

# Replacement Information Memorandum

## Areca Islamic Cash Fund

Management Company



Company Registration No. [200601021087 (740840-D)]

Trustee  
RHB Trustees Berhad

Company Registration No. 200201005356 (573019-U)

This Information Memorandum is dated 1 July 2024.

The Fund is constituted on 3 June 2015.

This is a replacement information memorandum that supersedes and replaces the information memorandum dated 28 February 2024. Investors are advised to read the information memorandum and obtain professional advice before subscribing to the Areca Islamic Cash Fund. For information concerning certain Risk Factors which should be considered by prospective investors, see "Risk Factors" commencing on page 15.

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## **RESPONSIBILITY STATEMENTS & STATEMENTS OF DISCLAIMER**

**This Information Memorandum has been seen and approved by the directors of Areca Capital Sdn Bhd and they 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.**

**The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia.**

**The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the said Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum.**

**The Securities Commission Malaysia is not liable for any non-disclosure on the part of Areca Capital Sdn Bhd responsible for the said Fund and takes no responsibility for the contents in this Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.**

### **ADDITIONAL STATEMENT**

Areca Islamic Cash Fund may only be offered for sale to the Sophisticated Investors and the investors must ensure that they are eligible as Sophisticated Investors before making an investment in the Fund. In the event that the Manager becomes aware that a person is not eligible to apply for Units is in fact holding Units, the Manager, subject to the available Islamic Liquid Assets in the Fund, shall be deemed to have received a Redemption request in respect of such Units on the Business Day following the day the Manager first became aware of the Unit Holder's ineligibility.

The Manager may reject any application of Units at its sole discretion without assigning any reasons.

Sophisticated Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of the securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Fund.

## **SPECIFIC RISK DISCLOSURE STATEMENT**

In the event some of the underlying investments of the Areca Islamic Cash Fund are not actively traded, potential investors are warned that under such circumstances, they may face difficulties in redeeming their investments. Investors are advised to read and understand the contents of this Information Memorandum and obtain professional advice before subscribing to the Units of the Fund.

Areca Islamic Cash Fund has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund.

## **NO CASH / THIRD-PARTY PAYMENT POLICY**

Areca Capital Sdn Bhd is committed towards safeguarding the interests of its 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.

In view of this, it has embarked on a no-cash / third-party payment policy; where **ANY FORM OF CASH PAYMENT, CASH DEPOSITS AND THIRD-PARTY PAYMENT ARE STRICTLY NOT ALLOWED.**

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

## GLOSSARY

|                               |   |
|-------------------------------|---|
| <b>Business Day</b>           | A day on which Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia Securities Berhad, is open for trading;   |
| <b>CMSA</b>                   | The Capital Markets and Services Act, 2007 including all amendments thereto;  |
| <b>Deed(s)</b>                | The deed in relation to the Fund and any other supplemental deeds that may be entered into between the Manager and the Trustee;   |
| <b>Financial Institution</b>  | <p>If the institution is in Malaysia –</p> <ul style="list-style-type: none"> <li>i. licensed bank;</li> <li>ii. licensed investment bank; and</li> <li>iii. licensed Islamic bank.</li> </ul> <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;</p> <p>“licensed investment bank” has the same meaning as given under the Financial Services Act 2013;</p> <p>“licensed Islamic bank” means a bank licensed under the Islamic Financial Services Act 2013”;</p> |
| <b>Fund</b>                   | Areca Islamic Cash Fund;  |
| <b>Guidelines</b>             | Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework as may be amended from time to time;  |
| <b>Information Memorandum</b> | Information Memorandum in relation to the Fund and includes any supplemental or replacement information memorandum;   |
| <b>Islamic Deposits</b>       | <p>Means a sum of money accepted or paid in accordance with Shariah –</p> <p>(a) on terms under which it will be repaid in full, with or without any gains, return or any other consideration in money or money’s worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and person accepting it; or</p>  |

|                              |  |
|------------------------------|--|
|                              | <p>(b) under an agreement, on terms whereby the proceeds under the arrangement to be paid to the person paying the sum of money shall not be less than such sum of money;</p> <p>but excludes money paid bona fide –</p> <p>(i) by way of an advance or a part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided;</p> <p>(ii) by way of security for the performance of a contract or by way of security in respect of any loss which may result from the non-performance of a contract;</p> <p>(iii) without limiting paragraph (ii), by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise; and</p> <p>(iv) in such other circumstances, or to or by such other person, as set out in schedule 2 of the Islamic Financial Services Act 2013;</p> |
| <b>Islamic Liquid Assets</b> | Means any Shariah-compliant permitted investment capable of being converted into cash within seven (7) days;   |
| <b>IUTA</b>                  | Institutional Unit Trust Scheme Adviser;   |
| <b>Jointholder</b>           | A Sophisticated Investor who holds Units together with another Sophisticated Investor(s);  |
| <b>Manager/We/Us</b>         | Areca Capital Sdn Bhd;   |
| <b>NAV</b>                   | The net asset value of the Fund, which is the value of all the assets of the Fund less the value of all liabilities of the Fund at the valuation point;  |
| <b>NAV per Unit</b>          | The NAV of the Fund divided by the total number of Units in circulation of the Fund at the valuation point;  |
| <b>Redemption</b>            | The repurchase by the Manager of the Units owned by the Unit Holders upon a proper redemption request;   |
| <b>RM</b>                    | Means Ringgit Malaysia;  |
| <b>SAC of SC</b>             | Refers to Shariah Advisory Council of the SC;  |
| <b>SC</b>                    | The Securities Commission Malaysia which was established under the Securities Commission Malaysia Act 1993;  |

|                               |   |
|-------------------------------|---|
| <b>Shariah</b>                | Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from the sources of the Shariah namely the Qur`an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (pbuh) and Ijtihad of ulamak (personal efforts by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);   |
| <b>Shariah Adviser</b>        | Refers ZICO Shariah Advisory Services Sdn Bhd (ZICO Shariah);   |
| <b>Shariah Requirements</b>   | The requirements which make sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions as required by the Shariah for that element;  |
| <b>Short-Term</b>             | A period of less than three (3) years;  |
| <b>Sophisticated Investor</b> | Refers to: <ul style="list-style-type: none"> <li>(a) any person who is determined to be a sophisticated investor under: <ul style="list-style-type: none"> <li>(i) the Guidelines on Categories of Sophisticated Investors;</li> <li>(ii) any relevant laws/guidelines for wholesale funds; or</li> </ul> </li> <li>(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;</li> </ul> |
| <b>Trustee</b>                | RHB Trustees Berhad and includes its permitted assigns and successors in title;   |
| <b>Units</b>                  | Units of the Fund and includes a fraction of a unit of the Fund; and  |
| <b>Unit Holder/You</b>        | A Sophisticated Investor for the time being who is registered pursuant to the Deed as a holder of Units, including a Jointholder.   |



## CORPORATE DIRECTORY

### **MANAGER**

**ARECA CAPITAL SDN BHD**

**Registration No.: 200601021087 (740840-D)**

**Registered Address:**

Suite 30C, 3<sup>rd</sup> Floor, Wisma TCL,  
470 Jalan Ipoh, 3<sup>rd</sup> Mile,  
51200 Kuala Lumpur.  
Tel: 603-4044 9811

**Business Address:**

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](http://www.arecacapital.com) E-mail: invest@arecacapital.com

### **TRUSTEE**

**RHB TRUSTEES BERHAD**

**Registration No.: 200201005356 (573019-U)**

**Registered Address:**

Level 10, Tower One,  
RHB Centre, Jalan Tun Razak,  
50400 Kuala Lumpur.

**Business Address:**

Level 11, Tower Three,  
RHB Centre, Jalan Tun Razak,  
50400 Kuala Lumpur.

Tel: 03-9280 5933

Fax: 03-9280 5204

**SHARIAH ADVISER****ZICO SHARIAH ADVISORY SERVICES SDN BHD (200701011429  
(769433-D))****Business Address**

Suite 2-4, Level 2,  
Tower Block, Menara Milenium,  
Jalan Damanlela, Pusat Bandar Damansara,  
50490 Kuala Lumpur  
Tel. No.: 03-2087 9999  
Fax No.: 03-2094 4888

## INFORMATION OF THE FUND

| <b>ARECA ISLAMIC CASH FUND</b> |  |
|--------------------------------|--|
| <b>CATEGORY OF THE FUND</b>    | Islamic Fixed Income   |
| <b>TYPE OF FUND</b>            | Income   |
| <b>TRUSTEE</b>                 | RHB Trustees Berhad  |
| <b>INVESTMENT OBJECTIVE</b>    | <p>The Fund seeks to offer investors regular income.</p> <p>Any material changes to the Fund's objective would require Unit Holders' approval.</p>   |
| <b>ASSET ALLOCATION</b>        | <ul style="list-style-type: none"> <li>• <u>Islamic fixed income securities:</u> <ul style="list-style-type: none"> <li>-Up to 30% of the NAV of the Fund (at time of purchase)</li> </ul> </li> <li>• <u>Islamic money market instruments (other than those instruments classified as Islamic Liquid Assets), Islamic Deposits and placement with Islamic investment account and other Islamic Liquid Assets:</u> <ul style="list-style-type: none"> <li>-Remaining balance of the NAV of the Fund</li> </ul> </li> </ul> |
| <b>BASE CURRENCY</b>           | RM   |
| <b>FINANCIAL YEAR END</b>      | 30 September   |

| <b>ARECA ISLAMIC CASH FUND</b> |  |
|--------------------------------|--|
| <b>INVESTORS' PROFILE</b>      | <p>The Fund is suitable for Sophisticated Investor who:</p> <ul style="list-style-type: none"> <li>• have a low risk tolerance;</li> <li>• have Short-Term investment horizon; and</li> <li>• seek potential income from Shariah-compliant investment.</li> </ul> <p>The Units are only offered to Sophisticated Investors (applicable for principal Unit Holder and Jointholder).</p>   |
| <b>INVESTMENT STRATEGY</b>     | <p>The Fund may invest up to 30% of its NAV in Islamic fixed income securities including Ringgit denominated sukuk and invest its remaining NAV in Short-Term Islamic money market instruments and Islamic Deposits and placement with Islamic investment account with different maturity periods to meet the objective of the Fund.</p>   |
| <b>PERMITTED INVESTMENTS</b>   | <p>Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following:</p> <ul style="list-style-type: none"> <li>• Government Investment Issues (GII), Islamic Accepted Bills, Bank Negara Negotiable Notes, Negotiable Islamic Debt Securites, Islamic Negotiable Instruments of Deposits (INID), Cagamas Mudharabah Bonds and any other government Islamic papers;</li> <li>• Sukuk;</li> <li>• Other Shariah-compliant obligations issued or guaranteed by the government of Malaysia or Bank Negara Malaysia or any state government in Malaysia;</li> </ul> |

## ARECA ISLAMIC CASH FUND

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Islamic Deposits and placement with Financial Institutions;</li> <li>• Islamic derivatives for hedging purposes only;</li> <li>• Islamic structured products where the underlying securities/instruments are Shariah-compliant, such as Shariah-compliant options, commodities futures, currencies or Islamic profit rate swaps; and</li> <li>• Any other form of Shariah-compliant investment as may be permitted by the relevant authorities from time to time, where necessary.</li> </ul> |
| <b>PERFORMANCE BENCHMARK</b>  | Maybank Islamic 1 month REPO rate.   |
| <b>CHARGES</b> - This table describes the charges that you may directly incur when you buy or redeem Units in the Fund. |  |
| <b>ENTRY FEE (SALES CHARGE)</b>   | NIL  |
| <b>EXIT FEE</b>   | NIL  |
| <b>FEES AND EXPENSES</b> - This table describes the fees that you may indirectly incur when you invest in the Fund.     |  |
| <b>MANAGEMENT FEE</b>   | 0.75% per annum of the NAV of the Fund.  |
| <b>TRUSTEE FEE</b>  | 0.05% per annum of the NAV of the Fund.  |

## ARECA ISLAMIC CASH FUND

|                                      |   |
|--------------------------------------|---|
| <b>FUND EXPENSES</b>                 | <p>These include but are not limited to:</p> <ul style="list-style-type: none"> <li>▪ Commissions or fees paid to brokers or dealers;</li> <li>▪ Auditor’s fee;</li> <li>▪ Tax adviser’s fee;</li> <li>▪ Valuation fee;</li> <li>▪ Fund accounting fee;</li> <li>▪ Remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund;</li> <li>▪ Taxes and other duties charged on the Fund by the government and/or other authorities;</li> <li>▪ Costs, fees and expenses incurred in connection with the printing and postage for tax vouchers, annual and quarterly reports/statements;</li> <li>▪ Cost incurred for the modification of the Deed other than those for the benefit of the Manager and/or Trustee; and</li> <li>▪ Cost, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee.</li> </ul> |
| <b>TRANSACTIONS</b>                  |   |
| <b>MINIMUM INITIAL INVESTMENT</b>    | RM50,000 or such other amount at the Manager’s discretion.  |
| <b>MINIMUM ADDITIONAL INVESTMENT</b> | RM10,000 or such other amount at the Manager’s discretion.  |
| <b>MINIMUM REDEMPTION</b>            | 10,000 Units or such other lower number of Units at the Manager’s discretion.   |

| <b>ARECA ISLAMIC CASH FUND</b> |   |
|--------------------------------|---|
| <b>MINIMUM BALANCE</b>         | 10,000 Units or such other number of Units at the Manager's discretion. We will, at our sole discretion, require you to redeem all the Units should the remaining balance Units in your account is less than the minimum balance.   |
| <b>REDEMPTION PAYMENT</b>      | <p>We will pay you within seven (7) Business Days upon receipt of the duly completed original Redemption form. However, for this Fund, it is our general Redemption policy to make payment within one (1) Business Day (T+1 day).</p> <p>Please note that for third party distributors such as IUTA, the Redemption payment could be longer, however it will still be within seven (7) Business Days as aforementioned.</p> <p>Redemption proceeds will be only paid to the principal Unit Holder, unless requested by the principal Unit Holder to pay to the Jointholder. We do not pay the Redemption proceeds to any third-party.</p> |
| <b>SWITCHING FACILITY</b>      | Not available.  |
| <b>TRANSFER OF UNITS</b>       | Not available, unless by operations of law or under the provision of the Deed.  |
| <b>COOLING-OFF RIGHTS</b>      | Not available.  |

## ARECA ISLAMIC CASH FUND

|                             |   |
|-----------------------------|---|
| <b>CUT-OFF TIME</b>         | <p>All completed transaction forms and investment notice must be submitted to the Manager before the cut-off time, 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. Please refer to our company website, <a href="http://www.arecacapital.com">www.arecacapital.com</a> for the cut-off time.</p>  |
| <b>DISTRIBUTION POLICY</b>  | <p>Income distribution for the Fund is twice a year, subject to availability of distributable income.</p>   |
| <b>CAPITAL DISTRIBUTION</b> | <p><u>Capital distribution without cancellation / Redemption of Units ("Cash Capital Distribution")</u></p> <p>The Manager may declare Cash Capital Distribution by way of cash to Unit Holders at its discretion; Cash Capital Distribution will reduce the NAV of the Fund without reducing the total Units in circulation of the Fund.</p> <p><u>Capital distribution by way of mandatory cancellation / Redemption of Units ("Capital Redemption")</u></p> <p>The Manager may make Capital Redemption through the compulsory Redemption of the Units held by the Unit Holders at its discretion.</p> <p>Capital distribution of the Fund (with or without cancellation of Units) is pursuant to the maturity of the investment, disposal of the investment by Manager or early redemption of the investment by issuer (if any) and the Manager does not intend to reinvest the investment proceeds.</p> |



**ARECA ISLAMIC CASH FUND**

**INCOME  
DISTRIBUTION  
RE-  
INVESTMENT  
POLICY**

In the absence of any instructions, we will, at our discretion, reinvest the income distribution or capital distribution of the Fund into another unit trust fund as determined by the Manager at the net asset value per unit of that unit trust fund on the distribution day of the Fund without any entry fee.

**There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund. All fees and charges are subject to any other taxes which the government may impose from time to time.**

**Unit prices and distributions payable, if any, may go down as well as up.**

**You should read and understand the contents of this Information Memorandum and, if necessary, consult your adviser. For information concerning certain risk factors which should be considered by you, see "Risk Factors" commencing on page 15.**

## **RISKS FACTORS**

All types of investments carry some degree of risks which may have an adverse effect on the price of the investments. Therefore, before making an investment decision, investors are advised to consider the different types of risks that may affect the unit trust fund. Below are some of the general risks of investing in the unit trust fund and specific risks associated with the investment portfolio of the Fund.

### **GENERAL RISKS OF INVESTING IN A UNIT TRUST FUND**

- **Market Risk**

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political, social and/or other factors, which will result in a decline in the fund's net asset value. Market risk stems from the fact that there are economy-wide perils which impact all businesses. Investors will be exposed to market uncertainties no matter how a fund's investments are diversified. The fluctuations in the economy, political and social environment will affect the market price of the fund's investments either in a positive or negative way.

- **Manager's Risk**

This risk refers to the day-to-day management of a 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 laws or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

- **Liquidity Risk**

Liquidity risks refer to the ease of liquidating an asset at or near its fair value depending on the asset's volume traded in the market. If the fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices. In situation where the fund has insufficient cash and is unable to liquidate its assets due to market condition as aforesaid, redemption requests made by the unit holders are likely to be affected as the manager may not be able to fulfil its payment obligation on time.

- **Financing Risk**

The risk occurs when investors take a financing to finance their investment and thereafter unable to service the financing payments. If units are used as collateral, an investor may be required to top-up the investor's existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing.

- **Performance Risk**

As a result of the risk elements, the returns from a fund are not guaranteed. The value of the fund's investment will vary when disposed and an investment may be worth more or less than when purchased.

- **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.

- **Non-Compliance Risk**

This risk refers to the possibility that the manager may not follow the provisions set out in the information memorandum, the deed or the relevant laws, rules, guidelines or internal operating policies which governs the fund. Non-compliance may occur directly due to factors such as human error or system failure and can also occur indirectly due to amendment on the relevant regulatory frameworks, relevant laws, rules, and other legal practices affecting the fund. This risk may result in operational disruptions and potential losses to the fund.

- **Suspension of Redemption Request Risk**

Having considered the best interests of unit holders, the redemption requests by the unit holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the fund's assets cannot be determined. In such case, unit holders will not be able to redeem their units and will be compelled to remain invested in the fund for a longer period of time than original timeline. Hence, their investments will continue to be subject to the risks inherent to the fund.

## **SPECIFIC RISKS ASSOCIATED TO THE FUND**

- **Shariah Non-compliance Risk**

This risk refers to the risk that the currently held Shariah-compliant instruments and Islamic Deposits and investment placement in the Fund may be reclassified as Shariah non-compliant in the periodic review of the instruments by the SAC of SC, the Shariah Advisory Council of Bank Negara Malaysia, the Shariah Adviser or the Shariah boards of the relevant Islamic indices or Financial Institutions. If this occurs, the Manager will take the necessary steps to dispose of such instruments according to Shariah Requirements, subject to the approval of the Shariah Adviser.

- **Profit Rate Risk**

Profit rate risk refers to the impact of profit rate changes on the Islamic Deposits. Profit rate fluctuations affect the Islamic Deposits' returns of the Fund. Profit rates offered by the Financial Institutions will fluctuate according to the overnight rate policy determined by Bank Negara Malaysia and this has direct correlation with the Fund's investment in Islamic Deposits. The Fund's future reinvestment in Islamic Deposits will benefit from the higher profit rate and in the event of falling profit rates, the Fund's future investment in Islamic Deposits will be reinvested at lower profit rates which in turn will reduce the Fund's potential returns.

- **Counterparty Risk**

The Fund will transact most of its investments through Financial Institutions including but not limited to brokers, dealers and banks. All transactions will carry counterparty risks until the transactions have settled. All deposits of securities or cash with a custodian, bank or Financial Institution will carry counterparty risk. Upon default by a counterparty, the Fund may be forced to unwind certain transactions and the Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of the Fund's assets.

- **Credit and Default Risk**

Credit and default risk arises when there is a possibility that the issuer of Islamic fixed securities and Islamic money market instruments is unable to pay the interest/profit due or the principal repayment on time leading to a default by the issuer. An issuer suffering adverse change in its financial condition could have the credit rating of the Islamic fixed securities and Islamic money market instruments lowered. Any adverse situations faced by the issuer may impact the value as well as liquidity of the instruments. This risk is mitigated by carrying out continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer.

- **Interest Rate Risk**

This risk relates to unforeseen movements in the direction of interest rates. Interest rate movements can lead to fluctuations in Islamic fixed securities prices. Islamic fixed securities prices generally move in the opposite direction of interest rate, that is, any increase in interest rate will lead to a reduction in the Islamic fixed securities prices, thus affecting the valuation of the Fund. (Note: The interest rate mentioned above will have an impact on the management of the Fund, regardless whether it is a Shariah-compliant Fund or otherwise. It does not in anyway suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with the Shariah Requirements.).

**The abovementioned risks which you should consider before investing into a unit trust 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.**

## BASES OF VALUATION OF THE ASSETS OF THE FUND

| Investment Instruments   | Valuation Basis  |
|--|--|
| Investment instruments that are listed and quoted on an exchange | The official closing price or last known transacted price on the eligible market on which the investment is quoted.<br><br>However, if the price is not representative, for example during abnormal market conditions or not available to the market including in the event of a suspension in the quotation of the investment instrument for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, the investment will be valued at fair value. |
| Investment instruments not listed or quoted on an exchange       | At fair value as determined in good faith by the Manager.  |

## TRANSACTION INFORMATION

### CALCULATION OF UNIT PRICES

#### Valuation Point

Every Business Day is a dealing day of the Fund where the Fund is open for sale and repurchase of Units by the Manager. The Fund will be valued at least once every Business Day. The Fund will be valued at the end of every Business Day and the Manager will publish the NAV per Unit on the Manager's website at [www.arecacapital.com](http://www.arecacapital.com) following the valuation of the Fund.

#### Single Pricing Policy

We adopt the single pricing policy to price the Units in relation to investment and Redemption of Units. This means that the selling of Units by the Manager (i.e. when you purchase Units and invest in the Fund) and repurchase of Units by the Manager (i.e. when you redeem your Units and liquidate your investments) will be carried out at NAV per Unit (the actual value of the Unit). The entry fee/exit fee (if any) would be computed separately based on your net investment/Redemption amount. The single price for investment and Redemption of Units shall be the daily NAV per Unit as at the next valuation

point after the Manager receives the investment or Redemption application (i.e. forward pricing).

### How Is The NAV (actual value) Per Unit Calculated?

The Manager will calculate the NAV of the Fund at the end of the valuation point. The NAV is defined as the total value of the Fund’s investment, assets and properties less any liabilities or provisions of the Fund. Where applicable, investment income, fees and other liabilities will be accrued daily in arriving at the NAV of the Fund. The NAV per Unit is then determined by dividing the NAV of the Fund by the number of Units in circulation of the Fund at the valuation point rounded nearest to four (4) decimal places or as agreed between Manager and Trustee.

| <b>Illustration 1: Computation of NAV</b> |   | <b>RM</b>             |
|---|---|-----------------------|
|   | Securities investment   | 224,607,604.00        |
| <b>Add:</b>                               | Assets  | 2,320,028.00          |
|   |   | 226,927,632.00        |
| <b>Less:</b>                              | Liabilities   | 210,751.00            |
|   | NAV before deducting annual management fee and annual trustee fee for the day | 226,716,881.00        |
| <b>Less:</b>                              | Annual management fee for the day (0.75% per annum)                           | 4,658.57              |
| <b>Less:</b>                              | Annual trustee fee for the day (0.05% per annum)                              | 310.57                |
|   | <b>NAV</b>  | <b>226,711,911.86</b> |

### NAV per Unit

The NAV per Unit is then determined by dividing the NAV of the Fund by the number of Units in circulation of the Fund at the valuation point. If the Units in circulation are 436,555,891 Units at the point of valuation, therefore:

| <b>Illustration 2: Computation of NAV per Unit</b> |  |
|--|--|
| NAV per Unit of the Fund                           | = NAV ÷ Units in circulation of the Fund |

$$= \text{RM}226,711,911.86 \div 436,555,891$$

$$= \text{RM}0.5193$$

### Computation of Net Investment Amount and Units Entitlement

- For investors who make a lump sum payment inclusive of fees and any relevant taxes which may be imposed by the government from time to time.

The net investment amount (excluding fees and taxes) is determined by dividing the lump sum payment (excluding bank charges) with a charge factor.

#### Charge Factor = 100.00% + Entry Fee in %

The number of Units invested is determined by dividing the net investment amount (excluding fee and taxes), with the NAV per Unit at the next valuation point after the Manager receives the investment application and rounded up to two (2) decimal places.

| <b>Illustration 3: Allocation of Units to Investor</b>   |            |
|--|------------|
| Assuming you invest a lump sum of RM100,000.00 of gross investment amount with 0% entry fee and the NAV per Unit of the Fund is RM0.5193, therefore: |            |
|  | RM         |
| Gross investment amount  | 100,000.00 |
| Divided by charge factor: 100.00%  | 1.0000     |
| Net investment amount  | 100,000.00 |
| Divided by NAV per Unit  | 0.5193     |
| Units credited to investor's account   | 192,566.92 |
| Net investment amount  | 100,000.00 |
| Gross investment amount  | 100,000.00 |



## Calculation of Redemption Value

The Redemption value is the number of Units to be liquidated multiplied by the NAV per Unit as at the next valuation point, after the Manager receives the Redemption request.

| <b>Illustration 4: Calculation of Redemption proceeds paid to investor</b>  |                     |
|---|---------------------|
| Assuming you request to redeem 20,000.00 Units of the Fund, and the NAV per Unit for the Business Day is RM0.5193, therefore; |                     |
| Number of Units redeemed  | 20,000.00           |
| Multiply by NAV per Unit  | 0.5193              |
| <b>Net amount payable to investor</b>   | <b>RM 10,386.00</b> |

## INCORRECT VALUATION AND PRICING

The Manager will take immediate remedial action to rectify any incorrect valuation or pricing. Where the incorrect valuation or pricing is at or above the threshold of 0.50% of the NAV per Unit, rectification will be extended to the reimbursement of money–

- a. by the Manager to the Fund;
- b. from the Fund to the Manager; or
- c. by the Manager to Unit Holders and former Unit Holders.

Notwithstanding the abovementioned, if the amount to be reimbursed to an individual account is less than RM10.00 in absolute amount, the requirement to reimburse does not apply.

## MAKING AN INVESTMENT

If you are investing for the first time, you are required to complete the account opening documents. Individual or joint application must be accompanied by either a copy of the applicant's identity card, passport or other identification.

Application by a corporation must be accompanied by a certified true copy of its memorandum and articles of association\*, certificate of incorporation\* (if applicable), form 24\*, form 44\*, form 49\*, board resolution relating to the investment and other related documents required by the Manager.

*\* or any other equivalent documentation issued by the authorities*

Existing investors who wish to purchase additional Units can complete the Additional Investments form.

You must submit the completed forms with the necessary payment before the cut-off time on any Business Day. We will process your transaction on the next Business Day if we receive your application after the cut-off time.

Areca Islamic Cash Fund may only be offered for sale to Sophisticated Investors and investors must ensure that they are Sophisticated Investors before making an investment in the Fund. In the event that the Manager becomes aware that a person is not eligible to apply for Units is in fact holding Units, the Manager, subject to the available Islamic Liquid Assets in the Fund, shall be deemed to have received a Redemption request in respect of such Units on the Business Day following the day the Manager first became aware of the Unit Holder's ineligibility.

#### **PAYMENT METHODS**

- Via telegraphic or online transfer.
- By a crossed cheque or banker's cheque made payable to "**Areca Capital Sdn Bhd**".

**WE DO NOT ACCEPT ANY FORM OF CASH PAYMENT (INCLUDING CASH DEPOSIT VIA CASH DEPOSIT MACHINE) AND PAYMENT MADE BY A THIRD PARTY.**

**INVESTOR MUST NOT MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF THE FUND.**

#### **DISTRIBUTION CHANNELS**

The Fund is distributed through the Manager's head office, branches and authorised distributors. Please refer to the directory on page 39 or call us at 03-7956 3111 for the list of contacts.

#### **ARECA CAPITAL SDN BHD AS IUTA**

The Manager is an IUTA to distribute third party unit trust funds. The Fund may invest into collective investment schemes distributed by the Manager. In such circumstances, the Manager will NOT receive any fees or benefits from the distribution of third party funds that the Fund invests in. Any fees received resulting from the Fund's holding in third party collective investment schemes will be channelled to the Fund.

## **CROSS TRADE POLICY**

The Manager may undertake cross trades, i.e. sale and purchase transactions between funds or portfolios under the management of the Manager where the:-

- i. sale and purchase decisions are in the best interest of the investor;
- ii. reason for such transactions is documented prior to execution of the trades;
- iii. transactions are executed through a dealer or a Financial Institution on an arm's length and fair value basis;
- iv. the policies and procedures governing cross-trades have been approved by the person(s) or members of a committee undertaking the oversight function of the Fund; and
- v. transactions will be reported to the Trustee and the person(s) or members of a committee undertaking the oversight function of the Fund.

## **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.

## **SUSPENSION OF FUND**

We may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so.

Where a suspension of dealing of Units is triggered, the Manager will ensure that all Unit Holders are informed in a timely and appropriate manner of its decision to suspend dealing of Units of the Fund.

## **UNCLAIMED MONEYS POLICY**

The Manager will re-invest any moneys payable to Unit Holder in the Fund, if such money remains un-credited to the Unit Holder's bank account after three (3) months from the date of payment, provided always that the Unit Holder still has an account with the Manager. If the Unit Holder no longer has an account with the Manager, the payment of distribution shall be dealt with in accordance with the Unclaimed Moneys Act 1965.

In the event moneys payable are for the payment of Redemption proceeds and those moneys remain unclaimed for such time as may be prescribed by the Unclaimed Moneys Act 1965, the Manager may deal with the Redemption proceeds in accordance with the Unclaimed Moneys Act 1965.

## **ANTI-MONEY LAUNDERING POLICIES & PROCEDURES**

Money laundering is a process intended to conceal the benefits derived from unlawful activities which are related, directly or indirectly, to any serious offence so that they appear to have originated from a legitimate source. Under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA), any person who –

- a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
- b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence;
- c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence; or
- d) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or

ownership of, proceeds of an unlawful activity or instrumentalities of an offence,

commits a money laundering offence and shall on conviction be liable to imprisonment for a term not exceeding fifteen (15) years and shall also be liable to a fine of not less than five (5) times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or five (5) million ringgit, whichever is the higher.

We have anti-money laundering policies in place where investors need to complete Customer Information form and the Manager will perform check on all investors without exception. New investors must provide their identification documents for our verification. No individual/ corporation shall be allowed to invest in the funds managed by the Manager if they fail to provide their identity and/or attempt to give a false name or records. If a potential customer refuses to produce any requested information or sales personnel does not feel comfortable or is suspicious with the information provided, the transaction will be terminated.

All cases of suspicious transactions must be reported by the relevant staff to the Compliance Manager. The Compliance Manager is to obtain relevant information from the relevant staff where applicable and evaluate the evidence and report matters relating to AMLA to the board of directors of the Manager. A suspicious transaction report will then be submitted to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia as well as the SC.

## **THE MANAGER: ARECA CAPITAL SDN BHD**

Areca Capital Sdn Bhd was incorporated on 13 July 2006 under the Companies Act 1965 (now known as Companies Act 2016). Areca Capital Sdn Bhd is a licensed fund manager approved by the SC in February 2007. It is engaged in the business of managing, administering, marketing and distributing unit trust funds and managing and administering funds under private mandates and regulated activity of financial planning and providing investment advice.

### **DUTIES AND RESPONSIBILITIES OF THE MANAGER**

The Manager's principal duty is to manage and administer the Fund in a proper and efficient manner in accordance with the Deed, the Guidelines, the relevant laws, acceptable and efficacious business practice within the unit trust industry and the internal controls and policies of the Manager. The Manager has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of the Fund and Unit Holders.

### **ROLES AND FUNCTIONS OF THE BOARD OF DIRECTORS**

#### **Board of Directors of Areca Capital Sdn Bhd ("the Board")**

The Board plays an active part in the affairs of the Manager. The Board meets at least once every quarter to receive recommendations and reports on investment activities from the person(s) or members of a committee undertaking the oversight function of the Fund and the senior representatives of the Manager. Information on the Board can be found at <https://arecacapital.com/our-people/>.

### **DESIGNATED FUND MANAGER**

Mr. Danny Wong Teck Meng is the designated fund manager responsible for the management of the Fund. Information on Mr. Danny Wong Teck Meng can be found at <https://arecacapital.com/our-people/>.

### **LITIGATION AND ARBITRATION**

As at 30 April 2024, Areca Capital Sdn Bhd is not engaged in any material litigation and arbitration (claims above RM3 million), including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of Areca Capital Sdn Bhd.

**You may visit our website at [www.arecacapital.com](http://www.arecacapital.com) for further information on Areca Capital Sdn Bhd, and the designated fund manager of the Fund.**

## **THE TRUSTEE: RHB TRUSTEES BERHAD**

RHB Trustees Berhad was incorporated in Malaysia under the Companies Act 1965 (now known as Companies Act 2016) on 6 March 2002. It is registered as a trust company under the Trust Companies Act 1949 and is also registered with the SC to conduct unit trust business. The principal activity of RHB Trustees Berhad is providing retail and corporate trustee services. RHB Trustees Berhad has been in the trustee business since 2002.

### **EXPERIENCE IN TRUSTEE BUSINESS**

RHB Trustees Berhad undertakes all types of trustee business allowed under the Trust Companies Act 1949, ranging from corporate trustee services to retail services. RHB Trustees Berhad offers corporate trustee services such as trustee for real estate investment trusts (REITs), unit trust funds and custodian services. Its retail services include estate planning services (will writing, custodian and executor/trustee services) and private trustee services (private purpose trust, investment trust, charitable trust, insurance trust, business succession trust, estate administration trust, custodian and stakeholder services).

### **DUTIES AND RESPONSIBILITIES OF THE TRUSTEE**

The Trustee's functions, duties and responsibilities are set out in the Deed. The general function, duties and responsibility of the Trustee include, but are not limited to, the following:

- a) acting as trustee and safeguarding the rights and interests of the Unit Holders;
- b) holding the assets of the Fund for the benefit of the Unit Holders; and
- c) exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of the Fund.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

## **THE TRUSTEE'S DELEGATE**

RHB Trustees Berhad has appointed Malayan Banking Berhad ("Maybank") as custodian of the investments of the Fund. Maybank was established in 1960 and it is the largest financial services group in Malaysia. Maybank is one of the leading domestic custodian banks in Malaysia that provides full fledge securities solutions services which includes domestic and global custody & clearing services, fund accounting services and transfer agency services. Maybank partner with reputable global custodian banks offering global custody services in more than 100 different markets around the world. The custodian services function is run under Maybank Securities Solutions ("MSS"), a business unit within Maybank. Maybank has a proven track record in servicing diverse clients segments covering institutional investors, financial institutions banks, insurance companies, asset and fund management companies, government-linked companies, conglomerate companies and high net worth individual investors. On top of the numerous awards and accolades by the financial publications magazine in the past years, Maybank has recently been awarded as the Best Custodian - Highly Commended in Malaysia by The Asset Triple A Sustainable Investing Awards 2023 for Institutional Investor, ETF, and Asset Servicing Provider.

Roles and duties of the Trustee's delegate, MSS, are as follow:

- safekeep, reconcile and maintain assets holdings records of the Fund in accordance with the Trustee's instructions;
- act as settlement agent for shares and monies to counterparties in accordance with the Trustee's instructions;
- act as agents for money market placement where applicable in accordance with the Trustee's instructions;
- disseminate listed companies' announcements to and follow through for corporate actions instructions from the Trustee;
- compile, prepare and submit holdings report to the Trustee and beneficial owners where relevant; and
- other ad-hoc payments for work done for the Fund in accordance with the Trustee's instructions, etc

## **LITIGATION AND ARBITRATION**

As at 30 April 2024, RHB Trustees Berhad is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of RHB Trustees Berhad.



## **SHARIAH ADVISER: ZICO Shariah Advisory Services Sdn BHD**

ZICO Shariah Advisory Services Sdn. Bhd. (“ZICO Shariah”) is licensed by the SC to advise, among others, on sukuk issuances, Islamic funds, as well as Islamic capital market products and instruments.

Some of the key advisory services which ZICO Shariah provides include advising regulatory authorities on Shariah issues in law reform, establishment of or conversion into Islamic banks, advising and monitoring of Shariah compliance funds, conducting Shariah compliance review and Shariah audit for Financial Institutions, structuring Islamic banking and takaful/retakaful products and instruments, structuring and advising on Islamic capital market instruments, and advising on Islamic wealth management and succession.

### **DUTIES AND RESPONSIBILITIES OF THE SHARIAH ADVISER**

ZICO Shariah is the Shariah adviser to Fund. As the Shariah adviser of the Fund, the role of ZICO Shariah is to ensure that the operations and investments of the Fund are in compliance with Shariah Requirements. The Shariah Adviser reviews the Fund’s investments to ensure the fund manager has managed and administered Fund in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the SC. For the Fund’s investment in domestic Shariah-compliant equities and sukuk, Islamic Deposits and investment accounts, Islamic money market instruments and Islamic negotiable instruments, the screening of such investments are based on the “List of Shariah-compliant securities by the SAC of SC”, list of sukuk issued by the SC, list of Islamic money market instruments provided by Bank Negara Malaysia; and list of Islamic Deposits and investment accounts provided by the fund manager on a monthly basis as required by the Shariah Adviser to ensure that all placements are in accordance with Shariah. Final responsibility for ensuring Shariah compliance of the Fund in all relevant aspects rests solely with the fund manager.

## **SALIENT TERM OF THE DEED**

### **UNIT HOLDERS' RIGHTS & LIABILITIES**

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 THERE AT AND THE RIGHT TO HAVE YOUR PARTICULARS APPEARING IN THE REGISTER OF UNIT HOLDERS OF THE FUND).

#### **Rights**

As a Unit Holder of the Fund, and subject to the provisions of the Deed, you have the right to:

- receive distributions of income and/or capital, if any;
- participate in any increase in the value of the Units;
- call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through a special resolution;
- receive monthly statements, quarterly and annual reports on the Fund;
- exercise such other rights and privileges as provided for in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such assets.

#### **Liabilities**

- No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased and any charges payable in relation thereto.
- A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

## **UNIT HOLDERS' MEETING**

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed.

The Unit Holders may direct the Manager to summon a meeting for any purpose including without limitation, for the purpose of:

- (a) requiring the retirement or removal of the Manager;
- (b) requiring the retirement or removal of the Trustee;
- (c) considering the most recent audited financial statements of the Fund;
- (d) giving to the Trustee such directions as the meeting thinks proper; or
- (e) considering any matter in relation to the Deed,

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the less, of all the Unit Holders.

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll be demanded or, if it be a question which under the Deed requires a special resolution, a poll shall be taken. On a voting by show of hands every Unit Holder who is present or by proxy shall have one (1) vote. Upon a voting by poll, the votes by every Unit Holder present in person or by proxy shall have one (1) vote for every Unit held by him.

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, however, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy. If the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation of the Fund at the time of the meeting. If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders.

## **PERMITTED EXPENSES PAYABLE OUT OF THE FUND'S PROPERTY**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- (a) commissions or fees paid to brokers or dealers in effecting dealings in the Shariah-compliant investments of the Fund, shown on the

- contract notes or confirmation notes;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities;
  - (c) costs, fees and expenses properly incurred by the auditor of the Fund;
  - (d) fees for the valuation of any Shariah-compliant investment of the Fund;
  - (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
  - (f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
  - (g) costs, commissions, fees and expenses of the sale, purchase, takaful and any other dealing of any Shariah-compliant asset of the Fund;
  - (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed Shariah-compliant investment of the Fund;
  - (i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
  - (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
  - (k) costs, fees and expenses incurred in the termination of the Fund or the removal or retirement of the Trustee or the Manager and the appointment of a new trustee or management company;
  - (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any Shariah-compliant asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
  - (m) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
  - (n) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the

Fund, unless the Manager decides otherwise;

- (o) costs, fees and expenses incurred in connection with the printing and postage for the annual and quarterly reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund;
- (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- (q) costs and expenses incurred in relation to the distribution of income and/or declaration of capital distribution (if any);
- (r) fees in relation to fund accounting; and
- (s) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under subparagraphs (a) to (r) above.

#### **TERMINATION OF THE FUND**

The Manager may without having to obtain the prior approval of the Unit Holders, terminate the trust and wind up the Fund upon the occurrence of any of the following events:

- (a) if any new law shall be passed which renders it illegal; or
- (b) the Manager and the Trustee agree that it is no longer economical for the Manager to continue managing the Fund and the termination of the Fund is in the best interests of the Unit Holders.

If the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

## **RELATED-PARTY TRANSACTION AND CONFLICT OF INTEREST**

### **Areca Capital Sdn Bhd**

We have in place policies and procedure to deal with any conflict of interest situations. All transactions with related parties are executed on terms that are best available to the Fund and which are no less favourable than arm's length transaction between independent parties.

The fund management team exercises its discretion to make independent investment decisions, which include asset allocations and individual stocks / instrument selection based on fundamental research and analysis. These decisions are informed by considerations such as market outlook, interest rate trends, and the suitability of the investment to the Fund's objective. The person(s) or members of a committee undertaking the oversight function of the Fund provide oversight on the fund management team's investment strategy and its application to the Fund, ensuring that the investments align with the Fund's investment goals.

Over and above all decisions and steps taken to avoid potential and/or actual conflict of interest, the overarching principle of "the interest of the investor to prevail above all" will be upheld. This is a core principle of the investment approach and underscores the commitment to maintaining the highest level of integrity and transparency by the Manager.

Our directors or any employees may invest in the Fund managed or distributed by us. Trading in securities by our employees is allowed, provided that policies and procedures in respect of the personal account dealing are observed. An annual declaration of securities trading is required from all directors and employees to ensure there is no potential conflict of interest.

The Manager may pay up to 100% of the fees and charges as commission to distribution partner.

## **RHB Trustees Berhad**

As trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events: -

1. where the Fund is being distributed by the related party of the Trustee as IUTA;
2. where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
3. where the Fund obtains financing as permitted under the Guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are no less favorable to the Fund than an arm's length transaction between independent parties.

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

## **ADDITIONAL INFORMATION**

You may always contact our team who would be happy to assist you in your:

- enquiry on balance account and market value;
- investment, Redemption, and transfer request;
- request to update personal details; and
- the Fund's NAV or any other queries regarding the Fund's performance.

You may choose to communicate with us via:-

- Telephone : 603 7956 3111
- Facsimile : 603 7955 4111
- E-mail : [invest@arecacapital.com](mailto:invest@arecacapital.com)

In addition, you may also review the NAV per Unit of the Fund in any major local newspaper or visit our website at [www.arecacapital.com](http://www.arecacapital.com) to obtain more information on us, our products and services.

Investors can constantly keep abreast of their investment portfolio's via:-

- quarterly report containing information of the Fund, a report on the Fund's performance and financial statements for the accounting period. The quarterly report will be dispatched to all Unit Holders within two (2) months from the close of each financial quarter;
- an annual report containing information of the Fund, a report on the Fund's performance, audited financial statements for the accounting period and auditor's report. The annual report will be distributed (online or otherwise) to all Unit Holders within two (2) months from the close of each financial year; or
- [www.arecacapital.com](http://www.arecacapital.com)

Investors are advised to keep their statement for record purposes.

In the event of joint accounts, the principal Unit Holder shall receive the confirmation advices, all notices and correspondence with respect to the account, as well as any Redemption proceeds or income distributions.

The Fund is established pursuant to a deed entered into between the Manager and the Trustee dated 3 June 2015 as amended by the first supplemental deed dated 7 June 2024.

**THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.**



## **DIRECTORY**

Units can be bought and sold on any Business Day from Monday to Friday at the following locations:

### **Branches:**

#### **Ipoh branch**

11A, (First Floor)  
Persiaran Greentown 5,  
Greentown Business Centre,  
30450 Ipoh, Perak.  
Tel: 605-249 6697

#### **Penang branch**

368-2-02, Belissa Row,  
Jalan Burma, Georgetown,  
10350 Pulau Pinang.  
Tel : 604-210 2011

#### **Melaka branch**

95A, Jalan Melaka Raya 24,  
Taman Melaka Raya,  
75000 Melaka.  
Tel : 606-282 9111

#### **Kuching branch**

1<sup>st</sup> Floor, Sublot 3, Lot 7998,  
Block 16, KCLD, Cha Yi Goldland,  
Jalan Tun Jugah, Slutong,  
93350 Kuching, Sarawak.  
Tel : 082-572472

#### **Johor Bahru**

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

#### **Kota Kinabalu**

Unit 5-1-8, 1st Floor,  
Lorong Api-Api 1 , Api-api centre,  
88000 Kota Kinabalu, Sabah.  
Tel: 088-276 757

**We may appoint additional third party distributors to distribute the Fund. Please contact us at 03-7956 3111 for the updated list of appointed distributors.**



**ARECA CAPITAL SDN BHD** 200601021087(740840-D)

107, Block 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](mailto:invest@arecacapital.com)

**www.arecacapital.com**

**Pulau Pinang Branch**

368-2-02 Belisa Row, Jalan Burma  
Georgetown, 10350 Pulau Pinang

**T** 604 ·210 2011    **F** 604 ·210 2013

**Ipoh Branch**

11A, (First Floor), Persiaran Greentown 5  
Greentown Business Centre, 30450 Ipoh, Perak

**T** 605 ·249 6697    **F** 605 ·249 6696

**Melaka Branch**

95-A, 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, Block16  
KCLD, Cha Yi Goldland, Jalan Tun Jugah / Stutong  
93350 Kuching, Sarawak

**T** 082 .572 472

**Johor Branch**

No 105, Jalan Meranti Merah  
Taman Melodies,  
80250 Johor Bahru

**T** 07 336 3689

**Kota Kinabalu Branch**

Unit 5-1-8 1st Floor  
Lorong Api-Api 1  
Api-Api Centre  
88000 Kota Kinabalu

**T** 088 276 757