

Quarterly Report

March 2026

For the Period Ended 31 March 2026

Areca Flexi *fixed*INCOME Fund

Management Company



200601021087(740840-D)

QUARTERLY REPORT MARCH 2026

✦ ARECA Flexi *fixed*INCOME FUND

Contents

CORPORATE DIRECTORY	2
MANAGER'S REPORT	
Fund Information, Performance & Review	3
Market Review & Outlook	8
UNAUDITED FINANCIAL STATEMENTS FOR Areca Flexi <i>fixed</i> INCOME Fund	9

CORPORATE DIRECTORY

MANAGER

Areca Capital Sdn Bhd
Company No: 200601021087 (740840-D)
107, Blok B, Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor
Tel: 603-7956 3111, Fax: 603-7955 4111
website: www.arecacapital.com
e-mail: invest@arecacapital.com

BOARD OF DIRECTORS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin
(Independent Non-Executive Chairman)
Dr. Junid Saham
(Independent Non-Executive)
Wong Teck Meng
(Non-Independent Executive/Chief Executive Officer)

INVESTMENT COMMITTEE MEMBERS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin
(Independent Non-Executive Chairman)
Dr. Junid Saham
(Independent Non-Executive)
Dato' Seri Lee Kah Choon
(Independent Non-Executive)

TRUSTEE

RHB Trustees Berhad
Company No: 200201005356 (573019-U)
Level 10, Tower One, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 603-2302 8252, Fax: 603-2302 8298

AUDITOR

Deloitte Malaysia PLT (*formerly known as
Deloitte PLT*) (LLP0010145-LCA)
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-7610 8888, Fax: 603-7726 8986

TAX ADVISER

PricewaterhouseCoopers Taxation
Services Sdn Bhd (464731-M)
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur
Tel: 603-2173 1188, Fax: 603-2173 1288

MANAGER'S OFFICE AND BRANCHES

HEAD OFFICE

107, Blok B, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor
Tel: 603-7956 3111, Fax: 603-7955 4111
website: www.arecacapital.com
e-mail: invest@arecacapital.com

PENANG BRANCH

368-2-02 Bellisa Row
Jalan Burma, Georgetown
10350 Pulau Pinang
Tel : 604-210 2011
Fax: 604-210 2013

IPOH BRANCH

11, Persiaran Greentown 5
Greentown Business Centre
30450 Ipoh, Perak
Tel : 605-249 6697
Fax: 605-249 6696

MALACCA BRANCH

95A, Jalan Melaka Raya 24
Taman Melaka Raya
75000 Melaka
Tel : 606-282 9111
Fax: 606-283 9112

KUCHING BRANCH

1st Floor, Sublot 3
Lot 7998, Block 16
KCLD, Cha Yi Goldland
Jalan Tun Jugah/Stutong
93350 Kuching, Sarawak
Tel : 6082-572 472

JOHOR BRANCH

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

KOTA KINABALU BRANCH

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

QUARTERLY REPORT MARCH 2026
ARECA Flexi fixedINCOME FUND

FUND INFORMATION

Name of the Fund	Areca Flexi fixedINCOME Fund
Fund Category/ Type	Wholesale Fixed Income Fund/Income
Objective of the Fund	The Fund aims to provide steady income and moderate capital appreciation.
Performance Benchmark	Maybank's 6-month fixed deposit rate
Distribution Policy of the Fund	Yearly or more frequent, subject to availability of the distributable income.
Rebates & Soft Commissions	<p>During the period under review, the Manager has received soft commissions from brokers and dealers by virtue of transactions conducted for the Fund and other funds managed by the Manager. The soft commissions were received in the form of goods and services, including financial data provider services such as access to the Bloomberg terminal, securities price quotations, fund performance benchmarks, and investment research.</p> <p>These goods and services are utilised to assist the Manager in the investment decision-making process and are of demonstrable benefit to the unitholders of the Fund. The Manager confirms that the soft commissions were accepted in compliance with the relevant regulatory requirements, that there was no churning of trades, and that all transactions were executed on terms most favourable to the Fund.</p>
Inception Date	3 January 2012
Financial Year End	30 June

QUARTERLY REPORT MARCH 2026
ARECA Flexi fixed **INCOME** FUND

FUND PERFORMANCE

	01.01.2026 to 31.03.2026	01.10.2025 to 31.12.2025	
NET ASSET VALUE ("NAV")			
Net Asset Value (RM million)	104.33	104.16	
Units in circulation (million units)	77.85	77.84	
NAV per unit (RM)	1.3402	1.3382	
HIGHEST & LOWEST NAV per unit			
<i>Please refer to Note 1 for further information on NAV and pricing policy</i>			
Highest NAV per unit (RM)	1.3425	1.3391	
Lowest NAV per unit (RM)	1.3355	1.3214	
ASSET ALLOCATION % of NAV			
Unquoted fixed income securities			
Unquoted Bonds	18.26	18.35	
Collective investment schemes	80.37	76.66	
Liquid assets and other net current assets	1.37	4.99	
DISTRIBUTION			
There was no distribution for the financial period under review.			
UNIT SPLIT			
There was no unit split exercise for the financial period under review.			
EXPENSE/TURNOVER			
Total expense ratio (TER) (%)	0.19	0.19	
<i>Please refer to Note 2 for further information</i>			
Portfolio turnover ratio (PTR) (times)	0.02	0.16	
<i>Please refer to Note 3 for further information</i>			
TOTAL RETURN			
<i>Please refer to Note 4 for further information</i>			
Total Return (%)	0.34	0.94	
- Capital growth (%)	0.34	0.94	
- Income distribution (%)	-	-	
	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	4.54	3.34	4.23

QUARTERLY REPORT MARCH 2026
ARECA Flexi fixed **INCOME FUND**

NOTES:

Note 1: *Selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and redemption of units by the Management Company (i.e. when you redeem your units and liquidate your investments) will be carried out at NAV per unit (the actual value of a unit). The entry/exit fee (if any) would be computed separately based on your net investment/liquidation amount.*

Note 2: *TER is calculated based on the total fees and expenses incurred by the Fund, divided by the average net asset value calculated on a daily basis.*

Note 3: *PTR is computed based on the average of the total acquisitions and total disposals of the investment securities of the Fund, divided by the average net asset value calculated on a daily basis.*

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

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

FUND REVIEW

For the quarter ended 31st March 2026, the Fund posted a return of 0.34% against the benchmark Maybank's 6-month fixed deposit rate of 0.51% due to the underlying valuations of the Fund's investment which is predominantly invested in structured high-yielding collective investment schemes. The portfolio is further diversified with an exposure to corporate bond issues across different sectors including infrastructure and utilities, asset-back securities, trading and services, industrial products and transportation.

While we remain cautious of the global headwinds and challenging growth outlook ahead, we expect local bond market to remain well supported. We opine our domestic interest rate policy will remain accommodative as we are confronted by external geopolitical risks and potentially domestic inflationary issues.

Investment Policy and Strategy

The Fund will primarily invest in a diversified portfolio of Fixed Income Investments and CIS that are in line with the Fund's objective. Notwithstanding the above, the Fund may adopt a more concentrated strategy by holding higher exposure in a single investment in order to achieve its objective. The Fund will also invest in bonds purchased at a discount of their nominal values for capital appreciation potentials. The Fund may also have foreign sovereign or corporate bonds and CIS.

It is also the Fund's strategy to invest in CIS and other instrument such as preference shares. Investing in CIS or preference shares with similar investment objectives indirectly gives the Fund exposure to the underlying investment.

The Fund may also invest in derivatives such as futures contracts and options to protect the Fund against adverse movement of markets.

NAV per unit as at 31 March 2026

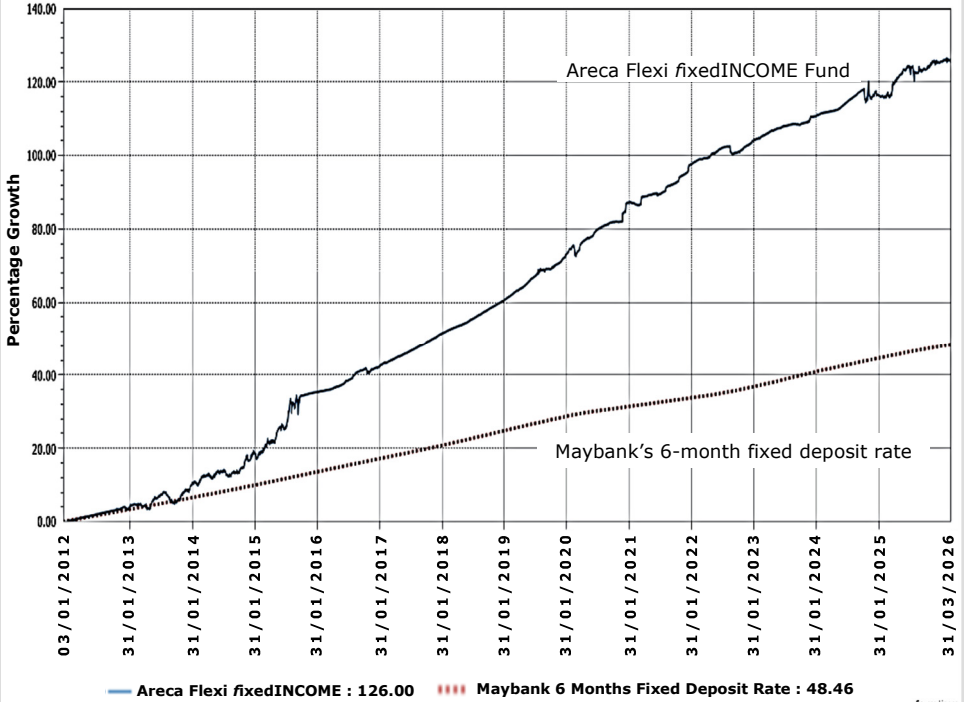
RM1.3402

Asset Allocation/Portfolio Composition	31.03.2026	31.12.2025
Unquoted fixed income securities	18.26%	18.35%
Collective investment schemes	80.37%	76.66%
Liquid assets and other net current assets	1.37%	4.99%

FUND REVIEW

Performance of Areca Flexi fixedINCOME Fund
for the period since inception to 31 March 2026

Total Return of Areca Flexi fixedINCOME Fund vs Benchmark



GLOBAL FIXED INCOME MARKET REVIEW AND OUTLOOK

The first quarter of 2026 was defined by two distinct phases: stabilisation shown in the early months of economic data, followed by a geopolitical shock in March. In January, the United States ("US") economy improved, nonfarm payrolls rose to 130,000 and unemployment edged down to 4.30% from 4.50%. Headline Consumer Price Index ("CPI") eased to 2.40%, approaching the Federal Reserve's ("Fed") 2.00% target, giving the Federal Open Market Committee ("FOMC") room to hold the federal funds rate at 3.50% – 3.75%. Labour market conditions weakened in February with payrolls declining to 92,000 due to a healthcare sector strike while inflation remained stable at 2.40%.

In March, nearly 900 US and Israeli airstrikes hit key targets across Iran, marking the formal onset of the US/Israel-Iran conflict. Iran retaliated by shutting the Strait of Hormuz, which supplies approximately 20.00% of global oil hence sending Brent crude prices surging. March CPI jumped to 3.30%, the highest since May 2024, driven by a 21.20% surge in gasoline prices.

US Treasury yields experienced notable swings throughout the quarter, with the 2-year finishing at 3.85% from 3.47%, the 10-year at 4.44% from 4.18%, and the 30-year at 4.99% from 4.89%. Overall, the yield curve bear flattened most at the belly of the curve as resurging inflation expectations pushed back Fed rate cut expectations at the front end, while growth uncertainty from the prolonged geopolitical conflict tempered the move at the long end.

MALAYSIA FIXED INCOME MARKET REVIEW AND OUTLOOK

Malaysia's economy remained resilient through the quarter although the Iran war introduced external headwinds by March. Gross Domestic Product ("GDP") was revised upward to 6.30% year-on-year ("YoY") in fourth quarter of year 2025 ("Q4 2025"), marking the fastest since fourth quarter of year 2022 ("Q4 2022"). Exports expanded 19.60% YoY in January, supported by strong Electrical and Electronics demand. Inflation remained contained, easing to 1.40% in February before edging to 1.70% in March, partly reflecting the impact of higher global energy prices. The RON95 fuel subsidy provided a buffer against the broader energy shock that prevented a more severe inflationary pass-through seen in the other energy-importing economies. Meanwhile, unemployment rate remained stable at 3.00%.

Malaysia's bond market continued to expand in first quarter of year 2026 ("Q1 2026"), with total outstanding growing 1.55% to RM2.291 trillion, a modest increase from the prior quarter. Government bond auction demand held up well, with the average bid-to-cover ratio improving to 2.215 times from 2.090 times. Malaysian Government Securities ("MGS") yields rose across the curve, the 3-year MGS climbing 26 basis points ("bps") and the 10-year up 14 bps to close at 3.26% and 3.63% respectively. Foreign investors remained net buyers over the quarter, with total holdings of bond rising 1.85% to RM283.10 billion by end of March. The Malaysian Ringgit ("MYR") strengthened from 4.00 to 3.97 against the US Dollar before weakening to around 4.05 by the end of March. Overall, Malaysia's financial markets remained confident, supported by a stable policy environment and resilient macroeconomic fundamentals hence supporting Bank Negara Malaysia ("BNM")'s decision to maintain the Overnight Policy Rate ("OPR") at 2.75%.

QUARTERLY REPORT MARCH 2026
ARECA Flexi fixed **INCOME FUND**

UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 31 March 2026

	31.03.2026	31.12.2025
	RM	RM
Assets		
Investments	102,892,789	98,967,271
Cash and cash equivalents	1,471,896	5,272,518
Other receivables	41,944	-
Total Assets	104,406,629	104,239,789
 Unitholders' Fund And Liabilities		
Liabilities		
Other payables and accrued expenses	79,463	75,973
Total Liabilities	79,463	75,973
 Unitholders' Fund		
Unitholders' capital	88,717,251	88,704,083
Retained earnings	15,609,915	15,459,733
Net Asset Value Attributable To Unitholders	104,327,166	104,163,816
 Total Unitholders' Fund And Liabilities	104,406,629	104,239,789
 Number Of Units In Circulation	77,846,635	77,836,623
Net Asset Value Per Unit (RM)	1.3402	1.3382

QUARTERLY REPORT MARCH 2026
ARECA Flexi fixed **INCOME FUND**

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 31 March 2026

	01.01.2026 to 31.03.2026	01.10.2025 to 31.12.2025
	RM	RM
Investments Income		
Dividend income	-	4,499,000
Interest income	196,331	192,938
Net gain/(loss) on investments at fair value through profit or loss ("FVTPL")	154,487	(3,413,117)
Total Investments Income	<u>350,818</u>	<u>1,278,821</u>
Expenditure		
Management fee	(163,830)	(151,066)
Trustee's fee	(12,866)	(12,672)
Audit fee	(3,000)	(3,000)
Tax agent's fee	(2,508)	(8,907)
Other expenses	(18,432)	(16,411)
Total Expenditure	<u>(200,636)</u>	<u>(192,056)</u>
Net Income Before Taxation	150,182	1,086,765
Taxation	-	-
Net Income After Taxation And Total Comprehensive Income For The Financial Period	<u>150,182</u>	<u>1,086,765</u>
Net Income After Taxation Is Made Up Of:		
Realised (loss)/gain	(4,305)	4,719,098
Unrealised gain/(loss)	154,487	(3,632,333)
	<u>150,182</u>	<u>1,086,765</u>

QUARTERLY REPORT MARCH 2026
ARECA Flexi fixed **INCOME FUND**

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 31 March 2026

	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 October 2025	83,239,435	14,372,968	97,612,403
Amounts received from units created	19,988,922	-	19,988,922
Amounts paid for units cancelled	(14,524,274)	-	(14,524,274)
Total comprehensive income for the financial period	-	1,086,765	1,086,765
Balance as at 31 December 2025	<u>88,704,083</u>	<u>15,459,733</u>	<u>104,163,816</u>
Balance as at 1 January 2026	88,704,083	15,459,733	104,163,816
Amounts received from units created	4,522,018	-	4,522,018
Amounts paid for units cancelled	(4,508,850)	-	(4,508,850)
Total comprehensive income for the financial period	-	150,182	150,182
Balance as at 31 March 2026	<u>88,717,251</u>	<u>15,609,915</u>	<u>104,327,166</u>

QUARTERLY REPORT MARCH 2026
ARECA Flexi fixed**INCOME FUND**

UNAUDITED STATEMENT OF CASH FLOWS

For The Financial Period Ended 31 March 2026

	01.01.2026 to 31.03.2026	01.10.2025 to 31.12.2025
	RM	RM
Cash Flows From/(Used In) Operating Activities		
Proceeds from disposal of investments	-	13,919,737
Purchase of investments	(3,800,000)	(20,000,000)
Dividend income received	-	4,499,000
Interest received	162,845	229,473
Cash capital distribution received	20,511	265,231
Management fee paid	(163,907)	(134,975)
Trustee's fee paid	(12,940)	(16,503)
Payment for other fees and expenses	(20,299)	(31,631)
Net Cash Used In Operating Activities	(3,813,790)	(1,269,668)
Cash Flows From/(Used In) Financing Activities		
Cash proceeds from units created	4,522,018	19,988,922
Payment for cancellation of units	(4,508,850)	(14,524,274)
Net Cash From Financing Activities	13,168	5,464,648
Net (Decrease)/Increase In Cash and Cash Equivalents	(3,800,622)	4,194,980
Cash and Cash Equivalents At Beginning Of Period	5,272,518	1,077,538
Cash and Cash Equivalents At End Of Period	1,471,896	5,272,518
Cash And Cash Equivalents Comprise:		
Cash at banks	8,253	203,819
Short-term deposits	1,463,643	5,068,699
	1,471,896	5,272,518



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, Malaysia

T 603 7956 3111 F 603 7955 4111
E invest@arecacapital.com
www.arecacapital.com

Penang Branch

368-2-02 Bellisa Row, Jalan Burma
Georgetown, 10350 Pulau Pinang
T 604 210 2011 F 604 210 2013

Ipoh Branch

11, Persiaran Greentown 5
Greentown Business Centre, 30450 Ipoh, Perak
T 605 249 6697 F 605 249 6696

Malacca Branch

95A, Jalan Melaka Raya 24
Taman Melaka Raya, 75000 Melaka
T 606 282 9111 F 606 283 9112

Kuching Branch

1st Floor, Sublot 3, Lot 7998, Block 16
KCLD, Cha Yi Goldland, Jalan Tun Jugah/Stutong
93350 Kuching, Sarawak
T 6082 572 472

Johor Branch

No 105, Jalan Meranti Merah
Taman Melodies,
80250 Johor Bahru
T 607 336 3689

Kota Kinabalu Branch

Unit 5-1-8 1st Floor
Lorong Api-Api 1
Api-Api Centre
88000 Kota Kinabalu, Sabah
T 6088 276 757