

ANNUAL REPORT 2019

✧ LIBRA STRATEGIC OPPORTUNITY FUND

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FUND & SERVICE DIRECTORY

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FUND DIRECTORY

MANAGER

Libra Invest Berhad (361207-D)
(A member of Kenanga Investors Group)
Ground Floor,
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Damansara Heights
50490 Kuala Lumpur
General Line: 03-2089 1888
Investor Care Line: 03-2089 1883
Fax: 03-2096 1020 & 03-2096 1662
website: www.librainvest.com
e-mail: libra.invest@kenanga.com.my

TRUSTEE

CIMB Commerce Trustee Berhad (313031-A)
Level 21, Menara CIMB
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Tel: 03-2261 8888; Fax: 03-2261 9889

AUDITOR

Ernst & Young (AF 0039)
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TAX ADVISER

PricewaterhouseCoopers Taxation
Services Sdn Bhd (464731-M)
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SERVICE DIRECTORY

HEAD OFFICE

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MARKET REVIEW: EQUITY

Most commodity prices accelerated up in the first quarter of 2019 following last year's declines, and many have recovered from drops in the last quarter of 2018. However, the dampened economic growth outlook continues to weigh on global demand for commodities. Coal prices continued to deteriorate on slowdown in demand from China as the country's economic growth continues to taper off amidst ongoing headwinds from the US-China trade war.

After plunging to a low of \$52/bbl in mid-December, Brent crude oil prices have steadily increased this year, reaching \$74/bbl in late April. Substantial production cuts by OPEC and its partners, together with supply disruptions elsewhere, have offset surging U.S. shale production—output in the U.S. rose more than 2 million barrels per day in 2018, the largest one-year increase ever recorded in any country. In September 2019, the drone strikes targeted at Saudi Arabia's Abqaiq and Khurais oil facilities, sparked concern about global oil supply stability, as it would cut back global oil production by 5.7m bpd, sending crude prices soaring by double digits, but just as quickly lost momentum.

One of the bright spots remains Nickel, which staged an impressive rally on the back to global shortage and optimism on longer-term prospects from electric vehicles and falling exchange-held inventories. The supply gap in the refined nickel market however is expected to shrink over the second half of the calendar year.

Gold in contrast staged an impressive rally on benefitting on the pessimism surrounding fears of a global slowdown and ongoing political unrest in various parts of the world.

MARKET OUTLOOK: EQUITY

With global growth threatened by the US-China trade tension, we expect prices of commodities to remain volatile for FY2020. The price direction of commodity complex will largely be driven by how soon a resolution can be found to end the dispute. In addition, new technology and thus demand for new materials will also drive prices in certain segments of the commodity complex such as nickel and cobalt for battery, electric vehicle, etc.

Metal prices are expected to continue their recovery during the remainder of 2019. Supply concerns, disruptions, and China's fiscal stimulus are expected to provide some support. Overall, we expect heightened volatility in the sector going forward and will continue to explore new trends and new demand in the sector.

OTHER MATTERS

1. Significant changes on the state of affairs of Libra Strategic Opportunity Fund

There are no other significant changes on the state of affairs of Libra Strategic Opportunity Fund for the financial year ended 30 September 2019.

2. Circumstances that materially affect any interests of the unit holders

Libra Invest Berhad and Libra Strategic Opportunity Fund have no circumstances that materially affect any interest of the unit holders.

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LIBRA STRATEGIC OPPORTUNITY FUND

FUND PROFILE

Inception Date	15 November 2010.
Initial Offer Price	RM0.5000 per unit during the Initial Offer Period (IOP) of twenty-one (21) calendar days commencing from 15 November 2010 to 6 December 2010.
Pricing Policy	Investment and Liquidation at Net Asset Value per unit.
Fund Category/ Type	Mixed Asset/ Capital growth.
Benchmark	Absolute return with targeted annual return of 10% per annum of the NAV per Unit over the medium to long-term.
Investment Objective	The Fund seeks to achieve capital growth with an opportunity for income through an actively managed investment policy utilising a wide range of investments instruments in global markets.
Investment Strategy	The Fund seeks to achieve its objective by investing in both equity and debt securities of issuers located in countries within the MSCI AC World Index. Subject to the limit on the percentage of assets the Fund can invest in a particular type of security, the Fund has no geographic limits on where its investment may be located. The Fund may invest in securities of any market capitalisation. The Fund may also invest in real estate investment trusts (REITs). When needed, the Fund may seek diversification across markets, industries and issuers as one of its strategies to reduce volatility. This flexibility allows the Manager to look for investments in markets around the world that it believes will provide the optimum asset allocation in terms of risk and reward to capitalise on opportunities to meet the Fund's objective.
Distribution Policy	As the objective of the Fund is to achieve capital growth, the Fund does not intend to distribute any income. In the event that the Manager decides to distribute income, the amount of income to be distributed will vary from period to period, depending on interest rates, market conditions, the performance and the objective of the Fund. Income distribution will be made out of realised gains or income. It is also the Manager's policy to automatically reinvest declared income distribution into additional units in the Fund at the end of the distribution day (at ex-distribution price) with no sales charge. Investors who prefer to receive their income distributions in the form of cash payouts, may liquidate the reinvested units arising from the distribution of income on any Business Day.
Rebate and Soft Commissions	<p>It is the policy of the Manager to credit any rebates received into the account of the Fund. Soft commissions are retained by the Manager for purchasing goods and services that are of demonstrable benefit to the Unit Holders of the Fund and are in the form of research and advisory services that assist in the decision making process relating to the investment of the Fund (i.e. research materials, data and quotation services and investment advisory services).</p> <p>Any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund.</p>

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LIBRA STRATEGIC OPPORTUNITY FUND

FUND PROFILE

**Profile of
Unitholdings**

** Excluding units held
by the Management
Company*

Size of Holding (Units)	<i>As at 30 September 2019</i>			
	Unit Holder		Unit Holding	
	No.	%	No. (million)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	-	-	-	-
500,001 and above	-	-	-	-
* Total (Decimal Rounding)	-	-	-	-

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LIBRA STRATEGIC OPPORTUNITY FUND

FUND PERFORMANCE

	2019	2018	2017
NAV & PRICING as at 30 September			
<i>Please refer to Note 1 for further information.</i>			
Total Net Asset Value (RM million)	-	-	-
Units in circulation (million units)	-	-	-
NAV per unit (RM)	-	-	-

HIGHEST & LOWEST NAV for the year ended 30 September			
<i>Please refer to Note 1 for further information.</i>			
Highest NAV per unit (RM)	0.0966	0.0966	1.0946
Lowest NAV per unit (RM)	0.0966	0.0949	0.0929

PORTFOLIO COMPOSITION % of NAV for the year ended 30 September			
<i>Quoted equities & equities-related securities</i>			
Shares quoted in Malaysia	-	-	-
Shares quoted in London	-	-	-
Others	-	-	-
Cash & others	-	-	-

EXPENSE/TURNOVER for the year ended 30 September			
Management expense ratio (MER) (%)	-	2.66	3.18
Portfolio turnover ratio (PTR) (times)	-	5.19	7.06
Please refer to page 25 for further explanation on the difference in MER and PTR.			

RETURN (%) for the year ended 30 September			
<i>Please refer to Note 2 for further information.</i>			
• TOTAL RETURN	2019	2018	2017
Total Return	-	-	-61.83
Capital Return	-	-	-61.83
Income Return	-	-	-

• ANNUAL TOTAL RETURN	2019	2018	2017
Libra Strategic Opportunity Fund (%) (Inception Date: 15 November 2010)	-	-	-61.83

• AVERAGE TOTAL RETURN	1-yr	3-yrs	5-yrs
Libra Strategic Opportunity Fund (%) (Inception Date: 15 November 2010)	-	-	-

Source: Lipper

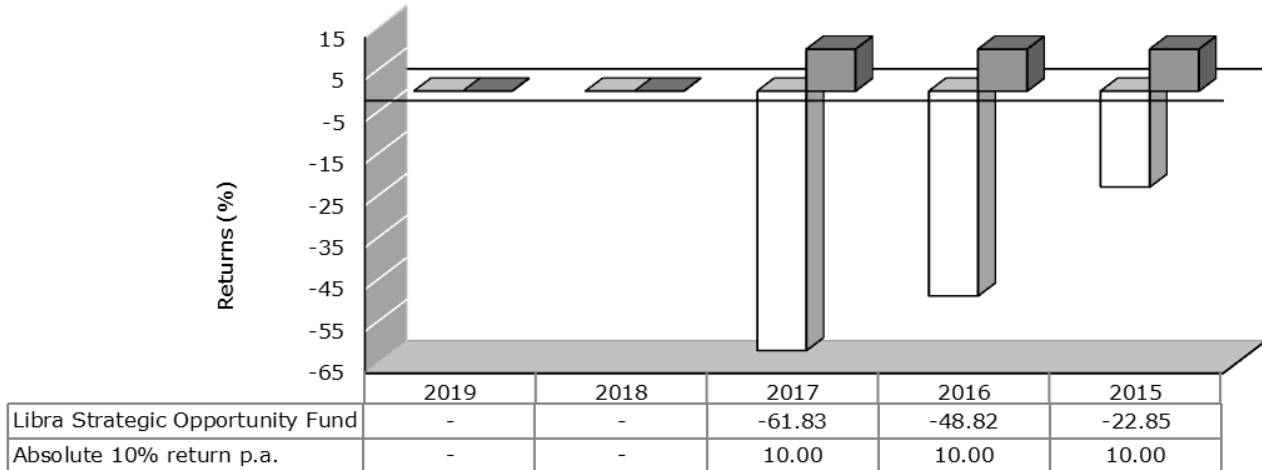
Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

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LIBRA STRATEGIC OPPORTUNITY FUND

FUND PERFORMANCE

**Annual Total Return of Libra Strategic Opportunity Fund vs. its Benchmark
 for the year ended 30th September**



▣ Libra Strategic Opportunity Fund

▣ Absolute 10% return p.a.

Source: Libra Invest Berhad & Lipper

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

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LIBRA STRATEGIC OPPORTUNITY FUND

INCOME DISTRIBUTION AND UNIT SPLIT

For the year ended 30 September

Please refer to Note 3 for further information.

	2019	2018	2017
Distribution date	-	-	-
Gross distribution (sen per unit)	-	-	-
Net distribution (sen per unit)	-	-	-
NAV before distribution (sen per unit)	-	-	-
NAV after distribution (sen per unit)	-	-	-
Unit Split	-	-	-

FUND REVIEW

NAV PER UNIT

NAV per unit as at 30 September 2018	-
NAV per unit as at 30 September 2019	-

NOTES

Note 1: *Selling of units by the Management Company (i.e. when you purchase units and invest in the funds) and redemption of units by the Management Company (i.e. when you redeem your units and liquidate your investments) will be carried out at NAV per unit (the actual value of a unit). The entry/exit fee (if any) would be computed separately based on your net investment/liquidation amount.*

Note 2: *Fund performance figures are calculated based on NAV to NAV and assume the reinvestment of distributions (if any) at NAV. The benchmark returns are calculated using the performance of the MSCI AC World Index.*

Note 3: *There was no income distribution or unit split exercise for the year ended 30 September 2019.*

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

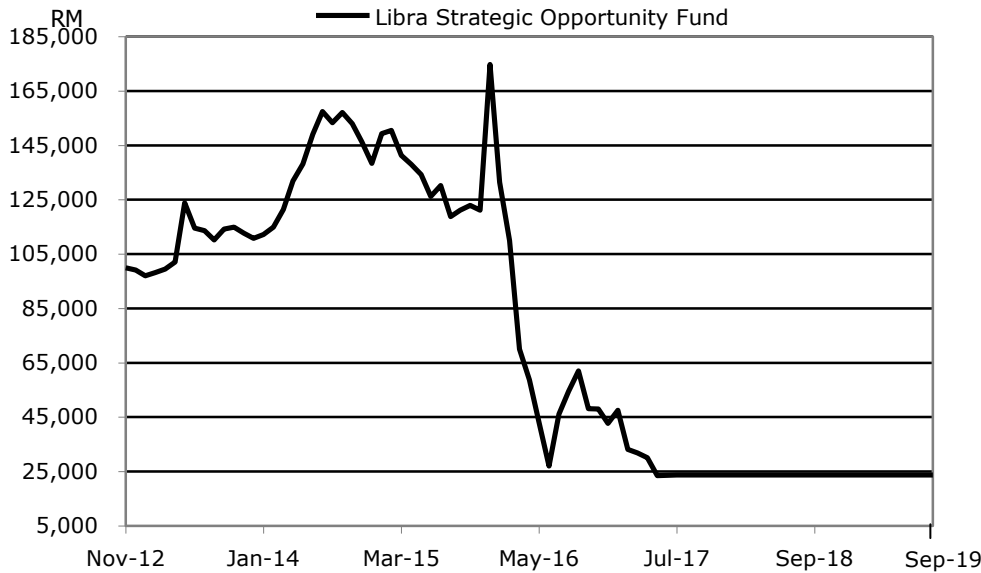
ADDITIONAL INFORMATION/DISCLOSURE

**RETURNS ON AN INITIAL INVESTMENT OF RM100,000
IN LIBRA STRATEGIC OPPORTUNITY FUND**

For ease of reference, the Fund's total return up to 30 September 2019 is in Ringgit terms.

The following chart illustrates the comparative growth figures for an initial investment of RM100,000 in Libra Strategic Opportunity Fund and its benchmark for the period specified below.

From 6 November 2012 to 30 September 2019



A RM100,000 investment in Libra Strategic Opportunity Fund from 06 November 2012 to 30 September 2019 (before tax) would be worth **RM23,680.69**.

Note: Benchmark is against an absolute return of 10% per annum of the NAV per Unit over the medium to long-term.

Source: Lipper

Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. There are fees, charges and risks (market risk, risk of non-compliance, fund manager risk, regulatory risk, returns not guaranteed and others) involved and investors are advised to consider such fees, charges and risks.

Please refer to page 6 for further clarification on data source and assumptions used in calculating return figures for the fund and its benchmark.

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

TRUSTEE'S REPORT**TO THE MANAGER OF
LIBRA STRATEGIC OPPORTUNITY FUND**

We, **CIMB Commerce Trustee Berhad** being the Trustee of **Libra Strategic Opportunity Fund** (“**the Fund**”) are of the opinion that **Libra Invest Berhad** (“**the Manager**”) acting in the capacity as the Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 30 September 2019.

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deeds, the Securities Commission Malaysia’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, the Capital Markets and Services Act 2007 (as amended from time to time), and other applicable laws;
- (b) Valuation and pricing for the Fund has been carried out in accordance with the Deeds and any relevant regulatory requirements; and
- (c) Creation and cancellation of units have been carried out in accordance with the Deeds, and any regulatory requirements.

For and on behalf of
CIMB Commerce Trustee Berhad

Lee Kooi Yoke
Chief Executive Officer

Kuala Lumpur, Malaysia
20 November 2019

Libra Strategic Opportunity Fund

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	Note	2019 RM	2018 RM
ASSET			
Cash at bank		582	707
TOTAL ASSETS		<u>582</u>	<u>707</u>
LIABILITY			
Accruals	4	582	707
TOTAL LIABILITY		<u>582</u>	<u>707</u>
EQUITY			
Unit holders' capital		3,125,286	3,125,286
Accumulated losses		(3,125,286)	(3,125,286)
TOTAL EQUITY	5	<u>-</u>	<u>-</u>
TOTAL EQUITY AND LIABILITY		<u>582</u>	<u>707</u>
UNITS IN CIRCULATION			
Net Asset Value ("NAV") Per Unit	5(a) 6	<u>-</u> <u>-</u>	<u>-</u> <u>-</u>

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

Libra Strategic Opportunity Fund

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 RM	2018 RM
INVESTMENT INCOME			
Interest income		-	1,382
Net gain from investments:			
- financial assets at fair value through profit or loss ("FVTPL")	3	-	41,828
		-	43,210
EXPENSES			
Manager's fee	7	-	1,232
Trustee's fee	8	-	41
Other expenses		-	6,110
		-	7,383
Net income before tax		-	35,827
Income tax expenses	9	-	-
Net income after tax, representing total comprehensive income for the financial year		-	35,827
Net income after tax is made up of the following:			
Net realised income		-	35,827

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

Libra Strategic Opportunity Fund

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019**

	Unit holders' capital Note 5(a)	Accumulated losses Note 5(b)	Total equity
	RM	RM	RM
As at 1 October 2017	3,161,113	(3,161,113)	-
Total comprehensive income for the year	-	35,827	35,827
Creation of units	2,000,000	-	2,000,000
Cancellation of units	(2,035,827)	-	(2,035,827)
As at 30 September 2018	<u>3,125,286</u>	<u>(3,125,286)</u>	<u>-</u>
As at 1 October 2018	3,125,286	(3,125,286)	-
Total comprehensive income for the year	-	-	-
As at 30 September 2019	<u>3,125,286</u>	<u>(3,125,286)</u>	<u>-</u>

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

Libra Strategic Opportunity Fund

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019**

	2019	2018
	RM	RM
Cash flows from operating and investing activities		
Proceeds from sale of investments	-	1,459,920
Interest received	-	1,382
Purchase of investments	-	(1,418,092)
Manager's fee paid	-	(1,232)
Trustee's fee paid	-	(41)
Payment for other fees and expenses	(125)	(20,711)
Net cash (used in)/ generated from operating and investing activities	<u>(125)</u>	<u>21,226</u>
Cash flows from financing activities		
Cash received from units created	-	2,000,000
Cash paid on units cancelled	-	(2,035,827)
Net cash used in financing activities	<u>-</u>	<u>(35,827)</u>
Net decrease in cash and cash equivalents	(125)	(14,601)
Cash and cash equivalents at the beginning of the year	<u>707</u>	<u>15,308</u>
Cash and cash equivalents at the end of the year	<u>582</u>	<u>707</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>582</u>	<u>707</u>

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

Libra Strategic Opportunity Fund

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2019

1. GENERAL INFORMATION

Libra Strategic Opportunity Fund (“the Fund”) was established pursuant to a Deed dated 06 January 2010 (collectively, together with deeds supplemental thereto, referred to as “the Deeds”) between Libra Invest Berhad (“LIB”) as the Manager, CIMB Commerce Trustee Berhad as the Trustee and the registered unit holders of the Fund. The Fund commenced operations on 6 November 2012 and will continue its operations until terminated in accordance with Part 11 of the Deed.

With effect from 8 July 2019, Libra Invest Berhad is a wholly-owned subsidiary of Kenanga Investors Berhad, which is in turn a wholly-owned subsidiary of Kenanga Investment Bank Berhad that is listed on the Main Market of Bursa Malaysia Securities Berhad. Prior to 8 July 2019, Libra Invest Berhad was the wholly-owned subsidiary of ECM Libra Financial Group Berhad that is listed on the Main Market of Bursa Malaysia Securities Berhad. All of these companies are incorporated in Malaysia.

The principle place of business of the Manager is Ground Floor, Bangunan ECM Libra, 8, Jalan Damansara Endah, Damansara Heights, 50490 Kuala Lumpur.

The Fund seeks to achieve capital growth with an opportunity for income through an actively managed investment policy utilising a wide range of investment instruments in global markets. The principal activity of the Fund as defined of the Deed is to invest in quoted securities and unquoted fixed income securities and deposits with financial institutions. The Fund has been dormant and there is no unit in circulation due to full redemption by unit holder on 10 January 2018. The Manager has been actively looking for potential investors to invest in the Fund and will provide continued financial support to the extent that the Fund will be able to meet its liabilities as and when they fall due.

The financial statements were authorised for issue by the Board of Directors of the Manager on 20 November 2019. As the Fund does not have any unit holders as at the end of the financial year, the report of the auditors has been addressed to the Manager.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The Fund has been dormant and there is no unit in circulation as at 30 September 2019 due to full redemption by unit holder on 10 January 2018. As such, the financial statements have been prepared on a basis other than going concern. The Manager will provide continued financial support to the extent that the Fund will be able to meet its liabilities as and when they fall due.

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of accounting (cont'd.)

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the new and amended MFRS and Interpretation Committee's ("IC") Interpretation, which became effective for the Fund on 1 October 2018.

Description	Effective for financial period beginning on or after
<i>Amendments to MFRS contained in the document entitled "Annual Improvements to MFRS Standards 2014 - 2016 Cycle"</i>	1 January 2018
<i>Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards contained in the document entitled "Annual Improvements to MFRS Standards 2014 - 2016 Cycle"</i>	1 January 2018
<i>Amendments to MFRS 128: Investments in Associates and Joint Ventures contained in the document entitled "Annual Improvements to MFRS Standards 2014 - 2016 Cycle"</i>	1 January 2018
<i>MFRS 9: Financial Instruments</i>	1 January 2018
<i>MFRS 15: Revenue from Contracts with Customers</i>	1 January 2018
<i>Clarifications to MFRS 15: Revenue from Contracts with Customers</i>	1 January 2018
<i>Amendments to MFRS 2: Classification and Measurement of Shared-Based Payment Transactions</i>	1 January 2018
	Temporary exemption from MFRS 9 subject to certain criteria being met for annual periods beginning on
<i>Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	or after 1 January 2018
<i>Amendments to MFRS 140: Transfers of Investment Property</i>	1 January 2018
<i>IC Interpretation 22: Foreign Currency Transactions and Advance Consideration</i>	1 January 2018

The adoption of the new and amended MFRS and IC Interpretation did not have any significant impact on the financial position or performance of the Fund other than the impacts as discussed below:

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of accounting (cont'd.)

MFRS 9 *Financial Instruments*

MFRS 9 *Financial Instruments* replaces MFRS 139 *Financial Instruments: Recognition and Measurement* and all previous versions of MFRS 9 for annual periods on or after 1 January 2018. MFRS 9 requires financial assets to be classified on the basis of the business model within which they are held and their contractual cash flow characteristics. The requirements related to the fair value option for financial liabilities were also changed to address own credit risk. The adoption of MFRS 9 has no effect on the classification and measurement of the Fund's financial assets and financial liabilities.

MFRS 9 also requires impairment assessments to be based on an expected credit loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 aligns hedge accounting more closely with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies and weaknesses in the previous model.

The Fund did not change the classification of its investments nor were there any material financial impact arising from the adoption of this standard.

2.2 Standards, amendments and interpretations issued but not yet effective

As at the reporting date, the following Standards, Amendments and IC Interpretations that have been issued by MASB will be effective for the Fund in future financial periods. The Fund intends to adopt the relevant standards and interpretations when they become effective.

Description	Effective for financial period beginning on or after
<i>Amendments to MFRS contained in the document entitled "Annual Improvements to MFRS Standards document 2015 - 2017 Cycle"</i>	1 January 2019
<i>Amendments to MFRS 3 and MFRS 11: Previously Held Interest in a Joint Operation contained in the document entitled "Annual Improvements to MFRS Standards 2015 - 2017 Cycle"</i>	1 January 2019
<i>Amendments to MFRS 112: Income Tax Consequences of Payments on Financial Instruments Classified as Equity contained in the document entitled "Annual Improvements to MFRS Standards 2015 - 2017 Cycle"</i>	1 January 2019
<i>Amendments to MFRS 123: Borrowing Costs Eligible for Capitalisation contained in the document entitled "Annual Improvements to MFRS Standards 2015 - 2017 Cycle"</i>	1 January 2019

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Standards, amendments and interpretations issued but not yet effective (cont'd.)

Description	Effective for financial period beginning on or after
MFRS 16: <i>Leases</i>	1 January 2019
Amendments to MFRS 9: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 119: <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 128: <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
IC Interpretation 23: <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 2: <i>Share-Based Payment</i>	1 January 2020
Amendments to MFRS 3: <i>Business Combinations</i>	1 January 2020
Amendments to MFRS 3: <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 6: <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
Amendments to MFRS 14: <i>Regulatory Deferral Accounts</i>	1 January 2020
Amendments to MFRS 101: <i>Presentation of Financial Statements</i>	1 January 2020
Amendments to MFRS 108: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
Amendments to MFRS 101 & MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 134: <i>Interim Financial Reporting</i>	1 January 2020
Amendment to MFRS 137: <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
Amendment to MFRS 138: <i>Intangible Assets</i>	1 January 2020
Amendments to IC Interpretation 12: <i>Service Concession Arrangements</i>	1 January 2020
Amendments to IC Interpretation 19: <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
Amendment to IC Interpretation 20: <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
Amendments to IC Interpretation 22: <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
Amendments to IC Interpretation 132: <i>Intangible Assets - Web Site Costs</i>	1 January 2020
MFRS 17: <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced by MASB

The Fund will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant impact to the financial statements of the Fund upon their initial application.

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Financial instruments

Financial assets are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instruments.

(a) Measurement categories of financial assets and liabilities

From 1 October 2018, the Fund classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

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

The Fund may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

The Fund's other financial assets include cash at bank balances, short term deposits trade receivables and other receivables. Prior to 1 October 2018, the Fund classified its other financial assets as receivables (amortised cost), as explained in Note 2(2.3)(c).

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The Fund's other financial liabilities include trade payable and other payables.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate ("EIR"). Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(b) Initial recognition and subsequent measurement

The classification of financial assets at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 2(2.3)(c). Financial assets are initially measured at their fair value, except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Fund accounts for the Day 1 profit or loss, as described below.

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Financial instruments (cont'd.)

(b) Initial recognition and subsequent measurement (cont'd.)

After initial measurement, debt instruments are measured at amortised cost, using the EYR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EYR. Expected credit losses ("ECLs") are recognised in the statement of comprehensive income when the investments are impaired.

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss.

(c) Due from banks, short term deposits, trade and other receivables at amortised cost

Prior to 1 October 2018, included in the financial assets are cash at bank balances, short term deposits and other receivables including receivables which are those non-derivative financial assets with fixed or determinable payments that were not quoted in an active market.

From 1 October 2018, the Fund only measures the amount due from banks, short term deposits and other receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Financial instruments (cont'd.)

(c) Due from banks, short term deposits, trade and other receivables at amortised cost (cont'd.)

Business model assessment (cont'd.)

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Fund's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

The SPPI test

As a second step of its classification process, the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Financial instruments (cont'd.)

(d) Financial investments

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under MFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

2.4 Reclassification of financial assets and liabilities

The Fund has not reclassified its financial assets and financial liabilities subsequent to their initial recognition and upon adoption of MFRS 9.

2.5 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Fund also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Fund has transferred the financial asset if, and only if, either:

- The Fund has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Fund retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Fund has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates;
- The Fund cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Fund has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Fund is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Derecognition of financial assets (cont'd.)

A transfer only qualifies for derecognition if either:

- The Fund has transferred substantially all the risks and rewards of the asset; or
- The Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Fund considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Fund has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Fund's continuing involvement, in which case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Fund could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Fund would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2.6 Impairment of financial assets (Policy applicable from 1 October 2018)

(a) Overview of the expected credit loss ("ECL") principles

As described in Note 2(2.1), the adoption of MFRS 9 has fundamentally changed the Fund's receivables impairment method by replacing MFRS 139's incurred loss approach with a forward-looking ECL approach.

(b) Write-offs

The Fund's accounting policy under MFRS 9 remains the same as it was under MFRS 139. Financial assets are written off either partially or in their entirety only when the Fund has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposits with financial institutions which have an insignificant risk of changes in value.

2.8 Revenue recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be relatively measured. Income is measured at the fair value of the consideration received or receivable. Dividend income is recognised on the ex-dividend date. Interest income from deposits is recognised on an accrual basis using effective interest or effective yield method.

Realised gain and loss on disposal of financial instruments classified as part of “at FVTPL” are calculated using the weighted average method. They represent the difference between an instrument’s carrying amount based on the weighted average method and disposal amount of the investment.

2.9 Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

No deferred tax is recognised as there are no material temporary differences.

2.10 Unit holders’ capital

The unit holders’ capital of the Fund meet the definition of puttable instruments classified as equity instruments under the revised MFRS 132. Distributions to unit holders are recorded in equity when declared.

2.11 Statement of cash flows

The Fund adopts the direct method in the preparation of statement of cash flows. Cash and cash equivalents include cash and bank balances and highly liquid investments (exclude equity investments) with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

Libra Strategic Opportunity Fund

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.12 Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which it operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Fund’s functional currency.

2.13 Significant accounting estimates and judgements

The preparation of the Fund’s financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

No major judgements have been made by the Manager in applying the Fund’s accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

3. FINANCIAL ASSETS AT FVTPL

	2019	2018
	RM	RM
Financial assets held for trading:		
Quoted equities	-	-
	<hr/>	<hr/>
Net gain on financial assets at FVTPL comprised:		
Realised gain on disposals	-	41,828
	<hr/>	<hr/>
	-	41,828
	<hr/>	<hr/>

4. ACCRUALS

	2019	2018
	RM	RM
Accruals:		
Auditors’ remuneration*	582	707
	<hr/>	<hr/>
	582	707
	<hr/>	<hr/>

*Total auditor remuneration for the financial year ended 30 September 2019 is RM3,500. The remaining auditor remuneration of RM2,918, not borne by the Fund, is borne by the Manager of the Fund.

The tax agent’s fee is also borne by the Manager.

Libra Strategic Opportunity Fund

5. TOTAL EQUITY

	Note	2019 RM	2018 RM
Unit holders' capital	(a)	3,125,286	3,125,286
Retained earning			
- Realised deficits	(b)	<u>(3,125,286)</u>	<u>(3,125,286)</u>
Total equity		<u>-</u>	<u>-</u>

(a) Unit holders' Capital

	2019 Units	2019 RM	2018 Units	2018 RM
At beginning of the year	-	3,125,286	-	3,161,113
Creation of units	-	-	21,074,816	2,000,000
Cancellation of units	-	-	(21,074,816)	(2,035,827)
At end of the year	<u>-</u>	<u>3,125,286</u>	<u>-</u>	<u>3,125,286</u>

(b) Realised Deficits

	2019 RM	2018 RM
At beginning of the year	(3,125,286)	(3,161,113)
Net income after tax	-	35,827
At end of the year	<u>(3,125,286)</u>	<u>(3,125,286)</u>

6. NAV PER UNIT

The net asset value per unit is calculated by dividing the net assets of RM Nil as at 30 September 2019 (RM Nil in 2018) by the Nil unit in issue as at 30 September 2019 (Nil unit in 2018).

7. MANAGER'S FEE

Part 12.1.2 and The Eighth Schedule of the Deed provides that the Manager is entitled to a management fee computed daily on the net asset value of the Fund at a rate not exceeding 2.00% per annum. The management fee provided in the financial statements amounted to Nil because the Fund has been dormant (1.50% in 2018) per annum for the year.

8. TRUSTEE'S FEE

Part 12.2.2 and The Ninth Schedule of the Deed provides that the Trustee is entitled to a fee not exceeding 0.05% of net asset value of the Fund. The Trustee's fee calculated on a daily basis for the year is Nil because the Fund has been dormant (0.05% in 2018) per annum of the net asset value of the Fund.

Libra Strategic Opportunity Fund

9. INCOME TAX EXPENSES

	2019	2018
	RM	RM
Current tax expense	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (24% in 2018) of the estimated assessable income for the financial year.

Taxable income for the financial year is in relation to the gross dividend income earned after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from tax. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967.

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follow:

	2019	2018
	RM	RM
Net income before tax	-	35,827
Tax at Malaysia statutory rate of 24% (24% in 2018)	-	8,598
Tax effect of:		
Income not subject to tax	-	(10,370)
Losses not allowed for tax purposes	-	-
Expenses not deductible for tax purposes	-	1,742
Permitted expenses not used not available for future years	-	30
Tax expense for the year	-	-

10. MANAGEMENT EXPENSE RATIO & PORTFOLIO TURNOVER RATIO

Management Expense Ratio (“MER”)

Management expense ratio for the Fund is Nil (2.66% in 2018) for the year ended 30 September 2019.

The management expense ratio includes manager’s fee, trustee’s fee, auditors’ remuneration, tax agent’s fee and other expenses which are calculated as follows:

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

A	=	Manager’s fee	D	=	Tax agent’s fee
B	=	Trustee’s fee	E	=	Other expenses
C	=	Auditors’ remuneration	F	=	Average net asset value of Fund

The average net asset value of the Fund for the year is RM Nil (RM277,365 in 2018).

Libra Strategic Opportunity Fund

10. MANAGEMENT EXPENSE RATIO & PORTFOLIO TURNOVER RATIO (CONT'D.)

Portfolio Turnover Ratio (“PTR”)

The portfolio turnover ratio for the Fund is Nil times (5.19 times in 2018) for the year ended 30 September 2019.

The portfolio turnover is derived from the following calculation:

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

Where : total acquisition for the year = RM Nil (RM1,418,092 in 2018)
 total disposal for the year = RM Nil (RM1,459,920 in 2018)

11. UNITS HELD BY THE MANAGER AND RELATED PARTIES

The Manager and related parties do not hold any unit as at reporting date.

12. SEGMENTAL REPORTING

The Fund does not have any other separately identifiable business or geographical segments.

13. RISK AND CAPITAL MANAGEMENT POLICIES AND PROCESSES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(i) Market risk, credit risk and liquidity risk

The Fund has minimal exposure to market risk, credit risk and liquidity risk in the current and previous financial years as it holds minimal financial instruments as at reporting date.

(ii) *Regulatory reportings*

It is the Manager’s responsibility to ensure full compliance of all requirements under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by Securities Commission Malaysia. Any breach of any such requirement has been reported in the mandatory reporting to Securities Commission Malaysia on a monthly basis.

Libra Strategic Opportunity Fund

13. RISK AND CAPITAL MANAGEMENT POLICIES AND PROCESSES (CONT'D.)

CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- a. To invest in investments meeting the description, risk exposure and expected return indicated in its information memorandum;
- b. To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- c. To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.

14. FINANCIAL INSTRUMENTS

a. Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
2019				
Assets				
Cash at bank	-	582	-	-
	-	582	-	-

Libra Strategic Opportunity Fund

14. FINANCIAL INSTRUMENTS (CONT'D.)

a. Classification of financial instruments (cont'd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
2018				
Assets				
Cash at bank	-	707	-	-
	-	707	-	-

b. Financial instruments not carried at fair value and which their carrying amounts are reasonable approximations of fair value

For deposits and placements with financial institutions with maturities of less than twelve months, the carrying value is a reasonable estimate of fair value. The carrying amounts of the financial assets (other than the investments) and financial liabilities as at reporting date approximate their fair values because of the short term to maturity of these instruments.

Libra Strategic Opportunity Fund**STATEMENT BY MANAGER****To the Manager of Libra Strategic Opportunity Fund**

I, Ismitz Matthew De Alwis, being a director of Libra Invest Berhad, do hereby state that in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the statement of financial position of the Fund as at 30 September 2019 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Fund together with the notes thereto for the year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia.

**For and on behalf of the Manager,
LIBRA INVEST BERHAD**

ISMITZ MATTHEW DE ALWIS
Director

Kuala Lumpur, Malaysia

20 November 2019

Independent auditors' report to the Manager of Libra Strategic Opportunity Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Libra Strategic Opportunity Fund (“the Fund”), which comprise the statement of financial position as at 30 September 2019, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 28.

In our opinion, the accompanying financial statements which have been prepared on a basis other than going concern, give a true and fair view of the financial position of the Fund as at 30 September 2019 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.

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 audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

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

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

**Independent auditors' report to the Manager of
Libra Strategic Opportunity Fund (cont'd.)***Information other than the financial statements and auditors' report thereon (cont'd.)*

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 and the Trustee for the financial statements

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

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 cease operations, or has no realistic alternative but to do so. As disclosed in Note 1 and Note 2.1 to the financial statements, the Fund is dormant on and has no unit in circulation as at 30 September 2019 due to full redemption by unit holder on 10 January 2018. As such, the financial statements have been prepared on a basis other than going concern.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

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

**Independent auditors' report to the Manager of
Libra Strategic Opportunity Fund (cont'd.)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern. As disclosed in Note 1 and Note 2.1 to the financial statements, the Fund is dormant and has no unit in circulation as at 30 September 2019 due to full redemption by unit holder on 10 January 2018. As such, the financial statements have been prepared on a basis other than going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Independent auditors' report to the Manager of
Libra Strategic Opportunity Fund (cont'd.)**

Other matters

This report is made solely to the Manager of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Ng Sue Ean
No. 03276/07/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
20 November 2019

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