

Quarterly Report

December 2025

For the Period Ended 31 December 2025

Areca Steady *fixed*INCOME Fund

Management Company



200601021087(740840-D)

QUARTERLY REPORT DECEMBER 2025

✦ ARECA Steady *fixed*INCOME FUND

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CORPORATE DIRECTORY

MANAGER

Areca Capital Sdn Bhd
Company No: 200601021087 (740840-D)
107, Blok B, Pusat Dagangan Phileo Damansara 1
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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)
Edward Iskandar Toh Bin Abdullah
(Non-Independent Executive/Chief Investment Officer)
(Resigned with effect from 16 April 2025)

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
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MANAGER'S OFFICE AND BRANCHES

HEAD OFFICE

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PENANG BRANCH

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Fax: 604-210 2013

IPOH BRANCH

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Fax: 605-249 6696

MALACCA BRANCH

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75000 Melaka
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Fax: 606-283 9112

KUCHING BRANCH

1st Floor, Sublot 3
Lot 7998, Block 16
KLCD, 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
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Api-Api Centre
88000 Kota Kinabalu, Sabah
Tel : 6088-276 757

QUARTERLY REPORT DECEMBER 2025
ARECA Steady fixed**INCOME** FUND

FUND INFORMATION

| | |
|--|--|
| Name of the Fund | Areca Steady fixed INCOME Fund |
| Fund Category/ Type | Wholesale Fixed Income Fund/Income |
| Objective of the Fund | The Fund aims to provide stable stream of income while maintaining capital stability. |
| Performance Benchmark | Maybank's 12-month fixed deposit rate |
| Distribution Policy of the Fund | Yearly or more frequent, subject to the availability of distributable income. |
| Rebates & Soft Commissions | <p>The Manager will retain soft commissions received from brokers or dealers, provided that:</p> <ul style="list-style-type: none">(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 or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions. <p>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. During the period under review, the Manager had not received any soft commissions.</p> |
| Inception Date | 11 May 2009 |
| Financial Year End | 30 June |

QUARTERLY REPORT DECEMBER 2025
ARECA Steady fixed**INCOME** FUND

FUND PERFORMANCE

| | 01.10.2025 to 31.12.2025 | 01.07.2025 to 30.09.2025 | |
|--|-------------------------------------|-------------------------------------|--------------|
| NET ASSET VALUE ("NAV") | | | |
| Net Asset Value (RM million) | 89.88 | 85.34 | |
| Units in circulation (million units) | 68.85 | 66.24 | |
| NAV per unit (RM) | 1.3056 | 1.2882 | |
| 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) | 1.3063 | 1.2959 | |
| Lowest NAV per unit (RM) | 1.2871 | 1.2703 | |
| ASSET ALLOCATION % of NAV | | | |
| Unquoted fixed income securities | | | |
| Unquoted Bonds | 1.34 | 1.41 | |
| Collective investment schemes | 90.67 | 95.07 | |
| Liquid assets and other net current assets | 7.99 | 3.52 | |
| 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) (%) | 0.13 | 0.11 | |
| <i>Please refer to Note 2 for further information</i> | | | |
| Portfolio turnover ratio (PTR) (times) | 0.20 | 0.02 | |
| <i>Please refer to Note 3 for further information</i> | | | |
| TOTAL RETURN | | | |
| <i>Please refer to Note 4 for further information</i> | | | |
| Total Return (%) | 1.13 | (0.10) | |
| - Capital growth (%) | 1.13 | (0.10) | |
| - Income distribution (%) | - | - | |
| | 1-yr | 3-yrs | 5-yrs |
| Average Total Return per annum (%) | 4.47 | 3.92 | 4.49 |

QUARTERLY REPORT DECEMBER 2025
ARECA Steady fixed **INCOME** FUND

NOTES:

Note 1: *Selling of units by the Management Company (i.e. when you purchase units and invests 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 December 2025, the Fund a return of 1.13% against the benchmark Maybank's 12-month fixed deposit rate of 0.52%.

The portfolio is mainly 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 domestic potential inflationary issues from subsidy rationalisation in the year ahead. We have remained focused on selecting good quality corporate name for better yield pick-up.

Investment Policy and Strategy

The Fund will primarily invest in a diversified portfolio of Fixed Income Investments with intention to hold until maturity. The Fund will focus mainly on those of quality debentures with Medium to Long Term maturity and some exposure to other maturity periods. Notwithstanding the above, the Fund may adopt a more concentrated strategy by holding higher exposure in single investment in order to achieve its objective.

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

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.

NAV per unit as at 31 December 2025

RM1.3056

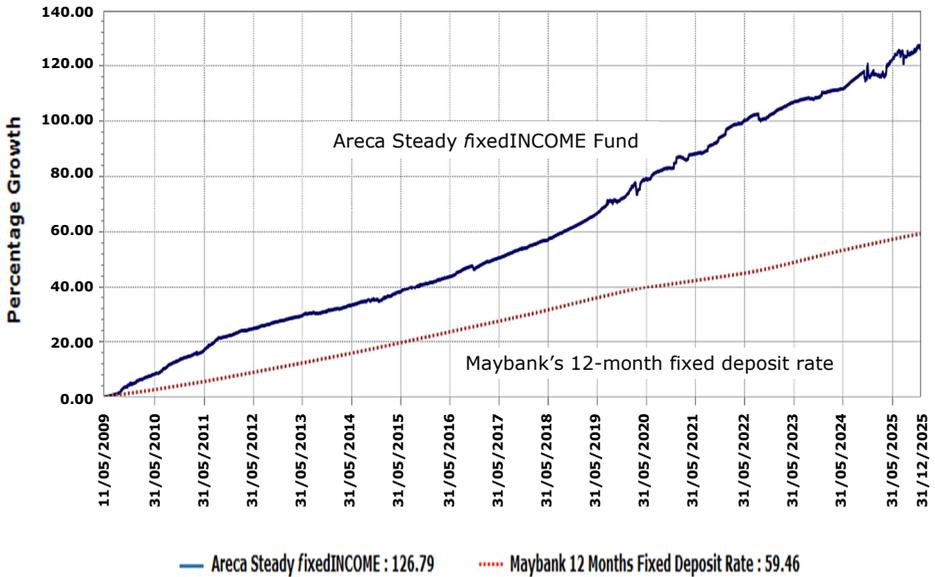
Asset Allocation/Portfolio Composition

| | 31.12.2025 | 30.09.2025 |
|--|------------|------------|
| Unquoted fixed income securities | 1.34% | 1.41% |
| Collective investment schemes | 90.67% | 95.07% |
| Liquid assets and other net current assets | 7.99% | 3.52% |

FUND REVIEW

Performance of Areca Steady fixedINCOME Fund
for the period since inception to 31 December 2025

Total Return of Areca Steady fixedINCOME Fund vs Benchmark



Source: Lipper

GLOBAL FIXED INCOME MARKET REVIEW AND OUTLOOK

United States ("US") economic data was partly distorted by the 43-day federal government shutdown however trends became clearer once reporting resumed. Labour market conditions softened modestly with unemployment increasing to 4.60% in November before easing to 4.40% in December. While nonfarm payrolls rose by a merely 50,000 jobs; the weakest monthly gains after the pandemic. Inflation moderated from earlier highs of 3.00% but remained above the Federal Reserve's ("Fed") 2.00% target with year-on-year ("YoY") Consumer Price Index ("CPI") at 2.70% in December suggesting persistent price pressures.

Against this backdrop, the Fed delivered two consecutive 25 basis points ("bps") rate cuts in the fourth quarter of year 2025 ("Q4 2025"), lowering the federal funds target range to 3.50% – 3.75%. In addition, the Fed began purchasing short-term Treasury securities, primarily Treasury bills to maintain sufficient reserves and to keep the federal funds rate within its target range. The US Treasury ("UST") yields reflected these developments where the front-end yields declined, with the 3-year Treasury yield down 6 bps quarter-on-quarter ("QoQ"). In contrast, longer-dated yields remained relatively firm with the 10-year Treasury yield edging up by 2 bps QoQ as investors continued to price in fiscal concerns and elevated term premiums. Overall, Q4 2025 reflected a stabilised US fixed-income environment shaped by Fed easing, post-shutdown data clarity and measured policy interventions.

MALAYSIA FIXED INCOME MARKET REVIEW AND OUTLOOK

Malaysia's economy accelerated in Q4 2025, with Gross Domestic Product ("GDP") expanding to 5.70% vs 5.00% in the fourth quarter of year 2024 ("Q4 2024"). Manufacturing drove the recovery, with the Purchasing Managers' Index ("PMI") rising above 50 for the first time since May 2024 and industrial output increasing 4.30% YoY in November, led by manufacturing growth of 4.90%. Investment momentum remained solid, supported by strong capital goods imports and expansion in electronics output (+10.70%), signalling continued capacity build-up. Inflation remained contained with headline CPI at 1.40% and core inflation at 2.20% whilst unemployment fell to an 11-year low of 2.90% in November. Against this backdrop, Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 2.75%, reflecting confidence in the economy amidst external uncertainties.

Malaysia's bond market in Q4 2025 remained stable and well-supported with demand concentrated at the shorter end amidst duration caution. Short-term Malaysia Government Securities ("MGS") and Government Investment Issues ("GII") yields declined by 6 bps - 11 bps reflecting confidence in the domestic bond markets. However, the 10-year yields for both MGS and GII rose by 4 bps driven by weaker demand at long-term auctions and investors' sensitivity to duration risk. This cautious sentiment was mirrored in Government bond auctions where the average bid-to-cover ("BTC") ratio for this quarter fell to 2.1 times from 2.3 times, although selective maturities, such as MGII 8/30 achieved the highest BTC of 2.8 times. Meanwhile, foreign investors remained net buyers, increasing total holdings of MGS and GII of by 3.40% from the third quarter ("Q3") to RM300 billion providing support to bond prices. Overall, the last quarter reflected a healthy and ample liquidity in the market with investors' preferences for the short end and selective exposure at the long end demonstrating cautious optimism amid global uncertainties.

QUARTERLY REPORT DECEMBER 2025
ARECA Steady fixed **INCOME** FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 31 December 2025

| | 31.12.2025 | 30.09.2025 |
|--|-------------------|-------------------|
| | RM | RM |
| Assets | | |
| Investments | 82,699,119 | 82,336,466 |
| Cash and cash equivalents | 7,235,869 | 3,047,545 |
| Total Assets | 89,934,988 | 85,384,011 |
| Unitholders' Fund And Liabilities | | |
| Liabilities | | |
| Other payables and accrued expenses | 53,105 | 47,667 |
| Total Liabilities | 53,105 | 47,667 |
| Unitholders' Fund | | |
| Unitholders' capital | 74,307,676 | 70,859,467 |
| Retained earnings | 15,574,207 | 14,476,877 |
| Net Asset Value Attributable To Unitholders | 89,881,883 | 85,336,344 |
| Total Unitholders' Fund And Liabilities | 89,934,988 | 85,384,011 |
| Number Of Units In Circulation | 68,845,740 | 66,243,396 |
| Net Asset Value Per Unit (RM) | 1.3056 | 1.2882 |

QUARTERLY REPORT DECEMBER 2025
ARECA Steady fixed **INCOME** FUND

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 31 December 2025

| | 01.10.2025 to 31.12.2025 | 01.07.2025 to 30.09.2025 |
|--|-------------------------------------|-------------------------------------|
| | RM | RM |
| Investments Income | | |
| Dividend income | 5,683,732 | 87,888 |
| Interest income | 27,547 | 21,676 |
| Net loss on investments at fair value through profit or loss ("FVTPL") | <u>(4,498,358)</u> | <u>(99,421)</u> |
| Total Investments Income | <u>1,212,921</u> | <u>10,143</u> |
| Expenditure | | |
| Management fee | (90,272) | (66,796) |
| Trustee's fee | (11,038) | (10,912) |
| Audit fee | (3,000) | (3,000) |
| Tax agent's fee | (825) | (9,825) |
| Other expenses | <u>(10,456)</u> | <u>(1,110)</u> |
| Total Expenditure | <u>(115,591)</u> | <u>(91,643)</u> |
| Net Income/(Loss) Before Taxation | 1,097,330 | (81,500) |
| Taxation | <u>-</u> | <u>3,660</u> |
| Net Income/(Loss) After Taxation And Total Comprehensive Income/(Loss) For The Financial Period | <u>1,097,330</u> | <u>(77,840)</u> |
| Net Income/(Loss) After Taxation Is Made Up Of: | | |
| Realised gain | 5,822,905 | 547,362 |
| Unrealised loss | <u>(4,725,575)</u> | <u>(625,202)</u> |
| | <u>1,097,330</u> | <u>(77,840)</u> |

QUARTERLY REPORT DECEMBER 2025
ARECA Steady fixed **INCOME** FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 31 December 2025

| | Unitholders' capital RM | Retained earnings RM | Total net asset value RM |
|---|--|-------------------------------------|---|
| Balance as at 1 July 2025 | 73,516,686 | 14,554,717 | 88,071,403 |
| Amounts received from units created | 30,000 | - | 30,000 |
| Amounts paid for units cancelled | (2,687,219) | - | (2,687,219) |
| Total comprehensive loss for the financial period | - | (77,840) | (77,840) |
| Balance as at 30 September 2025 | <u>70,859,467</u> | <u>14,476,877</u> | <u>85,336,344</u> |
| Balance as at 1 October 2025 | 70,859,467 | 14,476,877 | 85,336,344 |
| Amounts received from units created | 21,283,000 | - | 21,283,000 |
| Amounts paid for units cancelled | (17,834,791) | - | (17,834,791) |
| Total comprehensive income for the financial period | - | 1,097,330 | 1,097,330 |
| Balance as at 31 December 2025 | <u>74,307,676</u> | <u>15,574,207</u> | <u>89,881,883</u> |

QUARTERLY REPORT DECEMBER 2025
ARECA Steady fixed **INCOME** FUND

UNAUDITED STATEMENT OF CASH FLOWS

For The Financial Period Ended 31 December 2025

| | 01.10.2025 to 31.12.2025 RM | 01.07.2025 to 30.09.2025 RM |
|---|--|--|
| Cash Flows From/(Used In) Operating Activities | | |
| Proceeds from disposal of investments | 14,924,733 | 3,354,178 |
| Purchase of investments | (20,000,000) | - |
| Cash capital distribution received | 214,256 | 118,177 |
| Dividend income received | 5,683,732 | 206,481 |
| Interest received | 27,547 | 32,514 |
| Management fee paid | (76,579) | (67,145) |
| Trustee's fee paid | (14,241) | (7,329) |
| Payment for other fees and expenses | (19,333) | (10,110) |
| Tax refund | - | 3,660 |
| Net Cash From Operating Activities | 740,115 | 3,630,426 |
| Cash Flows From/(Used In) Financing Activities | | |
| Cash proceeds from units created | 21,283,000 | 55,727 |
| Payment for cancellation of units | (17,834,791) | (2,687,219) |
| Net Cash From/(Used In) Financing Activities | 3,448,209 | (2,631,492) |
| Net Increase In Cash And Cash Equivalents | 4,188,324 | 998,934 |
| Cash And Cash Equivalents At Beginning Of Period | 3,047,545 | 2,048,611 |
| Cash And Cash Equivalents At End Of Period | 7,235,869 | 3,047,545 |
| Cash And Cash Equivalents Comprise: | | |
| Cash at banks | 200,472 | 9,696 |
| Short-term deposits | 7,035,397 | 3,037,849 |
| | 7,235,869 | 3,047,545 |



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