

# Annual Report June 2025

For the Year Ended 30 June 2025

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*Areca income*TRUST Fund

Management Company



200601021087(740840-D)

# ANNUAL REPORT JUNE 2025

## ✧ ARECA *income*TRUST FUND

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## CORPORATE DIRECTORY

### MANAGER

Areca Capital Sdn Bhd  
Company No: 200601021087 (740840-D)  
107, Blok B, Pusat Dagangan Phileo Damansara 1  
No. 9, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya, Selangor  
Tel: 603-7956 3111, Fax: 603-7955 4111  
website: [www.arecacapital.com](http://www.arecacapital.com)  
e-mail: [invest@arecacapital.com](mailto:invest@arecacapital.com)

### BOARD OF DIRECTORS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin  
(Independent Non-Executive Chairman)  
Dr. Junid Saham  
(Independent Non-Executive)  
Wong Teck Meng  
(Non-Independent Executive/Chief Executive Officer)  
Edward Iskandar Toh Bin Abdullah  
(Non-Independent Executive/Chief Investment Officer)  
(Resigned with effect from 16 April 2025)

### INVESTMENT COMMITTEE MEMBERS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin  
(Independent Non-Executive Chairman)  
Dr. Junid Saham  
(Independent Non-Executive)  
Dato' Seri Lee Kah Choon  
(Independent Non-Executive)

### TRUSTEE

Maybank Trustees Berhad  
Company No: 196301000109 (5004-P)  
8th Floor, Menara Maybank  
100 Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: 03-2070 8833, Fax: 03-2070 9387

### AUDITOR

Deloitte PLT (LLP0010145-LCA)  
Level 16, Menara LGB  
1 Jalan Wan Kadir, Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Tel: 03-7610 8888, Fax: 03-7726 8986

### TAX ADVISER

Deloitte Tax Services Sdn Bhd (36421-T)  
Level 16, Menara LGB  
1 Jalan Wan Kadir, Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Tel: 03-7610 8888, Fax: 03-7726 8986

## MANAGER'S OFFICE AND BRANCHES

### HEAD OFFICE

107, Blok B, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya, Selangor  
Tel: 603-7956 3111, Fax: 603-7955 4111  
website: [www.arecacapital.com](http://www.arecacapital.com)  
e-mail: [invest@arecacapital.com](mailto:invest@arecacapital.com)

### PENANG BRANCH

368-2-02 Bellisa Row  
Jalan Burma, Georgetown  
10350 Pulau Pinang  
Tel : 604-210 2011  
Fax: 604-210 2013

### IPOH BRANCH

11, Persiaran Greentown 5  
Greentown Business Centre  
30450 Ipoh, Perak  
Tel : 605-249 6697  
Fax: 605-249 6696

### MALACCA BRANCH

95A, Jalan Melaka Raya 24  
Taman Melaka Raya  
75000 Melaka  
Tel : 606-282 9111  
Fax: 606-283 9112

### KUCHING BRANCH

1st Floor, Sublot 3  
Lot 7998, Block 16  
KCLD, Cha Yi Goldland  
Jalan Tun Jugah/Stutong  
93350 Kuching, Sarawak  
Tel : 6082-572 472

### JOHOR BRANCH

No 105, Jalan Meranti Merah  
Taman Melodies  
80250 Johor Bahru  
Tel : 607-336 3689

### KOTA KINABALU BRANCH

Unit 5-1-8, 1st Floor  
Lorong Api-Api 1  
Api-Api Centre  
88000 Kota Kinabalu, Sabah  
Tel : 6088-276 757

**FUND INFORMATION**

<b>Name of the Fund</b>	Areca incomeTRUST Fund
<b>Fund Category/ Type</b>	Fixed Income/Income
<b>Objective of the Fund</b>	The investment objective of the Fund is to provide investors with short to medium term capital preservation and a regular income (income could be in the form of Units or cash).
<b>Performance Benchmark</b>	Maybank's 6-month fixed deposit rate
<b>Distribution Policy of the Fund</b>	Twice a year, subject to availability of distributable income.
<b>Rebates &amp; Soft Commissions</b>	<p>The Manager will retain soft commissions received from brokers or dealers, provided that:</p> <ul style="list-style-type: none"> <li>(a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;</li> <li>(b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and</li> <li>(c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.</li> </ul> <p>The soft commissions may be in the form of goods and services such as data and quotation services, computer software incidental to the management of the Fund and investment related publications. Cash rebates, if any, will be directed to the account of the Fund. During the year under review, the Manager had not received any soft commissions.</p>
<b>Inception Date</b>	23 April 2007
<b>Financial Year End</b>	30 June

## FUND PERFORMANCE

	2025	2024	2023
<b>NET ASSET VALUE ("NAV")</b>			
Net Asset Value (RM million)	176.39	135.93	106.82
Units in circulation (million units)	267.88	213.31	175.29
NAV per unit (RM)	0.6585	0.6372	0.6094

### HIGHEST & LOWEST NAV per unit

*Please refer to **Note 1** for further information on NAV and pricing policy*

Highest NAV per unit (RM)	0.6585	0.6373	0.6095
Lowest NAV per unit (RM)	0.6374	0.6093	0.5799

### ASSET ALLOCATION % of NAV

#### Unquoted fixed income securities

Commercial Papers	1.70	2.71	-
Unquoted Bonds	71.41	81.01	88.27

#### Collective investment schemes

	10.93	-	-
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#### Unquoted equity securities

Preference Shares	-	3.68	4.68
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<b>Liquid assets and other net current assets</b>	<b>15.96</b>	<b>12.60</b>	<b>7.05</b>
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### DISTRIBUTION

There was no distribution for the financial year under review.

### UNIT SPLIT

There was no unit split exercise for the financial year under review.

### EXPENSE/TURNOVER

Total expense ratio (TER) (%)	1.09	1.10	0.85
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*Please refer to **Note 2** for further information*

Portfolio turnover ratio (PTR) (times)	0.48	0.20	0.39
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*Please refer to **Note 3** for further information*

### TOTAL RETURN

*Please refer to **Note 4** for further information*

Total Return (%)	3.33	4.58	5.11
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- Capital growth (%)	3.33	4.58	5.11
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- Income distribution (%)	-	-	-
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	2025	2024	2023	2022	2021
Annual Total Return (%)	3.33	4.58	5.11	1.03	2.87
Performance Benchmark (%): Maybank's					
6-month fixed deposit rate	2.53	2.92	2.71	1.84	1.81

	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	3.33	4.52	3.60

**ANNUAL REPORT JUNE 2025**  
**ARECA incomeTRUST FUND**

**NOTES:**

**Note 1:** *Selling of units by the Management Company (i.e. when you purchase units and invests in the Fund) 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:** *TER is calculated based on the total fees and expenses incurred by the Fund, divided by the average net asset value calculated on a daily basis.*

**Note 3:** *PTR is computed based on the average of the total acquisitions and total disposals of the investment securities of the Fund, divided by the average net asset value calculated on a daily basis.*

**Note 4:** *Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The total return and the benchmark data are sourced from Lipper.*

*The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.*

***Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.***

## FUND REVIEW

For the year ended 30th June 2025, the Fund posted a return of 3.33% compared to its benchmark (Maybank's 6-month fixed deposit rate) return of 2.53%. The Fund met the objective of short to medium-term preservation of capital.

The Fund has been diversified with a good spread of credit names across various industries, the largest being financials constituting 20.44% of our holdings, followed by cash, 16.09%. From rating perspective, 54.54% of the portfolio is in corporate bonds that are rated AA or better while 17.79% is in short term commercial papers or cash.

While we remain optimistic that the local bond market will be well supported by a stable interest rates environment but wary of shifting global policies that may have an impact on local markets. Our focus remains on selecting good quality corporate name for better yield pick-up.

### Investment Policy and Strategy

The Fund may invest up to 98% of its NAV in Fixed Income Securities and Money Market Instruments with a minimum of 2% of its NAV in Liquid Assets. The minimum credit rating for Money Market Instruments and other Fixed Income Securities (other than government and government related securities) that the Fund shall invest in is the credit rating of 'A3' by RAM or such equivalent rating by other rating agencies. Notwithstanding the above and subject to the person(s) or members of a committee undertaking the oversight function of the Fund unanimous approval, the Fund may invest up to 25% of its NAV in Fixed Income Securities with a credit rating below the minimum 'A3' rating including unrated issues. The Fund may continue to hold its investment in Fixed Income Securities with a credit rating below 'A3' even if the holdings exceeds 25% of its NAV due to appreciation or depreciation of the NAV of the Fund, whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of Units or other payment made by the Fund. Under normal circumstances, the weighted average Duration is expected to be approximately 2 to 5 years.

**NAV per unit** as at 30 June 2025

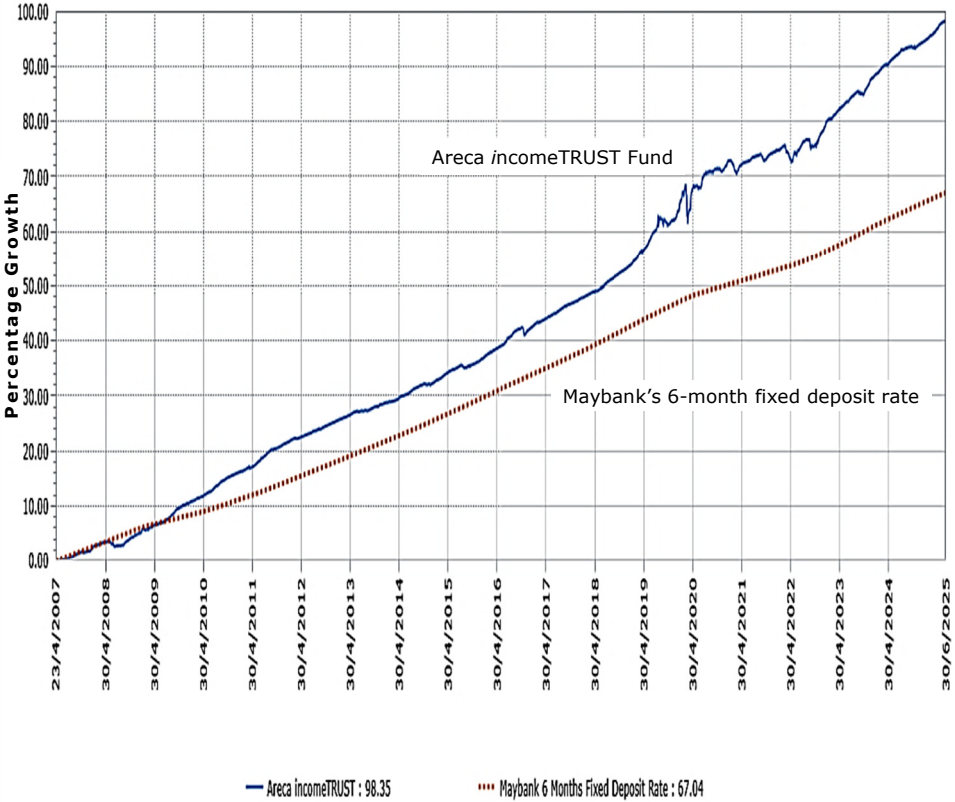
RM0.6585

<b>Asset Allocation/Portfolio Composition</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Unquoted fixed income securities	73.11%	83.72%	88.27%
Collective investment schemes	10.93%	-	-
Unquoted equity securities	-	3.68%	4.68%
Liquid assets and other net current assets	15.96%	12.60%	7.05%

FUND REVIEW

Performance of Areca incomeTRUST Fund  
for the period since inception to 30 June 2025

Total Return of Areca IncomeTRUST Fund vs Benchmark



Source: Lipper



**GLOBAL FIXED INCOME MARKET REVIEW AND OUTLOOK**

During the review period, the Federal Reserve ("Fed") reduced interest rates three times in 2024. The Fed reduced interest rates by 100 basis points ("bps") in the September, November and December Federal Open Market Committee ("FOMC") meetings, citing progress on inflation reduction and a balanced assessment of risk as the rationale for the move. In June 2024, global bond markets strengthened further with the release of weaker-than-expected United States ("US") inflation and retail sales data for May 2024 even as the Fed's latest dot plot, which shows the near-term US interest rate path, pointed to only one cut this year compared to its March 2024 projection of three cuts. Global bond markets rallied further in July 2024 after the Fed left the rate unchanged and signalled that the policy rate could be cut as soon as September 2024.

Bond yields rose in October as the US economy continued to show strength, coupled with expectations that more US Treasury ("UST") bonds could be issued to fund the US government's higher fiscal deficit. UST yield curves experienced a bearish start in an immediate aftermath of the US elections. The 10-year UST yield rose sharply partly driven by expectation of Trump's proposed policies, but yields started to normalise across most tenures as markets recalibrated their expectations. While many believe that president-elect Trump, with his business-focused approach, would favor a low-interest-rate environment, his proposed tariffs could drive inflation. This, in turn, might necessitate a "higher-for-longer" interest rate policy.

Heading into 2025, the Fed held rates steady at 4.25% - 4.50% at its January FOMC meeting, while signaling a gradual pace of rate cuts in 2025 amid a resilient US economy and slower progress in reduction inflation. UST yields slid in February as market participants prepare for President Trump's tariff on Canada and Mexico to go into effect. In April traders kept a close watch on the evolving trade war, holding onto hopes for a potential easing of tensions. News reports indicated that China might suspend its 125.00% tariff on some US goods, although Chinese officials denied any active tariff negotiations. While policy changes under the Trump administration could pose near-term market uncertainties, the prospect of monetary easing by the Fed and other major central banks should remain supportive of the bond markets in the long run.

In June, treasury yields were softer across the curve with investor pricing the chances of sharp economic downturn after tariff war subsided during the month. The Fed left rates steady in its June meeting suggesting policymakers agreed on a cautious approach to monetary policy. Some FOMC members voiced support for a July rate cut, which caused a rally across the Treasury curve. The 10-year Treasury yield fell close to 4.25% before retracing higher by the end of the week as Fed Chair Jerome Powell struck a more neutral tone. Currently, bond markets are pricing in a full 25 bps cut by July.

**MALAYSIA FIXED INCOME MARKET REVIEW AND OUTLOOK**

For the financial year under review, local bond yields moved higher in February 2024 amid a softer Ringgit against the US Dollar and a weaker UST market following the release of stronger-than-expected US jobs and inflation data. In April 2024, the local bond market softened in tandem with the weak global bond markets. Bond yields subsequently declined and the local sovereign bonds market had a strong performance in third quarter of year 2024 ("3Q2024") with yields across benchmark tenures falling sharply – particularly in the shorter end. Key benchmark indices such as the FTSE Russell ("FTSE") Bond Pricing Agency Malaysia ("BPAM") Ringgit All Bond Index recorded a positive return of 1.63% during the quarter – bringing the Year-to-date ("YTD") performance to about 3.76% (5.01% annualised). The strong performance was largely attributable to the Fed's decision to finally embark on a rate cut cycle, leading to positive foreign fund flows into our local bond market. The Budget 2025 which was announced in October continues to set the stage for fiscal consolidation while striking a balance with expansionary policies. The fiscal deficit is expected to narrow to 3.80% of Gross Domestic Product ("GDP") in 2025, down from 4.30% in 2024.

Malaysia's headline inflation slowed to 1.40% in March (February: 1.50%), marking the lowest level in four years, and core inflation steadied at 1.90% for two consecutive months. Official estimates projected the Malaysian economy to expand by 4.40% Year-on-Year ("YoY") in first quarter of year 2025 ("1Q2025"), at a slightly slower pace than the previous quarter at 5.00%. On the external front, risks remain from the turbulent global trade landscape and expected slowdown in major economies. Malaysia was hit with 24.00% reciprocal tariffs by the US on 2 April, but it was partially lifted within hours of implementation. While this provided temporary relief, the US-China trade war seemed to be rolling ahead with tit-for-tat retaliatory measures. With both being Malaysia's major trade partners, such heightened trade tensions could spill over into lower external demand and cause wider supply chain disruptions. Nevertheless, Malaysia's trade seemed to be on stable ground with exports rising by 6.80% in March (February: 6.20%) on front-loading activities while imports contracted by 2.80% (February: 5.50%).

The Malaysian economy moderated further from 4.90% in fourth quarter of year 2024 ("4Q2024"), in line with the Department of Statistics Malaysia's advanced estimate. A sharper contraction in the mining sector driven by lower oil and gas output was the primary drag on growth in first quarter of year 2025 ("1Q2025"), alongside a broad-based moderation across most other sectors, with the exception of agriculture, which recorded a slight increase. Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 3.00%, while lowering Statutory Reserve Requirement ("SRR") ratio by 100 bps from 2.00% to 1.00% effective May 16.

In June, bond market continued its rally with government bonds rallying on the back of weaker-than-expected inflation data. The Malaysian Government Securities ("MGS") yield curve bull-steepened, with yields declining by 2 bps to 10 bps across the short to belly segments, while the 30-year MGS remained unchanged. Headline Consumer Price Index ("CPI") eased further to 1.20% YoY in May, below consensus expectations of 1.40%, marking the lowest reading in over 4 years. Core CPI also moderated, falling to 1.80% from 2.00% in April. With inflation on a downtrend and exports still under pressure, we maintain our base case for BNM to cut the OPR by 25 bps in the second half of the year to support domestic demand.

## **CROSS TRADE**

Cross trade transactions have been carried out during the reporting year and the Investment Committee of the Fund has reviewed that such transactions are in the best interest of the Fund and transacted on an arm's length (\*) and fair value basis.

\* Transactions at arm's length refer to transactions entered in the normal course of business at prevailing market price as at the date of cross trade.

## **SECURITIES FINANCING TRANSACTIONS**

The Fund had not undertaken any securities financing transactions during the financial year under review.

## **STATE OF AFFAIRS**

There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.

We have issued a First Supplemental Master Prospectus dated 1 July 2025 with the list of changes with effect from 1 July 2025. You may refer to **Appendix 1** for the list of changes.

## **TRUSTEE'S REPORT**

### **To the Unitholders of Areca incomeTRUST Fund ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 June 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Areca Capital Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deeds; and
3. Any creation and cancellation of units are carried out in accordance with the deeds and any regulatory requirement.

**For Maybank Trustees Berhad**  
**[Registration No: 196301000109 (5004-P)]**

NORHAZLIANA BINTI MOHAMMED HASHIM  
HEAD, UNIT TRUST & CORPORATE OPERATIONS

Kuala Lumpur  
27 August 2025

## **STATEMENT BY MANAGER**

### **To the Unitholders of Areca incomeTRUST Fund**

We, **WONG TECK MENG** and **RAJA DATUK ZAHARATON BT RAJA DATO' ZAINAL ABIDIN**, two of the Directors of the Manager, Areca Capital Sdn Bhd, do hereby state that in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 June 2025 and the financial performance and the cash flows of the Fund for the financial year ended on that date.

**For and on behalf of the Manager**  
**Areca Capital Sdn Bhd**

WONG TECK MENG  
CEO/EXECUTIVE DIRECTOR

RAJA DATUK ZAHARATON BT RAJA DATO' ZAINAL ABIDIN  
CHAIRMAN/NON-EXECUTIVE DIRECTOR

Kuala Lumpur  
27 August 2025

## **INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF ARECA incomeTRUST FUND**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **ARECA incomeTRUST FUND** ("the Fund"), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 14 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2025, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### **Basis for Opinion**

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

#### *Independence and Other Ethical Responsibilities*

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

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Manager of the Fund is responsible for the other information. The other information comprises the 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 and Trustee 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. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable the fair presentation of these financial statements.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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**ARECA incomeTRUST FUND**

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 Matter**

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

**DELOITTE PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**

**MAK WAI KIT**  
**Partner - 03546/12/2026 J**  
**Chartered Accountant**

27 August 2025

**ANNUAL REPORT JUNE 2025**  
ARECA income**TRUST** FUND

**STATEMENT OF FINANCIAL POSITION**

*As At 30 June 2025*

	<b>Note</b>	<b>2025 RM</b>	<b>2024 RM</b>
<b>Assets</b>			
Investments	5	148,242,986	118,800,126
Cash and cash equivalents	6	28,382,423	15,803,964
Amount due from Manager		-	1,462,160
<b>Total Assets</b>		<u>176,625,409</u>	<u>136,066,250</u>
<b>Unitholders' Fund And Liabilities</b>			
<b>Liabilities</b>			
Amount due to Manager		54,233	-
Other payables and accrued expenses	7	184,566	137,925
<b>Total Liabilities</b>		<u>238,799</u>	<u>137,925</u>
<b>Unitholders' Fund</b>			
Unitholders' capital		124,812,022	90,013,488
Retained earnings		51,574,588	45,914,837
<b>Net Asset Value Attributable To Unitholders</b>		<u>176,386,610</u>	<u>135,928,325</u>
<b>Total Unitholders' Fund And Liabilities</b>		<u>176,625,409</u>	<u>136,066,250</u>
<b>Number Of Units In Circulation</b>	8	<u>267,879,661</u>	<u>213,312,833</u>
<b>Net Asset Value Per Unit (RM)</b>		<u>0.6585</u>	<u>0.6372</u>

*The accompanying Notes form an integral part of the Financial Statements.*

**ANNUAL REPORT JUNE 2025**  
ARECA income**TRUST** FUND

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For The Financial Year Ended 30 June 2025*

	<b>Note</b>	<b>2025 RM</b>	<b>2024 RM</b>
<b>Investments Income</b>			
Interest income		6,136,310	4,894,095
Net gain on investments at fair value through profit or loss ("FVTPL")	5	<u>1,348,103</u>	<u>1,973,541</u>
Total Investments Income		<u>7,484,413</u>	<u>6,867,636</u>
<b>Expenditure</b>			
Management fee	9	1,654,815	1,227,649
Trustee's fee	10	134,019	98,212
Audit fee		12,000	12,500
Tax agent's fee		20,325	3,800
Other expenses		<u>3,503</u>	<u>2,865</u>
Total Expenditure		<u>1,824,662</u>	<u>1,345,026</u>
<b>Net Income Before Tax</b>		5,659,751	5,522,610
<b>Income Tax Expense</b>	11	<u>-</u>	<u>-</u>
<b>Net Income After Tax And Total Comprehensive Income For The Financial Year</b>		<u>5,659,751</u>	<u>5,522,610</u>
<b>Net Income After Tax Is Made Up Of:</b>			
Realised gain		3,796,490	4,193,333
Unrealised gain		<u>1,863,261</u>	<u>1,329,277</u>
		<u>5,659,751</u>	<u>5,522,610</u>

*The accompanying Notes form an integral part of the Financial Statements.*



**ANNUAL REPORT JUNE 2025**  
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**STATEMENT OF CHANGES IN NET ASSET VALUE**

*For The Financial Year Ended 30 June 2025*

	<b>Unitholders' capital RM</b>	<b>Retained earnings RM</b>	<b>Total net asset value RM</b>
<b>Balance as at 1 July 2023</b>	66,423,730	40,392,227	106,815,957
Amounts received from units created	64,948,496	-	64,948,496
Amounts paid for units cancelled	(41,358,738)	-	(41,358,738)
Total comprehensive income for the financial year	-	5,522,610	5,522,610
<b>Balance as at 30 June 2024</b>	<u>90,013,488</u>	<u>45,914,837</u>	<u>135,928,325</u>
<b>Balance as at 1 July 2024</b>	90,013,488	45,914,837	135,928,325
Amounts received from units created	89,449,642	-	89,449,642
Amounts paid for units cancelled	(54,651,108)	-	(54,651,108)
Total comprehensive income for the financial year	-	5,659,751	5,659,751
<b>Balance as at 30 June 2025</b>	<u>124,812,022</u>	<u>51,574,588</u>	<u>176,386,610</u>

*The accompanying Notes form an integral part of the Financial Statements.*

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**STATEMENT OF CASH FLOWS**

*For The Financial Year Ended 30 June 2025*

	<b>Note</b>	<b>2025 RM</b>	<b>2024 RM</b>
<b>Cash Flows From/(Used In) Operating Activities</b>			
Proceeds from disposal of investments		32,879,100	8,971,463
Proceeds from maturity of investments		33,700,000	7,000,000
Purchase of investments		(94,596,993)	(33,394,092)
Interest received		6,059,446	4,776,376
Management fee paid		(1,625,017)	(1,186,998)
Trustee's fee paid		(131,201)	(96,248)
Payment for other fees and expenses		(21,803)	(22,945)
Net Cash Used In Operating Activities		<u>(23,736,468)</u>	<u>(13,952,444)</u>
<b>Cash Flows From/(Use In) Financing Activities</b>			
Cash proceeds from units created		90,911,802	63,517,829
Payment for cancellation of units		(54,596,875)	(41,358,738)
Net Cash From Financing Activities		<u>36,314,927</u>	<u>22,159,091</u>
<b>Net Increase In Cash And Cash Equivalents</b>		12,578,459	8,206,647
<b>Cash And Cash Equivalents At Beginning Of Year</b>		<u>15,803,964</u>	<u>7,597,317</u>
<b>Cash And Cash Equivalents At End Of Year</b>		<u><u>28,382,423</u></u>	<u><u>15,803,964</u></u>
<b>Cash And Cash Equivalents Comprise:</b>			
Cash at banks	6	144,045	142,864
Short-term deposits	6	<u>28,238,378</u>	<u>15,661,100</u>
		<u><u>28,382,423</u></u>	<u><u>15,803,964</u></u>

*The accompanying Notes form an integral part of the Financial Statements.*

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 GENERAL INFORMATION**

Areca incomeTRUST Fund ("incomeTRUST" or "the Fund") was established pursuant to the Trust Deed dated 12 March 2007, as modified by the First Supplemental Deed dated 27 June 2007, Second Supplemental Deed dated 14 April 2008, Third Supplemental Deed dated 21 October 2008, Fourth Supplemental Master Deed dated 10 April 2009, Fifth Supplemental Master Deed dated 12 March 2013, Sixth Supplemental Master Deed dated 6 September 2013 and Seventh Supplemental Master Deed dated 29 August 2022 ("the Deeds") between Areca Capital Sdn Bhd as the Manager, Maybank Trustees Berhad as the Trustee and all the registered unitholders of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments" as defined under Schedule 7 of the Deeds, which include fixed income securities issued by the Malaysian government or Bank Negara Malaysia ("BNM") or any other government related bodies. Such instruments include Malaysian Government Securities, treasury bills and Bank Negara bills, issues guaranteed by the government of Malaysia or BNM or any state government in Malaysia, deposits and issues by banks or financial institutions such as banker's acceptances and negotiable certificates of deposit, private debt securities including those convertibles into equity. These issues are usually approved by BNM and/or the Securities Commission, and/or are rated by the Rating Agency of Malaysia ("RAM") or the Malaysian Rating Corporation Bhd ("MARC"). The credit rating of an issue may also be enhanced through bank guarantees or corporate guarantees, units and share in other collective investment schemes, derivatives such as future contracts for hedging purposes only, foreign currency exposure in sovereign bonds and corporate bonds, and any other form of investments as may be permitted by the relevant authorities from time to time. The Fund was launched on 23 April 2007 and will continue its operations until terminated in accordance with the conditions provided in Part 12 of the Deeds.

The investment objective of the Fund is to provide investors with short to medium term capital preservation and a regular income (income could be in the form of units or cash). Any material changes to the investment objective of the Fund would require unitholders' approval.

The Manager of the Fund is Areca Capital Sdn Bhd, a company incorporated in Malaysia. It is engaged in managing, administering, marketing and distributing unit trust funds, managing and administering funds under private mandates and the regulated activities of financial planning and providing investment advice.

The financial statements were authorised for issue by the Board of Directors of the Manager on 27 August 2025.

### **2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the relevant Securities Commission Malaysia guidelines.

#### **Adoption of Amendments to MFRS**

The Fund has applied the following relevant Amendments for the first time for the financial year beginning on 1 July 2024:

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

The adoption of the above did not give rise to any material effects on the financial statements of the Fund.

## **New MFRS and Amendments to MFRSs in Issue But Not Yet Effective**

At the date of authorisation for issue of these financial statements, the relevant new MFRS and Amendments to MFRSs which were in issue by the MASB but not yet effective and not early adopted by the Fund are listed below:

	<b>Effective for annual periods beginning on or after</b>
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

The Manager of the Fund anticipates that the abovementioned new MFRS and Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these New MFRS and Amendments to MFRSs is not expected to have material impact on the financial statements of the Fund in the period of initial application.

## **3 MATERIAL ACCOUNTING POLICIES**

### **Basis of Accounting**

The financial statements of the Fund have been prepared under the historical cost convention except for financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value-in-use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

## **Income Recognition**

Interest income from short-term deposits and unquoted fixed income securities are recognised on an accrual basis based on the effective yield of the asset.

Realised gain and loss on disposal of investments is arrived at based on net sales proceeds less carrying value. Any unrealised gain and loss previously charged to profit or loss in relation to the disposal of this investment will be reversed and classified as realised gain or loss during the financial year.

Unrealised gains and losses are calculated based on changes in the fair value of financial instruments at the end of the reporting year.

## **Income Tax**

Pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967, interest income derived by the Fund is exempt from tax, and pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967, gains from realisation of investments are not treated as income and is also exempt from tax.

## **Functional and Presentation Currency**

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

## **Unitholders' Capital**

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments.

The units in the Fund are puttable instruments which entitle the unitholders to a pro-rata share of the net asset value of the Fund. The units are subordinated and have identical features. There is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net asset value of the Fund.

## **Creation and Cancellation of Units**

The Fund issues cancellable units, which are cancelled at the unitholders' option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The outstanding units are carried at the redemption amount that is payable at the net asset value if the holder exercises the right to put the units back to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's net asset value per unit 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.

## **Financial Instruments**

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting year following the change of the business model.

## **Financial Assets**

### **(i) Classification**

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Fund can make an irrevocable election at the time of initial recognition to account for the equity investment either at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

### **(ii) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

### **(iii) Measurement**

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

## **Impairment of Financial Assets**

The Fund assesses at the end of each reporting year whether there is any objective evidence that a financial asset is impaired.

The Fund applies the simplified approach under MFRS 9 which requires expected lifetime loss to be recognised from initial recognition. The expected loss allowance is based on provisional matrix.

## **Derecognition of Financial Assets**

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## **Equity Instruments**

The Fund measures its equity investments at fair value with gains or losses on valuation recognised in profit or loss unless the Fund's management has made an irrevocable election to recognise the fair value gains and losses in other comprehensive income at its initial stage.

## **Financial Liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

### **Financial Liabilities Measured Subsequently at Amortised Cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant years. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

## **Investments**

Unquoted fixed income securities are valued at FVTPL and are generally valued by reference to published prices of Bond Pricing Agency Malaysia ("BPAM").

Investments in collective investment schemes are valued at FVTPL based on the Net Asset Value of such collective investment schemes at the end of the reporting year.

Unquoted equity securities in preference shares are valued at FVTPL. Where no market data is available, the Fund will value the investment based on valuation methods and techniques generally recognised as standard within the industry.

Gains or losses arising from the changes in the fair values of the investments are recognised in the profit or loss and are classified as unrealised gain or loss.

### **Classification of Realised and Unrealised Gains and Losses**

Gains or losses arising from the disposal of financial instruments are recognised as realised gains or losses in the profit or loss.

Gain or losses arising from the changes in the valuation of financial instruments at the end of the reporting year are recognised as unrealised gains or losses in the profit or loss.

## **Provisions**

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, where it is probable that the Fund will be required to settle that obligation and a reliable estimate can be made of the amount or timing of the obligation.

The amount recognised as a provision will be the best estimate of the amount required to settle the present obligation at the reporting date, taking into account the uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount will be the present value of those cash flows.

## **Statement of Cash Flows**

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents, which comprise cash and balances with banks and other financial institutions and deposit placements, are short-term, highly liquid investments with maturities of three months or less from the date of acquisition or are readily convertible to cash with insignificant risk of changes in value.

## **4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

### **(i) Critical judgements in applying accounting policies**

In the process of applying the Fund's accounting policies, which are described in Note 3 above, the Manager is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

### **(ii) Key sources of estimation uncertainty**

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as disclosed below:

#### **(a) Fair value estimation of preference shares**

The preference shares are not quoted in an active market. Where no market data is available, the Fund will value the investment based on valuation methods and techniques generally recognised as standard within the industry, and are generally based on the net present value of contractual cash flows of the securities discounted using a discount rate which approximates the expected rate of return by the unitholders.



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**5 INVESTMENTS**

	<b>2025 RM</b>	<b>2024 RM</b>
<b>Financial assets at FVTPL:</b>		
Unquoted fixed income securities	128,970,691	113,800,126
Collective investment schemes	19,272,295	-
Unquoted equity securities	-	5,000,000
	<u>148,242,986</u>	<u>118,800,126</u>
<b>Net gain on investments at FVTPL comprise:</b>		
Realised (loss)/gain on disposals	(515,158)	644,264
Unrealised gain on changes in fair values	1,863,261	1,329,277
	<u>1,348,103</u>	<u>1,973,541</u>

Financial assets at fair value through profit or loss as at 30 June 2025 are as follows:

<b>Issuer coupon (%) maturity rating</b>	<b>Nominal Value RM</b>	<b>Adjusted Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<b>Commercial Paper</b>				
Gabungan AQRS Bhd 09/07/2025 MARC-1 IS	3,000,000	2,987,055	2,996,117	1.70
Total commercial paper		<u>2,987,055</u>	<u>2,996,117</u>	<u>1.70</u>
<b>Unquoted Bonds</b>				
Amanat Lebuhraya Rakyat Bhd 5.09% 11/10/2030 AAA	7,000,000	7,290,901	7,575,521	4.30
Bank Pembangunan Malaysia Bhd 2.80% 10/10/2025 AAA IS	3,500,000	3,499,942	3,514,257	1.99
Bank Pembangunan Malaysia Bhd 4.02% 01/12/2028 AAA IS	5,000,000	5,015,419	5,076,319	2.88
Bank Simpanan Nasional 3.82% 05/11/2027 AAA	7,000,000	7,040,293	7,081,733	4.01
GENM Capital Bhd 5.07% 05/05/2028 AA1 (S)	4,000,000	4,031,670	4,133,110	2.34
GENM Capital Bhd 5.30% 11/07/2028 AA1 (S)	9,000,000	9,273,458	9,521,008	5.40
GENM Capital Bhd 4.92% 31/05/2029 AA1 (S)	3,500,000	3,515,097	3,610,927	2.05
Genting RMTN Bhd 4.18% 08/11/2029 AA1 (S)	5,000,000	5,030,920	5,032,871	2.85
Government Investment Issue Murabahah 4.369% 31/10/2028 NR (LT)	10,000,000	10,352,213	10,437,213	5.92
Hong Leong Islamic Bank Bhd 4.07% 03/11/2026 AAA	4,200,000	4,226,695	4,254,415	2.41
Konsortium KAJV Sdn Bhd 5.90% 11/05/2029 AA- IS	3,600,000	3,637,154	3,761,642	2.13
Lebuhraya Duke Fasa 3 Sdn Bhd 6.23% 21/08/2037 AA- IS	3,500,000	3,658,469	3,894,194	2.21

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<b>Issuer coupon (%) maturity rating</b>	<b>Nominal Value RM</b>	<b>Adjusted Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<b>Unquoted Bonds</b>				
Malaysia Rail Link Sdn Bhd 3.13% 05/07/2030 NR (LT)	3,000,000	3,045,278	3,012,848	1.71
Malaysian Government Securities 3.828% 05/07/2034 NR (LT)	5,000,000	5,117,422	5,210,672	2.95
Menara ABS Bhd 0.00% 13/01/2027 D	6,009,407	6,009,407	6,009,407	3.41
Petroleum Sarawak Exploration & Production Sdn Bhd 4.65% 22/02/2033 AAA	5,000,000	5,100,897	5,407,197	3.07
Press Metal Aluminium Holdings Bhd 4.02% 19/03/2032 AA1	4,000,000	4,057,817	4,122,817	2.34
Sabah Development Bank Bhd 4.55% 15/08/2025 AA1	5,000,000	5,068,771	5,083,521	2.88
Sime Darby Property Bhd 3.90% 29/04/2032 AA+ IS	3,500,000	3,523,560	3,572,280	2.03
STM Lottery Sdn Bhd 5.65% 29/06/2029 AA-	5,000,000	5,062,774	5,223,174	2.96
Tanjung Bin Energy Sdn Bhd 5.45% 22/05/2026 AA3	5,000,000	5,038,116	5,081,166	2.88
Telekosang Hydro One Sdn Bhd 5.30% 06/08/2032 A1	5,000,000	5,155,674	5,087,724	2.88
TNB Western Energy Bhd 5.26% 30/07/2027 AAA IS	2,000,000	2,104,621	2,104,501	1.19
YTL Power International Bhd 4.30% 24/08/2029 AA1	3,000,000	3,097,385	3,112,745	1.76
Zamarad Assets Bhd 4.07% 12/11/2027 AAA	5,000,000	5,026,762	5,053,312	2.86
Total unquoted bonds		<u>123,980,715</u>	<u>125,974,574</u>	<u>71.41</u>
Total unquoted fixed income securities		<u>126,967,770</u>	<u>128,970,691</u>	<u>73.11</u>

	<b>Quantity Units</b>	<b>Aggregate Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
Areca Islamic income <b>TRUST</b> Fund	2,636,109	1,400,000	1,410,055	0.80
Areca Steady fixed <b>INCOME</b> Fund	2,732,240	3,500,000	3,526,229	2.00
Areca Strategic Income Fund 9.0	13,884,757	14,000,000	14,336,011	8.13
Total collective investment schemes		<u>18,900,000</u>	<u>19,272,295</u>	<u>10.93</u>
<b>Total investments</b>		<u>145,867,770</u>	<u>148,242,986</u>	<u>84.04</u>
<b>Unrealised gain on investments</b>			<u>2,375,216</u>	

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Financial assets at fair value through profit or loss as at 30 June 2024 are as follows:

<b>Issuer coupon (%) maturity rating</b>	<b>Nominal Value RM</b>	<b>Adjusted Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<b>Commercial Papers</b>				
Cagamas Bhd				
3.54% 10/09/2024 P1	2,000,000	2,003,685	2,003,685	1.47
CGS International Securities Malaysia Sdn Bhd				
20/09/2024 MARC-1	1,700,000	1,682,665	1,683,999	1.24
Total commercial papers		3,686,350	3,687,684	2.71
<b>Unquoted Bonds</b>				
Amanat Lebuhraya Rakyat Bhd				
5.09% 11/10/2030 AAA IS	7,000,000	7,287,972	7,528,702	5.54
Bank Pembangunan Malaysia Bhd				
2.80% 10/10/2025 AAA IS	3,500,000	3,499,943	3,481,988	2.56
Bank Pembangunan Malaysia Bhd				
4.02% 01/12/2028 AAA IS	5,000,000	5,013,767	5,042,217	3.71
CIMB Thai Bank Public Company Ltd				
4.15% 06/07/2029 AA3	4,000,000	4,078,679	4,078,799	3.00
GENM Capital Bhd				
5.07% 05/05/2028 AA1 (S)	4,000,000	4,030,003	4,102,483	3.02
GENM Capital Bhd				
4.92% 31/05/2029 AA1 (S)	3,500,000	3,513,682	3,565,377	2.62
GENM Capital Bhd				
5.30% 11/07/2028 AA1 (S)	8,000,000	8,222,680	8,411,480	6.19
Genting RMTN Bhd				
4.18% 08/11/2029 AA1 (S)	5,000,000	5,029,775	4,926,275	3.62
Government Investment Issue Murabahah				
3.465% 15/10/2030 NR (LT)	2,000,000	1,965,240	1,980,980	1.46
Hong Leong Islamic Bank Bhd				
4.07% 03/11/2026 AAA	4,200,000	4,226,695	4,261,387	3.13
Konsortium KAJV Sdn Bhd				
5.90% 11/05/2029 AA- IS	3,600,000	3,635,990	3,724,982	2.74
Lebuhraya Duke Fasa 3 Sdn Bhd				
6.23% 21/08/2037 AA- IS	3,500,000	3,658,470	4,003,570	2.95
Malaysia Rail Link Sdn Bhd				
3.13% 05/07/2030 NR (LT)	3,000,000	3,044,506	2,940,346	2.16
Menara ABS Bhd				
0.00% 13/01/2025 D	6,009,407	6,009,407	6,009,407	4.42
Petroleum Sarawak Exploration & Production Sdn Bhd				
4.65% 22/02/2033 AAA	5,000,000	5,101,534	5,325,034	3.92
Public Islamic Bank Bhd				
3.75% 31/10/2029 AA1	5,000,000	5,175,822	5,030,972	3.70
Sabah Development Bank Bhd				
4.55% 15/08/2025 AA1	5,000,000	5,068,771	5,106,471	3.76

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Issuer coupon (%) maturity rating	Nominal Value RM	Adjusted Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<b>Unquoted Bonds</b>				
Sabah Development Bank Bhd 4.40% 30/07/2024 AA1	2,000,000	2,033,105	2,037,065	1.50
STM Lottery Sdn Bhd 5.65% 29/06/2029 AA-	5,000,000	5,062,774	5,174,074	3.81
Tanjung Bin Energy Sdn Bhd 5.45% 22/05/2026 AA3	5,000,000	5,036,623	5,086,223	3.74
Telekosang Hydro One Sdn Bhd 5.30% 06/08/2032 AA3	4,000,000	4,121,238	4,229,438	3.11
TG Excellence Bhd 3.95% 27/02/2120 A IS (CG)	3,900,000	3,947,433	3,927,460	2.89
YTL Power International Bhd 4.95% 11/10/2024 AA1	10,000,000	10,837,712	10,137,712	7.46
Total unquoted bonds		<u>109,601,821</u>	<u>110,112,442</u>	<u>81.01</u>
Total unquoted fixed income securities		<u>113,288,171</u>	<u>113,800,126</u>	<u>83.72</u>

	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
<b>UNQUOTED EQUITY SECURITIES</b>				
<b>Preference Shares</b>				
Bandar Sri Tujuh Sdn Bhd	5,000,000	5,000,000	5,000,000	3.68
Total unquoted equity securities		<u>5,000,000</u>	<u>5,000,000</u>	<u>3.68</u>
<b>Total investments</b>		<u>118,288,171</u>	<u>118,800,126</u>	<u>87.40</u>
<b>Unrealised gain on investments</b>			<u>511,955</u>	

## 6 CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash at banks	144,045	142,864
Short-term deposits	<u>28,238,378</u>	<u>15,661,100</u>
	<u>28,382,423</u>	<u>15,803,964</u>

Short-term deposits represent deposits placed with local licensed financial institutions.

The weighted average interest rate for short-term deposits is 3.30% (2024: 3.09%) per annum and the average maturity period is 12 days (2024: 3 days).

## **7 OTHER PAYABLES AND ACCRUED EXPENSES**

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
Accrued expenses:		
Management fee	142,413	112,615
Trustee's fee	11,828	9,010
Audit fee	12,000	12,500
Tax agent's fee	18,325	3,800
	<u>184,566</u>	<u>137,925</u>

## **8 NUMBER OF UNITS IN CIRCULATION**

	<b>2025</b> <b>Units</b>	<b>2024</b> <b>Units</b>
At beginning of the year	213,312,833	175,285,661
Created during the year	138,891,784	104,287,403
Cancelled during the year	(84,324,956)	(66,260,231)
At end of the year	<u>267,879,661</u>	<u>213,312,833</u>

## **9 MANAGEMENT FEE**

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee of up to 2.50% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day.

The management fee provided in the financial statements is an average of 0.99% (2024: 1.00%) per annum for the financial year, net of management fee rebate on the collective investment schemes.

## **10 TRUSTEE'S FEE**

The Schedule 9 of the Deeds provides that the Trustee is entitled to an annual Trustee's fee of up to 0.50% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day (excluding foreign custodian fees and charges, if any).

The Trustee's fee provided in the financial statements is 0.08% (2024: 0.08%) per annum for the financial year.

## **11 INCOME TAX EXPENSE**

There is no income tax expense for the year as interest income derived by the Fund is exempted income from tax pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967.

## 12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

### Total Expense Ratio (TER)

Total expense ratio for the Fund is 1.09% (2024: 1.10%) for the financial year ended 30 June 2025. The total expense ratio which includes management fee, Trustee's fee, audit fee, tax agent's fee and other expenses, 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

The average net asset value of the Fund for the financial year is RM167,519,929 (2024: RM122,425,848).

### Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.48 times (2024: 0.20 times) for the financial year ended 30 June 2025. The portfolio turnover is derived from the following calculation:

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

Where:      total acquisition for the financial year = RM94,921,222 (2024: RM33,618,963)  
                  total disposal for the financial year      = RM66,579,100 (2024: RM15,971,463)

## 13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

As at end of the financial year, the total number and value of units held by the related parties are as follows:

	←-----2025-----→		←-----2024-----→	
	No. of units	RM	No. of units	RM
Directors of the Manager				
(The above units are held legally and beneficially)				
	244,994	161,329	378,062	240,901
	<u>244,994</u>	<u>161,329</u>	<u>378,062</u>	<u>240,901</u>

There are no units held by the Manager for the financial year under review.

The Directors of the Manager are of the opinion that the transactions with the related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with related parties have been transacted at arm's length basis.

## 14 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

<b>Brokers/Dealers</b>	<b>Value of Trades RM</b>	<b>% of Total Trades %</b>
<b>2025</b>		
Hong Leong Bank Bhd	31,567,972	30.42
Kenanga Investment Bank Bhd	20,824,027	20.06
CIMB Bank Bhd	16,067,606	15.48
Hong Leong Investment Bank Bhd	14,908,513	14.37
Malayan Banking Bhd	8,212,000	7.91
CIMB Islamic Bank Bhd	7,201,204	6.94
RHB Investment Bank Bhd	5,000,000	4.82
	<b>103,781,322</b>	<b>100.00</b>
<b>2024</b>		
Malayan Banking Bhd	23,738,389	56.52
Hong Leong Investment Bank Bhd	7,700,000	18.33
Hong Leong Bank Bhd	5,360,880	12.76
Affin Hwang Investment Bank Bhd	2,968,667	7.07
CIMB Bank Bhd	2,022,497	4.82
Kenanga Investment Bank Bhd	208,333	0.50
	<b>41,998,766</b>	<b>100.00</b>

## 15 RISK MANAGEMENT POLICIES

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital as well as to provide regular income over the short to medium term period by investing in collective investment schemes, unquoted fixed income securities and unquoted equity securities. In order to meet its stated investment objectives, the Fund utilises risk management for both defensive and proactive purposes. Rigorous analysis of sources of risk in the portfolio is carried out and the following policies are implemented to provide effective ways to reduce future risk and enhance future returns within the Fund's mandate.

The key risks faced by the Fund are credit risk, liquidity risk, market risk (including interest rate risk and price risk) primarily on its investments and capital risk.

### Categories of Financial Instruments

	<b>2025 RM</b>	<b>2024 RM</b>
<b>Financial assets</b>		
<b>Carried at FVTPL:</b>		
Investments	<b>148,242,986</b>	<b>118,800,126</b>
<b>Amortised cost:</b>		
Cash and cash equivalents	28,382,423	15,803,964
Amount due from Manager	-	1,462,160
<b>Financial liabilities</b>		
<b>Amortised cost:</b>		
Amount due to Manager	54,233	-
Other payables and accrued expenses	<b>184,566</b>	<b>137,925</b>

## Credit risk management

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely repayments of interest, principal and proceeds from realisation of investments.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. None of the Fund's financial assets were past due, except for the Tranche A Sukuk issued by Menara ABS Berhad.

The credit risk for cash at bank is considered negligible since the counterparties are reputable banks with high quality external ratings.

The Fund invests only in unquoted fixed income securities of at least investment grade as rated by a credit rating agency at inception. The Fund also invests in government backed/related securities which are not rated by credit rating agency. The following table set out the Fund's portfolio of unquoted fixed income securities by rating categories:

<b>Credit Rating</b>	<b>Fair Value RM</b>	<b>As a % of unquoted fixed income securities %</b>	<b>As a % of NAV %</b>
<b>2025</b>			
<b>Unquoted Fixed Income Securities</b>			
AAA	29,372,178	22.77	16.65
AAA IS	10,695,077	8.29	6.06
AA1	12,319,083	9.55	6.98
AA1 (S)	22,297,916	17.29	12.64
AA3	5,081,166	3.94	2.88
AA+ IS	3,572,280	2.77	2.03
AA-	5,223,174	4.05	2.96
AA- IS	7,655,836	5.94	4.34
A1	5,087,724	3.95	2.88
MARC-1 IS	2,996,117	2.32	1.70
D	6,009,407	4.66	3.41
NR (LT)	18,660,733	14.47	10.58
	<b>128,970,691</b>	<b>100.00</b>	<b>73.11</b>



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<b>Credit Rating</b>	<b>Fair Value RM</b>	<b>As a % of unquoted fixed income securities %</b>	<b>As a % of NAV %</b>
<b>2024</b>			
<b>Unquoted Fixed Income Securities</b>			
AAA	9,586,421	8.42	7.05
AAA IS	16,052,907	14.11	11.81
AA1	22,312,220	19.61	16.42
AA1 (S)	21,005,615	18.46	15.45
AA3	13,394,460	11.77	9.85
AA-	5,174,074	4.55	3.81
AA- IS	7,728,552	6.79	5.69
A IS (CG)	3,927,460	3.45	2.89
MARC-1	1,683,999	1.48	1.24
P1	2,003,685	1.76	1.47
D	6,009,407	5.28	4.42
NR (LT)	4,921,326	4.32	3.62
	<b>113,800,126</b>	<b>100.00</b>	<b>83.72</b>

The following table set out the Fund's portfolio of investments by industry:

	<b>Short-term deposits RM</b>	<b>Unquoted fixed income securities RM</b>	<b>Collective investment schemes RM</b>	<b>Unquoted equity securities RM</b>
<b>2025</b>				
<b>Industry</b>				
Civil/Engineering	-	3,761,642	-	-
Construction	-	23,705,998	-	-
Diversified holdings	-	5,032,871	-	-
Energy	-	5,407,197	-	-
Finance, insurance and business services	28,238,378	53,338,009	19,272,295	-
Gaming	-	5,223,174	-	-
Government and other services	-	15,647,885	-	-
Infrastructure and utilities	-	5,081,166	-	-
Power and electricity	-	8,200,469	-	-
Property and real estate development	-	3,572,280	-	-
	<b>28,238,378</b>	<b>128,970,691</b>	<b>19,272,295</b>	<b>-</b>

<b>2024</b>				
<b>Industry</b>				
Civil/Engineering	-	3,724,982	-	-
Construction	-	14,472,618	-	5,000,000
Diversified holdings	-	4,926,275	-	-
Energy	-	5,325,034	-	-
Finance, insurance and business services	15,661,100	60,723,770	-	-
Gaming	-	5,174,074	-	-
Infrastructure and utilities	-	15,223,935	-	-
Power and electricity	-	4,229,438	-	-
	<b>15,661,100</b>	<b>113,800,126</b>	<b>-</b>	<b>5,000,000</b>

### **Liquidity risk management**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able of being converted into cash with 7 days.

All financial liabilities are repayable on demand or due within 1 year from the date of the statement of financial position.

### **Market risk management**

This is a class of risk that inherently exists in an economy and cannot be avoided by any business or Fund. It is usually due to changes in market variables such as interest rates and market prices.

During the financial year, as the Fund invests in unquoted fixed income securities and collective investment schemes, the performance of the Fund might go up or down in accordance with the prevailing market risk in Malaysia.

### **Interest rate risk management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Fund is not exposed to interest rate risk through the impact of market interest rate changes as the interest rates on unquoted fixed income securities and preference shares are fixed on the inception. The Fund's short-term deposits and cash at banks earn interest at floating rates but is not exposed to any significant interest rate risk as the floating rates, represented by overnight cash rates, do not fluctuate significantly year-on-year.

The Fund is exposed to risk of fluctuation in fair value of financial assets as a result of change in the market interest rate. The valuation for financial assets at FVTPL move inversely to the market interest rate movements. As the market interest rate rise, the fair value of financial assets at FVTPL decrease and vice versa.

### **Price risk management**

Price risk is the risk of unfavourable changes in the fair value of unquoted fixed income securities, collective investment schemes and unquoted equity securities as the result of changes in the levels of the equity indices and the value of the individual securities. The price risk exposure arises from the Fund's investment in unquoted fixed income securities, collective investment schemes and unquoted equity securities. The Manager manages the unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

### **Price risk sensitivity**

The Manager's best estimate of the effect on the income for the year due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

	<b>Changes in price %</b>	<b>Effect on profit or loss Increase/(Decrease) RM</b>
<b>2025</b>		
Investments	+5/-5%	<u>7,412,149/(7,412,149)</u>
<b>2024</b>		
Investments	+5/-5%	<u>5,940,006/(5,940,006)</u>

## Capital risk management

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

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions.

Unquoted fixed income securities are valued using fair value prices quoted by Bond Pricing Agency Malaysia ("BPAM"). When no market price is available or during abnormal market or when the Manager is of the view that the price quoted by BPAM for a specific bond differs from the market price by more than 20 basis points, the Manager will separately assess the security to determine the price valuation, and the Manager will record the valuation basis and obtain the necessary internal approvals for using the non-BPAM price.

The fair value of the collective investment schemes is determined based on Net Asset Value ("NAV") per unit of such collective investment schemes as at the end of the reporting year.

The fair value of securities that are not quoted in active market are determined by using valuation techniques, primarily earnings multiples, discounted cash flows and recent comparable transactions. The inputs in the earning multiples models include observable data, such as forecast earnings for the portfolio company. Management uses models to adjust the observed equity returns to reflect the actual debt/equity financing structure of the valued equity investment. Models are calibrated by backtesting to actual results/exit prices achieved to ensure that outputs are reliable.

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 other financial assets and financial liabilities approximate their fair values due to short maturity of these instruments.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2025</b>				
<b>Financial assets at FVTPL</b>				
Unquoted fixed income securities	- 122,961,284		6,009,407	128,970,691
Collective investment schemes	- 19,272,295		-	19,272,295
<b>2024</b>				
<b>Financial assets at FVTPL</b>				
Unquoted fixed income securities	- 113,800,126		-	113,800,126
Unquoted equity securities	-	-	5,000,000	5,000,000

Tranche A Sukuk issued by Menara ABS Berhad amounting to RM6,009,407 as at 30 June 2025 was transferred from Level 2 to Level 3 during the financial year as the quoted price was no longer deemed to be reliable.

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The following table shows the valuation technique used in the determination of fair values within Level 3, as well as key observable input used in valuation model:

<b>Instrument</b>	<b>Description of valuation technique and inputs used</b>	<b>Significant unobservable input</b>	<b>Relationship and sensitivity of unobservable inputs to fair value</b>
Preference shares	Discounted cash flows method was used to capture the present value of the expected future economic benefits to derived from the ownership of the investees.	Discount rate: Nil (2024: 9.50%)	An increase in the discount rate would result in a decrease in fair value, and vice versa.
Sukuk – Menara ABS Berhad	Discounted cash flows method was used to capture the present value of the expected future cash flows.	Future cash flows Discount rate: 5.30% (2024: Nil)	An increase in discount rate would result in decrease in fair value, and vice versa. An increase in future cash flows would result in increase in fair value, and vice versa.

## 17 COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current year's financial statements presentation:

	<b>2024 RM</b>	<b>Reclassification RM</b>	<b>2024 RM</b>
<b>Statement of cash flows</b>			
<b>Cash Flows From/(Used In)</b>			
<b>Operating Activities</b>			
Proceeds from disposal of investments	15,971,463	(7,000,000)	8,971,463
Proceeds from maturity of investments	-	7,000,000	7,000,000

**APPENDIX 1 - List of changes for Areca incomeTRUST Fund**

Section	Master Prospectus dated 19 December 2022	First Supplemental Master Prospectus dated 01 July 2025	Remarks
INVESTMENT STRATEGIES OF THE MANAGER	<b>Trading Frequency</b> The Funds may engage in trading activities when opportunities arise. Opportunities would include but not limited to arbitrage situations, discrepancies in valuation, expected liquidity surges and thematic plays. Such transaction will be reviewed and monitored by the person(s) or members undertaking the oversight function of the Funds on a monthly basis.	<b>Trading Frequency</b> The Funds may engage in trading activities when opportunities arise. Opportunities would include but not limited to arbitrage situations, discrepancies in valuation, expected liquidity surges and thematic plays. Such transaction will be reviewed and monitored by the person(s) or members <u>of a committee</u> undertaking the oversight function of the Funds on a monthly basis.	The information on Investment Strategies of the Manager has been amended.
INVESTMENT POLICY/ STRATEGY OF THE FUND	The Fund may invest up to 98% of its NAV in Fixed Income Securities and Money Market Instruments with a minimum of 2% of its NAV in Liquid Assets. The minimum credit rating for Money Market Instruments and other Fixed Income Securities (other than government and government related securities) that the Fund shall invest in is the credit rating of 'A3' by RAM or such equivalent rating by other rating agencies. Notwithstanding the above and subject to the person(s) or members undertaking the oversight function of the Fund unanimous approval, the Fund may invest up to 25% of its NAV in Fixed Income Securities with a credit rating below the minimum 'A3' rating including unrated issues. The Fund may continue to hold its investment in Fixed Income Securities with a credit rating below 'A3' even if the holdings exceeds 25% of its NAV due to appreciation or depreciation of the NAV of the Fund, whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of Units or other payment made by the Fund. Under normal circumstances, the weighted average Duration is expected to be approximately 2 to 5 years.	The Fund may invest up to 98% of its NAV in Fixed Income Securities and Money Market Instruments with a minimum of 2% of its NAV in Liquid Assets. The minimum credit rating for Money Market Instruments and other Fixed Income Securities (other than government and government related securities) that the Fund shall invest in is the credit rating of 'A3' by RAM or such equivalent rating by other rating agencies. Notwithstanding the above and subject to the person(s) or members <u>of a committee</u> undertaking the oversight function of the Fund unanimous approval, the Fund may invest up to 25% of its NAV in Fixed Income Securities with a credit rating below the minimum 'A3' rating including unrated issues. The Fund may continue to hold its investment in Fixed Income Securities with a credit rating below 'A3' even if the holdings exceeds 25% of its NAV due to appreciation or depreciation of the NAV of the Fund, whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of Units or other payment made by the Fund. Under normal circumstances, the weighted average Duration is expected to be approximately 2 to 5 years.	The information on Investment Policy/Strategy of the Fund has been amended.
RISK MANAGEMENT	We adopt various risks management strategies such as asset allocation, diversification, liquidity management and short-term defensive strategy to mitigate and diversify the inherent risks associated to the Funds. Generally, the broad asset allocations and the respective investment restrictions of the Funds are monitored regularly by the compliance department who reports monthly to the person(s) or members undertaking the oversight function of the Funds.  For credit risks management, AITF has set a minimum credit rating of 'A3' by RAM or such equivalent rating by other rating agencies for its general investments. Although the Fund may invest in fixed income instruments with a credit rating below 'A3', it has a stringent policy to obtain a prior unanimous approval from the person(s) or members undertaking the oversight function of the Fund and that limit of the holdings is set to a maximum of 25% of its NAV at the time of purchase.	We adopt various risks management strategies such as asset allocation, diversification, liquidity management and short-term defensive strategy to mitigate and diversify the inherent risks associated to the Funds. Generally, the broad asset allocations and the respective investment restrictions of the Funds are monitored regularly by the compliance department who reports monthly to the person(s) or members <u>of a committee</u> undertaking the oversight function of the Funds.  For credit risks management, AITF has set a minimum credit rating of 'A3' by RAM or such equivalent rating by other rating agencies for its general investments. Although the Fund may invest in fixed income instruments with a credit rating below 'A3', it has a stringent policy to obtain a prior unanimous approval from the person(s) or members <u>of a committee</u> undertaking the oversight function of the Fund and that limit of the holdings is set to a maximum of 25% of its NAV at the time of purchase.	The information on Risk Management has been amended.
TEMPORARY DEFENSIVE POSITION	In general, the temporary defensive positions shall be taken for a period of not more than 6 months with prior approval from the person(s) or members undertaking the oversight function of the Funds. However, the position could be held for a longer period with the approval from the person(s) or members undertaking the oversight function of the Funds during prolonged adverse market conditions. We will re-align the Funds to their principal investment strategies when market conditions turn for the better.	In general, the temporary defensive positions shall be taken for a period of not more than 6 months with prior approval from the person(s) or members undertaking the oversight function of the Funds. However, the position could be held for a longer period with the approval from the person(s) or members <u>of a committee</u> undertaking the oversight function of the Funds during prolonged adverse market conditions. We will re-align the Funds to their principal investment strategies when market conditions turn for the better.	The information on Temporary Defensive Position has been amended.
CROSS TRADE POLICY	The Manager may undertake cross trades, i.e. sale and purchase transactions between funds or portfolios under the management of the Manager where the:-  iv. the policies and procedures governing cross-trades have been approved by the person(s) or members undertaking the oversight function of the Fund; and v. transactions will be reported to the Trustee and the person(s) or members undertaking the oversight function of the Fund.	The Manager may undertake cross trades, i.e. sale and purchase transactions between funds or portfolios under the management of the Manager where the:-  iv. the policies and procedures governing cross-trades have been approved by the person(s) or members <u>of a committee</u> undertaking the oversight function of the Fund; and v. transactions will be reported to the Trustee and the person(s) or members <u>of a committee</u> undertaking the oversight function of the Fund.	The information on Cross Trade Policy has been amended.

Section	Master Prospectus dated 19 December 2022	First Supplemental Master Prospectus dated 01 July 2025	Remarks
FEES, CHARGES AND EXPENSES	For lump sum cash investment, you may apply to the Manager to choose to pay the entry fee either by upfront payment or deferred payment subject to the Manager's acceptance. For deferred payment, the entry fee will be debited from your account within six (6) months in the form of Units. Debiting will be done on every 15th of the next calendar quarter (i.e. 15/3, 15/6 15/9, 15/12) until the said entry fee is fully deducted. If the investment is redeemed before the entry fee is fully deducted, the balance of chargeable entry fee will be debited upon exit/Redemption.		This information has been deleted
THE MANAGER: ARECA CAPITAL SDN BHD	<p><b>Board of Directors of Areca Capital Sdn Bhd ("Board")</b> Our Board of directors plays an active part in the affairs of Areca and the funds under our management. The Board meets at least once every quarter to receive recommendations and reports on investment activities from the person(s) or members undertaking the oversight function of the funds and the senior representatives of Areca. Information on the Board of directors can be found at <a href="http://www.arecacapital.com/Board+of+Directors_5_1.htm">http://www.arecacapital.com/Board+of+Directors_5_1.htm</a>.</p> <p><b>Fund Management Function</b> Our Fund Managers are authorized to manage the Funds in accordance with their respective investment objectives. This is subject to the requirements of this Master Prospectus, the Deeds, the Guidelines, CMSA, acceptable and efficacious business practice within the unit trust industry and the policies and internal controls of Areca.</p> <p>The Fund Manager will report to the person(s) or members undertaking the oversight function of the Funds and will implement the investment strategies selected by the person(s) or members undertaking the oversight function of the Funds.</p> <p><b>Designated Person Responsible For The Management Of The Funds</b> <del>Mr. Edward Iskandar Toh</del> is the designated person responsible for the management of AITF and AMTF.</p>	<p><b>Board of Directors of Areca Capital Sdn Bhd ("Board")</b> Our Board of directors plays an active part in the affairs of Areca and the funds under our management. The Board meets at least once every quarter to receive recommendations and reports on investment activities from the person(s) or members of a <u>committee</u> undertaking the oversight function of the funds and the senior representatives of Areca. Information on the Board of directors can be found at <a href="http://www.arecacapital.com/Board+of+Directors_5_1.htm">http://www.arecacapital.com/Board+of+Directors_5_1.htm</a>.</p> <p><b>Fund Management Function</b> Our Fund Managers are authorized to manage the Funds in accordance with their respective investment objectives. This is subject to the requirements of this Master Prospectus, the Deeds, the Guidelines, CMSA, acceptable and efficacious business practice within the unit trust industry and the policies and internal controls of Areca.</p> <p>The Fund Manager will report to the person(s) or members undertaking the oversight function of the Funds and will implement the investment strategies selected by the person(s) or members of <u>a committee</u> undertaking the oversight function of the Funds.</p> <p><b>Designated Person Responsible For The Management Of The Funds</b> <u>Mdm Ch'ng Cheng Siew</u> is the designated person responsible for the management of AITF and AMTF.</p>	The following information has been amended.
PERMITTED EXPENSES PAYABLE OUT OF THE FUND'S PROPERTY	Only the expenses (or part thereof) which are directly related and necessary in operating and administering the Fund may be charged to the Fund. These would include (but are not limited to) the following: m) remuneration and out of pocket expenses of the person(s) or members undertaking the oversight function of the Fund, unless the Manager decides otherwise;	Only the expenses (or part thereof) which are directly related and necessary in operating and administering the Fund may be charged to the Fund. These would include (but are not limited to) the following: m) remuneration and out of pocket expenses of the person(s) or members <u>of a committee</u> undertaking the oversight function of the Fund, unless the Manager decides otherwise;	The information on Permitted Expenses Payable out of the Fund's Property has been amended.
ADDITIONAL INFORMATION	<p><b>CONSENT</b></p> <ul style="list-style-type: none"> <li>The Trustee, the Trustee's delegate and <del>UOBAM(M)</del>'s have given their consent for the inclusion of their names and statements in the form and context in which they appear in this Prospectus and have not withdrawn such consent.</li> </ul>	<p><b>CONSENT</b></p> <ul style="list-style-type: none"> <li>The Trustee and the Trustee's delegate have given their consent for the inclusion of their names and statements in the form and context in which they appear in this <u>Master</u> Prospectus and have not withdrawn such consent.</li> </ul>	The information on first paragraph of consent has been amended.

Section	Master Prospectus dated 19 December 2022	First Supplemental Master Prospectus dated 01 July 2025	Remarks
DIRECTORY	<p><b>Ipoh</b>  <del>11A, (First Floor)</del>  Persiaran Greentown 5  Greentown Business Centre  30450 Ipoh, Perak.  Tel: 605-249 6697  Fax : 605-249-6696</p> <p><b>Johor Bahru</b>  No. 105, Jalan Meranti  Taman Melodies  80250 Johor Bahru  Tel : 607-336 3689</p> <p><b>Kota Kinabalu</b>  Unit 5-1-8, 1st Floor  Lorong Api-Api Centre  88000 Kota Kinabalu, Sabah  Tel: 088-276 757</p>	<p><b>Ipoh</b>  <u>No. 11</u>, Persiaran Greentown 5,  Greentown Business Centre,  30450 Ipoh, Perak.  Tel: 605-249 6697</p> <p><b>Johor Bahru</b>  No. 105, Jalan Meranti <u>Merah</u>  Taman Melodies  80250 Johor Bahru  Tel: 607-336 3689</p> <p><b>Kota Kinabalu</b>  Unit 5-1-8, 1st Floor  Lorong <u>Api-Api 1</u>, Api-Api Centre,  88000 Kota Kinabalu, Sabah  Tel: 088-276 757</p>	The information on directory has been amended.



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