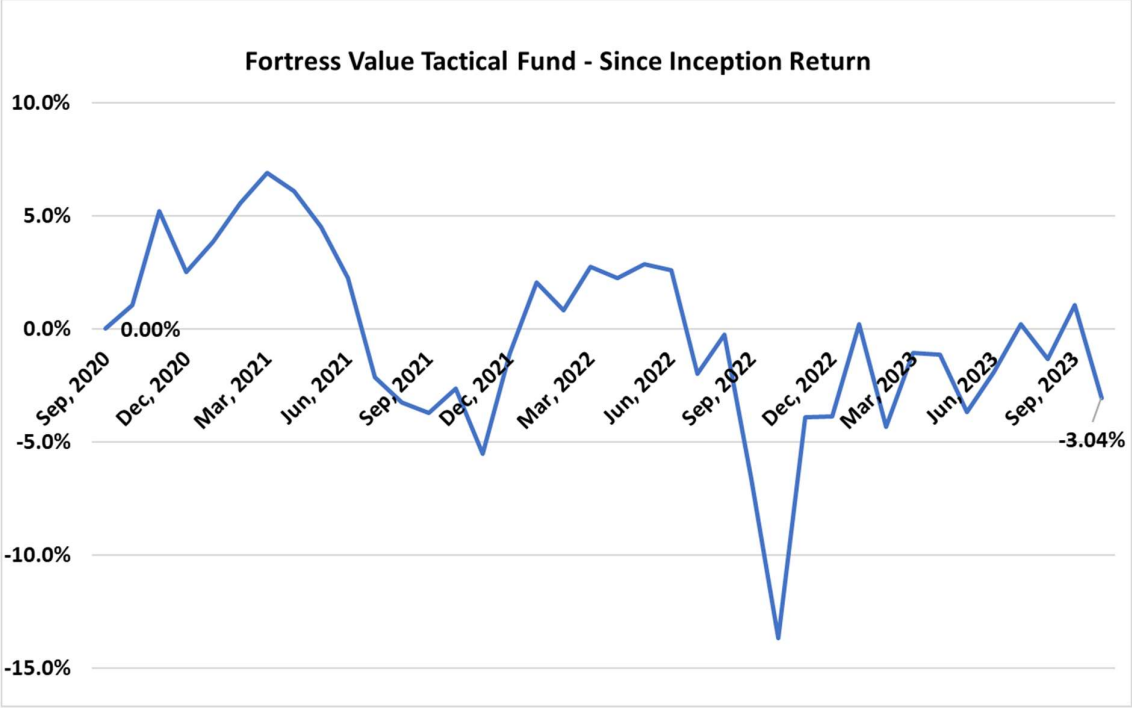
MANAGER'S REPORT

Fund Performance Review

Net Asset Value (NAV) per unit of the Fund was SGD0.9696 as at 31 October 2023, compared to SGD0.8632 as at 31 October 2022. The Fund's performance for the financial year under review outperformed the benchmark return of +7.0%. Equity prices in the Hong Kong market staged a strong rebound when China reopened after an extended period of strict movement restrictions under its national Covid-19 strategy. The performance of the fund was also boosted by individual stock selections in Southeast Asian markets.

For the financial year under review, the Fund registered a return of +12.33%, compared to the benchmark return of +7.0%, and there were no distribution or unit splits.

Below is the Fund's performance since inception:



Annual Return		Ending NAV per unit
17 Sep 20 to 31 Oct 21	-2.62%	SGD0.9738
01 Nov 21 to 31 Oct 22	-11.36%	SGD0.8632
01 Nov 22 to 31 Oct 23	+12.33%	SGD0.9696

The Fund's benchmark is an absolute return of 7% per annum

FORTRESS VALUE TACTICAL FUND

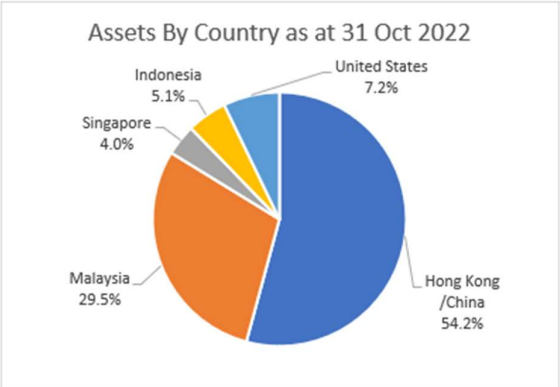
MANAGER'S REPORT (CONT'D)

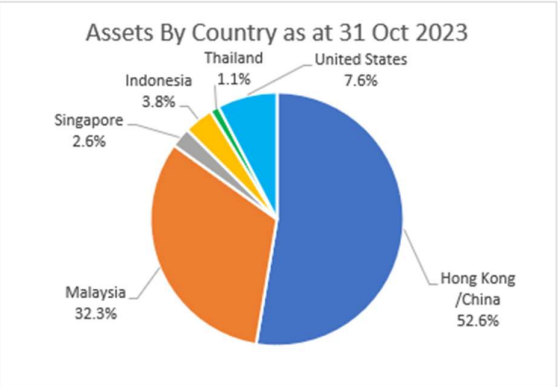
Strategy Employed and Portfolio Composition

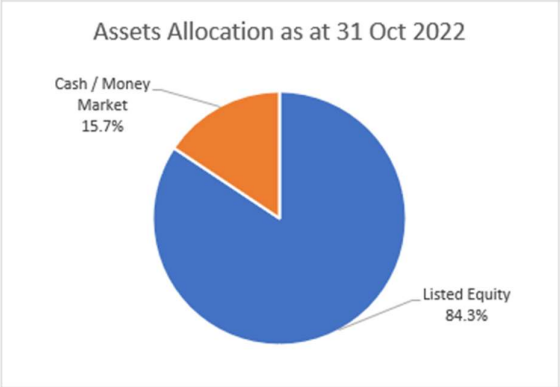
During the financial year under review, the Fund's country allocation was tilted towards Hong Kong & China markets. The investments focused on securities trading or valued by the markets below their intrinsic values, in line with the strategy disclosed in the prospectus.

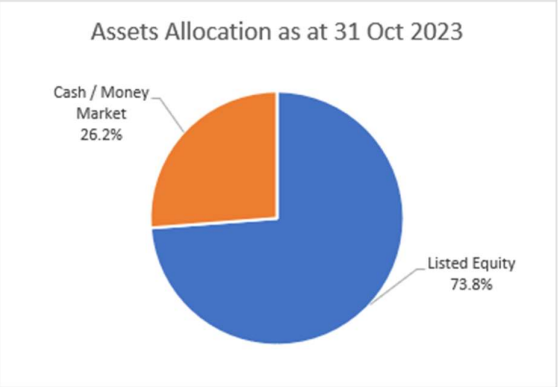
As at 31 October 2023, the Fund's listed equities weighting in the portfolio was 73.80% of the NAV, while cash/money market holdings were 26.20% of the NAV. There was an increase in allocation to cash/money market holdings compared to 31 Oct 2022, as market sentiment was poor.

Below are the comparison of assets allocation for year ended 31 October 2023 and 2022:





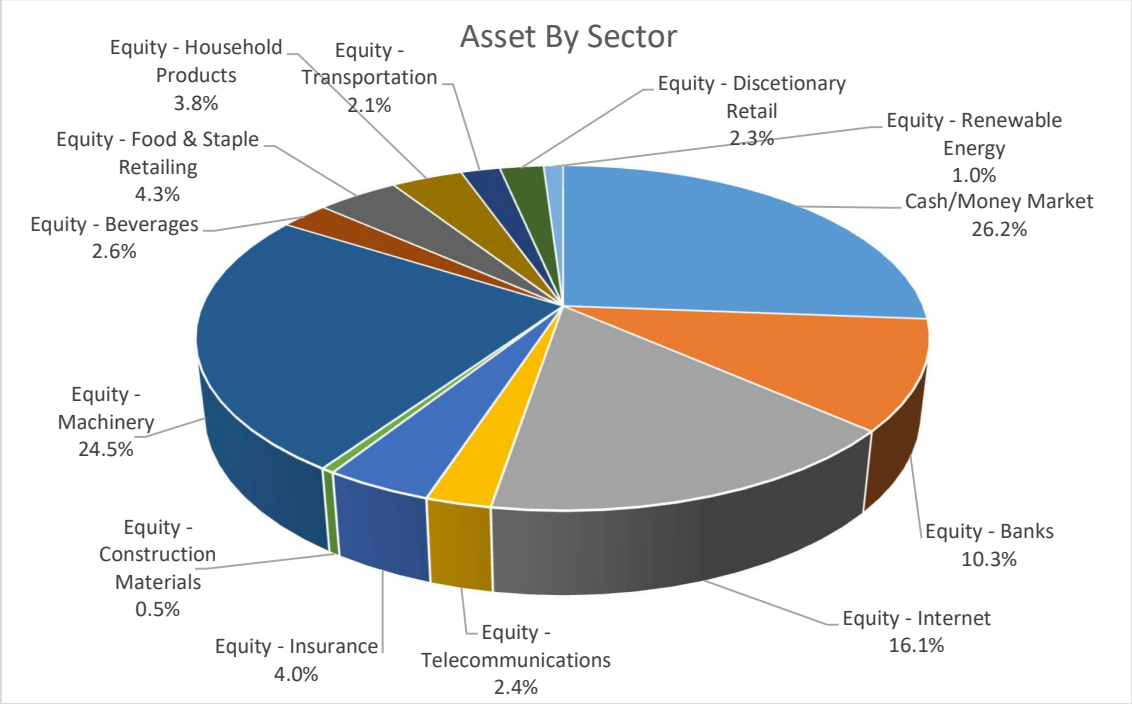


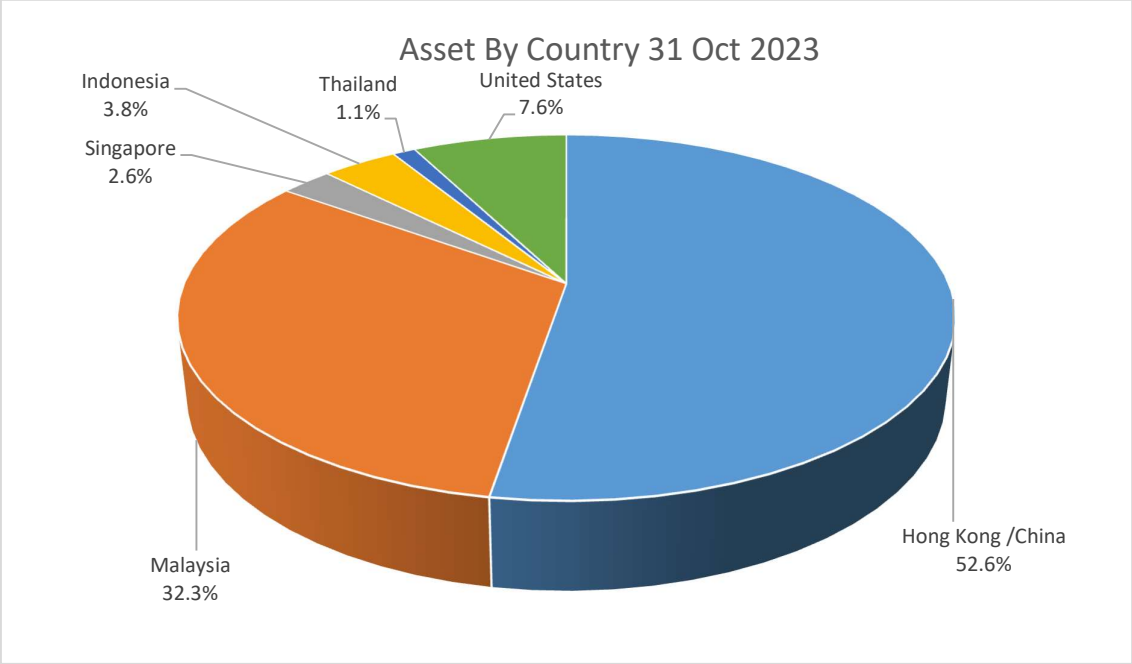


FORTRESS VALUE TACTICAL FUND

MANAGER'S REPORT (CONT'D)

Below are assets allocation by sector and country for year ended 31 October 2023:





**Note that the categorization of the countries and sectors is as per the Manager's classification, which is based on the company's primary country and business exposure and may not necessarily follow the GICS classification*

Market Review

Global equity markets performed mixed for the period under review. Generally, developed markets had performed better than emerging markets. Market sentiment was affected by U.S. Federal Reserve's policies (Fed), China's reopening after pandemic as well as geopolitical tensions.

For the period under review, U.S. Federal Reserve's policy tone had been the main factor affecting global markets. Since the first quarter of the year 2022, Fed had raised interest rate by 525 basis point, with guidance continued to sound hawkish. Despite U.S. inflation moderating, the reported inflation figure was still higher than Fed's comfort level. Coupled with buoyant employment market, Fed indicated that interest rate would stay high for an extended period. During the period under review, the S&P 500 index rose +8.31%, but was largely dominated by a few large capitalization technology stocks such as Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla.

Apart from the tight monetary condition in U.S., global market sentiment was also affected by geopolitical tensions. The improved relation between U.S. and China after meeting of President Biden and President Xi in the Bali (APEC Meeting) deteriorated rapidly after the "Balloon Incident". Since then, both countries had minimal engagement with trade restrictions increased. In October 2023, Gaza war broke out, creating fear of further escalation in tensions within the Middle East and a potential resultant disruption in energy supply.

Over in Asia, China Hong Kong markets staged a strong rebound after the reopening in late 2022. The ensuing pent-up demand gave a strong boost to the economy in the early part of 2023. However, policy makers had been slow in rolling out stimulus measures and had refrained from any massive stimulus packages. Foreign investors were disappointed and continued to exit China and Hong Kong markets throughout the second and third quarter of 2023. For the period under review, the Hang Seng Index gained +16.51%.

Southeast Asian markets performed poorer compared to developed markets during the period under review. The continuous hawkish tone by Fed resulted in significant U.S. dollar strength. As emerging country currencies weakened, foreign funds continued to exit these markets. The reopening of China had yet to benefit Southeast Asian markets, while tourism recovery continued to lag behind expectation, due to flight capacity constraints as well as perceived safety concerns by China visitors in certain Southeast Asian destinations. For the period under review, the FTSE Bursa Malaysia (FBMKLCI), Straits Times Index (STI) and Jakarta Composite Index (JCI) returned -1.25%, -0.82% and JCI -4.88% respectively.

Going forward, U.S. Fed is likely to stay hawkish for the remaining months of 2023. Analysts expect interest rate would stay high for the first and second quarter of 2024, before the U.S. economy slow down. On the other hand, China would continue to roll out positive expansionary measures to stimulate and stabilize the economy, albeit the measures would likely be piecemeal in nature. The China economy would likely pick up when consumer confidence recovers with improved labour market.

Asian markets' valuations are at attractive levels and will perform well as foreign portfolio sell-downs eases.

Others

For year under review:

i) the Fund did not undertake any securities lending or repurchase transactions.
ii) there were no significant changes in the state of affairs of the Fund.
iii) there were no changes made to the Fund's prospectus.
iv) there were no circumstances which materially affect interest of unit holders.
v) there were no cross-trade transactions.

Soft Commissions Received from Brokers

As per the requirements of the Securities Commission's Guidelines on Unit Trust Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the:–

(i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
(ii) goods and services are in the form of research and advisory services that assists in the decision-making process.

The Manager will not retain any rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Notwithstanding the aforesaid, the Manager may receive goods and services by way of soft commissions provided always that the goods and services are of demonstrable benefit to the Unit Holders in the form of research and advisory services that assist in the decision-making process relating to the Fund's investments.

During the financial year under review, the management company had received on behalf of the Fund, soft commissions in the form of:-

(i) research materials;
(ii) data and quotation services;
(iii) investment-related publications;
(iv) market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

STATEMENT BY MANAGER

We, Datuk Yong Peng Tak and Nur Annisa binti Muhammad Ridha Djamily, being two of the directors of Fortress Capital Asset Management (M) Sdn. Bhd. ("The Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 6 to 45 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 Fortress Value Tactical Fund as at 31 October 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,
Fortress Capital Asset Management (M) Sdn. Bhd.

Datuk Yong Peng Tak

Nur Annisa binti Muhammad Ridha Djamily

Kuala Lumpur
15 December 2023

CIMB

TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF FORTRESS VALUE TACTICAL FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 October 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Fortress Capital Asset Management (M) Sdn Bhd** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;

2. Valuation and pricing is carried out in accordance with the deed; and

3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
15 December 2023

CIMB COMMERCE TRUSTEE BERHAD 199401027349 (313031-A)
17th Floor Menara CIMB No 1 Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia
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Crowe

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INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF FORTRESS VALUE TACTICAL FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fortress Value Tactical Fund ("the Fund"), which comprise the statement of financial position as at 31 October 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, including a summary of significant accounting policies, as set out on pages 6 to 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 October 2023, and of its financial performance and its cash flows of the Fund 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.

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INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF FORTRESS VALUE TACTICAL FUND (CONT'D)

Responsibilities of the Manager 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 of the Fund 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 intends 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 of 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.

- 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.

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INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF FORTRESS VALUE TACTICAL FUND (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):-

- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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

Choong Kok Keong
03461/11/2025 J
Chartered Accountant

Kuala Lumpur

15 DEC 2023

Crowe Malaysia PLT is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Malaysia PLT and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Malaysia PLT.

FORTRESS VALUE TACTICAL FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2023

	Note	2023 SGD	2022 SGD
ASSETS			
Investments	4	12,483,982	14,204,779
Interest receivable		93	107
Deposit with a financial institution	5	1,230,315	1,730,093
Cash at bank		3,229,990	932,105
TOTAL ASSETS		16,944,380	16,867,084
LIABILITIES			
Accruals		5,746	5,638
Amount owing to Manager		18,443	18,675
Amount owing to Trustee		590	978
TOTAL LIABILITIES		24,779	25,291
UNITHOLDERS' FUND			
Unitholders' capital		18,043,569	20,067,519
Accumulated losses		(1,123,968)	(3,225,726)
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS	6	16,919,601	16,841,793
TOTAL UNITHOLDERS' FUND AND LIABILITIES		16,944,380	16,867,084
UNITS IN CIRCULATION		17,450,915	19,510,915
NAV PER UNIT (SGD)		0.9696	0.8632

FORTRESS VALUE TACTICAL FUND

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

	Note	2023 SGD	2022 SGD
INVESTMENT INCOME			
Gross dividend income		529,511	967,017
Interest income		37,101	28,842
Net realised gain on disposal of financial assets at fair value through profit or loss ("FVTPL")		208,382	459,745
Net realised loss on foreign exchange		(76,504)	(137,958)
Net unrealised gain/(loss) on changes in fair value of financial assets at FVTPL		2,394,335	(3,387,029)
Net unrealised (loss)/gain on foreign exchange		(700,142)	255,087
		2,392,683	(1,814,296)
LESS: EXPENSES			
Manager's fee	7	229,067	241,308
Custodian's fee	8	4,757	5,113
Trustee's fee	9	7,156	5,851
Auditors' remuneration		3,588	3,902
Tax agent's fee		1,197	1,299
Administrative expenses		12,481	12,224
		258,246	269,697
NET INCOME/(LOSS) BEFORE TAXATION		2,134,437	(2,083,993)
INCOME TAX EXPENSE	10	(32,679)	(73,705)
NET INCOME/(LOSS) AFTER TAXATION		2,101,758	(2,157,698)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		2,101,758	(2,157,698)

FORTRESS VALUE TACTICAL FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023 (CONT'D)

	Note	**2023** SGD	**2022** SGD
Net income/(loss) after taxation is made up as follows:			
- net realised gain		407,565	974,244
- net unrealised income/(loss)		1,694,193	(3,131,942)
		2,101,758	(2,157,698)
Distribution during the financial year:-			
Net distribution	11	-	-
Gross distribution per unit (cent)	11	-	-
Net distribution per unit (cent)	11	-	-

FORTRESS VALUE TACTICAL FUND

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

	Note	Unitholders' Capital SGD	Accumulated Losses SGD	NAV Attributable To Unitholders SGD
Balance as at 31.10.2021/1.11.2021		20,067,519	(1,068,028)	18,999,491
Net loss after taxation/Total comprehensive expense for the financial year		-	(2,157,698)	(2,157,698)
Balance as at 31.10.2022/1.11.2022		20,067,519	(3,225,726)	16,841,793
Transactions with unitholders:				
- cancellation of units	6(a)	(2,023,950)	-	(2,023,950)
		18,043,569	(3,225,726)	14,817,843
Net income after taxation/Total comprehensive income for the financial year		-	2,101,758	2,101,758
Balance as at 31.10.2023		18,043,569	(1,123,968)	16,919,601

FORTRESS VALUE TACTICAL FUND

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

	2023 SGD	2022 SGD
CASH FLOWS FROM/(FOR) OPERATING AND INVESTING ACTIVITIES		
Proceeds from disposal of investments	6,735,611	2,403,113
Purchase of investments	(3,199,804)	(3,993,099)
Net dividends received	496,832	893,312
Interest received	37,115	28,842
Manager's and performance fee paid	(229,299)	(242,883)
Trustee's and custodian fee paid	(12,301)	(10,446)
Payments for other fees and expenses	(17,157)	(17,989)
NET CASH FROM/(FOR) OPERATING AND INVESTING ACTIVITIES	3,810,997	(939,150)
NET CASH FOR FINANCING ACTIVITY		
Payments for cancellation of units	(2,023,950)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,787,047	(939,150)
EFFECT OF EXCHANGE RATE IN CHANGES IN CASH AND CASH EQUIVALENTS	11,060	(110,061)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,662,198	3,711,409
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	4,460,305	2,662,198
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposit with a financial institution	1,230,315	1,730,093
Cash at bank	3,229,990	932,105
	4,460,305	2,662,198

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Fortress Value Tactical Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 8 September 2020 ("the Deed"), made between Fortress Capital Asset Management (M) Sdn. Bhd. ("the Manager"), and CIMB Commerce Trustee Berhad ("the Trustee").

The Fund was launched on 17 September 2020 and will continue in operations until terminated according to the conditions provided in the Deed.

All investments are subjected to the Securities Commission Malaysia ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, SC requirements, the Deed, except where exemptions or variations have been approved by the SC, internal policies and procedures and the Fund's objective.

The Fund aims to provide medium to long term capital appreciation and to achieve its investment objective by investing primarily in global equities and equity related securities.

The Manager, Fortress Capital Asset Management (M) Sdn. Bhd., a company incorporated in Malaysia, is principally engaged in the management of funds, including wholesale funds, and private funds.

The financial statements were authorised for issue by the Manager on 15 December 2023.

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 under significant accounting policies, 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)

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Fund's financial statements.

2. BASIS OF PREPARATION (CONT'D)

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
MFRS 17 Insurance Contracts	1 January 2023
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 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
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 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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.

Critical Judgements Made in Applying Accounting Policies

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

3.2 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The functional currency of the Fund is the currency of the primary economic environment in which the Fund operates.

The financial statements of the Fund are presented in Singapore Dollar ("SGD"), which is the Fund's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting year are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Fund has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirely at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Fund reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Fund has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Fund's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 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 that 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.

3.5 IMPAIRMENT OF FINANCIAL ASSETS

The Fund recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Fund always recognises lifetime expected credit losses for the receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Fund's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Fund recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

The Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

3.6 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

3.8 INCOME

Realised gain or loss on disposal of quoted securities 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 from investment is recognised when the right to receive dividend payment is established.

3.9 DISTRIBUTIONS

Distributions are at the discretion of the Manager. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved.

3.10 OPERATING SEGMENTS

For management purposes, the Fund is managed as a portfolio of investments. The operating results are regularly reviewed by the Investment Manager and the Investment Committee. The Investment Manager assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to investments in each segment.

3.11 NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

Net asset 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 period if the unitholders exercised the right to redeem units of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Fund take into account when pricing the asset or liability at the measurement date. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the Fund can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements ins determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but are not fair value, such as net realizable value (MFRS 102) or value in use (MFRS 136).

4. INVESTMENTS

	Note	2023 SGD	2022 SGD
Investments at FVTPL:-			
Quoted investments - in Malaysia	(a)	4,228,839	3,246,247
Quoted investments - outside Malaysia	(b)	8,255,143	10,958,532
		12,483,982	14,204,779

(a) Quoted Investments - In Malaysia

The quoted investments - in Malaysia held for trading at the end of the reporting period are as follows:-

Name Of Counter	Quantity	Acquisition Cost SGD	Fair Value SGD	Percentage Of NAV %
Bursa Securities Main Board				
Industrial Products and Services				
Wellcall Holdings Berhad	9,396,100	3,264,067	4,144,587	24.49
Materials				
Cahya Mata Sarawak Berhad	265,000	100,522	84,252	0.50
Total Quoted Investments - In Malaysia		3,364,589	4,228,839	24.99
Excess Of Fair Value Over Acquisition Cost			864,250	

(b) Quoted Investments - Outside Malaysia

The quoted investments - outside Malaysia held for trading at the end of the reporting period are as follows:-

Name Of Counter	Quantity	Acquisition Cost SGD	Fair Value SGD	Percentage Of NAV %
QUOTED IN: HONG KONG				
Consumer Products and Services				
Alibaba Group Holding Ltd	84,900	1,832,274	1,185,104	7.00
Li Ning Co Ltd	93,000	593,819	389,208	2.30
Meituan Class B	37,910	983,526	731,133	4.32
		3,409,619	2,305,445	13.62

4. INVESTMENTS (CONT'D)

(b) Quoted Investments - Outside Malaysia (Cont'd)

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

Name Of Counter	Quantity	Acquisition Cost SGD	Fair Value SGD	Percentage Of NAV %
QUOTED IN: HONG KONG (CONT'D)				
Financial Services				
China Construction Bank - H	1,998,000	2,017,791	1,546,914	9.14
Ping An Insurance Group Co - H	96,500	1,526,422	674,775	3.99
		3,544,213	2,221,689	13.13
Telecommunications and Media				
China Mobile Ltd	38,000	305,391	410,499	2.43
Tencent Holdings Limited	16,100	1,028,538	811,917	4.80
		1,333,929	1,222,416	7.23
Total Quoted Investment in Hong Kong		8,287,761	5,749,550	33.98
QUOTED IN: INDONESIA				
Consumer Products and Services				
Unilever Indonesia TBK PT	2,044,700	918,181	634,750	3.75
Total Quoted Investment in Indonesia		918,181	634,750	3.75
QUOTED IN: UNITED STATES				
Energy				
Daqo New Energy Corp-ADR	5,000	195,408	173,610	1.03
Industrial Products and Services				
Southwest Airlines Co	11,473	706,169	347,828	2.05
Total Quoted Investment in United States		901,577	521,438	3.08

4. INVESTMENTS (CONT'D)

(b) Quoted Investments - Outside Malaysia (Cont'd)

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

Name Of Counter	Quantity	Acquisition Cost SGD	Fair Value SGD	Percentage Of NAV %
QUOTED IN: THAILAND				
Consumer Products and Services				
Bangkok Bank Public Co-NVDR	32,000	199,542	191,446	1.13
Total Quoted Investment in Thailand		199,542	191,446	1.13
QUOTED IN: SINGAPORE				
Consumer Products and Services				
DFI Retail Group Holdings Limited	249,000	1,310,378	723,313	4.28
Thai Beverage Pcl	804,900	602,108	434,646	2.57
Total Quoted Investment in Singapore		1,912,486	1,157,959	6.85
Total Quoted Investment - Outside Malaysia		12,219,547	8,255,143	48.79
Shortfall Of Fair Value Over Acquisition Cost			(3,964,404)	

5. DEPOSIT WITH A FINANCIAL INSTITUTION

	2023 SGD	2022 SGD
This is a short-term placement with a:		
- Commercial bank	1,230,315	1,730,093

The effective interest rate of the deposit at the end of the reporting period was 2.75% (2022 - 2.25%) per annum and the maturity period was 1 day (2022 - 1 day).

6. NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS

	Note	2023 SGD	2022 SGD
Unitholders' capital	(a)	18,043,569	20,067,519
Accumulated losses:			
- Realised		1,976,186	1,568,621
- Unrealised		(3,100,154)	(4,794,347)
		(1,123,968)	(3,225,726)
NAV attributable to unitholders		16,919,601	16,841,793

(a) Unitholders' capital

	2023		2022	
	No. of Units	SGD	No. of Units	SGD
As at 1 November	19,510,915	20,067,519	19,510,915	20,067,519
Cancellation of units	(2,060,000)	(2,023,950)	-	-
As at 31 October	17,450,915	18,043,569	19,510,915	20,067,519

7. MANAGER'S FEE

The Manager is entitled to a maximum management fee of 3.00% (2022 - 3.00%) per annum, calculated daily based on NAV of the Fund. For the financial year ended 31 October 2023, the management fee is recognised at a rate of 1.25% (2022 - 1.25%) per annum.

There will be no further liability to the Manager in respect of management fee other than amount recognised above.

8. CUSTODIAN'S FEE

The Custodian's fee payable to CIMB Bank Berhad based on month end market value portfolio and transaction purchase and sale of shares during the month. The custodian fee is payable monthly.

9. TRUSTEE'S FEE

The Trustee is entitled to a minimum fee of RM18,000 (2022 - RM18,000) per annum or at rate up to 0.20% (2022 - 0.20%) per annum, calculate monthly based on the NAV of the Fund, whichever is higher.

There will be no further liability to the Trustee in respect of trustee fee other than amount recognised above.

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10. INCOME TAX EXPENSE

	2023 SGD	**2022** SGD
Current tax expense:		
- for the financial year	32,679	73,705

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

10. INCOME TAX EXPENSE (CONT'D)

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:-

	2023 SGD	**2022** SGD
Net income/(loss) before taxation	2,134,437	(2,083,993)
Tax at the statutory tax rate of 24% (2022 – 24%)	512,265	(500,158)
Tax effects of:-		
Non-deductible expenses	80,340	910,639
Non-taxable gain	(525,583)	(240,623)
Differential in tax rates	(34,343)	(96,153)
Income tax expense for the financial year	32,679	73,705

11. DISTRIBUTION DURING THE FINANCIAL YEAR

There was no distribution paid or proposed for the financial year.

12. TRANSACTIONS WITH STOCKBROKING COMPANIES/INVESTMENT BANKS

Details of transactions with stockbroking companies/investment banks for the financial year ended 31 October 2023 are as follows:-

	Value Of Trade 2023 SGD	Percentage Of Total Trade %	Brokerage Fees SGD	Percentage Of Total Brokerage Fees %
Shenwan Hongyuan Securities HK	7,539,220	75.95	21,110	77.30
Dbs Vickers Hong Kong Ltd	1,271,270	12.81	3,560	13.04
CGS-CIMB Securities Sdn. Bhd.	611,007	6.15	1,222	4.48
DBS Vickers Securities Singapore Pte Ltd	306,671	3.09	859	3.14
CGS-CIMB Securities (Thailand) Co. Ltd	198,700	2.00	556	2.04
	9,926,868	100.00	27,307	100.00

13. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

The Fund has related party relationships with its Manager, Fortress Capital Asset Management (M) Sdn. Bhd. and Trustee, CIMB Commerce Trustee Berhad.

(b) Units held by the Manager and Parties related to the Manager

There were no units held by the Manager and parties related to the Manager as at the reporting date.

14. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of the average of the total acquisitions and disposals of investments of the Fund for the year over the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 October 2023, the PTR of the Fund stood at 0.27 times (2022 - 0.17 times).

The PTR is calculated as follows:

	SGD
A = Total Acquisitions of the Fund	3,199,804
B = Total Disposals of the Fund	6,711,694

$$\text{PTR} = \frac{(A+B) / 2}{\text{Average NAV of the Fund}}$$

$$= \frac{4{,}955{,}749}{18{,}265{,}375}$$

$$= 0.27 \text{ times}$$

The average NAV of the Fund calculated daily for the financial year ended 31 October 2023 was SGD18,265,375.

15. TOTAL EXPENSE RATIO ("TER")

Total 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 a daily basis. The fees and expenses include Manager's fee, Custodian's fee, Trustee's fee, Performance fee, auditors' remuneration, tax agent's fee and other administrative expenses. The total expense ratio for the current year is 1.41% (2022- 1.40%).

	SGD
A = Manager's fee	229,067
B = Custodian's fee	4,757
C = Trustee's fee	7,156
D = Auditors' remuneration	3,588
E = Tax agent's fee	1,197
F = Administrative expenses	12,481
G = Average NAV of the Fund calculated daily	18,265,375

$$\text{TER} = \frac{(A+B+C+D+E+F)}{G} \times 100$$

$$= \frac{258{,}246}{18{,}265{,}375} \times 100$$

$$= 1.41\ \%$$

The average NAV of the Fund for the financial year ended 31 October 2023 was SGD18,265,375.

16. 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 Fund will also maintain certain amounts of its investment in liquid deposits.

16. OPERATING SEGMENTS (CONT'D)

The segmental analysis of the Fund's revenue, expenses, assets, liabilities are shown in the table below:

2023	Equity Securities SGD	Cash And Liquid Assets SGD	Others SGD	Total SGD
Statement Of Profit Or Loss And Other Comprehensive Income				
Gross dividend income	529,511	-	-	529,511
Interest income	-	37,101	-	37,101
Net realised gain on disposal of financial assets at FVTPL	208,382	-	-	208,382
Net unrealised gain on change in fair value of financial assets at FVTPL	2,394,335	-	-	2,394,335
Net realised (loss)/gain on foreign exchange	(87,564)	11,060	-	(76,504)
Net unrealised loss on foreign exchange	(700,142)	-	-	(700,142)
Total segment operating income for the financial year	2,344,522	48,161	-	2,392,683
Statement Of Financial Position				
Assets				
Investments	12,483,982	-	-	12,483,982
Interest receivable	-	93	-	93
Deposit with a financial institution	-	1,230,315	-	1,230,315
Cash at bank	-	3,229,990	-	3,229,990
Total segment assets	12,483,982	4,460,398	-	16,944,380
Liabilities				
Segment liabilities	-	-	24,779	24,779

16. OPERATING SEGMENTS (CONT'D)

The segmental analysis of the Fund's revenue, expenses, assets, liabilities are shown in the table below (Cont'd):

2022	Equity Securities SGD	Cash And Liquid Assets SGD	Others SGD	Total SGD
Statement Of Profit Or Loss And Other Comprehensive Income				
Gross dividend income	967,017	-	-	967,017
Interest income	-	28,842	-	28,842
Net realised gain on disposal of financial assets at FVTPL	459,745	-	-	459,745
Net unrealised loss on change in fair value of financial assets at FVTPL	(3,387,029)	-	-	(3,387,029)
Net realised loss on foreign exchange	(27,897)	(110,061)	-	(137,958)
Net unrealised gain on foreign exchange	255,087	-	-	255,087
Total segment operating loss for the financial year	(1,733,077)	(81,219)	-	(1,814,296)
Statement Of Financial Position				
Assets				
Investments	14,204,779	-	-	14,204,779
Interest receivable	-	107	-	107
Deposit with a financial institution	-	1,730,093	-	1,730,093
Cash at bank	-	932,105	-	932,105
Total segment assets	14,204,779	2,662,305	-	16,867,084
Liabilities				
Segment liabilities	-	-	25,291	25,291

16. 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 income/(loss) and net income/(loss) after taxation:-

	2023 SGD	**2022** SGD
Net reportable segment operating income/(loss)	2,392,683	(1,814,296)
Expenses	(258,246)	(269,697)
Net income/(loss) before taxation	2,134,437	(2,083,993)
Income tax expense	(32,679)	(73,705)
Net income/(loss) after taxation	2,101,758	(2,157,698)

The liabilities of the Fund are not considered to be part of the net liabilities of an individual segment.

17. 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.

17.1 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 investment 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 Committee.

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 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 quoted equity securities. This risk is managed by constructing a portfolio of equities with different risk profile for example by geographical region and by sector.

The Fund's concentration of equity price risk at the end of the reporting period analysed by the Fund's equity instruments by geographical spread was as follows:-

	Fair Value SGD	As a % of NAV %
2023		
Hong Kong	5,749,550	33.98
Malaysia	4,228,839	24.99
Singapore	1,157,959	6.85
Indonesia	634,750	3.75
United States	521,438	3.08
Thailand	191,446	1.13
2022		
Hong Kong	8,506,164	50.50
Malaysia	3,246,247	19.28
Singapore	1,001,660	5.95
Indonesia	860,580	5.11
United States	590,128	3.50

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Equity Price Risk (Cont'd)

The Fund's concentration of equity price risk at the end of the reporting period analysed by the Fund's equity instruments by sector was as follows:-

	Fair Value SGD	As a % of NAV %
2023		
Industrial Products and Services	4,492,415	26.55
Consumer Products and Services	4,289,600	25.35
Financial Services	2,221,689	13.13
Telecommunications and Media	1,222,416	7.22
Energy	173,610	1.03
Materials	84,252	0.50
2022		
Financial Services	5,657,456	33.59
Industrial Products and Services	3,769,714	22.38
Consumer Products and Services	3,198,502	18.99
Telecommunications and Media	1,512,446	8.98
Materials	66,661	0.40

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Equity Price Risk (Cont'd)

Equity Price Risk Sensitivity Analysis

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

	2023	
	Effect On Net Income After Taxation Increase/ (Decrease) SGD	Effect On NAV Attributable To Unitholders Increase/ (Decrease) SGD
Hong Kong Stock Exchange:		
- strengthened by 5%	287,478	287,478
- weakened by 5%	(287,478)	(287,478)
Bursa Malaysia:		
- strengthened by 5%	211,442	211,442
- weakened by 5%	(211,442)	(211,442)
Singapore Exchange:		
- strengthened by 5%	57,898	57,898
- weakened by 5%	(57,898)	(57,898)
Indonesia Stock Exchange:		
- strengthened by 5%	31,738	31,738
- weakened by 5%	(31,738)	(31,738)
New York Stock Exchange:		
- strengthened by 5%	26,072	26,072
- weakened by 5%	(26,072)	(26,072)
The Stock Exchange of Thailand:		
- strengthened by 5%	9,572	9,572
- weakened by 5%	(9,572)	(9,572)

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Equity Price Risk (Cont'd)

Equity Price Risk Sensitivity Analysis (Cont'd)

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments as at the end of the reporting period, with all other variables held constant (Cont'd):-

	2022	
	Effect On Net Loss After Taxation (Decrease)/ Increase SGD	Effect On NAV Attributable To Unitholders Increase/ (Decrease) SGD
Hong Kong Stock Exchange:		
- strengthened by 5%	(425,308)	425,308
- weakened by 5%	425,308	(425,308)
Bursa Malaysia:		
- strengthened by 5%	(162,312)	162,312
- weakened by 5%	162,312	(162,312)
Singapore Exchange:		
- strengthened by 5%	(50,083)	50,083
- weakened by 5%	50,083	(50,083)
Indonesia Stock Exchange:		
- strengthened by 5%	(43,029)	43,029
- weakened by 5%	43,029	(43,029)
New York Stock Exchange:		
- strengthened by 5%	(29,506)	29,506
- weakened by 5%	29,506	(29,506)

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 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 and cash at bank that are denominated in foreign currencies other than Singapore Dollar. The currencies giving rise to this risk are primarily Hong Kong Dollar, Indonesian Rupiah, Ringgit Malaysia and US Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptance level.

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

Foreign Currency Exposure

	SGD	As a % of NAV %
2023		
Investments		
Hong Kong Dollar	5,749,550	33.98
Ringgit Malaysia	4,228,839	24.99
US Dollar	1,244,751	7.36
Indonesian Rupiah	634,750	3.75
Thailand Baht	191,446	1.13
Cash at bank		
Hong Kong Dollar	3,155,645	18.65
US Dollar	49,576	0.29
Ringgit Malaysia	591	*
Deposit with a financial institution		
Ringgit Malaysia	1,230,315	7.27

** % is less than 0.00*

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The following table sets out the Fund's exposure to foreign currency risk as at the end of the reporting year (Cont'd):-

	SGD	As a % of NAV %
2022		
Investments		
Hong Kong Dollar	8,506,164	50.50
Ringgit Malaysia	3,246,247	19.28
US Dollar	1,128,971	6.70
Indonesian Rupiah	860,580	5.11
Cash at bank		
Hong Kong Dollar	622,916	3.64
US Dollar	77,465	0.45
Ringgit Malaysia	602	*
Deposit with a financial institution		
Ringgit Malaysia	1,730,093	10.10

** % is less than 0.00*

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 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 possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	2023	
	Effect On Net Income After Taxation Increase/ (Decrease) SGD	Effect On NAV Attributable To Unitholders Increase/ (Decrease) SGD
Hong Kong Dollar:		
- strengthened by 5%	445,260	445,260
- weakened by 5%	(445,260)	(445,260)
Ringgit Malaysia:		
- strengthened by 5%	272,987	272,987
- weakened by 5%	(272,987)	(272,987)
US Dollar:		
- strengthened by 5%	64,716	64,716
- weakened by 5%	(64,716)	(64,716)
Indonesian Rupiah:		
- strengthened by 5%	31,738	31,738
- weakened by 5%	(31,738)	(31,738)
Thailand Baht:		
- strengthened by 5%	9,572	9,572
- weakened by 5%	(9,572)	(9,572)

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis (Cont'd)

The following table details the sensitivity analysis to a reasonable possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant (Cont'd):-

	2022	
	Effect On Net Loss After Taxation (Decrease) /Increase SGD	Effect On NAV Attributable To Unitholders Increase/ (Decrease) SGD
Hong Kong Dollar:		
- strengthened by 5%	(456,454)	456,454
- weakened by 5%	456,454	(456,454)
Ringgit Malaysia:		
- strengthened by 5%	(248,847)	248,847
- weakened by 5%	248,847	(248,847)
US Dollar:		
- strengthened by 5%	(60,322)	60,322
- weakened by 5%	60,322	(60,322)
Indonesian Rupiah:		
- strengthened by 5%	(43,029)	43,029
- weakened by 5%	43,029	(43,029)

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 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 deposits with a financial institution. The Fund's policy is to obtain favourable interest rate available.

The Fund's deposit with a financial institution is carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

(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 frequently.

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, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days. The Manager also manages the potential redemption risk by having an appropriate percentage of the portfolio in more liquid investments which can be converted into cash within a short period of time. In addition, the liquidity risk is managed by giving the Manager 10 working days to pay the unit holder once a redemption is received.

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 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 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 SGD	3 - 6 Months SGD	6 - 9 Months SGD	Over 9 Months SGD	Total SGD
2023					
Financial Assets:-					
Investments	12,483,982	-	-	-	12,483,982
Interest receivable	93	-	-	-	93
Deposit with a financial institution	1,230,315	-	-	-	1,230,315
Cash at bank	3,229,990	-	-	-	3,229,990
	16,944,380	-	-	-	16,944,380
Financial Liabilities:-					
Accruals	5,746	-	-	-	5,746
Amount owing to Manager	18,443	-	-	-	18,443
Amount owing to Trustee	590	-	-	-	590
	24,779	-	-	-	24,779
Unitholders' fund	16,919,601	-	-	-	16,919,601

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 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 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 SGD	3 - 6 Months SGD	6 - 9 Months SGD	Over 9 Months SGD	Total SGD
2022					
Financial Assets:-					
Investments	14,204,779	-	-	-	14,204,779
Interest receivable	107	-	-	-	107
Deposit with a financial institution	1,730,093	-	-	-	1,730,093
Cash at bank	932,105	-	-	-	932,105
	16,867,084	-	-	-	16,867,084
Financial Liabilities:-					
Accruals	5,638	-	-	-	5,638
Amount owing to Manager	18,675	-	-	-	18,675
Amount owing to Trustee	978	-	-	-	978
	25,291	-	-	-	25,291
Unitholders' fund	16,841,793	-	-	-	16,841,793

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Maturity Analysis (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 "Less than 1 month 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. For other assets, the analyses into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

(ii) Financial Liabilities

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

(iii) Unitholders' Fund

The Fund is an open ended fund with no maturity. Unitholders can request a purchase and redemption on their unit by giving the Manager on the business day with cut off time of 2pm. 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.

17. FINANCIAL INSTRUMENTS (CONT'D)

17.2 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Credit Risk (Cont'd)

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 period.

17.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023 SGD	**2022** SGD
Financial Assets		
Fair Value Through Profit or Loss		
Investments	12,483,982	14,204,779
Amortised Cost		
Interest receivable	93	107
Deposit with a financial institution	1,230,315	1,730,093
Cash at bank	3,229,990	932,105
	4,460,398	2,662,305
Financial Liability		
Amortised Cost		
Accruals	5,746	5,638
Amount owing to Manager	18,443	18,675
Amount owing to Trustee	590	978
	24,779	25,291

17. FINANCIAL INSTRUMENTS (CONT'D)

17.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2023 SGD	**2022** SGD
Financial Assets		
Fair Value Though Profit or Loss		
Net losses recognised in profit or loss by:		
- mandatorily required by MFRS 9	1,815,011	(2,700,094)
Amortised Cost		
Net gains recognised in profit or loss	577,672	885,798

17.5 FAIR VALUE INFORMATION

The Fund has carried its quoted investments that are classified as FVTPL at their fair values, determined at their quoted closing prices at the end of the reporting period. These financial assets 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 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.

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