Annual Report June 2026

For the Year Ended 30 June 2026

Areca *i*ncomeTRUST Fund

Management Company

ARECA CAPITAL

200601021087(740840-D)

A N N U A L   R E P O R T   J U N E   2 0 2 6

✧ ARECA *i*ncomeTRUST FUND

Contents

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)

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
Maybank Trustees Berhad
Company No: 196301000109 (5004-P)
22nd Floor, Tower 1, Etiqa Twin Towers
11 Jalan Pinang
50450 Kuala Lumpur
Tel: 603- 2177 5999, Fax: 603-2177 5974

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: 603-7610 8888, Fax: 603-7726 8986

TAX ADVISER
Deloitte Malaysia Tax Services Sdn Bhd
(formerly known as Deloitte Tax Services Sdn Bhd) (197701005407 (36421-T))
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-7610 8888, Fax: 603-7726 8986

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
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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

F U N D   I N F O R M A T I O N

Name of the Fund	Areca *i*ncomeTRUST Fund
Fund Category/ Type	Fixed Income/Income
Objective of the Fund	The investment objective of the Fund is to provide investors with short to medium term capital preservation and a regular income (income could be in the form of Units or cash).
Performance Benchmark	Maybank's 6-month fixed deposit rate
Distribution Policy of the Fund	Twice a year, subject to availability of distributable income.
Rebates & Soft Commissions	During the year under review, the Manager has received soft commissions from brokers and dealers by virtue of transactions conducted for the Fund and other funds managed by the Manager. The soft commissions were received in the form of goods and services, including financial data provider services such as access to the Bloomberg terminal, securities price quotations, fund performance benchmarks, and investment research. These goods and services are utilised to assist the Manager in the investment decision-making process and are of demonstrable benefit to the unitholders of the Fund. The Manager confirms that the soft commissions were accepted in compliance with the relevant regulatory requirements, that there was no churning of trades, and that all transactions were executed on terms most favourable to the Fund.
Inception Date	23 April 2007
Financial Year End	30 June

F U N D   P E R F O R M A N C E

	2026	2025	2024
NET ASSET VALUE ("NAV")			
Net Asset Value (RM million)	234.09	176.39	135.93
Units in circulation (million units)	347.06	267.88	213.31
NAV per unit (RM)	0.6745	0.6585	0.6372
HIGHEST & LOWEST NAV per unit			
*Please refer to **Note 1** for further information on NAV and pricing policy*			
Highest NAV per unit (RM)	0.6745	0.6585	0.6373
Lowest NAV per unit (RM)	0.6585	0.6374	0.6093
ASSET ALLOCATION % of NAV			
Unquoted fixed income securities			
Commercial Papers	1.28	1.70	2.71
Unquoted Bonds	49.97	71.41	81.01
Collective investment schemes	22.01	10.93	-
Unquoted securities			
Preference Shares	-	-	3.68
Liquid assets and other net current assets	26.74	15.96	12.60

DISTRIBUTION
There was no distribution for the financial year under review.

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

	2026	2025	2024
EXPENSE/TURNOVER			
Total expense ratio (TER) (%)	1.03	1.09	1.10
*Please refer to **Note 2** for further information*			
Portfolio turnover ratio (PTR) (times)	0.57	0.48	0.20
*Please refer to **Note 3** for further information*			
TOTAL RETURN			
*Please refer to **Note 4** for further information*			
Total Return (%)	2.43	3.33	4.58
- Capital growth (%)	2.43	3.33	4.58
- Income distribution (%)	-	-	-

	2026	2025	2024	2023	2022
Annual Total Return (%)	2.43	3.33	4.58	5.11	1.03
Performance Benchmark (%):					
Maybank's 6-month fixed deposit rate	2.10	2.53	2.92	2.71	1.84

	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	2.43	3.56	3.51

NOTES:

Note 1: *Selling of units by the Management Company (i.e. when you purchase units and invest 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: *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 3: *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 4: *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 year ended 30th June 2026, the Fund posted a return of 2.43% compared to its benchmark (Maybank's 6-month fixed deposit rate) return of 2.10%. The Fund met the objective of short to medium-term preservation of capital.

The Fund has been diversified with a good spread of credit names across various industries, the largest being financials constituting 9.56% of our holdings, followed by cash, 22.62%. From rating perspective, 36.39% of the portfolio is in corporate bonds that are rated AA or better.

While we remain optimistic that the local bond market will be well supported by a stable interest rates environment but wary of shifting global policies that may have an impact on local markets. Our focus remains on selecting good quality corporate name for better yield pick-up.

Investment Policy and Strategy

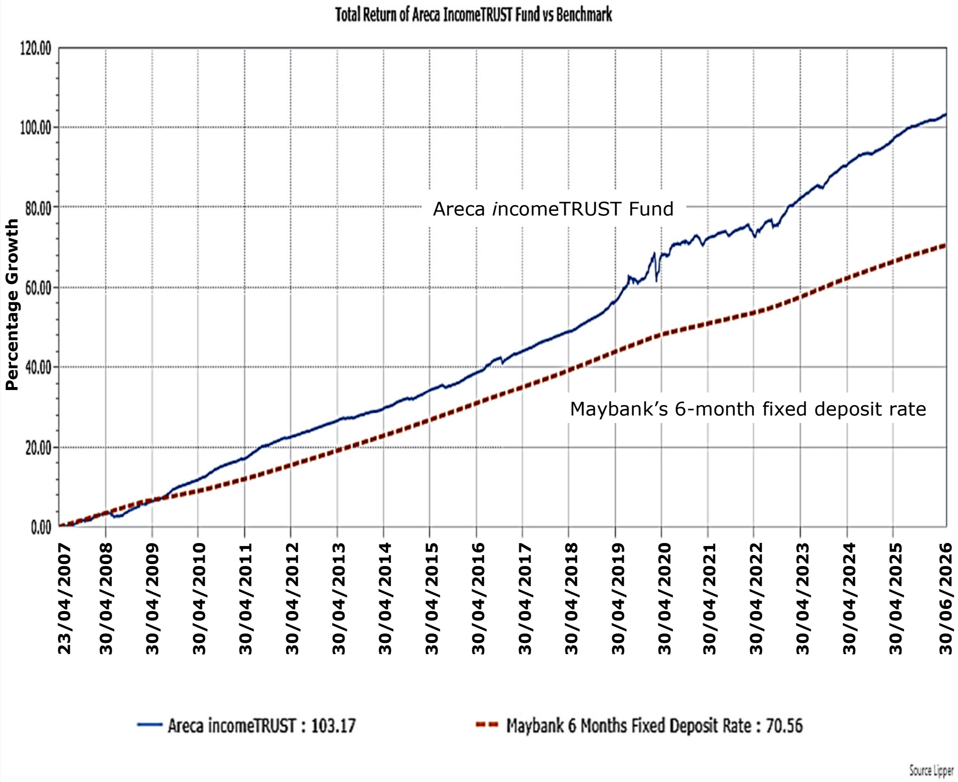
The Fund may invest up to 98% of its NAV in Fixed Income Securities and Money Market Instruments with a minimum of 2% of its NAV in Liquid Assets. The minimum credit rating for Money Market Instruments and other Fixed Income Securities (other than government and government related securities) that the Fund shall invest in is the credit rating of 'A3' by RAM or such equivalent rating by other rating agencies. Notwithstanding the above and subject to the person(s) or members of a committee undertaking the oversight function of the Fund unanimous approval, the Fund may invest up to 25% of its NAV in Fixed Income Securities with a credit rating below the minimum 'A3' rating including unrated issues. The Fund may continue to hold its investment in Fixed Income Securities with a credit rating below 'A3' even if the holdings exceeds 25% of its NAV due to appreciation or depreciation of the NAV of the Fund, whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of Units or other payment made by the Fund. Under normal circumstances, the weighted average Duration is expected to be approximately 2 to 5 years.

NAV per unit as at 30 June 2026 RM0.6745

Asset Allocation/Portfolio Composition	2026	2025	2024
Unquoted fixed income securities	51.25%	73.11%	83.72%
Collective investment schemes	22.01%	10.93%	-
Unquoted securities	-	-	3.68%
Liquid assets and other net current assets	26.74%	15.96%	12.60%

F U N D   R E V I E W

Performance of Areca *income*TRUST Fund
for the period since inception to 30 June 2026



GLOBAL FIXED INCOME MARKET REVIEW AND OUTLOOK

The Federal Reserve ("Fed") cut rates twice in the second half of 2025 (September and December), a combined half point, bringing the federal funds rate to the 3.50% - 3.75% range by the start of 2026. 2026 United States Treasury ("UST") markets started on a positive note before the Iran war abruptly changed the macro environment. Global fixed income markets remained under pressure in May amid persistent inflation and a shift in Fed's expectations. In Powell's final press conference as chair, Powell struck a measured tone but signalled the centre of the Federal Open Market Committee was shifting away from the easing bias. He stated that the oil-driven inflation shock "hasn't peaked yet" and that the Fed wants to see "the back side" of the energy shock before returning to rate cut. Newly appointed Kevin Warsh's as Fed Chair on 15 May added further uncertainty to the policy outlook. Since Warsh's appointment as Fed chair, market had swung from pricing further cuts to weighing the possibility of hikes. The 10-year UST yield now sits around 4.55% (17 July) up meaningfully from its 4.15% close in 2025 — reflecting the shift from rate-cut optimism to renewed inflation/growth concerns and geopolitical risk from the Iran conflict.

MALAYSIA FIXED INCOME MARKET REVIEW AND OUTLOOK

In the review period, Malaysia's fourth quarter ("Q4") of 2025 Gross Domestic Product expanded 5.70% Year-on-Year ("YoY") (Q4 2024: 5.00%), driven by manufacturing, while the Purchasing Managers' Index ("PMI") stayed above the 50. Industrial production accelerated from 4.30% YoY to 6.00% YoY, supported by strong electronics output. Headline Consumer Price Index rose by 1.50% YoY in September 2025 driven by bigger increases in personal care and food prices, while core inflation also rose to 2.10% YoY (August 2025: 2.00%) amid sustained insurance and financial services inflation. September's labour market remained resilient with unemployment data held steady at 3.00%. In July, Bank Negara Malaysia ("BNM") delivered the widely expected 25 basis points ("bps") cut to the Overnight Policy Rate ("OPR") lowering it to 2.75% after the central bank holding OPR steady for 12 consecutive meetings since May 2023. The pre-emptive cut reflected BNM's focus to preserve Malaysia's steady growth path amid continued challenges from global environment.

Malaysia's bond market performed well throughout most of the period, underpinned by stable monetary policy, contained inflation, and strong foreign investor appetite. Standard and Poor Global's positive credit rating outlook on Malaysia reinforced investor confidence in the country's improving fiscal position, narrowing budget deficits, and stable macroeconomic fundamentals. The unemployment rate held at 2.90%, manufacturing PMI rose to a four-year high of 51.6. April export rose 36.90% YoY to RM182.74 billion, driven by a strong 46.40% expansion in Electrical & Electronics. The benchmark 10-year Malaysian Government Securities yield rose 3 bps during June, to 3.605%, largely mirroring the move in United States ("US") Treasuries — the 10-year UST yield also rose 3 bps to 4.47% over the same period. This came as investors reacted to rising UST yields, persistent inflation concerns, and growing expectations that the Fed could resume rate hikes later in the year. BNM kept the OPR unchanged at 2.75% through its policy meetings, reinforcing continued monetary stability even as global rate expectations shifted.

Flows swung negative in May -RM4.3 billion amid Fed caution and geopolitical jitters, then rebounded sharply in June +RM4.9 bn as Iran/Hormuz tensions eased — including a surge of over RM8 billion into government bonds during 10 - 6 June alone. Total foreign holdings reached RM309.8 billion by June, or 13.20% of outstanding debt. Early July, however, saw a reversal again — RM4.2 billion in net outflows in the first week, alongside an eighth straight week of foreign equity outflows, as investors continued watching US–Iran developments.

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.

TRUSTEE'S REPORT

To the Unitholders of Areca *i*ncomeTRUST Fund ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 June 2026 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 Unit Trust Funds;

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.

For Maybank Trustees Berhad
[Registration No: 196301000109 (5004-P)]

NORHAZLIANA BINTI MOHAMMED HASHIM
HEAD, UNIT TRUST & CORPORATE OPERATIONS

Kuala Lumpur
28 August 2026

STATEMENT BY MANAGER

To the Unitholders of Areca *i*ncomeTRUST 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 June 2026 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	DR. JUNID SAHAM
CEO/EXECUTIVE DIRECTOR	INDEPENDENT NON-EXECUTIVE DIRECTOR

Kuala Lumpur
28 August 2026

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF ARECA *i*ncomeTRUST FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ARECA *i*ncomeTRUST FUND** ("the Fund"), which comprise the statement of financial position as at 30 June 2026, 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 14 to 36.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2026, 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"), as applicable to audits of financial statements of public interest entities 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.

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

28 August 2026

STATEMENT OF FINANCIAL POSITION
As At 30 June 2026

	Note	2026 RM	2025 RM
Unitholders' Fund			
Unitholders' capital		227,276,304	174,011,394
Distributable reserve		5,012,170	-
Unrealised reserve		1,803,561	2,375,216
Net Asset Value Attributable To Unitholders		234,092,035	176,386,610
Assets			
Investments	5	171,496,243	148,242,986
Cash and cash equivalents	6	52,940,688	28,382,423
Amount due from Manager		9,854,277	-
Total Assets		234,291,208	176,625,409
Liabilities			
Amount due to Manager		-	54,233
Other payables and accrued expenses	7	199,173	184,566
Total Liabilities		199,173	238,799
Net Asset Value Attributable To Unitholders		234,092,035	176,386,610
Number Of Units In Circulation	8	347,063,961	267,879,661
Net Asset Value Per Unit (RM)		0.6745	0.6585

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2026

	Note	2026 RM	2025 RM
Investments Income			
Interest income		5,675,086	6,136,310
Net gain on investments at fair value through profit or loss ("FVTPL")	5	681,335	1,348,103
Total Investments Income		6,356,421	7,484,413
Expenditure			
Management fee	9	(1,634,906)	(1,654,815)
Trustee's fee	10	(148,294)	(134,019)
Audit fee		(12,000)	(12,000)
Tax agent's fee		(4,600)	(20,325)
Other expenses		(116,106)	(3,503)
Total Expenditure		(1,915,906)	(1,824,662)
Net Income Before Taxation		4,440,515	5,659,751
Taxation	11	-	-
Net Income After Taxation And Total Comprehensive Income For The Financial Year		4,440,515	5,659,751
Net Income After Taxation Is Made Up Of:			
Realised gain		5,012,170	3,796,490
Unrealised (loss)/gain		(571,655)	1,863,261
		4,440,515	5,659,751

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

STATEMENT OF CHANGES IN NET ASSET VALUE
For The Financial Year Ended 30 June 2026

	Unitholders' capital RM	Distributable reserve RM	Unrealised reserve RM	Total net asset value RM
Balance as at 1 July 2024	90,013,488	45,402,882	511,955	135,928,325
Amounts received from units created	89,449,642	-	-	89,449,642
Amounts paid for units cancelled	(54,651,108)	-	-	(54,651,108)
Total comprehensive income for the financial year	-	3,796,490	1,863,261	5,659,751
Reclassification of distributable reserve to unitholders' capital	49,199,372	(49,199,372)	-	-
Balance as at 30 June 2025 (Represented)	174,011,394	-	2,375,216	176,386,610
Balance as at 1 July 2025	174,011,394	-	2,375,216	176,386,610
Amounts received from units created	105,522,021	-	-	105,522,021
Amounts paid for units cancelled	(52,257,111)	-	-	(52,257,111)
Total comprehensive income for the financial year	-	5,012,170	(571,655)	4,440,515
Balance as at 30 June 2026	227,276,304	5,012,170	1,803,561	234,092,035

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

STATEMENT OF CASH FLOWS
For The Financial Year Ended 30 June 2026

	Note	2026 RM	2025 RM
Cash Flows From/(Used In) Operating Activities			
Proceeds from disposal of investments		44,023,500	32,879,100
Proceeds from maturity of investments		49,500,000	33,700,000
Purchase of investments		(116,156,724)	(94,596,993)
Interest received		5,736,388	6,059,446
Management fee paid		(1,627,918)	(1,625,017)
Trustee’s fee paid		(146,029)	(131,201)
Payment for other fees and expenses		(127,352)	(21,803)
Net Cash Used In Operating Activities		(18,798,135)	(23,736,468)
Cash Flows From/(Used In) Financing Activities			
Cash proceeds from units created		95,667,744	90,911,802
Payment for cancellation of units		(52,311,344)	(54,596,875)
Net Cash From Financing Activities		43,356,400	36,314,927
Net Increase In Cash And Cash Equivalents		24,558,265	12,578,459
Cash And Cash Equivalents At Beginning Of Year		28,382,423	15,803,964
Cash And Cash Equivalents At End Of Year		52,940,688	28,382,423
Cash And Cash Equivalents Comprise:			
Cash at banks	6	149,937	144,045
Short-term deposits	6	52,790,751	28,238,378
		52,940,688	28,382,423

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Areca *i*ncomeTRUST Fund ("incomeTRUST" or "the Fund") was established pursuant to the Trust Deed dated 12 March 2007, as modified by the First Supplemental Deed dated 27 June 2007, Second Supplemental Deed dated 14 April 2008, Third Supplemental Deed dated 21 October 2008, Fourth Supplemental Master Deed dated 10 April 2009, Fifth Supplemental Master Deed dated 12 March 2013, Sixth Supplemental Master Deed dated 6 September 2013 and Seventh Supplemental Master Deed dated 29 August 2022 ("the Deeds") between Areca Capital Sdn Bhd as the Manager, Maybank 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 fixed income securities issued by the Malaysian government or Bank Negara Malaysia ("BNM") or any other government related bodies. Such instruments include Malaysian Government Securities, treasury bills and Bank Negara bills, issues guaranteed by the government of Malaysia or BNM or any state government in Malaysia, deposits and issues by banks or financial institutions such as banker's acceptances and negotiable certificates of deposit, private debt securities including those convertibles into equity. These issues are usually approved by BNM and/or the Securities Commission, and/or are rated by the Rating Agency of Malaysia ("RAM") or the Malaysian Rating Corporation Bhd ("MARC"). The credit rating of an issue may also be enhanced through bank guarantees or corporate guarantees, units and share in other collective investment schemes, derivatives such as future contracts for hedging purposes only, foreign currency exposure in sovereign bonds and corporate bonds, and any other form of investments as may be permitted by the relevant authorities from time to time. The Fund was launched on 23 April 2007 and will continue its operations until terminated in accordance with the conditions provided in Part 12 of the Deeds.

The investment objective of the Fund is to provide investors with short to medium term capital preservation and a regular income (income could be in the form of units or cash). Any material changes to the investment objective of the Fund 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 28 August 2026.

2 BASIS OF PREPARATION OF 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.

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 *Presentation and Disclosure in Financial Statements*	1 January 2027
Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Amendments to the Classification and Measurement of Financial Instruments*	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.

Income Recognition

Interest income from short-term deposits and unquoted fixed income securities are 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, interest 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.

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 equity instruments that are not held for trading, the Fund can make an irrevocable election at the time of initial recognition to account for the equity investment 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 interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant years. The effective interest 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 interest 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 fixed income securities are valued at FVTPL and are generally valued by reference to published prices of Bond Pricing Agency Malaysia ("BPAM").

Investments in collective investment schemes are valued at FVTPL based on the Net Asset Value ("NAV") of such collective investment schemes 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.

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

	2026	**2025**
	RM	**RM**
Financial assets at FVTPL:		
Unquoted fixed income securities	119,979,759	128,970,691
Collective investment schemes	51,516,484	19,272,295
	171,496,243	148,242,986
Net gain on investments at FVTPL comprise:		
Realised gain/(loss) on disposals	1,252,990	(515,158)
Unrealised (loss)/gain on changes in fair value	(571,655)	1,863,261
	681,335	1,348,103

Financial assets at fair value through profit or loss as at 30 June 2026 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 FIXED INCOME SECURITIES				
Commercial Paper				
Gabungan AQRS Bhd 08/07/2026 MARC-1 IS	3,000,000	2,987,055	2,996,548	1.28
Total commercial paper		2,987,055	2,996,548	1.28
Unquoted Bonds				
Amanat Lebuhraya Rakyat Bhd 5.09% 11/10/2030 AAA	7,000,000	7,291,877	7,427,257	3.17
Bank Pembangunan Malaysia Bhd 4.02% 01/12/2028 AAA IS	5,000,000	5,015,419	5,068,769	2.16
Bank Simpanan Nasional 3.82% 05/11/2027 AAA	7,000,000	7,040,293	7,072,213	3.02
GENM Capital Bhd 5.07% 05/05/2028 AA1 (S)	4,000,000	4,031,670	4,101,350	1.75
GENM Capital Bhd 5.30% 11/07/2028 AA1 (S)	9,000,000	9,274,764	9,431,594	4.03
GENM Capital Bhd 4.92% 31/05/2029 AA1 (S)	3,500,000	3,515,569	3,586,199	1.53
Genting RMTN Bhd 4.18% 08/11/2029 AA1 (S)	5,000,000	5,030,921	5,025,271	2.15
Government Investment Issue Murabahah 4.369% 31/10/2028 NR (LT)	9,200,000	9,510,526	9,499,866	4.06
Government Investment Issue Murabahah 3.227% 15/10/2029 NR (LT)	3,000,000	3,018,281	3,018,881	1.29
Hong Leong Islamic Bank Bhd 4.07% 03/11/2026 AAA	4,200,000	4,227,163	4,237,159	1.81
Konsortium KAJV Sdn Bhd 5.90% 11/05/2029 AA- IS	3,600,000	3,637,154	3,767,690	1.61
Lebuhraya Duke Fasa 3 Sdn Bhd 5.53% 23/02/2051 AA- IS	1,114,366	1,135,977	1,132,177	0.48
Lebuhraya Duke Fasa 3 Sdn Bhd 5.55% 23/02/2052 AA- IS	2,847,860	2,903,288	2,893,406	1.24
Malaysia Rail Link Sdn Bhd 3.13% 05/07/2030 NR (LT)	3,000,000	3,045,278	3,004,868	1.28
Malaysian Government Securities 3.828% 05/07/2034 NR (LT)	5,000,000	5,117,066	5,176,466	2.21
Menara ABS Bhd 13/01/2027 D	6,009,407	6,009,407	6,009,407	2.57
Mr D.I.Y. Group (M) Bhd 3.83% 06/05/2033 AA1	4,500,000	4,525,499	4,529,639	1.93
Petroleum Sarawak Exploration & Production Sdn Bhd 4.65% 22/02/2033 AAA	5,000,000	5,101,534	5,326,584	2.27
Press Metal Aluminium Holdings Bhd 4.02% 19/03/2032 AA1	5,000,000	5,084,271	5,123,121	2.19

Issuer coupon (%) maturity rating	**Nominal Value RM**	**Adjusted Cost RM**	**Fair Value RM**	**Fair Value as a % of Net Asset Value %**
UNQUOTED FIXED INCOME SECURITIES				
Unquoted Bonds				
Sime Darby Property Bhd				
3.90% 29/04/2032 AA+ IS	3,500,000	3,523,560	3,550,510	1.52
STM Lottery Sdn Bhd				
5.65% 29/06/2029 AA-	5,000,000	5,062,000	5,218,500	2.23
Sunway Treasury Sukuk Sdn Bhd				
3.77% 17/03/2031 AA- IS	2,500,000	2,527,371	2,520,646	1.08
Telekosang Hydro One Sdn Bhd				
5.30% 06/08/2032 A1	5,000,000	5,155,674	5,079,274	2.17
TNB Western Energy Bhd				
5.26% 30/07/2027 AAA IS	2,000,000	2,104,909	2,079,369	0.89
YTL Power International Bhd				
4.30% 24/08/2029 AAA	3,000,000	3,097,385	3,102,995	1.33
Total unquoted bonds		115,986,856	116,983,211	49.97
Total unquoted fixed income securities		118,973,911	119,979,759	51.25

	Quantity Units	**Aggregate Cost RM**	**Fair Value RM**	**Fair Value as a % of Net Asset Value %**
COLLECTIVE INVESTMENT SCHEMES				
Areca Composite Bond Fund	11,349,428	11,542,208	11,865,827	5.07
Areca Flexi *fixed*INCOME Fund	12,267,111	16,500,000	16,539,746	7.07
Areca Islamic incomeTRUST Fund	2,636,109	1,400,000	1,436,153	0.61
Areca Progressive Income Fund 3.0	5,314,565	5,550,000	5,525,553	2.36
Areca Steady *fixed*INCOME Fund	9,632,807	12,500,000	12,708,562	5.43
Areca Strategic Income Fund 9.0	3,200,003	3,226,563	3,440,643	1.47
Total collective investment schemes		50,718,771	51,516,484	22.01
Total investments		169,692,682	171,496,243	73.26
Unrealised gain on investments			1,803,561	

Financial assets at fair value through profit or loss as at 30 June 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 FIXED INCOME SECURITIES				
Commercial Paper				
Gabungan AQRS Bhd				
09/07/2025 MARC-1 IS	3,000,000	2,987,055	2,996,117	1.70
Total commercial paper		2,987,055	2,996,117	1.70

Issuer coupon (%) maturity rating	Nominal Value RM	Adjusted Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
UNQUOTED FIXED INCOME SECURITIES				
Unquoted Bonds				
Amanat Lebuhraya Rakyat Bhd 5.09% 11/10/2030 AAA	7,000,000	7,290,901	7,575,521	4.30
Bank Pembangunan Malaysia Bhd 2.80% 10/10/2025 AAA IS	3,500,000	3,499,942	3,514,257	1.99
Bank Pembangunan Malaysia Bhd 4.02% 01/12/2028 AAA IS	5,000,000	5,015,419	5,076,319	2.88
Bank Simpanan Nasional 3.82% 05/11/2027 AAA	7,000,000	7,040,293	7,081,733	4.01
GENM Capital Bhd 5.07% 05/05/2028 AA1 (S)	4,000,000	4,031,670	4,133,110	2.34
GENM Capital Bhd 5.30% 11/07/2028 AA1 (S)	9,000,000	9,273,458	9,521,008	5.40
GENM Capital Bhd 4.92% 31/05/2029 AA1 (S)	3,500,000	3,515,097	3,610,927	2.05
Genting RMTN Bhd 4.18% 08/11/2029 AA1 (S)	5,000,000	5,030,920	5,032,871	2.85
Government Investment Issue Murabahah 4.369% 31/10/2028 NR (LT)	10,000,000	10,352,213	10,437,213	5.92
Hong Leong Islamic Bank Bhd 4.07% 03/11/2026 AAA	4,200,000	4,226,695	4,254,415	2.41
Konsortium KAJV Sdn Bhd 5.90% 11/05/2029 AA- IS	3,600,000	3,637,154	3,761,642	2.13
Lebuhraya Duke Fasa 3 Sdn Bhd 6.23% 21/08/2037 AA- IS	3,500,000	3,658,469	3,894,194	2.21
Malaysia Rail Link Sdn Bhd 3.13% 05/07/2030 NR (LT)	3,000,000	3,045,278	3,012,848	1.71
Malaysian Government Securities 3.828% 05/07/2034 NR (LT)	5,000,000	5,117,422	5,210,672	2.95
Menara ABS Bhd 13/01/2027 D	6,009,407	6,009,407	6,009,407	3.41
Petroleum Sarawak Exploration & Production Sdn Bhd 4.65% 22/02/2033 AAA	5,000,000	5,100,897	5,407,197	3.07
Press Metal Aluminium Holdings Bhd 4.02% 19/03/2032 AA1	4,000,000	4,057,817	4,122,817	2.34
Sabah Development Bank Bhd 4.55% 15/08/2025 AA1	5,000,000	5,068,771	5,083,521	2.88
Sime Darby Property Bhd 3.90% 29/04/2032 AA+ IS	3,500,000	3,523,560	3,572,280	2.03
STM Lottery Sdn Bhd 5.65% 29/06/2029 AA-	5,000,000	5,062,774	5,223,174	2.96
Tanjung Bin Energy Sdn Bhd 5.45% 22/05/2026 AA3	5,000,000	5,038,116	5,081,166	2.88
Telekosang Hydro One Sdn Bhd 5.30% 06/08/2032 A1	5,000,000	5,155,674	5,087,724	2.88
TNB Western Energy Bhd 5.26% 30/07/2027 AAA IS	2,000,000	2,104,621	2,104,501	1.19

Issuer coupon (%) maturity rating	Nominal Value RM	Adjusted Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
UNQUOTED FIXED INCOME SECURITIES				
Unquoted Bonds				
YTL Power International Bhd				
4.30% 24/08/2029 AA1	3,000,000	3,097,385	3,112,745	1.76
Zamarad Assets Bhd				
4.07% 12/11/2027 AAA	5,000,000	5,026,762	5,053,312	2.86
Total unquoted bonds		123,980,715	125,974,574	71.41
Total unquoted fixed income securities		126,967,770	128,970,691	73.11

	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
COLLECTIVE INVESTMENT SCHEMES				
Areca Islamic incomeTRUST Fund	2,636,109	1,400,000	1,410,055	0.80
Areca Steady *f*ixedINCOME Fund	2,732,240	3,500,000	3,526,229	2.00
Areca Strategic Income Fund 9.0	13,884,757	14,000,000	14,336,011	8.13
Total collective investment schemes		18,900,000	19,272,295	10.93
Total investments		145,867,770	148,242,986	84.04
Unrealised gain on investments			2,375,216	

6 CASH AND CASH EQUIVALENTS

	2026 RM	2025 RM
Cash at banks	149,937	144,045
Short-term deposits	52,790,751	28,238,378
	52,940,688	28,382,423

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

The weighted average interest rate for short-term deposits is 2.81% (2025: 3.30%) per annum and the average maturity period is 2 days (2025: 12 days).

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2026 RM	2025 RM
Accrued expenses:		
Management fee	149,401	142,413
Trustee's fee	14,093	11,828
Audit fee	12,000	12,000
Tax agent's fee	4,600	18,325
Other expenses	19,079	-
	199,173	184,566

8 NUMBER OF UNITS IN CIRCULATION

	2026 Units	2025 Units
At beginning of the year	267,879,661	213,312,833
Created during the year	157,529,515	138,891,784
Cancelled during the year	(78,345,215)	(84,324,956)
At end of the year	347,063,961	267,879,661

9 MANAGEMENT FEE

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee of up to 2.50% 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 0.88% (2025: 0.99%) per annum for the financial year, net of management fee rebates on the collective investment schemes.

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 0.50% per annum computed daily on the net asset value of the Fund (excluding foreign custodian fees and charges, if any) before deducting the management fee and Trustee's fee for the relevant day.

The Trustee's fee provided in the financial statements is 0.08% (2025: 0.08%) per annum for the financial year.

11 TAXATION

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

12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

Total Expense Ratio (TER)

Total expense ratio for the Fund is 1.03% (2025: 1.09%) for the financial year ended 30 June 2026. The total expense ratio which includes management fee, Trustee's fee, audit fee, tax agent's fee and other expenses, is calculated as follows:

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

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 RM185,362,180 (2025: RM167,519,929).

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.57 times (2025: 0.48 times) for the financial year ended 30 June 2026. The portfolio turnover is derived from the following calculation:

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

Where:	total acquisition for the financial year	= RM116,228,178	(2025: RM94,921,222)
	total disposal for the financial year	= RM93,523,500	(2025: RM66,579,100)

13 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:

	←------------2026---------→		←------------2025---------→	
	No. of units	**RM**	**No. of units**	**RM**
Directors of the Manager (The above units are held legally and beneficially)	1,064,324	717,887	244,994	161,329
	1,064,324	717,887	244,994	161,329

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.

14 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

Brokers/Dealers	**Value of Trades RM**	**% of Total Trades %**
2026		
Kenanga Investment Bank Bhd	35,842,932	51.80
Hong Leong Investment Bank Bhd	17,905,520	25.87
CIMB Bank Bhd	15,453,226	22.33
	69,201,678	100.00
2025		
Hong Leong Bank Bhd	31,567,972	30.42
Kenanga Investment Bank Bhd	20,824,027	20.06
CIMB Bank Bhd	16,067,606	15.48
Hong Leong Investment Bank Bhd	14,908,513	14.37
Malayan Banking Bhd	8,212,000	7.91
CIMB Islamic Bank Bhd	7,201,204	6.94
RHB Investment Bank Bhd	5,000,000	4.82
	103,781,322	100.00

The above transactions relate to fixed income instruments. Transactions in these investments do not involve any commission or brokerage fees.

15 RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital as well as to provide regular income over the short to medium term period by investing in unquoted fixed income securities and collective investment schemes. 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 interest rate risk and price risk) primarily on its investments and capital risk.

Categories of Financial Instruments

	2026 **RM**	**2025** **RM**
Financial assets		
Carried at FVTPL:		
Investments	171,496,243	148,242,986
Amortised cost:		
Cash and cash equivalents	52,940,688	28,382,423
Amount due from Manager	9,854,277	-
Financial liabilities		
Amortised cost:		
Amount due to Manager	-	54,233
Other payables and accrued expenses	199,173	184,566

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 interest, principal and proceeds from realisation of 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, except for the Tranche A Sukuk issued by Menara ABS Bhd.

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 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 fixed income securities by rating categories:

Credit Rating	**Fair Value RM**	**As a % of unquoted fixed income securities %**	**As a % of NAV %**
2026			
Unquoted Fixed Income Securities			
AAA	27,166,208	22.64	11.60
AAA IS	7,148,138	5.96	3.05
AA1	9,652,760	8.04	4.12
AA1 (S)	22,144,414	18.46	9.46
AA+ IS	3,550,510	2.96	1.52
AA-	5,218,500	4.35	2.23
AA- IS	10,313,919	8.60	4.41
A1	5,079,274	4.23	2.17
MARC-1 IS	2,996,548	2.50	1.28
D	6,009,407	5.01	2.57
NR (LT)	20,700,081	17.25	8.84
	119,979,759	100.00	51.25
2025			
Unquoted Fixed Income Securities			
AAA	29,372,178	22.77	16.65
AAA IS	10,695,077	8.29	6.06
AA1	12,319,083	9.55	6.98
AA1 (S)	22,297,916	17.29	12.64
AA3	5,081,166	3.94	2.88
AA+ IS	3,572,280	2.77	2.03
AA-	5,223,174	4.05	2.96
AA- IS	7,655,836	5.94	4.34
A1	5,087,724	3.95	2.88
MARC-1 IS	2,996,117	2.32	1.70
D	6,009,407	4.66	3.41
NR (LT)	18,660,733	14.47	10.58
	128,970,691	100.00	73.11

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

	Short-term deposits RM	**Unquoted fixed income securities RM**	**Collective investment schemes RM**
2026			
Industry			
Consumer, products and services	-	31,892,553	-
Energy/Utilities	-	19,355,912	-
Financial services	52,790,751	22,387,548	51,516,484
Industrial, products and services	-	5,517,194	-
Government and other services	-	17,695,213	-
Real estate	-	3,550,510	-
Resources	-	5,123,121	-
Transportation	-	14,457,708	-
	52,790,751	119,979,759	51,516,484

	Short-term deposits RM	Unquoted fixed income securities RM	Collective investment schemes RM
2025			
Industry			
Civil/Engineering	-	3,761,642	-
Construction	-	23,705,998	-
Diversified holdings	-	5,032,871	-
Energy	-	5,407,197	-
Financial, insurance and business services	28,238,378	53,338,009	19,272,295
Gaming	-	5,223,174	-
Government and other services	-	15,647,885	-
Infrastructure and utilities	-	5,081,166	-
Power and electricity	-	8,200,469	-
Property and real estate development	-	3,572,280	-
	28,238,378	128,970,691	19,272,295

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 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.

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 market variables such as interest rates and market prices.

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

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Fund is not exposed to interest rate risk through the impact of market interest rate changes as the interest rate on unquoted fixed income securities is fixed on the inception. The Fund’s short-term deposits and cash at banks earn interest at floating rates but is not exposed to any significant interest rate risk as the floating rates, represented by overnight cash rates, do not fluctuate significantly year-on-year.

The Fund is exposed to risk of fluctuation in fair value of financial assets as a result of change in the market interest rate. The valuation for financial assets at FVTPL move inversely to the market interest rate movements. As the market interest 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 value of unquoted fixed income securities and collective investment schemes as the result of changes in the levels of the equity indices. The price risk exposure arises from the Fund's investment in unquoted fixed income securities and collective investment schemes. 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
2026		
Investments	+5/-5%	8,574,812/(8,574,812)
2025		
Investments	+5/-5%	7,412,149/(7,412,149)

Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital, distributable reserve and unrealised reserve. 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 investment activities of the Fund.

16 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 fixed income securities are valued using fair value prices quoted by 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 collective investment schemes is determined based on Net Asset Value ("NAV") per unit of such collective investment schemes 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
2026				
Financial assets at FVTPL				
Unquoted fixed income securities	-	113,970,352	6,009,407	119,979,759
Collective investment schemes	-	51,516,484	-	51,516,484
2025				
Financial assets at FVTPL				
Unquoted fixed income securities	-	122,961,284	6,009,407	128,970,691
Collective investment schemes	-	19,272,295	-	19,272,295

Tranche A Sukuk issued by Menara ABS Bhd amounting to RM6,009,407 as at 30 June 2026 (2025: RM6,009,407) was transferred from Level 2 to Level 3 in the prior financial year as the quoted price was no longer considered reliable.

The Sukuk held in part of Tranche A1 and in accordance with the PTC of the Sukuk, Tranche A1 Sukukholders have the first right/ranks highest in seniority in the event of default and upon realisation of the underlying properties pledged. These properties pledged include Menara TM, Jalan Pantai Baharu, Kuala Lumpur, which is undergoing a proposed sale arrangement that has been approved by relevant Sukukholders and is pending finalisation with the prospective buyer.

Based on proposed sale value, the sales consideration is sufficient to redeem the Sukuk held by the Fund at par. In addition, Menara TM was valued at RM570 million in December 2022 based on the latest valuation report available by a reputable valuation and advisory firm. The Manager expects the principal amount to be recoverable, although the timing and amount of recovery remain uncertain pending completion of the sale. Based on the current information available, no compensation for the outstanding interest/profit is expected to be payable. Accordingly, the recoverability of such outstanding interest/profit remains uncertain.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as key observable input used in valuation model:

Instrument	Description of valuation technique and inputs used	Significant unobservable input	Relationship and sensitivity of unobservable inputs to fair value
Sukuk – Menara ABS Bhd	Discounted cash flows method was used to capture the present value of the expected future cash flows.	Amount and timing of future cash flows Discount rate: 5.30% (2025: 5.30%)	An increase in discount rate would result in decrease in fair value, and vice versa. An increase in future cash flows would result in increase in fair value, and vice versa. A delay in timing of receipt of future cash flows would result in a decrease in fair value, and vice versa.

17 COMPARATIVE FIGURES

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

	2025 RM	Reclassification RM	2025 RM
Statement Of Financial Position			
Unitholders' Fund			
Unitholders' capital	124,812,022	49,199,372	174,011,394
Retained earnings	51,574,588	(51,574,588)	-
Unrealised reserve	-	2,375,216	2,375,216
Statement Of Changes In Net Asset Value			
Balance as at 1 July 2024			
Retained earnings	45,914,837	(45,914,837)	-
Distributable reserve	-	45,402,882	45,402,882
Unrealised reserve	-	511,955	511,955
Total comprehensive income for the financial year			
Retained earnings	5,659,751	(5,659,751)	-
Distributable reserve	-	3,796,490	3,796,490
Unrealised reserve	-	1,863,261	1,863,261
Reclassification of distributable reserve to unitholders' capital			
Unitholders' capital	-	49,199,372	49,199,372
Distributable reserve	-	(49,199,372)	(49,199,372)
Balance as at 30 June 2025 (Represented)			
Unitholders' capital	124,812,022	49,199,372	174,011,394
Retained earnings	51,574,588	(51,574,588)	-
Unrealised reserve	-	2,375,216	2,375,216

18 RE-PRESENTATION OF STATEMENT OF CHANGES IN NET ASSET VALUE

During the financial year, the Fund revised the presentation of its Statement of Changes in Net Asset Value ("NAV"). Previously, the statement was presented in a format similar to a statement of changes in equity of a corporate entity, comprising share capital and retained earnings.

The Statement of Changes in NAV has been re-presented to better reflect the nature of a unit trust fund and to enhance the transparency, relevance and comparability of information provided to unitholders and other users of the financial statements. Under the revised presentation, NAV is analysed into unitholders' capital, distributable reserve and unrealised reserve, which is more consistent with the Fund's capital structure and the presentation guidance applicable to unit trust funds, including relevant guidelines issued by the Securities Commission Malaysia.

Accordingly, comparative information has been reclassified, where necessary, to conform with the current year's presentation. Under the revised presentation, only realised income that is available or intended for distribution to unitholders remains in the Distributable Reserve. Realised losses and realised income that are no longer intended for future distribution are reclassified to Unitholders' Capital.

These changes relate solely to the classification and presentation of the components of NAV and do not affect the Fund's total net asset value attributable to unitholders, financial position, financial performance, cash flows, or the amount of distributions previously declared and paid by the Fund.

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