

Quarterly Report

March 2026

For the Period Ended 31 March 2026

Areca Steady *fixed*INCOME Fund

Management Company



200601021087(740840-D)

QUARTERLY REPORT MARCH 2026

✧ ARECA Steady *fixed*INCOME FUND

Contents

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

CORPORATE DIRECTORY

MANAGER

Areca Capital Sdn Bhd
Company No: 200601021087 (740840-D)
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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)

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

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50400 Kuala Lumpur
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AUDITOR

Deloitte Malaysia PLT (*formerly known as
Deloitte PLT*) (LLP0010145-LCA)
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TAX ADVISER

PricewaterhouseCoopers Taxation
Services Sdn Bhd (464731-M)
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MANAGER'S OFFICE AND BRANCHES

HEAD OFFICE

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IPOH BRANCH

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Tel : 605-249 6697
Fax: 605-249 6696

MALACCA BRANCH

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Taman Melaka Raya
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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
Lorong Api-Api 1
Api-Api Centre
88000 Kota Kinabalu, Sabah
Tel : 6088-276 757

QUARTERLY REPORT MARCH 2026
ARECA Steady fixedINCOME FUND

FUND INFORMATION

Name of the Fund	Areca Steady fixedINCOME 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>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	11 May 2009
Financial Year End	30 June

QUARTERLY REPORT MARCH 2026
ARECA Steady 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)	93.01	89.88	
Units in circulation (million units)	71.02	68.85	
NAV per unit (RM)	1.3096	1.3056	
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)	1.3109	1.3063	
Lowest NAV per unit (RM)	1.3028	1.2871	
ASSET ALLOCATION % of NAV			
Unquoted fixed income securities			
Unquoted Bonds	1.29	1.34	
Collective investment schemes	88.85	90.67	
Liquid assets and other net current assets	9.86	7.99	
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) (%)	0.15	0.13	
<i>Please refer to Note 2 for further information</i>			
Portfolio turnover ratio (PTR) (times)	0.05	0.20	
<i>Please refer to Note 3 for further information</i>			
TOTAL RETURN			
<i>Please refer to Note 4 for further information</i>			
Total Return (%)	0.52	1.13	
- Capital growth (%)	0.52	1.13	
- Income distribution (%)	-	-	
	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	5.25	3.66	4.48

QUARTERLY REPORT MARCH 2026
ARECA Steady 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 0.52% against the benchmark Maybank's 12-month fixed deposit rate of 0.51%.

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.

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 March 2026

RM1.3096

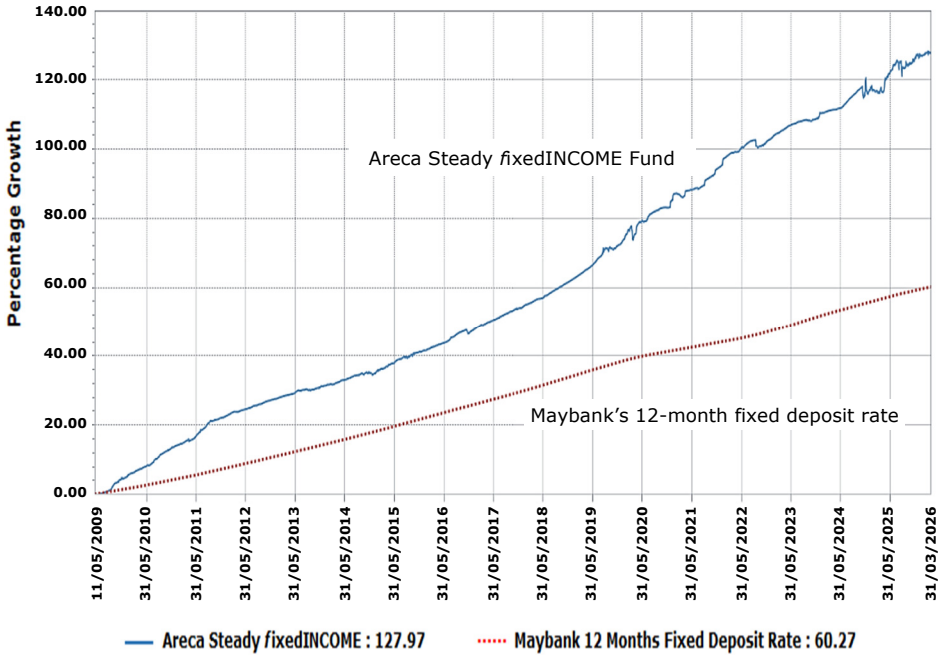
Asset Allocation/Portfolio Composition

	31.03.2026	30.12.2025
Unquoted fixed income securities	1.29%	1.34%
Collective investment schemes	88.85%	90.67%
Liquid assets and other net current assets	9.86%	7.99%

FUND REVIEW

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

Total Return of Areca Steady fixedINCOME Fund vs Benchmark



Source: Lipper

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 Steady fixed **INCOME** FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 31 March 2026

	31.03.2026	31.12.2025
	RM	RM
Assets		
Investments	83,842,229	82,699,119
Cash and cash equivalents	9,214,284	7,235,869
Other receivables	17,447	-
Total Assets	93,073,960	89,934,988
 Unitholders' Fund And Liabilities		
Liabilities		
Other payables and accrued expenses	61,014	53,105
Total Liabilities	61,014	53,105
 Unitholders' Fund		
Unitholders' capital	77,156,786	74,307,676
Retained earnings	15,856,160	15,574,207
Net Asset Value Attributable To Unitholders	93,012,946	89,881,883
 Total Unitholders' Fund And Liabilities	93,073,960	89,934,988
 Number Of Units In Circulation	71,024,681	68,845,740
Net Asset Value Per Unit (RM)	1.3096	1.3056

QUARTERLY REPORT MARCH 2026
ARECA Steady 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 RM	01.10.2025 to 31.12.2025 RM
Investments Income		
Dividend income	-	5,683,732
Interest income	59,606	27,547
Net gain/(loss) on investments at fair value through	365,388	(4,498,358)
Total Investments Income	424,994	1,212,921
Expenditure		
Management fee	(112,035)	(90,272)
Trustee's fee	(11,424)	(11,038)
Audit fee	(3,000)	(3,000)
Tax agent's fee	(2,425)	(825)
Other expenses	(14,157)	(10,456)
Total Expenditure	(143,041)	(115,591)
Net Income Before Taxation	281,953	1,097,330
Taxation	-	-
Net Income After Taxation And Total Comprehensive Income For The Financial Period	281,953	1,097,330
Net Income After Taxation Is Made Up Of:		
Realised (loss)/gain	(48,324)	5,822,905
Unrealised gain/(loss)	330,277	(4,725,575)
	281,953	1,097,330

QUARTERLY REPORT MARCH 2026
ARECA Steady 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	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>
Balance as at 1 January 2026	74,307,676	15,574,207	89,881,883
Amounts received from units created	9,503,918	-	9,503,918
Amounts paid for units cancelled	(6,654,808)	-	(6,654,808)
Total comprehensive income for the financial period	-	281,953	281,953
Balance as at 31 March 2026	<u>77,156,786</u>	<u>15,856,160</u>	<u>93,012,946</u>

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

UNAUDITED STATEMENT OF CASH FLOWS

For The Financial Period Ended 31 March 2026

	01.01.2026 to 31.03.2026 RM	01.10.2025 to 31.12.2025 RM
Cash Flows From/(Used In) Operating Activities		
Proceeds from disposal of investments	4,000,000	14,924,733
Purchase of investments	(4,800,000)	(20,000,000)
Cash capital distribution received	4,831	214,256
Dividend income received	-	5,683,732
Interest received	59,606	27,547
Management fee paid	(108,312)	(76,579)
Trustee's fee paid	(11,435)	(14,241)
Payment for other fees and expenses	(15,385)	(19,333)
Net Cash (Used In)/From Operating Activities	(870,695)	740,115
Cash Flows From/(Used In) Financing Activities		
Cash proceeds from units created	9,503,918	21,283,000
Payment for cancellation of units	(6,654,808)	(17,834,791)
Net Cash From Financing Activities	2,849,110	3,448,209
Net Increase In Cash And Cash Equivalents	1,978,415	4,188,324
Cash And Cash Equivalents At Beginning Of Period	7,235,869	3,047,545
Cash And Cash Equivalents At End Of Period	9,214,284	7,235,869
Cash And Cash Equivalents Comprise:		
Cash at banks	9,039	200,472
Short-term deposits	9,205,245	7,035,397
	9,214,284	7,235,869



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