Quarterly Report
September 2025

For the Period Ended 30 September 2025

Areca Steady *f*ixedINCOME Fund

Management Company

ARECA CAPITAL

200601021087(740840-D)

QUARTERLY REPORT SEPTEMBER 2025

✧ ARECA Steady *f*ixedINCOME FUND

Contents

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)
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: 03-2302 8252, Fax: 03-2302 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: 03-7610 8888, Fax: 03-7726 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: 03-2173 1188, Fax: 03-2173 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
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

FUND INFORMATION

Name of the Fund	Areca Steady *f*ixedINCOME 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	The Manager will retain soft commissions received from brokers or dealers, provided that: (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. 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.
Inception Date	11 May 2009
Financial Year End	30 June

F U N D   P E R F O R M A N C E

	01.07.2025 to 30.09.2025
NET ASSET VALUE ("NAV")	
Net Asset Value (RM million)	85.34
Units in circulation (million units)	66.24
NAV per unit (RM)	1.2882

HIGHEST & LOWEST NAV per unit	
Please refer to ***Note 1*** *for further information on NAV and pricing policy*	
Highest NAV per unit (RM)	1.2959
Lowest NAV per unit (RM)	1.2703

ASSET ALLOCATION % of NAV	
Unquoted fixed income securities	
Unquoted Bonds	1.41
Collective investment schemes	95.07
Liquid assets and other net current assets	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) (%)	0.11
Please refer to ***Note 2*** *for further information*	
Portfolio turnover ratio (PTR) (times)	0.02
Please refer to ***Note 3*** *for further information*	

TOTAL RETURN	
Please refer to ***Note 4*** *for further information*	
Total Return (%)	(0.10)
- Capital growth (%)	(0.10)
- Income distribution (%)	-

	1-yr	**3-yrs**	**5-yrs**
Average Total Return per annum (%)	3.43	3.93	4.58

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 30th September 2025, the Fund posted a negative return of 0.10% against the benchmark Maybank's 12-month fixed deposit rate of 0.58%.

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.

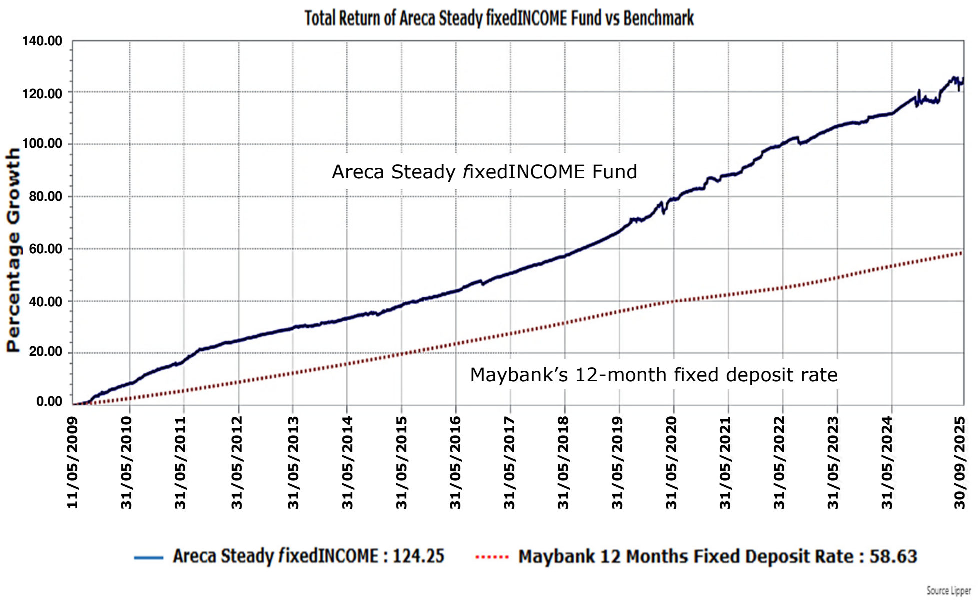
It is also the Fund's strategy to invest in CIS and other instrument such as preference shares. Investing in CIS or preference shares with similar investment objectives indirectly gives the Fund exposure to the underlying investment.

NAV per unit as at 30 September 2025 RM1.2882

Asset Allocation/Portfolio Composition	**30.09.2025**
Unquoted fixed income securities	1.41%
Collective investment schemes	95.07%
Liquid assets and other net current assets	3.52%

FUND REVIEW

Performance of Areca Steady *f*ixedINCOME Fund for the period since inception to 30 September 2025



GLOBAL FIXED INCOME MARKET REVIEW AND OUTLOOK

Headline Consumer Price Index ("CPI") came in at 2.70% year-on-year ("YoY"), with core CPI at 2.90% slightly firmer in July than June. Services inflation remained sticky, although shelter price growth continued to decelerate. Federal Reserve's ("Fed") decision remains aligned with market expectations that the Fed will keep its Fed Funds Target Rate ("FFTR") steady at the range of 4.25% - 4.50% in the July meeting, so as to get better clarity on tariff impact on inflation, and flagging the importance to watch June and July inflation prints with the majority of Fed policymakers still likely in agreement it will be appropriate to reduce rates later this year.

In August, United States Treasury ("UST") market saw varied activity, with a dovish shift from the Fed. The Fed comments at the Jackson Hole symposium signalled increasing employment risks leading to expectations of a potential September rate cut. The shift in Fed policy supported bond prices, with yields on the 10-year UST easing from 4.33% to around 4.25% as investors are more confident that a rate cut is forthcoming.

As anticipated, the Fed delivered a 25 basis points ("bps") rate cut for the first time in September lowering the target range to 4.00% – 4.25%, as concerns intensified over slowing labour market and moderate economic growth. Unemployment rose to 4.30%, a near four-year high, while payrolls grew by just 22,000 jobs. UST yields were mixed, with shorter tenors declining but the 10Y UST edged higher as markets weighed on lingering inflation, suggesting the cut was more of an "insurance" move than a policy shift.

MALAYSIA FIXED INCOME MARKET REVIEW AND OUTLOOK

In July, Malaysia's advance second quarter Gross Domestic Product ("GDP") surprised on the upside, coming in at 4.50%, above consensus expectations of 4.20% and up from 4.40% in the first quarter. However, June's trade data came in weaker with exports declining by 3.50% YoY, a sharper drop compared to the 1.50% contraction in May. Government bond continued on a firm path, following Bank Negara Malaysia ("BNM") downward revision to growth and inflation. In July, Monetary Policy Committee meeting, BNM reduced Overnight Policy Rate ("OPR") by 25 bps as a pre-emptive move to secure economic growth.

In August, the July CPI printed at 1.20% year-over-year ("y/y"), which met consensus and up from 1.10% in June, but overall market sentiment was cautious ahead of the Jackson Hole event. Bonds extended its positive trajectory in August with the 10Y Malaysian Government Securities ("MGS") rallying down to 3.35%. Yields are expected to stay broadly stable ahead of the BNM meeting (September 4), with the OPR likely to hold at 2.75%. We think that a more accommodative monetary policy stance may be warranted to support domestic growth into 2026, considering that monetary policy typically takes about a year to exert its full impact on the economy.

September's labour market remained resilient with unemployment data held steady at 3.00%. Producer Price Index ("PPI") fell for the 6th consecutive month in August (-2.80% YoY) while CPI increased slightly from 1.20% YoY to 1.30% YoY in August. These supported BNM's decision to keep the OPR unchanged at 2.75%. Government bond yields were broadly stable in September, with the 10Y MGS ending the month at 3.46%. Demand also held up, as the reopening of the 3Y Islamic Government Securities drew a solid bid-to-cover ratio of 2.88 times. Resilient domestic demand and moderate inflation will continue to support economic growth though sentiments remain cautious. We expect OPR stay on hold in the coming month.

UNAUDITED STATEMENT OF FINANCIAL POSITION
As At 30 September 2025

	30.09.2025
	RM
Assets	
Investments	82,336,466
Cash and cash equivalents	3,047,545
Total Assets	85,384,011
Unitholders' Fund And Liabilities	
Liabilities	
Other payables and accrued expenses	47,667
Total Liabilities	47,667
Unitholders' Fund	
Unitholders' capital	70,859,467
Retained earnings	14,476,877
Net Asset Value Attributable To Unitholders	85,336,344
Total Unitholders' Fund And Liabilities	85,384,011
Number Of Units In Circulation	66,243,396
Net Asset Value Per Unit (RM)	1.2882

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 30 September 2025

	01.07.2025 to 30.09.2025 RM
Investments Income	
Dividend income	87,888
Interest income	21,676
Net loss on investments at fair value through profit or loss ("FVTPL")	(99,421)
Total Investments Income	10,143
Expenditure	
Management fee	66,796
Trustee's fee	10,912
Audit fee	3,000
Tax agent's fee	9,825
Other expenses	1,110
Total Expenditure	91,643
Net Loss Before Tax	(81,500)
Income Tax Credit	3,660
Net Loss After Tax And Total Comprehensive Loss For The Financial Period	(77,840)
Net Loss After Tax Is Made Up Of:	
Realised gain	547,362
Unrealised loss	(625,202)
	(77,840)

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE
For The Financial Period Ended 30 September 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	70,859,467	14,476,877	85,336,344

UNAUDITED STATEMENT OF CASH FLOWS
For The Financial Period Ended 30 September 2025

	01.07.2025 to 30.09.2025 RM
Cash Flows From/(Used In) Operating Activities	
Proceeds from disposal of investments	3,354,178
Cash capital distribution received	118,177
Dividend income received	206,481
Interest received	32,514
Management fee paid	(67,145)
Trustee's fee paid	(7,329)
Payment for other fees and expenses	(10,110)
Tax refund	3,660
Net Cash From Operating Activities	3,630,426
Cash Flows From/(Used In) Financing Activities	
Cash proceeds from units created	55,727
Payment for cancellation of units	(2,687,219)
Net Cash Used In Financing Activities	(2,631,492)
Net Increase In Cash And Cash Equivalents	998,934
Cash And Cash Equivalents At Beginning Of Period	2,048,611
Cash And Cash Equivalents At End Of Period	3,047,545
Cash And Cash Equivalents Comprise:	
Cash at banks	9,696
Short-term deposits	3,037,849
	3,047,545

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