

PETER PARTNERSHIP FUND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2023

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PETER PARTNERSHIP FUND

STATEMENT BY THE MANAGER

In our opinion, the accompanying financial statements of Peter Partnership Fund (the “Trust”) are drawn up in accordance with the Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Trust as at 31 December 2023, and of the financial performance, changes in net assets attributable to unitholders and cash flows of the Trust for the financial year ended 31 December 2023.



Signed by:

Lim Cheng Teik
Director

12 July 2024



Signed by:

Tan Shu-Yin
Director

PETER PARTNERSHIP FUND

Trust Information

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#23-06, Manulife Tower
Singapore 048424

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Trustee

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Prime Broker

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Maybank Kim Eng Securities Pte. Ltd.
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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF PETER PARTNERSHIP FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Peter Partnership Fund (the “Trust”) as set out on pages 6 to 24, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Financial Reporting Standards in Singapore (“FRSs”) so as to present fairly, in all material respects, the financial position of the Trust as at 31 December 2023 and of the financial performance, changes in net assets attributable to unitholders and cash flows of the Trust for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Manager is responsible for the other information. The other information comprises the Statement by the Manager and Trust Information as set out on pages 1 to 2.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Baker Tilly TFW LLP (Registration No.T10LL1485G) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).



INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF PETER PARTNERSHIP FUND (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with FRSs, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.



INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF PETER PARTNERSHIP FUND (cont'd)

Report on the Audit of the Financial Statements (cont'd)

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

- Conclude on the appropriateness of 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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

Signed by:

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Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

12 July 2024

PETER PARTNERSHIP FUND**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	2023 US\$	2022 US\$
Investment income/(loss)			
Net gain/(loss) in fair value on financial assets at fair value through profit or loss	4	642,641	(3,195,363)
Net gain/(loss) on foreign exchange		1,229,296	(518,805)
Dividend income		233,422	398,070
Interest income		12,169	11,267
Other income		420	420
Net investment income/(loss)		2,117,948	(3,304,411)
Expenses			
Administration fee	7	(24,000)	(27,150)
Trustee fee	6	(14,367)	(20,507)
Interest expense		(223,458)	(64,493)
Transaction cost		(3,386)	(3,014)
Other operating expenses		(25,984)	(16,397)
Total operating expenses		(291,195)	(131,561)
Profit/(loss) before tax		1,826,753	(3,435,972)
Withholding tax		(29,898)	(30,764)
Profit/(loss) after tax and total comprehensive income/(loss)		1,796,855	(3,466,736)
Changes in net assets attributable to unitholders		1,796,855	(3,466,736)

The accompanying notes form an integral part of the financial statements.

PETER PARTNERSHIP FUND**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	2023 US\$	2022 US\$
Assets			
Financial assets at fair value through profit or loss	4	39,389,275	37,850,513
Cash and cash equivalents		97,861	31
Due from brokers	5	1,401,622	500,903
Other receivables		2,702	1,288
Total assets		40,891,460	38,352,735
Liabilities			
Due to brokers	5	1,405,682	813,149
Administration fee payable	7	6,000	12,000
Other payables		9,255	14,583
Total liabilities (excluding net assets attributable to unitholder)		1,420,937	839,732
Net assets attributable to unitholder	8	39,470,523	37,513,003
Net asset value per unit			
Elite class (based on 140,588.6324 (2022: 130,255.7759) shares outstanding)		127.2977	121.7048
Ordinary class (based on 1,634,207.7705 (2022: 1,716,146.9244) shares outstanding)		13.2015	12.6214

The accompanying notes form an integral part of the financial statements.

PETER PARTNERSHIP FUND**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Number of units	US\$
At 1 January 2022	1,842,260.9134	40,032,440
Issuance of units	118,180.3187	1,573,066
Redemption of units	(42,161.0044)	(601,598)
Conversion from Ordinary Class	8,113.7051	1,042,777
Conversion to Elite Class	(78,237.8785)	(1,042,777)
Equalisation deficit from unitholders	(1,753.3540)	(24,169)
	<hr/>	<hr/>
Decrease in net assets attributable to unitholders	1,846,402.7003	40,979,739
At 31 December 2022	—	(3,466,736)
	<hr/>	<hr/>
Issuance of units	92,308.8826	1,770,307
Redemption of units	(93,770.0830)	(1,605,980)
Conversion from Ordinary Class	8,085.3059	1,008,895
Conversion to Elite Class	(77,964.2070)	(1,008,895)
Equalisation deficit from unitholders	(266.1959)	(3,662)
	<hr/>	<hr/>
Increase in net assets attributable to unitholders	1,774,796.4029	37,673,668
At 31 December 2023	—	1,796,855
	<hr/>	<hr/>
	1,774,796.4029	39,470,523

The accompanying notes form an integral part of the financial statements.

PETER PARTNERSHIP FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	2023 US\$	2022 US\$
Cash flows from operating activities		
Changes in net assets attributable to unitholders	1,796,855	(3,466,736)
Adjustments for:		
- Interest expense	223,458	64,493
- Interest income	(12,169)	(11,267)
- Dividend income, net of withholding tax	(203,524)	(367,306)
Operating cash flows before working capital changes	1,804,620	(3,780,816)
Changes in operating assets and liabilities:		
- Financial assets at fair value through profit or loss	(1,538,762)	2,414,790
- Other receivables	(1,414)	(395)
- Due (to)/from brokers	(308,186)	96,369
- Administration fee payable	(6,000)	3,397
- Other payables	(5,328)	6,073
Cash used in operations	(55,070)	(1,260,582)
Interest received	12,169	10,376
Interest paid	(223,458)	(64,849)
Dividend received	203,524	367,306
Net cash used in operating activities	(62,835)	(947,749)
Cash flows from financing activities		
Proceeds from issuance of units	1,770,307	1,458,368
Payments for redemptions of units	(1,609,642)	(625,767)
Net cash generated from financing activities	160,665	832,601
Net increase/(decrease) in cash and cash equivalents	97,830	(115,148)
Cash and cash equivalents at beginning of the financial year	31	115,179
Cash and cash equivalents at end of the financial year	97,861	31

The accompanying notes form an integral part of the financial statements.

PETER PARTNERSHIP FUND

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

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

1. General Information

Peter Partnership Fund (the “Trust”) is an open-ended unit trust established under the Trust Law of Singapore on 28 June 2017 by Peter Partnership Limited (the “Manager”) (Company No. 177889), a company incorporated in British Virgin Island and having its registered office at Jayla Palace, Wickhams Cay 1, Road Town, Tortola, British Virgin Island and Amicorp Trustees (Singapore) Limited (the “Trustee”) (Company Registration No. 200517338W), a company incorporated in Singapore and having its registered office at 8 Cross Street, #23-06 Manulife Tower, Singapore 048424. The address of the Trust’s registered office is 8 Cross Street, #23-06 Manulife Tower, Singapore 048424. The Trust has commenced its operations on 28 June 2017.

The Trust seeks to achieve a long-term performance record superior to S&P 500 index on an annualised basis over 3 to 5 years’ time horizon.

There is no guarantee that the Trust will achieve its objective. The Trust may experience negative return and capital investment in the Trust is at risk.

The Trust seeks good long-term financial returns by investing in listed companies that are expected to have a high growth in its operating income while selling at a reasonable price in relation to its income. The Fund will pick stocks without regard to the geographical or sector weightings of indices or competitors, while ensuring diversification and balance.

The Manager may also invest in derivatives like Contract For Difference (“CFD”), which give exposure to Berkshire Hathaway Inc (“BRK”), and may employ the use of margin in the acquisition of such BRK stocks or derivatives. Other than BRK’s Class A and Class B stocks and derivatives, the Manager may not invest more than 60% of Net Asset Value of the Trust in any one single stock.

The Trust may engage in investment strategies that constitute leverage should the Manager consider this necessary or desirable. Such strategies may include the borrowing and short selling of securities and the acquisition and disposal of certain type of derivative securities and instruments.

The maximum level of leverage that the Manager may utilise is three (3) times the Net Asset Value of the Trust.

2. Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements of the Trust have been prepared in accordance with Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

PETER PARTNERSHIP FUND

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

2. Material accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant judgements made in applying accounting policies and no estimate uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The carrying amounts of cash and cash equivalents, due from/(to) brokers, administration fee payable, other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

In the current financial year, the Trust has adopted all the new and revised FRSs and Interpretations of FRSs (“INT FRSs”) that are relevant to its operations and effective for the current financial year. Changes to the Trust’s accounting policies have been made as required in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Trust except as disclosed below:

Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to FRS 1 and FRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Trust has adopted the amendments to FRS 1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Trust’s financial statements.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Trust.

PETER PARTNERSHIP FUND

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

2. Material accounting policies (cont'd)

2.2 Financial instruments

Classification

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Trust classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss.

The classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Trust classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss ("FVTPL") if:

- a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding;
- b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Trust includes in this category equity instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

In applying that classification, a financial asset is considered to be held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

The Trust reclassifies financial assets when, and only when, its business model for managing those assets changes.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Trust includes in this category cash and cash equivalents, other receivables (excluding prepayments) and due from brokers.

Financial liabilities measured at amortised cost

The Trust includes in this category administration fee payable, due to brokers and other payables.

PETER PARTNERSHIP FUND

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

2. Material accounting policies (cont'd)

2.2 Financial instruments (cont'd)

Recognition and initial measurement

Financial assets at fair value through profit or loss are recognised initially on the trade date, which is the date that the Trust becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are attributable to their acquisition or issue.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Trust has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Trust measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Trust measures instruments quoted in an active market at the last traded price.

If there is no quoted price in an active market, then the Trust uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without any modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

All changes in fair value, other than interest and dividend income and expense, are recognised in profit or loss as part of net changes in fair value on financial assets and liabilities at fair value through profit or loss.

PETER PARTNERSHIP FUND

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

2. Material accounting policies (cont'd)

2.2 Financial instruments (cont'd)

Derecognition

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Trust enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include securities lending and repurchase transactions.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2.3 Redeemable units and net assets attributable to holders of units per unit (“net asset value per unit”)

The Trust issues two classes of units, which are Elite Class and Ordinary Class. In Elite Class, Minimum Investment of US\$1,000,000 (or equivalent) and in Ordinary Class, Minimum Investment of US\$100,000 (or equivalent) is required.

Ordinary Class units will be converted to equivalent Elite Class units when the account net asset value (“NAV”) reaches US\$1,000,000 or more (or other amount as the manager deemed fit).

Should partial redemption from Elite Class units causes the account NAV to be below US\$1,000,000 (or other amount as the manager deemed fit), the Elite units will be converted to equivalent Ordinary units if the account is below US\$1,000,000 after 6 months from the date of the redemption.

The Manager may change the minimum investment amount to qualify for Elite Class units, giving 30 days' notice to the investors. However, this entry requirements will only affect the new Elite Class investors, and not to existing Elite Class investors.

PETER PARTNERSHIP FUND

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

3. Financial risk management

The Trust's activities expose it to a variety of financial risk, including but not limited to market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and political risk. The Manager is responsible for the implementation of overall risk management programme, which seeks to minimise potential adverse effects on the Trust's financial performance. Specific guidelines on exposures to individual securities and certain industries and/or countries are in place as part of the overall financial risk management to reduce the Trust's risk exposures to these risks.

The financial instruments are held in accordance with the published investment policies of the Trust and managed accordingly to achieve the investment objectives.

3.1 Market risk - Price risk

Price risk is the risk that the value of an investment instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the markets.

The following table lists the Trust's investments in equities by geographical and industrial coverage.

	Fair value US\$	% of the Trust's investment
As at 31 December 2023		
By Geography		
Poland	8,771,232	22.27
Sweden	23,613,049	59.95
United States	7,004,994	17.78
	39,389,275	100.00
By Industry		
Food-Retail	6,825,757	17.33
Gambling (Non-Hotel)	23,613,049	59.95
Property/Casualty Insurance	5,734,023	14.55
Other	3,216,446	8.17
	39,389,275	100.00

PETER PARTNERSHIP FUND**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023****3. Financial risk management (cont'd)****3.1 Market risk - Price risk (cont'd)**

	Fair value US\$	% of the Trust's investment
As at 31 December 2022		
By Geography		
Hong Kong	4,223,615	11.16
Japan	3,370,912	8.91
Cayman Islands	641,215	1.69
United States	<u>29,614,771</u>	<u>78.24</u>
	<u>37,850,513</u>	<u>100.00</u>
By Industry		
E-Commerce/Products	1,229,215	3.24
Apparel Manufacturers	1,264,075	3.34
Computers-Integrated System	2,305,777	6.09
Medical-Drugs	653,763	1.73
Real Estate Management/Service	3,370,912	8.91
Bldg&Construct Prod-Miscellaneous	315,666	0.83
Finance-Auto Loans	638,542	1.69
Home Furnishings	435,243	1.15
Internet Content-Entertainment	421,190	1.11
Retail-Auto Parts	<u>20,537,119</u>	<u>54.26</u>
Web Portals/ISP	<u>6,679,011</u>	<u>17.65</u>
	<u>37,850,513</u>	<u>100.00</u>

As at 31 December 2023, the Trust had the following investment in equities positions.

	Quantity	Fair value US\$	% of the Trust's investment
As at 31 December 2023			
Equity investments			
Dino Polska SA	58,316	6,825,757	17.33
Text SA	66,126	1,945,475	4.94
Evolution AB	197,857	23,613,049	59.95
Berkshire Hathaway Inc	16,077	5,734,023	14.55
Equity options			
BRK/B US 01/16/26 C200BRK/ B US 01/16/26 C200	<u>71</u>	<u>1,270,971</u>	<u>3.23</u>

PETER PARTNERSHIP FUND

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

3. Financial risk management (cont'd)

3.1 Market risk - Price risk (cont'd)

As at 31 December 2022, the Trust had the following investment in equities positions.

	Quantity	Fair value US\$	% of the Trust's investment
As at 31 December 2022			
Equity investments			
Alibaba Group Holding Ltd	58,000	641,215	1.69
CSPC Pharmaceutical Group Ltd	622,000	653,763	1.73
Jnby Design Ltd	1,057,000	1,264,075	3.34
Pax Global Technology Ltd	2,665,000	2,305,777	6.09
Open House Group Co Ltd	91,700	3,370,912	8.91
Alphabet Inc-C1 A	75,700	6,679,011	17.65
Amazon.Com Inc	7,000	588,000	1.55
Autozone Inc	2,981	7,351,683	19.42
O'Reilly Automotive Inc	15,622	13,185,437	34.84
Patrick Industries Inc	5,209	315,665	0.83
Credit Acceptance Corporation	1,346	638,542	1.69
Meta Platforms Inc-Class A	3,500	421,190	1.11
Sleep Number Corporation	16,753	435,243	1.15

The table below summarises the sensitivity of the Trust's net assets attributable to unitholders to price movements at the end of the reporting period. The analysis is based on the assumptions that the prices of the investments increased by 5% and decreased by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the prices of investments increased. The impact below arises from the reasonable possible change in the fair value of investments.

	2023 US\$	2022 US\$
Effect on net assets attributable to unitholders		
Increase in price of investments	1,969,464	1,892,526
Decrease in price of investments	(1,969,464)	(1,892,526)

3.2 Market risk - Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All assets and liabilities of the Trust are non-interest bearing.

PETER PARTNERSHIP FUND

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

3. Financial risk management (cont'd)

3.3 Market risk - Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

To minimise currency risk, the Trust mainly holds its excess cash in its functional currency. To enhance the returns of the Trust from its US\$ exposure, the Manager may seek to establish foreign exchange positions in US\$ vis-a-vis various currencies as may be determined by the Manager from time to time.

The Trust's exposure to fluctuations in foreign currency exchange rates at 31 December 2023 and 31 December 2022 was as follows (expressed in US\$):

	Investments at fair value	
	2023 US\$	2022 US\$
Polish zloty	8,771,232	—
Swedish krona	23,613,049	—
Hong Kong dollar	—	4,223,615
Japanese yen	—	3,370,912

Financial assets at fair value through profit or loss, which is a significant item in the statement of financial position, is exposed to currency risk and price risk. The Manager has also considered the impact of currency risk sensitivity on non-monetary assets as part of the price risk sensitivity analysis.

The following table shows the Trust's sensitivity to major foreign currencies exposure with all other variables held constant. Changes in foreign exchange rate are revised annually depending on management's current view of market volatility and other relevant factors.

% change	Effect on net assets attributable to unitholders	
	2023 US\$	2022 US\$
Polish zloty	10	838,550
Swedish krona	10	2,285,421
Hong Kong dollar	10	—
Japanese yen	10	486,483
		337,091

3.4 Credit risk

The Trust takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Credit risk arises on trading in equity, cash and cash equivalents and credit exposures to brokers arising from outstanding and committed transactions. The Trust is also exposed to the risk that its assets held with the custodian may not be recoverable in the event of default by the custodian.

PETER PARTNERSHIP FUND

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

3. Financial risk management (cont'd)

3.4 Credit risk (cont'd)

The Trust limits its exposure to credit risk by undertaking transactions with approved and reputable financial institutions. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the Trust has received payment. All purchases and sales of securities will carry counterparty risk until the transactions have settled.

The table below analyses the Trust's investments by credit ratings as rated by Standard & Poor's and/or Moody's:

	Percentage of financial assets (%)	S&P's credit rating	Moody's credit rating
31 December 2023			
CIMB Securities (Singapore) Pte Ltd	5	A-	A3
Interactive Brokers	94	A-	NA
Maybank Kim Eng Securities Pte. Ltd.	1	A-	A3
31 December 2022			
CIMB Securities (Singapore) Pte Ltd	22	A-	A3
Interactive Brokers	60	A-	NA
Maybank Kim Eng Securities Pte. Ltd.	18	A-	A3

3.5 Liquidity risk

Liquidity risk is the risk of loss arising from the inability of the Trust to meet its obligations as and when they fall due without incurring unacceptable cost or losses.

A lack of liquidity of investments in the portfolio of the Trust may affect the ability of the Trust to generate cash to satisfy redemption requests. In certain exceptional circumstances, the treatment of redemption requests may be postponed.

Maturity analysis for financial liabilities

Financial liabilities of the Trust comprise administration fee payable, amount due to brokers and other payables. These payables have no contractual terms but are typically settled within 30 days. Net assets attributable to participating unitholders are redeemable monthly, subject to restrictions on redemption outlined in Note 8 and in the Trust's offering memorandum.

3.6 Political risk

The Trust is exposed to political risk to the extent that it's Manager, on its behalf and subject to its investment guidelines, trade securities that are listed on various foreign exchanges and markets. The governments in any of these jurisdictions could impose restrictions, regulations or other measures, which may have a material adverse impact on the Trust's investment strategy.

PETER PARTNERSHIP FUND

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

3. Financial risk management (cont'd)

3.7 Fair value estimation

The Trust classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The following table analyses within the fair value hierarchy the Trust's financial assets measured at fair value at 31 December 2023 and 31 December 2022:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
31 December 2023				
Assets				
Financial assets at fair value through profit or loss				
- Equity investments	38,118,304	—	—	38,118,304
- Equity options	1,270,971	—	—	1,270,971
31 December 2022				
Assets				
Financial assets at fair value through profit or loss				
- Equity investments	37,850,513	—	—	37,850,513

The fair value of equity investments is based on quoted market prices in active markets, which are classified within Level 1. The Trust does not adjust the quoted price for these instruments.

The carrying amount of other financial assets and liabilities approximate their fair values as at the statement of financial position date due to the relatively short-term maturity of these financial instruments.

There were no transfers between Levels for the financial year ended 31 December 2023.

PETER PARTNERSHIP FUND

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

4. Financial assets at fair value through profit or loss

	Fair value US\$	% of Trust's Investment %
2023		
Financial assets at fair value through profit or loss		
- Equity	<u>39,389,275</u>	<u>100.00</u>
2022		
Financial assets at fair value through profit or loss		
- Equity	<u>37,850,513</u>	<u>100.00</u>
	2023 US\$	2022 US\$
Net changes in fair value on financial assets at fair value through profit or loss:		
- Realised gain	<u>5,357,653</u>	3,482,518
- Unrealised loss	<u>(4,715,012)</u>	(6,677,881)
	<u>642,641</u>	(3,195,363)

5. Due from/(to) brokers

Due from/(to) brokers include cash collateral held with the brokers to meet the margin requirement for the Trust investment operations, and receivable for securities sold and payable for securities purchased that have been contracted for but not settled or delivered at the end of the reporting date respectively.

6. Related party transactions

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

Performance fee

Performance fee is charged by the Manager. The terms of performance fee of the Trust are specified in the Trust Deed and Term Sheet of the Trust.

The Manager is entitled to a performance fee of 14% (2022: 14%) (for Elite Class units) or 18% (2022: 18%) (for Ordinary Class units) of the returns in excess of the high watermark plus hurdle rate computed on a monthly basis.

The high watermark of the Trust is defined as the higher of the initial offer price; or adjusted highest net asset value per unit of such Class on which a performance fee was paid on the last day of any previous calculation period or the previous month's high water mark plus hurdle rate. The hurdle rate is 6% annualised.

There are no performance fee and performance fee payable for the financial year ended 31 December 2023 and 31 December 2022.

PETER PARTNERSHIP FUND

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

6. Related party transactions (cont'd)

Trustee fee

The Trustee shall be paid an annual fee for the provision of their services in accordance with the Trust Deed.

Total trustee fees for the financial year ended 31 December 2023 amounted to US\$14,367 (2022: US\$20,507). There is no fee payable to the trustee as at 31 December 2023 and 31 December 2022.

Related party shareholdings

As at 31 December 2023, the Manager and directors of the Manager including their close family members holds 45,020.8066 Elite Class units and 44,744.3396 Ordinary Class units (2022: 44,653.3850 Elite Class units and 42,575.1172 Ordinary Class units) in the Trust.

7. Other key contracts

Administration fee

With effect from 1 January 2023, the Trust appointed Intertrust Fund Services (Singapore) Pte Ltd to act as Administrator. Intertrust Fund Services (Singapore) Pte Ltd will be entitled to a fee in respect of the portfolio accounting at a minimum fee of US\$2,000 (2022: US\$2,000) per month (i.e. US\$24,000 per annum) in respect of the Trust or the below annual fee as set out in the table, whichever is greater.

The portfolio administration fee (monthly valuation) is as follows:

<u>Assets Under Management</u>	<u>Fee</u>
First US\$50 million	5.5 bps per annum
Next US\$50 million	4 bps per annum
Thereafter	3.5 bps per annum

Total administration fees for the financial year ended 31 December 2023 amounted to US\$24,000 (2022: US\$27,150). As at 31 December 2023, total administration fee payable is US\$6,000 (2022: US\$12,000).

8. Unit transactions

The Trust is authorised to issue one or more classes of unit. The Trust initially issue two classes of units, namely Elite Class and Ordinary Class. Each of this class is not a separate and distinct trust from the other. The Trust may issue fractional units so that subscription funds may be fully invested.

1) Elite Class units:

Elite Class units are available to all investors who invest in (and continue to hold) units with a purchase price of a minimum of US\$1,000,000 (or equivalent).

2) Ordinary Class units:

Ordinary Class units are available to all investors who invest in (and continue to hold) units with a purchase price of a minimum of US\$100,000 (or equivalent).

PETER PARTNERSHIP FUND

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

8. Unit transactions (cont'd)

Elite Class units and Ordinary Class units are initially offered at a price of US\$100 and US\$10 respectively. Thereafter classes of units will be offered at a price equal to their net assets value per unit on the relevant valuation date. Subscriptions and redemptions will be processed as of the first business day of each calendar month and such other days as the Manager, in its sole discretion, may permit provided that a fully completed subscription agreement and funds are processed within 15 business days.

Classes of units may be subscribed and redeemed at their net asset value per unit for the applicable classes of units on any valuation date, provided that the request for subscriptions and redemptions are submitted at least five business days prior to the dealing day. Requests to issuance and redemption of units that are received on less than five-day prior to the dealing date will, unless waived by the Manager, be redeemed on the next valuation date.

Classes of unit may be converted from one class unit to other class unit. Ordinary Class units will be converted to Elite Class units when the Ordinary Class unit NAV held by a unitholder reach US\$1,000,000 or more (or other amount as the manager deemed fit). Similarly, Elite Class units held by a unitholder will be converted to equivalent Ordinary Class units if his Elite Class unit NAV holdings drop below US\$1,000,000 due to partial redemption of units, after 6 months from the date of the redemption. The Manager may change the minimum investment requirement amount of the Elite Class units giving 30 days notice to the investors. However, this entry requirement will only affect the new Elite class investor and not to the existing one.

The movements in Elite Class units and Ordinary Class units are as follows:

	No. of participating units	US\$
<u>Elite Class</u>		
At 1 January 2022	121,950.5276	16,253,950
Issued	833.8157	105,135
Conversion from Ordinary Class	8,113.7051	1,042,777
Redeemed	(642.2725)	(77,307)
Decrease in net assets attributable to unitholders	—	(1,471,801)
At 31 December 2022	<u>130,255.7759</u>	<u>15,852,754</u>
Issued	5,527.0991	661,246
Conversion from Ordinary Class	8,085.3059	1,008,895
Redeemed	(3,279.5485)	(411,953)
Increase in net assets attributable to unitholders	—	785,664
At 31 December 2023	<u>140,588.6324</u>	<u>17,896,606</u>

PETER PARTNERSHIP FUND

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

8. Unit transactions (cont'd)

The movements in Elite Class units and Ordinary Class units are as follows (cont'd):

	No. of participating units	US\$
Ordinary Class		
At 1 January 2022	1,720,310.3858	23,778,490
Issued	117,346.5030	1,467,931
Equalisation deficit from unitholders	(1,753.3540)	(24,169)
Conversion to Elite Class	(78,237.8785)	(1,042,777)
Redeemed	(41,518.7319)	(524,291)
Decrease in net assets attributable to unitholders	—	(1,994,935)
At 31 December 2022	<hr/> 1,716,146.9244	<hr/> 21,660,249
Issued	86,781.7835	1,109,061
Equalisation deficit from unitholders	(266.1959)	(3,662)
Conversion to Elite Class	(77,964.2070)	(1,008,895)
Redeemed	(90,490.5345)	(1,194,027)
Increase in net assets attributable to unitholders	—	1,011,191
At 31 December 2023	<hr/> 1,634,207.7705	<hr/> 21,573,917

9. Subsequent events

Based on the most recent available net asset value summary prepared by the Trust's administrator, the Trust had received subscriptions of US\$753,858, redemptions for US\$1,398,483 for the financial period from 1 January 2024 to 31 May 2024.

10. Approval of financial statements

The financial statements were approved and authorised for issue by the Manager on 12 July 2024.