

Semi-Annual Report January 2025

For the Period Ended 31 January 2025

Areca USD Dynamic Assets Fund

Management Company



200601021087(740840-D)

SEMI-ANNUAL REPORT JANUARY 2025

✦ ARECA USD DYNAMIC ASSETS 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
e-mail: 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
(Chief Executive Officer Non-Independent)
Edward Iskandar Toh Bin Abdullah
(Executive Non-Independent)

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

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

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
e-mail: 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: 604-283 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 No 5-1-8, 1st Floor
Lorong Api-Api 1
Api-Api Centre
88000 Kota Kinabalu, Sabah
Tel : 6088-276 757

SEMI-ANNUAL REPORT JANUARY 2025
ARECA USD DYNAMIC ASSETS FUND

FUND INFORMATION

Name of the Fund	Areca USD Dynamic Assets Fund
Fund Category/ Type	Mixed Assets/Growth
Objective of the Fund	The Fund aims to provide Medium to Long Term capital growth to investors through investments in a diversified portfolio of mixed assets.
Performance Benchmark	Absolute return of 6% per annum
Distribution Policy of the Fund	Incidental, subject to the availability of distributable income.
Rebates & Soft Commissions	<p>The Manager will retain soft commissions received from brokers or dealers, provided that:</p> <ul style="list-style-type: none">(a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;(b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and(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. <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 period under review, the Manager had not received any soft commissions.</p>
Inception Date	23 December 2021
Financial Year End	31 July

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ARECA USD DYNAMIC ASSETS FUND

FUND PERFORMANCE

	2025	2024	2023
NET ASSET VALUE ("NAV")			
Net Asset Value (USD million)			
- MYR Class	0.895	0.183	0.080
- SGD Class	0.001	0.001	0.001
- USD Class	0.001	0.002	0.031
Units in circulation (million units)			
- MYR Class	2.885	0.641	0.349
- SGD Class	0.001	0.001	0.001
- USD Class	0.001	0.001	0.031
NAV per unit			
- MYR Class (RM)	1.3813	1.3543	0.9691
- SGD Class (SGD)	1.0000	1.0000	1.0000
- USD Class (USD)	1.0000	1.0000	0.9871

HIGHEST & LOWEST NAV per unit			
<i>Please refer to Note 1 for further information on NAV and pricing policy</i>			
Highest NAV per unit			
- MYR Class (RM)	1.4087	1.3802	1.0476
- SGD Class (SGD)	1.0000	1.0000	1.0000
- USD Class (USD)	1.0000	1.1506	1.0000
Lowest NAV per unit			
- MYR Class (RM)	1.2560	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			
Exchange Traded Fund	80.69	91.93	95.27
Liquid assets and other net current assets			
	19.31	8.07	4.73

DISTRIBUTION
There was no distribution for the financial period under review.

UNIT SPLIT
There was no unit split exercise for the financial period under review.

EXPENSE/TURNOVER			
Total expense ratio (TER) (%)	1.22	2.26	1.19
<i>Please refer to Note 2 for further information</i>			
Portfolio turnover ratio (PTR) (times)	0.10	0.08	0.50
<i>Please refer to Note 3 for further information</i>			

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ARECA USD DYNAMIC ASSETS FUND

FUND PERFORMANCE

	31.07.2024 to 31.01.2025	31.07.2023 to 31.01.2024	31.07.2022 to 31.01.2023
TOTAL RETURN			
<i>Please refer to Note 4 for further information</i>			
MYR Class			
Total Return (%)	0.99	11.92	(3.09)
- Capital growth (%)	0.99	11.92	(3.09)
- Income distribution (%)	-	-	-
Annual Total Return (%)	1.97*	25.02*	(6.04)*
Performance Benchmark (%):			
Absolute return of 6% per annum	6.00*	6.00*	6.00*
<i>* Annualised for comparison purpose only</i>			
SGD Class			
Total Return (%)	-	-	-
- Capital growth (%)	-	-	-
- Income distribution (%)	-	-	-
Annual Total Return (%)	-	-	-
Performance Benchmark (%):			
Absolute return of 6% per annum	6.00*	6.00*	6.00*
<i>* Annualised for comparison purpose only</i>			
USD Class			
Total Return (%)	-	(13.19)	1.29
- Capital growth (%)	-	(13.19)	1.29
- Income distribution (%)	-	-	-
Annual Total Return (%)	-	(24.46)*	(2.54)*
Performance Benchmark (%):			
Absolute return of 6% per annum	6.00*	6.00*	6.00*
<i>* Annualised for comparison purpose only</i>			
Total Return since launch (%)			
- MYR Class	38.13	35.43	(3.09)
- SGD Class	-	-	-
- USD Class	-	-	(1.29)
	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)			
- MYR Class	1.99	12.71	N/A
- SGD Class	-	-	N/A
- USD Class	-	-	N/A

SEMI-ANNUAL REPORT JANUARY 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 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 period under review, the Fund's registered a total return of 0.99% (MYR Class)/ Nil (USD Class & SGD Class), underperforming the absolute return benchmark of 2.97% (6.00% p.a.). The underperformance of the Fund is attributable to the Fund's more conservative cash holding level, which currently stands at circa 16.45%. The Fund has positioned in various Exchange Traded Funds ("ETFs") reflecting the theme of Innovation and Sustainability, and the ETFs reflecting the Innovation theme have been the key performance contributors during the period under review. As the United States Federal Reserve has embarked on easing monetary policy, the ETFs under the Innovation theme consisting of mega tech stocks that are particularly sensitive to prevailing market interest rate have performed very well. The Fund's strategy has played out well so far, benefitting investors of the Fund. In terms of strategy going forward, the Fund will stick to investing in the themes of Innovation and Sustainability as we believe these are the megatrends that will drive outsized returns in the mid- to longer-term.

The total return of the Fund since launch stands at 38.13% (MYR Class) against the benchmark return for the same period of 19.85%. 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.

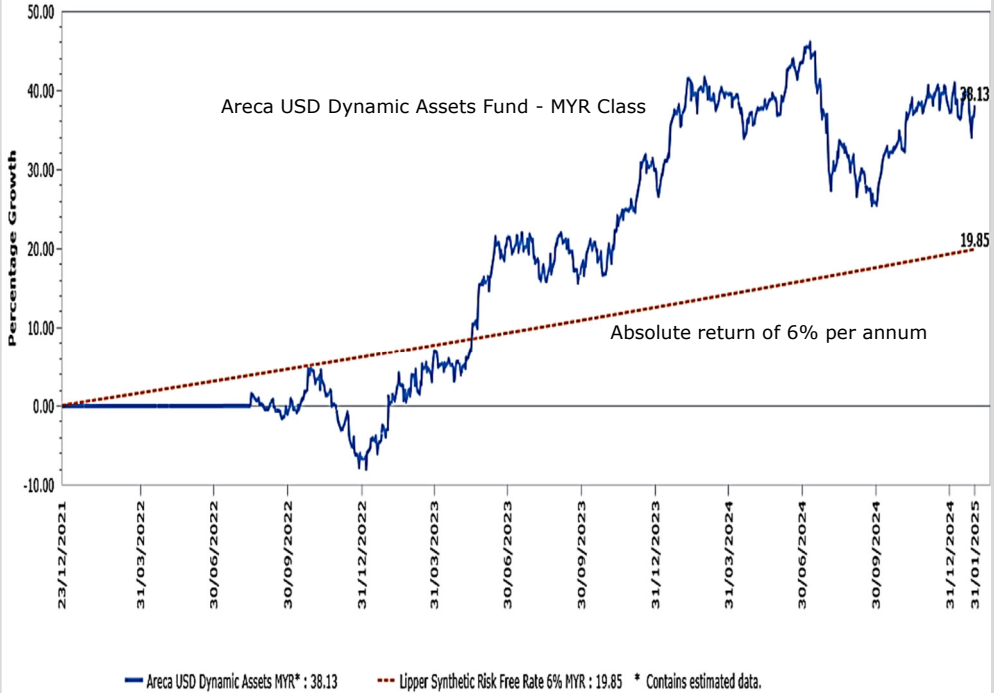
The Fund may hold up to 100% in liquid assets including cash when market condition is not favourable to the major asset classes e.g. during high inflation or aggressive rate hike where most asset classes will be affected negatively. The Fund may hold cash for more than 12 months if adverse market conditions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

	MYR Class	SGD Class	USD Class
NAV per unit as at 31 January 2025	MYR1.3813	SGD1.0000	USD1.0000
Asset Allocation/Portfolio Composition	2025	2024	2023
Quoted collective investment schemes	80.69%	91.93%	95.27%
Liquid assets and other net current assets	19.31%	8.07%	4.73%

FUND REVIEW

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

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

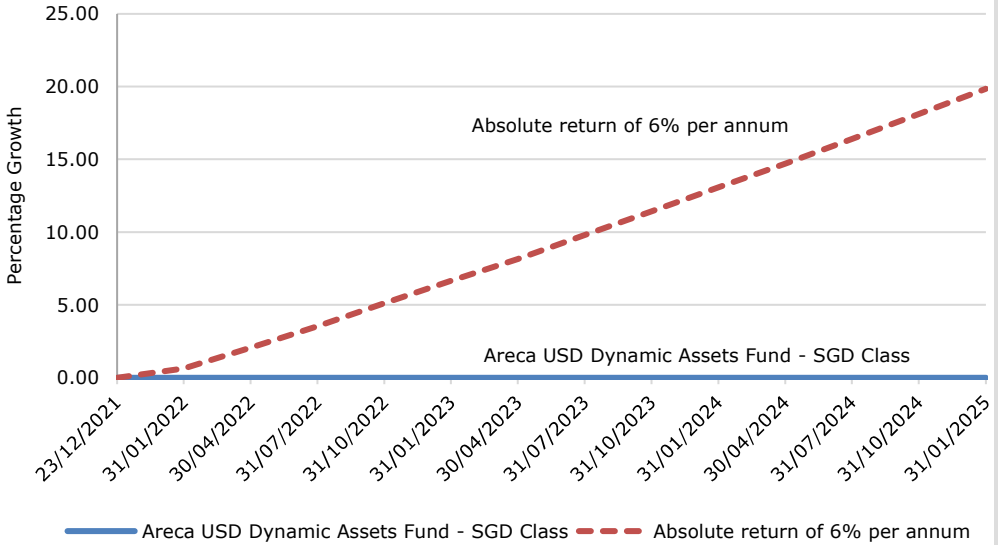


Source Lipper

FUND REVIEW

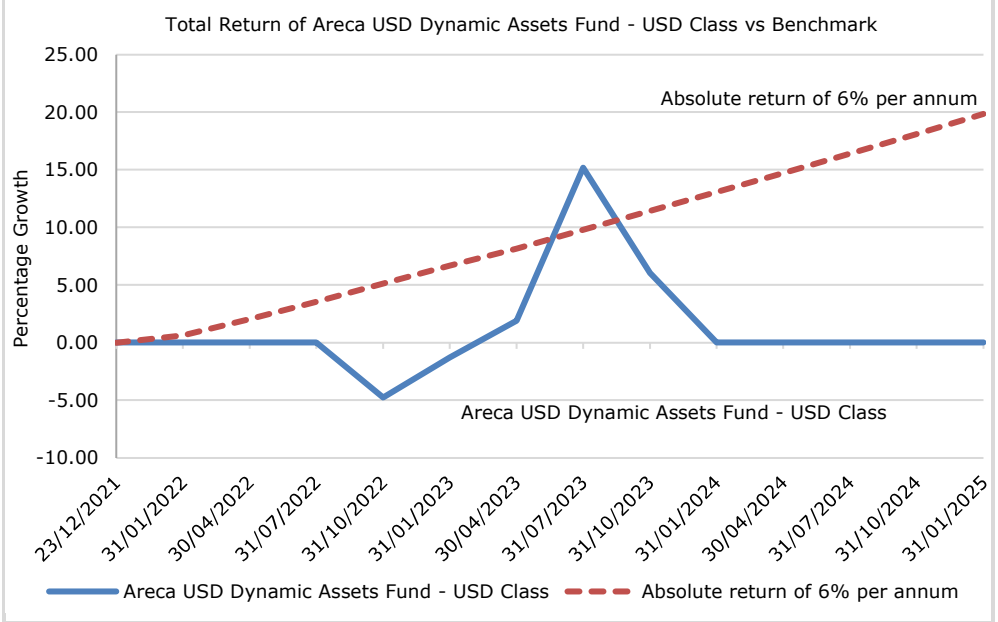
Performance of Areca USD Dynamic Assets Fund - SGD Class
for the period since inception to 31 January 2025

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 January 2025



UNITED STATES EQUITY MARKET REVIEW

During the period under review, the Dow Jones Industrial Average, which is the barometer of the United States ("U.S.") equity market gained 9.10% to 44,545 points. Similarly, the Standard & Poor's 500 ("S&P 500") rose by 9.40% to 6,041 points while the Nasdaq Composite increased by 11.50% to 19,627 points.

U.S. market indices demonstrated remarkable resilience, remaining in positive territory despite heightened volatility throughout the period. Equities dipped in early August, pressured by disappointing U.S. jobs data, underwhelming tech earnings, and the Yen carry trade unwinding. However, markets rebounded strongly following a 50 basis points ("bps") rate cut by the U.S. Federal Reserve ("Fed") and China's largest monetary stimulus since the COVID-19 pandemic, both of which bolstered market sentiment.

The Artificial Intelligence ("AI") boom remained a key market driver, with AI-related firms and cloud computing companies benefiting from surging demand. However, regulatory scrutiny and geopolitical tensions over chip restrictions led to periodic sell-offs. Equities rallied further after Donald Trump's decisive victory in the U.S. presidential election, fuelled by expectations that his policy agenda would spur economic growth. Towards the end of the period, volatility resurfaced as uncertainty surrounding U.S. tariff policies, escalating trade tensions, and the launch of China's DeepSeek AI chatbot dampened investor confidence.

Regarding commodities, Brent crude oil prices fell by 3.30% to \$75.7/barrel amid Trump's tariff uncertainty and higher U.S. stockpiles. Conversely, gold prices rose by 14.30% to \$2,798/oz amid heightened geopolitical tensions. Meanwhile, the dollar index rose by 4.10% to 108.40 for the period.

Sector-wise, consumer discretionary and communication services were outperformers while energy and materials were the market's laggards. The top three gainers within the Dow Jones Industrial Average were Walmart (+43.00%), IBM (+33.00%), and Salesforce (+32.00%). On the other hand, the worst-performing stocks were Amgen (-14.00%), Merck & Co (-13.00%), and Boeing (-7.00%).

EQUITY MARKET OUTLOOK

U.S. indices consolidated during the first month of 2025 as markets continued to assess the implications of President Trump's political and economic agenda. While his policies are designed to reshore industries, they risk fueling inflation, heightening geopolitical tensions, and dampening global Gross Domestic Product ("GDP") growth. For instance, on February 2, Trump initiated another round of the trade war, with repercussions extending beyond China. U.S. allies such as Mexico and Canada now face a 25.00% tariff, while China is subject to only a 10.00% tariff—far lower than the initially expected 60.00%. Furthermore, Trump has threatened to impose tariffs on Europe. However, a policy reversal remains possible. Mexico announced a one-month delay in its tariffs following discussions with Trump, signaling potential shifts in trade policy. This uncertainty contributed partly to the consolidation in U.S. indices as markets await clearer guidance. U.S. GDP grew by 2.80% in 2024, only slightly below the 2.90% growth recorded in 2023, and is forecasted to expand by 2.70% in 2025. On the other hand, Trump's protectionist policies introduce considerable uncertainty into the Fed's outlook, with markets currently pricing in only one rate cut for 2025 from the current rate of 4.25% - 4.50%. The "higher for longer" rate outlook is further supported by rising annual inflation, which reached 3.00% in January 2025. Meanwhile, the job market remains resilient, with the unemployment rate edging down to 4.00%. Adding to the complexities are elevated U.S. equity valuations, now approaching two standard deviations above the historical mean, making the market more vulnerable to profit-taking. Given these stretched valuations and policy-related risks, more attractive opportunities can be found in other markets, particularly in China, Hong Kong, and ASEAN countries such as Malaysia. These regions offer lower valuations and promising growth prospects, positioning them as favorable alternatives for investors seeking diversification and growth potential.

SEMI-ANNUAL REPORT JANUARY 2025
ARECA USD DYNAMIC ASSETS FUND

CROSS TRADE

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

SECURITIES FINANCING TRANSACTIONS

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

SEMI-ANNUAL REPORT JANUARY 2025
ARECA USD DYNAMIC ASSETS FUND

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 31 January 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 period 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
24 March 2025

STATEMENT BY MANAGER

To the Unitholders of Areca USD Dynamic Assets Fund

We, **WONG TECK MENG** and **EDWARD ISKANDAR TOH BIN ABDULLAH**, two of the Directors of the Manager, Areca Capital Sdn Bhd, do hereby state that in the opinion of the Manager, the accompanying unaudited 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 January 2025 and the financial performance and the cash flows of the Fund for the financial period ended on that date.

For and on behalf of the Manager
Areca Capital Sdn Bhd

WONG TECK MENG
CEO/EXECUTIVE DIRECTOR

EDWARD ISKANDAR TOH BIN ABDULLAH
CIO/EXECUTIVE DIRECTOR

Kuala Lumpur
24 March 2025

SEMI-ANNUAL REPORT JANUARY 2025
ARECA USD DYNAMIC ASSETS FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 31 January 2025

	Note	31.01.2025 USD	31.01.2024 USD
Assets			
Investments	5	723,858	170,997
Cash and cash equivalents	6	147,609	15,250
Amount due from Manager		29,262	-
Total Assets		<u>900,729</u>	<u>186,247</u>
Unitholders' Fund And Liabilities			
Liabilities			
Other payables and accrued expenses	7	3,668	243
Total Liabilities		<u>3,668</u>	<u>243</u>
Unitholders' Fund			
Unitholders' capital		815,589	155,523
Retained earnings		81,472	30,481
Net Asset Value Attributable To Unitholders		<u>897,061</u>	<u>186,004</u>
Total Unitholders' Fund And Liabilities		<u>900,729</u>	<u>186,247</u>
Net Asset Value Attributable To Unitholders			
- MYR Class		895,324	183,468
- SGD Class		737	748
- USD Class		1,000	1,788
		<u>897,061</u>	<u>186,004</u>
Number Of Units In Circulation			
- MYR Class (Units)	8	<u>2,884,951</u>	<u>641,433</u>
- SGD Class (Units)	8	<u>1,000</u>	<u>1,000</u>
- USD Class (Units)	8	<u>1,000</u>	<u>1,000</u>
Net Asset Value Per Unit			
- MYR Class (USD)		<u>0.3101</u>	<u>0.2860</u>
- SGD Class (USD)		<u>0.7370</u>	<u>0.7481</u>
- USD Class (USD)		<u>1.0000</u>	<u>1.0000</u>
Net Asset Value Per Unit In Respective Currencies			
- MYR Class (RM)		<u>1.3813</u>	<u>1.3543</u>
- SGD Class (SGD)		<u>1.0000</u>	<u>1.0000</u>
- USD Class (USD)		<u>1.0000</u>	<u>1.0000</u>

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

SEMI-ANNUAL REPORT JANUARY 2025
ARECA USD DYNAMIC ASSETS FUND

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Financial Period Ended 31 January 2025

	Note	01.08.2024 to 31.01.2025 USD	01.08.2023 to 31.01.2024 USD
Investments Income			
Dividend Income		3,115	638
Interest income		7,050	134
Net gain on investments at fair value through profit or loss ("FVTPL")	5	30,597	16,370
Net gain/(loss) on foreign exchange		5,884	(794)
Total Investments Income		<u>46,646</u>	<u>16,348</u>
Expenditure			
Management fee	9	6,700	1,238
Trustee's fee	10	616	46
Audit fee		859	-
Tax agent's fee		336	-
Transaction costs		76	12
Other expenses		2,987	2,418
Total Expenditure		<u>11,574</u>	<u>3,714</u>
Net Income Before Tax		35,072	12,634
Income Tax Expense	11	-	-
Net Income After Tax And Total Comprehensive Income For The Financial Period		<u>35,072</u>	<u>12,634</u>
Net Income After Tax Is Made Up Of:			
Realised gain/(loss)		4,475	(3,736)
Unrealised gain		30,597	16,370
		<u>35,072</u>	<u>12,634</u>

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

SEMI-ANNUAL REPORT JANUARY 2025
ARECA USD DYNAMIC ASSETS FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 31 January 2025

	Unitholders' capital USD	Retained earnings USD	Total net asset value USD
Balance as at 1 August 2023	112,398	17,847	130,245
Amounts received from units created			
- MYR Class	77,056	-	77,056
Amounts paid for units cancelled			
- USD Class	(33,931)	-	(33,931)
Total comprehensive income for the financial period	-	12,634	12,634
Balance as at 31 January 2024	<u>155,523</u>	<u>30,481</u>	<u>186,004</u>
Balance as at 1 August 2024	823,316	46,400	869,716
Amounts received from units created			
- MYR Class	33,404	-	33,404
Amounts paid for units cancelled			
- MYR Class	(41,131)	-	(41,131)
Total comprehensive income for the financial period	-	35,072	35,072
Balance as at 31 January 2025	<u><u>815,589</u></u>	<u><u>81,472</u></u>	<u><u>897,061</u></u>

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

SEMI-ANNUAL REPORT JANUARY 2025
ARECA USD DYNAMIC ASSETS FUND

UNAUDITED STATEMENT OF CASH FLOWS
For The Financial Period Ended 31 January 2025

	Note	01.08.2024 to 31.01.2025 USD	01.08.2023 to 31.01.2024 USD
Cash Flows From Operating Activities			
Purchase of investments		(177,027)	(26,299)
Dividend income received		2,463	650
Interest received		7,050	134
Management fee paid		(6,380)	(1,167)
Trustee's fee paid		(1,370)	(43)
Transaction costs paid		(76)	(12)
Payment for other fees and expenses		(4,988)	(2,717)
Net Cash Used In Operating Activities		<u>(180,328)</u>	<u>(29,454)</u>
Cash Flows From Financing Activities			
Cash proceeds from units created		265,382	77,056
Payment for cancellation of units		<u>(41,131)</u>	<u>(33,931)</u>
Net Cash Generated From Financing Activities		<u>224,251</u>	<u>43,125</u>
Net Increase In Cash And Cash Equivalents		43,923	13,671
Effects Of Foreign Currency Exchange		5,884	(794)
Cash And Cash Equivalents At Beginning Of Period		<u>97,802</u>	<u>2,373</u>
Cash And Cash Equivalents At The End Of Period		<u><u>147,609</u></u>	<u><u>15,250</u></u>
Cash And Cash Equivalents Comprise:			
Cash at banks	6	692	15,250
Short-term deposits	6	<u>146,917</u>	-
		<u><u>147,609</u></u>	<u><u>15,250</u></u>

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

SEMI-ANNUAL REPORT JANUARY 2025
ARECA USD DYNAMIC ASSETS FUND

NOTES TO THE UNAUDITED 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, sukuk 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.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Adoption of Amendment to MFRSs

The Fund has applied the following the relevant Amendment for the first time for the financial period 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:

	Effective for annual periods beginning on or after
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2026

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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 Amendments will have no 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 period.

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

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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 ("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 unitholder's 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 assets value. The outstanding units are carried at the redemption amount that is payable at the net assets value if the holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unitholder's 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.

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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 period 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 period 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 period. 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 period.

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.

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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.

Gains or losses arising from the changes in the valuation of financial instruments at the end of the reporting period 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 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 period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

5 INVESTMENTS

	2025 USD	2024 USD
Financial assets at FVTPL:		
Quoted collective investment schemes - foreign	723,858	170,997
Net gain on investments at FVTPL comprised:		
Unrealised gain on changes in fair values	30,597	16,370

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

	No. of Shares Units	Aggregate Cost USD	Fair Value USD	Fair Value as a % of Net Asset Value %
QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN				
United Kingdom				
Exchange Traded Fund				
iShares Dow Jones Global Sustainability Screened UCITS ETF	990	66,539	74,995	8.36
		<u>66,539</u>	<u>74,995</u>	<u>8.36</u>
United States				
Exchange Traded Fund				
Global X Cybersecurity ETF	1,859	54,907	63,689	7.10
Invesco QQQ Trust Series 1	150	63,923	78,344	8.73
iShares ESG Aware US Aggregate Bond ETF	1,443	67,753	67,431	7.52
iShares ESG Aware 1-5 Year USD Corporate Bond ETF	2,786	67,925	69,232	7.72
iShares Expanded Tech-Software Sector ETF	777	64,342	79,946	8.91
iShares Global Tech ETF	902	63,319	75,443	8.41
iShares Semiconductor ETF	292	55,326	63,694	7.10
iShares U.S. Technology ETF	501	63,827	79,995	8.92
Technology Select Sector SPDR Fund	308	59,723	71,089	7.92
		<u>561,045</u>	<u>648,863</u>	<u>72.33</u>
Total investments		<u>627,584</u>	<u>723,858</u>	<u>80.69</u>
Unrealised gain on investments			<u>96,274</u>	

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

	No. of Shares Units	Aggregate Cost USD	Fair Value USD	Fair Value as a % of Net Asset Value %
QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN				
United Kingdom				
Exchange Traded Fund				
iShares Dow Jones Global Sustainability Screened UCITS ETF	242	13,131	16,197	8.71
		<u>13,131</u>	<u>16,197</u>	<u>8.71</u>

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	No. of Shares Units	Aggregate Cost USD	Fair Value USD	Fair Value as a % of Net Asset Value %
QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN				
United States				
Exchange Traded Fund				
Global X Cybersecurity ETF	438	10,650	13,153	7.07
Invesco QQQ Trust Series 1	40	12,194	16,679	8.97
iShares ESG Aware US Aggregate Bond ETF	296	14,080	14,096	7.58
iShares ESG Aware 1-5 Year USD Corporate Bond ETF	592	14,147	14,542	7.82
iShares Expanded Tech-Software Sector ETF	39	11,116	16,395	8.81
iShares Global Tech ETF	273	13,713	19,080	10.26
iShares Semiconductor ETF	37	14,611	21,684	11.66
iShares U.S. Technology ETF	152	13,063	19,205	10.32
Technology Select Sector SPDR Fund	101	14,167	19,966	10.73
		117,741	154,800	83.22
Total investments		130,872	170,997	91.93
Unrealised gain on investments			40,125	

6 CASH AND CASH EQUIVALENTS

	2025 USD	2024 USD
Cash at banks	692	15,250
Short-term deposits	146,917	-
	147,609	15,250

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

The weighted average interest rate for short-term deposits is 4.28% (2024: Nil) per annum and the average maturity period is 3 days (2024: Nil).

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2025 USD	2024 USD
Accrued expenses:		
Management fee	1,106	234
Trustee's fee	411	9
Audit fee	859	-
Tax agent's fee	1,292	-
	3,668	243

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8 NUMBER OF UNITS IN CIRCULATION

	2025 Units	2024 Units
MYR Class		
At beginning of the period	2,910,259	348,066
Created during the period	108,298	293,367
Cancelled during the period	(133,606)	-
At end of the period	2,884,951	641,433
SGD Class		
At beginning/end of the period	1,000	1,000
USD Class		
At beginning of the period	1,000	30,988
Cancelled during the period	-	(29,988)
At end of the period	1,000	1,000

9 MANAGEMENT FEE

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee up to 2.00% per annum computed daily on the net asset value of the Fund before the deduction of 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 period.

10 TRUSTEE'S FEE

The Schedule 9 of the Deeds provides that the Trustee is entitled to an annual Trustee's fee up to 0.055% per annum computed daily on the net asset value of the Fund before the deduction of 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 is 0.055% (2024:0.055%) per annum for financial period.

11 INCOME TAX EXPENSE

There is no income tax expenses for the period as interest income derived by the Fund is exempted 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 1.22% (2024: 2.26%) for the financial period ended 31 January 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:

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

- 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 period is USD886,042 (2024: USD163,731).

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.10 times (2024: 0.08 times) for the financial period ended 31 January 2025. The portfolio turnover ratio is derived from the following calculation:

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

Where: total acquisition for the financial period = USD177,027 (2024: USD26,299)
 total disposal for the financial period = Nil (2024: Nil)

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

As at end of the financial period, the total number and value of units held by the Manager is as follows:

	←-----2025-----→	←-----2024-----→		
	No. of units	USD	No. of units	USD
The Manager (The above units are held legally and beneficially)	2,090	2,797	2,090	2,579

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 %
2025				
CLSA Securities Malaysia Sdn Bhd	177,027	100.00	76	100.00
2024				
CLSA Securities Malaysia Sdn Bhd	26,299	100.00	12	100.00

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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.

Categories of Financial Instruments

	2025	2024
	USD	USD
Financial assets		
Carried at FVTPL:		
Investments	723,858	170,997
	<hr/>	<hr/>
Amortised cost:		
Cash and cash equivalents	147,609	15,250
Amount due from Manager	29,262	-
	<hr/> <hr/>	<hr/> <hr/>
Financial liabilities		
Amortised cost:		
Other payables and accrued expenses	3,668	243
	<hr/> <hr/>	<hr/> <hr/>

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 or impaired as at 31 January 2025.

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

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

	Short-term deposits USD	Quoted collective investment schemes - foreign USD
2025		
Industry		
Exchange Traded Fund	-	723,858
Financial Services	146,917	-
	-	170,997
2024		
Industry		
Exchange Traded Fund	-	170,997

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 period are as disclosed below.

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 period for a 5% change in foreign currency rates.

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	Denominated in GBP USD	Denominated in RM USD
2025		
Financial assets		
Quoted collective investment schemes		
- foreign	74,995	-
Cash at banks	-	28
Amount due from Manager	-	29,262
Currency exposure	74,995	29,290
2024		
Financial assets		
Quoted collective investment schemes		
- foreign	16,197	-
Cash at banks	-	14,912
Currency exposure	16,197	14,912

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:

	2025 USD	2024 USD
Britain Pound Sterling	3,750/(3,750)	810/(810)
Ringgit Malaysia	1,465/(1,465)	746/(746)

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 bank 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 significantly fluctuate period-on-period.

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 risk of 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 period due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

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	Changes in price %	Effect on profit or loss Increase/(Decrease) USD
2025		
Investments	+5/-5%	36,193/(36,193)
2024		
Investments	+5/-5%	8,550/(8,550)

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.

The fair value of the quoted collective investment schemes are determined based on last done market price quoted on London Stock Exchange, New York Stock Exchange and NASDAQ at end of the reporting period.

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
2025				
Financial assets at FVTPL				
Quoted collective investment schemes				
- foreign	723,858	-	-	723,858
2024				
Financial assets at FVTPL				
Quoted collective investment schemes				
- foreign	170,997	-	-	170,997

There is no transfers between Levels 1, 2 and 3 during the financial period.



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