

PRODUCT HIGHLIGHTS SHEET**Areca Dividend Income Fund**
(Date of Constitution: 20 January 2017)**RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the directors and/or authorised committee and/or persons approved by the Board of Areca Capital Sdn Bhd and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of Areca Dividend Income Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Areca Dividend Income Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission of Malaysia recommends the Areca Dividend Income Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Areca Capital Sdn Bhd responsible for the Areca Dividend Income Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This Product Highlights Sheet only highlights the key features and risks of the Areca Dividend Income Fund. Investors are advised to request, read and understand the disclosure documents of the Fund before deciding to invest.

PRODUCT HIGHLIGHT SHEET**ARECA DIVIDEND INCOME FUND****BRIEF INFORMATION ON THE FUND****1. What is this fund about?**

Fund category / type	Equity Fund / Income
Manager	Areca Capital Sdn Bhd (200601021087 (740840-D))
Trustee	Maybank Trustees Berhad (196301000109 (5004-P))

PRODUCT SUITABILITY**2. Who is this fund suitable for?**

This Fund is suitable for Investors who:

- seek regular income and capital appreciation;
- seek an inflation hedged diversified investment;
- have a moderate-to-high risk-tolerance; and
- have a long term investment horizon.

KEY FUND FEATURES

3. What am I investing in?

Launch date	15 February 2017
Initial Offer Price	RM1.0000 (Fixed during Initial Offer Period)
Objective of the Fund	The Fund seeks to provide regular income while providing long term capital appreciation.
Investment Strategy	The Manager adopts an active investment strategy in managing the Fund and will invest tactically during uncertain times (by changing the equity exposure in the range of 70% to 98%). Focus will be on companies / issuers with sound management practice, resilient business models and, good earning prospects and relative low valuations. The Manager may also invest in growth or recovery stocks which have the potential to adopt a strong dividend payout policy.
Asset Allocation	The Fund will invest in income-generating securities, including dividend-paying shares, preference shares and other equity-related securities, to achieve its objective. The Fund will invest a maximum of 98% of its NAV(at least 70% locally and a maximum 28% in Asia region), in income-generating securities with a minimum of 2% of its NAV in liquid assets.
Performance Benchmark	1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category. (The Average Returns can also be obtained from the weekly Edge / Lipper Fund Table).
Income Distribution and Reinvestment Policy	<p>The Fund will declare income distribution quarterly subject to the availability of the realized income received. Distributions, after the deduction of taxation and expenses (including bank charges and fee on payment), will be payable via bank transfer to the Maybank account of the Unit Holders. However, the Manager will not make payment of distribution to an account of a Unit Holder for any amount that is less than RM100; instead, it is the policy to automatically reinvest the distribution amount in addition Units of the Fund based on the NAV of a Unit on the ex-date without entry fee.</p> <p>The Manager is deemed authorized to reinvest any distribution amount (in addition Units of the Fund based on the NAV of a Unit on the ex-date without entry fee) for those Unit Holders that do not provide sufficient information on their Maybank account.</p>
Financial Year End	30 September

4. Who am I investing in?

Manager	Areca Capital Sdn Bhd (200601021087 (740840-D))
Trustee	Maybank Trustees Berhad (196301000109 (5004-P))
Trustee's Delegate	Malayan Banking Berhad (196001000142 (3813-K)) (as Custodian)
Auditors	Deloitte (AF 0080)
Tax Advisers	Deloitte Tax Services Sdn Bhd (36421-T)
Solicitor	Wei Chien & Partners

5. What are the possible outcomes of my investment?
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There are many possible outcomes associated with an investment in the Fund and involves some degree of risk. Investors are to take note that **the value of an investment in the Fund and its distributions payable (if any) may go down as well as up and are not guaranteed.** The value of your investment is at risk depending on the underlying investments of the Fund.

Under normal circumstances, the Manager aims to out-perform the Fund's benchmark, the 1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category (The Average Returns can also be obtained from the weekly Edge / Lipper Fund Table). However, on the flip side, the Fund may post a much lower return or even incurring losses if one or more of the key risks occur. **In the worst scenario where all the investments of the Fund are in default or suspended, investors may lose part or even all of your initial investments.**

KEY RISKS

6. What are the key risks associated with this fund?

PLEASE BE ADVISED THAT IF YOU INVEST IN UNITS THROUGH AN IUTA WHICH ADOPTS THE NOMINEE SYSTEM OF OWNERSHIP, YOU WOULD NOT BE CONSIDERED TO BE A UNIT HOLDER UNDER THE DEED AND YOU MAY CONSEQUENTLY NOT HAVE ALL THE RIGHTS ORDINARILY EXERCISABLE BY A UNIT HOLDER (FOR EXAMPLE, THE RIGHT TO CALL FOR A UNIT HOLDERS' MEETING AND TO VOTE THEREAT AND THE RIGHT TO HAVE YOUR PARTICULARS APPEARING IN THE REGISTER OF UNIT HOLDERS OF THE FUND).

Below are the risks associated in the product which may cause significant losses if they occur.

General risks of investing in the Unit Trust Fund

- **Market Risk**
Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's net asset value.
- **Liquidity Risk**
Liquidity risks refer to the ease of liquidating an asset depending on the asset's volume traded in the market. If the fund hold assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices.
- **Inflation Risk**
This is the risk that investors' investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.
- **Manager's Risk**
This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
- **Loan Financing Risk**
The risk occurs when investors take a loan/financing to finance their investment and thereafter unable to service the loan repayments. If units are used as collateral, an investor may be required to top-up the investor's existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.
- **Performance Risk**
As a result of the risk elements, the returns from a fund are not guaranteed. The value of the fund's investment will vary when sold and an investment may be worth more or less than when purchased.

Specific risks associated with the investment portfolio of Areca Dividend Income Fund

- **Stock Specific Risk**
Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.
- **Equity-related Securities Risk**
A Fund that invest in equity-related securities such as rights and warrants, where price movement is dependent on the price movement of the underlying equities the risk is generally higher than their underlying equities as these equity related securities are leveraged form of investment. The price of equity-related securities generally fluctuates more than the underlying equities and consequently may affect the volatility of the Funds' NAV. For example, warrants have a limited life and will depreciate in value as they approach their maturity date. If a warrant's exercise price is above the share price at any time during its remaining subscription period, the warrant will theoretically carry little value and warrants that are not exercised at the maturity date become worthless.
- **Country Risk**
Investments of the Fund in any foreign countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV or prices of Units to fall.
- **Currency Risk**
As the base currency of the Fund is in Malaysian Ringgit, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice-versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

The above should not be considered to be an exhaustive list of the risks which investors should consider before investing in the Fund.

You should be aware that investments in the Fund may be exposed to other risks of an exceptional nature from time to time.

FEES & CHARGES

7. What are the fees and charges involved?

Entry Fee (Sales Charge)	<ul style="list-style-type: none"> ▪ Direct investment through the Manager[#]: Up to 1% of the amount invested. ▪ Unit Trust Consultants, Third-party distributors including IUTA: Up to 3% of the amount invested.
Exit Fee	NIL
Switching Fee	No switching fee is imposed under the VIP switching facility for all switches between the Areca Income TRUST Fund, Areca Equity TRUST Fund and Areca Dividend Income Fund.
Transfer Fee	NIL
Annual Management Fee	Up to 1.90% per annum of NAV of the Fund.
Annual Trustee Fee	0.05% per annum of NAV of the Fund, subject to a minimum of RM6,000 per annum.

[#] Direct Investment through the Manager refers to direct investment made through the Manager without Unit Trust Consultants or service personnel e.g. direct online distribution channel.

The above fees and charges are exclusive of any taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

* Versatile Investment Portfolio

WHAT IS VERSATILE INVESTMENT PORTFOLIO?

Versatile Investment Portfolio (**VIP**) is an investment facility designed by the Manager to provide you with an investment strategy which offers the flexibility to tailor your ideal investment solutions. The **VIP** provides you with a professional diversified portfolio with access to two types of asset classes – equity and fixed income funds with unlimited free switches between the selected Funds. It is an easy and convenient way for you to manage and customise your investment portfolios according to your investment goals, risk profiles and prevailing market conditions.

Benefits Of Investing Through VIP

- **Choice**
One-stop solution with a choice to diversify your investment into 2 different asset classes that suits your needs.
- **Simple and Flexible**
You can switch between selected funds at any time by filling up a switch form without incurring switching fee. This may potentially enable you to maximise your returns, and allows you to easily change your strategy to keep pace with your needs.
- **Active Participation**
Enables you to be more financially aware of changing trends in the financial markets and the impact on your investments and encourages you to adopt a more pro-active approach to personal investing rather than re-active approach.
- **Deal Direct With Employee For Low Front End Fee**
In our commitment to bring personalised investor care and attention to you, we have made a unique stance to offer the funds under **VIP** and investment expertise predominantly through our full-time salaried employees with low front end fee. As salaried employees, the service personnel are focused on enhancing your total investment experience with us over the Long-Term period. It has also a simple and easy to understand fee structure that allows you to know exactly what you are being charged.

Investor may seek our service personnel's advice on monthly outlook for well-informed investment decisions.

How will I be notified of any increase in fees and charges?

- A written communication will be sent to unit holders to notify on the higher rate and its effective date;
- A supplementary or replacement Prospectus will be lodged and issued.

VALUATION AND EXITING FROM INVESTMENT
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8. How often are valuations available?

The valuation of the assets of the Fund is carried out on each Business Day.

The NAV per unit of the Fund will generally be found on the Manager's website at www.arecacapital.com.

9. How can I invest in this investment?

Minimum Initial Investment	Direct investment through the Manager: RM10,000 or such other lower amount as decided by the Manager. Third party distributors including IUTA: RM10,000 or such other lower amount as decided by the Manager.
Minimum Additional Investment	RM1,000 or such other lower amount as decided by the Manager.

WE DO NOT ACCEPT CASH PAYMENT AND PAYMENT THROUGH THE CASH DEPOSIT MACHINE AND PAYMENT MADE BY A THIRD PARTY.

INVESTOR SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT WHEN PURCHASING UNITS OF THE FUND.

Note: All completed transaction forms must be submitted to the Manager before the cut-off time by 3.00pm on a Business Day as determined by the Manager. We will process your transaction on the next Business day if we receive your application after the cut-off time. Distributors may impose an earlier cut-off time if you purchase the Units through our distributors.

10. How can I exit from this investment and what are the risks and costs involved?

Minimum Redemption	RM1,000 or 2,000 Units or such other lower amount as decided by the Manager. However, you are required to redeem all of your investment if you have less than 1,000 Units (minimum balance) in the account.
Minimum Balance	1,000 Units or such other lower amount as decided by the Manager.
Redemption Notice/Frequency	Any Business Day. However, you must submit the redemption notice to us before 3.00pm on transaction day (T day) for processing.
Redemption Payment	We will pay you within 10 days upon receipt of the duly completed original redemption form. However, it is our general redemption policy to make payments within the next 3 Business Days from the transaction day for those Units purchased directly through the Manager. (i.e. T+3 days)
Transfer of Units	Unit Holders are permitted to transfer part or all of their units in the Fund to their immediate family members by completing a transfer form. However, for the transfer of units to other investors, it is subject to the discretion of the Manager and the Manager reserves the rights to reject without assigning any reason. Transfer from corporate accounts to individual accounts are not permitted.
Cooling-off Right	A cooling-off right is given to you if you are investing in any unit trust fund managed by us for the first time. The cooling-off period given to you is six (6) Business Days commencing from the date of receipt of the investment application by us. Not applicable to corporation or institution, staff of the Manager and persons registered with a body approved by the SC to deal in unit trusts.

FUND PERFORMANCE (for the financial year ended 30 September)

Source of fund performance and Benchmark Performance: Lipper for Investment Management

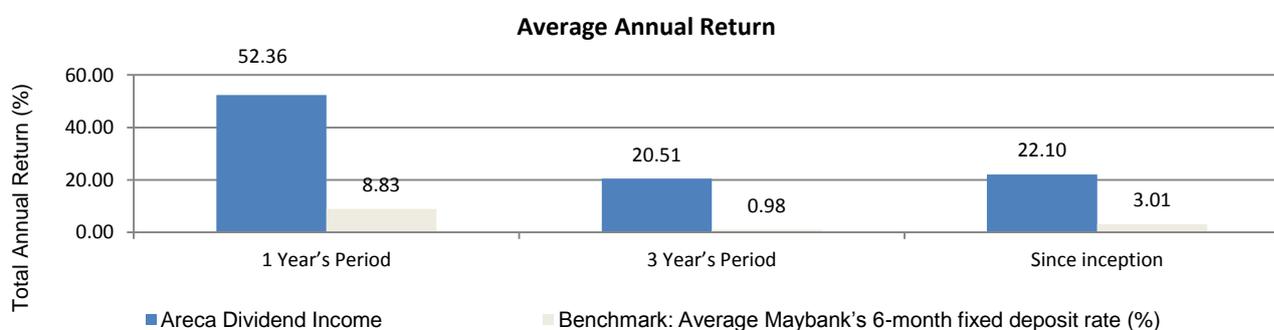
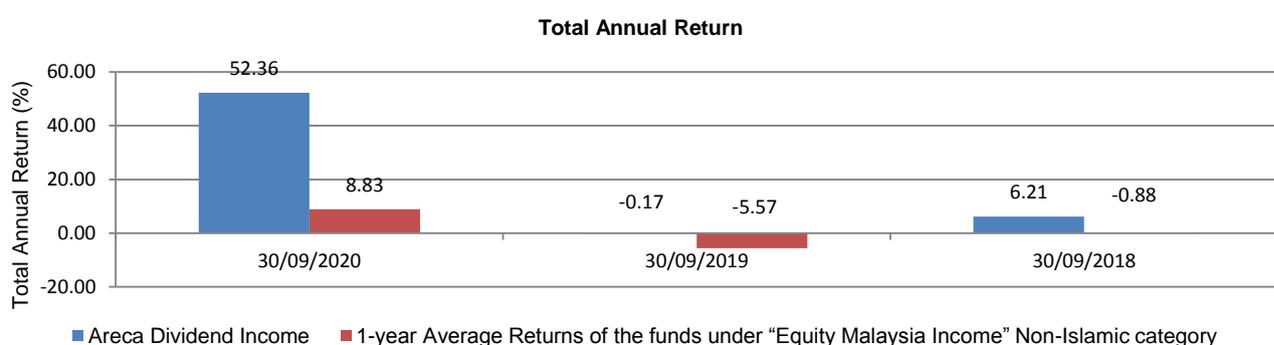
11. Portfolio Structure

	2020	2019	2018
Equity and equity-related securities	62.12%	86.09%	36.17%
Collective investment scheme	14.98%	-	7.20%
Cash & cash equivalents	22.90%	13.91%	56.63%
TOTAL	100.00%	100.00%	100.00%
Remarks			

12. Performance Data

Annual Total Return	2020	2019	2018
Areca Dividend Income	52.36	-0.17	6.21
1-year Average Returns of the funds under “Equity Malaysia Income” Non-Islamic category	8.83	-5.57	-0.88

Average Total return per annum (%)	1 Year's Period	3 Year's Period	5 Year's Period	Since inception
Areca Dividend Income	52.36	20.51	N/A	22.10
Benchmark: 1-year Average Returns of the funds under “Equity Malaysia Income” Non-Islamic category	8.83	0.98	N/A	3.01

13. Performance Chart

Basis of calculation and assumptions made in calculating the returns:

* Percentage growth = $\frac{NAV_t - NAV_{t-1}}{NAV_{t-1}}$

where t = current year

t-1 = previous year

14. Distribution

	2020	2019	2018
Gross Distribution Per Unit (sen)	8.50 (30 June 2020)	2.00 (27 June 2019)	3.50 (28 Dec 2017) 3.00 (29 June 2018)
Net Distribution Per Unit (sen)	8.50 (30 June 2020)	2.00 (27 June 2019)	3.50 (28 Dec 2017) 3.00 (29 June 2018)

Distribution is in the form of automatically reinvested into additional units on the same day at NAV per unit after distribution at no entry fee.

15. Unit Split

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

16. Portfolio Turnover Ratio (PTR)

	2020	2019	2018
PTR (times)	2.09	1.31	0.66
Remarks			

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

For more information, please refer to the Master Prospectus dated 3 June 2021.

CONTACT INFORMATION**17. Who should I contact for further information or to lodge a complaint?**

For enquiries/further information, please contact:

Head Office	Areca Capital Sdn Bhd (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	
Branches	Pulau Pinang Tel: 604-210 2011 Fax: 604-210 2013	Malacca Tel: 606-282 9111 Fax: 606-283 9112
	Ipoh Tel: 605-249 6697 Fax: 605-249 6696	Kuching Tel: 082-572 472
	Johor Bharu Tel: 07-336 3689	

- For internal dispute resolution, you may contact:
Areca Capital Sdn Bhd – Investor Care: 03-7956 3111
- If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
 - via phone to : 03-2282 2280
 - via fax to : 03-2282 3855
 - via e-mail to : info@sidrec.com.my
 - via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur.
- You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Investor Affairs & Complaints Department:
 - via phone to the Aduan Hotline at : 03-6204 8999
 - via fax to : 03-6204 8991
 - via e-mail to : aduan@seccom.com.my
 - via online complaint form available at www.sc.com.my
 - via letter to : Investor Affairs & Complaints Department
Securities Commission Malaysia
No. 3 Persiaran Bukit Kiara, Bukit Kiara
50490 Kuala Lumpur
- Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
 - via phone to : 03-2092 3800
 - via fax to : 03-2093 2700
 - via e-mail to : complaints@fimm.com.my
 - via online complaint form available at www.fimm.com.my
 - via letter to : Legal, Secretariat & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-01, 6th Floor Wisma Tune
No. 19 Lorong Dungun, Damansara Heights
50490 Kuala Lumpur

GLOSSARY

Areca/Manager/We/Us/Our	Areca Capital Sdn Bhd;
Bursa Malaysia	The stock exchange managed or operated by Bursa Malaysia Securities Berhad;
Business Day	A day on which the Bursa Malaysia is open for trading;
Fund	Areca Dividend Income Fund
Fund Manager	A person who holds a capital market services representative's license to carry on the regulated activity of fund management on behalf of the Manager;
IUTA	Institutional unit trust scheme adviser, which is an institution, body or organisation that is registered with the FIMM to market and distribute unit trust;
Jointholder	A person who holds Units together with another person or persons;
Long-Term	Means a period of at least five (5) years;
Master Prospectus	Master prospectus in relation to the Funds managed by Areca;
NAV	The net asset value of the Fund, which is the value of all the assets of the Fund less the total liabilities of the Fund at the valuation point;
NAV per Unit	The NAV of the Fund divided by the number of Units in circulation at the valuation point;
SC	The Securities Commission Malaysia which was established under the Securities Commission Act 1993;
Units	Units of a Fund and includes a fraction of a Unit;
Unit Holder/You	A person for the time being who is registered pursuant to the Deed as a holder of Units, including a Jointholder;