

Annual Report September 2025

For the Year Ended 30 September 2025

Areca Islamic Cash Fund

Management Company



200601021087(740840-D)

ANNUAL REPORT SEPTEMBER 2025

✧ ARECA ISLAMIC CASH 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
(Non-Independent Executive/Chief Executive Officer)
Edward Iskandar Toh Bin Abdullah
(Non-Independent Executive/Chief Investment Officer)
(Resigned with effect from 16 April 2025)

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

RHB Trustees Berhad
Company No: 200201005356 (573019-U)
Level 10, Tower One, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2302 8252, Fax: 03-2302 8298

AUDITOR

Deloitte Malaysia PLT (*formerly known as 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

SHARIAH ADVISER

ZICO Shariah Advisory Services Sdn Bhd
(769433-D)
Level 13A Menara Milenium
Jalan Damanlela, Pusat Bandar
Damansara
50490 Kuala Lumpur
Tel: 03-2093 3999, Fax: 03-2093 2999

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: 606-283 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 5-1-8, 1st Floor
Lorong Api-API 1
Api-API Centre
88000 Kota Kinabalu, Sabah
Tel : 6088-276 757

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Areca Islamic Cash Fund

FUND INFORMATION

Name of the Fund	Areca Islamic Cash Fund
Fund Category/ Type	Islamic Fixed Income/Income
Objective of the Fund	The Fund seeks to offer investors regular income.
Performance Benchmark	Maybank 1 Month Islamic Fixed Deposit-i
Distribution Policy of the Fund	Income distribution for the Fund is twice a year, subject to availability of distributable income.
Rebates & Soft Commissions	The Manager will retain soft commissions received from brokers or dealers, provided that: (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. 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 year under review, the Manager had not received any soft commissions.
Inception Date	18 June 2015
Financial Year End	30 September

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Areca Islamic Cash Fund

FUND PERFORMANCE

	2025	2024	2023
NET ASSET VALUE ("NAV")			
Net Asset Value (RM million)	104.41*	156.45*	130.78*
Units in circulation (million units)	94.37*	141.06*	118.02*
NAV per unit (RM)	1.1064*	1.1091*	1.1081*
* Ex-Distribution			

HIGHEST & LOWEST NAV per unit			
<i>Please refer to Note 1 for further information on NAV and pricing policy</i>			
Highest NAV per unit (RM)	1.1168*	1.1160*	1.1081*
Lowest NAV per unit (RM)	1.1010*	1.0999*	1.0960*
* Ex-Distribution			

ASSET ALLOCATION % of NAV			
Unquoted Islamic fixed income securities	38.20	9.55	28.73
Islamic collective investment scheme	2.28	1.16	1.53
Short-term Islamic deposits	57.32	86.81	69.44
Liquid assets and other net current assets	2.20	2.48	0.30

DISTRIBUTION			
<i>Please refer to Note 2 for further information</i>			
Distribution dates	30 Jun 2025 30 Dec 2024	28 Jun 2024 29 Dec 2023	30 Jun 2023 31 Mar 2023 30 Dec 2022
Gross distribution (sen per unit)	1.5600 (30 Jun) 1.5600 (30 Dec) -	1.5600 (28 Jun) 1.5600 (29 Dec) -	0.5600 (30 Jun) 0.5600 (31 Mar) 0.5600 (30 Dec)
Net distribution (sen per unit)	1.5600 (30 Jun) 1.5600 (30 Dec) -	1.5600 (28 Jun) 1.5600 (29 Dec) -	0.5600 (30 Jun) 1.1031 (30 Mar) 0.5600 (30 Dec)
NAV before distribution (RM per unit)	1.1168 (29 Jun) 1.1164 (29 Dec) -	1.1160 (27 Jun) 1.1154 (28 Dec) -	1.1050 (28 Jun) 1.1031 (30 Mar) 1.1021 (29 Dec)
NAV after distribution (RM per unit)	1.1016 (30 Jun) 1.1010 (30 Dec) -	1.1005 (28 Jun) 1.0999 (29 Dec) -	1.0996 (30 Jun) 1.0976 (31 Mar) 1.0965 (30 Dec)

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

EXPENSE/TURNOVER			
Total expense ratio (TER) (%)	0.80	0.82	0.81
<i>Please refer to Note 3 for further information</i>			
Portfolio turnover ratio (PTR) (times)	4.18	3.10	3.70
<i>Please refer to Note 4 for further information</i>			

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FUND PERFORMANCE

	2025	2024	2023
TOTAL RETURN			
<i>Please refer to Note 5 for further information</i>			
Total Return (%)	2.60	3.22	2.89
- Capital growth (%)	(0.24)	0.10	1.21
- Income distribution (%)	2.85	3.12	1.68

	2025	2024	2023	2022	2021
Annual Total Return (%)	2.60	2.64	2.43	2.12	1.30
Performance Benchmark (%): Maybank 1 Month Islamic Fixed Deposit-i	2.20	2.63	2.84	1.74	1.72

	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	2.60	2.81	2.36

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: *Net distributions of 1.5600 sen per unit were declared on 30 June 2025 and 30 December 2024 respectively and was automatically reinvested into additional units on the same day at NAV per unit after distribution at no entry fee.*

Note 3: *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 4: *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 5: *Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The total return and the 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

For the financial year ended 30th September 2025, the Fund posted a return of 2.60% compared to its benchmark (Maybank 1 Month Islamic Fixed Deposit-i) return of 2.20% matching the Fund's objective of providing opportunity for regular income to investors.

We will maintain a short duration strategy through increasing exposure into short-term and liquid corporate papers while seeking attractive yield opportunities. We will also seek out opportunities through other Cash fund products under Islamic Principles that may enhance the performance of the Fund.

The Fund continues to prioritise liquidity and invest predominantly in money market and Islamic general investment accounts.

Investment Policy and Strategy

The Fund may invest up to 30% of its NAV in Islamic fixed income securities including Ringgit denominated sukuk and invest its remaining NAV in Short-Term Islamic money market instruments and Islamic Deposits and placement with Islamic investment account with different maturity periods to meet the objective of the Fund.

NAV per unit as at 30 September 2025

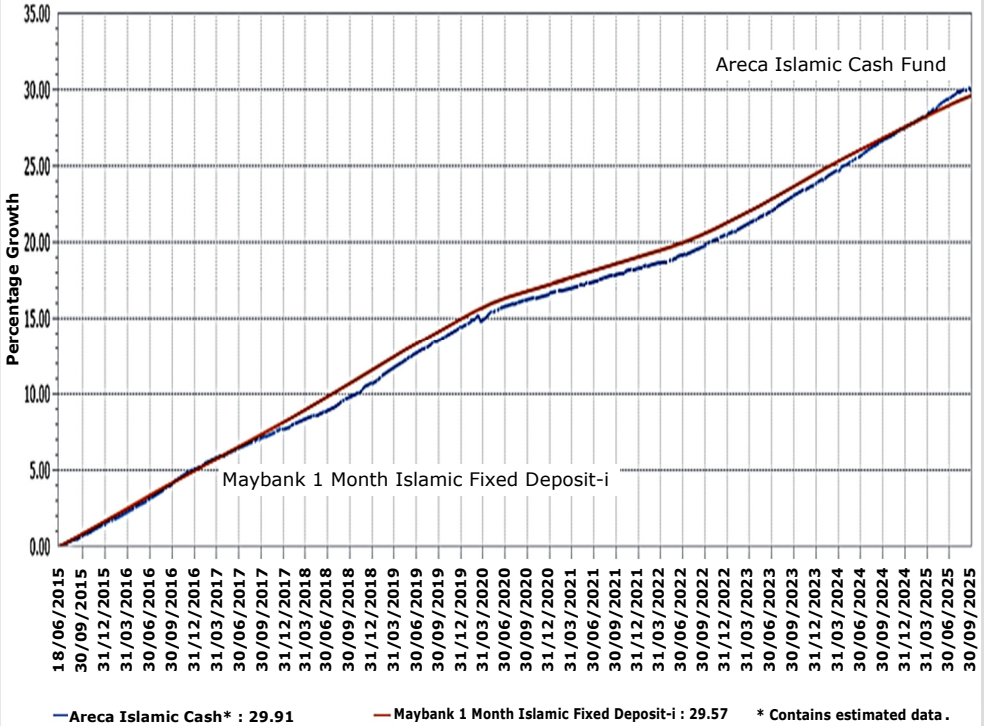
RM1.1064

Asset Allocation/Portfolio Composition	2025	2024	2023
Unquoted Islamic fixed income securities	38.20%	9.55%	28.73%
Islamic collective investment scheme	2.28%	1.16%	1.53%
Short-term Islamic deposits	57.32%	86.81%	69.44%
Liquid assets and other net current assets	2.20%	2.48%	0.30%

FUND REVIEW

**Performance of Areca Islamic Cash Fund
for the period since inception to 30 September 2025**

Total Return of Areca Islamic Cash Fund vs Benchmark



GLOBAL FIXED INCOME MARKET REVIEW AND OUTLOOK

During the review period, the Federal Reserve ("Fed") reduced interest rates by a total of 50 basis points ("bps") in the November and December Federal Open Market Committee ("FOMC") meetings, citing progress on inflation reduction and a balanced assessment of risk as the rationale for the move. In June and July 2024, global bond markets strengthened further with the release of weaker-than-expected United States ("US") inflation and retail sales data.

Bond yields rose in October as the US economy continued to show strength, coupled with expectations that more US Treasury ("UST") bonds could be issued to fund the US government's higher fiscal deficit. UST yield curves experienced a bearish start in an immediate aftermath of the US elections. The 10-year UST yield rose sharply partly driven by expectation of Trump's proposed policies, but yields started to normalise across most tenures as markets recalibrated their expectations. While many believe that president-elect Trump, with his business-focused approach, would favor a low-interest-rate environment, his proposed tariffs could drive inflation. This, in turn, might necessitate a "higher-for-longer" interest rate policy.

Heading into 2025, the Fed held rates steady at 4.25% - 4.50% at its January FOMC meeting, while signaling a gradual pace of rate cuts in 2025 amid a resilient US economy and slower progress in reducing inflation. UST yields slid in February as market participants prepare for President Trump's tariff on Canada and Mexico to go into effect. In April traders kept a close watch on the evolving trade war, holding onto hopes for a potential easing of tensions. News reports indicated that China might suspend its 125.00% tariff on some US goods, although Chinese officials denied any active tariff negotiations. While policy changes under the Trump administration could pose near-term market uncertainties, the prospect of monetary easing by the Fed and other major central banks should remain supportive of the bond markets in the long run.

In August, UST market saw varied activity, with a dovish shift from the Fed. The Fed comments at the Jackson Hole symposium signalled increasing employment risks leading to expectations of a potential September rate cut. The shift in Fed policy supported bond prices, with yields on the 10-year UST easing from 4.33% to around 4.25% as investors are more confident that a rate cut is forthcoming.

As anticipated, the Fed delivered a 25 bps rate cut for the first time in September lowering the target range to 4.00% - 4.25%, as concerns intensified over slowing labour market and moderate economic growth. Unemployment rose to 4.30%, a near four-year high, while payrolls grew by just 22,000 jobs. UST yields were mixed, with shorter tenors declining but the 10Y UST edged higher as markets weighed on lingering inflation, suggesting the cut was more of an "insurance" move than a policy shift.

MALAYSIA FIXED INCOME MARKET REVIEW AND OUTLOOK

For the financial year under review the Malaysian economy moderated further from 4.90% in the fourth quarter of year 2024 ("Q4 2024"), in line with the Department of Statistics Malaysia's advanced estimate. A sharper contraction in the mining sector driven by lower oil and gas output was the primary drag on growth in the first quarter of year 2025 ("Q1 2025"), alongside a broad-based moderation across most other sectors, with the exception of agriculture, which recorded a slight increase. Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 3.00%, while lowering Statutory Reserve Requirement ("SRR") ratio by 100 bps from 2.00% to 1.00% effective May 16 2025.

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In August, the July Consumer Price Index ("CPI") printed at 1.20% year-over-year ("y/y"), which met consensus and up from 1.10% in June, but overall market sentiment was cautious ahead of the Jackson Hole event. Bonds extended its positive trajectory in August with the 10Y Malaysian Government Securities ("MGS") rallying down to 3.35%.

September's labour market remained resilient with unemployment data held steady at 3.00%. Producer Price Index ("PPI") fell for the 6th consecutive month in August (-2.80% year-on-year ("YoY")) while CPI increased slightly from 1.20% YoY to 1.30% YoY in August. These supported BNM's decision to keep the OPR unchanged at 2.75%. Government bond yields were broadly stable in September, with the 10Y MGS ending the month at 3.46%. Demand also held up, as the reopening of the 3Y Islamic Government Securities drew a solid bid-to-cover ratio of 2.88 times. Resilient domestic demand and moderate inflation will continue to support economic growth though sentiments remain cautious. We expect OPR stay on hold in the coming month.

CROSS TRADE

Cross trade transactions have been carried out during the reporting year and the Investment Committee of the Fund has reviewed that such transactions are in the best interest of the Fund and transacted on an arm's length (*) and fair value basis.

* Transactions at arm's length refer to transactions entered in the normal course of business at prevailing market price as at the date of cross trade.

SECURITIES FINANCING TRANSACTIONS

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

We have issued a First Supplementary Information Memorandum dated 20 June 2025. You may refer to **Appendix 1** for the list of changes.

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Areca Islamic Cash Fund

TRUSTEE'S REPORT

To the Unitholders of Areca Islamic Cash Fund ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 September 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 year 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 Unlisted Capital Market Products under the Lodge and Launch Framework;
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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For RHB Trustees Berhad
[Company No. : 200201005356 (573019-U)]

LIM BEE FANG
ASSISTANT VICE PRESIDENT

WONG CHOOI YIN
ASSISTANT VICE PRESIDENT

Kuala Lumpur
25 November 2025

STATEMENT BY MANAGER

To the Unitholders of Areca Islamic Cash Fund

We, **WONG TECK MENG** and **DR. JUNID SAHAM**, two of the Directors of the Manager, Areca Capital Sdn Bhd, do hereby state that in the opinion of the Manager, the accompanying 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 30 September 2025 and the financial performance and the cash flows of the Fund for the financial year ended on that date.

For and on behalf of the Manager
Areca Capital Sdn Bhd

WONG TECK MENG
CEO/EXECUTIVE DIRECTOR

Dr. JUNID SAHAM
INDEPENDENT NON-EXECUTIVE DIRECTOR

Kuala Lumpur
25 November 2025

SHARIAH ADVISER'S REPORT

To the Unitholders of Areca Islamic Cash Fund ("FUND")

We have acted as the Shariah Adviser of Areca Islamic Cash Fund. Our responsibility is to ensure that the procedures and processes employed by Areca Capital Sdn Bhd and that the provisions of the Trust Deed dated 3 June 2015 is in accordance with Shariah principles.

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 financial year covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and

The assets of the Fund comprise instruments that have been classified as Shariah compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia or the SAC of Bank Negara Malaysia. As for the instruments which are not classified as Shariah compliant by the SAC of the Securities Commission Malaysia or the SAC of Bank Negara Malaysia, we have reviewed the said instruments and confirmed that these instruments are Shariah compliant.

For ZICO Shariah Advisory Services Sdn Bhd

DR. AIDA OTHMAN
Designated Person Responsible for Shariah Matters Relating to the Fund

Kuala Lumpur
25 November 2025

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF ARECA ISLAMIC CASH FUND**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ARECA ISLAMIC CASH FUND** ("the Fund"), which comprise the statement of financial position as at 30 September 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 15 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 September 2025, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Fund in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the Financial Statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable the fair presentation of these financial statements.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

DELOITTE MALAYSIA PLT (LLP0010145-LCA)

Chartered Accountants (AF 0080)

MAK WAI KIT

Partner - 03546/12/2026 J

Chartered Accountant

25 November 2025

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Areca Islamic Cash Fund

STATEMENT OF FINANCIAL POSITION*As At 30 September 2025*

	Note	2025 RM	2024 RM
Assets			
Investments	5	42,264,368	16,757,164
Cash at banks		14,723	18,536
Short-term Islamic deposits	6	59,842,439	135,815,702
Amount due from Manager		2,372,202	3,981,894
Profit receivables		-	5,721
Total Assets		104,493,732	156,579,017
Unitholders' Fund And Liabilities			
Liabilities			
Other payables and accrued expenses	7	84,908	127,037
Total Liabilities		84,908	127,037
Unitholders' Fund			
Unitholders' capital		96,710,442	149,283,750
Retained earnings		7,698,382	7,168,230
Net Assets Value Attributable To Unitholders		104,408,824	156,451,980
Total Unitholders' Fund And Liabilities		104,493,732	156,579,017
Number Of Units In Circulation	8	94,371,123	141,058,426
Net Asset Value Per Unit (RM)(Ex-Distribution)		1.1064	1.1091

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

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Areca Islamic Cash Fund

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*For The Financial Year Ended 30 September 2025*

	Note	2025 RM	2024 RM
Investments Income			
Profit income		5,572,736	4,681,687
Net gain on investments at fair value through profit or loss ("FVTPL")	5	419,099	662,008
Total Investments Income		<u>5,991,835</u>	<u>5,343,695</u>
Expenditure			
Management fee	9	1,250,578	1,069,038
Trustee's fee	10	85,773	72,270
Audit fee		10,800	10,000
Tax agent's fee		3,900	3,900
Other expenses		21,298	21,292
Total Expenditure		<u>1,372,349</u>	<u>1,176,500</u>
Net Income Before Tax		4,619,486	4,167,195
Income Tax Expense	11	-	-
Net Income After Tax And Total Comprehensive Income For The Financial Year		<u>4,619,486</u>	<u>4,167,195</u>
Net Income After Tax Is Made Up Of:			
Realised gain		4,583,279	3,911,637
Unrealised gain		36,207	255,558
		<u>4,619,486</u>	<u>4,167,195</u>
Distributions For The Financial Year:			
Net distributions	12	4,089,334	3,296,148
Gross distributions per unit (sen)	12	3.1200	3.1200
Net distributions per unit (sen)	12	<u>3.1200</u>	<u>3.1200</u>

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

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Areca Islamic Cash Fund

STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Year Ended 30 September 2025

	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 October 2023	124,483,516	6,297,183	130,780,699
Amounts received from units created	178,795,941	-	178,795,941
Reinvestments of units	3,296,148	-	3,296,148
Amounts paid for units cancelled	(157,291,855)	-	(157,291,855)
Total comprehensive income for the financial year	-	4,167,195	4,167,195
Distributions to unitholders for the financial year (Note 12)	-	(3,296,148)	(3,296,148)
Balance as at 30 September 2024	<u>149,283,750</u>	<u>7,168,230</u>	<u>156,451,980</u>
Balance as at 1 October 2024	149,283,750	7,168,230	156,451,980
Amounts received from units created	291,500,173	-	291,500,173
Reinvestments of units	4,089,334	-	4,089,334
Amounts paid for units cancelled	(348,162,815)	-	(348,162,815)
Total comprehensive income for the financial year	-	4,619,486	4,619,486
Distributions to unitholders for the financial year (Note 12)	-	(4,089,334)	(4,089,334)
Balance as at 30 September 2025	<u><u>96,710,442</u></u>	<u><u>7,698,382</u></u>	<u><u>104,408,824</u></u>

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

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Areca Islamic Cash Fund

STATEMENT OF CASH FLOWS*For The Financial Year Ended 30 September 2025*

	2025 RM	2024 RM
Cash Flows From/(Used In) Operating Activities		
Proceeds from redemption/maturity of short-term Islamic deposits	714,508,630	373,951,898
Placement of short-term Islamic deposits	(639,198,000)	(419,384,000)
Proceeds from disposal of investments	8,030,400	16,316,035
Proceeds from maturity of investments	20,000,000	45,100,000
Purchase of investments	(52,827,492)	(38,254,761)
Profit income received	5,950,077	5,411,558
Management fee paid	(1,298,076)	(1,052,756)
Trustee's fee paid	(81,204)	(71,452)
Payment for other fees and expenses	(35,198)	(34,192)
Net Cash From/(Used In) Operating Activities	<u>55,049,137</u>	<u>(18,017,670)</u>
Cash Flows From/(Used In) Financing Activities		
Cash proceeds from units created	293,109,865	175,321,838
Payments for cancellation of units	(348,162,815)	(157,291,855)
Net Cash (Used In)/From Financing Activities	<u>(55,052,950)</u>	<u>18,029,983</u>
Net (Decrease)/Increase In Cash And Cash Equivalents	(3,813)	12,313
Cash And Cash Equivalents At Beginning Of Year	<u>18,536</u>	<u>6,223</u>
Cash And Cash Equivalents At End Of Year	<u><u>14,723</u></u>	<u><u>18,536</u></u>
Cash And Cash Equivalents Comprise:		
Cash at banks	<u><u>14,723</u></u>	<u><u>18,536</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Areca Islamic Cash Fund ("the Fund") was established pursuant to the Trust Deed dated 3 June 2015, as modified by the First Supplemental Deed dated 7 June 2024 ("the Deeds") between Areca Capital Sdn Bhd as the Manager, RHB 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 Government investment issues, Islamic accepted bills, bank negara negotiable notes, negotiable Islamic debt securities, Islamic negotiable instruments of deposits, cagamas mudharabah bonds and any other government Islamic papers, sukuk, other Shariah-compliant obligations issued or guaranteed by the government of Malaysia or Bank Negara Malaysia or any state government in Malaysia, Islamic deposits and investment placement with financial institutions, Islamic derivatives for hedging purposes only, Islamic structured products where the underlying securities/instruments are Shariah-compliant, such as Shariah-compliant options, commodities futures, currencies or Islamic profit rate swaps, and any other form of Shariah-compliant investment as may be permitted by the relevant authorities from time to time, where necessary. The Fund was launched on 18 June 2015 and will continue its operations until terminated in accordance with the conditions provided in Part 11 of the Deeds.

The investment objective of the Fund is to offer investors regular income. 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.

The financial statements were authorised for issue by the Board of Directors of the Manager on 25 November 2025.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of Amendments to MFRS

The Fund has applied the following relevant Amendments for the first time for the financial year beginning on 1 October 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.

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Areca Islamic Cash 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 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

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 New MFRS and Amendments to MFRSs is not expected to have 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.

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Areca Islamic Cash Fund

Income Recognition

Profit income from short-term Islamic 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 year.

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

Income Tax

Pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967, profit 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.

Distribution

Distributions are made at the discretion of the Trustee. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the year in which it is approved by the Trustee.

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 Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

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 unitholders' 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 asset value. The outstanding units are carried at the redemption amount that is payable at the net asset value if the holder exercises the right to put the units back to the Fund.

Units are created and cancelled at the unitholders' 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.

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 year 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 securities that are not held for trading, the Fund can make an irrevocable election at the time of initial recognition to account for the securities 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 year 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 profit method.

The effective profit method is a method of calculating the amortised cost of a financial liability and of allocating profit expense over the relevant years. The effective profit 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 profit 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

Unquoted Islamic fixed income securities are valued at FVTPL and are generally valued by reference to published prices of Bond Pricing Agency Malaysia ("BPAM").

Investments in Islamic collective investment scheme are valued at FVTPL based on the Net Asset Value of such Islamic collective investment scheme at the end of the reporting year.

Gains or losses arising from the changes in the fair value of the investments are recognised in the profit or loss and are classified as unrealised gain or loss.

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Areca Islamic Cash Fund

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 year 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 the 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 year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 INVESTMENTS

	2025 RM	2024 RM
Financial assets at FVTPL:		
Unquoted Islamic fixed income securities	39,886,126	14,943,226
Islamic collective investment scheme	<u>2,378,242</u>	<u>1,813,938</u>
	<u>42,264,368</u>	<u>16,757,164</u>
Net gain on investments at FVTPL comprise:		
Realised gain on disposals	382,892	406,450
Unrealised gain on changes in fair value	<u>36,207</u>	<u>255,558</u>
	<u>419,099</u>	<u>662,008</u>

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Areca Islamic Cash Fund

Financial assets at fair value through profit or loss as at 30 September 2025 are as follows:

Issuer coupon (%) maturity rating	Nominal Value RM	Adjusted Cost RM	Fair Value RM	Fair value as a % of Net Asset Value %
UNQUOTED ISLAMIC FIXED INCOME SECURITIES				
Islamic Commercial Paper				
Gabungan AQRS Bhd				
08/10/2025 MARC-1 (IS)	1,000,000	995,685	998,849	0.96
Total Islamic commercial paper		995,685	998,849	0.96
Unquoted Sukuk				
Bank Pembangunan Malaysia Bhd				
2.80% 10/10/2025 AAA IS	1,000,000	1,009,541	1,012,911	0.97
Cagamas Bhd				
4.55% 28/10/2025 AAA	5,000,000	5,124,983	5,101,833	4.88
Government Investment Issues Murabahah				
4.369% 31/10/2028 NR (LT)	5,800,000	6,071,415	6,109,335	5.85
Hong Leong Islamic Bank Bhd				
4.07% 03/11/2026 AAA	5,800,000	5,928,664	5,941,372	5.69
Pengurusan Air SPV Bhd				
4.14% 07/02/2034 AAA	10,000,000	10,310,383	10,377,783	9.94
Perbadanan Kemajuan Negeri Selangor				
4.81% 15/09/2028 AA1	5,000,000	5,164,725	5,170,825	4.95
Press Metal Aluminium Holdings Bhd				
4.02% 19/03/2032 AA1	1,000,000	1,008,022	1,022,222	0.98
TNB Western Energy Bhd				
5.26% 30/07/2027 AAA IS	3,000,000	3,118,887	3,120,627	2.99
YTL Power International Bhd				
4.30% 24/08/2029 AA1	1,000,000	1,025,159	1,030,369	0.99
Total unquoted sukuk		38,761,779	38,887,277	37.24
Total unquoted Islamic fixed income securities		39,757,464	39,886,126	38.20
ISLAMIC COLLECTIVE INVESTMENT SCHEME				
Areca Islamic incomeTRUST Fund	4,398,451	2,257,133	2,378,242	2.28
Total Islamic collective investment scheme		2,257,133	2,378,242	2.28
Total investments		42,014,597	42,264,368	40.48
Unrealised gain on investments			249,771	

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Areca Islamic Cash Fund

Financial assets at fair value through profit or loss as at 30 September 2024 are as follows:

Issuer coupon (%) maturity rating	Nominal Value RM	Adjusted Cost RM	Fair Value RM	Fair value as a % of Net Asset Value %
UNQUOTED ISLAMIC FIXED INCOME SECURITIES				
Islamic Commercial Paper				
Gabungan AQRS Bhd				
30/12/2024 MARC-1 (IS)	7,000,000	6,808,028	6,886,562	4.40
Total Islamic commercial paper		6,808,028	6,886,562	4.40
Unquoted Sukuk				
Government Investment Issues				
Murabahah				
3.465% 15/10/2030 NR (LT)	8,000,000	7,978,439	8,056,664	5.15
Total unquoted sukuk		7,978,439	8,056,664	5.15
Total unquoted Islamic fixed income securities		14,786,467	14,943,226	9.55
	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair value as a % of Net Asset Value %
ISLAMIC COLLECTIVE INVESTMENT SCHEME				
Areca Islamic incomeTRUST Fund	3,463,697	1,757,133	1,813,938	1.16
Total Islamic collective investment scheme		1,757,133	1,813,938	1.16
Total investments		16,543,600	16,757,164	10.71
Unrealised gain on investments			213,564	

6 SHORT-TERM ISLAMIC DEPOSITS

	2025 RM	2024 RM
Short-term Islamic deposits	59,842,439	135,815,702

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

The weighted average profit rate for short-term Islamic deposits is 2.97% (2024: 3.51%) per annum and the average maturity period is 17 days (2024: 49 days).

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Areca Islamic Cash Fund

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2025 RM	2024 RM
Accrued expenses:		
Management fee	44,998	92,496
Trustee's fee	10,810	6,241
Audit fee	10,800	10,000
Tax agent's fee	3,300	3,300
Other expenses	15,000	15,000
	<u>84,908</u>	<u>127,037</u>

8 NUMBER OF UNITS IN CIRCULATION

	2025 Units	2024 Units
At beginning of the year	141,058,426	118,022,120
Created during the year	263,574,625	161,552,069
Reinvestments of units	3,712,929	2,995,988
Cancelled during the year	(313,974,857)	(141,511,751)
At end of the year	<u>94,371,123</u>	<u>141,058,426</u>

9 MANAGEMENT FEE

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee of up to 1.00% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day.

The management fee provided in the financial statements is an average of 0.73% (2024: 0.74%) per annum for the financial year, net of management fee rebate on the Islamic collective investment scheme.

10 TRUSTEE'S FEE

The Schedule 9 of the Deeds provides that the Trustee is entitled to an annual Trustee's fee of up to 0.05% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day.

The Trustee's fee provided in the financial statements is 0.05% (2024: 0.05%) per annum for the financial year.

11 INCOME TAX EXPENSE

There is no income tax expenses for the year as profit income derived by the Fund is exempted income 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.

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Areca Islamic Cash Fund

12 NET DISTRIBUTIONS

	2025 RM	2024 RM
Distributions to unitholders are from the following sources:		
Profit income	5,461,683	4,472,648
Less: Expenses	(1,372,349)	(1,176,500)
Net distributions	<u>4,089,334</u>	<u>3,296,148</u>
Distribution on 30 June 2025/28 June 2024		
Gross distribution per unit (sen)	1.5600	1.5600
Net distribution per unit (sen)	<u>1.5600</u>	<u>1.5600</u>
Distribution on 30 December 2024/29 December 2023		
Gross distribution per unit (sen)	1.5600	1.5600
Net distribution per unit (sen)	<u>1.5600</u>	<u>1.5600</u>
Total Distributions		
Gross distributions per unit (sen)	3.1200	3.1200
Net distributions per unit (sen)	<u>3.1200</u>	<u>3.1200</u>

13 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO**Total Expense Ratio (TER)**

Total expense ratio for the Fund is 0.80% (2024: 0.82%) for the financial year ended 30 September 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:

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

- 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 year is RM171,542,527 (2024: RM144,142,512).

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 4.18 times (2024: 3.10 times) for the financial year ended 30 September 2025. The portfolio turnover ratio is derived from the following calculation:

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

where: total acquisition for the financial year = RM692,025,492 (2024: RM457,638,761)
total disposal for the financial year = RM742,539,030 (2024: RM435,367,933)

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Areca Islamic Cash Fund

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

As at end of the financial year, the total number and value of units held by the related parties are as follows:

	←----- 2025 -----→	←----- 2024 -----→		
	No. of units	RM	No. of units	RM
Directors of the Manager	634,511	702,024	591,826	656,395
(The above units are held legally and beneficially)				
	<u>634,511</u>	<u>702,024</u>	<u>591,826</u>	<u>656,395</u>

There are no units held by the Manager for the financial year under review.

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.

15 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

Brokers/Dealers	Value of Trades RM	% of Total Trades %
2025		
Hong Leong Investment Bank Bhd	28,380,083	46.66
CIMB Islamic Bank Bhd	12,393,027	20.38
Hong Leong Bank Bhd	11,085,335	18.23
Kenanga Investment Bank Bhd	<u>8,961,021</u>	<u>14.73</u>
	<u>60,819,466</u>	<u>100.00</u>
2024		
Kenanga Investment Bank Bhd	43,545,479	43.74
Malayan Banking Bhd	22,037,613	22.12
RHB Investment Bank Bhd	9,905,260	9.95
Hong Leong Investment Bank Bhd	8,000,000	8.04
Hong Leong Bank Bhd	7,085,939	7.12
CIMB Bank Bhd	4,500,000	4.52
Affin Hwang Investment Bank Bhd	<u>4,489,655</u>	<u>4.51</u>
	<u>99,563,946</u>	<u>100.00</u>

16 RISK MANAGEMENT POLICIES**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund seeks to provide potential income from Shariah-compliant investment by investing principally in unquoted Islamic fixed income securities, short-term Islamic money market instruments and Islamic deposits that have short-term investment horizon. 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 profit rate risk and price risk) primarily on its investments, capital risk and reclassification of Shariah status risk.

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Areca Islamic Cash Fund

Categories of Financial Instruments

	2025 RM	2024 RM
Financial assets		
Carried at FVTPL:		
Investments	42,264,368	16,757,164
Amortised cost:		
Cash at banks	14,723	18,536
Short-term Islamic deposits	59,842,439	135,815,702
Amount due from Manager	2,372,202	3,981,894
Profit receivables	-	5,721
Financial liabilities		
Amortised cost:		
Other payables and accrued expenses	84,908	127,037

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 profit, principal and proceeds from realisation of Shariah-compliant 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 nor impaired as at 30 September 2025.

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

The Fund invests only in unquoted Islamic fixed income securities of at least investment grade as rated by a credit rating agency at inception. The Fund also invests in government backed/related securities which are not rated by credit rating agency. The following table set out the Fund's portfolio of unquoted Islamic fixed income securities by rating categories:

Credit Rating	Fair Value RM	As a % of unquoted Islamic fixed income securities %	As a % of NAV %
2025			
Unquoted Islamic fixed income securities			
AAA	21,420,988	53.71	20.51
AAA IS	4,133,538	10.36	3.96
AA1	7,223,416	18.11	6.92
MARC-1 (IS)	998,849	2.50	0.96
NR (LT)	6,109,335	15.32	5.85
	39,886,126	100.00	38.20

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Credit Rating	Fair Value RM	As a % of unquoted Islamic fixed income securities %	As a % of NAV %
2024			
Unquoted Islamic fixed income securities			
MARC-1 (IS)	6,886,562	46.08	4.40
NR (LT)	8,056,664	53.92	5.15
	<u>14,943,226</u>	<u>100.00</u>	<u>9.55</u>

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

	Short-term Islamic deposits RM	Unquoted Islamic fixed income securities RM	Islamic collective investment scheme RM
2025			
Industry			
Construction	-	5,141,698	-
Financial, insurance and business services	59,842,439	22,433,899	2,378,242
Government and other services	-	6,109,335	-
Power and electricity	-	1,030,369	-
Property and real estate development	-	5,170,825	-
	<u>59,842,439</u>	<u>39,886,126</u>	<u>2,378,242</u>

2024			
Industry			
Construction	-	6,886,562	-
Financial, insurance and business services	135,815,702	-	1,813,938
Government and other services	-	8,056,664	-
	<u>135,815,702</u>	<u>14,943,226</u>	<u>1,813,938</u>

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 Shariah-compliant 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.

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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 the market variables such as profit rates and market prices.

During the financial year, as the Fund invests in unquoted Islamic fixed income securities and Islamic collective investment scheme, the performance of the Fund might go up or down in accordance with the prevailing market risk in Malaysia.

Profit rate risk management

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rate. The Fund is not exposed to profit rate risk through the impact of market profit rate changes as the profit rates on unquoted Islamic fixed income securities is fixed on the inception. The Fund is not exposed to any significant profit rate risk as the Fund's short-term Islamic deposits and cash at banks have fixed profit rates.

The Fund is exposed to risk of fluctuation in fair value of financial assets as a result of change in the market profit rate. The valuation for financial assets at FVTPL move inversely to the market profit rate movements. As the market profit 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 unquoted Islamic fixed income securities and Islamic collective investment scheme as the result of changes in the levels of the equity indices and the value of the individual securities. The price risk exposure arises from the Fund's investment in unquoted Islamic fixed income securities and Islamic collective investment scheme. 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 year due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

	Changes in price %	Effect on profit or loss Increase/ (Decrease) RM
2025		
Investments	+5/-5%	<u>2,113,218/(2,113,218)</u>
2024		
Investments	+5/-5%	<u>837,858/(837,858)</u>

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 Shariah-compliant investment activities of the Fund.

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Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant investments in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia, the Shariah Advisory Council of Bank Negara Malaysia or the relevant Shariah Supervisory Board of an approved Islamic Index. If this occurs, the Manager will take the necessary steps to dispose of such Shariah-compliant securities.

There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Fund may also adversely affected in the event of a disposal of Shariah-non compliant securities at a price lower than the investment cost.

17 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.

Unquoted Islamic fixed income securities are valued using fair value prices quoted by a Bond Pricing Agency Malaysia ("BPAM"). When no market price is available or during abnormal market or when the Manager is of the view that the price quoted by BPAM for a specific bond differs from the market price by more than 20 basis points, the Manager will separately assess the security to determine the price valuation, and the Manager will record the valuation basis and obtain the necessary internal approvals for using the non-BPAM price.

The fair value of the Islamic collective investment scheme is determined on the Net Assets Value ("NAV") per unit of such Islamic collective investment scheme as at the end of the reporting year.

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 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Financial assets at FVTPL				
Unquoted Islamic fixed income securities	-	39,886,126	-	39,886,126
Islamic collective investment scheme	-	2,378,242	-	2,378,242
	-	42,264,368	-	42,264,368
2024				
Financial assets at FVTPL				
Unquoted Islamic fixed income securities	-	14,943,226	-	14,943,226
Islamic collective investment scheme	-	1,813,938	-	1,813,938
	-	16,757,164	-	16,757,164

There is no transfer between Levels 1, 2 and 3 during the financial year.

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18 COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current year's financial statements presentation:

	2024 RM	Reclassification RM	2024 RM
Statement of cash flows			
Cash Flows From/(Used In)			
Operating Activities			
Proceeds from disposal/maturity of investments	61,416,035	(61,416,035)	-
Proceeds from disposal of investments	-	16,316,035	16,316,035
Proceeds from maturity of investments	-	45,100,000	45,100,000
			<u>45,100,000</u>

APPENDIX 1 - List of changes for Areca Islamic Cash Fund

Section	Replacement Information Memorandum dated 1 July 2024		First Supplementary Information Memorandum dated 20 June 2025		Remarks
GLOSSARY	Sophisticated Investor	Refers to: (a) any person who is determined to be a sophisticated investor under: (i) the Guidelines on Categories of Sophisticated Investors; (ii) any relevant laws/guidelines for wholesale funds; or (b) any person who acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise;	Sophisticated Investor	Refers to: (a) any person who is determined to be a sophisticated investor under: (iii) the Guidelines on Categories of Sophisticated Investors issued by the SC; (iv) any relevant laws/guidelines for wholesale funds; or (b) any person who acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise;	The information on Sophisticated Investor has been amended.
PERFORMANCE BENCHMARK	Maybank Islamic 1-month REPO rate.		Maybank 1 Month Islamic Fixed Deposit-i		The information on Performance Benchmark has been amended.
THE TRUSTEE: RHB TRUSTEES BERHAD	THE TRUSTEE'S DELEGATE RHB Trustees Berhad has appointed Malayan Banking Berhad ("Maybank") as custodian of the investments of the Fund. Maybank was established in 1960 and it is the largest financial services group in Malaysia. Maybank is one of the leading domestic custodian banks in Malaysia that provides full-fledge securities solutions services which includes domestic and global custody & clearing services, fund accounting services and transfer agency services. Maybank partner with reputable global custodian banks offering global custody services in more than 100 different markets around the world. The custodian services function is run under Maybank Securities Solutions ("MSS"), a business unit within Maybank. Maybank has a proven track record in servicing diverse clients segments covering institutional investors, financial institutions banks, insurance companies, asset and fund management companies, government-linked companies, conglomerate companies and high net worth individual investors. On top of the numerous awards and accolades by the financial publications magazine in the past years, Maybank has recently been awarded as the Best Custodian Highly Commended in Malaysia by The Asset Triple A Sustainable Investing Awards 2023 for Institutional Investor, ETF, and Asset Servicing Provider. Roles and duties of the Trustee's delegate, MSS, are as follow: • safekeep, reconcile and maintain assets holdings records of the Fund in accordance with the Trustee's instructions; • act as settlement agent for shares and monies to counterparties in accordance with the Trustee's instructions; • act as agents for money market placement where applicable in accordance with the Trustee's instructions; • disseminate listed companies' announcements to and follow through for corporate actions instructions from the Trustee; • compile, prepare and submit holdings report to the Trustee and beneficial owners where relevant; and • other ad-hoc payments for work done for the Fund in accordance with the Trustee's instructions, etc		RHB Trustees Berhad has appointed <u>Maybank Islamic Berhad ("MIB")</u> as custodian of the investments of the Fund. <u>MIB is the Islamic banking arm of Malayan Banking Berhad (Maybank), Malaysia's largest financial services group. Established in 2008, it builds on Maybank's Islamic banking operations that began in 1993. Headquartered in Kuala Lumpur, Maybank Islamic offers a full range of Shariah-compliant products and services including consumer banking, corporate banking, investment banking, and takaful. It is regulated under the Islamic Financial Services Act 2013 and supervised by Bank Negara Malaysia. As one of the largest Islamic banks globally by assets, Maybank Islamic plays a leading role in advancing Islamic finance in Malaysia and across ASEAN, aligned with Maybank's mission of "Humanising Financial Services."</u>		The information on the Trustee's Delegate has been amended.



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