



**Opus Global Income Fund
(OPUS GIF)**

QUARTERLY REPORT

**3rd QUARTERLY REPORT (1 JULY to 30
SEPTEMBER 2021)**

**FOR FINANCIAL YEAR ENDING 31 DECEMBER
2021**

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Market Review, Outlook and Strategy

Market Review

Despite the continuing recovery, economic and market risks remained salient. The spread of the COVID-19 delta-variant and the risks of future virus mutations, systemic risks stemming from China's property sector, waning of earlier stimulus measures, and indications from developed economies of less accommodative monetary policy continues to overshadow the global recovery.

Growth drivers remain hampered, at least into the foreseeable time horizon. For example, the Purchasing Managers Index (PMI) numbers from the US and Eurozone persist towards deceleration while strict lockdowns in China muted its initially strong growth trajectory. Furthermore, ongoing brinkmanship among US policymakers in relation to the debt ceiling and spending bills coupled with the expiration of federal unemployment benefits at the beginning of Sep'21 may limit a quicker rebound.

The US Federal Reserve highlighted its tapering intentions but continued to retain flexibility over the exact schedule and size of taper. Inflationary pressures continued to moderate with headline inflation levelling off as prices normalise and base effects dissipate. Nonetheless, US core inflation has held above 3% for 4 consecutive months while the 12-month average stood at 2.1%, suggesting that inflation is already "modestly" above the US Federal Reserve's average target. As such, the Federal Reserve has indicated that it may begin scaling back its asset purchase program as soon as Nov'21. On the other hand, given still elevated unemployment numbers, the Federal Reserve has indicated that the test for hiking interest rates has yet to be reached.

Domestic economic conditions are improving but recovery will likely be prolonged. Growth forecasts for 2021 have been cut to reflect ongoing downside risks. Bank Negara Malaysia (BNM) reduced its GDP forecast for 2021 to 3% to 4% from the initial 6% to 7.5% amid the imposition of movement control measures.

Monetary and fiscal measures remained forthcoming to support the economic recovery. BNM maintained its Overnight Policy Rate (OPR) at 1.75%, viewing current policy to be appropriate given the gradual reopening of economic activity, supported by the rapid pace of vaccinations. Development expenditure as part of the 12th Malaysia Plan will serve to reinvigorate economic prospects while moderating bond supply expectations in 2022 will keep the bond market well supported in the near term. Nonetheless, the outlook remains fragile as the degree of economic scarring and uncertainties surrounding the pandemic will temper a quick return to normalcy.

Volatility in financial markets persist. US Treasury (UST) yields saw a strong performance at the beginning of the quarter, mainly driven lower by concerns of the rising spread of the COVID-19 delta-variant and slowing recovery prospects. Nonetheless, yields subsequently reversed course, ending the quarter 2-12bps higher as the Federal Reserve hints at the possibility of asset purchase tapering's announcement in Nov'21.

Malaysian Government Securities (MGS) tracked rising UST and global yields amid the hawkish tilt from the Federal Reserve and BNM's decision to maintain its position on the OPR. Overall, the yield curve flattened throughout the quarter, as MGS' between the short end and the belly of the curve (3Y-15Y) saw yields climb between 18-41bps while longer end notes stood largely

OPUS GLOBAL INCOME FUND

MANAGER'S REPORT - 3rd QUARTERLY REPORT FOR FINANCIAL YEAR ENDING 31 DECEMBER 2021

unchanged.

Market Outlook

Overall, the global path to recovery remains fragile with leading indicators pointing towards a decelerating trend. Elevated financial market volatility would persist with delicate risk sentiment, brought about by contagion risks stemming from China's property sector and the Federal Reserve's indication of sooner-than-expected tapering.

Locally, we expect conditions to gradually improve as more states transition through the phases of the National Recovery Plan. However, the path towards a consistent rebound will likely remain a prolonged process. As such, we expect the OPR to remain accommodative at 1.75% for the next 12 months.

We expect government bond supply to remain elevated for 2021, before a gradual moderation in 2022. For the fourth quarter of 2021, we expect a further MYR47 bil in gross issuance (total 2021 estimation: MYR170 bil) with deficit-to-GDP to end the year at 6.9%. Whereas for 2022, a moderation in government bond supply is expected with total gross issuances estimated at MYR150 bil.

Strategy

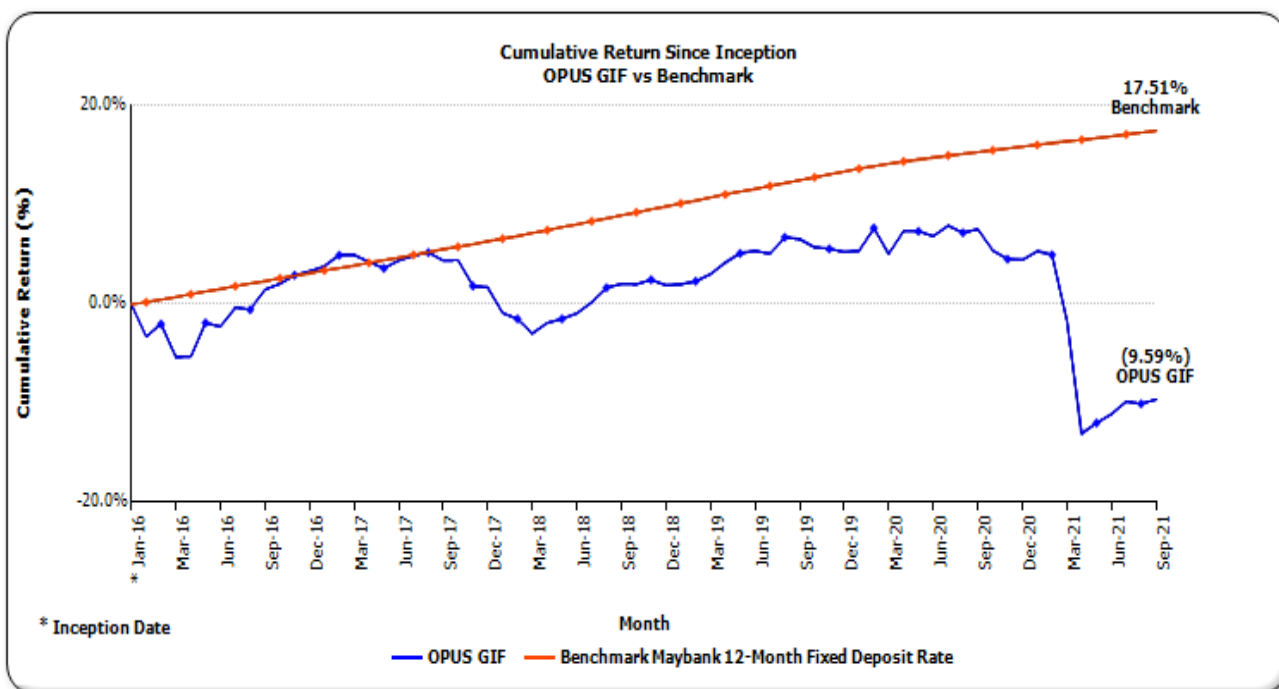
The fund will aim for a balanced allocation between USD, SGD and MYR.

Performance: Underperformed benchmark by 27.10% since inception

As at 30 September 2021, the Fund was 89.01% invested while 10.99% was held in cash. The Fund's TWRR since inception was -9.59% compared to the benchmark of 17.51%, which is the accreted value since inception of the Maybank 12-Month Fixed Deposit Rate. Hence, the Fund underperformed the benchmark by 27.10%. For the calendar year-to-date period, TWRR for the fund was -13.49% against the benchmark TWRR of 1.38%. The Fund had a duration of 4.69 years.

OPUS GLOBAL INCOME FUND

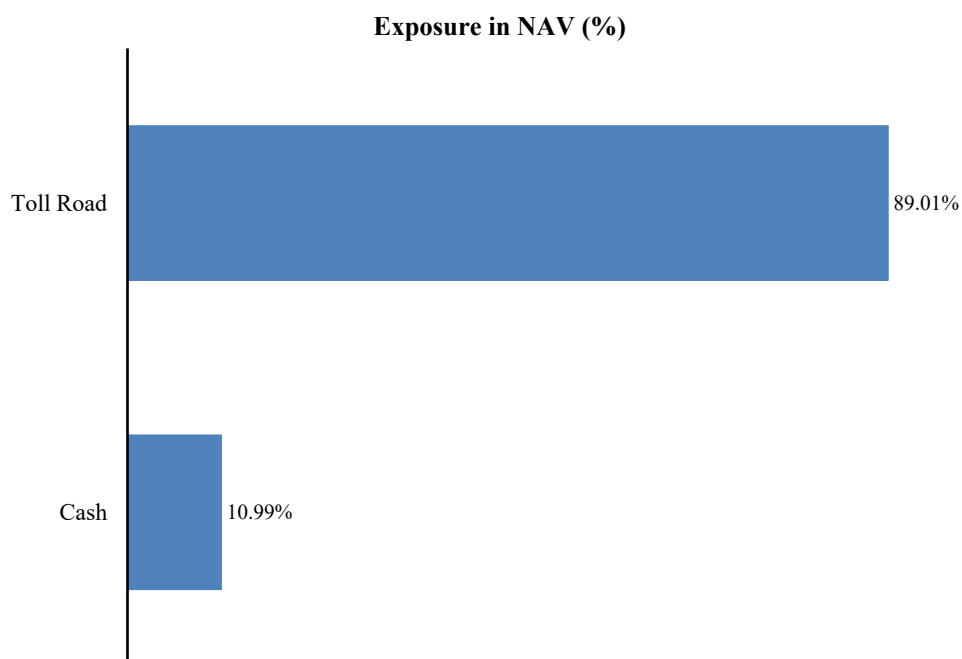
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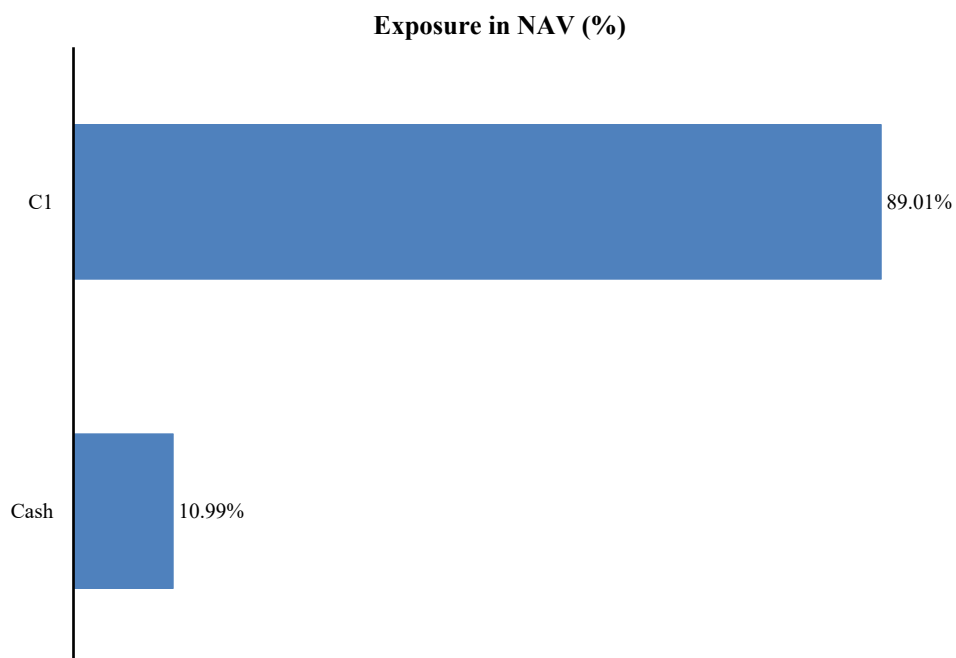
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Distribution By Sector as at 30 September 2021



Distribution By Rating as at 30 September 2021



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Currency Allocation



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INFORMATION ON THE OPUS GLOBAL INCOME FUND (OPUS GIF or “the Fund”)

Category : Fixed Income

Type : Income

Benchmark : Maybank, 12-Month Fixed Deposit Rate

Investment Objective

To achieve higher returns compared to benchmark over a medium to long-term* period from investments in a diversified portfolio of fixed income securities in various currencies.

** Note: The Manager regards 3 to 5 years as medium-term and more than 5 years as long-term.*

Investment Strategy

The Fund seeks to achieve its objective by investing in a diversified portfolio of bonds and liquid assets. The Fund's investment may vary from sovereign to quasi-sovereign and corporate (listed and unlisted).

The Fund's investment maturity profile is subject to active maturity structure management based on the interest rate outlook without any portfolio maturity limitation. This means, the Fund may invest in bonds, money market instruments, placement of deposits and other permitted investments with varying maturities.

The Fund may invest in foreign fixed income securities where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commission (IOSCO).

The key foreign markets where the Fund may seek to invest in are as follows but not limited to:

- United States of America
- United Kingdom
- Singapore
- Hong Kong
- Switzerland
- France
- Germany
- Australia

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Unit Holders' Profile

The Fund was launched on 18 December 2015. As at [30 September 2021](#), there were approximately [293,318.86](#) units of the Fund in circulation.

Breakdown of Unit Holdings by size as at 30 September 2021

Size (Units)	Total Unit Holders*	Percentage of Total Unitholders	Total Units	Percentage of Total Units
0-10,000	1	50.00	0.0098	0.00
10,001-500,000	1	50.00	293,318.8485	100.00
500,001-1,000,000	0	0.00	0.0000	0.00
1,000,001-2,000,000	0	0.00	0.0000	0.00
2,000,001-3,000,000	0	0.00	0.0000	0.00
3,000,001-4,000,000	0	0.00	0.0000	0.00
4,000,001-5,000,000	0	0.00	0.0000	0.00
5,000,001-10,000,000	0	0.00	0.0000	0.00
10,000,001-50,000,000	0	0.00	0.0000	0.00
50,000,001-above	0	0.00	0.0000	0.00
Total	2	100.00	293,318.8583	100.00

*Note: Include Unit Trust Adviser(s)

OPUS GLOBAL INCOME FUND

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OPUS GIF	30 September 2021	30 June 2021
Net Asset Value (RM)	235,497.05	231,598.44
Net Asset Value Per unit (RM)	0.8029	0.7896
Total Units in Circulation (units)	293,318.8583	293,318.8583
Selling / Repurchase price (RM)	0.8029	0.7896

OPUS GIF	1 January 2021 - 30 September 2021	1 January 2021 - 30 June 2021
Portfolio Turnover Ratio (PTR) for the financial year	0.86 times	0.61 times
Net distribution per unit for the financial year (RM)*	0.0000	0.0000
Daily Return Volatility for the financial year **	0.78%	0.95%

* There is no distribution for the current financial year.

** measured by standard deviation of daily returns.

Other Information

There is no change in key investment team and delegates.

OPUS ASSET MANAGEMENT SDN BHD

PORTFOLIO REPORT

Opus Global Income Fund
(OPUS GIF)

VALUATION DATE : 30 SEPTEMBER 2021

Portfolio Appraisal

OPUS GIF

Valuation Date : 30 Sep 2021

Stock Name	Quantity	Port (%)	Curr	Clean Cost	Market Value + AI	Price Val (Clean)	Rating	Sector
Currency : MYR								
Cash & Cash Equivalent (MYR)								
Cash At Bank	-	5.1	MYR	12,350	12,350	-		
Total - Cash & Cash Equivalent	-	5.1	MYR	12,350	12,350			
Fixed Income (MYR)								
<u>Non Low Risk Asset</u>								
<u>Straight Bond</u>								
MEX II 5.80% 28.04.28	500,000	89.0	MYR	538,300	217,236	41.00	MARC/C	Toll Road
Straight Bond Total	500,000	89.0	MYR	538,300	217,236	41.00		
Non Low Risk Asset Total	500,000	89.0	MYR	538,300	217,236	41.00		
Total - Fixed Income	500,000	89.0	MYR	538,300	217,236	41.00		
Total Investment in MYR	500,000	94.1	MYR	550,650	229,585	41.00		
Currency : USD								
Cash & Cash Equivalent (USD)								
Cash At Bank	-	-	USD	1	1	-		
		-	MYR	5	5			
Total - Cash & Cash Equivalent	-		USD	1	1			
		-	MYR	5	5			
Total Investment in USD	-		USD	1	1			
		-	MYR	5	5			
Portfolio Total (MYR)		94.1		550,654	229,590	41.00		

Statement of Financial Position As At 30 Sep 2021

	30-Sep-2021	30-Jun-2021
	MYR	MYR
Assets		
Current Assets		
Deposits with Financial Institutions	-	-
Cash at Bank	12,354.40	16,065.44
Deposit Income Receivable	-	-
Bond Income Receivable	12,235.61	4,926.02
Trade Receivable	-	-
Other Receivable	14,460.27	14,460.27
Sub Total for Current Assets	39,050.28	35,451.73
Investment		
Malaysian Government Securities	-	-
Corporate Bonds	205,000.00	204,695.00
Foreign Government Bonds	-	-
Sub Total for Investment	205,000.00	204,695.00
Total Assets	244,050.28	240,146.73
Liabilities		
Current Liabilities		
Accrued Management Fees	(241.42)	(236.48)
Accrued Trustee Fees	(986.40)	(986.40)
Accrued Fund Accounting Fees	-	-
Accrued Audit Fees	(2,135.31)	(2,135.31)
Other Accrued Fees	(5,190.10)	(5,190.10)
Accrued GST	-	-
Trade Payable	-	-
Other Creditors	-	-
Amount due to Manager	-	-
Sub Total for Current Liabilities	(8,553.23)	(8,548.29)
Total Liabilities	(8,553.23)	(8,548.29)
Total Portfolio Value	235,497.05	231,598.44
Fund Capital		
Equity		
Capital	456,099.23	456,099.23
Retained Profit / (Loss)	347,379.50	347,379.50
Profit / (Loss) this year	(207,275.10)	(211,173.71)
Total Distribution	(360,706.58)	(360,706.58)
Sub Total for Equity	235,497.05	231,598.44
Total Fund Capital	235,497.05	231,598.44

Statement of Comprehensive Income for financial period from 1 Jul 2021 to 30 Sep 2021

	01-Jul-2021 to 30-Sep-2021 MYR	01-Jul-2020 30-Sep-2020 MYR
Profit Income		
Investment Profit Income		
Bond Income	7,309.59	24,784.07
Deposit Income	47.21	950.45
Realised Gain / (Loss) on Sales Investments	-	-
Unrealised Gain / (Loss) on Holdings	305.00	46,976.54
Net Gain / (Loss) on Foreign Exchange	0.04	(37,301.67)
Other Income	-	-
Sub Total For Investment Profit Income	7,661.84	35,409.39
Total Profit Income	7,661.84	35,409.39
Expenses		
Management Fees	(737.64)	(9,901.95)
Trustee Fees	(3,024.96)	(3,016.68)
Fund Accounting Fees	-	-
Other Expenses	-	(2,601.76)
Custody Fees	-	(50.13)
Transaction Costs	-	(107.13)
Bank Charges	-	(4.00)
GST Charges	-	-
MyClear Charges	(0.63)	(1.57)
Total Expenses	(3,763.23)	(15,683.22)
Net Total Profit/ (Loss)	3,898.61	19,726.17

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OPUS GIF**Purchases From 1 Jul 2021 To 30 Sep 2021**

Trade Date	Settle Date	Security Code	Security Description	Currency	Quantity	Clean Price	YTM Cost (%)	Clean Cost (A)	Accrued Income (B)	Total Cost (A) + (B)	Broker	*Trade Type
No Purchase Transaction												

Note*** Trade Type:****0 - Normal Trade****1 - Cross Trade****2 - Transfer In**

Sales And Realised Gains / (Losses) From 1 Jul 2021 To 30 Sep 2021

Trade Date Settle Date	Security Code	Currency	Quantity	Sales Price (Clean)	YTM Sell (Clean)	Sales Proceed (A)	Accrued Income (B)	Total Sales Proceed (A)+(B)	Total Clean Cost (C)	Realised Gain/(Loss) (Sales)	Realised Gain/(Loss) (Forex)	Realised Gain/(Loss) (A)-(C)	Broker	*Trade Type
No Sales Transaction														

Note

*** Trade Type:**

- 0 - Normal Trade
- 1 - Cross Trade
- 2 - Matured