

PRODUCT HIGHLIGHTS SHEET

Areca Dynamic Growth Fund

(Date of Issuance: 11 November 2016)

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 relevant information and document in relation to the Areca Dynamic Growth Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Areca Dynamic Growth Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Areca Dynamic Growth 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 who is responsible for the Areca Dynamic Growth 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.

Management Company



(740840-D)

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

PRODUCT HIGHLIGHT SHEET

ARECA DYNAMIC GROWTH FUND

BRIEF INFORMATION ON THE FUND

1. What is this fund about?

Fund category / type	Wholesale Equity Fund / Growth
Manager	Areca Capital Sdn Bhd
Trustee	Maybank Trustees Berhad

PRODUCT SUITABILITY

2. Who is this fund suitable for?

Please note that this wholesale fund is for Sophisticated Investors (please refer to Glossary) only.

This Fund is suitable for Sophisticated Investors who:

- are seeking for capital growth;
- have a Medium to Long term investment horizon.

The Fund may invest in illiquid assets such as unlisted securities. Potential Sophisticated Investors are warned that they may face difficulties in redeeming their investments as the Manager may not be able to dispose the investments.

The Areca Dynamic Growth Fund may only be offered for sale to Sophisticated Investors and investors must ensure that they are Sophisticated Investors before making an investment in the Fund. In the event that the Manager becomes aware that a person is not eligible to apply for Units or is in fact holding Units, the Manager shall be deemed to have received a redemption request in respect of such Units on the Business Day following the day the Manager first became aware of the Unit Holder's ineligibility.

Sophisticated Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in the Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Information Memorandum or the conduct of any other person in relation to the Fund.

KEY FUND FEATURES

3. What am I investing in?

Launch date	11 November 2016
Initial Offer Price	RM1.0000
Objective of the Fund	The Fund aims to provide medium to long-term capital growth.
Investment Strategy	<p>The Fund will invest a maximum of 100% of its NAV in domestic and foreign equities and other equity-related securities including unlisted securities, to achieve its objective.</p> <p>The Fund may concentrate its investments wholly in securities of a company or a single issuer that have potential for capital growth.</p> <p>The Fund may also invest in collective investment schemes and deposits.</p>
Asset Allocation	<p>Equities and Equity-related securities</p> <p>Up to 100% of its NAV</p>

Performance Benchmark	Absolute return of 10% per annum.
Income Distribution and Reinvestment Policy	Incidental, subject to the availability of income. In the absence of any instructions, we will, at our discretion, pay any income distributed by the Fund to you, or reinvest the income in additional Units at the NAV per Unit of the distribution day without any Entry Fee.
Financial Year End	31 March

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 Absolute return of 10%. 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

▪ 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.

▪ Inflation Risk

This is the risk that investors' investment in the 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.

Specific risks associated with the investment portfolio of Areca Dynamic Growth Fund

- **Liquidity Risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds 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.

- **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 NAV.

- **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 stocks will adversely affect the Fund's NAV.

- **Equity-related Securities Risk**

The Fund invests 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 Fund's NAV.

- **Concentration Risk**

The strength of the issuer may be affected due to changes of financial performance, news of a possible merger or loss of key personnel of the issuer.

- **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 return of the investment.

The abovementioned risks which you should consider before investing into a wholesale fund should not be considered to be an exhaustive list.

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 with Manager: Up to 3% of the Net Investment Amount ▪ Third-party distributors: Up to 3% 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 RM500,000 payment for investment in the Fund with an entry fee of 3%, your net investment amount is RM484,590.04 (i.e. $RM500,000 \div [1 + (0.03 \times 1.06)]$).</p>
Exit Fee	1% of your realised profit upon redemption
Switching Fee	Not Applicable
Transfer Fee	Not Applicable
Annual Management Fee	Up to 1.50% per annum of NAV of the Fund.
Annual Trustee Fee	0.04% 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 Information Memorandum 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 once a week.

The NAV per unit of the Fund will generally be published on the following 2 Business Days (T+2 days) in various major local newspapers and may also be found on the Manager's website at www.arecacapital.com.

9. How can I invest in this investment?

Minimum Initial Investment	RM500,000 or or such other limit as decided by the Manager.
Minimum Additional Investment	RM10,000 or or such other limit as decided by the Manager.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT

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

Minimum Redemption	RM100,000 or 100,000 Units or such other amount as decided by the Manager. However, if the redemption request leaves you with less than 100,000 Units (minimum balance), all the Units in your account will be redeemed automatically.
Minimum Balance	100,000 Units or such other limit at the Manager's discretion.

Redemption Restriction	Redemption is restricted to the first Business Day of the week
Redemption Payment	We will pay you within 10 days upon receipt of the duly completed original Redemption form.
Redemption within IOP	You may request a full refund on your investments together with entry fee and not subject to any exit fee during IOP (You may incur other direct cost such as bank charges).

For more information, please refer to the Information Memorandum dated 11 November 2016.

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

1. For internal dispute resolution, you may contact:
Areca Capital Sdn Bhd – Investor Care: 03-7956 3111

2. 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):
 - (a) via phone to : 03-2282 2280
 - (b) via fax to : 03-2282 3855
 - (c) via e-mail to : info@sidrec.com.my
 - (d) 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.

3. 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:
 - (a) via phone to the Aduan Hotline at : 03-6204 8999
 - (b) via fax to : 03-6204 8991
 - (c) via e-mail to : aduan@seccom.com.my
 - (d) via online complaint form available at www.sc.com.my
 - (e) 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

Business Day	A day on which Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia 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
Financial Institution	<p>(a) if the institution is in Malaysia –</p> <p>(i) licensed bank;</p> <p>(ii) licensed investment bank;</p> <p>(iii) Islamic bank;</p> <p>(b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator;</p> <p>“licensed bank” has the same meaning as given under the Financial Services Act 2013; “licensed investment bank” has the same meaning as given under the Financial Services Act 2013; “islamic bank” means a bank licensed under the Islamic Financial Services Act 2013”</p>
Fund	Areca Dynamic Growth Fund
GST	Goods and Services Tax
Information Memorandum	Information Memorandum in relation to the Fund and includes any supplemental or replacement Information Memorandum
Redemption	The repurchase by the Manager of the Units owned by the Unit Holders upon a proper redemption request
Manager/We/Us	Areca Capital Sdn Bhd
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; for the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and trustee fee for the relevant day
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

Sophisticated Investor	<ol style="list-style-type: none"> 1. An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; 2. An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding twelve months; 3. An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding twelve months; 4. A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts; 5. A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies; 6. A unit trust scheme or prescribed investment scheme; 7. A private retirement scheme; 8. A closed-end fund approved by the Securities Commission Malaysia; 9. A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies; 10. A corporation that is a public company under the Companies Act 1965 which is approved by the Securities Commission Malaysia to be a trustee under the Capital Markets and Services Act 2007 and has assets under management exceeding RM10 million or its equivalent in foreign currencies; 11. A statutory body established by an Act of Parliament or an enactment of any State; 12. A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967; 13. Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009 14. A holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services license; 15. A licensed institution as defined in the Financial Services Act 2013; 16. An Islamic bank as defined in the Islamic Financial Services Act 2013; 17. An insurance company registered under the Financial Services Act 2013; 18. A takaful operator registered under the Islamic Financial Services Act 2013; 19. A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010; 20. An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; and 21. Any other investor as may be defined by the Securities Commission Malaysia from time to time.
Trustee	Maybank Trustees Berhad
Units	Units of the Fund and includes a fraction of a unit of the Fund
Unit Holder/You	A person for the time being who is registered pursuant to the Deed as a holder of Units, including a Jointholder.