



**Opus Cash Extra Fund 2
(OPUS CEF2)**

ANNUAL REPORT 2023

FOR FINANCIAL YEAR ENDED

31 DECEMBER 2023

TABLE OF CONTENTS

Manager's Report	1
Statement by Manager	7
Trustee's Report.....	8
Independent Auditors' Report.....	9
Statement of Financial Position.....	13
Statement of Comprehensive Income.....	14
Statement of Changes in Net Asset Value	16
Statement of Cash Flows.....	17
Summary of Significant Accounting Policies.....	18
Notes to the Financial Statements	28
Corporate Information	51

Market Review, Outlook and Strategy

Market Review

The year of 2023 can be summed up with the following key points 1) Surprisingly resilient US economy which averted a recession 2) Disappointing recovery in China mired by real estate sector slump 3) Lethargy in Eurozone dampened by rate hikes and export weakness 4) Strong employment and consumption in Malaysia mitigated external weakness.

The US economic resiliency as evident in the 4.9% 3Q GDP growth surprised many that were calling for a recession at the start of 2023. The swift action by the Fed in providing liquidity has prevented the US banking crisis in March from causing a wider systemic fallout that many thought was the tipping point. Despite the high inflation and drastic Fed rate hikes (taking upper bound to 5.5%), US household was able to sustain consumption by drawing down on their excess savings accumulated during pandemic (estimated: USD 2.25 trillion) while being unaffected by the spike in mortgage rates (to 7%) as most were refinanced at the pandemic lows (average 3%). Similarly, most large corporates were unaffected by the rising borrowing cost as they are mostly funded through debt market at fixed rates with maturities up to 2025. Labour markets was strong with an average 230K monthly jobs added driven primarily by the services sector while unemployment remained below 4%. Moderating energy prices and ease of supply chain bottlenecks has led significant deceleration in inflation from over 6% in Jan'23 to just over 3.4% by Dec'23, albeit at a slower pace for core-inflation. Hence, Fed funds rate is set to peak at the current levels (5.5%) while December Federal Open Market Committee (FOMC) also saw a drastic change in the “higher for longer” narrative with the Fed signaling rate cuts in 2024 as they shift their focus towards creating a soft landing.

In contrast, the Eurozone was mired with the impact of energy shocks in 2022 caused by the Russia-Ukraine conflict. Higher inflation and interest cost has not only dampened consumer confidence, causing retail sales to drop below pre-pandemic levels, but also severely affected manufacturing-oriented countries like Germany, which saw industrial production level dropping to 15% below levels seen in 2015. The 10 consecutive hikes in ECB main refinancing rates up to 4.5% has more immediate effects on European corporates given that most of their borrowings (80%) are from banks with floating rates. The absence of support from large scale fiscal stimulus such as the ones in US (CHIPS act, Inflation Reduction Act) makes growth outlook more challenging. Nevertheless, the inflation in Eurozone has also moderated significantly to 2.9% YoY (Dec'23), which likely put the current rate at the peak of ECB's hiking cycle while we anticipate further indication of easing ahead.

Meanwhile in China, consumer confidence is still dampened by the on-going property sector slump, which saw major developers like Evergrande and Country Garden struggle to pay their debt obligations. This prompted People's bank of China (PBoC) to ease monetary conditions by cutting their medium-term lending rates to 2.5% and reserve requirement ratio by 50bps (~freeing USD69bil for lending) while the Chinese government also eased housing purchase restrictions to shore up demand for properties in Tier 1 cities. Given that real estate makes up 60%-70% of asset owned by the average household, the decline in property prices creates a negative wealth effect. High youth unemployment as a result of the technology sector regulatory crackdown back in 2021 makes the situation worst. Although the Chinese government initially refrained from loose fiscal stimulus in favour of targeted (consumption-based) ones, more proactive measures were taken in

OPUS CASH EXTRA FUND 2

MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023

2H'23 to support infrastructure spending funded through their CNY1trn government bond issuance. Going forward, we expect the recovery momentum to be slow and heavily reliant on policy support to achieve their 5% growth target in 2024.

Over in Malaysia, the weak external demand that had cause our exports to slump has been mitigated by our resilient domestic consumption, which was underpinned by our strong labour market. With 3Q GDP at 3.3%, Malaysia's 2023 full year GDP is estimated to be at 4%, within Bank Negara Malaysia's (BNM) target range. Unemployment rate improved to the pre-pandemic levels of 3.3% in Dec'23 with a record high employment number of 16.4mil. Our relatively subdued inflation (2.5 – 3%) has led BNM to normalize our overnight policy rate (OPR) to just 3%. However, we are likely to see a temporary impact on inflation from the government's subsidy rationalization in 2024. On a positive note, we start to see early signs of recovery in global electrical and electronics (E&E) exports, which will lend support to our growth. Moving forward, the cautiously expansionary budget 2024 will provide the fiscal reforms (lowering deficit to 4.3%) needed to restructure our economy along with the direction set under the National Energy Transition Roadmap (NETR), New Industrial Maser Plan (NIMP) 2030 will put Malaysia in the position to attract foreign direct investments amid the reshoring of global supply chains.

Market Outlook

The market has been volatile throughout 2023, in reaction to various occasions such as the US banking crisis (March), US debt ceiling crisis (May) and treasury oversupply concerns (October). December saw developed market central banks, namely the US Federal Reserve (Fed) and European Central Bank (ECB) finally confirming the peak in policy rates that the markets were anticipating ahead, in light of the recent improving inflation data print. The Fed was the first in signaling a dovish pivot. As a result, government bonds rallied further with 10-year US treasury yields recovering from 5.02% (highs) to 3.89%, erasing the losses from the bond rout since August. Risk assets rallied further into the year end as seen in the NASDAQ100 gaining 5.11% to a record high of 16,777. Taking cues from the dot-plot projections in FOMC, which signaled 75bps Fed funds rate cuts for 2024, the markets have run ahead by pricing-in a cumulative 175 bps cut starting as soon as Mar'24. Nevertheless, the expected slowdown in economic growth and market volatility stemming from emerging geopolitical risks and run-up towards US elections will justify the diversification ability and defensive positioning of fixed income in a portfolio.

On the local front, we expect Bank Negara Malaysia to maintain OPR at the current 3.00% given our relatively subdued inflation and the broad dollar declining from its peak amid declining yields, taking pressure off from further Ringgit depreciation. The narrowing yield differentials between UST and Malaysian Government Securities (MGS) will bode well for our local bond market as foreign investors seek for opportunities in emerging market assets.

Strategy

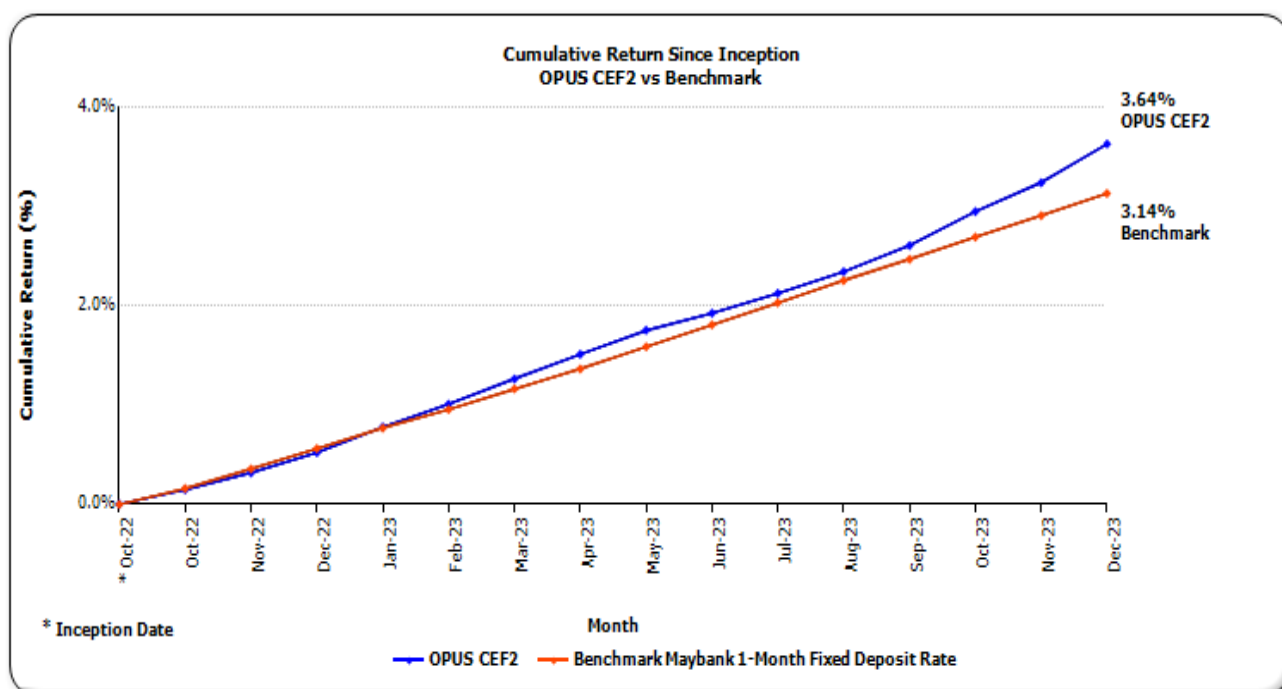
As the fund's focus is on capital preservation and liquidity, we will continue to invest in high quality, liquid and short dated securities with minimal risks.

OPUS CASH EXTRA FUND 2

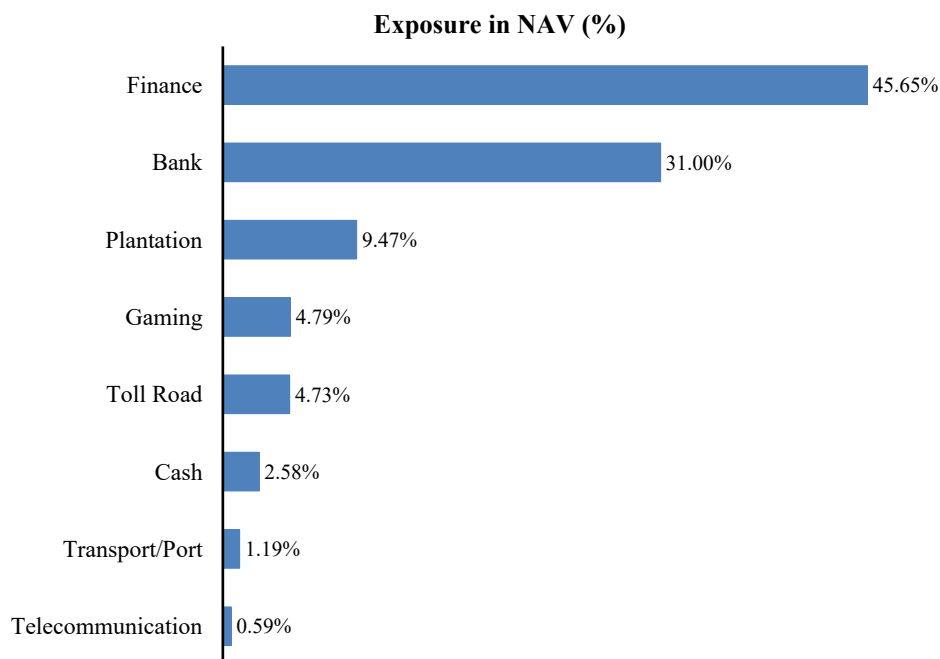
MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023

Performance: Outperformed benchmark by 0.50% since inception

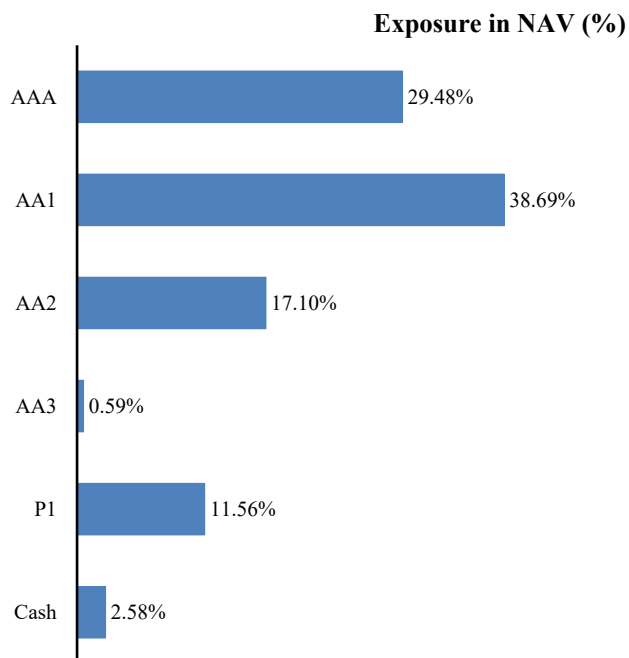
As at 31 December 2023, the Fund was 97.42% invested while 2.58% was held in cash. The Fund's TWRR since inception was 3.64% compared to the benchmark of 3.14%, which is the accreted value since inception of the Maybank 1-Month Fixed Deposit Rate. Hence, the Fund outperformed the benchmark by 0.50%. For the calendar year-to-date period, TWRR for the fund was 3.10% against the benchmark TWRR of 2.56%. The Fund had a duration of 10.00 months. The average rating of the portfolio was AA1.



Distribution By Sector as at 31 December 2023



Distribution By Rating as at 31 December 2023



OPUS CASH EXTRA FUND 2

MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023

INFORMATION ON THE OPUS CASH EXTRA FUND 2 (OPUS CEF2 or “the Fund”)

Category : Bond

Type : Income

Benchmark : Maybank, 1-Month Fixed Deposit Rate

Investment Objective

To achieve higher returns than 1-Month Fixed Deposit Rate over the short to medium-term and to provide liquidity while preserving capital.

Note: The Manager regards 1-3 years as short-term and 3-5 years as medium-term.

Investment Strategy

The Fund may invest primarily in FIS including government securities, commercial paper, corporate bonds and money market instruments. The Fund will be actively managed to provide liquidity to meet the short to medium term cash flow requirements.

The average duration of the portfolio shall not be more than two (2) years.

The Fund aims to accrue and allocate distributable income and gains from the investments to unit holders on a daily basis in order for the Manager to maintain a stable NAV per unit of RM1.0000.

Note: This is neither a capital protected or capital guaranteed fund.

Temporary Defensive Position

We may take temporary defensive positions that may be inconsistent with the Fund’s investment strategy in attempting to respond to certain adverse conditions which include but not limited to adverse market, economic and political conditions, insufficient funds to form an efficient portfolio, periods of high repurchases or any other adverse conditions in order to preserve the NAV of the Fund. By taking a temporary defensive position, we will reduce the Fund’s investment exposure and hold more cash. The cash will be placed in deposits with Financial Institutions to reduce the exposure during market downturn and to help preserve the Fund’s capital and mitigate losses.

We are allowed to implement temporary defensive positions up to a maximum of three (3) months from the date the temporary defensive positions is implemented.

OPUS CASH EXTRA FUND 2

MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023

OPUS CEF2	31 December 2023	31 December 2022
Net Asset Value (RM)	42,844,284.28	5,029,446.72
Net Asset Value Per unit (RM)	1.0020	1.0026
Total Units in Circulation (units)	42,758,036.8474	5,016,506.7700
Selling / Repurchase price (RM)	1.0000	1.0000

* The selling / repurchase price of units will be based on RM1.0000 per unit, instead of the net asset value per unit, as stated in the information memorandum.

OPUS CEF2	1 January 2023 - 31 December 2023	28 September 2022 (Date of Launch) to 31 December 2022
Portfolio Turnover Ratio (PTR) for the financial year	1.15 times	0.55 times
Net distribution per unit for the financial year (RM)*	0.0306	0.0052
Daily Return Volatility for the financial year **	0.01%	0.01%

* Distributions were made on 31 January 2023, 28 February 2023, 31 March 2023, 30 April 2023, 31 May 2023, 30 June 2023, 31 July 2023, 31 August 2023, 30 September 2023, 31 October 2023, 30 November 2023, and 31 December 2023.

** measured by standard deviation of daily returns.

Other Information

There is no change in key investment team and delegates.

OPUS CASH EXTRA FUND 2

STATEMENT BY MANAGER

We, SIAW WEI TANG and CHAN CHOONG KONG, being two of the directors of Opus Asset Management Sdn. Bhd. (the "Manager"), do hereby state that in the opinion of the Manager, the accompanying financial statements set out on pages 13 to 50 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as of 31 December 2023 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

On behalf of the Manager

SIAW WEI TANG
MANAGING DIRECTOR

CHAN CHOONG KONG
DIRECTOR

Kuala Lumpur
27 February 2024

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF OPUS CASH EXTRA FUND 2

We have acted as Trustee for OPUS CASH EXTRA FUND 2 (the "Fund") for the financial year ended 31 December 2023. To the best of our knowledge, for the financial year under review, Opus Asset Management Sdn Bhd (the "Manager") has operated and managed the Fund in accordance with the following:-

- (a) Limitations imposed on the investment powers of the Manager under the Deeds, securities laws and the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework, and other applicable laws;
- (b) Valuation and pricing of the Fund are carried out in accordance with the Deeds and any applicable regulatory requirements;
- (c) Creation and cancellation of units are carried out in accordance with the Deeds and any applicable regulatory requirements; and

We are of the view that the distribution made during the financial year by the Manager is consistent with the investment objective and distribution policy of the Fund.

For SCBMB Trustee Berhad

(Company No.: 201201021301 (1005793-T))

Lor Yuen Ching
Trustee Services Manager

Lee Kam Weng
Trustee Services Manager

Kuala Lumpur, Malaysia
27 February 2024

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF OPUS CASH EXTRA FUND 2

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of OPUS CASH EXTRA FUND 2 (“the Fund”), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 50.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF OPUS CASH EXTRA FUND 2 (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information Other than the Financial Statements and Auditors' Report Thereon (Continued)

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.

Responsibilities of Manager and Trustee for the Financial Statements

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Fund or to terminate the Fund, 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.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
OPUS CASH EXTRA FUND 2 (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
OPUS CASH EXTRA FUND 2 (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Chong Wei-Chnoong
03525/08/2024 J
Chartered Accountant

Kuala Lumpur
27 February 2024

OPUS CASH EXTRA FUND 2

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
ASSETS			
Financial assets at fair value through profit or loss (“FVTPL”)	4	41,738,277	4,725,459
Cash and cash equivalents	5	1,286,214	316,000
TOTAL ASSETS		<u>43,024,491</u>	<u>5,041,459</u>
LIABILITIES			
Amount due to Manager		18,084	1,577
Amount due to Trustee		1,085	252
Income distributions payable		161,038	10,183
TOTAL LIABILITIES		<u>180,207</u>	<u>12,012</u>
NET ASSET VALUE		<u>42,844,284</u>	<u>5,029,447</u>
UNITHOLDERS’ FUNDS			
Unitholders’ capital		42,758,037	5,016,507
Retained earnings		86,247	12,940
NET ASSET ATTRIBUTABLE TO UNITHOLDERS		<u>42,844,284</u>	<u>5,029,447</u>
UNITS IN CIRCULATION	6	<u>42,758,037</u>	<u>5,016,507</u>
NET ASSET VALUE PER UNIT	7	<u>1.0020</u>	<u>1.0026</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

OPUS CASH EXTRA FUND 2

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	Financial year from 01.01.2023 to 31.12.2023	Financial period from 28.09.2022 (date of launch) to 31.12.2022
		RM	RM
INVESTMENT INCOME			
Interest income from unquoted fixed income securities		631,339	39,524
Interest income from deposit with a licensed financial institution		105,592	4,833
Net gain/(loss) on financial assets at FVTPL	4	289,570	(2,680)
		<u>1,026,501</u>	<u>41,677</u>
EXPENSES			
Management fee	8	(129,773)	(2,182)
Trustee's fee	9	(7,786)	(367)
Other expenses		(453)	(102)
		<u>(138,012)</u>	<u>(2,651)</u>
PROFIT BEFORE TAXATION		888,489	39,026
TAXATION	11	<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD		<u>888,489</u>	<u>39,026</u>
Profit after taxation is made up of the following:			
Realised amount		859,309	41,556
Unrealised amount		29,180	(2,530)
		<u>888,489</u>	<u>39,026</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

OPUS CASH EXTRA FUND 2

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	Financial year from 01.01.2023 to 31.12.2023 RM	Financial period from 28.09.2022 (date of launch) to 31.12.2022 RM
Distribution during the financial year/period	12	<u>815,182</u>	<u>26,086</u>
Gross distribution per unit (sen)	12	<u>3.06</u>	<u>0.52</u>
Net distribution per unit (sen)	12	<u>3.06</u>	<u>0.52</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

OPUS CASH EXTRA FUND 2

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

	Unitholders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 28 September 2022 (Date of launch)	-	-	-
Movement in net asset value:			
Total comprehensive income for the financial period	-	39,026	39,026
Creation of units from applications	5,000,605	-	5,000,605
Creation of units from distributions	15,902	-	15,902
Cancellation of units	-	-	-
Distribution (Note 12)	-	(26,086)	(26,086)
Balance as at 31 December 2022	<u>5,016,507</u>	<u>12,940</u>	<u>5,029,447</u>
Balance as at 1 January 2023	5,016,507	12,940	5,029,447
Movement in net asset value:			
Total comprehensive income for the financial year	-	888,489	888,489
Creation of units from applications	42,112,793	-	42,112,793
Creation of units from distributions	213,520	-	213,520
Cancellation of units	(4,584,783)	-	(4,584,783)
Distribution (Note 12)	-	(815,182)	(815,182)
Balance as at 31 December 2023	<u>42,758,037</u>	<u>86,247</u>	<u>42,844,284</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

OPUS CASH EXTRA FUND 2

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

	Financial year from 01.01.2023 to 31.12.2023	Financial period from 28.09.2022 (date of launch) to 31.12.2022
	RM	RM
CASH FLOWS FOR OPERATING ACTIVITIES		
Proceeds from sale of investments	1,504,738	-
Proceeds from redemption of unquoted fixed income securities	20,000,000	750,000
Purchase of investments	(58,188,695)	(5,495,734)
Interest income received from unquoted fixed income securities	592,048	57,119
Interest income received from deposit with a licensed financial institution	105,592	4,833
Management fee paid	(113,266)	(605)
Trustee's fee paid	(6,953)	(115)
Payment for other fees and expenses	(453)	(102)
Net cash used in operating activities	<u>(36,106,989)</u>	<u>(4,684,604)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	42,326,313	5,016,507
Payments for cancellation of units	(4,584,783)	-
Payment for distribution	(664,327)	(15,903)
Net cash generated from financing activities	<u>37,077,203</u>	<u>5,000,604</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	970,214	316,000
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/DATE OF LAUNCH	316,000	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	<u>1,286,214</u>	<u>316,000</u>
Cash and cash equivalents comprise:		
Deposit with a licensed financial institutions	1,280,304	310,070
Bank balance	5,910	5,930
	<u>1,286,214</u>	<u>316,000</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A Basis of preparation of the financial statements

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 (“IFRSs”).

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting 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 reported financial period. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note J.

- (a) During the current financial year, the Fund has adopted all the following amendments to accounting standards (including the consequential amendments, if any):-

Amendments to MFRSs (Including The Consequential Amendments)
MFRS 17: Insurance Contracts
Amendments to MFRS 17: Insurance Contracts
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

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

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

A Basis of preparation of the financial statements (continued)

- (b) The Fund has not applied in advance the following accounting standards (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 (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 its initial application.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

B Income recognition

Interest income from deposit with a licensed financial institution and unquoted fixed income securities are recognised on an accrual basis using the effective interest method.

Realised gains and losses on sale of unquoted fixed income securities is measured by the difference between the net disposal proceeds and the carrying amounts of investment, calculated on the weighted average cost basis.

C Distribution

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

D Taxation

Current tax assets and liabilities are the 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 statement of comprehensive income except to the extent that the tax relates to items recognised outside statement of comprehensive income (either in other comprehensive income or directly in equity).

E Presentation and functional currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's presentation and functional currency.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

F 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.

Financial assets

All recognised financial assets are measured subsequently in their entirety 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.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

F Financial instruments (continued)

Financial assets (continued)

Debt instruments (continued)

(i) Amortised cost (continued)

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).

(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.

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value.

Unrealised gains or losses arising from changes in the fair value of the financial assets at 'fair value through profit or loss' category are recognised in the statement of comprehensive income in the financial period in which they arise.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

F Financial instruments (continued)

Financial assets (continued)

Debt instruments (continued)

(iii) Fair value through profit or loss (continued)

Unquoted fixed income securities denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the Securities Commission of Malaysia (“SC”). Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specified unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) Records its basis for using a non-BPA price;
- (ii) Obtain necessary internal approvals to use the non-BPA price; and
- (iii) Keeps an audit trail of all decisions and basis for adopting the market yield.

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

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 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.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

F Financial instruments (continued)

Financial liabilities (continued)

(ii) Other financial liabilities (continued)

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).

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 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 and loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain and 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.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

F Financial instruments (continued)

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, deposit with a licensed financial institution and cash at bank.

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.

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.

G Cash and cash equivalents

Cash and cash equivalents comprise bank balances, deposit with a licensed financial institution, 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.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

H 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 Asset of the Fund. The units are subordinated and have identical features. There is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the Net Asset of the Fund.

I Segmental information

Operating segments are reported in a manner consistent with the internal reporting used by chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments that undertakes strategic decisions for the Fund.

OPUS CASH EXTRA FUND 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

J Critical accounting estimates and judgements in applying accounting policies

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 other than as disclosed below:-

Fair value estimates for unquoted financial assets

The Fund carries certain financial assets that are not traded in an active market at fair value. The Fund uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Fund uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income. The carrying amount of these financial assets as at the reporting date is disclosed in Note 4 to the financial statements.

Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Fund recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

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.

OPUS CASH EXTRA FUND 2

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

1 INFORMATION ON THE FUND

OPUS CASH EXTRA FUND 2 (hereinafter referred to as ‘the Fund’) was constituted pursuant to the execution of a deed dated 19 September 2022 between Opus Asset Management Sdn. Bhd. as the Manager and SCBMB Trustee Berhad as the Trustee. The Fund was launched on 28 September 2022 and will continue to be in operation until determined otherwise by the Manager or the Trustee as provided under the Deed.

The principal place of business is located at B-19-2, Northpoint Offices, Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal activity of the Fund is to invest in high quality fixed income securities including government securities, commercial papers, corporate bonds and money market instruments. The objective of the Fund is to achieve higher returns than 1-Month Fixed Deposit Rate over the short to medium term and to provide liquidity while preserving capital.

The Manager, Opus Asset Management Sdn. Bhd., a company incorporated in Malaysia, is principally engaged in the business of fund management and the provision of financial advisory services.

The financial statements were authorised for issue by the Manager on 27 February 2024.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include management risk, market risk (inclusive of price risk and interest rate risk), credit risk, liquidity risk, non-compliance risk and capital risk management.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Fund’s Prospectus.

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss RM	Amortised cost RM	Total RM
2023			
Unquoted fixed income securities	41,738,277	-	41,738,277
Cash and cash equivalents	-	1,286,214	1,286,214
	<u>41,738,277</u>	<u>1,286,214</u>	<u>43,024,491</u>

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	Financial assets at fair value through profit or loss RM	Amortised cost RM	Total RM
<u>2022</u>			
Unquoted fixed income securities	4,725,459	-	4,725,459
Cash and cash equivalents	-	316,000	316,000
	<u>4,725,459</u>	<u>316,000</u>	<u>5,041,459</u>

Management risk

Poor management of the Fund may jeopardise the investment of each unitholder. Therefore, it is important for the Manager to set the investment policies and appropriate strategies to be in line with the investment objective before any investment activities can be considered. However, there can be no guarantee that these measures will produce the desired results.

Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from interest rate risk).

The Fund's overall exposure to price risk was as follows:

	<u>2023</u> RM	<u>2022</u> RM
Financial assets at fair value through profit or loss	41,440,399	4,714,222
Interest receivables	297,878	11,237
	<u>41,738,277</u>	<u>4,725,459</u>

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Price risk (continued)

The table below summarises the sensitivity of the Fund's net asset value and profit after tax to movements in prices of investments. The analysis is based on the assumption that the price of the investments fluctuates by 5% with all other variables held constant.

	<u>Change in price of investments</u> %	<u>Market value</u> RM	<u>Impact on profit after tax and net asset value</u> RM
<u>2023</u>	-5	39,368,379	(2,072,020)
	0	41,440,399	-
	5	43,512,419	2,072,020
		<hr/> <hr/>	<hr/> <hr/>
<u>2022</u>	-5	4,478,511	(235,711)
	0	4,714,222	-
	5	4,949,933	235,711
		<hr/> <hr/>	<hr/> <hr/>

Interest rate risk

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since bond portfolio management depends on forecasting interest rate movements. Unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Investors should note that unquoted fixed income securities (such as the bonds held by the Fund) and money market instruments are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

The table below summarises the sensitivity of the Fund's net asset value to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increased and decreased by 1% with all other variables held constant.

<u>% change in interest rate</u>	<u>Impact on profit after tax/ net asset value</u>	
	<u>2023</u>	<u>2022</u>
	RM	RM
+1%	(12,979)	(486)
-1%	15,205	1,955

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

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

The Manager consider these banks and financial institutions have low credit risks. Therefore, the Manager is of the view that the loss allowance is immaterial and hence, it is not provided for.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

The following table sets out the credit risk concentration of the Fund:

	Unquoted fixed income securities RM	Cash and cash equivalents RM	<u>Total</u> RM
<u>2023</u>			
AAA	12,630,014	1,286,214	13,916,228
AA1	16,576,134	-	16,576,134
AA2	7,328,228	-	7,328,228
AA3	252,202	-	252,202
MARC-1	4,951,699	-	4,951,699
	<u>41,738,277</u>	<u>1,286,214</u>	<u>43,024,491</u>
<u>2022</u>			
AAA	-	316,000	316,000
AA2	500,746	-	500,746
AA3	255,264	-	255,264
A1	1,015,587	-	1,015,587
MARC-1	1,979,412	-	1,979,412
P1	974,450	-	974,450
	<u>4,725,459</u>	<u>316,000</u>	<u>5,041,459</u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price. Unit trust fund with principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have the greater exposure to liquidity risk. As part of its risk management, the Manager will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The Manager will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining year as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Maturity Analysis

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
<u>2023</u>			
Amount due to Manager	18,084	-	18,084
Amount due to Trustee	1,085	-	1,085
Income distributions payable	161,038	-	161,038
	<u>180,207</u>	<u>-</u>	<u>180,207</u>
<u>2022</u>			
Amount due to Manager	1,577	-	1,577
Amount due to Trustee	252	-	252
Income distributions payable	10,183	-	10,183
	<u>12,012</u>	<u>-</u>	<u>12,012</u>

Non-compliance risk

This is the risk of the Manager not complying with the internal policies, the Deeds of the Fund, all applicable laws or guidelines issued by the regulators. This may occur as a result of system failure or the inadvertence of the Manager. The magnitude of such risk and its impact on the Fund and/or unitholders are dependent on the nature and severity of the non-compliance. Non-compliance may adversely affect the Fund especially if the investment of the Fund has to be disposed at a lower price to rectify the non-compliance.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk management

	<u>2023</u> RM	<u>2022</u> RM
The capital of the Fund is represented by equity consisting of :-		
Unitholders' capital	42,758,037	5,016,507
Retained earnings	86,247	12,940

The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

3 FAIR VALUE ESTIMATION

Fair value is defined as 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 (i.e. an exit price).

The fair values of financial assets traded in active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year end date.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The fair values are based on the following methodologies and assumptions:

- (i) For bank balances, deposits and placements with financial institutions with maturities less than 1 year, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment of receivables and payables are assumed to approximate their fair values. The carrying values of financial assets and financial liabilities approximate their fair values due to their short term nature.

Fair value hierarchy

The Fund adopted MFRS 13 “Fair Value Measurement” in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify 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:

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

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. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<u>2023</u>				
Financial assets at FVTPL				
- Unquoted fixed income securities	-	41,738,277	-	41,738,277
<u>2022</u>				
Financial assets at FVTPL				
- Unquoted fixed income securities	-	4,725,459	-	4,725,459

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 instruments include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or nontransferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note F.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> RM	<u>2022</u> RM
Financial assets designated as FVTPL:		
- Unquoted fixed income securities	41,738,277	4,725,459
		Financial period
		Financial year
		from 01.01.2023
		from 28.09.2022
		(date of launch)
		to 31.12.2023
		to 31.12.2022
		RM
		RM
Net gain/(loss) on financial assets at FVTPL comprised:		
- net realised gain/(loss) on sale of financial assets at FVTPL	260,390	(150)
- net unrealised gain/(loss) on changes in fair value	29,180	(2,530)
	289,570	(2,680)

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 December 2023 are as follows:

Name of Counter	Nominal value	Cost RM	Fair value as at 31.12.2023 RM	Fair value as at 31.12.2023 expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES				
CORPORATE BONDS				
BANK				
3.15% CIMB GROUP HOLDINGS BERHAD 12/11/2025 AA	500,000	492,371	494,651	1.15
3.88% CIMB GROUP HOLDINGS BERHAD 12/06/2024 AA1	2,500,000	2,505,315	2,506,590	5.85
4.30% HONG LEONG FINANCIAL GROUP BERHAD 14/06/2024 AA2	500,000	500,558	501,955	1.17
2.90% MALAYAN BANKING BERHAD 09/10/2025 AA1	2,500,000	2,461,935	2,471,535	5.77
4.63% MALAYAN BANKING BERHAD 31/01/2024 AA1	1,000,000	1,022,735	1,020,265	2.38

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 December 2023 are as follows:

Name of Counter	Nominal value	Cost RM	Fair value as at 31.12.2023 RM	Fair value as at 31.12.2023 expressed as a percentage of value of the Fund %
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UNQUOTED FIXED INCOME SECURITIES (CONTINUED)

CORPORATE BONDS (CONTINUED)

BANK (CONTINUED)

3.75% PUBLIC ISLAMIC BANK BERHAD 31/10/2024 AA1	4,000,000	4,017,604	4,024,319	9.39
4.32% RHB ISLAMIC BANK BERHAD 21/05/2024 AA2	1,750,000	1,764,092	1,762,185	4.11
3.00% UNITED OVERSEAS BANK (MALAYSIA) BERHAD 01/08/2025 AA1	500,000	495,406	499,555	1.17
		<u>13,260,016</u>	<u>13,281,055</u>	<u>30.99</u>

FINANCE

3.67% CAGAMAS BERHAD 30/05/2024 AAA	500,000	501,609	501,849	1.17
0.00% CGS-CIMB SECURITIES SDN BHD 22/03/2024 MARC1	5,000,000	4,946,397	4,951,699	11.56

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 December 2023 are as follows:

Name of Counter	Nominal value	Cost RM	Fair value as at 31.12.2023 RM	Fair value as at 31.12.2023 expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
CORPORATE BONDS (CONTINUED)				
FINANCE (CONTINUED)				
3.53% SABAH CREDIT CORPORATION 25/04/2025 AA1	4,000,000	3,998,406	4,002,426	9.34
3.10% TOYOTA CAPITAL MALAYSIA SDN BHD 25/07/2025 AAA	1,500,000	1,495,979	1,502,969	3.51
3.30% TOYOTA CAPITAL MALAYSIA SDN BHD 26/01/2024 AAA	1,000,000	1,011,595	1,014,004	2.37
3.50% TOYOTA CAPITAL MALAYSIA SDN BHD 18/10/2024 AAA	2,500,000	2,504,818	2,505,293	5.85
4.20% ZAMARAD ASSETS BERHAD 19/11/2024 AAA	1,000,000	1,006,733	1,006,753	2.35
4.27% ZAMARAD ASSETS BERHAD 09/08/2024 AAA	4,000,000	4,067,384	4,071,784	9.50
		<u>19,532,921</u>	<u>19,556,777</u>	<u>45.65</u>

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 December 2023 are as follows:

Name of Counter	Nominal value	Cost RM	Fair value as at 31.12.2023 RM	Fair value as at 31.12.2023 expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
CORPORATE BONDS (CONTINUED)				
GAMING				
4.90% GENM CAPITAL BHD 22/08/2025 AA1	2,000,000	<u>2,050,504</u>	<u>2,051,444</u>	<u>4.79</u>
PLANTATION				
4.62% BENIH RESTU BERHAD 05/06/2025 AA2	4,000,000	<u>4,068,870</u>	<u>4,059,430</u>	<u>9.47</u>
TELECOMMUNICATION				
5.45% BGSM MANAGEMENT SDN BHD 28/06/2024 AA3	250,000	<u>255,252</u>	<u>252,202</u>	<u>0.59</u>
TOLL ROAD				
4.28% AMANAT LEBUHRAYA RAKYAT BERHAD 11/10/2024 AAA	2,000,000	<u>2,029,362</u>	<u>2,027,362</u>	<u>4.73</u>

OPUS CASH EXTRA FUND 2**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Financial assets designated as FVTPL as at 31 December 2023 are as follows:

Name of Counter	Nominal value	Cost RM	Fair value as at 31.12.2023 RM	Fair value as at 31.12.2023 expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
CORPORATE BONDS (CONTINUED)				
TRANSPORT/PORT				
5.78% NORTHPORT (M) BERHAD 19/12/2024 AA	500,000	<u>514,702</u>	<u>510,007</u>	<u>1.19</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES		41,711,627	<u>41,738,277</u>	<u>97.41</u>
ACCUMULATED UNREALISED LOSS		<u>26,650</u>		
TOTAL FINANCIAL ASSETS AT FVTPL		<u>41,738,277</u>		

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Financial assets designated as FVTPL as at 31 December 2022 are as follows:

Name of Counter	Nominal value	Cost RM	Fair value as at 31.12.2022 RM	Fair value as at 31.12.2022 expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES				
CORPORATE BONDS				
BANK				
4.88% AMBANK ISLAMIC BERHAD 18/10/2023 A1	1,000,000	1,017,427	1,015,587	20.19
4.30% HONG LEONG FINANCIAL GROUP BERHAD 14/06/2024 AA2	500,000	501,233	500,745	9.96
		<u>1,518,660</u>	<u>1,516,332</u>	<u>30.15</u>
FINANCE				
0.00% SMALL MEDIUM ENTERPRISE DEVELOPMENT BANK MALAYSIA BHD 19/04/2023 MARC1	1,000,000	<u>989,517</u>	<u>989,399</u>	<u>19.67</u>

OPUS CASH EXTRA FUND 2**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)****4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Financial assets designated as FVTPL as at 31 December 2022 are as follows:

Name of Counter	Nominal value	Cost RM	Fair value as at 31.12.2022 RM	Fair value as at 31.12.2022 expressed as a percentage of value of the Fund %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
CORPORATE BONDS (CONTINUED)				
POWER				
0.00% TENAGA NASIONAL BERHAD 27/09/2023 P1	1,000,000	<u>974,437</u>	<u>974,450</u>	<u>19.37</u>
TELECOMMUNICATION				
5.45% BGSM MANAGEMENT SDN BHD 28/06/2024 AA3	250,000	<u>255,252</u>	<u>255,264</u>	<u>5.09</u>
TRANSPORT/PORT				
0.00% JOHOR PORT BERHAD 31/03/2023 MARC1	1,000,000	<u>990,123</u>	<u>990,014</u>	<u>19.68</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES		<u>4,727,989</u>	<u>4,725,459</u>	<u>93.96</u>
ACCUMULATED UNREALISED LOSS		<u>(2,530)</u>		
TOTAL FINANCIAL ASSETS AT FVTPL		<u>4,725,459</u>		

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

5 CASH AND CASH EQUIVALENTS

	<u>2023</u> RM	<u>2022</u> RM
Deposit with a licensed financial institution	1,280,304	310,070
Bank balance	5,910	5,930
	<u>1,286,214</u>	<u>316,000</u>
Deposit with a licensed financial institution include profit receivable (RM)	316	47
Weighted average rate of return (%)	3.00	2.70
Average maturity (days)	4	4

6 UNITS IN CIRCULATION

	Financial year from 01.01.2023 to 31.12.2023 RM	Financial period from 28.09.2022 (date of launch) to 31.12.2022 RM
At the beginning of the financial year/period	5,016,507	-
Creation of units during the financial year/period		
Arising from distribution during the financial year/period	213,520	15,902
Arising from applications during the financial year/period	42,112,793	5,000,605
Cancellation of units during the financial year/period	(4,584,783)	-
At the end of the financial year/period	<u>42,758,037</u>	<u>5,016,507</u>

7 NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

The valuation, creation and cancellation of units will be based on RM1.0000 per unit, instead of the net asset value per unit, as stated in the info memorandum.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 2.00% per annum of the net asset value of the Fund, calculated on a daily basis.

The management fee provided in the financial statements is 0.50% (2022: 0.05%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

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

9 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a trustee fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum of RM12,000 per annum and maximum of RM300,000 per annum, calculated on a daily basis.

The Trustee's fee provided in the financial statement is 0.03% (2022: 0.03%) per annum of the net asset value of the Fund, subject to a minimum of RM12,000 per annum and maximum of RM300,000 per annum, calculated on a daily basis for the financial year.

There will be no further liability to the Trustee in respect of the Trustee's fee other than the amounts recognised above.

10 AUDIT FEE AND TAX AGENT'S FEE

The auditors' remuneration and tax agent's fees for the Fund for the current financial year amounted to RM6,800 and RM2,800 respectively were borne by the Manager.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

11 TAXATION

(a) Tax charge for the financial year/period

	Financial year from 01.01.2023 to 31.12.2023	Financial period from 28.09.2022 (date of launch) to 31.12.2022
	RM	RM
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

The numerical reconciliation between profit before taxation multiplied by the Malaysian statutory income tax rate and the tax expense of the Fund is as follows:

	Financial year from 01.01.2023 to 31.12.2023	Financial period from 28.09.2022 (date of launch) to 31.12.2022
	RM	RM
Profit before taxation	888,489	39,026
Tax calculated at a tax rate of 24% (2022: 24%)	213,237	9,366
Tax effects of:		
Investment income not subject to tax	(246,360)	(10,002)
Expenses not deductible for tax purposes	1,977	113
Restriction on tax deductible expenses for fund	31,146	523
	-	-

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

12 DISTRIBUTION

	Financial year from 01.01.2023 to 31.12.2023	Financial period from 28.09.2022 (date of launch) to 31.12.2022
	RM	RM
Distribution to unitholders are from the following sources:		
Interest income from unquoted fixed income securities	598,918	24,810
Interest income from deposits with a licensed financial institution	100,170	3,034
Realised gain/(loss) on sale of investments	247,018	(94)
Gross realised income	<u>946,106</u>	<u>27,750</u>
Less: Expenses	<u>(130,925)</u>	<u>(1,664)</u>
Gross distribution amount	815,182	26,086
Less: Taxation	-	-
Net distribution amount	<u>815,182</u>	<u>26,086</u>

	Entitlement date	Gross distribution per unit (sen)	Net distribution per unit (sen)
<u>2023</u>	31-Jan-2023	0.26	12,924
	28-Feb-2023	0.23	11,391
	31-Mar-2023	0.25	13,041
	30-Apr-2023	0.25	12,962
	31-May-2023	0.24	16,978
	30-Jun-2023	0.17	56,624
	31-Jul-2023	0.20	68,496
	31-Aug-2023	0.21	94,012
	30-Sep-2023	0.26	109,346
	31-Oct-2023	0.33	140,118
	30-Nov-2023	0.28	118,253
	31-Dec-2023	0.38	161,037
		<u>3.06</u>	<u>815,182</u>
<u>2022</u>	31-Oct-2022	0.15	7,443
	30-Nov-2022	0.17	8,459
	31-Dec-2022	0.20	10,184
		<u>0.52</u>	<u>26,086</u>

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

12 DISTRIBUTION (CONTINUED)

Gross distribution is derived using total income less total expenses.

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

	Financial year from 01.01.2023 to 31.12.2023	Financial period from 28.09.2022 (date of launch) to 31.12.2022
	RM	RM
Unrealised gain/(loss) incurred during the financial year/period	<u>29,180</u>	<u>(2,530)</u>

13 TOTAL EXPENSE RATIO (“TER”)

	Financial year from 01.01.2023 to 31.12.2023	Financial period from 28.09.2022 (date of launch) to 31.12.2022
		%
TER	<u>0.53</u>	<u>0.05</u>

Total expense ratio includes management fee, trustee’s fee, and other expenses which is calculated as follows:

$$\text{TER} = \frac{\text{A} + \text{B} + \text{C}}{\text{D}} \times 100$$

A = Management fee

B = Trustee’s fee

C = Other expenses

D = Average net asset value of the Fund for the financial year, calculated on a daily basis

	Financial year from 01.01.2023 to 31.12.2023	Financial period from 28.09.2022 (date of launch) to 31.12.2022
	RM	RM
The average net asset value of the Fund calculated on a daily basis	<u>25,950,882</u>	<u>5,013,803</u>

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

14 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial year from 01.01.2023 to <u>31.12.2023</u>	Financial period from 28.09.2022 (date of launch) to <u>31.12.2022</u>
PTR (times)	<u>1.15</u>	<u>0.55</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year/period} + \text{total disposal for the financial year/period}) \div 2}{\text{Average net asset value of the Fund for the financial year/period calculated on a daily basis}}$$

	RM	RM
where:		
Total acquisition for the financial year/period	<u>58,188,695</u>	<u>5,495,734</u>
Total disposals for the financial year/period	<u>1,504,738</u>	<u>-</u>

15 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Opus Asset Management Sdn. Bhd.	The Manager
Persons connected with the Manager	(a) Employees and related to the Manager (b) A wholesale fund that is managed by the Manager

The number of units held by the Manager is as follows:

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	Units	RM	Units	RM
The Manager	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Person connected with the Manager	<u>40,203,667</u>	<u>40,203,667</u>	<u>5,016,507</u>	<u>5,016,507</u>

The units are held beneficially by the Manager for booking purposes and were transacted at the prevailing market price.

Other than the related party disclosures mentioned elsewhere in the financial statements, there are no other significant related party transactions during the financial year or balances as at the end of the financial year.

OPUS CASH EXTRA FUND 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

16 TRANSACTIONS WITH BROKERS

<u>Broker/ financial institution</u>	<u>Value of trades[^]</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage fees</u> %
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Details of transactions by the Fund for the financial year ended 31 December 2023 are as follows:

RHB Investment Bank Berhad*	15,989,248	26.80	-	-
CIMB Bank Berhad	12,830,564	21.49	-	-
Hong Leong Investment Bank Berhad	8,905,742	14.92	-	-
Malayan Banking Berhad*	7,526,780	12.61	-	-
Hong Leong Bank Berhad	6,842,755	11.46	-	-
CIMB Islamic Bank Berhad	4,091,654	6.85	-	-
Affin Hwang Investment Bank Bhd*	3,506,690	5.87	-	-
	<u>59,693,433</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions by the Fund for the financial period ended 31 December 2022 are as

Malayan Banking Berhad*	2,764,998	50.31	-	-
RHB Investment Bank Berhad*	2,730,736	49.69	-	-
	<u>5,495,734</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

[^] Includes purchase price plus accrued profit at acquisition.

* Included in transactions with brokers and dealers are cross trades conducted between portfolios managed by the Manager.

17 SEGMENTAL INFORMATION

The internal reporting provided to the Committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRSs and IFRS. The Committee is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of profit and gains on the appreciation in the value of investments which is derived from unquoted fixed income securities in Malaysia.

There were no changes in the reportable operating segments during the financial year.

OPUS CASH EXTRA FUND 2

CORPORATE INFORMATION

MANAGER

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