



**Opus USD Fixed Income Fund
(OPUS USD FIF)**

ANNUAL REPORT 2024

FOR FINANCIAL YEAR ENDED

30 SEPTEMBER 2024

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Market Review, Outlook and Strategy**Market Review**

Against the backdrop of moderating growth, easing inflation and cooling labour market, we saw major central banks in Sept'24 continue to ease their key policy rates, with the Bank of Japan being the exception, having increased its overnight call rate by 25bps at the end of Jul'24. The highlight during the month was the start of the US rate cut cycle, as the Federal Reserve (Fed) cut interest rate by 50 basis points (bps) in Sep'24 to a range of 4.75% - 5.00%, marking the first cut in over four years. This move was widely anticipated, with markets pricing in a 60% chance of a 50-basis-point cut prior to the meeting. Similarly, the European Central Bank (ECB) cut its deposit rate for the second time this year to address slowing growth and declining wages, while the Bank of England (BoE) held its key policy rate steady, following its decision to "move gradually" after an earlier rate cut in Aug'24.

The Fed's decision to cut rates by 50 bps was driven by a cooling labour market, as the central bank shifted its focus from containing inflation to addressing employment concerns. Non-farm payrolls came in weaker than expected for the quarter, while with layoffs from major corporations such as Paramount Global, Cisco, General Motors, and Intel posing upward risks to the unemployment rate (Aug'24: 4.2%). In response, the Fed signalled another two more 25-bps cuts for the remainder of 2024, which would bring a total of 100-bps reduction in 2024. Meanwhile, the Fed's preferred inflation gauge, the personal consumption expenditure (PCE) index, fell to 2.2% year-on-year (YoY) in Aug'24, edging closer to the central bank's 2% target. US Treasuries rallied in the quarter, leading to a 44 to 111bps drop in yields across the curve, with the decline more pronounced on the shorter end.

In the Eurozone, the ECB cut rates by another 25 bps to combat slowing economic growth, as inflation moved closer to the central bank's target. Headline inflation dropped to 2.2%, and core inflation to 2.8%, in Aug'24. However, manufacturing and services Purchasing Managers' Index (PMI) surveys pointed to further weakness in the sector, driven by declining new orders which led to manufacturers reducing their employment levels. Euro zone negotiated wage growth also slowed in 2Q2024, further strengthening the ECB's case to implement rate cuts.

In China, latest key economic data for third quarter of 2024 continued to disappoint, pointing to a broader economic slowdown as officials grew increasingly concern of missing the 5% official growth target. In response, the People's Bank of China (PBoC) announced several stimulus measures, including cuts to both the 7-day reverse repo rate and banks' reserve requirement ratio (RRR). Additional measures to support the property and equity markets included lowering the minimum down payment for second homes, a CNY300 billion re-lending program to help state-owned enterprises purchase unsold homes, reduced interest rates on existing mortgages, and providing CNY500 billion in liquidity to securities firms, funds, and insurance companies for purchasing stocks. While these moves lifted market sentiment, scepticism remains about their lasting impact on China's growth and the property market.

Back home, Bank Negara Malaysia (BNM) stayed the course in September's Monetary Policy Committee (MPC) meeting, deciding to hold the Overnight Policy Rate (OPR) steady at the 3.00% level. This decision reflects the country's strong economic fundamentals, including a stable unemployment rate, recovering external trade, and subdued inflation numbers. These factors,

alongside new government initiatives, are expected to support economic growth moving forward. Additionally, the Malaysian ringgit appreciated by 12.0% during the quarter, as USDMYR moved from 4.72 as end of June and closed at 4.12 towards the end of the third quarter. This was largely driven by the broad weakening of the dollar in view of the impending rate cuts in 2024, narrowing yield differentials between the UST and MGS, as well as strong foreign inflow into the Malaysian bond markets (3Q24: RM17.6 billion; YTD: RM18.5 billion).

Market Outlook

As inflationary pressures ease amid a decelerating global economy and softening labour market, central banks worldwide are expected to maintain a dovish stance, with the trend of interest rate cuts in the third quarter likely continuing. Hence, we expect another 50bps cut from the Fed for the remainder of the year. Nonetheless, we note that monetary policy decisions would remain data dependent given ongoing economic uncertainty and market volatility. Key factors to monitor in the fourth quarter include the potential inflationary impact of rising oil prices stemming from Middle East conflicts and the outcome of the upcoming U.S. election.

Strategy

Against the backdrop of moderating growth, easing inflation and cooling labour market, we saw major central banks in Sept'24 continue to ease their key policy rates. The highlight during the month was the start of the US rate cut cycle, as the Federal Reserve (Fed) cut interest rate by 50 basis points (bps) to a range of 4.75% - 5.00%, marking the first cut in over four years. This move was widely anticipated, with markets pricing in a 60% chance of a 50 basis-point cut prior to the meeting. Similarly, the European Central Bank (ECB) cut its deposit rate for the second time this year to address slowing growth and declining wages, while the Bank of England (BoE) held its key policy rate steady, following its decision to "move gradually" after an earlier rate cut in Aug'24. We still think that the safe-haven status of USD will be a good hedge against tail risks arising from geopolitics and the run-up to the US election.

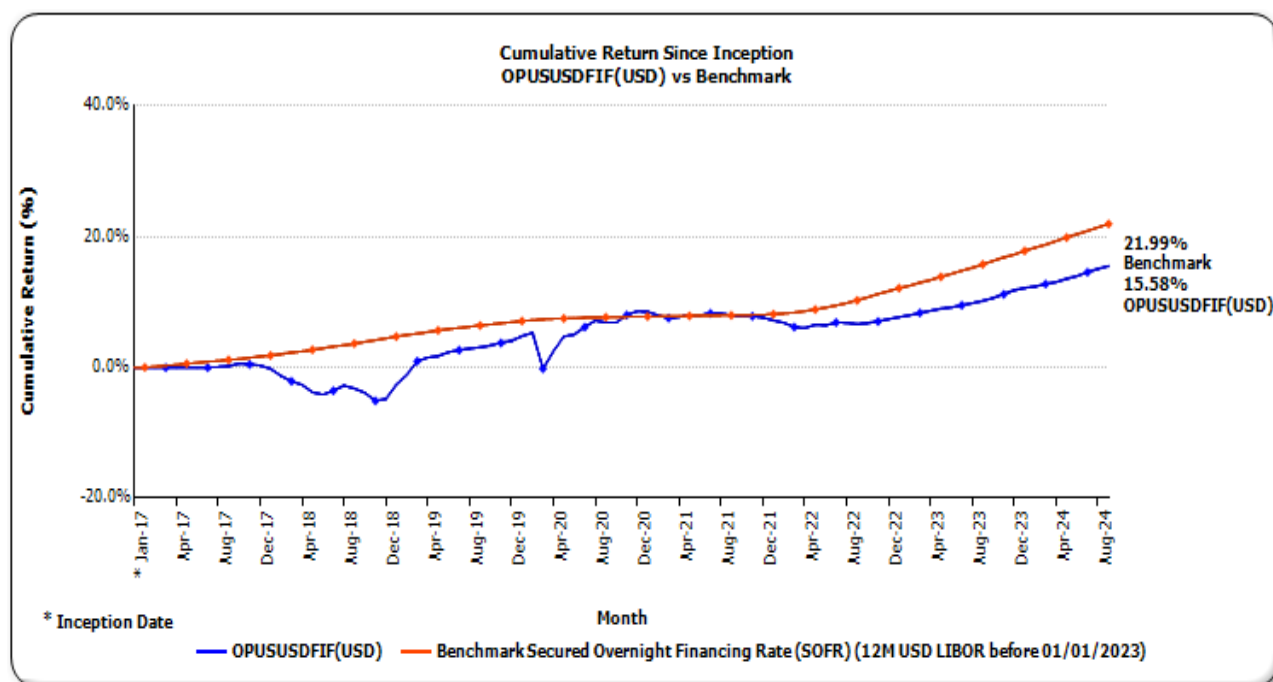
OPUS USD FIXED INCOME FUND

MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

Performance (USD Class): Underperformed benchmark by 5.35% since *27 July 2017

As at 30 September 2024, the Fund was 43.77% invested while 56.23% was held in cash. The Fund's TWRR since inception was 15.58% compared to the benchmark of 20.93%, which is the accreted value since 27 Jul 2017 of the Secured Overnight Financing Rate (SOFR) (12M USD LIBOR before 01/01/2023). Hence, the Fund underperformed the benchmark by 6.41%. For the calendar year-to-date period, TWRR for the fund was 3.38% against the benchmark TWRR of 3.98%. The Fund had a duration of 0.34 years.

*27 July 2017 – Date when the fund was able to invest.

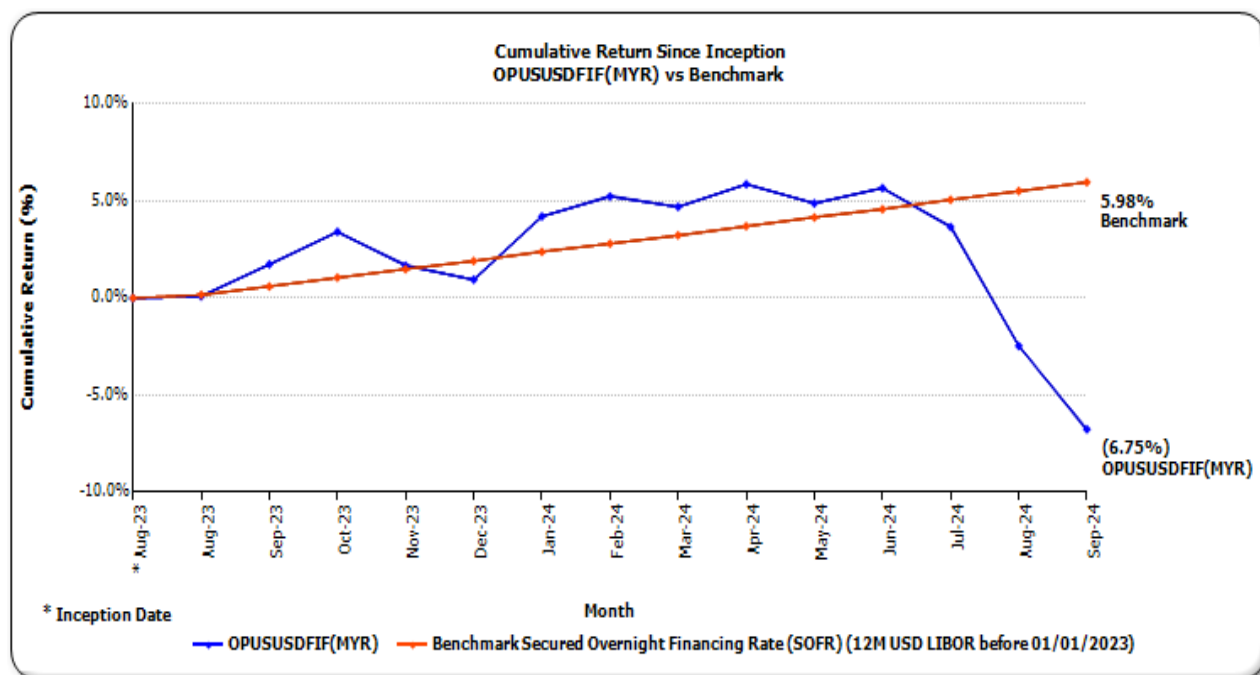


OPUS USD FIXED INCOME FUND

MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

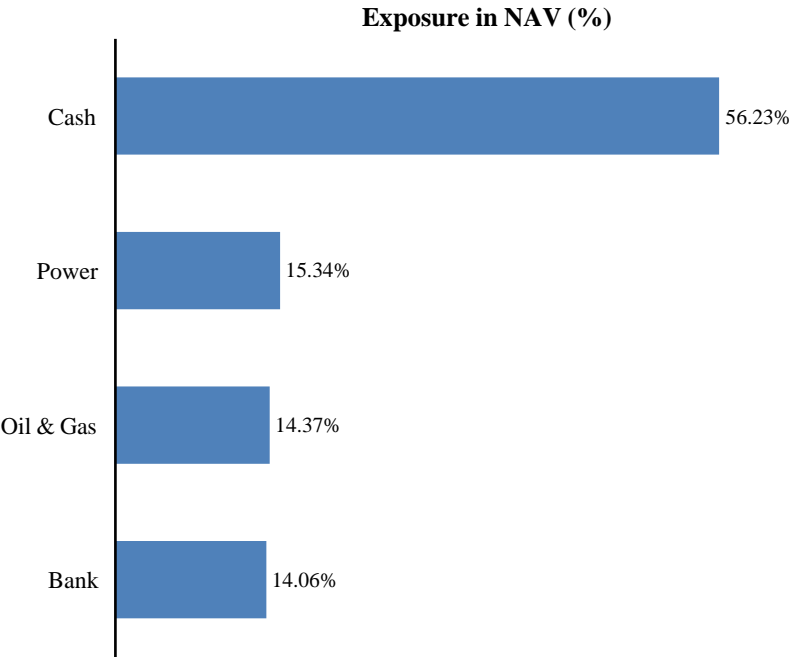
Performance (MYR Class): Underperformed benchmark by 12.73% since inception

As at 30 September 2024, the Fund was 43.77% invested while 56.23% was held in cash. The Fund's TWRR since inception was -6.75% compared to the benchmark of 5.98%, which is the accreted value since 27 Jul 2017 of the Secured Overnight Financing Rate (SOFR) (12M USD LIBOR before 01/01/2023). Hence, the Fund underperformed the benchmark by 12.73%. For the calendar year-to-date period, TWRR for the fund was -7.64% against the benchmark TWRR of 3.98%. The Fund had a duration of 0.34 years.

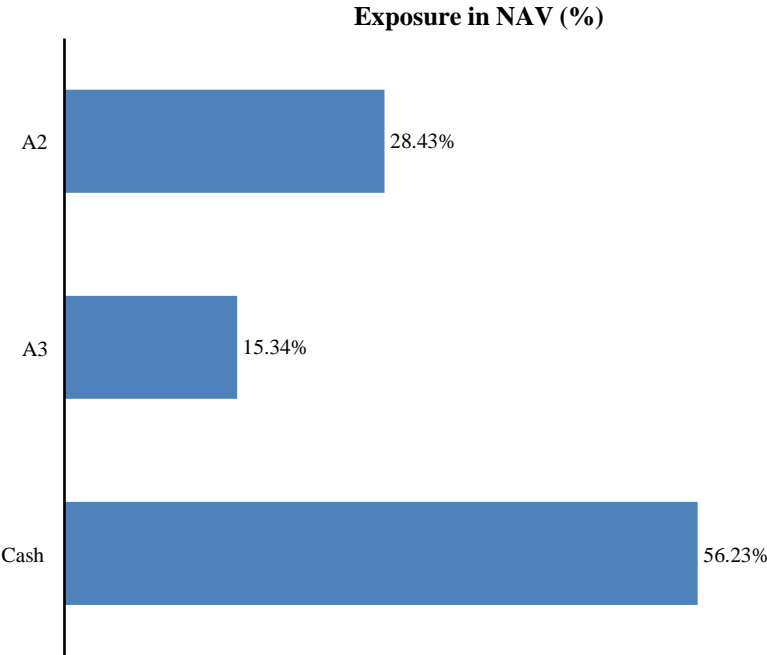


OPUS USD FIXED INCOME FUND
MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

Distribution By Sector as at 30 September 2024



Distribution By Rating as at 30 September 2024



OPUS USD FIXED INCOME FUND

MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

INFORMATION ON THE OPUS USD FIXED INCOME FUND (OPUS USD FIF or “the Fund”)

Fund Name : Opus USD Fixed Income Fund

Category : Fixed Income

Type : Income

Fund's Launch Date : 10 October 2016 (USD Class), 1 August 2023 (MYR Class)

Financial Year End : 30 September

Benchmark : Secured Overnight Financing Rate (SOFR)

Note: The Fund and the benchmark have differing risk profiles where the Fund will assume higher risks.

Investment Objective

The Fund aims to achieve higher returns compared to the benchmark over a medium to long-term* period from investments in a diversified portfolio of USD-denominated fixed income securities.

**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 USD-denominated bonds and liquid assets. Its bond investments 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 USD-denominated fixed income securities where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commission (IOSCO).

The key 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

OPUS USD FIXED INCOME FUND

MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

- Switzerland
- France
- Germany
- Australia
- Malaysia

Distribution Policy

Subject to the availability of income, the Fund aims to distribute income at least once a year. The Fund may distribute from realised income, realised gains and/or capital. However, the Manager reserves the right not to distribute at its absolute discretion. For avoidance of doubt, the Fund will not distribute out of the unrealised income and/or unrealised gains.

OPUS USD FIXED INCOME FUND

MANAGER'S REPORT - FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

USD Class

OPUS USD FIF	30 September 2024	30 September 2023
Net Asset Value (USD)	1,138,601.74	1,069,830.78
Net Asset Value Per unit (USD)	0.9821	0.9625
Total Units in Circulation (units)	1,159,410.0395	1,111,554.0609
Selling / Repurchase price (USD)	0.9821	0.9625

OPUS USD FIF	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Portfolio Turnover Ratio (PTR) for the financial year	0.17 times	0.09 times
Net distribution per unit for the financial year (USD)*	0.0265	0.0420
Daily Return Volatility for the financial year **	0.03%	0.02%

* Distributions were made on 20 December 2023, 25 March 2024, 25 June 2024 and 25 September 2024.

** measured by standard deviation of daily returns.

MYR Class

OPUS USD FIF	30 September 2024	30 September 2023
Net Asset Value (USD)	591,520.72	21,652.77
Net Asset Value Per unit (MYR)	0.9296	1.0163
Total Units in Circulation (units)	2,613,257.4208	100,060.0721
Selling / Repurchase price (MYR)	0.9296	1.0163

OPUS USD FIF	1 October 2023 - 30 September 2024	18 August 2023 - 30 September 2023
Portfolio Turnover Ratio (PTR) for the financial year	0.17 times	0.09 times
Net distribution per unit for the financial year (USD)*	0.0004	-
Daily Return Volatility for the financial year **	0.33%	0.01%

* Distributions were made on 25 June 2024.

** measured by standard deviation of daily returns.

Other Information

There is no change in key investment team and delegates.

OPUS USD FIXED INCOME FUND

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 15 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 30 September 2024 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
26 November 2024

**TRUSTEE'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024
TO THE UNITHOLDERS OF OPUS USD FIXED INCOME FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 September 2024 and we hereby confirm 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 year covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the management company under the deeds, securities laws and the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework;
- (b) Valuation and pricing is carried out in accordance with the deeds; and
- (c) Any creation and cancellation of units are carried out in accordance with the deeds and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Maybank Trustees Berhad
(Company No. : 196301000109 (5004-P))

NORHAZLIANA BINTI MOHAMMED HASHIM
Head, Unit Trust & Corporate Operations

Kuala Lumpur, Malaysia
26 November 2024

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF OPUS USD FIXED INCOME FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Opus USD Fixed Income Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 September 2024, 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.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 15 to 50.

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.

*PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
OPUS USD FIXED INCOME FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the 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.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
OPUS USD FIXED INCOME FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) 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.

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF
OPUS USD FIXED INCOME FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (e) 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.

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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
26 November 2024

OPUS USD FIXED INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	<u>Note</u>	<u>2024</u> <u>USD</u>	<u>2023</u> <u>USD</u>
ASSETS			
Cash and cash equivalents	5	977,541	653,222
Financial assets at fair value through profit or loss (“FVTPL”)	4	757,327	441,883
Tax recoverable		372	298
TOTAL ASSETS		1,735,240	1,095,403
LIABILITIES			
Amount due to Manager		1,132	716
Amount due to Trustee		64	40
Other payables and accruals	6	3,922	3,163
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		5,118	3,919
NET ASSET VALUE OF THE FUND		1,730,122	1,091,484
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS*		1,730,122	1,091,484
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS			
- Class USD		1,138,602	1,069,831
- Class MYR		591,521	21,653
		1,730,122	1,091,484

OPUS USD FIXED INCOME FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024 (CONTINUED)

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
UNITS IN CIRCULATION (UNITS)			
- Class USD	7	1,159,410	1,111,554
- Class MYR	7	2,613,257	100,060
		<u>3,772,667</u>	<u>1,211,614</u>
NET ASSET VALUE PER UNIT			
- Class USD		0.9821	0.9625
- Class MYR		<u>0.2264</u>	<u>0.2164</u>

* Net assets attributable to unitholders are classified as financial liabilities as at 30 September 2024 as disclosed in Note I of the Summary of significant accounting policies.

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

OPUS USD FIXED INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
INVESTMENT INCOME			
Interest income from unquoted fixed income securities		31,689	7,092
Interest income from deposits with licensed financial institutions		41,717	42,210
Net gain on financial assets at FVTPL	4	10,553	8,388
Net loss on foreign currency translations		(1,989)	(59)
		<u>81,970</u>	<u>57,631</u>
EXPENSES			
Management fee	8	(11,564)	(10,543)
Trustee's fee	9	(650)	(593)
Audit fee		(1,528)	(1,626)
Tax agent's fee		(752)	(872)
Other expenses		(220)	(339)
		<u>(14,714)</u>	<u>(13,973)</u>
PROFIT BEFORE FINANCE COST AND TAXATION		67,256	43,658
FINANCE COST (DISTRIBUTIONS)	11		
- Class USD		(30,249)	(7,725)
- Class MYR		(686)	-
		<u></u>	<u></u>
PROFIT BEFORE TAXATION		36,321	35,933
TAXATION	10	<u>-</u>	<u>-</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>36,321</u>	<u>35,933</u>
Increase in net assets attributable to unitholders is made up of the following:			
Realised amount		25,768	27,545
Unrealised amount		10,553	8,388
		<u>36,321</u>	<u>35,933</u>

OPUS USD FIXED INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
Distributions during the financial year			
- Class USD	11	30,249	59,645
- Class MYR	11	<u>686</u>	<u>-</u>
Gross distribution per unit (Cent)			
- Class USD	11	2.65	4.20
- Class MYR	11	<u>0.04</u>	<u>-</u>
Net distribution per unit (Cent)			
- Class USD	11	2.65	4.20
- Class MYR	11	<u>0.04</u>	<u>-</u>

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

OPUS USD FIXED INCOME FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	<u>2024</u> USD	<u>2023</u> USD
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	1,091,484	769,949
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
- Class USD	987,819	1,315,615
- Class MYR	555,164	21,551
	<u>1,542,983</u>	<u>1,337,166</u>
Creation of units from distributions		
- Class USD	30,249	59,645
- Class MYR	686	-
	<u>30,935</u>	<u>59,645</u>
Cancellation of units		
- Class USD	(971,601)	(1,059,289)
- Class MYR	-	-
	<u>(971,601)</u>	<u>(1,059,289)</u>
Distributions (before split) (Note 11)	-	(51,920)
Increase in net assets attributable to unitholders during the financial year	36,321	35,933
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>1,730,122</u></u>	<u><u>1,091,484</u></u>

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

OPUS USD FIXED INCOME FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024**

	<u>2024</u> USD	<u>2023</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	-	-
Proceeds from redemption of unquoted fixed income securities	198,085	225,000
Purchase of investments	(497,383)	(244,860)
Interest income received from unquoted fixed income securities	26,096	15,608
Interest income received from deposits with licensed financial institution	41,717	42,210
Management fee paid	(11,148)	(10,314)
Trustee's fee paid	(626)	(580)
Payment for other fees and expenses	(3,730)	(2,896)
Tax payment	(74)	(466)
Net cash (used in)/generated from operating activities	<u>(247,063)</u>	<u>23,702</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	1,542,983	1,337,166
Payments for cancellation of units	<u>(971,601)</u>	<u>(1,059,289)</u>
Net cash generated from financing activities	<u>571,382</u>	<u>277,877</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	324,319	301,579
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	653,222	351,643
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u><u>977,541</u></u>	<u><u>653,222</u></u>
Cash and cash equivalents comprise:		
Deposit with a licensed financial institution	965,819	639,102
Bank balances	<u>11,722</u>	<u>14,120</u>
	<u><u>977,541</u></u>	<u><u>653,222</u></u>

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

OPUS USD FIXED INCOME FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

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 have been prepared under the historical cost convention, except as disclosed in the summary of material accounting policies, and comply with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

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 year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment 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 on complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note K.

(a) Standards, amendments to published standards and interpretations that are effective:

- Amendments to MFRS 101 and MFRS Practice Statement 2 'Disclosure of Accounting Policies'.
- Amendments to MFRS 108 'Definition of Accounting Estimates'.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

OPUS USD FIXED INCOME FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

A Basis of preparation of the financial statements (continued)

(b) Standards and amendments that have been issued but not yet effective:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2024) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

B Income recognition

Interest income from deposits with licensed financial institutions and unquoted fixed income securities are recognised based on effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gain and loss on sale of unquoted fixed income securities is measured by the difference between the net disposal proceeds and the carrying amounts of investment, determined on cost adjusted for accretion of discount or amortisation of premium.

OPUS USD FIXED INCOME FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

C Finance cost/Distributions

Distributions are at the discretion of the Fund. During the period in which the Fund is structured as a single-class fund, a distribution to the Fund's unitholders is accounted for as a deduction from realised reserve. Subsequently, when the Fund has been restructured as a multi-class fund, a distribution to the Fund's unitholders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Trustee.

D Taxation

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year.

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 United States Dollar ("USD"), which is the Fund's presentation and functional currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represent the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- (i) Significant portion of the net asset value is invested in the form of investments denominated in USD.
- (ii) Significant portion of the Fund's expenses are denominated in USD.
- (iii) All of the cash is denominated in USD for the purpose of making settlement of foreign trades.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

OPUS USD FIXED INCOME FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

F Financial assets

Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The Fund classifies its investments based on both Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

Recognition and measurement

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.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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 year in which they arise.

OPUS USD FIXED INCOME FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

F Financial assets (continued)

Recognition and measurement (continued)

The unquoted fixed income securities denominated in foreign currencies will be valued in the following:

- (i) at least weekly by reference to the average indicative yield quoted by at least one independent financial institution selected by the Manager; or
- (ii) the value determined by reference to the value of such unquoted fixed income securities quoted by Bloomberg; or
- (iii) the fair value as determined in good faith by the Manager, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

Deposits with a licensed financial institution is stated at cost plus accrued interest calculated on the effective interest rate method over the period from the date of placement to the date of maturity of the respective deposits, which is a reasonable estimate of fair value due to the short-term nature of the deposits.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest rate method.

Impairment of financial assets

The Fund measures credit risk and expected credit losses using probability of default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected and lifetime credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

OPUS USD FIXED INCOME FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

F Financial assets (continued)

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

G Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classified amount due to Manager, amount due to Trustee, and other payables and accruals as financial liabilities measured at amortised cost.

A financial liability is de-recognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

H Cash and cash equivalents

Cash and cash equivalents consist of bank balances and deposit with a licensed financial institution which are readily convertible to known amount of cash, are subjected to insignificant risk of changes in value with original maturities of 3 months or less, and are used by the Fund in the management of its short-term commitments.

OPUS USD FIXED INCOME FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

I Creation and cancellation of units

During the period in which the Fund was structured as a single-class fund, the unitholders' contributions to the Fund meet the criteria of definition of puttable instruments classified as equity under MFRS 132 'Financial Instruments: Presentation'. Those criteria include:

- the units entitle the unitholder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The criteria above were not met upon the Fund's restructure to a multi-class fund on 1 August 2023, whereby the Fund had issued cancellable units in two classes of units, namely Class USD and Class MYR.

The two classes of units, which may be cancelled at the unitholders' option, do not have identical features subject to restrictions as stipulated in the Information Memorandum and the Securities Commission Malaysia's ("SC") Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. Consequently, the units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at each financial year if unitholder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit of respective classes at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

J Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. 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. The information presented herein represents the estimates of fair values as at the date of the statement of financial position.

OPUS USD FIXED INCOME FUND

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

K Critical accounting estimates and judgements in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates of fair value of unquoted fixed income securities

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

As at 30 September 2024, the unquoted fixed income securities denominated in foreign currencies are valued based on daily value by reference to the Bloomberg Generic Composite Rate ("BGN") average of the bid and offer Bloomberg Valuation Price ("BVAL"). Where BGN prices are not available on a valuation day, the unquoted fixed income securities will be valued at least weekly by reference to the average indicative price quoted by at least one independent financial institution in the over-the-counter market selected by the Manager.

However, when the Manager, after taking all reasonable efforts, is unable to obtain quotations from any BGN price or quotations from an independent financial institution due to circumstances such as extreme market conditions, such unquoted fixed income securities (denominated in foreign currencies) will be valued based on fair value determined in good faith by the Manager, or alternative methods or bases to be decided by the Manager at its sole discretion, which has been verified by the auditors and approved by the Trustee provided that the Manager records its basis for using the alternative method and keeps an audit trail of all decisions and bases for adopting the alternative method. Any alternative method shall be consistently applied unless advised otherwise by the auditors of the Fund and the Trustee.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

1 INFORMATION ON THE FUND

OPUS USD FIXED INCOME FUND (hereinafter referred to as ‘the Fund’) was constituted pursuant to the execution of a Deed dated 22 March 2016 as amended by a First Supplemental Deed dated 12 April 2016 and a Second Supplemental Deed dated 13 April 2016 between Opus Asset Management Sdn. Bhd. as the Manager and Maybank Trustees Berhad as the Trustee. The Fund was launched on 10 October 2016 and will continue to be in operation until determined otherwise by the Manager or the Trustee as provided under the Deed.

Pursuant to the fourth supplemental information memorandum dated 1 August 2023, the Fund was restructured from a single-class fund to a multi-class fund, with the issuance of two classes of units, namely Class USD and Class MYR.

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

The objective of the Fund is to achieve higher returns compared to the benchmark over a medium to long term period from investments in a diversified portfolio of USD-denominated fixed income securities.

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 26 November 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, interest rate risk and currency risk), credit risk, liquidity risk, non-compliance risk and capital risk.

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 Information Memorandum.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments of the Fund are as follows:

	Financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	<u>Total</u> USD
<u>2024</u>			
Cash and cash equivalents	-	977,541	977,541
Unquoted fixed income securities	757,327	-	757,327
	<u>757,327</u>	<u>977,541</u>	<u>1,734,868</u>
<u>2023</u>			
Cash and cash equivalents	-	653,222	653,222
Unquoted fixed income securities	441,883	-	441,883
	<u>441,883</u>	<u>653,222</u>	<u>1,095,105</u>

All liabilities of the Fund are financial liabilities at amortised cost.

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>2024</u> USD	<u>2023</u> USD
Financial assets at fair value through profit or loss	748,931	440,688
Interest receivables	8,396	1,195
	<u>757,327</u>	<u>441,883</u>

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (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.

	Change in price of investments	Market value	Impact on profit after tax and net asset value
	%	USD	USD
<u>2024</u>	-5	711,484	(37,447)
	0	748,931	-
	+5	786,378	37,447
		<hr/> <hr/>	<hr/> <hr/>
<u>2023</u>	-5	418,654	(22,034)
	0	440,688	-
	+5	462,722	22,034
		<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 security 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 USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (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>	Impact on profit after tax/ net asset value	
	<u>2024</u> USD	<u>2023</u> USD
+1%	(289)	(214)
-1%	289	263

Currency risk

Foreign currency risk is the risk that the value of each financial instruments will fluctuate due to changes in foreign exchange rates. The Fund is denominated in USD, as such foreign currency-denominated balances and investors who invested in Class MYR will be subject to currency risk. As a result, foreign currency risk may have a significant impact on the returns of the Fund.

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

	Other payables and accruals USD	Net assets attributable to unitholders USD	Total USD
<u>2024</u>			
Ringgit Malaysia ("MYR")	(3,922)	(591,521)	(595,443)
<u>2023</u>			
MYR	(3,163)	(21,653)	(24,816)

The table below summarises the sensitivity of the Fund's profit/(loss) before tax and NAV to changes in foreign exchange movements as at 30 September 2024. The analysis is based on the assumption that the foreign exchange rate changes by 5% (2023: 5%) of MYR against USD with all other variables held constant. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (Continued)

	Increase/(Decrease) in profit/(loss) before tax/NAV	
	+5%	-5%
	USD	USD
<u>2024</u>		
MYR	<u>(29,772)</u>	<u>29,772</u>
<u>2023</u>		
MYR	<u>(1,241)</u>	<u>1,241</u>

Credit risk

This refers to the likelihood that the company issuing the bonds and/or financial institution where liquid assets of the Fund are deposited may default. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer and/or financial institution. This risk refers to the possibility that the issuer of an instrument and/or financial institution will not be able to make timely payments of interest or principal repayment on the maturity date, where applicable. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

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

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

	Unquoted fixed income securities USD	Cash and cash equivalents USD	<u>Total</u> USD
<u>2024</u>			
AAA	-	977,541	977,541
A2	491,898	-	491,898
A-	265,429	-	265,429
	<u>757,327</u>	<u>977,541</u>	<u>1,734,868</u>
<u>2023</u>			
AAA	-	653,222	653,222
A2	242,566	-	242,566
A3	199,317	-	199,317
	<u>441,883</u>	<u>653,222</u>	<u>1,095,105</u>

The financial assets of the Fund are neither past due nor impaired.

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. Wholesale funds 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.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period 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 USD	Between 1 month to 1 year USD	<u>Total</u> USD
<u>2024</u>			
Amount due to Manager	1,132	-	1,132
Amount due to Trustee	64	-	64
Other payables and accruals	-	3,922	3,922
Net assets attributable to unitholders	1,730,122	-	1,730,122
	<u>1,731,318</u>	<u>3,922</u>	<u>1,735,240</u>
<u>2023</u>			
Amount due to Manager	716	-	716
Amount due to Trustee	40	-	40
Amount due to financial institution	-	-	-
Other payables and accruals	-	3,163	3,163
Net assets attributable to unitholders	1,091,484	-	1,091,484
	<u>1,092,240</u>	<u>3,163</u>	<u>1,095,403</u>

Units are cancelled on demand at the unitholder's option (Note I). However, the Manager does not envisage the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders typically retain them for the medium to long term.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

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.

Capital risk management

	<u>2024</u> USD	<u>2023</u> USD
The capital of the Fund is represented by net assets attributable to unitholders and equity consisting of :-		
Net assets attributable to unitholders	<u>1,730,122</u>	<u>1,091,484</u>

The amount of net assets attributable to unitholders 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.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

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.

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, deposit and placement with a financial institution 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.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

3 FAIR VALUE ESTIMATION (CONTINUED)

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 USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (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 USD	Level 2 USD	Level 3 USD	Total USD
<u>2024</u>				
Financial assets at FVTPL				
- Unquoted fixed income securities	-	757,327	-	757,327
<u>2023</u>				
Financial assets at FVTPL				
- Unquoted fixed income securities	-	441,883	-	441,883

Financial instruments that trade in markets that are not 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>2024</u> USD	<u>2023</u> USD
Financial assets designated as FVTPL:		
- Unquoted fixed income securities	757,327	441,883
	<u>2024</u> USD	<u>2023</u> USD
Net gain on financial assets at FVTPL comprised:		
- realised loss on sale of financial assets at FVTPL	-	-
- unrealised gain on changes in fair value	10,553	8,388
	10,553	8,388

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

Financial assets designated as FVTPL as at 30 September 2024 are as follows:

Name of counter	Nominal value	Adjusted cost USD	Fair value as at 30.09.2024 USD	Fair value as at 30.09.2024 expressed as a percentage of value of the Fund USD
UNQUOTED FIXED INCOME SECURITIES				
CORPORATE BONDS				
BANK				
1.83% OVERSEA- CHINESE BANKING CORPORATION LIMITED 10/09/2025 A2	250,000	241,377	243,250	14.06
OIL & GAS				
3.50% PETRONAS CAPITAL LTD 18/03/2025 A2	250,000	248,350	248,648	14.37
POWER				
7.50% TENAGA NASIONAL BERHAD 01/11/2025 BBB+	250,000	262,414	265,429	15.34
TOTAL UNQUOTED FIXED INCOME SECURITIES		752,141	757,327	43.77
ACCUMULATED UNREALISED GAIN		5,186		
TOTAL FINANCIAL ASSETS AT FVTPL		757,327		

OPUS USD FIXED INCOME FUND**NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)****4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Financial assets designated as FVTPL as at 30 September 2023 are as follows:

				Fair value as at 30.09.2023 expressed as a percentage of value of the Fund USD
Name of counter	Nominal value	Adjusted cost USD	Fair value as at 30.09.2023 USD	
UNQUOTED FIXED INCOME SECURITIES				
CORPORATE BONDS				
BANK				
3.77% RHB BANK BERHAD 19/02/2024 A3	200,000	202,981	199,317	18.26
OIL & GAS				
3.50% PETRONAS CAPITAL LTD 18/03/2025 A2	250,000	244,269	242,566	22.22
TOTAL UNQUOTED FIXED INCOME SECURITIES		447,250	441,883	40.48
ACCUMULATED UNREALISED LOSS		(5,367)		
TOTAL FINANCIAL ASSETS AT FVTPL		441,883		

OPUS USD FIXED INCOME FUND**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)****5 CASH AND CASH EQUIVALENTS**

	<u>2024</u> USD	<u>2023</u> USD
Deposit with a licensed financial institution	965,819	639,102
Bank balances	<u>11,722</u>	<u>14,120</u>
	<u>977,541</u>	<u>653,222</u>
Deposit with a licensed financial institution		
includes interest receivable	127	186
Weighted average rate of return (%)	4.75	5.25
Average maturity (days)	1	2

6 OTHER PAYABLES AND ACCRUALS

	<u>2024</u> USD	<u>2023</u> USD
Audit fee payable	1,689	1,683
Tax agent's fee payable	<u>2,233</u>	<u>1,480</u>
	<u>3,922</u>	<u>3,163</u>

7 UNITS IN CIRCULATION**(a) CLASS USD**

	<u>2024</u> Units	<u>2023</u> Units
At the beginning of the financial year	1,111,554	791,675
Creation of units during the financial year		
Arising from applications during the financial year	1,008,804	1,353,924
Arising from distributions during the financial year	30,911	62,155
Cancellation of units during the financial year	<u>(991,859)</u>	<u>(1,096,200)</u>
At the end of the financial year	<u>1,159,410</u>	<u>1,111,554</u>

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

7 UNITS IN CIRCULATION (CONTINUED)

(b) CLASS MYR

	<u>2024</u> Units	<u>2023</u> Units
At the beginning of the financial year	100,060	-
Creation of units during the financial year		-
Arising from applications during the financial year	2,510,103	100,060
Arising from distribution during the financial year	3,094	-
Cancellation of units during the financial year	-	-
At the end of the financial year	<u>2,613,257</u>	<u>100,060</u>

8 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 2.00% (2023: 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 0.80% (2023: 0.80%) 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's fee at a rate not exceeding 0.045% (2023: 0.045%) per annum of the net asset value of the Fund, subject to a minimum of RM12,000 or USD2,923 (2023: USD2,555) per annum or any other lower amount as may be agreed between the Trustee and the Manager.

The Trustee's fee provided in the financial statements is 0.045% (2023: 0.045%) 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 Trustee in respect of the Trustee's fee other than the amounts recognised above.

The Trustee's fee for the current financial year amounted to USD650 (2023: USD593). The remaining USD2,273 (2023: USD1,962) of the Trustee's fee is borne by the Manager.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

10 TAXATION

(a) Tax charge for the financial year

	<u>2024</u> USD	<u>2023</u> USD
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:

	<u>2024</u> USD	<u>2023</u> USD
Profit/(Loss) before taxation	36,321	35,933
Tax calculated at a tax rate of 24% (2023: 24%)	8,717	8,624
Tax effects of:		
(Investment income not subject to tax)/ Investment loss deductible for tax purpose	(19,673)	(13,831)
Expenses not deductible for tax purposes	7,814	2,286
Restriction on tax deductible expenses	3,142	2,921
Foreign income subject to different tax rate	-	-
	-	-

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

11 FINANCE COST/DISTRIBUTIONS

	<u>2024</u> USD	<u>2023</u> USD
Distributions to unitholders are from the following sources:		
Interest income from unquoted fixed income securities	31,689	11,937
Interest income from deposits with licensed financial institutions	13,960	36,859
Prior years' realised income	-	23,046
Gross realised income	<u>45,649</u>	<u>71,842</u>
Less: Expenses	<u>(14,714)</u>	<u>(12,197)</u>
Gross distribution amount	30,935	59,645
Less: Taxation	<u>-</u>	<u>-</u>
Net distribution amount	<u>30,935</u>	<u>59,645</u>

Net asset attributable to unitholders are classified as financial liabilities as at 30 September 2023 with the issuance of Class USD and Class MYR on 1 August 2023. Under the equity treatment, distributions are recognised as dividend distributions in the statement of changes in net assets attributable to unitholders; however, under the financial liabilities treatment, distributions is recognised as a finance cost in the statement of comprehensive income.

During the financial year ended 30 September 2024, the distributions amounting to USD30,935 (2023: USD7,725) were accounted for as a finance cost.

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

11 FINANCE COST / DISTRIBUTIONS (CONTINUED)

	<u>Entitlement date</u>	<u>Payment date</u>	<u>Gross distribution per unit (Cent)</u>	<u>Net distribution per unit (Cent)</u>
<u>2024</u>				
Class USD				
	20-Dec-2023	20-Dec-2023	0.20	0.20
	25-Mar-2024	25-Mar-2024	0.65	0.65
	25-Jun-2024	25-Jun-2024	0.90	0.90
	25-Sep-2024	25-Sep-2024	0.90	0.90
			<u>2.65</u>	<u>2.65</u>
Class MYR				
	25-Jun-2024	25-Jun-2024	0.04	0.04
			<u>2.69</u>	<u>2.69</u>
<u>2023</u>				
Class USD				
(before split)	23-Dec-2022	23-Dec-2022	2.00	2.00
	22-Mar-2023	22-Mar-2023	0.60	0.60
	21-Jun-2023	21-Jun-2023	0.90	0.90
			<u>3.50</u>	<u>3.50</u>
Class USD				
(after split)	25-Sep-2023	25-Sep-2023	0.70	0.70
			<u>4.20</u>	<u>4.20</u>

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.

Included in the distributions for the financial year is Nil (2023: USD23,046) derived from previous financial years' realised income.

	<u>2024</u> USD	<u>2023</u> USD
Unrealised profit incurred during the financial year	<u>10,553</u>	<u>8,388</u>

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

11 FINANCE COST / DISTRIBUTIONS (CONTINUED)

Composition of distribution payment source and payment mode during the financial year are as follows:-

	<u>Composition</u> %	<u>2024</u> USD
Composition of distribution source:		
Income distribution	99.56	30,798
Capital distribution	0.44	137
Total distribution	<u>100.00</u>	<u>30,935</u>

	<u>Composition</u> %	<u>2023</u> USD
Composition of distribution source:		
Income distribution	100.00	59,645
Capital distribution	-	-
Total distribution	<u>100.00</u>	<u>59,645</u>

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

12 TOTAL EXPENSE RATIO (“TER”)

	<u>2024</u> %	<u>2023</u> %
TER	<u>1.02</u>	<u>1.06</u>

Total expense ratio includes management fee, Trustee’s fee, audit fee, tax agent’s fee and other expenses which is calculated as follows:

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

A = Management fee

B = Trustee’s fee

C = Audit fee

D = Tax agent’s fee

E = Other expenses

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

	<u>2024</u> RM	<u>2023</u> RM
The average net asset value of the Fund calculated on a daily basis	<u>1,444,652</u>	<u>1,621,810</u>

13 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>0.17</u>	<u>0.09</u>

PTR is derived from the following calculation:

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

	<u>2024</u> USD	<u>2023</u> USD
where:		
Total acquisitions for the financial year	<u>497,383</u>	<u>244,860</u>
Total disposals for the financial year	<u>-</u>	<u>-</u>

OPUS USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

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

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

<u>Related party</u>	<u>Relationship</u>
Opus Asset Management Sdn. Bhd.	The Manager

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

	<u>2024</u> Units	<u>2024</u> USD	<u>2023</u> Units	<u>2023</u> USD
The Manager - Class USD	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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

The Manager is of the opinion that all transactions with the related parties have been entered into agreed terms between the related parties.

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 USD FIXED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024 (CONTINUED)

15 TRANSACTIONS WITH BROKERS

<u>Broker/ financial institution</u>	<u>Value of trades[^] USD</u>	<u>Percentage of total trades %</u>	<u>Brokerage fees USD</u>	<u>Percentage of total brokerage fees %</u>
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Details of transactions by the Fund for the financial year ended 30 September 2024 are as follows:

Mitsubishi UFJ Trust International Limited	258,906	52.05	-	-
- EUROCLEAR		-	-	-
J.P. Morgan Chase Bank Berhad-EUROCLEAR	238,477	47.95	-	-
	<u>497,383</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Details of transactions by the Fund for the financial year ended 30 September 2023 are as follows:

Mitsubishi UFJ Trust International Limited	244,860	100.00	-	-
- EUROCLEAR				
	<u>244,860</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

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

CORPORATE INFORMATION

MANAGER

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

Tel: 03-2288 8882

Fax: 03-2288 8889

TRUSTEE

Maybank Trustees Berhad 196301000109 (5004-P)
8th Floor, Menara Maybank,
100, Jalan Tun Perak,
50050 Kuala Lumpur,
Malaysia

Tel: 03-2070 8833

Fax: 03-2053 7526