

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.

SPECIFIC RISK DISCLOSURE STATEMENTS

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 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.

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.



NO CASH POLICY

Areca Capital Sdn Bhd 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 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 Fund with flexible asset allocation / 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.

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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 may invest up to 100% of its NAV in authorized investments with flexible allocation in its assets to achieve a higher possible return by freely changing risk degree according to current market conditions. Depending on the market conditions, the Fund may concentrate its investments on few selected asset classes or a single investment that has potential for capital growth or that will minimize the Fund exposure to market risks.</p> <p>The Fund may also invest in collective investment schemes and place deposits with financial institutions.</p>

Asset Allocation	Flexible asset allocation between equity and fixed income.
Performance Benchmark	6% 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

- **Credit and Default Risk**

Credit risk relates to the creditworthiness of the issuers of the debt instruments and its expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. Default risk relates to the risk than an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the Fund.

- **Concentration Risk**

Concentration risk is the probability of loss arising from lack of diversification, investing with a single issuer. 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.

- **Counterparty Risk**

The Fund's placements of deposits and/or investments in money market instruments with financial institutions are subject to the risk of the counterparty. Counterparty risk also refers to the possibility that the counterparty being unable to make timely payments of interest and/or principal payment on the maturity date. This may then lead to a default in the payment and/or interest and ultimately, affect the NAV per Unit of the Fund.

- **Interest Rate Risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments whenever is applicable. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the Fund's investment in debt instruments. The reverse may apply when interest rates fall.

- **Performance Risk**

There is no guarantee in relation to the investment returns or the income distribution to unit holders.

- **Flexible Asset Allocation Risk**

This Fund is a flexible asset allocation fund where the strategies employed to shift the asset mix between equities and fixed income, depends on the prevailing market outlook. The Manager's investment decision pertaining to the asset allocation may adversely affect the Fund's performance if the assessment concluded by the Manager is not consistent with the market outlook.

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. If you make a RM500,000 payment for investment in the Fund with an entry fee of 3%, your net investment amount is RM485,436.89 (i.e. $RM500,000 \div [1 + (0.03^*)]$).</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
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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 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.

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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 and the First Supplemental Information Memorandum dated 17 August 2018.

CONTACT INFORMATION

11. Who should I contact for further information or to lodge a complaint?
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For enquiries/further information, please contact:

Head Office	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
Branches	Pulau Pinang Tel: 604-210 2011 Fax: 604-210 2013
	Ipoh Tel: 605-249 6697 Fax: 605-249 6696
	Malacca Tel: 606-282 9111 Fax: 606-283 9112

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 style="margin-left: 20px;">(i) licensed bank;</p> <p style="margin-left: 20px;">(ii) licensed investment bank;</p> <p style="margin-left: 20px;">(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>

Fixed Income Investment	Debentures, money market instruments, corporate bonds, deposits with licensed institutions and any other fixed income related instruments that are in line with the Fund's objective.
Fund	Areca Dynamic Growth Fund
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.