

# PRODUCT HIGHLIGHTS SHEET

## Areca Islamic Cash Fund

(Date of Constitution: 03 June 2015)

### **RESPONSIBILITY STATEMENT**

This Product Highlights Sheet has been reviewed and approved by the Directors of Areca Capital Sdn Bhd and collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

### **SPECIFIC RISK DISCLOSURE STATEMENTS**

In the event some of the underlying investments of the Areca Islamic Cash Fund are not actively traded, potential investors are warned that under such circumstances, they may face difficulties in redeeming their investments. Investors are advised to read and understand the contents of this Information Memorandum and obtain professional advice before subscribing to the Units of the Fund.

Areca Islamic Cash Fund has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund.

### **STATEMENT OF DISCLAIMER**

The Securities Commission Malaysia has authorised the issuance of Areca Islamic Cash Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia. The authorisation of the Areca Islamic Cash Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Areca Islamic Cash Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet. The Securities Commission Malaysia is not liable for any non-disclosure on the part of Areca Capital Sdn Bhd responsible for the Areca Islamic Cash Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.



### **NO CASH POLICY**

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

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

**INVESTOR SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT WHEN PURCHASING UNITS OF THE FUND.**

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

## PRODUCT HIGHLIGHTS SHEET

### ARECA ISLAMIC CASH FUND

#### BRIEF INFORMATION ON THE FUND

#### 1. What is this fund about?

Fund category / type	Income / Islamic Fixed Income (Wholesale)
Manager	Areca Capital Sdn Bhd (200601021087 (740840-D))
Trustee	RHB Trustees Berhad (200201005356 (573019-U))

#### PRODUCT SUITABILITY

#### 2. Who is this fund suitable for?

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

This Fund is suitable for investors who are:

- Have low risk tolerance;
- Have a Short-Term investment horizon; and
- seek potential income from Shariah-compliant investment.

#### KEY FUND FEATURES

#### 3. What am I investing in?

Launch date	18 June 2015
Objective of the Fund	The Fund seeks to offer investors regular income. Any material changes to the Fund's objective would require Unit Holders' approval.
Investment Strategy	The Fund may invest up to 30% of its NAV in Islamic fixed income securities including Ringgit denominated sukuk and invest its remaining NAV in Short-Term Islamic money market instruments and Islamic Deposits and placement with Islamic investment account with different maturity periods to meet the objective of the Fund.
Asset Allocation	<ul style="list-style-type: none"> <li>• <u>Islamic fixed income securities:</u> -Up to 30% of the NAV of the Fund (at time of purchase)</li> <li>• <u>Islamic money market instruments (other than those instruments classified as Islamic Liquid Assets), Islamic Deposits and placement with Islamic investment account and other Islamic Liquid Assets:</u> Remaining balance of the NAV of the Fund</li> </ul>
Performance Benchmark	Maybank Islamic 1 month REPO rate.
Income Distribution and Reinvestment Policy	Twice a year, subject to availability of distributable income. 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.
Financial Year End	30 September

**4. Who am I investing in?**

Manager	Areca Capital Sdn Bhd (200601021087 (740840-D))
Trustee	RHB Trustees Berhad (200201005356 (573019-U))

**5. What are the possible outcomes of my investment?**

There are many possible outcomes associated with an investment in the Fund and involves some degree of risk. Investors are to take note that the value of an investment in the Fund and its distributions payable (if any) may go down as well as up and are not guaranteed. The value of your investment is at risk depending on the underlying investments of the Fund.

Under normal circumstances, the Manager aims to out-perform the Fund's benchmark, the Maybank's Islamic 1-month REPO rate. However, on the flip side, the Fund may post a much lower return or even incurring losses if one or more of the key risks occur. **In the worst scenario where all the investments of the Fund are in default or suspended, investors may lose part or even all of your initial investments.**

**KEY RISKS****6. What are the key risks associated with this fund?**

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

Below are the risks associated in the product which may cause significant losses if they occur.

**General risks of investing in the Unit Trust 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, social and/or other factors, which will result in a decline in the fund's net asset value. Market risk stems from the fact that there are economy-wide perils which impact all businesses. Investors will be exposed to market uncertainties no matter how a fund's investments are diversified. The fluctuations in the economy, political and social environment will affect the market price of the fund's investments either in a positive or negative way.
- **Manager's Risk**  
This risk refers to the day-to-day management of a 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 laws or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
- **Liquidity Risk**  
Liquidity risks refer to the ease of liquidating an asset at or near its fair value depending on the asset's volume traded in the market. If the fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices. In situation where the fund has insufficient cash and is unable to liquidate its assets due to market condition as aforesaid, redemption requests made by the unit holders are likely to be affected as the manager may not be able to fulfil its payment obligation on time.
- **Financing Risk**  
The risk occurs when investors take a financing to finance their investment and thereafter unable to service the financing payments. 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 financing.
- **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 disposed and an investment may be worth more or less than when purchased.
- **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.
- **Non-Compliance Risk**  
This risk refers to the possibility that the manager may not follow the provisions set out in the information memorandum, the deed or the relevant 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, relevant laws, rules, and other legal practices affecting the fund. This risk may result in operational disruptions and potential losses to the fund.

- **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 Areca Islamic Cash Fund

- **Shariah Non-compliance Risk**

This risk refers to the risk that the currently held Shariah-compliant instruments and Islamic Deposits and investment placement in the Fund may be reclassified as Shariah non-compliant in the periodic review of the instruments by the SAC of SC, the Shariah Advisory Council of Bank Negara Malaysia, the Shariah Adviser or the Shariah boards of the relevant Islamic indices or Financial Institutions. If this occurs, the Manager will take the necessary steps to dispose of such instruments according to Shariah Requirements, subject to the approval of the Shariah Adviser.

- **Profit Rate Risk**

Profit rate risk refers to the impact of profit rate changes on the Islamic Deposits. Profit rate fluctuations affect the Islamic Deposits' returns of the Fund. Profit rates offered by the Financial Institutions will fluctuate according to the overnight rate policy determined by Bank Negara Malaysia and this has direct correlation with the Fund's investment in Islamic Deposits. The Fund's future reinvestment in Islamic Deposits will benefit from the higher profit rate and in the event of falling profit rates, the Fund's future investment in Islamic Deposits will be reinvested at lower profit rates which in turn will reduce the Fund's potential returns.

- **Counterparty Risk**

The Fund will transact most of its investments through Financial Institutions including but not limited to brokers, dealers and banks. All transactions will carry counterparty risks until the transactions have settled. All deposits of securities or cash with a custodian, bank or Financial Institution will carry counterparty risk. Upon default by a counterparty, the Fund may be forced to unwind certain transactions and the Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of the Fund's assets.

- **Credit and Default Risk**

Credit and default risk arises when there is a possibility that the issuer of Islamic fixed securities and Islamic money market instruments is unable to pay the interest/profit due or the principal repayment on time leading to a default by the issuer. An issuer suffering adverse change in its financial condition could have the credit rating of the Islamic fixed securities and Islamic money market instruments lowered. Any adverse situations faced by the issuer may impact the value as well as liquidity of the instruments. This risk is mitigated by carrying out continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer.

- **Interest Rate Risk**

This risk relates to unforeseen movements in the direction of interest rates. Interest rate movements can lead to fluctuations in Islamic fixed securities prices. Islamic fixed securities prices generally move in the opposite direction of interest rate, that is, any increase in interest rate will lead to a reduction in the Islamic fixed securities prices, thus affecting the valuation of the Fund. (Note: The interest rate mentioned above will have an impact on the management of the Fund, regardless whether it is a Shariah-compliant Fund or otherwise. It does not in anyway suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with the Shariah Requirements.).

**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 Fund may be exposed to other risks of an exceptional nature from time to time.**

### FEES & CHARGES

#### 7. What are the fees and charges involved?

<b>Entry Fee (Sales Charge)</b>	NIL
<b>Exit Fee</b>	NIL
<b>Switching Fee</b>	Not Applicable
<b>Transfer Fee</b>	NIL
<b>Annual Management Fee</b>	Up to 0.75% p.a. of NAV of the Fund.
<b>Annual Trustee Fee</b>	Up to 0.05% p.a. of NAV of 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.**

**How will I be notified of any increase in fees and charges?**

- A written communication will be sent to unit holders to notify on the higher rate and its effective date;
- A supplementary or replacement Information Memorandum will be lodged and issued.

**VALUATION AND EXITING FROM INVESTMENT****8. How often are valuations available?**

The valuation of the assets of the Fund is carried out on each Business Day.  
The NAV per unit of the Fund will generally be found on the Manager's website at [www.arecacapital.com](http://www.arecacapital.com).

**9. How can I invest in this investment?**

<b>Minimum Initial Investment</b>	RM50,000 or such other amount at the Manager's discretion.
<b>Minimum Additional Investment</b>	RM10,000 or such other amount at the Manager's discretion.

**WE DO NOT ACCEPT CASH PAYMENT, PAYMENT THROUGH THE CASH DEPOSIT MACHINE AND PAYMENT MADE BY A THIRD PARTY.  
INVESTOR SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT WHEN PURCHASING UNITS OF THE FUND.**

**Note: All completed transaction forms must be submitted to the Manager before the cut-off time by 2.00pm on a Business Day as determined by the Manager. 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.**

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

<b>Minimum Redemption</b>	10,000 Units or such other lower number of Units at the Manager's discretion.
<b>Minimum Balance</b>	10,000 Units or such other number of Units at the Manager's discretion. We will, at our sole discretion, require you to redeem all the Units should the remaining balance Units in your account is less than the minimum balance.
<b>Redemption Notice / Frequency</b>	One (1) Business Day, before 2.00p.m, prior to the Redemption (i.e. T-1 day)
<b>Redemption Payment</b>	<p>We will pay you within seven (7) Business Days upon receipt of the duly completed original Redemption form. However, for this Fund, it is our general Redemption policy to make payment within one (1) Business Day (T+1 day).</p> <p>Please note that for third party distributors such as IUTA, the Redemption payment could be longer, however it will still be within seven (7) Business Days as aforementioned.</p> <p>Redemption proceeds will be only paid to the principal Unit Holder, unless requested by the principal Unit Holder to pay to the Jointholder. We do not pay the Redemption proceeds to any third-party.</p>
<b>Transfer of Units</b>	Not available, unless by operations of law or under the provision of the Deed.
<b>Cooling-off Right</b>	Not Available

**For more information, please refer to the Replacement Information Memorandum dated 01 July 2024.**

<b>CONTACT INFORMATION</b>
----------------------------

<b>17. Who should I contact for further information or to lodge a complaint?</b>
--

For enquiries/further information, please contact:

<b>Head Office</b>	<b>Areca Capital Sdn Bhd (200601021087 (740840-D))</b> 107, Blok B, Pusat Dagangan Phileo Damansara 1, No 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor. Tel: 603-7956 3111 Fax: 603-7955 4111 Website: <a href="http://www.arecacapital.com">www.arecacapital.com</a> E-mail: <a href="mailto:invest@arecacapital.com">invest@arecacapital.com</a>	
<b>Branches</b>	<b>Pulau Pinang</b> Tel: 604-210 2011 Fax: 604-210 2013	<b>Malacca</b> Tel: 606-282 9111 Fax: 606-283 9112
	<b>Ipoh</b> Tel: 605-249 6697 Fax: 605-249 6696	<b>Kuching</b> Tel: 082-572 472
	<b>Johor Bharu</b> Tel: 07-336 3689	<b>Kota Kinabalu</b> Tel: 088 - 276 757

1. For internal dispute resolution, you may contact:  
Areca Capital Sdn Bhd – Investor Care: 03-7956 3111
2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
  - (a) via phone to : 03-2282 2280
  - (b) via fax to : 03-2282 3855
  - (c) via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar,  
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur.
3. You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Investor Affairs & Complaints Department:
  - (a) via phone to the Aduan Hotline at : 03-6204 8999
  - (b) via fax to : 03-6204 8991
  - (c) via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - (d) via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
  - (e) via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No. 3 Persiaran Bukit Kiara, Bukit Kiara  
50490 Kuala Lumpur
4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
  - (a) via phone to : 03-2092 3800
  - (b) via fax to : 03-2093 2700
  - (c) via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - (d) via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
  - (e) via letter to : Legal, Secretariat & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-01, 6th Floor Wisma Tune  
No. 19 Lorong Dungun, Damansara Heights  
50490 Kuala Lumpur

## GLOSSARY

<b>Business Day</b>	A day on which Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia Securities Berhad, is open for trading;
<b>CMSA</b>	The Capital Markets and Services Act, 2007 including all amendments thereto;
<b>Deed(s)</b>	The deed in relation to the Fund and any other supplemental deeds that may be entered into between the Manager and the Trustee;

<b>Financial Institution</b>	<p>If the institution is in Malaysia –</p> <ol style="list-style-type: none"> <li>i. licensed bank;</li> <li>ii. licensed investment bank; and</li> <li>iii. licensed Islamic bank.</li> </ol> <p>If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator;</p> <p>“licensed bank” has the same meaning as given under the Financial Services Act 2013;</p> <p>“licensed investment bank” has the same meaning as given under the Financial Services Act 2013;</p> <p>“licensed Islamic bank” means a bank licensed under the Islamic Financial Services Act 2013”;</p>
<b>Fund</b>	Areca Islamic Cash Fund;
<b>Guidelines</b>	Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework as may be amended from time to time;
<b>Information Memorandum</b>	Information Memorandum in relation to the Fund and includes any supplemental or replacement information memorandum;
<b>Islamic Deposits</b>	<p>Means a sum of money accepted or paid in accordance with Shariah –</p> <ol style="list-style-type: none"> <li>(a) on terms under which it will be repaid in full, with or without any gains, return or any other consideration in money or money’s worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and person accepting it; or</li> <li>(b) under an agreement, on terms whereby the proceeds under the arrangement to be paid to the person paying the sum of money shall not be less than such sum of money;</li> </ol> <p>but excludes money paid bona fide –</p> <ol style="list-style-type: none"> <li>(i) by way of an advance or a part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;</li> <li>(ii) by way of security for the performance of a contract or by way of security in respect of any loss which may result from the non-performance of a contract;</li> <li>(iii) without limiting paragraph (ii), by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise; and</li> <li>(iv) in such other circumstances, or to or by such other person, as set out in schedule 2 of the Islamic Financial Services Act 2013;</li> </ol>
<b>Islamic Liquid Assets</b>	Means any Shariah-compliant permitted investment capable of being converted into cash within seven (7) days;
<b>IUTA</b>	Institutional Unit Trust Scheme Adviser;
<b>Jointholder</b>	A Sophisticated Investor who holds Units together with another Sophisticated Investor(s);
<b>Manager/We/Us</b>	Areca Capital Sdn Bhd;
<b>NAV</b>	The net asset value of the Fund, which is the value of all the assets of the Fund less the value of all liabilities of the Fund at the valuation point;
<b>NAV per Unit</b>	The NAV of the Fund divided by the total number of Units in circulation of the Fund at the valuation point;
<b>Redemption</b>	The repurchase by the Manager of the Units owned by the Unit Holders upon a proper redemption request;
<b>RM</b>	Means Ringgit Malaysia;
<b>SAC of SC</b>	Refers to Shariah Advisory Council of the SC;
<b>SC</b>	The Securities Commission Malaysia which was established under the Securities Commission Malaysia Act 1993;
<b>Shariah</b>	Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from the sources of the Shariah namely the Qur`an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (pbuh) and Ijtihad of ulamak (personal efforts by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);
<b>Shariah Adviser</b>	Refers ZICO Shariah Advisory Services Sdn Bhd (ZICO Shariah);
<b>Shariah Requirements</b>	The requirements which make sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions as required by the Shariah for that element;

<b>Short-Term</b>	A period of less than three (3) years;
<b>Sophisticated Investor</b>	Refers to:  (a) any person who is determined to be a sophisticated investor under:  (i) the Guidelines on Categories of Sophisticated Investors;  (ii) any relevant laws/guidelines for wholesale funds; or  (b) any person who acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise;
<b>Trustee</b>	RHB Trustees Berhad and includes its permitted assigns and successors in title;
<b>Units</b>	Units of the Fund and includes a fraction of a unit of the Fund; and
<b>Unit Holder/You</b>	A Sophisticated Investor for the time being who is registered pursuant to the Deed as a holder of Units, including a Jointholder.