

# Annual Report

## July 2025

For the Year Ended 31 July 2025

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Areca USD Dynamic Assets Fund

Management Company



200601021087(740840-D)

# **ANNUAL REPORT JULY 2025**

## **✧ ARECA USD DYNAMIC ASSETS FUND**

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## CORPORATE DIRECTORY

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### 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 Malaysia PLT (*formerly known as 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

PricewaterhouseCoopers Taxation  
Services Sdn Bhd (464731-M)  
Level 10, Menara TH 1 Sentral  
Jalan Rakyat, Kuala Lumpur Sentral  
P O Box 10192  
50706 Kuala Lumpur  
Tel: 03-2173 1188, Fax: 03-2173 1288

## MANAGER'S OFFICE AND BRANCHES

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### 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

**ANNUAL REPORT JULY 2025**  
ARECA USD DYNAMIC ASSETS FUND

**FUND INFORMATION**

<b>Name of the Fund</b>	Areca USD Dynamic Assets Fund
<b>Fund Category/ Type</b>	Mixed Assets/Growth
<b>Objective of the Fund</b>	The Fund aims to provide Medium to Long Term capital growth to investors through investments in a diversified portfolio of mixed assets.
<b>Performance Benchmark</b>	Absolute return of 6% per annum
<b>Distribution Policy of the Fund</b>	Incidental, subject to the 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 December 2021
<b>Financial Year End</b>	31 July

**ANNUAL REPORT JULY 2025**  
ARECA USD DYNAMIC ASSETS FUND

**FUND PERFORMANCE**

	2025	2024	2023
<b>NET ASSET VALUE ("NAV")</b>			
Net Asset Value (USD million)			
- MYR Class	0.90	0.87	0.09
- SGD Class	0.001	0.001	0.001
- USD Class	0.001	0.001	0.04
Units in circulation (million units)			
- MYR Class	2.82	2.91	0.35
- SGD Class	0.001	0.001	0.001
- USD Class	0.001	0.001	0.03
NAV per unit			
- MYR Class (RM)	1.3668	1.3678	1.2101
- SGD Class (SGD)	1.0000	1.0000	1.0000
- USD Class (USD)	1.0000	1.0000	1.1519

**HIGHEST & LOWEST NAV per unit**

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

Highest NAV per unit

- MYR Class (RM)	1.4166	1.4597	1.2200
- SGD Class (SGD)	1.0000	1.0000	1.0000
- USD Class (USD)	1.0000	1.1506	1.1531

Lowest NAV per unit

- MYR Class (RM)	1.2122	1.1584	0.9219
- SGD Class (SGD)	1.0000	1.0000	1.0000
- USD Class (USD)	1.0000	1.0000	0.9013

**ASSET ALLOCATION % of NAV**

**Quoted collective investment schemes - foreign**

Exchange Traded Fund	55.15	59.36	98.53
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**Liquid assets and other net current assets**

	44.85	40.64	1.47
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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) (%)	2.63	4.40	4.19
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*Please refer to **Note 2** for further information*

Portfolio turnover ratio (PTR) (times)	0.25	0.54	0.47
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*Please refer to **Note 3** for further information*

**TOTAL RETURN**

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

**MYR Class**

Total Return (%)	(0.07)	13.03	21.01
- Capital growth (%)	(0.07)	13.03	21.01
- Income distribution (%)	-	-	-

**ANNUAL REPORT JULY 2025**  
ARECA USD DYNAMIC ASSETS FUND

**FUND PERFORMANCE**

	2025	2024	2023	23.12.2021 (launch date) to 31.07.2022
<b>MYR Class</b>				
Annual Total Return (%)	(0.07)	13.03	21.01	-
Performance Benchmark (%): Absolute return of 6% per annum	6.00	6.00	6.00	3.57*
<i>* Annualised for comparison purpose only</i>				

	2025	2024	2023
<b>SGD Class</b>			
Total Return (%)	-	-	-
- Capital growth (%)	-	-	-
- Income distribution (%)	-	-	-

	2025	2024	2023	23.12.2021 (launch date) to 31.07.2022
<b>SGD Class</b>				
Annual Total Return (%)	-	-	-	-
Performance Benchmark (%): Absolute return of 6% per annum	6.00	6.00	6.00	3.57*
<i>* Annualised for comparison purpose only</i>				

	2025	2024	2023
<b>USD Class</b>			
Total Return (%)	-	(13.19)	15.19
- Capital growth (%)	-	(13.19)	15.19
- Income distribution (%)	-	-	-

	2025	2024	2023	23.12.2021 (launch date) to 31.07.2022
<b>USD Class</b>				
Annual Total Return (%)	-	(13.19)	15.19	-
Performance Benchmark (%): Absolute return of 6% per annum	6.00	6.00	6.00	3.57*
<i>* Annualised for comparison purpose only</i>				

	2025	2024	2023
<b>Total Return since launch (%)</b>			
- MYR Class	36.68	36.78	21.01
- SGD Class	-	-	-
- USD Class	-	-	15.19

	1-yr	3-yrs	5-yrs
<b>Average Total Return per annum (%)</b>			
- MYR Class	(0.07)	12.23	N/A
- SGD Class	-	-	N/A
- USD Class	-	-	N/A

**ANNUAL REPORT JULY 2025**  
**ARECA USD DYNAMIC ASSETS 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

During the year under review, the Fund's registered a total return of -0.07% (MYR Class)/ nil (USD & SGD Class), underperforming the absolute return benchmark of 6.00% p.a. The underperformance was primarily due to the Fund's conservative stance, progressively taking profit and maintaining a higher cash allocation. Despite this, the Fund's positions in Exchange Traded Funds ("ETFs") aligned with the Innovation and Sustainability themes contributed positively, with the Innovation-themed ETFs being the key performance driver. These ETFs, comprising leading global technology companies, delivered strong returns supported by robust earnings growth, favourable trade agreements, and pro-business policies under the Trump administration.

Looking ahead, the Manager will continue to emphasise the Innovation theme, given its strong earnings trajectory and structural growth potential, while reconsidering exposure to the Sustainability theme, which has weighed on performance. The Innovation theme remains a compelling long-term opportunity and is expected to drive future returns. The total return of the Fund since launch stands at 36.68% (MYR Class) against the benchmark return for the same period of 23.36%. In view of the significant outperformance, the Fund has achieved its objective of providing medium to long term capital growth to investors through investments in a diversified portfolio of mixed assets.

### Investment Policy and Strategy

The Fund aims to provide investors with capital growth over the Medium to Long Term through a diversified portfolio of investments in Malaysian equities, global CIS which includes exchange-traded-funds ("ETFs") which is traded on eligible market for both local and foreign and liquid assets.

The Fund will invest in securities issued by companies that exhibit good management track record, a history of Long-Term profitability and earning resilience, a strong balance sheet and/or have a good competitive position in their respective industries. The Manager will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook.

The Fund may hold up to 100% in liquid assets including cash when market condition is not favourable to the major asset classes e.g. during high inflation or aggressive rate hike where most asset classes will be affected negatively. The Fund may hold cash for more than 12 months if adverse market conditions prolong.

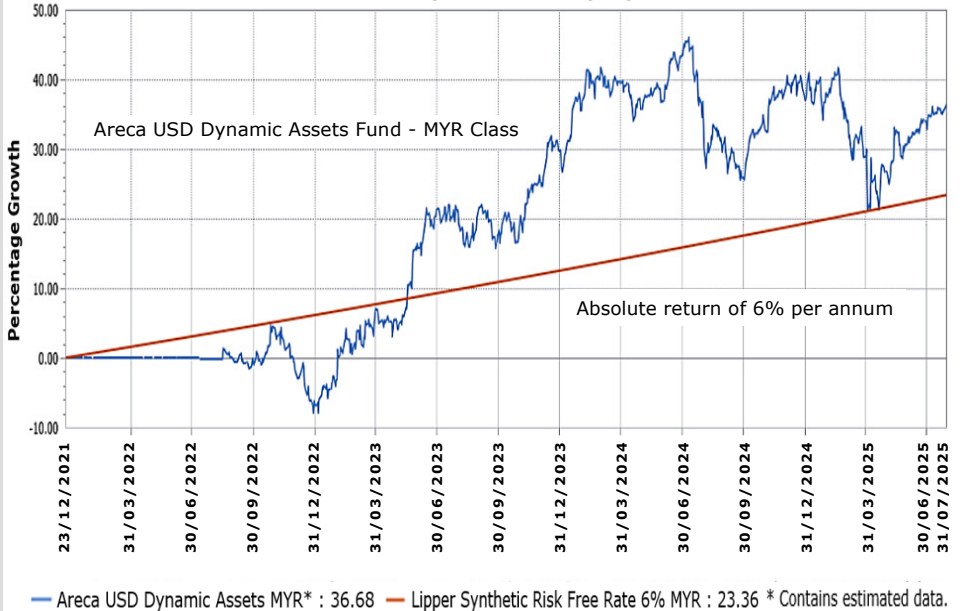
	<b>MYR Class</b>	<b>SGD Class</b>	<b>USD Class</b>
<b>NAV per unit</b> as at 31 July 2025	MYR1.3668	SGD1.0000	USD1.0000
<b>Asset Allocation/Portfolio Composition</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Quoted collective investment schemes - foreign	55.15%	59.36%	98.53%
Liquid assets and other net current assets	44.85%	40.64%	1.47%



## FUND REVIEW

### Performance of Areca USD Dynamic Assets Fund - MYR Class for the period since inception to 31 July 2025

#### Total Return of Areca USD Dynamic Assets Fund (MYR) vs Benchmark

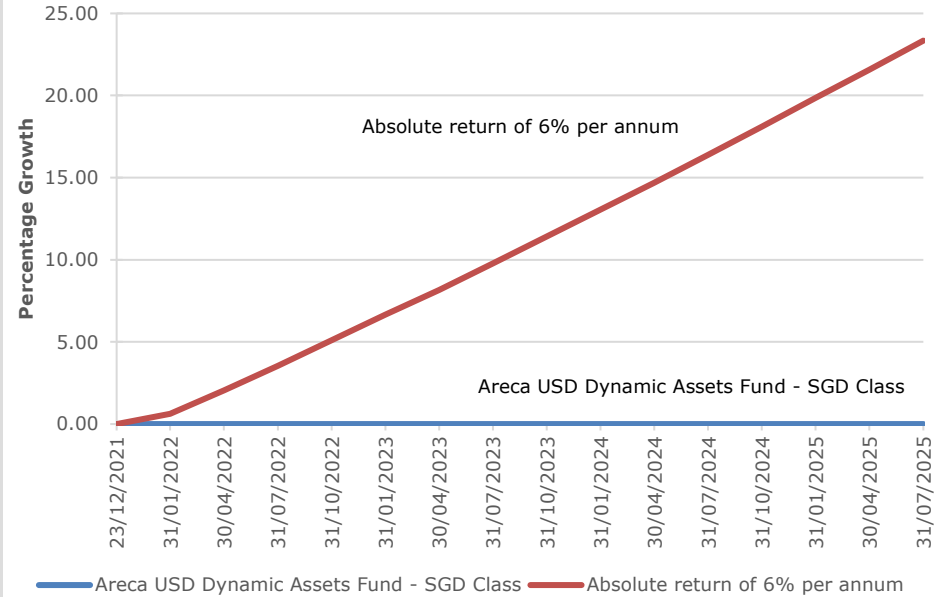


Source Lipper

FUND REVIEW

Performance of Areca USD Dynamic Assets Fund - SGD Class  
for the period since inception to 31 July 2025

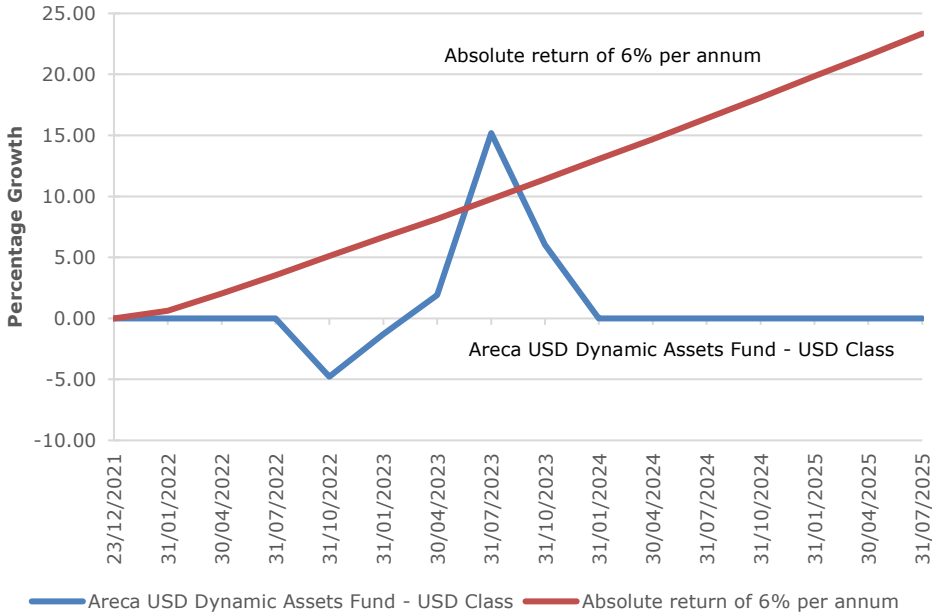
Total Return of Areca USD Dynamic Assets Fund - SGD Class vs Benchmark



FUND REVIEW

Performance of Areca USD Dynamic Assets Fund - USD Class  
for the period since inception to 31 July 2025

Total Return of Areca USD Dynamic Assets Fund - USD Class vs Benchmark



## **UNITED STATES EQUITY MARKET REVIEW**

During the period under review, the Dow Jones Industrial Average, which is the barometer of the United States ("US") equity market gained 8.10% to 44,131 points. Similarly, the Standard & Poor's 500 ("S&P 500") rose by 14.80% to 6,339 points while Nasdaq Composite surged by 20.00% to 21,122 points.

The broader market trended higher, supported by strong economic activity, robust corporate earnings, and easing monetary policy from global central banks. Optimism surrounding Artificial Intelligence ("AI") persisted, driving outperformance in large-cap growth stocks within the technology sector. The 'Magnificent Seven' continued to dominate, now accounting for one-third of the S&P 500's market capitalisation and contributing over 80.00% of the index's 2024 gains. The AI boom remained a key market driver, with AI-related firms and cloud computing companies benefiting from surging demand.

Uncertainty over US trade tariffs dominated market sentiment throughout 2025. Equities, however, managed to post a V-shaped recovery as initially announced tariffs were suspended and recession fears began to ease. US shares rebounded strongly in May after April's weakness, supported by progress on trade negotiations ahead of the August 1 tariff deadline, solid corporate earnings, and sustained investor enthusiasm for AI-driven growth in the technology sector.

In commodities, Brent crude plunged 10.20% to \$72.5/barrel, driven by global trade tensions, weakening demand expectations, and Organisation of the Petroleum Exporting Countries Plus ("OPEC+") plans to increase output. Conversely, gold prices surged by 34.40% to \$3,290/oz amid heightened geopolitical tensions. Meanwhile, the Dollar index declined by 4.00% to 99.97 for the period.

Sector-wise, communication services and technology were the outperformers while health care and energy were the laggards of the market. The top three gainers within the Dow Jones Industrial Average were Nvidia (+52.00%), Walmart (+43.00%), and Goldman Sachs (+42.00%). On the other hand, the worst-performing stocks were UnitedHealth (-57.00%), Merck & Co (-31.00%), and Amgen (-11.00%).

## **UNITED STATES EQUITY MARKET OUTLOOK**

US markets have rallied significantly, with the Nasdaq Composite ("NASDAQ") and S&P 500 reaching all-time highs following a series of trade agreements between the US and other nations. On July 23, the US reached a deal with Japan that lowers tariffs on auto imports and spares Tokyo from new punitive levies on other goods. In return, Japan committed to a \$550 billion package of US-bound investment and loans. Another major development occurred on July 27, when the US reached an agreement with the European Union ("EU"), imposing a 15.00% import tariff on most EU goods—half the previously threatened rate. The move helped avert a broader trade war between the two economic blocs, which together account for nearly one-third of global trade.

According to the US Treasury Department, tariff revenue has surged following the Trump administration's higher levies, reaching \$29.6 billion in July 2025—up from \$8.7 billion a year earlier. President Donald Trump has floated two potential uses for the windfall: paying down the federal government's multi-trillion-dollar debt and issuing "tariff rebate checks" to Americans. So far, neither proposal has been implemented.

In terms of economic performance, US Gross Domestic Product ("GDP") grew at an annualised rate of 3.00% quarter-over-quarter in second quarter of year 2025 ("Q2 2025"), rebounding from a 0.50% contraction in first quarter ("Q1") and beating expectations of a 2.40% rise. The growth was largely driven by a sharp 30.30% decline in imports, following a 37.90% surge in Q1, when businesses and consumers front-loaded purchases in anticipation of higher prices from impending tariffs. Despite the strong rebound, markets are still pricing in 50 to 75 basis points of rate cuts over the course of 2025, down from the current policy range of 4.25% to 4.50%.

Although markets buoyed by liquidity and Trump's expansionary "One Big Beautiful Bill," mirroring Trump 1.0, valuations are stretched and tariff impact may not be fully priced in yet. Currently, the US equity valuations have climbed to elevated levels—nearly two standard deviations above their historical average.

**ANNUAL REPORT JULY 2025**  
**ARECA USD DYNAMIC ASSETS FUND**

**CROSS TRADE**

No cross trade transactions have been carried out during the financial year under review.

**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.

## **TRUSTEE'S REPORT**

### **To the Unitholders of Areca USD Dynamic Assets Fund ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 July 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  
22 September 2025

## **STATEMENT BY MANAGER**

### **To the Unitholders of Areca USD Dynamic Assets 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 31 July 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  
22 September 2025

**INDEPENDENT AUDITORS' REPORT  
TO THE UNITHOLDERS OF ARECA USD DYNAMIC ASSETS FUND**

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

**Opinion**

We have audited the financial statements of **ARECA USD DYNAMIC ASSETS FUND** ("the Fund"), which comprise the statement of financial position as at 31 July 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 17 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 July 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 USD DYNAMIC ASSETS 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 MALAYSIA PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**

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

22 September 2025

**ANNUAL REPORT JULY 2025**  
ARECA USD DYNAMIC ASSETS FUND

**STATEMENT OF FINANCIAL POSITION**

*As At 31 July 2025*

	<b>Note</b>	<b>2025 USD</b>	<b>2024 USD</b>
<b>Assets</b>			
Investments	5	499,071	516,234
Cash and cash equivalents	6	411,767	97,802
Amount due from Manager		-	261,240
<b>Total Assets</b>		<b>910,838</b>	<b>875,276</b>
<b>Unitholders' Fund And Liabilities</b>			
<b>Liabilities</b>			
Other payables and accrued expenses	7	5,880	5,560
<b>Total Liabilities</b>		<b>5,880</b>	<b>5,560</b>
<b>Unitholders' Fund</b>			
Unitholders' capital		794,496	823,316
Retained earnings		110,462	46,400
<b>Net Asset Value Attributable To Unitholders</b>		<b>904,958</b>	<b>869,716</b>
<b>Total Unitholders' Fund And Liabilities</b>		<b>910,838</b>	<b>875,276</b>
<b>Net Asset Value Attributable To Unitholders</b>			
- MYR Class		903,187	867,968
- SGD Class		771	748
- USD Class		1,000	1,000
		<b>904,958</b>	<b>869,716</b>
<b>Number Of Units In Circulation</b>			
- MYR Class (Units)	8	2,815,635	2,910,259
- SGD Class (Units)	8	1,000	1,000
- USD Class (Units)	8	1,000	1,000
<b>Net Asset Value Per Unit</b>			
- MYR Class (USD)		0.3208	0.2982
- SGD Class (USD)		0.7708	0.7477
- USD Class (USD)		1.0000	1.0000
<b>Net Asset Value Per Unit In Respective Currencies</b>			
- MYR Class (RM)		1.3668	1.3678
- SGD Class (SGD)		1.0000	1.0000
- USD Class (USD)		1.0000	1.0000

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

**ANNUAL REPORT JULY 2025**  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
*For The Financial Year Ended 31 July 2025*

	<b>Note</b>	<b>2025 USD</b>	<b>2024 USD</b>
<b>Investments Income</b>			
Dividend income		6,094	2,556
Interest income		12,728	2,220
Net gain on investments at fair value through profit or loss ("FVTPL")	5	63,373	41,922
Net gain/(loss) on foreign exchange		<u>6,301</u>	<u>(3,427)</u>
Total Investments Income		<u>88,496</u>	<u>43,271</u>
<b>Expenditure</b>			
Management fee	9	13,124	4,790
Trustee's fee	10	1,404	1,312
Audit fee		2,738	2,654
Tax agent's fee		1,161	955
Transaction costs		184	160
Other expenses		<u>5,823</u>	<u>4,826</u>
Total Expenditure		<u>24,434</u>	<u>14,697</u>
<b>Net Income Before Tax</b>		64,062	28,574
<b>Income Tax Expense</b>	11	<u>-</u>	<u>21</u>
<b>Net Income After Tax And Total Comprehensive Income For The Financial Year</b>		<u>64,062</u>	<u>28,553</u>
<b>Net Income After Tax Is Made Up Of:</b>			
Realised gain/(loss)		30,286	(13,369)
Unrealised gain		<u>33,776</u>	<u>41,922</u>
		<u>64,062</u>	<u>28,553</u>

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

**ANNUAL REPORT JULY 2025**  
ARECA USD DYNAMIC ASSETS FUND

**STATEMENT OF CHANGES IN NET ASSET VALUE**

*For The Financial Year Ended 31 July 2025*

	<b>Unitholders' capital USD</b>	<b>Retained earnings USD</b>	<b>Total net asset value USD</b>
<b>Balance as at 1 August 2023</b>	112,398	17,847	130,245
Amounts received from units created			
- MYR Class	800,099	-	800,099
Amounts paid for units cancelled			
- MYR Class	(55,250)	-	(55,250)
- USD Class	(33,931)	-	(33,931)
Total comprehensive income for the financial year	-	28,553	28,553
<b>Balance as at 31 July 2024</b>	<u>823,316</u>	<u>46,400</u>	<u>869,716</u>
<b>Balance as at 1 August 2024</b>	823,316	46,400	869,716
Amounts received from units created			
- MYR Class	33,850	-	33,850
Amounts paid for units cancelled			
- MYR Class	(62,670)	-	(62,670)
Total comprehensive income for the financial year	-	64,062	64,062
<b>Balance as at 31 July 2025</b>	<u>794,496</u>	<u>110,462</u>	<u>904,958</u>

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

**ANNUAL REPORT JULY 2025**  
ARECA USD DYNAMIC ASSETS FUND

**STATEMENT OF CASH FLOWS**

*For The Financial Year Ended 31 July 2025*

	<b>Note</b>	<b>2025 USD</b>	<b>2024 USD</b>
<b>Cash Flows From/(Used In) Operating Activities</b>			
Proceeds from disposal of investments		257,563	-
Purchase of investments		(177,027)	(345,984)
Dividend income received		4,818	2,039
Interest received		12,728	2,220
Management fee paid		(12,759)	(4,167)
Trustee's fee paid		(1,604)	(153)
Transaction costs paid		(184)	(160)
Payment for other fees and expenses		(8,291)	(4,596)
Tax paid		-	(21)
Net Cash From/(Used In) Operating Activities		<u>75,244</u>	<u>(350,822)</u>
<b>Cash Flows From/(Used In) Financing Activities</b>			
Cash proceeds from units created		295,090	538,859
Payment for cancellation of units		<u>(62,670)</u>	<u>(89,181)</u>
Net Cash From Financing Activities		<u>232,420</u>	<u>449,678</u>
<b>Net Increase In Cash And Cash Equivalents</b>		307,664	98,856
<b>Effects Of Foreign Currency Exchange</b>		6,301	(3,427)
<b>Cash And Cash Equivalents At Beginning Of Year</b>		<u>97,802</u>	<u>2,373</u>
<b>Cash And Cash Equivalents At End Of Year</b>		<u><u>411,767</u></u>	<u><u>97,802</u></u>
<b>Cash And Cash Equivalents Comprise:</b>			
Cash at banks	6	29,173	5,391
Short-term deposits	6	<u>382,594</u>	<u>92,411</u>
		<u><u>411,767</u></u>	<u><u>97,802</u></u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 GENERAL INFORMATION**

Areca USD Dynamic Assets Fund ("the Fund") was established pursuant to the Trust Deed dated 10 March 2020, as modified by the First Supplemental Deed dated 25 July 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 listed and unlisted securities, deposits with financial institutions, derivatives such as futures contracts for hedging purposes only, debentures (including bonds, sukus and instruments that function similar of a debt), collective investment schemes, preference shares and any other form of investment as may be agreed upon by the Manager and the Trustee from time to time. The Fund was launched on 23 December 2021 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 medium to long term capital growth to investors through investments in a diversified portfolio of mixed assets. Any material changes to the Fund's objective 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 22 September 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 August 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:

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**Effective for annual  
periods beginning  
on or after**

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
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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**

Dividend income is recognised based on the date when the right to receive the dividend has been established.

Interest income from short-term deposits is 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.

## **Transaction Costs**

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the profit or loss.

## **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 United States Dollar ("USD"), which is also the Fund's functional currency.

## **Foreign Currency Translation**

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing as at the date of the statement of financial position. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the statement of comprehensive income.

Translation differences on non-monetary financial assets such as foreign quoted collective investment schemes classified as investments at fair value through profit and loss are recognised in profit or loss as part of the fair value gain or loss.

## **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**

Investments in quoted collective investment schemes are classified as FVTPL and valued at the last done market price quoted on London Stock Exchange, New York Stock Exchange and NASDAQ at the end of the reporting year.

Gains or losses arising from the changes in the fair value 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.

## **5 INVESTMENTS**

	<b>2025 USD</b>	<b>2024 USD</b>
<b>Financial assets at FVTPL:</b>		
Quoted collective investment schemes - foreign	499,071	516,234
<b>Net gain on investments at FVTPL comprise:</b>		
Realised gain on disposals	29,597	-
Unrealised gain on changes in fair value	33,776	41,922
	63,373	41,922

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Financial assets at fair value through profit or loss as at 31 July 2025 are as follows:

	<b>No. of Shares Units</b>	<b>Aggregate Cost USD</b>	<b>Fair Value USD</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
<b>United Kingdom</b>				
<b>Exchange Traded Fund</b>				
iShares Dow Jones Global Sustainability Screened UCITS ETF	630	42,343	51,747	5.72
		<u>42,343</u>	<u>51,747</u>	<u>5.72</u>
<b>United States</b>				
<b>Exchange Traded Fund</b>				
Global X Cybersecurity ETF	1,182	34,912	40,956	4.53
Invesco QQQ Trust Series 1	96	40,911	54,241	5.99
iShares ESG Aware US Aggregate Bond ETF	918	43,103	43,375	4.79
iShares ESG Aware 1-5 Year USD Corporate Bond ETF	1,771	43,178	44,470	4.92
iShares Expanded Tech-Software Sector ETF	495	40,990	55,272	6.11
iShares Global Tech ETF	574	40,294	55,029	6.08
iShares Semiconductor ETF	186	35,242	44,646	4.93
iShares U.S. Technology ETF	319	40,640	57,838	6.39
Technology Select Sector SPDR Fund	196	38,005	51,497	5.69
		<u>357,275</u>	<u>447,324</u>	<u>49.43</u>
<b>Total investments</b>		<u>399,618</u>	<u>499,071</u>	<u>55.15</u>
<b>Unrealised gain on investments</b>			<u>99,453</u>	

Financial assets at fair value through profit or loss as at 31 July 2024 are as follows:

	<b>No. of Shares Units</b>	<b>Aggregate Cost USD</b>	<b>Fair Value USD</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
<b>United Kingdom</b>				
<b>Exchange Traded Fund</b>				
iShares Dow Jones Global Sustainability Screened UCITS ETF	746	48,453	54,266	6.24
		<u>48,453</u>	<u>54,266</u>	<u>6.24</u>

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	<b>No. of Shares Units</b>	<b>Aggregate Cost USD</b>	<b>Fair Value USD</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
<b>United States</b>				
<b>Exchange Traded Fund</b>				
Global X Cybersecurity ETF	1,401	39,746	41,680	4.79
Invesco QQQ Trust Series 1	114	45,292	53,702	6.18
iShares ESG Aware US Aggregate Bond ETF	1,088	51,091	51,745	5.95
iShares ESG Aware 1-5 Year USD Corporate Bond ETF	2,100	50,942	52,059	5.99
iShares Expanded Tech-Software Sector ETF	586	44,538	49,587	5.70
iShares Global Tech ETF	680	44,476	54,883	6.31
iShares Semiconductor ETF	221	39,857	52,019	5.98
iShares U.S. Technology ETF	378	44,047	55,313	6.36
Technology Select Sector SPDR Fund	233	42,115	50,980	5.86
		<u>402,104</u>	<u>461,968</u>	<u>53.12</u>
<b>Total investments</b>		<u>450,557</u>	<u>516,234</u>	<u>59.36</u>
<b>Unrealised gain on investments</b>			<u>65,677</u>	

**6 CASH AND CASH EQUIVALENTS**

	<b>2025 USD</b>	<b>2024 USD</b>
Cash at banks	29,173	5,391
Short-term deposits	<u>382,594</u>	<u>92,411</u>
	<u>411,767</u>	<u>97,802</u>

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

The weighted average interest rate for short-term deposits is 4.20% (2024: 5.23%) per annum and the average maturity period is 1 day (2024: 1 day).

**7 OTHER PAYABLES AND ACCRUED EXPENSES**

	<b>2025 USD</b>	<b>2024 USD</b>
Accrued expenses:		
Management fee	1,151	786
Trustee's fee	965	1,165
Audit fee	2,738	2,654
Tax agent's fee	<u>1,026</u>	<u>955</u>
	<u>5,880</u>	<u>5,560</u>

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**8 NUMBER OF UNITS IN CIRCULATION**

	<b>2025 Units</b>	<b>2024 Units</b>
<b>MYR Class</b>		
At beginning of the year	2,910,259	348,066
Created during the year	109,752	2,748,973
Cancelled during the year	(204,376)	(186,780)
At end of the year	<u>2,815,635</u>	<u>2,910,259</u>
<b>SGD Class</b>		
At beginning/end of the year	<u>1,000</u>	<u>1,000</u>
<b>USD Class</b>		
At beginning of the year	1,000	30,988
Cancelled during the year	-	(29,988)
At end of the year	<u>1,000</u>	<u>1,000</u>

**9 MANAGEMENT FEE**

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee of up to 2.00% 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 1.50% (2024: 1.50%) per annum for the financial year.

**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 0.055% 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, subject to a minimum fee of RM6,000 per annum.

The Trustee's fee provided in the financial statements with a minimum fee of RM6,000 (2024: RM6,000) per annum for the financial year.

**11 INCOME TAX EXPENSE**

(a) Tax charge for the financial year

	<b>2025 USD</b>	<b>2024 USD</b>
Current taxation	-	-
Under provision of tax in prior year	-	21
	<u>-</u>	<u>21</u>

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(b) Numerical reconciliation of income tax expenses

The numerical reconciliation between net income before tax multiplied by the Malaysian statutory income tax rate and the expenses of the Fund is as follows:

	<b>2025 USD</b>	<b>2024 USD</b>
Net income before tax	<u>64,062</u>	<u>28,574</u>
Tax calculated at a tax rate of 24% (2024: 24%)	15,375	6,858
Tax effects of:		
- Income not subject to tax	(21,239)	(11,207)
- Investment loss not subject to tax	-	822
- Expenses not deductible for tax purposes	2,055	1,737
- Restriction on tax deductible expenses	3,809	1,790
Under provision of tax in prior year due to foreign-sourced income tax	<u>-</u>	<u>21</u>
Income tax expense	<u>-</u>	<u>21</u>

## 12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

### Total Expense Ratio (TER)

Total expense ratio for the Fund is 2.63% (2024: 4.40%) for the financial year ended 31 July 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 USD874,862 (2024: USD318,419).

### Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.25 times (2024: 0.54 times) for the financial year ended 31 July 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 = USD177,027 (2024: USD345,984)  
                total disposal for the financial year      = USD257,564 (2024: USD Nil)

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### 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 Manager is as follows:

	←-----2025-----→ No. of units	USD	←-----2024-----→ No. of units	USD
The Manager (The above units are held legally and beneficially)	2,090	2,890	2,090	2,688
	<u>2,090</u>	<u>2,890</u>	<u>2,090</u>	<u>2,688</u>

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:

Brokers/Dealers	Value of Trades USD	% of Total Trades %	Fees USD	% of Total Brokerage Fee %
<b>2025</b>				
CLSA Securities Malaysia Sdn Bhd	434,591	100.00	184	100.00
<b>2024</b>				
CLSA Securities Malaysia Sdn Bhd	345,984	100.00	160	100.00

### 15 RISK MANAGEMENT POLICIES

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital as well as to provide investors with medium to long term capital growth by investing in securities that have potential for capital growth. 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 currency risk, interest rate risk and price risk) primarily on its investments and capital risk.



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**Categories of Financial Instruments**

	<b>2025 USD</b>	<b>2024 USD</b>
<b>Financial assets</b>		
<b>Carried at FVTPL:</b>		
Investments	499,071	516,234
<b>Amortised cost:</b>		
Cash and cash equivalents	411,767	97,802
Amount due from Manager	-	261,240
<b>Financial liabilities</b>		
<b>Amortised cost:</b>		
Other payables and accrued expenses	5,880	5,560

**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 nor impaired as at 31 July 2025.

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

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

	<b>Short-term deposits USD</b>	<b>Quoted collective investment schemes - foreign USD</b>
<b>2025</b>		
<b>Industry</b>		
Exchange Traded Fund	-	499,071
Financial Services	382,594	-
<b>2024</b>		
<b>Industry</b>		
Exchange Traded Fund	-	516,234
Financial Services	92,411	-

## 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. This risk cannot be removed from an investment portfolio, which is solely invested within that particular market, by diversification.

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund's activities expose it primarily to the financial risks of changes in foreign currency exchange rate, interest rate and price.

## Foreign Currency Risk Management

The Fund undertake transactions in foreign currencies, consequently, exposure to exchange rate fluctuations arise.

The carrying amounts of the Fund's foreign currency denominated monetary assets and liabilities at the end of the reporting year are as disclosed in the respective notes.

## Foreign Currency Sensitivity

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only major foreign currency denominated monetary items and adjusts its translation at the end of the reporting year for a 5% change in foreign currency rates.

	Denominated in GBP USD	Denominated in RM USD
<b>2025</b>		
<b>Financial assets</b>		
Quoted collective investment schemes		
- foreign	51,747	-
Cash at banks	-	2,436
Currency exposure	51,747	2,436
<b>2024</b>		
<b>Financial assets</b>		
Quoted collective investment schemes		
- foreign	54,266	-
Cash at banks	-	5,310
Amount due from Manager	-	261,240
Currency exposure	54,266	266,550

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If the relevant foreign currencies strengthens/weakens against Ringgit Malaysia by 5%, with all other variables held constant, the Fund's net income before tax for the financial year will increase/(decrease) by:

	<b>2025 USD</b>	<b>2024 USD</b>
Great Britain Pound	2,587/(2,587)	2,713/(2,713)
Ringgit Malaysia	<u>122/(122)</u>	<u>13,328/(13,328)</u>

### **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'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 quoted collective investment schemes as the result of changes in the levels of the equity indices. The price risk exposure arises from the Fund's investment in quoted collective investment schemes. 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) USD</b>
<b>2025</b>		
Investments	+5/-5%	<u>24,954/(24,954)</u>
<b>2024</b>		
Investments	+5/-5%	<u>25,812/(25,812)</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.

For quoted collective investment schemes in general, fair values have been estimated by reference to last done market price quoted on London Stock Exchange, New York Stock Exchange and NASDAQ at end of the reporting year.

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 USD	Level 2 USD	Level 3 USD	Total USD
<b>2025</b>				
<b>Financial assets at FVTPL</b>				
Quoted collective investment schemes				
- foreign	499,071	-	-	499,071
<b>2024</b>				
<b>Financial assets at FVTPL</b>				
Quoted collective investment schemes				
- foreign	516,234	-	-	516,234

There is no transfer between Levels 1, 2 and 3 during the financial year.



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