



FIRST SUPPLEMENTAL MASTER PROSPECTUS

This First Supplemental Master Prospectus dated 01 July 2025 ("First Supplemental Master Prospectus") for:

**Areca incomeTRUST Fund
(Constituted on 12 March 2007)**

**Areca equityTRUST Fund
(Constituted on 12 March 2007)**

**Areca moneyTRUST Fund
(Constituted on 12 March 2007)**

**Areca enhancedINCOME Fund
(Constituted on 27 June 2007)**

**Areca Dividend Income Fund
(Constituted on 20 January 2017)**

**Areca Equity Growth Fund
(Constituted on 19 October 2020)**

MANAGEMENT COMPANY

ARECA CAPITAL SDN BHD (200601021087 (740840-D))

TRUSTEES

MAYBANK TRUSTEES BERHAD (196301000109 (5004-P))

RHB TRUSTEES BERHAD (200201005356 (573019-U))

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE MASTER PROSPECTUS DATED 19 DECEMBER 2022 AND THIS FIRST SUPPLEMENTAL MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

RESPONSIBILITY STATEMENT

This First Supplemental Master Prospectus has been reviewed and approved by the directors of Areca Capital Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this First Supplemental Master Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Funds and a copy of this First Supplemental Master Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and registration of this First Supplemental Master Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the said Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this First Supplemental Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Areca Capital Sdn Bhd, the management company responsible for the said Funds and takes no responsibility for the contents in this First Supplemental Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplemental Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

ADDITIONAL STATEMENTS

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

The distribution of this First Supplemental Master Prospectus and offering, purchase, sale or transfer of units of the Funds in certain jurisdictions may be restricted by law. In these jurisdictions, other than Malaysia, the Manager has not applied to allow distribution of this First Supplemental Master Prospectus or unit of the Funds. Therefore, this First Supplemental Master Prospectus does not constitute an offer or invitation to purchase units of the Funds in any jurisdiction in which such offer or invitation would be unlawful.

Investors should be aware that for investments of our Funds made via any of our authorized third-party distributors, where applicable, any investment transactions are subject to the terms and conditions of the respective distributors.

NO CASH & THIRD-PARTY PAYMENT POLICY

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

In view of this, we have embarked on a no-cash / third-party payment policy; where **any form of cash payment, cash deposits and third party payment are STRICTLY NOT ALLOWED.**

THIS FIRST SUPPLEMENTAL MASTER PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE MASTER PROSPECTUS DATED 19 DECEMBER 2022

Unless otherwise provided in this First Supplemental Master Prospectus, all the capitalised terms used herein shall have the same meanings as ascribed to them in the Master Prospectus dated 19 December 2022 ("Master Prospectus").

This First Supplemental Master Prospectus is issued to inform Unit Holders that:

- The information relating to the corporate directory of the External Fund Manager has been deleted.
- The information relating to the Investment Strategies of the Manager has been amended.
- The information relating to the Investment Policy/Strategy of the Fund has been amended.
- The information relating to the Risk Management has been amended.
- The information relating to the Temporary Defensive Position has been amended.
- The information relating to the Cross Trade Policy has been amended.
- The information relating to the Entry Fee (Sales Charge) has been amended.
- The information relating to the Manager has been updated.
- The information relating to the External Fund Manager has been deleted.
- The information relating to Directory has been amended.

1. Amendment to page 5 of the Master Prospectus – "Corporate Directory"

The information in relation to external fund manager is hereby deleted in its entirety.

2. Amendment to page 10 of the Master Prospectus – "Investment Strategies of the Manager"

The information on trading frequency is hereby deleted in its entirety and replaced with the following:

The Funds may engage in trading activities when opportunities arise. Opportunities would include but not limited to arbitrage situations, discrepancies in valuation, expected liquidity surges and thematic plays. Such transaction will be reviewed and monitored by the person(s) or members of a committee undertaking the oversight function of the Funds on a monthly basis.

3. Amendment to page 11 of the Master Prospectus – "Investment Policy/Strategy of the Fund"

The information on investment policy/strategy of the fund is hereby deleted in its entirety and replaced with the following:

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.

* Please refer to page 39 for further details on income distribution and reinvestment policies.

4. Amendment to page 28 of the Master Prospectus – "Risk Management"

The information on the second and third paragraph of risk management are hereby deleted in its entirety and replaced with the following:

We adopt various risks management strategies such as asset allocation, diversification, liquidity management and short-term defensive strategy to mitigate and diversify the inherent risks associated to the Funds. Generally, the broad asset allocations and the respective investment restrictions of the Funds are monitored regularly by the compliance department who reports monthly to the person(s) or members of a committee undertaking the oversight function of the Funds.

For credit risks management, AITF has set a minimum credit rating of 'A3' by RAM or such equivalent rating by other rating agencies for its general investments. Although the Fund may invest in fixed income instruments with a credit rating below 'A3', it has a stringent policy to obtain a prior unanimous approval from the person(s) or members of a committee undertaking the oversight function of the Fund and that limit of the holdings is set to a maximum of 25% of its NAV at the time of purchase. For AMTF, the Fund will only deposit with Financial Institution with a minimum rating of "A" by RAM or such equivalent rating by other rating agencies.

5. Amendment to page 29 of the Master Prospectus – "Temporary Defensive Position"

- i. The information on the second paragraph of AITF, AMTF, AETF and AETF is hereby deleted in its entirety and replaced with the following:

In general, the temporary defensive positions shall be taken for a period of not more than 6 months with prior approval from the person(s) or members undertaking the oversight function of the Funds. However, the position could be held for a longer period with the approval from the person(s) or members of a committee undertaking the oversight function of the Funds during prolonged adverse market conditions. We will re-align the Funds to their principal investment strategies when market conditions turn for the better.

- ii. The information on ADIF is hereby deleted in its entirety and replaced with the following:

The Fund may take a temporary defensive position, which may be inconsistent with the Fund's investment strategy, to respond to adverse economic, political or other market conditions. The Fund may reduce its exposure in equities and increase its exposure in Deposits or CIS (including non-equity related unit trust funds). For instance, the Fund may reallocate up to 100% of the Fund's equity investments into other asset classes such as fixed income funds/CIS and Deposits with Financial Institutions. The temporary defensive position shall not be longer than six (6) months with the prior approval from the person(s) or members of a committee undertaking the oversight function of the Fund. However, the position could be held for a longer period with the approval from the person(s) or members of a committee undertaking the oversight function of the Fund during prolonged adverse market conditions. The Manager will re-align the Fund to its principal investment strategy when the market conditions improves.

- iii. The information on second paragraph of AEGF is hereby deleted in its entirety and replaced with the following:

In general, the temporary defensive positions shall be taken for a period of not more than six (6) months. However, the position could be held for a longer period with the approval from the person(s) or members of a committee undertaking the oversight function of the Fund during prolonged adverse market conditions. We will re-align the Fund to its principal investment strategies when market conditions turn for the better.

6. Amendment to page 30 of the Master Prospectus – "Cross Trade Policy"

- i. The information on item iv is hereby deleted in its entirety and replaced with the following:

the policies and procedures governing cross-trades have been approved by the person(s) or members of a committee undertaking the oversight function of the Fund; and

- ii. The information on item v is hereby deleted in its entirety and replaced with the following:

transactions will be reported to the Trustee and the person(s) or members of a committee undertaking the oversight function of the Fund.

7. Amendment to page 32 of the Master Prospectus – “Fees, Charges And Expenses”

The information on the third paragraph of entry fee (sales charge) is hereby deleted in its entirety.

8. Amendment to page 40 of the Master Prospectus – “The Manager: Areca Capital Sdn Bhd”

- i. The information on board of directors of Areca Capital Sdn Bhd (“Board”) is hereby deleted in its entirety and replaced with the following:

Our Board of directors plays an active part in the affairs of Areca and the funds under our management. The Board meets at least once every quarter to receive recommendations and reports on investment activities from the person(s) or members of a committee undertaking the oversight function of the funds and the senior representatives of Areca. Information on the Board of directors can be found at http://www.arecacapital.com/Board+of+Directors_5_1.htm.

- ii. The information on second paragraph of fund management function is hereby deleted in its entirety and replaced with the following:

The Fund Manager will report to the person(s) or members undertaking the oversight function of the Funds and will implement the investment strategies selected by the person(s) or members of a committee undertaking the oversight function of the Funds.

- iii. The information on second paragraph of designated person responsible for management of the funds is hereby deleted in its entirety and replaced with the following:

Mdm Ch’ng Cheng Siew is the designated person responsible for the management of AITF and AMTF.

9. Amendment to page 41 of the Master Prospectus – “External Fund Manager”

The information on external fund manager is hereby deleted in its entirety.

10. Amendment to page 47 of the Master Prospectus – “Permitted Expenses Payable out of the Fund’s Property”

The information on item (m) is hereby deleted in its entirety and replaced with the following:

remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;

11. Amendment to page 62 of the Master Prospectus – “Additional Information”

The information on the first paragraph of consent is hereby deleted in its entirety and replaced with the following:

The Trustee and the Trustee’s delegate have given their consent for the inclusion of their names and statements in the form and context in which they appear in this Master Prospectus and have not withdrawn such consent.

12. Amendment to page 62 of the Master Prospectus – “Directory”

- i. The information on the Branches: Ipoh is hereby deleted in its entirety and replaced with the following:

No. 11, Persiaran Greentown 5,
Greentown Business Centre,
30450 Ipoh, Perak.
Tel: 605-249 6697

- ii. The information on the Branches: Johor Bahru is hereby deleted in its entirety and replaced with the following:

No. 105, Jalan Meranti Merah
Taman Melodies
80250 Johor Bahru
Tel: 607-336 3689

- iii. The information on the Branches: Kota Kinabalu is hereby deleted in its entirety and replaced with the following:

Unit 5-1-8, 1st Floor
Lorong Api-Api 1, Api-Api Centre,
88000 Kota Kinabalu, Sabah
Tel: 088-276 757

MASTER PROSPECTUS

This Master Prospectus incorporates the following unit trust funds:

<u>Funds</u>	<u>Date Of Constitution</u>
Areca incomeTRUST Fund	12 March 2007
Areca equityTRUST Fund	12 March 2007
Areca moneyTRUST Fund	12 March 2007
Areca enhancedINCOME Fund	27 June 2007
Areca Dividend Income Fund	20 January 2017
Areca Equity Growth Fund	19 October 2020

Manager
Areca Capital Sdn Bhd (200601021087 (740840-D))

Trustees
Maybank Trustees Berhad
(196301000109 (5004-P))

RHB Trustees Berhad
(200201005356 (573019-U))



THIS MASTER PROSPECTUS IS DATED 19 DECEMBER 2022.

THIS IS A REPLACEMENT MASTER PROSPECTUS THAT SUPERSEDES AND REPLACES THE MASTER PROSPECTUS DATED 3 JUNE 2021 AND THE PROSPECTUS DATED 4 JANUARY 2021 IN RESPECT OF THE ARECA EQUITY GROWTH FUND.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 7.

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DISCLAIMER

RESPONSIBILITY STATEMENT

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NO CASH & THIRD-PARTY PAYMENT POLICY

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

In view of this, we have embarked on a no-cash / third-party payment policy; where **any form of cash payment, cash deposits and third party payment are STRICTLY NOT ALLOWED.**

GLOSSARY

Areca/Manager/We/Us/Our	Areca Capital Sdn Bhd;
Base Currency	Means the base currency of the Fund, i.e. Ringgit Malaysia;
BNM	Bank Negara Malaysia;
Bond(s)	Include but not limited to corporate bonds, issues issued or guaranteed by Malaysian government or any state government or BNM such as MGS and Government Investment Issue;
Bursa Malaysia	The stock exchange managed or operated by Bursa Malaysia Securities Berhad;
Business Day	A day on which the Bursa Malaysia is open for trading;
CIS	Collective investment schemes which include exchange traded funds;
Commercial Papers	Refer to either conventional or Islamic short-term papers issued with original tenor of one year or less;
CMSA	The Capital Markets and Services Act, 2007 including all amendments thereto;
Deed(s)	The deeds or master deeds in relation to the Funds and any other supplemental deeds or supplemental master deeds that may be entered into between the Manager and the Trustee(s) and registered with the Securities Commission Malaysia;
Debentures	Include debenture stock, notes and any other evidence of indebtedness of a corporation for borrowed monies, whether or not constituting a charge on the assets of the corporations as defined in the CMSA;
Deposits	Deposits with Financial Institutions;
Duration	Duration is an approximate measure of price sensitivity (of a fixed income securities) to the changes in interest rates. If a Bond has a duration of 5 years, for example, its price will rise about 5% if its yield drops by a percentage point (100 basis points), and its price will fall by about 5% if its yield rises by that amount;
Eligible Market	An exchange, government securities market or an over-the-counter market which is regulated by a regulatory authority of that jurisdiction, that is open to the public or to a substantial number of market participants and on which financial instruments are regularly traded;
FIMM	Federation of Investment Managers Malaysia;
Financial Institution	<p>(a) if the institution is in Malaysia –</p> <ul style="list-style-type: none"> (i) licensed bank; (ii) licensed investment bank; or (iii) licensed Islamic bank; or <p>(b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services;</p> <p>“licensed bank” has the meaning assigned to it in the Financial Services Act 2013;</p> <p>“licensed investment bank” has meaning assigned to it in the Financial Services Act 2013;</p> <p>“licensed Islamic bank” has the meaning assigned to it in the Islamic Financial Services Act 2013;</p>

Fixed Income Securities	Includes but not limited to Commercial Papers, Bonds, and other fixed income securities such as convertible debt securities, floating rate bond, Structured Products, redeemable preference shares;
Fund(s)	Areca <i>income</i> TRUST Fund (AITF), Areca <i>equity</i> TRUST Fund (AETF), Areca <i>money</i> TRUST Fund (AMTF), Areca <i>enhanced</i> INCOME Fund (AEIF), Areca Dividend Income Fund (ADIF) and Areca Equity Growth Fund (AEGF) (hereinafter referred to individually as "the Fund" and collectively as "the Funds");
Fund Manager	A person who holds a capital market services representative's license to carry on the regulated activity of fund management on behalf of the Manager;
Guidelines	Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia as may be amended from time to time;
Issues	Issues referring to securities issued by the government and BNM.
IUTA	Institutional unit trust scheme adviser, which is an institution, body or organisation that is registered with the FIMM to market and distribute unit trust;
Jointholder	A person who holds Units together with another person or persons;
Liquid Assets	Mean any permitted investment capable of being converted into cash within seven (7) days;
Long-Term	Means a period of at least five (5) years;
Master Prospectus	Master prospectus in relation to the Funds managed by Areca;
MARC	Malaysian Rating Corporation Berhad;
MGS	Malaysian Government Securities which are Long-Term interest bearing Bonds issued by the government of Malaysia;
Medium-Term	A period of 3 to 5 years;
Medium to Long Term	Refers to a period of three (3) years or more;
Money Market Instruments	Include but not limited to banker's acceptance, Repo, certificates of deposit and negotiable instruments of deposit;
NAV	The net asset value of the Fund, which is the value of all the assets of the Fund less the total liabilities of the Fund at the valuation point;
NAV per Unit	The NAV of the Fund divided by the number of Units in circulation at the valuation point;
RAM	RAM Rating Services Berhad;
Redemption	The repurchase by the Manager of the Units owned by the Unit Holders upon a proper redemption request;
Repo	A repurchase agreement or an agreement between a Financial Institution and an investor to sell and buy-back a money market instrument at an agreed price, inclusive of interest, on a specific future date;
RM	Means Ringgit Malaysia, the lawful currency of Malaysia;
SC	The Securities Commission Malaysia which was established under the Securities Commission Act 1993;
Short-Term	A period of less than 3 years;

Structured Products	Refers to investments which provide returns that are linked to the performance of an underlying reference. It includes but not limited to credit linked notes, currency linked notes, bond linked notes, range accrual, interest rate swap/currency swap, forward rate agreement and long call options;
Transferable securities	Shares or securities equivalent to shares, bonds or other forms of securitised debt and sukuk;
Trustee(s)	Maybank Trustees Berhad and/or RHB Trustees Berhad and includes its permitted assigns and successors in title;
Underlying Index	An index tracked by a Leverage / Inverse Exchange Traded Fund;
Units	Units of a Fund and includes a fraction of a Unit;
Unit Holder/You	A person for the time being who is registered pursuant to the Deed as a holder of Units, including a Jointholder.

CORPORATE DIRECTORY

MANAGER

Areca Capital Sdn Bhd (200601021087 (740840-D))

Registered Office:

Suite 30C, 3rd Floor, Wisma TCL,

470 Jalan Ipoh, 3rd Mile,

51200 Kuala Lumpur

Tel: 603-4044 9811

Business Address:

107, Blok B, Pusat Dagangan Phileo Damansara 1,

No.9, Jalan 16/11, Off Jalan Damansara,

46350 Petaling Jaya

Tel: 03-7956 3111, Fax: 03-7955 4111

Website: www.arecacapital.com

E-mail: invest@arecacapital.com

EXTERNAL FUND MANAGER

(for AETF)

UOB Asset Management (Malaysia) Berhad

Level 22, Vista Tower, The Intermark,

No.348 Jalan Tun Razak, 50400 Kuala Lumpur

Tel : 03-2732 1181, Fax: 03-2732 1100

TRUSTEES

Trustee for AITF, AETF, AEIF, ADIF and AEGF:

Maybank Trustees Berhad (196301000109 (5004-P))

Business Address and Registered Address

8th Floor Menara Maybank,

100 Jalan Tun Perak,

50050 Kuala Lumpur

Tel: (603)-2070 8833

Fax: (603)-2070 9387

Email: mtb.ut@maybank.com.my

Website: www.maybank2u.com.my

Trustee's Delegate

Malayan Banking Berhad (196001000142 (3813-K))

(Maybank Custody Services)

Business Address

8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur

Registered Address

14th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur

Trustee for AMTF:

RHB Trustees Berhad (200201005356 (573019-U))

Registered office:

Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur.

Business Address:

Level 11, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

Tel: 03 – 9280 5933, Fax: 03 – 9280 5204

Trustee's Delegate:

Malayan Banking Berhad (196001000142 (3813-K))(as Custodian)

8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur

Tel: 03-2074 7111, Fax: 03-2070 0966

RISK FACTORS

All types of investments carry some degree of risks which may have an adverse effect on the price of the investments. Therefore, before making an investment decision, investors are advised to consider the different types of risks that may affect the unit trust fund. Below are some of the general risks of investing in the unit trust fund and specific risks associated with the investment portfolio of the Funds.

General Risk Of Investing In The Unit Trust Funds

- **Market Risk**

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's net asset value.

- **Liquidity Risk**

Liquidity risks refer to the ease of liquidating an asset depending on the asset's volume traded in the market. If the fund hold assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices.

- **Inflation Risk**

This is the risk that investors' investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

- **Manager's Risk**

This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

- **Loan Financing Risk**

The risk occurs when investors take a loan/financing to finance their investment and thereafter unable to service the loan repayments. If units are used as collateral, an investor may be required to top-up the investor's existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.

- **Performance Risk**

As a result of the risk elements, the returns from a fund are not guaranteed. The value of the fund's investment will vary when sold and an investment may be worth more or less than when purchased.

- **Non-Compliance Risk**

This risk refers to the possibility that the manager may not follow the provisions set out in the prospectus or the deed or the laws, rules, guidelines or internal operating policies which governs the fund. Non-compliance may occur directly due to factors such as human error or system failure and can also occur indirectly due to amendment on the relevant regulatory frameworks, laws, rules, and other legal practices affecting the fund. This risk may result in operational disruptions and potential losses to the fund. The manager aims to reduce this risk by placing stringent internal policies and procedures and compliance monitoring processes to ensure that the fund is in compliance with the relevant regulations or guidelines.

- **Suspension of Redemption Request Risk**

Having considered the best interests of Unit Holders, the Redemption requests by the Unit Holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the fund's assets cannot be determined. In such case, Unit Holders will not be able to redeem their Units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Hence, their investments will continue to be subject to the risks inherent to the Fund.

Specific Risks Associated With The Investment Portfolio Of The Funds

TYPE OF RISKS	NAME OF FUNDS					
	AITF	AETF	AMTF	AEIF	ADIF	AEGF
Credit/default Risk	✓		✓	✓		
Interest Rate Risk	✓		✓	✓		
Stock Specific Risk		✓		✓	✓	✓
Counterparty Risk	✓	✓	✓	✓		
Country Risk	✓		✓	✓	✓	✓
Currency Risk	✓		✓	✓	✓	✓
Equity-related Securities Risk		✓		✓	✓	✓
Leveraged Exchange Traded Fund (LETF) and Inverse Exchange Traded Fund (IETF) Risk						✓

- **Credit/default risk**

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

- **Interest Rate Risk**

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

- **Stock Specific Risk**

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stocks will adversely affect the Funds' NAV.

- **Counterparty risk**

A Fund that invests in Structured Products or options will be subjected to counterparty risk. This risk refers to the possibility of the issuer of the Structured Products or options being unable to make payments and/or paying the obligations in a timely manner. This in turn could lead to lower or zero valuation of the Structured Products or options if the issuer is in default. It will have an adverse impact to the NAV of the Funds.

- **Country Risk**

Investments of the Funds in any foreign countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Funds invest in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the Funds in those affected countries. This in turn may cause the NAV or prices of Units to fall.

- **Currency Risk**

As the base currency of the Funds is in Ringgit Malaysia, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice-versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

- **Equity-related Securities Risk**

A Fund that invest in equity-related securities such as rights and warrants, where price movement is dependent on the price movement of the underlying equities the risk is generally higher than their underlying equities as these equity related securities are leveraged form of investment. The price of equity-related securities generally fluctuates more than the underlying equities and consequently may affect the volatility of the Funds' NAV. For example, warrants have a limited life and will depreciate in value as they approach their maturity date. If a warrant's exercise price is above the share price at any time during its remaining subscription period, the warrant will theoretically carry little value and warrants that are not exercised at the maturity date become worthless.

- **Leveraged Exchange Traded Fund (LETF) and Inverse Exchange Traded Fund (IETF) Risk**

Investment in LETF and IETF can provide disproportionate gains as well as disproportionate losses to the Fund. The LETF utilizes leverage to obtain the required exposure of multiple times of its Net Asset Value (e.g. 200%) to the Underlying Index while the IETF will obtain the required exposure of substantial (e.g. up to -100%) of its Net Asset Value to the Underlying Index. As such, gains and losses will be magnified and thus will affect the Fund's NAV.

THE ABOVEMENTIONED RISKS WHICH YOU SHOULD CONSIDER BEFORE INVESTING INTO A UNIT TRUST FUND SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST.

YOU SHOULD BE AWARE THAT INVESTMENTS IN THE FUNDS MAY BE EXPOSED TO OTHER RISKS OF AN EXCEPTIONAL NATURE FROM TIME TO TIME.

FUNDS DETAILS

Investment Philosophy

Our Funds share a common investment philosophy based on the premise that price movements in financial assets are driven by a combination of liquidity flows, risk appetite and ultimately, the intrinsic value of the underlying assets. We seek to optimize results from the investments via the interplay of these factors on prices of financial assets both in the Short-Term and Long-Term.

Investment Strategies of the Manager

Money Market Instruments

We will focus on high level of liquidity to meet the Short-Term cash flow requirements of the Funds while optimising returns and capital preservation. The Money Market Instruments investment strategy will be based on the interest rate outlook derived from economic aggregates such as inflation, economic growth and general monetary policies. Furthermore, we will manage the duration (time to maturity) of Deposit and Money Market Instruments in accordance with the interest rates outlook. To enhance diversification and liquidity, we may invest in units or shares of other CIS which also invest in Money Market Instruments.

Fixed Income Securities

We will seek to achieve consistent, above-average returns from fundamental analysis as opposed to constant trading. The focus will be on the credit-worthiness of the investment-grade issuers. Equally important would be the credibility of management of the respective issuers.

For diversification and risk management, fixed income investments of the Funds will be spread out across various sectors and between individual securities. To enhance liquidity and diversification, we may invest in units or shares of other CIS of which the underlying investments are exposed to Fixed Income Securities. We will manage the Duration of the portfolio in accordance with the interest rates outlook.

To enhance the credit risk management, we will consider investing in Fixed Income Securities issued or guaranteed by the Malaysian government or BNM and Financial Institutions.

Equities

We will pursue an active investment strategy which emphasises on appropriate asset allocation for the changing market conditions and market cycles. Initially, this requires an understanding of the 'macro' factors that determine the investment environment and risk appetite of the broad market. Accordingly, we will make an asset allocation decision. Based on this analysis, we will then seek out economic sectors that are anticipated to perform well or to identify sectors that are at a point of cyclical change. Within the equity asset class, we will make a sector allocation decision followed by selection of individual stocks within those sectors. Preference will be on companies with sound management practice, resilient business models and strong brand franchise coupled with attractive relative valuations. It would also be necessary to concurrently conduct 'bottom-up' stock picking techniques to filter out stocks which may not fall within a preferred sector but yet possess unique qualities that make them attractive investment candidates.

For liquidity and diversification purposes, we may invest in units or shares of other CIS registered in Malaysia which invest in equity and equities related securities. As some of CIS may invest in listed securities in foreign markets, the Funds' investment in such CIS may indirectly be exposed to foreign market risks. To mitigate these risks, the Funds may invest in futures contracts and options to hedge against volatility. The presence of stocks in the equity portfolio, in particular, may result in the Funds experiencing significant volatilities in times of adverse market movements.

Trading Frequency

The Funds may engage in trading activities when opportunities arise. Opportunities would include but not limited to arbitrage situations, discrepancies in valuation, expected liquidity surges and thematic plays. Such transaction will be reviewed and monitored by the person(s) or members undertaking the oversight function of the Funds on a monthly basis.

Areca incomeTRUST Fund

Investment Objective

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).

Note: Any material changes to the investment objective of the Fund would require Unit Holders' approval.

Category (type) of the Fund: Fixed Income (income) Fund

Base Currency: Ringgit Malaysia

Financial Year End: 30 June

Asset Allocation

Fixed Income Securities and Money Market Instruments (other than those classified as Liquid Assets)	Maximum 98% of the NAV of the Fund
Liquid Assets	Minimum 2% of the NAV of the Fund

Investment Policy/Strategy of the Fund

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 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.

* Please refer to page 39 for further details on income distribution and reinvestment policies.

Investors' Profile

This Fund is suitable for investors who:

- Seek regular income;
- Have a low risk-tolerance;
- Have a Short-Term to Medium-Term investment horizon; and
- Seek exposure in fixed income market.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following:

- Fixed Income Securities issued by the Malaysian government or BNM or any other government related bodies. Such instruments include MGS, treasury bills and BNM bills;
- Issues guaranteed by the government of Malaysia or BNM or any state government in Malaysia;
- Deposits and issues by Financial Institutions such as banker's acceptances and negotiable certificates of deposit;
- Corporate bonds including those convertibles into equity;

- Foreign currency exposure in sovereign Bonds and corporate Bonds;
 - Units and shares in other CIS;
 - *Derivatives such as futures contract for hedging purposes only; and
 - Any other form of investment as may be permitted by the relevant authorities from time to time.
- * The Fund's exposure to derivatives is calculated based on the commitment approach, where the global exposure of the Fund is calculated as the sum of the following:
- (a) the absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements; and
 - (b) the absolute value of the net exposure of each individual derivative after netting or hedging arrangements.

Investment Restrictions

The investment restrictions are as follows:

- (i) The aggregate value of the Fund's investment in Transferable securities that are not traded or dealt in or under the rules of an Eligible Market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer;
- (ii) The value of the Fund's investment in Transferable securities and Money Market Instruments issued by any single issuer must not exceed 20% of the Fund's NAV ("single issuer limit"). However, the single issuer limit may be increased to 30% if the debt security is rated by any Malaysian or global rating agency to have the highest long-term credit rating. In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (iii) The value of the Fund's investment in Transferable securities and Money Market Instruments issued by any group of companies must not exceed 30% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in paragraph (i) issued by the issuer within same group of companies must be included in the calculation;
- (iv) The value of the Fund's placement in Deposits with any single Financial Institution must not exceed 20% of the Fund's NAV. The single financial institution limit does not apply to placements in Deposits arising from:
 - (a) subscription monies received prior to the commencement of investment of the Fund;
 - (b) liquidation of investments prior to the termination of the Fund, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
 - (c) monies held for the settlement of Redemption or other payment obligations, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders;
- (v) The aggregate value of the Fund's investment in or exposure to, a single issuer through, Transferable securities, Money Market Instruments and Deposits must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). However, where the single issuer limit is increased to 30% pursuant to paragraph (ii) above, the single issuer aggregate limit may be raised to 30% of the Fund's NAV. In determining the single issuer aggregate limit, the value of the fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (vi) The value of the Fund's investment in units or shares of any CIS must not exceed 20% of the Fund's NAV provided that the CIS complies with the Guidelines;
- (vii) The Fund's investment in debt securities must not exceed 20% of the debt securities issued by any single issuer. However, the limit will be disregarded at the time of acquisition if at that time of acquisition, the gross amount of debt securities in issue cannot be determined;

- (viii) The Fund's investment in Money Market Instruments must not exceed 10% of the instruments issued by any single issuer. However, the limit does not apply to Money Market Instruments that do not have a pre-determined issue size;
- (ix) The Fund's investment in CIS must not exceed 25% of the units or shares in the CIS;
- (x) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times; and
- (xi) At least 2% of the Fund's NAV must be in Liquid Assets.

***The Fund is not a capital guaranteed fund.**

Performance benchmark

The Fund is benchmarked against Maybank's 6-month fixed deposit rate. The information on the benchmark is available at www.arecacapital.com and www.maybank2u.com.my

You are to note that the benchmark selected is merely to provide an indication of the performance of the Fund. It does not match the risk profile of the Fund. You will assume a higher level of risk by investing in this Fund as compared to fixed deposit, and potentially have higher or lower income vis-à-vis the benchmark.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

The above fees and charges are exclusive of any taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

Unit prices and distributions payable, if any, may go down as well as up.

You should read and understand the contents of this Master Prospectus and, if necessary, consult your adviser. For information concerning certain risk factors which should be considered by you, see "Risk Factors" commencing on page 7.

You may contact our investor care at 03-7956 3111 or visit our website at www.arecacapital.com for further information on the Fund.

Areca equityTRUST Fund

Investment Objective

The investment objective of the Fund is to provide investors with medium to long term capital growth. To achieve this objective, the Fund will invest principally in equities and equity-related securities.

Note: Any material changes to the investment objective would require Unit Holder's approval.

Category (type) of the Fund: Equity (Growth) Fund

Base Currency: Ringgit Malaysia

Financial Year End: 30 June

Asset Allocation

Equities and equity-related securities	70%-98% of the NAV of the Fund
Liquid Assets	Minimum 2% of the NAV of the Fund

Investment Policy and Strategy of the Fund

The Fund will invest between 70% - 98% of its NAV in equities and equity-related securities and a minimum of 2% of its NAV in Liquid Assets. Equity-related securities includes but is not limited to different classes of listed shares, warrants, options and convertible securities. The Fund will normally invest in securities issued by companies that exhibit a good management track record, a sound history of Long-Term profitability and earnings resilience, a strong balance sheet, and/or have a good competitive position in their respective industries.

Investors' Profile

This Fund is suitable for investors who:

- Seek capital growth;
- Have a high risk-tolerance;
- Have a Medium-Term to Long-Term investment horizon; and
- Seek exposure in equity market.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following:

- Ordinary shares and other equity-related securities such as convertible securities, preference shares, and warrants listed on the Bursa Malaysia or any other stock exchanges;
- Securities in foreign stock exchanges which have been approved by the relevant authorities from time to time;
- Liquid Assets and unlisted Fixed Income Securities;
- Units and shares in other CIS;
- *Derivatives such as futures contract for hedging purposes only; and
- Any other form of investments as may be permitted by the relevant authorities, from time to time.

* The Fund's exposure to derivatives is calculated based on the commitment approach, where the global exposure of the Fund is calculated as the sum of the following:

- (a) the absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements; and
- (b) the absolute value of the net exposure of each individual derivative after netting or hedging arrangements.

Investment Restrictions

The investment restrictions are as follows:

- (i) The aggregate value of the Fund's investment in transferable securities that are not traded or dealt in or under the rules of an Eligible Market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer;
- (ii) The value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (iii) The value of the Fund's investment in Transferable securities and Money Market Instruments issued by any single issuer must not exceed 15% of the Fund's NAV. In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (iv) The value of the Fund's placement in Deposits with any single institution must not exceed 20% of the Fund's NAV. The single financial institution limit does not apply to placements in Deposits arising from:
 - (a) subscription monies received prior to the commencement of investment of the Fund;
 - (b) liquidation of investments prior to the termination of the Fund, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
 - (c) monies held for the settlement of Redemption or other payment obligations, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders;
- (v) The aggregate value of the Fund's investment in or exposure to, a single issuer through Transferable securities, Money Market Instruments and Deposits must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (vi) The value of the Fund's investment in units or shares of any CIS must not exceed 20% of the Fund's NAV provided that the CIS complies with the Guidelines;
- (vii) The value of the Fund's investments in units or shares of a CIS that invests in real estate must not exceed 15% of the Fund's NAV;
- (viii) The value of the Fund's investment in Transferable securities and Money Market Instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in paragraph (i) issued by the issuers within the same group of companies must be included in the calculation;
- (ix) The Fund's investment in shares or securities equivalent to shares must not exceed 10% of the shares or securities equivalent to shares, as the case may be, issued by any single issuer;
- (x) The Fund's investment in CIS must not exceed 25% of the units or shares in the CIS;
- (xi) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times; and
- (xii) At least 2% of the Fund's NAV must be in Liquid Assets.

Performance benchmark

The Fund is benchmarked against the 1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category. The information on the benchmark is available at www.arecacapital.com (the Average Returns can also be obtained from the weekly Edge / Lipper Fund Table). The Manager will reassess a suitable benchmark for the Fund should there be any changes to the Lipper Fund Table.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

The above fees and charges are exclusive of any taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

Unit prices and distributions payable, if any, may go down as well as up.

You should read and understand the contents of this Master Prospectus and, if necessary, consult your adviser. For information concerning certain risk factors which should be considered by you, see "Risk Factors" commencing on page 7.

You may contact our investor care at 03-7956 3111 or visit our website at www.arecacapital.com for further information on the Fund.

Areca moneyTRUST Fund

Investment Objective

The investment objective of the Fund is to provide investors with a high level of liquidity while providing current income and capital preservation* (income could be in the form of Units or cash).

Note: Any material changes to the investment objective would require Unit Holders' approval.

Category (type) of the Fund: Money Market Fund

Base Currency: Ringgit Malaysia

Financial Year End: 30 June

Asset Allocation

Deposits and Money Market Instruments	Minimum 90% of the NAV of the Fund
CIS	Maximum 10% of the NAV of the Fund

Investment Policy and Strategy of the Fund

The Fund will focus on providing high level of liquidity to meet the Short-Term cash flow requirements of its Unit Holders, optimizing returns while providing capital preservation.

To achieve its objective, the Fund shall invest at least 90% of its NAV in Deposits and Money Market Instruments with eligible Financial Institution. The Fund may invest up to 10% of its NAV in CIS with similar objectives.

An eligible Financial Institution is a financial institution with a minimum rating of "A" by RAM or equivalent rating by other rating agencies. Should the credit rating of the Financial Institutions be downgraded to below the minimum credit rating by any rating agencies, the Manager shall cease to place new monies with the financial institutions and/or use their best effort to dispose the holdings before maturity.

* Please refer to page 39 for further details on income distribution and reinvestment policies.

Investors' Profile

This Fund is suitable for investors who:

- Have a low risk tolerance;
- Have a Short-Term investment horizon; and
- Seek liquidity and exposure in money market portfolio.

INVESTMENT IN THE FUND IS NOT THE SAME AS PLACEMENT IN A DEPOSIT WITH A FINANCIAL INSTITUTION. THERE ARE RISKS INVOLVED AND INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS WHEN INVESTING IN THE FUND.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following:

- Money Market Instruments guaranteed by the government of Malaysia or BNM or any state government in Malaysia;
- Deposit and issues by Financial Institutions such as banker's acceptances and negotiable certificates of deposit;
- Units and shares in other CIS with similar investment objective;

- Any other form of investment as may be agreed upon by the Manager and Trustee from time to time and permitted by the relevant authorities, where necessary.

Investment Restrictions

The investment restrictions are as follows:

- (i) The Fund must invest at least 90% of its NAV in short-term debt securities and short-term money market instruments that are traded or dealt in under the rules of an eligible market which have a legal maturity at issuance not more than 397 calendar days and have a remaining maturity period of not more than 397 calendar days. However, the remaining maturity period must not be more than two years where a debt security or a money market instrument is issued by, or the issue is guaranteed by, either a government, government agency, central bank or supranational;
- (ii) The Fund may only invest up to 10% of its NAV in high quality debt securities which have a remaining maturity period of more than 397 days but fewer than 732 days and units or shares in other money market funds;
- (iii) The value of the Fund's placement in Deposits with any single institution must not exceed 20% of the Fund's NAV. The single financial institution limit does not apply to placements in Deposits arising from:
 - (a) subscription monies received prior to the commencement of investment of the Fund;
 - (b) liquidation of investments prior to the termination of the Fund, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
 - (c) monies held for the settlement of Redemption or other payment obligations, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders;
- (iv) The value of the Fund's investment in units or shares of any CIS must not exceed 10% of the Fund's NAV;
- (v) The value of the Fund's investment in Money Market Instruments with any single issuer/institution must not exceed 20% of the Fund's NAV;
- (vi) The Fund's investment in Money Market Instruments must not exceed 20% of the instruments issued by any single issuer; and
- (vii) The Fund's investment in CIS must not exceed 25% of the units or shares in the CIS.

***The Fund is not a capital guaranteed fund.**

Performance benchmark

The Fund is benchmarked against Maybank's 1-month Repo rate. The information on the benchmark is available at www.arecacapital.com or www.maybank2u.com.my.

Investors are to note that the benchmark selected is merely to provide an indication of the performance of the Fund. It does not match the risk profile of the Fund. Investors will assume a higher level of risk by investing in this Fund as compared to Repo placement, and potentially have higher or lower income vis-à-vis the benchmark.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

The above fees and charges are exclusive of any taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

Unit prices and distributions payable, if any, may go down as well as up.

You should read and understand the contents of this Master Prospectus and, if necessary, consult your adviser. For information concerning certain risk factors which should be considered by you, see "Risk Factors" commencing on page 7.

You may contact our investor care at 03-7956 3111 or visit our website at www.arecacapital.com for further information on the Fund.

Areca enhancedINCOME Fund

Investment Objective

The investment objective of the Fund is to provide long term investors with high level of income stream (income could be in the form of Units or cash) and an opportunity for capital appreciation.

Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.

Category (type) of the Fund: Fixed Income (income & growth) Fund

Base Currency: Ringgit Malaysia

Financial Year End: 30 June

Asset Allocation

Fixed Income Securities and Money Market Instruments (other than those classified as Liquid Assets)	Minimum 60% of the NAV of the Fund
Liquid Assets	Minimum 2% of the NAV of the Fund
Listed equities and equity-related securities	Up to 30% of the NAV of the Fund (at time of purchase)

Investment Policies and Strategies of the Fund

The Fund will invest a minimum of 60% of its NAV in Fixed Income Securities and Money Market Instruments (other than those classified as Liquid Assets) including CIS that invest in Fixed Income Securities with a minimum of 2% of its NAV in Liquid Assets. The Fund may also invest up to 30% of its NAV (at time of purchase) in listed equities and equity-related securities including initial public offerings, warrants and CIS that invest primarily in equities at any time to enhance income and returns to the Fund. However, the Fund may continue to hold its investment in equities even if the Fund's holding exceeds 30% 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 investment, or as a result of repurchase of Units or payments made by the Fund.

* Please refer to page 39 for further details on income distribution and reinvestment policies.

Investors' Profile

This Fund is suitable for investors who:

- Have medium risk tolerance;
- Have surplus funds;
- Seek exposure in fixed income market and a small equity exposure; and
- Seek to earn higher returns than the fixed deposit rates.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following:

- Securities of Malaysian companies listed on approved stock exchanges;
- Fixed Income Securities issued by the Malaysian government or BNM or any other government related bodies. Such instruments include MGS, treasury bills and BNM bills;
- Issues guaranteed by the government of Malaysia or BNM or any state government in Malaysia;
- Deposits and issues by Financial Institutions such as banker's acceptances and negotiable certificates of deposit;

- Corporate bonds including those convertible into equity;
 - Foreign currency exposure in sovereign Bonds and corporate Bonds;
 - Units and shares in other CIS;
 - *Derivatives such as futures contracts for hedging purposes only; and
 - Any other form of investment as may be permitted by the relevant authorities from time to time.
- * The Fund's exposure to derivatives is calculated based on the commitment approach, where the global exposure of the Fund is calculated as the sum of the following:
- (a) the absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements; and
 - (b) the absolute value of the net exposure of each individual derivative after netting or hedging arrangements.

Investments Restriction

The investment restrictions are as follows:

- (i) The aggregate value of the Fund's investment in transferable securities that are not traded or dealt in or under the rules of an Eligible Market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer;
- (ii) The value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (iii) The value of the Fund's investment in Transferable securities and Money Market Instruments issued by any single issuer must not exceed 20% of the Fund's NAV ("single issuer limit"). However, the single issuer limit may be increased to 30% if the debt security is rated by any Malaysian or global rating agency to have the highest long-term credit rating. In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (iv) The value of the Fund's investment in Transferable securities and Money Market Instruments issued by any group of companies must not exceed 30% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in paragraph (i) issued by the issuer within same group of companies must be included in the calculation;
- (v) The aggregate value of the Fund's investment in or exposure to, a single issuer through Transferable securities, Money Market Instruments and Deposits must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (vi) The value of the Fund's placement in Deposits with any single institution must not exceed 20% of the Fund's NAV. The single financial institution limit does not apply to placements of Deposits arising from:
 - (a) subscription monies received prior to the commencement of investment of the Fund;
 - (b) liquidation of investments prior to the termination of the Fund, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
 - (c) monies held for the settlement of Redemption or other payment obligations, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders;
- (vii) The value of the Fund's investment in units or shares of any CIS must not exceed 20% of the Fund's NAV provided that the CIS complies with the Guidelines;
- (viii) The value of the Fund's investments in units or shares of a CIS that invests in real estate must not exceed 15% of the Fund's NAV;
- (ix) The Fund's investment in shares or securities equivalent to shares must not exceed 10% of the shares or securities equivalent to shares, as the case may be, issued by any single issuer;

- (x) The Fund's investment in debt securities must not exceed 20% of the debt securities issued by any single issuer. However, the limit will be disregarded at the time of acquisition if at that time of acquisition, the gross amount of debt securities in issue cannot be determined;
- (xi) The Fund's investment in Money Market Instruments must not exceed 10% of the instruments issued by any single issuer. However, the limit does not apply to Money Market Instruments that do not have a pre-determined issue size;
- (xii) The Fund's investment in CIS must not exceed 25% of the units or shares in the CIS;
- (xiii) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times; and
- (xiv) At least 2% of the Fund's NAV must be in Liquid Assets.

Performance benchmark

The Fund is benchmarked against Maybank's 12-month fixed deposit rate. The information on the benchmark is available at www.arecacapital.com or www.maybank2u.com.my.

Investors are to note that the benchmark selected is merely to provide an indication of the performance of the Fund. It does not match the risk profile of the Fund. Investors will assume a higher level of risk by investing in this Fund as compared to fixed deposit, and potentially have higher or lower income vis-à-vis the benchmark.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

The above fees and charges are exclusive of any taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

Unit prices and distributions payable, if any, may go down as well as up.

You should read and understand the contents of this Master Prospectus and, if necessary, consult your adviser. For information concerning certain risk factors which should be considered by you, see "Risk Factors" commencing on page 7.

You may contact our investor care at 03-7956 3111 or visit our website at www.arecacapital.com for further information on the Fund.

Areca Dividend Income Fund

Investment Objective

The Fund seeks to provide regular income while providing long term capital appreciation.

Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.

Category (type) of the Fund: Equity (income and growth) Fund

Base Currency: Ringgit Malaysia

Financial Year End: 30 September

Asset Allocation

Equities and equity-related securities	70%-98% of the NAV of the Fund
Liquid Assets	Minimum 2% of the NAV of the Fund

Investment Policies and Strategies of the Fund

The Fund will invest in income-generating securities, including dividend-paying shares, preference shares and other equity-related securities, to achieve its objective. We seek to make quarterly distribution (cash payout) of realised income from the Fund to investors. The Fund will invest a maximum of 98% of its NAV (at least 70% locally and a maximum 28% in Asia region) in income-generating securities with a minimum of 2% of its NAV in liquid assets.

The Fund may invest in units or shares of other CIS in Malaysia which have similar objective, for the purpose of liquidity and diversification (spread of investments and risks).

The Manager adopts an active investment strategy in managing the Fund and will invest tactically during uncertain times (by changing the equity exposure in the range of 70% to 98%). Focus will be on companies / issuers with sound management practice, resilient business models, good earning prospects and relative low valuations. The Manager may also invest in growth or recovery stocks which have the potential to adopt a strong dividend payout policy.

Trading strategy will depend on the market opportunities and the anticipated sales and Redemption requests by the investors. An active investment strategy and the presence of equities in the portfolio will inherently introduce more volatility in the Fund. We may appoint licensed investment advisor or external fund managers for investment advice on stocks recommendation to add value to stocks selections (the fund management function will be undertaken by the Manager).

* Please refer to page 39 for further details on income distribution and reinvestment policies.

Investors' Profile

This Fund is suitable for investors who:

- seek regular income and capital appreciation;
- seek diversified investment;
- have a moderate-to-high risk-tolerance; and
- have a long term investment horizon.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following:

- Ordinary shares and other equity-related securities such as convertible securities, preference shares, and warrants listed on the Bursa Malaysia or other public exchanges in Malaysia;
 - Securities in foreign stock exchanges which have been approved by the relevant authorities from time to time;
 - Unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer;
 - Placement of Deposits with Financial Institution;
 - Units and shares in other CIS;
 - *Derivatives such as futures contract for hedging purposes only; and
 - Any form of investments arising from exercising of an entitlement accruing on other permitted investment.
- * The Fund's exposure to derivatives is calculated based on the commitment approach, where the global exposure of the Fund is calculated as the sum of the following:
- (a) the absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements; and
 - (b) the absolute value of the net exposure of each individual derivative after netting or hedging arrangements.

Investments Restriction

The investment restrictions are as follows :

- (i) The aggregate value of the Fund's investment in Transferable securities that are not traded or dealt in or under the rules of an Eligible Market must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer;
- (ii) The value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (iii) The value of the Fund's investment in Transferable securities issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (iv) The value of the Fund's placement in Deposits with any single institution must not exceed 20% of the Fund's NAV. The single financial institution limit does not apply to placements in Deposits arising from:
 - (a) subscription monies received prior to the commencement of investment of the Fund;
 - (b) liquidation of investments prior to the termination of the Fund, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
 - (c) monies held for the settlement of Redemption or other payment obligations, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders;
- (v) The aggregate value of the Fund's investment in or exposure to, a single issuer through Transferable securities and Deposits must not exceed 25% of the Fund's NAV. In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (vi) The value of the Fund's investment in units or shares of any CIS must not exceed 20% of the Fund's NAV provided that the CIS complies with the Guidelines;
- (vii) The value of the Fund's investments in units or shares of a CIS that invests in real estate must not exceed 15% of the Fund's NAV;
- (viii) The value of the Fund's investments in Transferable securities and Money Market Instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the

value of the Fund's investments in instruments in paragraph (i) issued by the issuers within the same group of companies must be included in the calculation;

- (ix) The Fund's investment in shares or securities equivalent to shares must not exceed 10% of the shares or securities equivalent to shares, as the case may be, issued by any single issuer; and
- (x) The Fund's investment in CIS must not exceed 25% of the units or shares in the CIS; and
- (xi) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times.

Performance benchmark

The performance benchmark of the Fund is the 1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category. The information on the benchmark is available at www.arecacapital.com (the Average Returns can also be obtained from the weekly Edge / Lipper Fund Table). The Management Company will reassess a suitable benchmark for the Fund should there be any changes to the Lipper Fund Table.

Investors are to note that the benchmark selected is merely to provide an indication of the performance of the Fund. It does not match the risk profile of the Fund. Investors will assume a higher level of risk by investing in this Fund as compared to fixed deposit, and potentially have higher or lower income vis-à-vis the benchmark.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

The above fees and charges are exclusive of any taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

Unit prices and distributions payable, if any, may go down as well as up.

You should read and understand the contents of this Master Prospectus and, if necessary, consult your adviser. For information concerning certain risk factors which should be considered by you, see "Risk Factors" commencing on page 7.

You may contact our investor care at 03-7956 3111 or visit our website at www.arecacapital.com for further information on the Fund

Areca Equity Growth Fund

Investment Objective

To provide investors with Medium to Long Term capital growth.

Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.

Category (type) of the Fund: Equity (Growth) Fund

Base Currency: Ringgit Malaysia

Financial Year End: 31 July

Asset Allocation

Equities and equity-related securities	70%-98% of the NAV of the Fund
Liquid Assets	Minimum 2% of the NAV of the Fund

Investment Policies and Strategies of the Fund

To achieve the investment objective, the Fund will invest a maximum of 98% of its NAV in equities and equity-related securities which is traded on Eligible Markets (maximum 25% of its NAV in foreign Eligible Markets) and a minimum of 2% of its NAV in Liquid Assets. Equity-related securities includes but is not limited to different classes of listed and unlisted shares, warrants, options, preference shares and convertible securities. The Fund will normally invest in securities issued by companies that exhibit a good management track record, a sound history of Long-Term profitability and earnings resilience, a strong balance sheet, and/or have a good competitive position in their respective industries.

The Manager will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook.

* Please refer to page 39 for further details on income distribution and reinvestment policies.

Investors' Profile

This Fund is suitable for investors who:

- seek capital growth;
- have a high risk-tolerance; and
- have a Medium to Long Term investment horizon.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following:

- Listed & unlisted securities;
- Deposits with Financial Institutions;
- *Derivatives such as futures contracts for hedging purposes only;
- CIS; and
- Any other form of investment as may be agreed upon by the Manager and the Trustee from time to time.

* The Fund's exposure to derivatives is calculated based on the commitment approach, where the global exposure of the Fund is calculated as the sum of the following:

- (a) the absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements; and

- (b) the absolute value of the net exposure of each individual derivative after netting or hedging arrangements;

Investments Restriction

The investment restrictions are as follows :

- (i) The aggregate value of the Fund's investment in transferable securities that are not traded or dealt in or under the rules of an Eligible Market and CIS that do not comply with the Guidelines must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer or single CIS, as the case may be;
- (ii) The value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- (iii) The value of the Fund's investment in Transferable securities issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (iv) The value of the Fund's placement in Deposits with any single institution must not exceed 20% of the Fund's NAV. The single financial institution limit does not apply to placements in Deposits arising from:
 - (a) subscription monies received prior to the commencement of investment of the Fund;
 - (b) liquidation of investments prior to the termination of the Fund, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders; or
 - (c) monies held for the settlement of Redemption or other payment obligations, where the placement of Deposits with various Financial Institutions would not be in the best interests of Unit Holders;
- (v) The aggregate value of the Fund's investment in or exposure to, a single issuer through Transferable securities and Deposits must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in paragraph (i) issued by the same issuer must be included in the calculation;
- (vi) The value of the Fund's investment in units or shares of any CIS must not exceed 20% of the Fund's NAV provided that the CIS complies with the Guidelines;
- (vii) The value of the Fund's investments in units or shares of a CIS that invests in real estate must not exceed 15% of the Fund's NAV;
- (viii) The value of the Fund's investment in Transferable securities issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in paragraph (i) issued by the issuers within the same group of companies must be included in the calculation;
- (ix) The Fund's investment in shares or securities equivalent to shares must not exceed 10% of the shares or securities equivalent to shares, as the case may be, issued by any single issuer;
- (x) The Fund's investment in CIS must not exceed 25% of the units or shares in the CIS;
- (xi) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times; and
- (xii) At least 2% of the Fund's NAV must be in liquid assets.

Performance benchmark

1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category. The information on the benchmark is available at www.arecacapital.com (the Average Returns can also be obtained from the weekly Edge / Lipper Fund Table).

Investors are to note that the benchmark selected is merely to provide an indication of the performance of the Fund. It does not match the risk profile of the Fund. Investors will assume a higher level of risk by investing in this Fund as compared to fixed deposit, and potentially have higher or lower income vis-à-vis the benchmark.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund.

The above fees and charges are exclusive of any taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

Unit prices and distributions payable, if any, may go down as well as up.

You should read and understand the contents of this Master Prospectus and, if necessary, consult your adviser. For information concerning certain risk factors which should be considered by you, see "Risk Factors" commencing on page 7.

You may contact our investor care at 03-7956 3111 or visit our website at www.arecacapital.com for further information on the Fund.

Policy On The Application Of Investment Restrictions Of The Funds

We will comply with the investment restrictions for the Funds at all times based on the most up-to-date value of the Funds. Any entitlement accruing on the investments held may be excluded when determining compliance with the investment restrictions. The entitlement should not be exercised if it results in the breach of any restrictions specified.

The Manager shall notify the SC, within seven (7) Business Days, of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of any appreciation or depreciation in value of the Fund's investments; repurchase of units or payment made out of the Fund; change in capital of a corporation in which the Fund has invested in; or downgrade in or cessation of a credit rating, need not be reported to the SC but must be rectified by the Manager as soon as practicable within three (3) months from the date of breach, unless otherwise specified in the Guidelines. The 3-month period may be extended if it is in the best interest of Unit Holders and Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Trustee.

Such limits and restrictions, however, do not apply to securities/instruments issued or guaranteed by the Malaysian government or BNM.

The minimum Liquid Assets level for the Funds is specified to ensure sufficient Short-Term liquidity in the Funds to meet operating expenses and possible Redemption of the Units. We will take all necessary steps and actions to meet the minimum level specified within seven (7) Business Days or such longer period which shall be determined by us if the Liquid Assets level for the Fund drops below the minimum level specified subject to any variation and exemption being obtained. However, we will ensure to comply with the Guidelines requirements to pay the unit holder in cash the proceeds of the Redemption of units as soon as possible, within seven (7) Business Days of receiving the Redemption request.

BASES OF VALUATION OF THE ASSETS OF THE FUND

Investment Instruments	Valuation Basis
Investment instruments that are listed and quoted on an exchange	The official closing price or last known transacted price on the Eligible Market on which the investment is quoted. However, if the price is not representative for example during abnormal market conditions or not available to the market including in the event of a suspension in the quotation of the investment instrument for a period exceeding 14 days, or such shorter period as agreed by the Trustee, the investment will be valued at fair value.
Investment instruments not listed or quoted on an exchange	At fair value as determined with due care and in good faith by the Manager.

Incorrect Valuation and Pricing

Subject to any relevant law, if there is an error in the valuation and/or pricing of the NAV per Unit of the Funds, we will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.50% of the NAV per Unit:

- if there is an over valuation and/or pricing in relation to the purchase and creation of Units, the Funds shall reimburse the Unit Holders;
- if there is an over valuation and/or pricing in relation to the repurchase of Units, the Manager shall reimburse the Funds;
- if there is an under valuation and/or pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Funds; and

- if there is an under valuation and/or pricing in relation to the repurchase of Units, the Funds shall reimburse the Unit Holders or former Unit Holders.

With prior approval from the Trustee, the Manager retains the discretion whether or not to reimburse the Fund and/or Unit Holders if the error is below 0.50% of the NAV per Unit or where the total impact on an individual account is less than RM10.00 in absolute amount. This is because the reprocessing costs may be greater than the amount of the reimbursement.

Policy On Gearing

The Funds are prohibited from borrowing other assets (including borrowing of securities within the meaning of Guidelines on Securities Borrowing and Lending) in connection with their activities. However, the Funds may borrow cash for the purpose of meeting repurchase request for Units and for Short-Term bridging requirements. We shall ensure that the borrowings are subjected to the following:

- The Funds' cash borrowings are only on a temporary basis and that borrowings are not persistent;
- The borrowing period should not exceed one month;
- The aggregate borrowing of the Funds should not exceed 10% of the respective Funds' NAV at the time borrowing are incurred; and
- The Funds may only borrow from Financial Institutions.

Risk Management

All investments carry an element of risk which may affect the Funds' performance including capital losses arising from volatility of the prices in both equities and Bonds. The value of the Funds may fluctuate in response to the underlying factors such as economic conditions, interest rates movements, global and domestic liquidity flows and general markets conditions.

We adopt various risks management strategies such as asset allocation, diversification, liquidity management and short-term defensive strategy to mitigate and diversify the inherent risks associated to the Funds. Generally the broad asset allocations and the respective investment restrictions of the Funds are monitored regularly by the compliance department who reports monthly to the person(s) or members undertaking the oversight function of the Funds.

For credit risks management, AITF has set a minimum credit rating of 'A3' by RAM or such equivalent rating by other rating agencies for its general investments. Although the Fund may invest in fixed income instruments with a credit rating below 'A3', it has a stringent policy to obtain a prior unanimous approval from the person(s) or members undertaking the oversight function of the Fund and that limit of the holdings is set to a maximum of 25% of its NAV at the time of purchase. For AMTF, the Fund will only deposit with Financial Institution with a minimum rating of "A" by RAM or such equivalent rating by other rating agencies.

For AETF and AEGF, the Fund's average holdings of stocks/securities will range between 20 to 30 securities across various sectors and industries. For AEIF, the Fund's equity exposure will range between 0% - 25% of its NAV at time of purchase. We will manage the level of equity exposure in accordance with the equity market outlook. In an anticipated downturn of equity market, the Fund will reduce its equity exposure to mitigate the equity market risk. However, when the equity market outlook is positive, the Fund may increase its equity exposure up to the maximum of 25% of its NAV to enhance the income and returns of the Fund.

As part of our liquidity risk management, the Funds will hold a minimum of 2% of its NAV in Liquid Assets including cash at bank to manage Redemption requests from Unit Holders. For fixed income fund, the Fund will maintain sufficient amount of portfolio in liquid bonds to accommodate redemption. For equity fund, the Fund will invest a minimum of 30% of its NAV in permitted investments which can be liquidated within three (3) Business Days and not more than 20% of its NAV in illiquid permitted investments which are not readily to be liquidated within ten (10) Business Days. It is also the Funds' strategy to mitigate their liquidity risk by investing in CIS. Although the cost is relatively higher than direct investments, investing in CIS with similar investment objectives of the respective Funds indirectly gives the Funds exposure to the CIS' underlying investments. Investments in CISs can usually be redeemed on any business day

at prices quoted daily and proceeds are generally paid within seven (7) Business Days in accordance with the Guidelines. It may be difficult to immediately redeem a direct investment in listed securities or a fixed income instrument as it is subjected to prevailing market conditions at that point in time, including availability of a ready buyer and an acceptable market price. Basically, the Fund may suspend the Redemption requests from the Unit Holders under exceptional circumstances where the market value or fair value of a material portion of the Fund's assets cannot be determined. During the suspension period, the Redemption requests from the Unit Holders will not be accepted and such Redemption requests will only be accepted and processed on the next Business Day once the suspension is lifted. The action to suspend Redemption requests from the Unit Holders shall be exercised only as a last resort by the Manager after exhausting all possible avenues as mentioned above, particularly the liquidity risk management.

Another risk management measure is to adopt a temporary defensive strategy during adverse market conditions as further explained below.

If an investment security is downgraded to below the minimum investment grade and it causes the investment limit to be breached, the Fund Manager will use their best efforts to dispose the holdings before maturity.

Temporary Defensive Position

AITF, AMTF, AETF and AEIF

The Funds may take a temporary defensive position, which may be inconsistent with the Funds' investment strategies, in attempting to respond to adverse economic, political or any other market conditions such as changes in interest rate policy or the introduction of a new policy which may affect the fixed income markets, money markets and/or equity markets. These include reducing exposure in the respective authorised investments in Long-Term Fixed Income Securities and/or equities and increasing the Funds' exposure in cash (local or foreign) or liquid CIS (local or foreign). For examples, the Funds might invest a substantial portion of the Funds' NAV in money market funds when we are of the opinion that the exposure in Long-Term Fixed Income Securities or equities might cause losses to the Funds.

In general, the temporary defensive positions shall be taken for a period of not more than 6 months with prior approval from the person(s) or members undertaking the oversight function of the Funds. However, the position could be held for a longer period with the approval from the person(s) or members undertaking the oversight function of the Funds during prolonged adverse market conditions. We will re-align the Funds to their principal investment strategies when market conditions turn for the better.

ADIF

The Fund may take a temporary defensive position, which may be inconsistent with the Fund's investment strategy, to respond to adverse economic, political or other market conditions. The Fund may reduce its exposure in equities and increase its exposure in Deposits or CIS(including non-equity related unit trust funds). For instance, the Fund may reallocate up to 100% of the Fund's equity investments into other asset classes such as fixed income funds/CIS and Deposits with Financial Institutions. The temporary defensive position shall not be longer than six (6) months with the prior approval from the person(s) or members undertaking the oversight function of the Fund. However, the position could be held for a longer period with the approval from the person(s) or members undertaking the oversight function of the Fund during prolonged adverse market conditions. The Manager will re-align the Fund to its principal investment strategy when the market conditions improves.

AEGF

The Fund may take a temporary defensive position, which may be inconsistent with the Fund's investment strategies and asset allocation, to respond to adverse economic, political or other market conditions by holding up to 100% of the Fund's NAV in Liquid Assets.

In general, the temporary defensive positions shall be taken for a period of not more than six (6) months. However, the position could be held for a longer period with the approval from the person(s) or members undertaking the oversight function of the Fund during prolonged adverse market conditions. We will re-align the Fund to its principal investment strategies when market conditions turn for the better.

ARECA CAPITAL SDN BHD AS IUTA

The Manager is an IUTA to distribute third party unit trust funds. The Fund may invest into CIS distributed by the Manager. In such circumstances, the Manager will NOT receive any fees or benefit from the distribution of third party funds that the Fund invested. Any fee received resulted from the Fund's holding in third party CIS will be channelled to the Fund.

Cross Trade Policy

The Manager may undertake cross trades, i.e. sale and purchase transactions between funds or portfolios under the management of the Manager where the:-

- i. sale and purchase decisions are in the best interest of the investor;
- ii. reason for such transactions is documented prior to execution of the trades;
- iii. transactions are executed through a dealer or a financial institution on an arm's length and fair value basis;
- iv. the policies and procedures governing cross-trades have been approved by the person(s) or members undertaking the oversight function of the Fund; and
- v. transactions will be reported to the Trustee and the person(s) or members undertaking the oversight function of the Fund.

Liquid Assets Policy

We shall review the need to maintain a sufficient level of Liquid Assets to meet potential redemption requests for the Funds.

Liquid Assets of the Funds may be held in the form of cash, net amount receivable/(payable) from the brokers/dealers, Deposits and any other instrument capable of being converted into cash within seven (7) Business Days as may be approved by the Trustee.

Liquid Assets may include but not be limited to securities issued by the Malaysian government or quasi-government bodies, including but not limited to Khazanah, Cagamas, Danaharta, Danamodal and BNM, securities guaranteed by the Malaysian government or BNM or their agencies and Commercial Paper with rating of 'P1' by RAM or such equivalent rating by other rating agencies.

Suspension of Fund

We may, after consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances stated in Risk Management under liquidity risk management, where there is good and sufficient reason to do so having regard to the interests of the Unit Holders.

Where a suspension of dealing of Units is triggered, the Manager will ensure that all Unit Holders are informed in a timely and appropriate manner of the decision to suspend dealing of Units of the Fund.

ANTI-MONEY LAUNDERING (“AML”) POLICIES AND PROCEDURES

Money laundering is a process intended to conceal the benefits derived from unlawful activities which are related, directly or indirectly, to any serious offence so that they appear to have originated from a legitimate source.

Under the Anti-Money Laundering and Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA), any person who –

- a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
- b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence;
- c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence;
or
- d) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence,

commits a money laundering offence and shall on conviction be liable to imprisonment for a term not exceeding fifteen (15) years and shall also be liable to a fine of not less than five (5) times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or five (5) million ringgit, whichever is the higher.

We have anti-money laundering policies in place where investors need to complete customer information form and the Manager will perform check on all investors without exception. New investors must provide their identification documents for our verification. No individual/ corporation shall be allowed to do business with the Manager if they fail to provide their identity and/or attempt to give a false name or records. If a potential customer refuses to produce any requested information or sales personnel does not feel comfortable or is suspicious with the information provided, the transaction will be terminated.

All cases of suspicious transactions must be reported by the relevant staff to the compliance manager. The compliance manager is to obtain relevant information from the relevant staff where applicable and evaluate the evidence and report matters relating to AML to the Board. A suspicious transaction report will then be submitted to the Financial Intelligence and Enforcement Department of BNM as well as the SC.

FEES, CHARGES AND EXPENSES

Charges

Below are the charges **directly** incurred when you buy or redeem Units:-

Entry Fee (Sales Charge)

Funds	Unit Trust Consultants, Third party Distributors including IUTA.
AITF, AETF, ADIF and AEGF	Up to 3% of the amount invested.
AMTF	NIL
AEIF	Up to 1% of the amount invested.

You may negotiate with the distributors for lower entry fee subject to the respective distributor channels' decision. We may waive the entry fee.

The entry fee payable for investments in a Fund is equivalent to the specified percentage of the NAV per Unit of the respective Fund. For all Funds, there is no fee charged for distribution of income reinvested into the respective Fund.

For lump sum cash investment, you may apply to the Manager to choose to pay the entry fee either by upfront payment or deferred payment subject to the Manager's acceptance. For deferred payment, the entry fee will be debited from your account within six (6) months in the form of Units. Debiting will be done on every 15th of the next calendar quarter (i.e. 15/3, 15/6 15/9, 15/12) until the said entry fee is fully deducted. If the investment is redeemed before the entry fee is fully deducted, the balance of chargeable entry fee will be debited upon exit/Redemption.

Exit Fee

Funds	Unit Trust Consultants, Third party Distributors including IUTA.
AITF, AETF, AMTF, AEIF, ADIF and AEGF	NIL

Fees

Below are the fees **indirectly** incurred by investors when investing in the Funds.

Annual Management Fee and Trustee Fee

The maximum annual management fee and annual trustee fee chargeable to the Funds during the term of this Master Prospectus is as follows:

Funds	Annual Management Fee	Annual Trustee Fee
AITF	1.15% p.a. of NAV of the Fund	0.08% p.a. of NAV of the Fund
AETF	1.90% p.a. of NAV of the Fund	0.08% p.a. of NAV of the Fund
AMTF	0.75% p.a. of NAV of the Fund	0.08% p.a. of NAV of the Fund
AEIF	1.40% p.a. of NAV of the Fund	0.08% p.a. of NAV of the Fund
ADIF	1.90% p.a. of NAV of the Fund	0.05% p.a. of NAV of the Fund, subject to a minimum fee of RM6,000 p.a.
AEGF	2.00% p.a. of NAV of the Fund	0.06% p.a. of NAV of the Fund, subject to a minimum fee of RM6,000 p.a.

The annual management fee will be paid out of the Funds and will be calculated based on the NAV of the Funds and accrued on a daily basis. We may, in consultation with the Trustee, charge a lower management fee.

The annual trustee fee will be paid out of the Funds and will be calculated based on the NAV of the Funds and accrued on a daily basis.

For details on computation of management fee and trustee fee, please refer to page 34.

Other Charges and Fees

Switching Fee

No switching fee is imposed for all switches between AITF, AETF, ADIF and AEGF.

Transfer Fee

No transfer fee is imposed on the transfer of Units for the Funds.

Other Charges

In executing your transaction, certain charges may be incurred. For instance, bank charges, telegraphic charges and courier charges. We reserve the right to vary such conditions from time to time, which shall be communicated to you in writing.

Expenses

Below is a list of expenses to be incurred/incurred by the Funds, which include: -

- Commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund;
- Charges or fees paid to the sub-custodian;
- Tax and other duties charged on the Fund by the government and/or other authorities;
- Costs, fees and expenses properly incurred by the auditor appointed for the Fund;
- Costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- Costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or Trustee;
- Costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or Trustee; and
- Other fees or expenses permitted in the Deed.

These expenses are necessary for the business of the Funds. Only those expenses set out in the Deed can be paid out of the Funds.

Rebates & Soft Commissions

We 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 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.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Funds.

The above fees and charges are exclusive of any taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

Transaction Information

Calculation Of Unit Prices

Valuation Point

Every Business Day is a Dealing Day for the Funds where the Funds are open for sale and repurchase of Units by the Manager. The Fund will be valued at the end of every Business Day and the Manager will publish the NAV per Unit on the Manager's website at www.arecacapital.com following the valuation of the Fund.

If and when the Fund invests in a foreign market, the valuation of the Fund may be carried by 5.00p.m. (or such other time as may be permitted by the relevant authorities from time to time) on the following Business Day (T+1 Day).

This is due to certain foreign markets in which the Fund may invest in have yet to close due to different time zones. As such, the daily NAV of the Fund will be determined on T+1 Day and will be published on T+2.

Single Pricing Policy

We adopt the single pricing policy to price the Units in relation to investment and Redemption of Units. This means that the selling of Units by the Manager (i.e. when you purchase Units and invest in the Funds) and repurchase of Units by the Manager (i.e. when you redeem your Units and liquidate your investments) will be carried out at NAV per Unit (the actual value of the Unit). The entry/exit fee (if any) would be computed separately based on your net investment/Redemption amount. The single price for investment and Redemption of Units shall be the daily NAV per Unit at the next valuation point after the Manager receives the investment or Redemption application (i.e. forward pricing).

How Is The NAV (actual value) Per Unit Calculated?

The NAV of the Fund is calculated at the end of each Business Day and is defined as the total value of the Fund's investment, assets and properties less any liabilities or provisions. Where applicable, investment income, interest payable, fees and other liabilities will be accrued daily in arriving at the NAV of the Fund. The NAV per Unit is then determined by dividing the NAV of the Fund by the number of Units in circulation at the valuation point rounded up to four (4) decimal places or as agreed between the Manager and Trustee.

Illustration 1: Computation of NAV	
	RM
Securities Investment	224,607,604
Add: Assets	2,320,028
	226,927,632
Less: Liabilities	210,751
	NAV before deducting annual management fee and annual trustee fee for the day
Less: Annual management fee for the day (1.00% per annum)	6,211.42
Less: Annual trustee fee for the day (0.08% per annum)	496.91
NAV	226,710,172.67

NAV per Unit

The NAV per Unit is then determined by dividing the NAV of the Fund by the number of Units in circulation at the valuation point. If the Units in circulation are 436,555,891 Units at the point of valuation, therefore;

Illustration 2: Computation of NAV per Unit

NAV per Unit of the Fund	= NAV ÷ Units in Circulation
	= RM226,710,172 ÷ 436,555,891
	= RM0.5193

Computation of Investment Amount and Units Entitlement

- For investors who make a lump sum payment inclusive of fees and taxes (eg. RM100,000)

The net investment amount (excluding fees and taxes) is determined by dividing the lump sum payment (excluding bank charges) with a Charge Factor.

$$\text{Charge Factor} = 100\% + (\text{entry fee in \%})$$

The number of Units invested is determined by dividing the net investment amount (excluding fee and taxes), with the NAV per Unit at the next valuation point after the Manager receives the investment application and rounded up to two (2) decimal places.

Illustration 3A: Allocation of Units to Investor

Assuming you invest a lump sum of RM100,000 of gross investment amount with an entry fee of 2% and the NAV per Unit of the Fund is RM0.5200, therefore;

	RM
Gross Investment amount	100,000.00
Divided by Charge Factor: 100% + (2%)	1.0200
Net Investment Amount	98,039.22
Divided by NAV per Unit	0.5200
Units credited to investor's account	188,536.96
Net Investment Amount	98,039.22
2% Entry Fee	1,960.78
Gross Investment Amount	100,000.00

- For investors who prefer an even (rounded) net investment amount

The number of Units invested is determined by dividing the net investment amount (excluding fee and taxes), with the NAV per Unit at the next valuation point after the Manager receives the investment application and rounded up to two (2) decimal places.

Illustration 3B: Allocation of Units to Investor

Assuming you invest RM100,000 into the Fund, and the NAV per Unit of the Fund is RM0.5200, therefore;

	RM
Net Investment amount	100,000
Add: Entry Fee of 2% (RM100,000 x 2%)	2,000
Total amount payable by investor	102,000
Net Investment Amount	100,000
Divided by NAV per Unit	0.5200
Units credited to investor's account	192,307.69

Calculation of Redemption Value

The Redemption value is calculated by multiplying the number of Units to be redeemed and NAV per Unit at the next valuation point after we receive the Redemption request.

Illustration 4: Calculation of Redemption proceeds paid to investor

Assuming you request to redeem 20,000.00 Units of the Fund on 1 June 2022, and the NAV per Unit for the Business Day is RM0.5193, therefore;

Number of Units redeemed	20,000.00
Multiply by NAV per Unit	0.5193
Net amount payable to investor	RM 10,386.00

Calculation of Switching Of Units

You may exercise unlimited free switches between the AITF, AETF, ADIF and AEGF. on any Business Day within the calendar year.

Example: Switching from AITF to AETF:

Step 1: To determine the "switching value" of AITF

The "switching value" is determined by multiplying the NAV per Unit of AITF at the end of the Business Day with the number of Units to be switched.

Step 2: To determine the number of Units in AETF

The number of Units is calculated by dividing the "switching value" with the NAV per Unit of AETF at the end of the Business Day and rounded up to two (2) decimal places.

Illustration 5: Calculation of switching of Units

Units in AITF to be switched		100,000.00
Multiply by NAV per Unit of AITF	RM	0.5193
Switching value	RM	51,930
Divided by NAV per Unit of AETF	RM	0.5179
Number of Units in AETF		100,270.32

Therefore:	<u>AITF</u>		<u>AETF</u>
Units before switch	100,000.00		0
Units switch (out)/in		(100,000.00)	100,270.32
Units after switch	0		100,270.32

Distribution Channels

The Funds are distributed through our head office, branches and authorized distributors. Please refer to the directory on page 62 or visit our website at www.arecacapital.com for further information.

Making An Investment

If you are investing for the first time, you are required to complete account opening documents. Individual or joint application must be accompanied by either a copy of the applicant's identity card, passport or other identification.

Application by a corporation must be accompanied by a certified true copy of its memorandum and articles of association*, certificate of incorporation* (if applicable), form 24*, form 44*, form 49*, board resolution relating to the investment and other related documents required by the Manager.

** or any other equivalent documentation issued by the authorities*

Existing investors who wish to purchase additional Units can complete the investments form.

The minimum initial investments and the minimum additional investment for Units in any of the Fund are as follows:

Minimum Initial Investments	RM10,000 or such other lower amount as decided by the Manager.
Minimum Additional Investments	RM1,000 or such other lower amount as decided by the Manager.

Notes:

1. The Manager may lower the minimum transactions amounts in respect of the Funds as decided by the Manager.
2. The Manager reserves the right to accept or reject any application in whole or part thereof without assigning any reason.

Payment Methods

- Via telegraphic or online transfer
- By a crossed cheque or banker's cheque made payable to "**Areca Capital Sdn Bhd**".

WE DO NOT ACCEPT CASH PAYMENT, PAYMENT THROUGH CASH DEPOSIT MACHINE AND PAYMENT MADE BY A THIRD PARTY

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

Redeeming an Investment

You must submit the completed Redemption form in the following manner:

Funds	Minimum Redemption	Redemption Notice
AITF, AETF, AEIF, ADIF and AEGF	RM1,000 or 2,000 Units or such other lower amount as decided by the Manager. However, you are required to redeem all your investment if you have less than 1,000 Units (minimum balance) in the account.	Before 2.00p.m. on any Business Day
AMTF		One (1) Business Day, before 2.00p.m, prior to the Redemption (i.e. T-1 day)

We will process your transaction on the next Business day if we receive your application after the cut-off time.

We will pay you within seven (7) Business Days, upon receipt of the duly completed original Redemption form. However, it is our general redemption policy to make payments within three (3) Business Days (T+3 days) from the transaction day. For AMTF, we will pay you on the next Business Day (T+1 day).

Switching Between Funds

Switching is treated as a withdrawal from one (1) fund and investment into another fund. You will pay the difference of the sales charge when you switch from one (1) fund with lower sales charge to another fund with higher sales charge. You may switch some or all of your Units in one Fund into units of another unit trust fund by completing a switch form.

Funds	Minimum Units	Switch Notice
AITF, AETF, AMTF, AEIF, ADIF and AEGF	RM1,000 or 2,000 Units	Before 2.00p.m. on any Business Day

We will process your transaction on the next Business day if we receive your application after the cut-off time.

Transfer of Units

Unit Holders are permitted to transfer part or all of their Units in the Fund to their immediate family members by completing a transfer form. However, for the transfer of Units to other investors, it is subject to the discretion of the Manager and the Manager reserve the rights to reject the transfer without assigning any reason. Transfers from corporate accounts to individual accounts are not permitted.

You must submit the completed transfer form before the cut-off time on any Business Day. We will process your transaction on the next Business day if we receive your application after the cut-off time. A transfer will be effected subject to the terms and conditions applicable for the respective Fund.

Minimum Units Held

You must maintain 1,000 Units or such other lower amount as decided by the Manager in your account. However, you are required to redeem, switch or transfer all your investment if you have less than the minimum balance in the Fund.

Cooling-Off Right

A cooling-off right is given to you if you are investing in any unit trust fund managed by us for the first time. The cooling-off period given to you is six (6) Business Days commencing from the date of receipt of the investment application by us. The refund for every Unit held following a request by you pursuant to the exercise of a cooling-right should be the sum of:-

- the NAV per Unit at the point of exercise of the cooling-off right ("market price"), if the NAV per Unit on the day the Units were purchased ("original price") is higher than the market price; or
- the original price, if the market price is higher than the original price;

together with the charges imposed on the day the units were purchased.

Where the market price is higher than the original price paid by an investor, we may agree to pay the investor the excess amount, provided that such amount is not paid out of the Fund or the assets of the Fund.

A cooling-off right is given to an individual investor except for where such investor is a staff of the Manager and persons registered with a body approved by the SC to deal in unit trusts.

The monies to be refunded to you pursuant to the exercise of a cooling-off right will only be paid after we have received cleared funds for the original investment.

You must submit the completed cooling-off form before the cut-off time on any Business Day. We will process your transaction on the next Business day if we receive your application after the cut-off time.

Income Distribution and Reinvestment Policies

Distribution Policy	Funds
Twice a year*	AITF and AMTF
Incidental	AETF, AEIF and AEGF*
Quarterly**	ADIF

* Subject to availability of distributable income

** Subject to availability of the realized income received

In the absence of written instructions from a Unit Holder, we are entitled to reinvest the income distributed from the Fund in additional Units of that Fund at the NAV per Unit at the end of the distribution day with no entry fee.

Cut-Off Time

All completed transaction forms must be submitted to the Manager before the cut-off time as determined by the Manager, on any Business Day. We will process your transaction on the next Business day if we receive your application after the cut-off time. Distributors may impose an earlier cut-off time if you purchase the Units through our distributors. Redemption proceeds will only be credited into your account after we receive your original Redemption form. Please refer to our company website, www.arecacapital.com for the cut-off time.

Unclaimed Moneys Policy

The Manager will re-invest any moneys payable to Unit Holder in the Fund, if such money remains un-credited to the Unit Holder banking account after three (3) months from the date of payment. The unclaimed money shall exclude Redemption proceeds where it shall be dealt with in accordance with the provisions of the Unclaimed Moneys Act, 1965.

THE MANAGER: ARECA CAPITAL SDN BHD

Areca Capital Sdn Bhd was incorporated on 13 July 2006 under the Companies Act, 1965.

Areca is a licensed fund manager approved by the SC in February 2007. We are engaged in the business of managing, administering, marketing and distributing unit trust funds and managing and administering funds under private mandates and regulated activity of Financial Planning. We launched our three (3) maiden funds in April 2007.

Duties and Responsibilities of the Manager

The Manager's principal duty is to manage and administer the Fund in a proper and efficient manner in accordance with the Deed, the Guidelines and relevant laws, acceptable and efficacious business practice within the unit trust industry and the internal controls and policies of the Manager. The Manager has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of the Fund and Unit Holders.

Roles and Primary Function of the Board of Directors

Board of Directors of Areca Capital Sdn Bhd ("Board")

Our Board of directors plays an active part in the affairs of Areca and the funds under our management. The Board meets at least once every quarter to receive recommendations and reports on investment activities from the person(s) or members undertaking the oversight function of the funds and the senior representatives of Areca. Information on the Board of directors can be found at http://www.arecacapital.com/Board+of+Directors_5_1.htm.

Fund Management Function

Our Fund Managers are authorized to manage the Funds in accordance with their respective investment objectives. This is subject to the requirements of this Master Prospectus, the Deeds, the Guidelines, CMSA, acceptable and efficacious business practice within the unit trust industry and the policies and internal controls of Areca.

The Fund Manager will report to the person(s) or members undertaking the oversight function of the Funds and will implement the investment strategies selected by the person(s) or members undertaking the oversight function of the Funds.

Designated Person Responsible For The Management Of The Funds

Mr. Danny Wong Teck Meng is the person responsible for the overall portfolio management of AETF including broad asset-class allocation and the non-equity portion of the Fund. UOB Asset Management (Malaysia) Berhad is the appointed external fund manager for the equity portfolio of the AETF. Mr. Danny Wong Teck Meng is also the person responsible for the management of AEIF, ADIF and AEGF.

Mr. Edward Iskandar Toh is the designated person responsible for the management of AITF and AMTF.

Litigation and Arbitration

As at 31 August 2022, there is no current material litigation and arbitration, including those pending or threatened any facts likely to give rise to any proceedings which might materially affect our business and/or financial position or any of our delegates.

You may visit our website at www.arecacapital.com for further information on Areca Capital Sdn Bhd and the Fund Managers.

External Fund Manager

UOB Asset Management (Malaysia) Berhad

Areca has appointed UOB Asset Management (Malaysia) Berhad ("UOBAM (M)") as the fund manager for the equity portfolio of Areca equityTRUST Fund. The role and responsibilities of UOBAM (M) includes management of the investment portfolio in accordance with the investment objective and subject to the Capital Markets and Services Act 2007 and the relevant guidelines issued by the Securities Commission of Malaysia ("SC") as well as the terms and conditions of the investment management agreement.

UOBAM (M) is one of the foreign fund management companies in Malaysia, which offers Investment management expertise to unit trust funds as well as Institutions, corporations and individuals through customized portfolio management services. In addition, UOBAM (M) is also a holder of capital markets services license for digital investment management issued by the SC since 2019, UOBAM (M) is substantially owned by UOB Asset Management Ltd. ("UOBAM"), one of the largest fund managers in Singapore in terms of assets under management. UOBAM (M) which commenced its operations in March 1997 has more than 20 years' experience in the fund management industry. It has the support and resource backing of an experienced team of investment professionals at UOBAM, who have specialized skills in portfolio investments in both the Asian and global markets. The total value of funds under management as at 31 July 2022 is RM8.3 billion.

As at 31 July 2022, the company has total staff strength of 68, comprising 11 portfolio managers, analysts and central dealer; and 57 personnel in operations, administration, legal, compliance, risk, product development, IT, investment risk and marketing division. The designated investment manager for the Fund is Ms. Lim Suet Ling. Ms. Lim Suet Ling is the chief executive officer and executive director of UOB Asset Management (Malaysia) Berhad. She graduated with a Bachelor of Business Administration (Hons) from the National University of Singapore in 1989 and is also a chartered financial analyst. She has more than 20 years of experience in the industry and has particular expertise in Malaysian and Asia ex-Japan equities. Her mandates have been wide ranging with varying investment styles and focus. She has held senior positions including the Malaysia equity team head of UOB Asset Management Ltd and has been the portfolio manager of several funds in both Malaysia and Singapore. She was promoted to executive director and chief executive officer of UOBAM (M) in 2005 to oversee the growth of the firm. Ms. Lim Suet Ling holds a capital markets and services representative's license for the regulated activity of fund management.

Litigation and Arbitration

As of 31 August 2022, there is no current material litigation and arbitration, including those pending or threatened any facts likely to give rise to any proceedings which might materially affect the business and/or financial position of UOBAM (M).

MAYBANK TRUSTEES BERHAD

Maybank Trustees Berhad (196301000109 (5004-P)) is the Trustee for AITF, AETF, AEIF, ADIF and AEGF with its registered office at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

Maybank Trustees Berhad ("MTB") was incorporated on 12 April 1963 and registered as a Trust Company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

Experience in Trustee Business

Maybank Trustees Berhad has acquired experience in the administration of unit trust funds/ schemes since 1991.

Duties and Responsibilities of the Trustee

The Trustee's role is mainly to act as custodian of the Fund and to exercise all due diligence and vigilance in carrying out its functions and duties and to safeguard the rights and interests of the Unitholders. The Trustee is the legal owner of the assets in the Fund. The Trustee will exercise oversight functions over the operation and management of the Fund by the management company to safeguard the interests of the Unitholders.

Delegates of the Trustee

MTB has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Securities Solutions ("MSS"), a unit within Malayan Banking Berhad. Maybank Securities Solutions provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub Custodian for major Foreign Banks and Global Custodians. MSS also provides Global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.

The roles and duties of the trustee's delegate, MSS, are as follows:

- Safekeep, reconcile and maintain assets holdings records of funds against trustee's instructions;
- Act as settlement agent for shares and monies to counterparties against trustee's instructions;
- Act as agents for money market placement where applicable against trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from trustee;
- Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the funds against trustee's instructions, etc.

The custodian act only in accordance with instructions from the Trustee.

Litigation and Arbitration

As at 31 August 2022, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

RHB TRUSTEES BERHAD

RHB Trustees Berhad is the trustee for AMTF. RHB Trustees Berhad was incorporated in Malaysia under the Companies Act, 1965 on 6 March 2002. It is registered as a trust company under the Trust Companies Act, 1949 and is also registered with the SC to conduct unit trust business. The principal activity of RHB Trustees Berhad is providing retail and corporate trustee services. RHB Trustees Berhad has been in the trustee business since 2002.

Experience in Trustee Business

RHB Trustees Berhad undertakes all types of trustee business allowed under the Trust Companies Act, 1949, ranging from corporate trustee services to retail services. RHB Trustees Berhad offers corporate trustee services such as trustee for real estate investment trusts (REITs), unit trust funds, private retirement schemes and custodian services. Its retail services include estate planning services (will writing, custodian and executor/trustee services) and private trustee services (private purpose trust, investment trust, charitable trust, insurance trust, business succession trust, estate administration trust, custodian and stakeholder services).

Duties and Responsibilities of the Trustee

The Trustee's functions, duties and responsibilities are set out in the Deed. The general function, duties and responsibility of the Trustee include, but are not limited to, the following:

- a) Acting as trustee and safeguarding the rights and interests of the Unit Holders;
- b) Holding the assets of the Fund for the benefit of the Unit Holders; and
- c) Exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of the Fund.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

The Trustee's Delegate

RHB Trustees Berhad has appointed Malayan Banking Berhad ("MBB") as custodian of the investments of the Fund. The custodian function is run under Maybank Securities Solutions ("MSS"), a unit within Malayan Banking Berhad. Maybank Securities Solutions provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub Custodian for major Foreign Banks and Global Custodians. MSS also provides Global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.

The roles and duties of the trustee's delegate:

- Safekeep, reconcile and maintain assets holdings records of funds against trustee's instructions;
- Act as settlement agent for shares and monies to counterparties against trustee's instructions;
- Act as agents for money market placement where applicable against trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from trustee;
- Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the funds against trustee's instructions, etc.

The custodian acts only in accordance with instructions from the Trustee.

Litigation and Arbitration

As at 31 August 2022, RHB Trustees Berhad is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of RHB Trustees Berhad.

SALIENT TERMS OF THE DEEDS

Unit Holders' Rights & Liabilities

PLEASE BE ADVISED THAT IF YOU INVEST IN UNITS THROUGH AN IUTA WHICH ADOPTS THE NOMINEE SYSTEM OF OWNERSHIP, YOU WOULD NOT BE CONSIDERED TO BE A UNIT HOLDER UNDER THE DEED AND YOU MAY CONSEQUENTLY NOT HAVE ALL THE RIGHTS ORDINARILY EXERCISABLE BY A UNIT HOLDER (FOR EXAMPLE, THE RIGHT TO CALL FOR A UNIT HOLDERS' MEETING AND TO VOTE THEREAT AND THE RIGHT TO HAVE YOUR PARTICULARS APPEARING IN THE REGISTER OF UNIT HOLDERS OF THE FUND).

Rights

As a Unit Holder of the Fund, and subject to the provision of the Deed, you have the right to:

- receive the distributions of income, if any;
- participate in any increase in the value of the Units;
- call for Unit Holders' meeting; vote for the removal of the Trustee or the Manager through a special resolution;
- receive statements, semi-annual reports and annual reports on the Fund; and
- exercise such other rights and privileges as provided for in the Deed.

However, you would not be entitled to require the transfer to you of any of the investment or assets of the Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on its behalf, of the rights of the Trustee as registered owner of such assets.

Liabilities

- No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased.
- A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

Unit Holders' Meeting

Unit Holders' meeting requested by Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving an application from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a meeting of the Unit Holders by:

- (a) sending by post to each Unit Holder at his last known address or, in the case of Jointholders, to the Jointholder whose name stands first in the records of the Manager to the Jointholder's last known address at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders;
- (b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- (c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent financial statements of the Fund;

(d) giving to the Trustee such directions as the meeting thinks proper; or

(e) considering any matter in relation to the Deed.

provided always that the Manager shall not be obliged to summon such a meeting unless direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders.

▪ **Unit Holders meeting summoned by the Manager**

The Manager may for any purpose whatsoever summon a meeting of the Unit Holders by sending by post at least fourteen (14) days before the date of the proposed meeting, or such other time as may prescribed by the relevant laws, a notice of the proposed meeting to all the Unit Holders.

▪ **Unit Holders meeting summoned by the Trustee**

Unless otherwise required or allowed by the relevant laws, a meeting of the Unit Holders summoned by the Trustee where:

- a) the Manager is in liquidation,
- b) in the opinion of the Trustee, the Manager has ceased to carry on business, or
- c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the CMSA,

shall be summoned by:

- a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of Jointholders, to the Jointholder whose name stands first in the records of the Manager at the Jointholder's last known address; and
- b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

Unless otherwise required or allowed by the relevant laws, the Trustee may also summon a Unit Holders' meeting by giving at least fourteen (14) days written notice of the meeting to Unit Holder specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting, for any purpose including, without limitation, for the purpose of:

- a) requiring the retirement or removal of the Manager;
- b) giving instructions to the Trustee or the Manager if the Trustee considers that the investment management policies of the Manager are not in the interests of Unit Holders;
- c) securing the agreement of the Unit Holders to release the Trustee from any liability;
- d) deciding on the next course of action after the Trustee has suspended the sale and repurchase of Units; and
- e) deciding on the reasonableness of the annual management fee charged to the Fund.

The Maximum Fees and Charges permitted by the Deed

The maximum rates of entry fee and exit fee for the Funds as stipulated in the Deed are:

▪ **Sales Charge (Entry Fee)**

- **AITF, AETF, AMTF, AEIF and ADIF**

The maximum rates of entry fees are 10% of the NAV per Unit.

- **AEFG**

The maximum rate of entry fees is 4% of the net investment amount.

▪ **Repurchase Charge (Exit Fee)**

- **AITF, AETF, AMTF, AEIF and ADIF**

The maximum rates of exit fees are 5% of the NAV per Unit.

- **AEFG**

Nil.

The maximum rates of management fee and trustee fee for the Funds as stipulated in the Deed are:

- **Management fee**
 - **AITF, AETF, AMTF, AEIF and ADIF**

The maximum rates of the annual management fees are 2.50% per annum of the NAV of the Funds before the deduction of the management fee and trustee fee for the relevant day.
 - **AEGF**

The maximum rate of the annual management fee is 2.00% per annum of the NAV of the Fund.
- **Trustee fee**
 - **AITF, AETF, AEIF and ADIF**

The maximum rates of the annual trustee fee for the Funds are 0.50% per annum of the NAV of the Funds before the deduction of the management fee and trustee fee for the relevant day (excluding foreign custodian fees and charges).
 - **AMTF**

The maximum rate of the annual trustee fee for is 0.25% per annum of the NAV of the Fund before the deduction of the management fee and trustee fee for the relevant day.
 - **AEGF**

The maximum rate of the annual trustee fee for the Fund is 0.06% per annum of the NAV of the Fund, subject to a minimum fee of RM6,000 per annum.

Procedure on Increase in Fees and Charges from the level disclosed in the Master Prospectus

- **Entry Fee**

A higher entry fee than that disclosed in the Master Prospectus may only be imposed if:

 - a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
 - b) a supplemental prospectus in respect of the Fund setting out the higher charge is issued; and
 - c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus.
- **Exit Fee**

A higher exit fee than that disclosed in the Master Prospectus may only be imposed if:

 - a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
 - b) a supplemental prospectus in respect of the Fund setting out the higher charge is issued; and
 - c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus.
- **Annual Management Fee**

The Manager may not charge an annual management fee at a rate higher than that disclosed in the Master Prospectus unless:

 - a) the Manager has come to an agreement with the Trustee on the higher rate;
 - b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective, such effective date being at least ninety (90) days after the date of the notice;
 - c) a supplemental prospectus stating the higher rate is issued thereafter; and
 - d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental prospectus is issued.

- **Annual trustee fee**

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in the Master Prospectus unless:

- a) the Manager has come to an agreement with the Trustee on the higher rate;
- b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective, such effective date being at least ninety (90) days after the date of the notice;
- c) a supplemental prospectus stating the higher rate is issued thereafter; and
- d) such time as may be prescribed by any relevant law shall have elapsed since the supplemental prospectus is issued.

Procedure to Increase the Maximum Rate of Fees and Charges provided in the Deed

The maximum sales charge or entry fee, repurchase charge, annual management fee or annual trustee fee set out in the Deed can only be increased if a Unit Holders' meeting has been held in accordance with the Deed. Thereafter, a supplemental deed proposing a modification to the Deed to increase the aforesaid maximum fees and charges is required to be submitted for registration with the SC accompanied by a resolution of not less than two-thirds (2/3) of all Unit Holders present and voting at the Unit Holders' meeting sanctioning the proposed modification to the Deed.

Permitted Expenses Payable out of the Fund's Property

Only the expenses (or part thereof) which are directly related and necessary in operating and administering the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- b) taxes and other duties charged on the Fund by the government and/or other authorities;
- c) costs, fees and expenses properly incurred by the auditor;
- d) fees for the valuation of any investment of the Fund;
- e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- m) remuneration and out of pocket expenses of the person(s) or members undertaking the oversight function of the Fund, unless the Manager decides otherwise;
- n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;

- p) costs, fees and expenses incurred in connection with the printing and postage for the annual and semi-annual reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund*;
- q) costs and expenses incurred in relation to the distribution of income (if any)*; and
- r) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (o) (q*) above.

** Note: Applicable for AEGF*

Retirement, Removal Or Replacement Of The Manager

The Manager may retire upon giving three (3) months' notice in writing to the Trustee of its desire to do so, or such shorter period as the Manager and the Trustee may mutually agree upon, and may by Deed appoint in its stead and assign and transfer to the new manager all its rights and duties as manager of the Fund.

Subject to the provisions of any relevant law, the Trustee shall take all reasonable steps to remove the Manager:

- a) if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for it to do so after the Trustee has given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a special resolution;
- b) unless expressly directed otherwise by the relevant authorities, if the Manager is in breach of any of its obligations or duties under the Deed or the relevant laws, or has ceased to be eligible to be a manager under the relevant laws; or
- c) the Manager has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose, or has had a receiver appointed or has ceased to carry on business;

The Manager shall upon receipt of a written notice from the Trustee cease to be the manager of the Fund by the mere fact of the Manager's receipt of the notice. The Trustee shall, at the same time, by writing appoint some other corporation already approved by the relevant authorities to be the manager of the Fund; such corporation shall have entered into such deed or deeds as the Trustee may consider to be necessary or desirable to secure the due performance of its duties as manager for the Fund.

Retirement, Removal Or Replacement Of The Trustee

The Trustee may retire upon giving three (3) months' notice in writing to the Manager of its desire to do so, or such shorter period as the Manager and the Trustee may agree upon; the Manager shall appoint in writing a trustee approved by the relevant authorities to be the new trustee of the Fund.

The Trustee may be removed and another trustee may be appointed by special resolution of the Unit Holders at a duly convened meeting of which notice has been given to the Unit Holders in accordance with the Deed.

The Manager shall take all reasonable steps to replace a trustee as soon as practicable after becoming aware that:

- The Trustee has ceased to exist;
- The Trustee has not been validly appointed;
- The Trustee is not eligible to be appointed or to act as trustee;
- The Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the deed or the provisions of the CMSA; or
- A receiver has been appointed over the whole or a substantial part of the assets or undertaking of the existing trustee and has not ceased to act under that appointment, or a petition has been presented for the

winding up of the existing Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction, the existing trustee becomes or is declared to be insolvent); or

- The trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 (now known as the Companies Act 2016) or any securities law.

Termination of the Fund

The Fund may be terminated or wound up upon the occurrence of any of the following events:

- The SC has withdrawn the authorisation of the Fund pursuant to Section 256E of the CMSA;
- A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund, following occurrence of events stipulated under section 301(1) of the CMSA and the court confirmed the resolution, as required under section 301(2) of the CMSA;
- A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund;
- The Fund has reached its maturity dated as specified in the Deed; or
- The effective date of an approved transfer scheme has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

Upon the termination of the trust hereby created, the Trustee shall:

- a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and
- b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:
 - i. the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and
 - ii. any available cash produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of Fifty (50) sen in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event of the trust hereby created being terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by the Deed and all relevant laws.

Notwithstanding the aforesaid, the Manager may also, in its absolute discretion and without having to obtain the prior consent of the Unit Holders, terminate and wind up the Fund if the Manager and the Trustee agree that it is no longer economical and to the best interests of the Unit Holders for the Manager to continue managing the Fund.

Termination of Trust by the Trustee

In any of the following events:

- if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;
- if, in the opinion of the Trustee, the Manager has ceased to carry on business; or
- if, in the opinion of the Trustee, the Manager has to the prejudice of Unit Holders failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law;

The Trustee shall summon a meeting of Unit Holders for the purpose of seeking directions from the Unit Holders.

If at any such meeting a special resolution to terminate the trust in respect to the Fund and to wind-up the Fund is passed by the Unit Holders, the Trustee shall apply to the court for an order confirming such special resolution.

The Manager shall as soon as practicable after the winding up of the Fund inform Unit Holders and the Trustee shall inform the relevant authorities of the same in such manner as may be prescribed by any relevant law. The Trustee shall also arrange for a final review and audit of the final accounts of the Fund by the auditor.

Deeds That Govern The Funds

Fund(s)	Deed(s)
AIEF, AETF and AEIF	<ul style="list-style-type: none"> • The Deed dated 12 March 2007 • 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. • Seventh Supplemental Master Deed dated 29 August 2022.
AMTF	<ul style="list-style-type: none"> • The Deed dated 12 March 2007 • First Supplemental Deed dated 25 August 2008 • Second Supplemental Deed dated 10 April 2009 • Third Supplemental Deed dated 15 August 2013 • Fourth Supplemental Deed dated 7 December 2018. • Fifth Supplemental Deed dated 17 August 2022.
ADIF	<ul style="list-style-type: none"> • The deed dated 20 January 2017 • First Supplemental Deed dated 29 August 2022.
AEGF	<ul style="list-style-type: none"> • The deed dated 19 October 2020 • First Supplemental Deed dated 29 August 2022

RELATED-PARTY TRANSACTION AND CONFLICT OF INTEREST

Areca Capital Sdn Bhd

There are no existing or proposed related party transactions involving or in connection with the Funds.

We have in place policies and procedure to deal with any conflict of interest situations. All transactions with related parties are executed on terms that are best available to the Funds and which are no less favourable than arm's length transaction between independent parties.

Our directors or any employees may invest in the Funds managed or distributed by us. Trading in securities by our employees is allowed, provided that policies and procedures in respect of the personal account dealing are observed. An annual declaration of securities trading is required from all directors and employees to ensure there is no potential conflict of interest.

Maybank Trustees Berhad

As the trustee for AITF, AETF, AEIF, ADIF and AEGF, there may be related party transaction involving or in connection with the Fund(s) in the following events:-

- 1) Where the Funds invests in instruments offered by the related party of the Trustee (e.g. placement of monies, Structured Products, etc);
- 2) Where the Funds is being distributed by the related party of the Trustee as Institutional Unit Trust Adviser (IUTA);
- 3) Where the assets of the Funds are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Funds (Trustee's delegate); and
- 4) Where the Funds obtains financing as permitted under the Guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of its position as the owner of the Funds' assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Funds and which are no less favorable to the Fund than an arm's length transaction between independent parties.

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Funds or any Unit Holder or enter into any contract or transaction with each other, the Funds or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

RHB Trustees Berhad

There are no existing and/or proposed related party transactions involving or in connection with AMTF.

Should there be any proposed related part transaction(s) entered into by the Fund Manager, such transaction(s) will be on terms that there are no less favorable to the Fund, neither will it be detrimental to the interest of the Unit Holders.

TAXATION ADVISER'S LETTER
(Deloitte Tax Services Sdn Bhd)

31 October 2022

The Board of Directors
Areca Capital Sdn Bhd
107, Block B
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya

Selangor

Dear Sirs

Taxation of the Funds and Unit Holders

- **Areca incomeTRUST Fund**
- **Areca equityTRUST Fund**
- **Areca moneyTRUST Fund**
- **Areca enhancedINCOME Fund**
- **Areca Dividend Income Fund**

1. This letter has been prepared for inclusion in the Replacement Master Prospectus (hereinafter referred to as "the Master Prospectus") in connection with the offer of units in the abovementioned Funds (each of the Funds is referred to hereinafter as "the Fund").

The following is general information based on Malaysian tax law in force at the time of lodging the Master Prospectus with the Securities Commission Malaysia ("SC") and investors should be aware that the tax law may be changed at any time. To an extent, the application of tax law depends upon an investor's individual circumstances. The information provided below does not constitute tax advice. The Manager therefore recommends that an investor consult his accountant or tax adviser on questions about his individual tax position.

2. Taxation of the Fund

2.1 Income Tax

As the Fund's Trustee is a resident in Malaysia, the Fund is regarded as a resident in Malaysia. The taxation of the Fund is governed principally by Sections 61 and 63B of the Malaysian Income Tax Act, 1967 ("MITA").

Pursuant to the Section 2(7) of MITA, any reference to interest shall apply, mutatis mutandis, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah. The effect of this is that any gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah, will be accorded the same tax treatment as if they were interest.

The income of the Fund in respect of dividends, interest or profits from deposits and other investment income (other than income which is exempt from tax) derived from or accruing in Malaysia or received in Malaysia from outside Malaysia is liable to income tax. The Fund may be receiving income such as exit fee which will be subject to tax at the prevailing tax rate applicable on the Fund. Gains on disposal of investments by the Fund will not be subject to income tax.

The income tax rate applicable to the Fund is 24%.

Tax exempt interest as listed in the Appendix attached received by the Fund are not subject to income tax.

With effect from 1 January 2014, Malaysia has fully moved to a single-tier income tax system. The Fund is not liable to tax on any Malaysia sourced dividends paid, credited or distributed to the Fund under the single-tier tax system, where the company paying such dividend is not entitled to deduct tax under the MITA. The tax deductibility of other deductions by the Fund against such dividend income will be disregarded in ascertaining the chargeable income of the Fund.

In addition to the single-tier dividend that may be received by the Fund, the Fund may also receive Malaysian dividends which are tax exempt from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund is not subject to income tax on such tax exempt dividend income.

The Fund may also receive interest, dividends, profits and other income from investments derived from sources outside of Malaysia. Prior to 1 January 2022, income arising from sources outside Malaysia and received in Malaysia was exempted from Malaysian income tax pursuant to Paragraph 28 of Schedule 6 of the MITA. Effective from 1 January 2022, Paragraph 28 of Schedule 6 of the MITA was amended to only exempt a non-resident person from foreign sourced income received in Malaysia. Unit trusts funds with a trustee who is tax resident in Malaysia are considered tax residents of Malaysia and would not qualify for the exemption under the amended Paragraph 28 of Schedule 6 of the MITA.

The Ministry of Finance of Malaysia issued the gazette orders, Income Tax (Exemption) (No. 5) Order 2022 [P.U.(A) 234/2022] and Income Tax (Exemption) (No. 6) Order 2022 [P.U.(A) 235/2022] on 19 July 2022 which took effect from 1 January 2022. The orders grant exemption on foreign sourced income as follows:

- Dividend income received by companies and limited liability partnerships; and
- All types of foreign sourced income received by individuals, except for those carrying on a partnership business in Malaysia.

However, as the unit trust fund is not a "company", "limited liability partnership" or "individual", the above gazette orders do not apply to unit trust funds.

The income of the Fund which is received in Malaysia from outside Malaysia during the period from 1 January 2022 until 30 June 2022 is subject to the tax rate of 3% on gross foreign sourced income received in Malaysia. Foreign sourced income received in Malaysia from 1 July 2022 onwards will be taxed based on the prevailing income tax rate applicable to the Fund, i.e. 24%.

The foreign sourced income of the Fund may be subject to foreign tax in the country from which the income is derived. Pursuant to Schedule 7 of the MITA, where an income is chargeable to tax in Malaysia as well as in a foreign country, a relief shall be given by way of credit known as bilateral credit if the source country has a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 100% of foreign tax suffered and unilateral credit if the source country does not have a tax treaty with Malaysia where the foreign tax credit shall be set-off up to 50% of foreign tax suffered.

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into. Generally, any gain or loss relating to the principal portion will be treated as capital gain or loss. Gains or losses relating to the income portion would normally be treated as revenue gains or losses. The gain or loss on revaluation will only be taxed or claimed upon realisation. Any gain or loss on foreign exchange is treated as capital gain or loss if it arises from the revaluation of the principal portion of the investment.

Generally, income from distribution by the Malaysia Real Estate Investment Trusts ("REITs") will be received net of withholding tax of 10%. No further tax will be payable by the Fund on the distribution. Distribution from such income by the Fund will also not be subject to further tax in the hands of the Unit Holders.

Expenses being manager's remuneration, maintenance of register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage, which are not allowed under the general deduction rules, qualify for a special deduction, subject to a minimum of 10% and a maximum of 25% of such expenses pursuant to Section 63B of the MITA.

2.2 Gains on Disposal of Investments

Gains on disposal of investments by the Fund will not be subject to income tax but where the investments represent shares in real property companies, such gains may be subject to Real Property Gains Tax ("RPGT") under the RPGT Act, 1976. A real property company is a controlled company which owns or acquires real properties or shares in real property companies with a market value of not less than 75% of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

2.3 Service Tax

The issuance of units by the Fund to investors will not be subject to Service Tax. Any distributions made by the Fund to unitholders are also not subject to Service Tax. The Fund would not be required to pay Service Tax on the acquisition of fund management services from the Fund Manager.

To the extent that the Fund invests in any financial services products (e.g. securities, derivatives, units in a fund or unit trust), the acquisition of these interests will also not be subject to Service Tax.

If the Fund acquires any imported taxable services from a service provider outside of Malaysia, these services would be subject to 6% Service Tax. The Fund would be required to file an SST-02A return on an ad hoc basis and report and pay this amount of tax to the Royal Malaysian Customs Department.

3. Taxation of Unit Holders

3.1 Taxable Distribution

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent such income is distributed to them. Unit Holders are also liable to pay income tax on the taxable income distributions paid by the Fund. Taxable income distributions carry a tax credit in respect of the tax chargeable on that part of the Fund. Unit Holders will be subject to tax on an amount equal to the net

taxable income distribution plus attributable underlying tax paid by the Fund. No withholding tax will be imposed on the income distribution of the Fund.

Income distributed to Unit Holders is generally taxable as follows in Malaysia:-

Unit Holders	Malaysian Tax Rates for Year of Assessment 2021	Malaysian Tax Rates for Year of Assessment 2022
<p>Malaysian tax residents:</p> <ul style="list-style-type: none"> ▪ Individual and non-corporate Unit Holders ▪ Co-operative societies ▪ Trust bodies ▪ Corporate Unit Holders <ul style="list-style-type: none"> i. A company with paid up capital in respect of ordinary shares of not more than RM2.5 million where the paid up capital in respect of ordinary shares of other companies within the same group as such company is not more than RM2.5 million (at the beginning of the basis period for a year of assessment) and having gross income from source or sources consisting of a business of not more than RM50 million for the basis period of a year assessment ii. Companies other than those in (i) above <p>Non-Malaysian tax residents:</p> <ul style="list-style-type: none"> • Individual and non-corporate Unit Holders • Co-operative societies 	<ul style="list-style-type: none"> ▪ Progressive tax rates ranging from 0% to 30% ▪ Progressive tax rates ranging from 0% to 24% ▪ 24% ▪ 17% for every first RM600,000 of chargeable income ▪ 24% for chargeable income in excess of RM600,000 ▪ 24% ▪ 30% ▪ 24% 	<ul style="list-style-type: none"> ▪ Progressive tax rates ranging from 0% to 30% ▪ Progressive tax rates ranging from 0% to 24% ▪ 24% ▪ 17% for every first RM600,000 of chargeable income ▪ 24% for chargeable income in excess of RM600,000 ▪ 24% ▪ 33% for chargeable income in excess of RM100,000,000 for the year of assessment 2022 only ▪ 30% ▪ 24%

The tax credit that is attributable to the income distributed to the Unit Holders will be available for set off against tax payable by the Unit Holders. There is no withholding tax on taxable distributions made to non-resident Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaties with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

3.2 Withholding Tax on Distribution from Retail Money Market Fund ("RMMF") to Unit Holders

Distribution of income of a unit trust fund that is a RMMF to its Unit Holders (other than the distribution of interest income to non-individual Unit Holders) is exempted from tax in the hands of the Unit Holders. Non-individual Unit Holders will be chargeable to tax on the income distributed to the Unit Holder from the interest income of a RMMF exempted under Paragraph 35A of Schedule 6 of the MITA with effect from 1 January 2022 as follows:-

Types of Unit Holders	Malaysian Tax Rates for Year of Assessment 2022
Non-individual residents: <ul style="list-style-type: none"> ▪ Withholding tax rate ▪ Withholding tax mechanism ▪ Due date of payment 	<ul style="list-style-type: none"> ▪ 24% ▪ Income distribution carries a tax credit, which can be utilised to set off against the tax payable by the Unit Holders ▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income
Non-individual non-residents: <ul style="list-style-type: none"> ▪ Withholding tax rate ▪ Withholding tax mechanism ▪ Due date of payment 	<ul style="list-style-type: none"> ▪ 24% ▪ Withholding tax deducted will be regarded as a final tax ▪ The withholding tax is to be remitted to the Director General of Malaysian Inland Revenue within one month of the distribution of interest income

As the Fund is not a RMMF, the above withholding tax on distribution of interest income that is exempted under Paragraph 35A of Schedule 6 of the MITA will not be applicable to the non-individual Unit Holders of the Fund.

3.3 Tax Exempt Distribution

Tax exempt distributions made out of gains from realisation of investments and other exempt income earned by the Fund will not be subject to Malaysian tax in the hands of Unit Holders, whether individual or corporate, resident or non-resident. All Unit Holders do not pay tax on that portion of their income distribution from the Fund's distribution equalisation account.

3.4 Distribution Voucher

To help complete a Unit Holder's tax returns, the Manager will send to each Unit Holder a distribution voucher as and when distributions are made. This sets out the various components of the income distributed and the amount of attributable income tax already paid by the Fund.

3.5 Sale, Transfer or Redemption of Units

Any gains realised by a Unit Holder on the sale, transfer or redemption of his units are generally tax-free capital gains unless the Unit Holder is an insurance company, a financial institution or a person trading or dealing in securities. Generally, the gains realised by these categories of Unit Holders constitute business income on which tax is chargeable.

3.6 Reinvestment of Distribution

Unit Holders who receive their income distribution by way of investment in the form of the purchase of new units will be deemed to have received their income distribution after tax and reinvested that amount in the Fund.

3.7 Unit Splits

Unit splits issued by the Fund are not taxable in the hands of the Unit Holders.

3.8 Service Tax

Pursuant to the Lampiran A of the First Schedule of the Service Tax Regulations 2018 ("First Schedule"), only taxable services listed in the First Schedule are subject to service tax. This excludes any investment income or gains received by the Unit Holder as such income and gains are not prescribed taxable services.

The legal fees, consultant fees and management fees may be subject to service tax at 6% if the service providers are registered for Services Tax. Effective from 1 January 2019, the imposition and scope of service tax has been widened to include any imported taxable service.

We hereby confirm that the statements made in this tax adviser letter correctly reflect our understanding and the interpretation of the current Malaysian tax legislations and the related interpretation and practice thereof, all of which may subject to change. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Tax Exempt Income of Unit Trusts

1. Interest or discount paid or credited to any individual, unit trust and listed closed-end fund in respect of the following will be exempt from tax:-
 - Securities or bonds issued or guaranteed by the Government; or
 - Debentures or sukuk, other than convertible loan stock, approved or authorized by, or lodged with, the SC; or
 - Bon Simpanan Malaysia issued by the Central Bank of Malaysia.
2. Income of a unit trust in respect of interest derived from Malaysia and paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 ("FSA") or the Islamic Financial Services Act 2013 ("IFSA") or any development financial institution regulated under the Development Financial Institutions Act 2002 ("DFIA").

Provided that the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.
3. Interest in respect of any savings certificates issued by the Government.
4. Interest paid or credited to any person in respect of Sukuk originating from Malaysia, other than convertible loan stock, issued in any currency other than RM and approved or authorized by, or lodged with, the SC or approved by the Labuan Financial Services Authority.
5. Interest received in respect of bonds and securities issued by Pengurusan Danaharta Nasional Berhad within and outside Malaysia.
6. Interest income derived from bonds (other than convertible loan stocks) paid or credited by any company listed in Malaysia Exchange of Securities Dealing and Automated Quotation Berhad ("MESDAQ") (now known as Bursa Malaysia Securities Berhad ACE Market).
7. Income derived from the Sukuk Issue which has been issued by the Malaysia Global Sukuk Inc.
8. Discount or profit received from the sale of bonds or securities issued by Pengurusan Danaharta Nasional Berhad or Danaharta Urus Sendirian Berhad within and outside Malaysia.
9. Income derived from the Sukuk Ijarah, other than convertible loan stock, issued in any currency by 1Malaysia Sukuk Global Berhad.
10. Gain or profit received from the investment in Islamic securities, other than convertible loan stock, which are issued in accordance with the principles of *Mudharabah*, *Musyarakah*, *Ijarah*, *Istisna'* or any other principle approved by the Shariah Advisory Council established by the SC under the Capital Markets and Services Act 2007.
11. Gains or profits in lieu of interest, derived from the Sukuk Wakala in accordance with the principle of *Al-Wakala Bil Istithmar*, other than a convertible loan stock, issued in any currency by Wakala Global Sukuk Berhad.
12. Income derived from Sukuk Kijang is exempted from the payment of income tax pursuant to Income Tax (Exemption) (No. 10) Order 2013. For the purpose of this order, "Sukuk Kijang" means the Islamic Securities of nominal value of up to two hundred and fifty million United States dollars (USD\$250,000,000) issued or to be issued in accordance with the Shariah principle of Ijarah by BNM Kijang Berhad.

TAXATION ADVISER'S LETTER

TAXATION ADVISER'S LETTER ON TAXATION OF THE FUND AND UNIT HOLDERS (Prepared for inclusion in this Replacement Master Prospectus)

PricewaterhouseCoopers Taxation Services Sdn Bhd

Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O.Box 10192
50706 Kuala Lumpur

The Board of Directors

Areca Capital Sdn Bhd
107, Blok B
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor

31 October 2022

TAXATION OF THE FUND AND UNIT HOLDERS

Dear Sirs,

This letter has been prepared for inclusion in the Replacement Master Prospectus in connection with the offer of units in Areca Equity Growth Fund ("the Fund").

The taxation of income for both the Fund and the Unit Holders are subject to the provisions of the Malaysian Income Tax Act 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

TAXATION OF THE FUND

The Fund will be regarded as resident for Malaysian tax purposes since the Trustee of the Fund is resident in Malaysia.

(1) Domestic Investments

(i) General Taxation

Subject to certain exemptions, the income of the Fund consisting of dividends or interest income (other than interest income which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments in Malaysia by the Fund will not be subject to Malaysian income tax.

(ii) Dividends and Other Exempt Income

Effective 1 January 2014, all companies would adopt the single-tier system. Hence, dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refund available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or discount income derived from the following investments is exempt from tax:

- (a) Securities or bonds issued or guaranteed by the government of Malaysia;
- (b) Debenture¹ other than convertible loan stocks, approved or authorized by, or lodged with, the Securities Commission Malaysia; and
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest income derived from the following investments is exempt from tax:

- (a) Interest income paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013;

- (b) Interest income paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- (d) Interest income paid or credited by Malaysia Building Society Berhad².

The interest income or discount income exempted from tax at the Fund's level will also be exempted from tax upon distribution to the Unit Holders.

Exception: -

- i. Wholesale money market fund

With effect from 1 January 2019, the exemption shall not apply to interest income paid or credited to a unit trust that is a wholesale money market fund.

- ii. Retail money market fund ("RMMF")

Based on the Finance Act 2021, the interest income of a RMMF will remain tax exempted under Paragraph 35A, Schedule 6 of the Act. However, resident and non-resident Unit Holders (other than individual Unit Holders), who receive income distributed from interest income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to withholding tax ("WHT") at the rate of 24 per cent. This new WHT will be effective from 1 January 2022 onwards.

The WHT is to be withheld and remitted by the RMMF to the tax authorities within 30 days upon distribution of the income to the Unit Holders.

(2) Foreign Investments

With effect from 1 January 2022, the exemption of foreign-sourced income received in Malaysia is only applicable to a person who is a non-resident.

However, subject to qualifying conditions (also subject to compliance with conditions imposed by the Ministry of Finance as specified in the IRB's guidelines), the following foreign-sourced income received from 1 January 2022 to 31 December 2026 (5 years) will continue to be exempted from Malaysian income tax:

- Dividend income received by resident companies, limited liability partnerships and resident individuals (in respect of dividend income received through a partnership business in Malaysia).
- All classes of income (excluding a source of income from a partnership business in Malaysia, which is received in Malaysia from outside Malaysia) received by resident individuals.

Based on clarifications from the IRB, foreign-sourced income (e.g. dividends, interest, etc.) of a resident Fund which is received in Malaysia will be subject to tax. There will be a transitional period from 1 January 2022 to 30 June 2022 where foreign-sourced income remitted to Malaysia will be taxed at the rate of 3% on gross income. From 1 July 2022 onwards, any foreign-sourced income remitted to Malaysia will be subject to Malaysian income tax at the rate of 24% for a resident Fund.

Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. Subject to meeting the relevant prescribed requirements, the Fund in Malaysia is entitled for double taxation relief on any foreign tax suffered on the income in respect of overseas investment.

Gains on disposal of foreign investments by the Fund will not be subject to Malaysian income tax.

The foreign income subjected to Malaysian tax at the Fund level will also be taxable upon distribution to the Unit Holders. However, the income distribution from the Fund will carry a tax credit in respect of the Malaysian tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them.

(3) Hedging Instruments

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

(4) Tax Deductible Expenses

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unit Holders, share registration expenses, secretarial, audit and accounting

fees, telephone charges, printing and stationery costs and postages based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

(5) Real Property Gains Tax ("RPGT")

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies³ ("chargeable asset") would be subject to RPGT as follows:-

Disposal time frame	RPGT rates (Companies incorporated in Malaysia and Trustee of a trust)
Within 3 years	30%
In the 4th year	20%
In the 5th year	15%
In the 6th year and subsequent years	10%

(6) Sales and Service Tax ("SST")

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax ("GST"). Both the Sales Tax Act 2018 and Services Tax Act 2018 have been gazetted on 28 August 2018. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 6 per cent.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable cost to the business.

In general, the Fund, being collective investment vehicle, will not be caught under the service tax regime.

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 6 percent. However, fund management services and trust services are excluded from service tax. With effect from 1 January 2019, service tax will apply to any taxable service that is acquired by any business in Malaysia from a non-Malaysian service provider. In this connection, the Fund, being non-taxable person who acquire imported taxable services (if any) will need to declare its imported taxable services through the submission of prescribed declaration, i.e. Form SST-02A to the Royal Malaysian Customs Department ("RMCD").

With effect from 1 January 2020, service tax on digital services was implemented at the rate of 6 per cent. Under the service tax on digital services, foreign service providers selling digital services to Malaysian consumers are required to register for and charge service tax. Digital services are defined as services which are delivered or subscribed over the internet or other electronic network, cannot be delivered without the use of IT and the delivery of the service is substantially automated.

Furthermore, the provision of digital services has also been prescribed as a taxable service when provided by a local service provider with effect from 1 January 2020. Hence, where the Fund obtains any of the prescribed digital services, those services may be subject to service tax at 6 percent.

TAXATION OF UNIT HOLDERS

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. Generally, no additional withholding tax will be imposed on the income distribution from the Fund; unless the Fund is an RMMF, in which case there is a WHT on distribution from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6 and distributed to non-individual unitholders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.

Corporate Unit Holders, resident⁴ and non-resident, will generally be liable to income tax at 24 per cent⁵ on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

Individuals and other non-corporate Unit Holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 30 per cent. Individuals and other non-corporate Unit Holders who are not resident in Malaysia will be subject to income tax at 30 per cent. The tax credits attributable to the distribution of income will be utilised against the tax liabilities of these Unit Holders.

The distribution of exempt income and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the Unit Holders.

Based on the Finance Act 2021, in respect of distribution from a RMMF, resident and non-resident corporate Unit Holders (other than individual Unit Holders), who receive income distributed from interest income of the RMMF which are exempted under Paragraph 35A of Schedule 6, will be subject to WHT at the rate of 24%, effective from 1 January 2022.

For resident corporate Unit Holders, the WHT is not a final tax. The resident corporate Unit Holders will need to subject the income distributed from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6 to tax in its income tax returns and the attached tax credit i.e. the 24% WHT suffered will be available for set-off against the tax chargeable on the resident corporate Unit Holders.

For non-resident Corporate Unit Holders, the 24% WHT on income distributed from interest income of a RMMF which are exempted under Paragraph 35A of Schedule 6, is a final tax.

Any gains realised by Unit Holders (other than those in the business of dealing in securities, insurance companies or financial institutions) on the sale or redemption of the Units are treated as capital gains and will not be subject to income tax. This tax treatment will include in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit Holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new Units out of their income distribution after tax. Unit splits issued by the Fund are not taxable in the hands of Unit Holders.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,
for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Lim Phaik Hoon
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which it appears in this Replacement Master Prospectus and have not, before the date of issue of this Replacement Master Prospectus, withdrawn such consent.

-
1. Structured products approved by the Securities Commission Malaysia are deemed to be "debenture" under the Capital Markets and Services Act, 2007 and fall within the scope of exemption.
 2. Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect year of assessment ("YA") 2015.
 3. A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.
 4. Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below and having an annual sale of not more than RM50 million will pay tax at 17% for the first RM600,000 of chargeable income with the balance taxed at 24% with effect from YA 2020.

With effect from YA 2009, the above shall not apply if more than –

- (a) 50% of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50% of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50% of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

"Related company" means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

5. Pursuant to Finance Act 2021, the income tax rate for a company (other than Micro, Small and Medium Enterprises) will be increased to 33% if a company has chargeable income exceeding RM100,000,000 in YA 2022.

ADDITIONAL INFORMATION

You may always contact our team of Investor Care who would be happy to assist you in your:

- Enquiry on balance account and market value;
- Investment, redemption, transfer, and cooling-off request;
- Request to update personal details; and
- Fund's NAV or any other queries regarding the Fund's performance.

You may choose to communicate with us via:-

- Telephone : 603 7956 3111
- Facsimile : 603 7955 4111
- E-mail : invest@arecacapital.com

In addition, you may also review the NAV per Unit of the Fund in any major local newspaper or visit our website at www.arecacapital.com to obtain more information on us, our products and services.

You can constantly keep abreast of their investment portfolios via:-

- Semi-annual reports comprising unaudited financial statements, Manager's report on the Funds' information, performance and review, market outlook and review and Trustees' report. The semi-annual report will be distributed (online or otherwise) to all Unit Holders within 2 months from the end of the financial period;
- Annual reports comprising audited financial statements, Manager's report on the Funds' information, performance and review, market outlook and review, Trustees' report and auditors' report. The annual report will be distributed (online or otherwise) to all Unit Holders within 2 months from the close of each financial year;
- Areca Online at www.arecacapital.com.

You are advised to keep your statement for record purposes.

In the event of joint accounts, the principal holder shall receive the confirmation advices, all notices and correspondence with respect to the account, as well as any redemption proceeds or income distributions.

THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST

Documents Available For Inspection

The following documents or copies thereof will be available for inspection (without charge) during normal business hours at the registered office of the Manager or such other place as the SC may determine;

- the Deed;
- the Master Prospectus and supplementary master prospectus or replacement master prospectus, if any;
- the latest annual and semi-annual reports of the Fund;
- each material contract disclosed in the Master Prospectus and, in the case of contracts not reduced in writing, a memorandum which gives full particular of the contracts;
- the audited financial statements of the Manager and the Fund for the current financial year (where applicable) and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- all reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Master Prospectus. Where a summary expert's report is included in the Master Prospectus, the corresponding full expert's report should be made available for inspection;
- writ and relevant cause papers for all material litigation and arbitration disclosed in the Master Prospectus; and
- all consents given by experts disclosed in this Master Prospectus.

CONSENT

- The Trustee, the Trustee's delegate and UOBAM(M)'s have given their consent for the inclusion of their names and statements in the form and context in which they appear in this Prospectus and have not withdrawn such consent.
- The tax adviser has given its consent for the inclusion of its name and tax adviser's letter in the form and context in which they appear in this Prospectus and have not withdrawn such consent.

DIRECTORY

Units can be bought and sold on any Business Day from Monday to Friday at the following locations:

Our offices:

Head Office

107, Blok B, Pusat Dagangan

Phileo Damansara I

No.9 Jalan 16/11, Off Jalan Damansara

46350 Petaling Jaya, Selangor

Tel: 603-7956 3111

Fax: 603-7955 4111

Email: invest@arecacapital.com

Branches:

Ipoh

11A, (First Floor)

Persiaran Greentown 5

Greentown Business Centre

30450 Ipoh, Perak.

Tel: 605-249 6697

Fax : 605-249 6696

Malacca

95A, Jalan Melaka Raya 24

Taman Melaka Raya

75000 Melaka

Tel : 606-282 9111

Fax : 606-283 9112

Johor Bahru

No. 105, Jalan Meranti

Taman Melodies

80250 Johor Bahru

Tel : 607-336 3689

Penang

368-2-02 Belissa Row

Jalan Burma, Georgetown

10350 Pulau Pinang

Tel : 604-210 2011

Fax : 604-210 2013

Kuching

1st Floor, Sublot 3, Lot 7998,

Block 16, KCLD, Cha Yi Goldland,

Jalan Tun Jugah, Stutong,

93350 Kuching, Sarawak

Tel: 082-572 472

Kota Kinabalu

Unit 5-1-8, 1st Floor

Lorong Api-Api Centre

88000 Kota Kinabalu, Sabah

Tel: 088-276 757

We may appoint additional third party distributors/IUTA to distribute the Funds. Please contact us at 03-7956 3111 for the updated list of appointed distributors/IUTA.



ARECA CAPITAL SDN BHD (200601021087 (740840-D))

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Melaka Branch

95-A, Jalan Melaka Raya 24
Taman Melaka Raya, 75000 Melaka
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Kota Kinabalu Branch

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