

PRODUCT HIGHLIGHTS SHEET

Areca Situational Income 2.0 Fund

(Date of Constitution: 22 August 2017)

RESPONSIBILITY STATEMENT

This Product Highlight 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

The Fund may invest in illiquid assets such as non-tradable and non-transferable equity related securities or unlisted securities. Potential Sophisticated Investors are warned that they may not be able to redeem any Units within the first 12 months or longer from the date of investment; subject to the requirement of the underlying assets. For instance, the Fund may invest up to 100% of its NAV in preference share issued by a single issuer with an investment tenure of up to 12 months, therefore, you may not be able to redeem your investment for up to 12 months.

The Fund is suitable only for Sophisticated Investors who have a Medium to Long Term investment horizon. Investors may face difficulties in redeeming their investments as the Manager may not be able to dispose the investments. You are advised not to invest in this Fund if you are unable to accept the risks.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the Areca Situational Income 2.0 Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Areca Situational Income 2.0 Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Areca Situational Income 2.0 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 Situational Income 2.0 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 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 Situational Income 2.0 Fund. Investors are advised to request, read and understand the disclosure documents of the Fund before deciding to invest.

PRODUCT HIGHLIGHT SHEET

ARECA SITUATIONAL INCOME 2.0 FUND

BRIEF INFORMATION ON THE FUND

1. What is this fund about?

Fund category / type	Wholesale Fund with flexible asset allocation / Income and Growth
Manager	Areca Capital Sdn Bhd
Trustee	Maybank Trustees Berhad

PRODUCT SUITABILITY

2. Who is this fund suitable for?

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

This Fund is suitable for Sophisticated Investors investors who are:

- have long term investment horizon;
- Seek combination of income and capital growth that is higher than performance benchmark rate of returns.

KEY FUND FEATURES

3. What am I investing in?

Launch date	07 September 2017
Initial Offer Period	21 days from 07 September 2017 to 27 September 2017
Initial Offer Price	RM1.0000 (Fixed during Initial Offer Period)
Objective of the Fund	The Fund aims to provide Medium-Long Term combination of income and capital growth. Any material changes to the Fund's objective would require Unit Holder's Approval. * income is in the form of Units or cash.
Investment Strategy	The Fund will invest in local or foreign Fixed Income Investment, equities and other equity-related securities (including unlisted equities), to achieve its objective. The Fund will invest a maximum of 100% of its NAV in authorised investments with flexible allocation in its assets to achieve a higher possible return by freely changing risk degree according to current market conditions. Depending on the market conditions, the Fund may concentrate its investments on few selected asset classes or a single investment that has potential for capital growth or that will minimize the Fund exposure to market risks. For instance the Fund may just fully invested in only preference shares for dividends and income. The Fund may also invest in collective investment schemes and deposits.
Asset Allocation	<ul style="list-style-type: none"> ▪ Equities and Equities-related Securities

Performance Benchmark	Maybank's 12-month fixed deposit rate The risk profile of the Fund is different from the risk profile of the performance benchmark. There is no guarantee that the Fund will outperform the performance benchmark.
Income Distribution and Reinvestment Policy	Subject to availability of distributable income, the Fund will distribute income at least once a year. In the absence of your written instructions, we will at our discretion pay any income distributed by the Fund to you, or reinvest the income in additional Units of the same Fund at the NAV per Unit of the distribution day without any Entry Fee.
Financial Year End	31 March

4. Who am I investing in?

Manager	Areca Capital Sdn Bhd (740840-D)
Trustee	Maybank Trustees Berhad (5004-P)
Trustee's Delegate	Malayan Banking Berhad (3813-K) (as Custodian)
Auditors	Deloitte (AF 0080)
Tax Advisers	Deloitte Tax Services Sdn Bhd (36421-T)
Solicitor	Wei Chien & Partners

5. What are the possible outcomes of my investment?

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

Under normal circumstances, the Manager aims to out-perform the Fund's benchmark, the Maybank's 12-month fixed deposit 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 Fund

- **Market Risk**

Market risk refer 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 NAV

- **Manager's Risk**

This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance

with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

- **Inflation Risk**

This is the risk that investors' investment in the 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.

Specific risks associated with the investment portfolio of Areca *Situational Income 2.0* Fund

You will not be able to redeem your Units within the first year from the Commencement Date. You can only redeem once a month on the 10th of each month after the first year from the Commencement Date. An exit fee will be imposed on redemption between 12 to 24 months from the date of commencement. A penalty of 5% will be imposed on redemption made between 12 to 18 months from the Commencement Date and 3% for redemption made between 18 to 24 months from the Commencement Date. The Fund may invest up to 100% of its NAV in equity related-securities by a single issuer. The Fund may invest in non-tradable and non-transferable equity related securities. The Fund is suitable only for investors who have a long-term investment horizon (5 years and above).

You are advised not to invest in this Fund if you are not able to accept the risks.

- **Illiquidity Risk**

The investment to be made by the Fund would be generally illiquid. The eventual liquidity of all investment of the Fund will be dependent upon the success of the realisation strategy proposed for each investment which could adversely affected by a variety of risk factors. The period of time required to liquidate the Fund's assets cannot be predicted with certainty

- **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 Fund's NAV.

- **Equity-related Securities Risk**

The Fund invests 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 Fund's NAV.

- **Convertible securities risk**

The Fund may invest in convertible securities, which may be low-rated and which may act like a bond (and be sensitive to interest changes) when the underlying equity value is depressed or like a stock (and move in a similar pattern to the stock the security is convertible into) when the underlying equity value approaches or exceeds the initial par value of the convertible security. The values of convertible securities may be affected by the price movement of the underlying securities and the investment in convertible securities may be subject to risk of default, risk related to interest, and liquidity risk.

- **Concentration risk**

Concentration risk is the probability of loss arising from lack of diversification, investing with a single issuer. The strength of the issuer may be affected due to changes of financial performance, news of a possible merger or loss of key personnel of the issuer.

- **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 invests 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 Malaysian Ringgit, 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.

The abovementioned risks which you should consider before investing into a wholesale fund should not be considered to be an exhaustive list.

You should be aware that investments in the Fund may be exposed to other risks of an exceptional nature from time to time.

FEES & CHARGES

7. What are the fees and charges involved?

Entry Fee (Sales Charge)	<ul style="list-style-type: none"> ▪ Direct investment with Manager: Up to 4% of the Net Investment Amount ▪ Third-party distributors: Up to 4% of the Net Investment Amount <p>Net Investment Amount is the number of units at the NAV per Unit. Please note that the Entry Fee is subject to 6% GST. If you make a RM100,000 payment for investment in the Fund through a third party distributor with an Entry Fee of 4%, your net investment amount is RM95,932.46 (i.e. $RM100,000 \div [1 + (0.04 \times 1.06)]$)</p>
Penalty / Exit Fee	<p>You will not be able to redeem any Units within 12 months from the Commencement Date of the Fund. An penalty will be imposed on redemption between 12 to 24 months from the Commencement Date of the Fund. The exit fee are as follows:</p> <p>Between 12 to 18 months : 8% Between 18 to 24 months : 5%</p> <p>The exit fee will be credited to the Fund</p>
Switching Fee	Not Available
Transfer Fee	Not available, unless by operations of law or under the provision of the Deed.
Annual Management Fee	A maximum of 2.00% p.a. of NAV of the Fund.
Annual Trustee Fee	0.04% p.a. of NAV of the Fund, subject to a minimum of RM6,000 per annum.

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

- A written communication will be sent to unit holders to notify of the higher rate and its effective date;
- A supplementary or replacement Prospectus 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 published on the following 2 Business Days (T+2 days) in various major local newspapers and may also be found on the Manager's website at www.arecacapital.com.

9. How can I invest in this investment?

Minimum Initial Investment	Direct investment through the Manager: RM50,000 or such other lower amount as decided by the Manager. Third party distributors including IUTA: RM50,000 or such other lower amount as decided by the Manager.
Minimum Additional Investment	Direct investment through the Manager: RM10,000 or such other lower amount as decided by the Manager. Third party distributors including IUTA: RM10,000 or such other lower amount as decided by the Manager.
Cut-Off time	By 3.00pm on a Business Day.

Note: The Manager reserves the right to accept or reject any application in whole or part thereof without assigning any reason.

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

Minimum Redemption	Direct investment through the Manager: RM50,000 or such other lower amount as decided by the Manager. Third party distributors including IUTA: RM50,000 or such other lower amount as decided by the Manager. If the redemption request leaves you with less than 100,000 Units (minimum balance), all the Units in your account will be redeemed automatically.
Minimum Balance	50,000 Units or such other limit at the Manager's discretion.
Redemption Notice/Frequency	You will not be able to redeem your Units within the first 12 months from the Commencement Date of the Fund. After the first 12 months, any redemption between 12 to 24 months is subject to an Exit Fee. You can only redeem once a month on the 15 th of each month. If the transaction date falls on a weekend or holiday, your transaction date will take place on the next business day. Please note that you might not be able to redeem Units if the Fund is not able to dispose its assets and has insufficient cash.
Redemption Payment	We will pay you within 10 days upon receipt of the duly completed original redemption form. However, it is our general redemption policy to make payment within the next 3 Business Days from the transaction day for those Units purchased directly through the Manager. (i.e. T+3 days).
Cut-Off time	By 3.00pm on a Business Day

Note: 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.

For more information, please refer to the Information Memorandum dated 28 August 2017 and the First Supplemental Information Memorandum dated 28 February 2024.

CONTACT INFORMATION

11. Who should I contact for further information or to lodge a complaint?
--

For enquiries/further information, please contact:

Head Office	Areca Capital Sdn Bhd (200601021087 (740840-D)) 107, Blok B, Pusat Dagangan Phileo Damansara 1, No 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor. Tel: 603-7956 3111 Fax: 603-7955 4111 Website: www.arecacapital.com E-mail: invest@arecacapital.com		
Branches	Pulau Pinang Tel: 604-210 2011 Fax: 604-210 2013	Malacca Tel: 606-282 9111 Fax: 606-283 9112	
	Ipoh Tel: 605-249 6697 Fax: 605-249 6696	Kuching Tel: 082-572 472	
	Johor Bharu Tel: 07-336 3689	Kota Kinabalu 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
 - (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur.
3. You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Investor Affairs & Complaints Department:
 - (a) via phone to the Aduan Hotline at : 03-6204 8999
 - (b) via fax to : 03-6204 8991
 - (c) via e-mail to : aduan@seccom.com.my
 - (d) via online complaint form available at www.sc.com.my
 - (e) via letter to : Investor Affairs & Complaints Department
Securities Commission Malaysia
No. 3 Persiaran Bukit Kiara, Bukit Kiara
50490 Kuala Lumpur
4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
 - (a) via phone to : 03-2092 3800
 - (b) via fax to : 03-2093 2700
 - (c) via e-mail to : complaints@fimm.com.my
 - (d) via online complaint form available at www.fimm.com.my
 - (e) via letter to : Legal, Secretariat & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-01, 6th Floor Wisma Tune
No. 19 Lorong Dungun, Damansara Heights
50490 Kuala Lumpur

GLOSSARY

Business Day	A day on which Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia Berhad, is open for trading;
CMSA	The Capital Markets and Services Act, 2007 including all amendments thereto;
Deed(s)	The deed in relation to the Fund and any other supplemental deeds that may be entered into between the Manager and the Trustee;
Financial Institution	<p>if the institution is in Malaysia –</p> <ul style="list-style-type: none"> (i) licensed bank; (ii) licensed investment bank; and (iii) Islamic bank; <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; “licensed investment bank” has the same meaning as given under the Financial Services Act 2013; “islamic bank” means a bank licensed under the Islamic Financial Services Act 2013”</p>
Fixed Income Investment	Refer to investment which generally pay a return on a fixed schedule, however, the amount can be vary. Fixed income investment may include but not limited to Commercial Paper, Bond, and other fixed income securities such as convertible debt securities, floating rate bond, Structured Product;
Fund	Areca Situational Income 2.0 Fund;
GST	Goods and Services Tax;
Guidelines	Guidelines on unlisted Capital Market Products Under the Lodge and Launch Framework as may be amended from time to time;
Information Memorandum	information memorandum in relation to the Fund and includes any supplemental or replacement information memorandum;
Jointholder	A person who holds Units together with another person or persons;
Manager/We/Us	Areca Capital Sdn Bhd;
Medium-Long Term	A period of two to five years,
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;
Redemption	The repurchase by the manager of the Units owned by the Unit Holders upon a proper redemption request;

SC	The Securities Commission Malaysia which was established under the Securities Commission Malaysia Act 1993;
Sophisticated Investor	Refers to: (a) any person who is determined to be a sophisticated investor under: (i) the Guidelines on Categories of Sophisticated Investors; (ii) any relevant laws/guidelines for wholesale funds; or (b) any person who acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise;
Trustee	Maybank Trustees Berhad;
Units	units of the Fund and includes a fraction of a unit of the Fund;
Unit Holder/You	A person for the time being who is registered pursuant to the Deed as a holder of Units, including a Jointholder;
Watermark Return	A total return of 18% over a 2-year period of investment.