



**Opus Shariah Income Fund
(OPUS SIF)**

QUARTERLY REPORT

**2nd QUARTERLY REPORT (1 OCTOBER to 31
DECEMBER 2023)**

FOR FINANCIAL YEAR ENDING 30 JUNE 2024

TABLE OF CONTENTS

Shariah Adviser's Report as at 31 December 2023	1
Portfolio Report & Review	2
Portfolio Report as at 31 December 2023	
- Portfolio Appraisal (Fixed Income) Valuation Date: 31 December 2023.....	9
- Statement of Financial Position as at 31 December 2023	12
- Statement of Comprehensive Income for the Quarter Ended 31 December 2023 ...	13
- Purchases for the Quarter Ended 31 December 2023	14
- Sales and Realised Gain / (Losses) for the Quarter Ended 31 December 2023	15

SHARIAH ADVISER'S REPORT

To the Unitholders of OPUS SHARIAH INCOME FUND ("Fund")

We hereby confirm the following:

- 1 To the best of our knowledge, after having made all reasonable enquiries, OPUS ASSET MANAGEMENT SDN. BHD. has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
- 2 The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

MOHD FADHLY MD. YUSOFF

Shariah Adviser

Market Review, Outlook and Strategy

Market Review

4Q23 saw the major central banks, i.e. US Federal Reserve, European Central Bank (ECB), and Bank of England (BOE) keeping their interest rates unchanged. During the quarter we noted a shift in the global economic narrative from a focus on the question of "how high" interest rates would go to a more nuanced consideration of "how long" these rates would be maintained. On the back of the FED's less restrictive stance, as well as declining inflation data prints, the government bonds rallied substantially with the 10-year US treasury yields falling by 70 bps over the last 3 months of 2023, ending the year around the same levels as 2022.

In the December Federal Open Market Committee (FOMC) meeting, we saw a drastic change in tone as Fed members implied a 75 bps of rate cut from the current unchanged Fed rates of 5.25% - 5.50% in 2024 through their dot-plot projections. Fed Chair Powell further hinted that rate cuts could happen prior to reaching their 2% inflation target. The ECB echoed a similar tone with the Fed, indicating that their current main lending rate had peaked. In the UK, the Bank of England (BoE) also paused their policy rate with a vote majority of 6-3 to maintain the Bank Rate at 5.25%.

The US economy continues to be resilient in 3Q2023, posting a revised GDP of 4.9% supported by robust domestic spending. However, emerging stress on consumption, resulting from the resumption of student loan payments, a decline in excess savings, and an uptick in subprime auto and millennial credit card delinquencies, collectively points towards a potential economic slowdown in 2024. On the contrary, tight labor market conditions continue to support employment and income levels. Therefore, despite the anticipated deceleration in growth, it is expected to maintain a positive trajectory.

Meanwhile in China, effects from the consumption stimulus targeting automobiles and electronics were reflected in the recent industrial production and retail sales data, while fiscal support under the disaster prevention expenditure had boosted infrastructure investments. However, the overall sentiment remains weighed down by the high urban unemployment rate (5%) and weakness in the real estate sector. The slight improvement in recent external trade data has not convinced markets that a sustainable recovery is intact as the global economy is expected to slow. Risk of trade tensions and western countries' diversification of their supply chain will pose a structural challenge to China's exports moving forward.

Domestically, we saw Malaysia's economy rose by 3.3% YoY (2Q23: 2.9% YoY) in 3Q2023, outperforming market expectations and recording its fastest quarterly growth (+2.6% QoQ) since the start of the year. We believe that the economy is back on the path to normalization, after a lacklustre performance in 2Q2022. The economy continues to be driven by the resilient domestic demand, supported by the strong labour market and steady employment and wage growth. Additionally, the progress of multi-year infrastructure projects and implementation of new government initiatives will be the growth catalysts moving forward. Nonetheless, external demand will continue to be pressured by the weaker global economic growth, as we saw exports declining by -2.4% YoY in November 2023, the ninth consecutive month of decline.

In October, we also saw the Prime Minister, YAB Dato' Seri Anwar bin Ibrahim, tabling Malaysia's largest ever budget amounting to RM394 billion (Budget 2023: RM386 billion). The Budget

OPUS SHARIAH INCOME FUND

MANAGER'S REPORT - 2nd QUARTERLY REPORT FOR FINANCIAL YEAR ENDING 30 JUNE 2024

focuses on restructuring the economy through fiscal reforms (i.e. phased subsidy rationalisation and gradual reduction of Malaysia's fiscal deficit) and to position Malaysia as an investment destination building on the National Energy Transition Roadmap (NETR), New Industrial Master Plan 2030 and 12th Malaysia Plan (12MP) announced throughout the 3Q and 4Q of 2023.

MGS yield curve took cues from the UST, shifting slightly lower by 10 to 24 bps, especially on the longer end, resulting in a flatter yield curve.

Market Outlook

Overall, market conditions have been favourable to the fixed income investors in 4Q2023 with most central banks pausing rates and shifting towards a less restrictive monetary policy stance. We saw a significant decline in the UST yields, as markets started to price in rate cuts in 2024. Despite a high likelihood of a 'soft landing' in the US, as indicated by resilient growth and easing inflation, ongoing uncertainties stemming from geopolitical risk events remain a concern heading into 2024. These include elevated trade tensions with China, the ongoing Russia-Ukraine war, and conflicts in the Middle East, which are expected to amplify the significance of the run-up to the US presidential election in 2024.

Locally, we expect the economy to continue normalising driven by the resilient domestic demand. Household spending will continue to be supported by the strong labour market and steady employment and wage growth. 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.

Strategy

We view the latest pause in interest rates from the Fed, ECB and BoE as an endorsement of the end of their rate hike cycle. The global economy has so far be quite resilient but is expected to slowdown in the coming year with some market volatility stemming from emerging geopolitical risks and run-up towards the US elections.

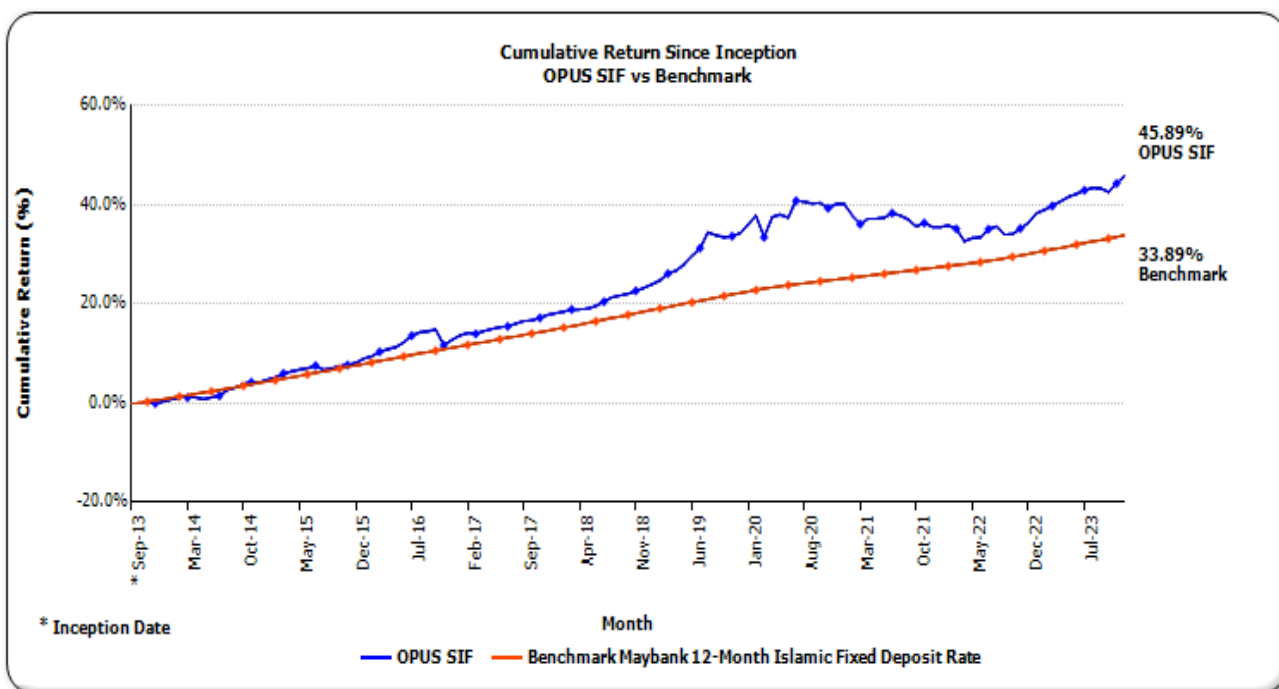
While we maintain our duration target of 3 – 6 years, we may take a more cautious approach, keeping duration closer to the lower band of our range, focusing on high quality corporate Sukuks. In view of the recent rally in the Malaysian Sukuk market, we will continue to monitor the market for any retracements in the GII yields, for good trade opportunities.

Performance: Outperformed benchmark by 12.00% since inception

As at 31 December 2023, the Fund was 66.54% invested while 33.46% was held in cash. The Fund's TWRR since inception was 45.89% compared to the benchmark of 33.89%, which is the accreted value since inception of the Maybank 12-Month Islamic Fixed Deposit Rate. Hence, the Fund outperformed the benchmark by 12.00%. For the calendar year-to-date period, TWRR for the fund was 6.91% against the benchmark TWRR of 2.85%. The Fund had a duration of 3.32 years. The average rating of the portfolio was AA1.

OPUS SHARIAH INCOME FUND

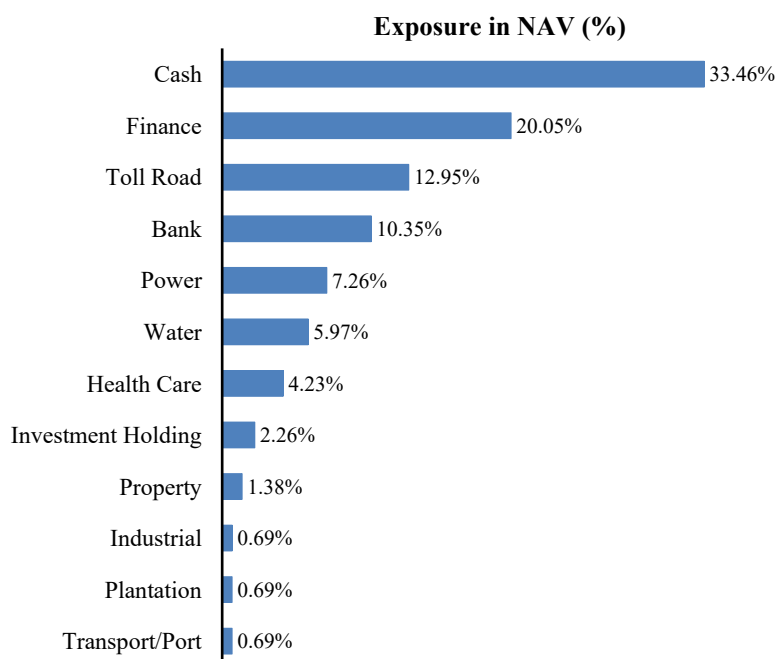
MANAGER'S REPORT - 2nd QUARTERLY REPORT FOR FINANCIAL YEAR ENDING 30 JUNE 2024



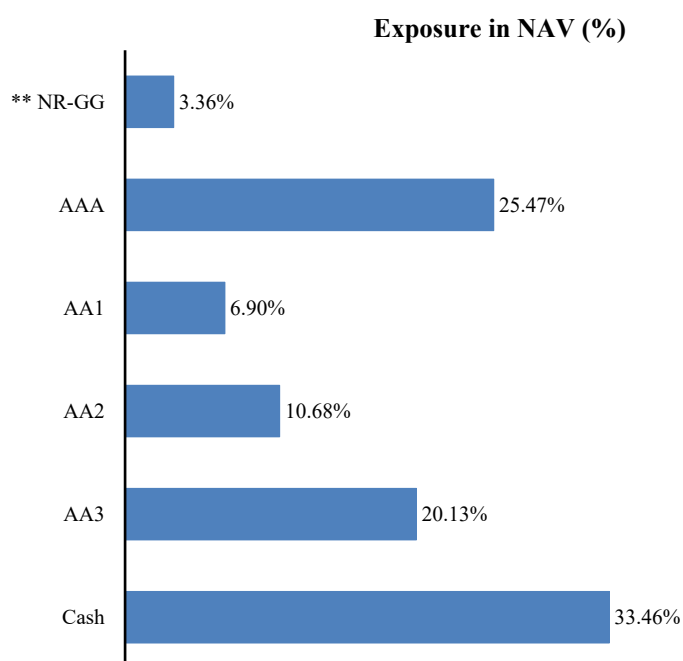
OPUS SHARIAH INCOME FUND

MANAGER'S REPORT - 2nd QUARTERLY REPORT FOR FINANCIAL YEAR ENDING 30 JUNE 2024

Distribution By Sector as at 31 December 2023



Distribution By Rating as at 31 December 2023



**** Non Rated–Government Guaranteed**

OPUS SHARIAH INCOME FUND

MANAGER'S REPORT - 2nd QUARTERLY REPORT FOR FINANCIAL YEAR ENDING 30 JUNE 2024

INFORMATION ON THE OPUS SHARIAH INCOME FUND (OPUS SIF or “the Fund”)

Benchmark : Maybank, 12-Month Islamic Fixed Deposit Rate

Investment Objective

The Fund aims to achieve higher returns than the benchmark over the medium to long term*, while preserving capital** and providing an opportunity for income.

Note:

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

*** OPUS SIF is neither a capital guaranteed fund nor a capital protected fund.*

Investment Strategy

The Fund’s investment maturity profile is subject to active maturity structure management based on the profit rate outlook without any portfolio maturity limitation.

This means, the Fund may invest in Sukuk, Islamic money market instruments, Islamic placement of deposits and other permitted investments with varying maturities such as 3 months, 6 months, 1 year, 3 years, 5 years, 10 years or more. The Fund will only invest in instruments denominated only in Ringgit Malaysia Sukuk.

OPUS SHARIAH INCOME FUND

MANAGER'S REPORT - 2nd QUARTERLY REPORT FOR FINANCIAL YEAR ENDING 30 JUNE 2024

OPUS SIF	31 December 2023	30 September 2023
Net Asset Value (RM)	73,973,860.56	50,747,499.64
Net Asset Value Per unit (RM)	1.0450	1.0380
Total Units in Circulation (units)	70,788,546.9931	48,889,321.5282
Selling / Repurchase price (RM)	1.0450	1.0380

OPUS SIF	1 July 2023 - 31 December 2023	1 July 2023 - 30 September 2023
Portfolio Turnover Ratio (PTR) for the financial year	0.12 times	0.11 times
Net distribution per unit for the financial year (RM)*	0.0210	0.0100
Daily Return Volatility for the financial year **	0.05%	0.03%

* Distributions were made on 24 July 2023, 23 August 2023, 25 September 2023, 24 October 2023, 22 November 2023 and 20 December 2023

** 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 Shariah Income Fund
(OPUS SIF)

VALUATION DATE : 31 DECEMBER 2023

Portfolio Appraisal

OPUS SIF

Valuation Date : 31 Dec 2023

Stock Name	Quantity	Port (%)	Clean Cost	Market Value + AP	Price Val (Clean)	Rating	Sector
Currency : MYR							
Cash & Cash Equivalent (MYR)							
Account Payable	-	(0.1)	(46,878)	(46,878)	-		
Account Receivable	-	-	-	-	-		
Cash At Bank	-	-	6	6	-		
Cash At Bank	-	0.1	38,876	38,876	-		
<u>Non Low Risk Asset (Islamic)</u>							
<u>STDI</u>							
CIMB Islamic Bank Berhad MYR STDI	-	18.2	13,483,254	13,486,579	-	/Cash	
Public Islamic Bank Berhad MYR STDI	-	15.2	11,268,760	11,271,492	-	/Cash	
STDI Total	-	33.5	24,752,014	24,758,071	-		
Non Low Risk Asset (Islamic) Total	-	33.5	24,752,014	24,758,071	-		
Total - Cash & Cash Equivalent	-	33.5	24,744,017	24,750,074	-		
Sukuk (MYR)							
<u>Low Risk Asset (Islamic)</u>							
<u>Straight Sukuk</u>							
SME Bank (GG) 3.30% 23.04.27	2,500,000	3.4	2,581,000	2,486,722	98.84	NR-M/NR-GG	Finance
Straight Sukuk Total	2,500,000	3.4	2,581,000	2,486,722	98.84		
Low Risk Asset (Islamic) Total	2,500,000	3.4	2,581,000	2,486,722	98.84		
<u>Non Low Risk Asset (Islamic)</u>							
<u>Straight Sukuk</u>							
Affin Islamic 4.75% 16.12.27	3,000,000	4.2	3,076,500	3,082,941	102.58	RAM/AA3	Bank
Air Selangor 4.220% 29.10.31	2,250,000	3.1	2,241,125	2,296,674	101.35	RAM/AAA	Water
Air Selangor SRI 4.730% 26.07.29	2,000,000	2.9	2,031,350	2,122,629	104.07	RAM/AAA	Water

Portfolio Appraisal

OPUS SIF

Valuation Date : 31 Dec 2023

Stock Name	Quantity	Port (%)	Clean Cost	Market Value + AP	Price Val (Clean)	Rating	Sector
Anih 5.70% 27.11.26	600,000	0.9	627,540	629,978	104.48	MARC/AA	Toll Road
Bank Pembangunan 3.25% 08.06.26	1,500,000	2.0	1,479,750	1,484,800	98.77	MARC/AAA	Finance
Batu Kawan 4.12% 09.02.29	500,000	0.7	500,000	510,199	100.40	RAM/AA1	Plantation
Danum Cap 3.42% 21.02.35	1,750,000	2.3	1,728,125	1,675,383	94.49	RAM/AAA	Investment Holding
DUKE3 5.44% 23.08.29	2,000,000	2.8	2,081,600	2,085,229	102.31	MARC/AA-	Toll Road
KESTURI 4.75% 02.12.26	1,000,000	1.4	1,018,830	1,013,794	101.02	MARC/AA-	Toll Road
KESTURI 4.75% 02.12.27	2,000,000	2.7	1,946,400	2,031,928	101.23	MARC/AA-	Toll Road
MEX II 5.20% 29.04.22	1,000,000	-	1,031,100	-	-	MARC/D	Toll Road
MMC Port 4.40% 08.04.27	500,000	0.7	492,350	509,923	100.97	MARC/AA-	Transport/Port
PLUS 4.72% 12.01.26	1,000,000	1.4	1,012,400	1,040,352	101.80	MARC/AAA	Toll Road
PLUS 5.75% 12.01.37	500,000	0.8	552,150	593,552	115.99	MARC/AAA	Toll Road
Point Zone 4.58% 07.03.29	1,000,000	1.4	1,000,000	1,039,796	102.52	MARC/AA-	Health Care
Point Zone 4.66% 05.03.32	2,000,000	2.8	1,910,200	2,092,040	103.12	MARC/AA-	Health Care
Press Metal 4.69% 07.12.27	500,000	0.7	501,550	514,046	102.49	RAM/AA2	Industrial
Sabah Credit Corp 3.91% 25.01.27	1,000,000	1.4	1,000,200	1,011,910	99.48	RAM/AA1	Finance
Sabah Credit Corp 4.85% 22.12.26	2,500,000	3.5	2,537,750	2,555,997	102.11	RAM/AA1	Finance
Sime Darby Property 4.14% 21.08.28	1,000,000	1.4	1,000,000	1,024,415	100.93	MARC/AA+	Property
Tenaga 4.67% 25.11.41	2,500,000	3.5	2,529,000	2,621,970	104.43	RAM/AAA	Power
TNB Power (SRI) 4.58% 29.03.33	1,000,000	1.4	1,033,200	1,059,005	104.72	MARC/AAA	Power
TNB Power (SRI) 5.20% 02.06.42	1,500,000	2.3	1,633,050	1,691,174	112.35	MARC/AAA	Power
Zamarad TR1 5.00% 27.03.26	2,000,000	2.8	2,026,600	2,073,861	102.38	RAM/AAA	Finance
Straight Sukuk Total	34,600,000	47.0	34,990,770	34,761,595	99.52		
<u>Variable / Callable Sukuk</u>							
ALR 5.32% 13.10.34 (FC 13.10.33)	2,000,000	3.0	2,031,600	2,184,081	108.04	MARC/AAA	Toll Road
CIMB GH Bhd T-2 SRI 4.40% 08.09.32 (FC 08.09.27)	1,500,000	2.1	1,500,000	1,538,510	101.18	RAM/AA2	Bank



OPUS ASSET MANAGEMENT SDN BHD 199601042272 (414625-T)

B-19-2, NORTHPOINT OFFICES, MID VALLEY CITY, NO 1, MEDAN SYED PUTRA UTARA,
59200 KUALA LUMPUR, MALAYSIA

General Line : 603-2288 8882
Client Services Tel : 603-2288 8833
Fax : 603-2288 8889

Client Services Email : clientservices@opusasset.com
Company Website : <https://www.opusasset.com/>

Portfolio Appraisal

OPUS SIF

Valuation Date : 31 Dec 2023

Stock Name	Quantity	Port (%)	Clean Cost	Market Value + AP	Price Val (Clean)	Rating	Sector
Maybank B3 AT1 4.08% Perp (FC 25.09.24)	3,000,000	4.1	3,082,200	3,034,244	100.05	RAM/AA3	Bank
Zamarad TR8 5.72% 23.05.31 (EM 23.11.29)	2,500,000	3.6	2,500,000	2,637,937	104.97	RAM/AA2	Finance
Zamarad TR9 5.30% 10.02.32 (EM 09.08.30)	2,500,000	3.5	2,500,000	2,580,699	101.14	RAM/AA2	Finance
Variable / Callable Sukuk Total	11,500,000	16.2	11,613,800	11,975,470	102.89		
Non Low Risk Asset (Islamic) Total	46,100,000	63.2	46,604,570	46,737,065	100.36		
Total - Sukuk	48,600,000	66.5	49,185,570	49,223,786	100.28		
Total Investment in MYR	48,600,000	100.0	73,929,587	73,973,861	100.28		
Portfolio Total (MYR)		100.0	73,929,587	73,973,861	100.28		

Statement of Financial Position As At 31 Dec 2023

	<u>31-Dec-2023</u>	<u>30-Sep-2023</u>
	<u>MYR</u>	<u>MYR</u>
Assets		
Current Assets		
Islamic Deposits with Financial Institutions	24,752,013.73	2,462,256.40
Cash at Bank	38,881.46	30,826.90
Profit Receivable from Islamic Deposits	6,056.93	404.75
Profit Receivable from Sukuk	485,770.43	509,726.45
Trade Receivable	-	-
Other Receivable	-	-
Sub Total for Current Assets	<u>25,282,722.55</u>	<u>3,003,214.50</u>
Investment		
Government Investment Issues	-	-
Corporate Sukuk	48,738,016.00	47,787,953.50
Islamic Short Term Commercial Papers	-	-
Sub Total for Investment	<u>48,738,016.00</u>	<u>47,787,953.50</u>
Total Assets	<u>74,020,738.55</u>	<u>50,791,168.00</u>
Liabilities		
Current Liabilities		
Accrued Management Fees	(37,828.85)	(33,688.53)
Accrued Trustee Fees	(2,364.30)	(2,105.55)
Accrued Audit Fees	(1,810.46)	(905.18)
Other Accrued Fees	(4,874.38)	(6,969.10)
Accrued GST	-	-
Trade Payable	-	-
Other Creditors	-	-
Sub Total for Current Liabilities	<u>(46,877.99)</u>	<u>(43,668.36)</u>
Total Liabilities	<u>(46,877.99)</u>	<u>(43,668.36)</u>
Total Portfolio Value	<u>73,973,860.56</u>	<u>50,747,499.64</u>
Fund Capital		
Equity		
Capital	73,826,326.97	50,957,355.82
Retained Profit / (Loss)	10,721,561.99	10,721,561.99
Profit / (Loss) this year	1,362,124.42	464,685.97
Total Distribution	(11,936,152.82)	(11,396,104.14)
Sub Total for Equity	<u>73,973,860.56</u>	<u>50,747,499.64</u>
Total Fund Capital	<u>73,973,860.56</u>	<u>50,747,499.64</u>

Statement of Comprehensive Income for financial period from 1 Oct 2023 to 31 Dec 2023

	<u>01-Oct-2023</u> <u>to 31-Dec-2023</u>	<u>01-Oct-2022</u> <u>31-Dec-2022</u>
	<u>MYR</u>	<u>MYR</u>
Profit Income		
Investment Profit Income		
Profit Income from Sukuk	550,967.94	498,815.93
Profit Income from Islamic Deposits	28,414.81	26,560.89
Realised Gain / (Loss) on Sales Investments	-	(482,150.00)
Unrealised Gain / (Loss) on Holdings	433,812.50	880,917.00
Sub Total For Investment Profit Income	<u>1,013,195.25</u>	<u>924,143.82</u>
Total Profit Income	<u>1,013,195.25</u>	<u>924,143.82</u>
Expenses		
Management Fees	(105,318.66)	(95,328.28)
Trustee Fees	(6,582.38)	(5,957.97)
Other Expenses	(3,845.56)	(1,997.69)
Bank Charges	(10.20)	(103.30)
GST Charges	-	-
Total Expenses	<u>(115,756.80)</u>	<u>(103,387.24)</u>
Net Total Profit/ (Loss)	<u>897,438.45</u>	<u>820,756.58</u>



OPUS ASSET MANAGEMENT SDN BHD 199601042272 (414625-T)

B-19-2, NORTHPOINT OFFICES, MID VALLEY CITY, NO 1, MEDAN SYED PUTRA UTARA,
59200 KUALA LUMPUR, MALAYSIA

General Line : 603-2288 8882
Client Services Tel : 603-2288 8833
Fax : 603-2288 8889

Client Services Email : clientservices@opusasset.com
Company Website : <https://www.opusasset.com/>

OPUS SIF

Purchases From 1 Oct 2023 To 31 Dec 2023

Trade Date	Settle Date	Security Code	Security Description	Currency	Quantity	Clean Price	YTM Cost (%)	Clean Cost (A)	Accrued Profit (B)	Total Cost (A) + (B)	Broker	*Trade Type
23/Nov/2023	27/Nov/2023	VK220258	Air Selangor SRI 4.730% 26.07.29	MYR	500,000.00	103.25	4.0800	516,250.00	8,034.52	524,284.52	RHB Investment Bank Berhad	0
				MYR	<u>500,000.00</u>			<u>516,250.00</u>	<u>8,034.52</u>	<u>524,284.52</u>		

Note

*** Trade Type:**

- 0 - Normal Trade
- 1 - Cross Trade
- 2 - Transfer In



OPUS ASSET MANAGEMENT SDN BHD 199601042272 (414625-T)

B-19-2, NORTHPOINT OFFICES, MID VALLEY CITY, NO 1, MEDAN SYED PUTRA UTARA,
59200 KUALA LUMPUR, MALAYSIA

General Line : 603-2288 8882
Client Services Tel : 603-2288 8833
Fax : 603-2288 8889

Client Services Email : clientservices@opusasset.com
Company Website : <https://www.opusasset.com/>

OPUS SIF

Sales And Realised Gains / (Losses) From 1 Oct 2023 To 31 Dec 2023

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

Note

*** Trade Type:**

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