

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 Board of Directors 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.



NO CASH POLICY

Areca Capital is committed towards safeguarding the interests of our investors; prevention of any incidence of cash mishandling or mismanagement while heeding Bank Negara Malaysia's desire for electronic payment methods for greater efficiency, transparency and accountability.

WE DO NOT ACCEPT CASH DEPOSIT, 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.

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
Trustee	Maybank Trustees Berhad

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 hedge 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 Period	21 days from 15 February 2017 to 07 March 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% and 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	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

Reinvestment Policy	<p>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 (740840-D)
Trustee	Maybank Trustees Berhad (5004-P)
Trustee's Delegate	Malayan Banking Berhad (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?

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 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 afterwards being 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**

The Fund may invest in equity-related securities such as rights and warrants. The price of equity-related securities depends on the price movement of the underlying equities. Their prices generally fluctuate more because of the higher risk, as these equity related securities are a leveraged form of investment. This may affect the volatility of the Fund's NAV.

- **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 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. Investors should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

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FEES & CHARGES

7. What are the fees and charges involved?

Entry Fee (Sales Charge)	<ul style="list-style-type: none"> ▪ Direct investment with Manager: Up to 2% of the Net Investment Amount ▪ Third-party distributors: Up to 4.5% of the Net Investment Amount <p>Net Investment Amount is the number of units at the NAV per Unit. Please note that the entry fee is subject to 6% GST. If you make a RM100,000 payment for investment in the Fund with an entry fee of 2%, your net investment amount is RM97,924.01 (i.e. $RM100,000 \div [1 + (0.02 \times 1.06)]$).</p>
Exit Fee	Nil
Switching Fee	Not Applicable
Transfer Fee	Not Applicable
Annual Management Fee	Up to 1.90% per annum of NAV of the Fund. *It is the Manager's intention to set the annual management fee at 1.50% for the first financial year period.
Annual Trustee Fee	0.05% per annum of NAV of the Fund, subject to a minimum of RM6,000 per annum.

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

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

VALUATION AND EXITING FROM INVESTMENT

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 published on the following Business Day (T+1 day) on the Manager's website at www.arecacapital.com. If the Fund invests in foreign investment, then the NAV per unit of the Fund will be updated on the following 2 Business Days (T+2 days).

9. How can I invest in this investment?

Minimum Initial Investment	<p>Direct investment through the Manager: RM50,000 or such other lower amount as decided by the Manager.</p> <p>Third party distributors including IUTA: RM50,000 or such other lower amount as decided by the Manager.</p>
Minimum Additional Investment	<p>Direct investment through the Manager: RM5,000 or such other lower amount as decided by the Manager.</p> <p>Third party distributors including IUTA: RM5,000 or such other lower amount as decided by the Manager.</p>
Cut-Off time	By 3.00pm on a Business Day.

Note: The Manager reserves the right to accept or reject any application in whole or part thereof without assigning any reason.

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

Minimum Redemption	<p>Direct investment through the Manager: RM50,000 or such other lower amount as decided by the Manager.</p> <p>Third party distributors including IUTA: RM50,000 or such other lower amount as decided by the Manager.</p> <p>You must maintain 50,000 Units or such other lower amount as decided by the Manager in your account. You are required to redeem all your investment if you have less than the minimum balance in the Fund.</p>
Minimum Balance	50,000 Units or such other limit at the Manager's discretion.
Redemption Notice/Frequency	Any business day.
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 payment within the next 3 Business Days from the transaction day for those Units purchased directly through the Manager. (i.e. T+3 days).
Cut-Off time	By 3.00pm on a Business Day

Note: All completed transaction forms must be submitted to the Manager before the cut-off time as determined by the Manager, on any Business Day. 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. Redemption proceeds will only be credited into your account after we receive your original redemption form.

For more information, please refer to the Prospectus dated 15 February 2017.

CONTACT INFORMATION**11. Who should I contact for further information or to lodge a complaint?**

For enquiries/further information, please contact:

Areca Capital Sdn Bhd (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

- 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

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
 (a) via phone to : 03-2092 3800
 (b) via fax to : 03-2093 2700
 (c) via e-mail to : complaints@fimm.com.my
 (d) via online complaint form available at www.fimm.com.my
 (e) 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;
Business Day	A day on which the Bursa Malaysia Securities Berhad is open for trading;
Deed(s)	The deed in relation to the Fund and any other supplemental deeds that may be entered into between the Manager and the Trustee and registered with the SC;
FIMM	Federation of Investment Managers Malaysia;
Fund	Areca Dividend Income Fund;
GST	Goods and Services Tax;
Guidelines	Guidelines on Unit Trust Funds issued by the SC as may be amended from time to time;
IUTA	Institutional unit trust 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
Prospectus	Prospectus in relation to the Fund;
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;
RM	Means Rigit Malaysia, The lawful currency of Malaysia
SC	The Securities Commission Malaysia which was established under the Securities Commission Malaysia 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.
Warrants	Securities that entitled the holder to exercise his rights to buy the underlying stock of the issuing company at a fixed price called exercise price until the expiry date. For the purpose of this Fund, the underlying stock must be in new shares.