

Semi-Annual Report March 2025

For the Period Ended 31 March 2025

Areca Dividend Income Fund

Management Company



200601021087(740840-D)

SEMI-ANNUAL REPORT MARCH 2025

✦ ARECA DIVIDEND INCOME FUND

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CORPORATE DIRECTORY

MANAGER

Areca Capital Sdn Bhd
Company No. 200601021087 (740840-D)
107, Blok B, Pusat Dagangan Phileo Damansara 1
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
(Chief Executive Officer Non-Independent)
Edward Iskandar Toh Bin Abdullah
(Executive Non-Independent)
(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

Maybank Trustees Berhad
Company No:196301000109 (5004-P)
8th Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2070 8833, Fax: 03-2070 9387

AUDITOR

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

Deloitte Tax Services Sdn Bhd (36421-T)
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 03-7610 8888, Fax: 03-7726 8986

MANAGER'S OFFICE AND BRANCHES

HEAD OFFICE

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

PENANG BRANCH

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

IPOH BRANCH

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

MALACCA BRANCH

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

KUCHING BRANCH

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

JOHOR BRANCH

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

KOTA KINABALU BRANCH

Unit No 5-1-8, 1st Floor
Lorong Api-Api 1
Api-Api Centre
88000 Kota Kinabalu, Sabah
Tel : 6088-276 757

SEMI-ANNUAL REPORT MARCH 2025
ARECA DIVIDEND INCOME FUND

FUND INFORMATION

Name of the Fund	Areca Dividend Income Fund
Fund Category/ Type	Equity Fund/Income and Growth
Objective of the Fund	To provide investors regular income while providing long term capital appreciation.
Performance Benchmark	1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category
Distribution Policy of the Fund	The Fund will declare income distribution quarterly subject to the availability of the realised income received.
Rebates & Soft Commissions	<p>The Manager will retain soft commissions received from brokers or dealers, provided that:</p> <ul style="list-style-type: none"> (a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services; (b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions. <p>The soft commissions may be in the form of goods and services such as data and quotation services, computer software incidental to the management of the Fund and investment related publications. Cash rebates, if any, will be directed to the account of the Fund. During the period under review, the Manager had not received any soft commissions.</p>
Inception Date	15 February 2017
Financial Year End	30 September

SEMI-ANNUAL REPORT MARCH 2025
ARECA DIVIDEND INCOME FUND

FUND PERFORMANCE

	2025	2024	2023
NET ASSET VALUE ("NAV")			
Net Asset Value (RM million)	90.78	108.92	115.56
Units in circulation (million units)	71.81	80.71	94.14
NAV per unit (RM)	1.2641	1.3494	1.2275

HIGHEST & LOWEST NAV per unit

*Please refer to **Note 1** for further information on NAV and pricing policy*

Highest NAV per unit (RM)	1.4556	1.3496	1.2859
Lowest NAV per unit (RM)	1.2276	1.2216	1.2038

ASSET ALLOCATION % of NAV

Quoted equity securities

Construction	8.94	10.89	-
Consumer Products & Services	2.90	9.60	22.16
Energy	6.33	9.52	3.21
Financial Services	17.71	13.42	10.03
Health Care	9.26	10.17	20.18
Industrial Products & Services	5.88	1.50	4.21
Property	2.09	9.27	-
Real Estate Investment Trust	6.43	5.88	-
Technology	10.09	7.68	17.37
Telecommunications & Media	5.63	-	-
Transportation & Logistics	1.80	5.76	-
Utilities	3.29	1.05	-

Collective investment schemes

Unquoted equity securities

Preferences Shares	1.10	-	-
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Liquid assets and other net current assets

	5.53	8.86	14.87
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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) (%)	0.92	0.96	0.66
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*Please refer to **Note 2** for further information*

Portfolio turnover ratio (PTR) (times)	0.70	0.56	1.00
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*Please refer to **Note 3** for further information*

	30.09.2024 to 31.03.2025	30.09.2023 to 31.03.2024	30.09.2022 to 31.03.2023
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TOTAL RETURN

*Please refer to **Note 4** for further information*

Total Return (%)	(8.41)	8.08	(1.86)
- Capital growth (%)	(8.41)	8.08	(1.86)
- Income distribution (%)	-	-	-

SEMI-ANNUAL REPORT MARCH 2025
ARECA DIVIDEND INCOME FUND

FUND PERFORMANCE

	2025	2024	2023	2022	2021
Annual Total Return (%)	(16.16)*	16.76*	(3.70)*	(9.85)*	30.32*
Performance Benchmark (%): 1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category	(8.90)*	27.73*	13.23*	(2.73)*	14.68*
<i>* Annualised for comparison purpose only</i>					

	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	(3.03)	(1.76)	14.62

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

During the period under review, the Fund underperformed its benchmark (1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category of the Malaysia Lipper Fund table, "peers benchmarking") with a total return of -8.41% compared to benchmark's return of -4.59%.

Since launch in February 2017, the Fund recorded a total return of 76.00% compared to the benchmark return of 45.10%. In view of the outperformance over longer-term benchmark, the Fund has actually achieved its investment objective to provide investors regular income while providing long term capital appreciation.

The current strategy of the Fund is to invest in high quality dividend yield names and domestic driven companies to cushion the market volatility. Meanwhile, we also reserve a decent level of cash as we plan to accumulate high-quality stocks during periods of market weakness, focusing on those with solid fundamentals that are well-positioned for long-term growth.

Investment Policy and Strategy

The current strategy of the Fund is to invest mainly in conventionally high dividend yield stocks in sectors such as financials (benefitting from interest rate hikes), Real Estate Investment Trust (REIT) and consumers (benefitting from economic reopening), while remaining invested in some future dividend growers which are either cash rich or generate strong free cash flows for medium to long term prospect.

NAV per unit as at 31 March 2025

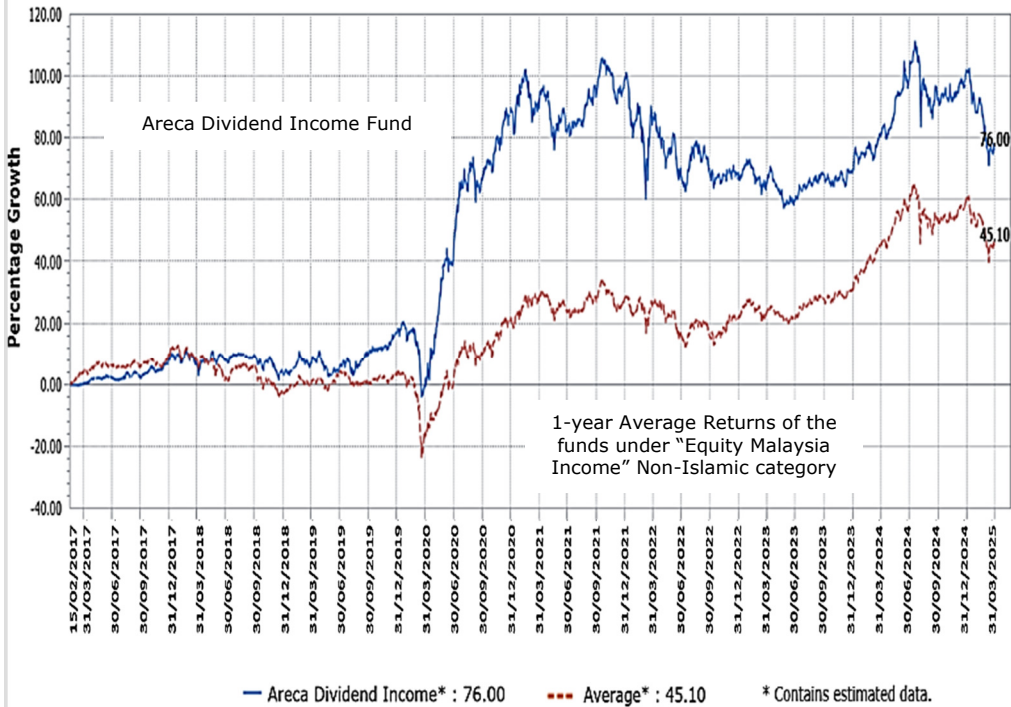
RM1.2641

Asset Allocation/Portfolio Composition	2025	2024	2023
Quoted equity securities	80.35%	84.74%	77.16%
Collective investment schemes	13.02%	6.40%	7.97%
Unquoted equity securities	1.10%	-	-
Liquid assets and other net current assets	5.53%	8.86%	14.87%

FUND REVIEW

Performance of Areca Dividend Income Fund
for the period since inception to 31 March 2025

Total Return of Areca Dividend Income Fund vs Benchmark



Source: Lippe

MALAYSIAN EQUITY MARKET REVIEW

During the period under review, the FTSE Bursa Malaysia KLCI Index ("FBMKLCI") declined by 8.20% to close at 1,514 points, while the FTSE Bursa Malaysia EMAS Index ("FBMEMAS") fell 7.90% to 11,348 points. Similarly, the FTSE Bursa Malaysia Small Cap Index ("FBMSCAP") plunged 10.30% to 15,579 points, underperforming the broader market.

Foreign investors were net sellers throughout the period, leading to total net outflows of MYR17.7 billion. In contrast, domestic institutions and retail investors were net buyers with net inflows of MYR16.4 billion and MYR1.3 billion, respectively.

After reaching a four-year high of 1,679 points in September, the FBMKLCI experienced profit-taking, led by heightened volatility amid geopolitical tensions and concerns over rising corporate costs post-Budget 2025. Towards year-end, the FBMKLCI rebounded on window-dressing activities. However, as 2025 began, profit-taking set in, weighed down by a disappointing earnings season and external headwinds such as uncertainty over United States ("US") tariff policies and a sell-off in Artificial Intelligence ("AI") and data centre-related stocks following stricter US curbs on AI chip exports and the launch of China's DeepSeek AI chatbot. Investor sentiment further deteriorated further amid persistent foreign selling ahead of the US reciprocal tariff announcement on 2 April. Tensions escalated with President Trump's move to impose 25.00% tariffs on all steel, aluminium and automobile imports.

Key events include Malaysia securing RM378.5 billion in approved investments for 2024, reflecting a 14.90% year-over-year increase from 2023. Notable agreements included Infineon's commitment of RM30 billion to expand its Kulim facility and Microsoft's RM10 billion commitment over the next four years to support Malaysia's digital transformation. The national Budget 2025, totalling MYR421 billion (20.00% of Gross Domestic Product ("GDP")), proposed subsidy cuts, reduced fiscal deficit, increased minimum wage from RM1,500 to RM1,700, and a new 2.00% tax on dividend income over RM100,000. Additionally, Malaysia was named a Brazil, Russia, India, China, and South Africa ("BRICS") partner, and Malaysia and Singapore formalised an agreement to establish the Johor-Singapore Special Economic Zone ("JS-SEZ"), targeting 50 projects within five years.

Regarding commodities, Brent crude oil prices gained 4.10% to \$74.7/barrel amid Middle East tensions and US sanctions against Russia's oil industry. Conversely, crude palm oil ("CPO") prices gained 15.50% to RM4,762/tonne attributable to supply tightness. Moreover, the Dollar index rose by 3.40% to 104.2 for the period while the Ringgit depreciated 7.70% against the US Dollar, reaching 4.44.

Sector-wise, plantation (+4.00%), REIT (+0.00%), and financials (-3.00%) led gains, while telecommunications (-15.00%), consumer (-14.00%), and technology (-13.00%) lagged. Top FBMKLCI gainers included RHB Bank (+11.00%), Sunway (+8.00%), and Gamuda (+4.00%), while laggards were Petronas Chemicals (-36.00%), MRDIY (-33.00%), and Axiata (-29.00%).

MALAYSIAN EQUITY MARKET OUTLOOK

Global markets plunged amid growing fears of a global recession, fueled by President Trump's intensifying tariff war. On April 2, Malaysia was hit with a 24.00% reciprocal tariff by the US — a relatively milder impact compared to its The Association of Southeast Asian Nations ("ASEAN") peers, with Vietnam facing 46.00%, Cambodia 49.00%, Thailand 36.00%, and Indonesia 32.00%. Despite these headwinds, Malaysia remains well-positioned in the global trade landscape. Only 13.20% of its exports are US-bound — significantly lower than Vietnam's 29.30% and Cambodia's 37.80%. The US and China primarily influence our economy. However, a potential silver lining is that China's business environment seems more stable, aided by government stimulus measures aimed at boosting consumption, stabilising the property market, and maintaining a moderately loose monetary policy. This positions China to be better prepared than during the previous Trump administration. Additionally, Malaysia could benefit from intra-Asian trade. If China recovers, especially with technological breakthroughs like Deepseek and advancements in semiconductors that bypass US sanctions, we could see positive developments. Malaysia will continue to attract strong Foreign Direct Investment ("FDI") inflows under the China+1 strategy, supported by its relatively lower tariffs, high-quality infrastructure, reliable utilities, and strategic proximity to Singapore. Despite the excessive sell-off reflecting negative sentiment, long-term investment opportunities are emerging. For our equity funds, we will continue accumulating on weakness, employing a barbell strategy that balances oversold exporters with domestic themes. Although more volatility may occur in the short term, the long-term outlook remains promising. The FBMKLCI's price-to-earnings ratio ("PER") currently stands at approximately 14.3 times — around one standard deviation below its 10-year mean—further reinforcing its attractiveness.

CROSS TRADE

No cross trade transactions have been carried out during the financial period under review.

SECURITIES FINANCING TRANSACTIONS

The Fund had not undertaken any securities financing transactions during the financial period under review.

STATE OF AFFAIRS

There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.

TRUSTEE'S REPORT

To the Unitholders of Areca Dividend Income Fund ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 March 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Areca Capital Sdn Bhd has operated and managed the Fund during the period covered by these unaudited financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deeds; and
3. Any creation and cancellation of units are carried out in accordance with the deeds and any regulatory requirement.

For Maybank Trustees Berhad
[Registration No: 196301000109 (5004-P)]

NORHAZLIANA BINTI MOHAMMED HASHIM
HEAD, UNIT TRUST & CORPORATE OPERATIONS

Kuala Lumpur
23 May 2025

STATEMENT BY MANAGER

To the Unitholders of Areca Dividend Income Fund

We, **WONG TECK MENG** and **RAJA DATUK ZAHARATON BT RAJA DATO' ZAINAL ABIDIN**, two of the Directors of the Manager, Areca Capital Sdn Bhd, do hereby state that in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 March 2025 and the financial performance and the cash flows of the Fund for the financial period ended on that date.

For and on behalf of the Manager
Areca Capital Sdn Bhd

WONG TECK MENG
CEO/EXECUTIVE DIRECTOR

RAJA DATUK ZAHARATON BT RAJA DATO' ZAINAL ABIDIN
CHAIRMAN/NON-EXECUTIVE DIRECTOR

Kuala Lumpur
23 May 2025

SEMI-ANNUAL REPORT MARCH 2025
ARECA DIVIDEND INCOME FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 31 March 2025

		31.03.2025	31.03.2024
	Note	RM	RM
Assets			
Investments	5	85,753,459	99,264,246
Cash and cash equivalents	6	3,516,374	1,062,743
Amount due from stockbrokers		2,454,180	5,074,412
Dividend receivables		312,548	548,794
Prepayment of shares		-	3,300,000
Total Assets		<u>92,036,561</u>	<u>109,250,195</u>
Unitholders' Fund And Liabilities			
Liabilities			
Amount due to Manager		964,923	139,728
Amount due to stockbrokers		142,513	-
Other payables and accrued expenses	7	151,760	192,310
Total Liabilities		<u>1,259,196</u>	<u>332,038</u>
Unitholders' Fund			
Unitholders' capital		101,360,805	114,478,487
Accumulated losses		(10,583,440)	(5,560,330)
Net Asset Value Attributable To Unitholders		<u>90,777,365</u>	<u>108,918,157</u>
Total Unitholders' Fund And Liabilities		<u>92,036,561</u>	<u>109,250,195</u>
Number Of Units In Circulation	8	<u>71,813,359</u>	<u>80,713,243</u>
Net Asset Value Per Unit (RM)		<u>1.2641</u>	<u>1.3494</u>

The accompanying Notes form an integral part of the Financial Statements.

SEMI-ANNUAL REPORT MARCH 2025
ARECA DIVIDEND INCOME FUND

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 31 March 2025

		01.10.2024 to 31.03.2025	01.10.2023 to 31.03.2024
	Note	RM	RM
Investments (Loss)/Income			
Dividend income		1,220,630	1,506,633
Interest income		147,040	113,124
Net (loss)/gain on investments at fair value through profit or loss ("FVTPL")	5	<u>(8,433,155)</u>	<u>8,231,407</u>
Total Investments (Loss)/Income		<u>(7,065,485)</u>	<u>9,851,164</u>
Expenditure			
Management fee	9	890,380	975,040
Trustee's fee	10	25,306	27,146
Audit fee		4,999	5,000
Tax agent's fee		3,984	1,825
Transaction costs		387,024	285,745
Other expenses		<u>22,567</u>	<u>30,916</u>
Total Expenditure		<u>1,334,260</u>	<u>1,325,672</u>
Net (Loss)/Income Before Tax		(8,399,745)	8,525,492
Income Tax Expense	11	<u>-</u>	<u>-</u>
Net (Loss)/Income After Tax And Total Comprehensive (Loss)/Income For The Financial Period		<u>(8,399,745)</u>	<u>8,525,492</u>
Net (Loss)/Income After Tax Is Made Up Of:			
Realised (loss)/gain		(2,314,948)	1,118,465
Unrealised (loss)/gain		<u>(6,084,797)</u>	<u>7,407,027</u>
		<u>(8,399,745)</u>	<u>8,525,492</u>

The accompanying Notes form an integral part of the Financial Statements.

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ARECA DIVIDEND INCOME FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 31 March 2025

	Unitholders' capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 1 October 2023	121,868,488	(14,085,822)	107,782,666
Amounts received from units created	3,129,241	-	3,129,241
Amounts paid for units cancelled	(10,519,242)	-	(10,519,242)
Total comprehensive income for the financial period	-	8,525,492	8,525,492
Balance as at 31 March 2024	<u>114,478,487</u>	<u>(5,560,330)</u>	<u>108,918,157</u>
Balance as at 1 October 2024	104,470,445	(2,183,695)	102,286,750
Amounts received from units created	5,643,767	-	5,643,767
Amounts paid for units cancelled	(8,753,407)	-	(8,753,407)
Total comprehensive loss for the financial period	-	(8,399,745)	(8,399,745)
Balance as at 31 March 2025	<u>101,360,805</u>	<u>(10,583,440)</u>	<u>90,777,365</u>

The accompanying Notes form an integral part of the Financial Statements.

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ARECA DIVIDEND INCOME FUND

UNAUDITED STATEMENT OF CASH FLOWS

For The Financial Period Ended 31 March 2025

	Note	01.10.2024 to 31.03.2025 RM	01.10.2023 to 31.03.2024 RM
Cash Flows From Operating Activities			
Proceeds from disposal of investments		65,020,878	58,897,439
Purchase of investments		(74,686,714)	(59,796,496)
Dividend income received		1,137,314	1,125,790
Interest received		147,040	113,124
Management fee paid		(910,167)	(955,288)
Trustee's fee paid		(25,573)	(26,980)
Transaction costs paid		(378,496)	(277,825)
Payment for other fees and expenses		(14,127)	(1,867)
Net Cash Used In Operating Activities		<u>(9,709,845)</u>	<u>(922,103)</u>
Cash Flows From Financing Activities			
Cash proceeds from units created		5,675,481	3,129,241
Payment for cancellation of units		<u>(7,788,484)</u>	<u>(10,379,514)</u>
Net Cash Used In Financing Activities		<u>(2,113,003)</u>	<u>(7,250,273)</u>
Net Decrease In Cash And Cash Equivalents		(11,822,848)	(8,172,376)
Cash And Cash Equivalents At Beginning Of Period		<u>15,339,222</u>	<u>9,235,119</u>
Cash And Cash Equivalents At End Of Period		<u><u>3,516,374</u></u>	<u><u>1,062,743</u></u>
Cash And Cash Equivalents Comprise:			
Cash at banks	6	7,730	4,967
Short-term deposits	6	<u>3,508,644</u>	<u>1,057,776</u>
		<u><u>3,516,374</u></u>	<u><u>1,062,743</u></u>

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Areca Dividend Income Fund ("the Fund") was established pursuant to the Trust Deed dated 20 January 2017 ("the Deeds") as modified by the First Supplemental Deed dated 29 August 2022 between Areca Capital Sdn Bhd as the Manager, Maybank Trustees Berhad as the Trustee and all the registered unitholders of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments" as defined under Schedule 7 of the Deeds, which include ordinary shares and other equity-related securities such as convertible securities, preference shares, and warrants listed on the Bursa Malaysia or other public exchanges in Malaysia, securities in foreign stock exchanges which have been approved by the relevant authorities from time to time, unlisted securities including securities not listed or quoted on stocks exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer, placement of deposits with financial institution, units and shares in other collective investment scheme, derivatives such as future contract for hedging purposed only and any form of investments arising from exercising of an entitlement accruing on the other permitted investment. The Fund was launched on 15 February 2017 and will continue its operations until terminated in accordance with conditions provided in Part 12 of the Deeds.

The investment objective of the Fund is to provide investors with regular income while providing long term capital appreciation. Any material change to the investment objective of the Fund would require unitholders' approval.

The Manager of the Fund is Areca Capital Sdn Bhd, a company incorporated in Malaysia. It is engaged in managing, administering, marketing and distributing unit trust funds, managing and administering funds under private mandates and the regulated activities of financial planning and providing investment advice.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRSs") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the relevant Securities Commission Malaysia guidelines.

Adoption of Amendment to MFRSs

The Fund has applied the following relevant Amendment for the first time for the financial period beginning on 1 October 2024:

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

The adoption of the above did not give rise to any material effects on the financial statements of the Fund.

New MFRS and Amendments to MFRSs in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, relevant new MFRS and Amendments to MFRSs which were in issue by the MASB but not yet effective and not early adopted by the Fund are listed below:

**Effective for annual
periods beginning
on or after**

MFRS 18 *Presentation and Disclosure in Financial Statements*
Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial
Instruments: Disclosures*

1 January 2027

1 January 2026

The Manager of the Fund anticipates that the abovementioned new MFRS and Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these Amendments will have no material impact on the financial statements of the Fund in the period of initial application.

3 MATERIAL ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Fund have been prepared under the historical cost convention except for financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Income Recognition

Dividend income is recognised based on the date when the right to receive the dividend has been established.

Interest income from short-term deposits is recognised on an accrual basis based on the effective yield of the asset.

Realised gain and loss on disposal of investments is arrived at based on net sales proceeds less carrying value. Any unrealised gain and loss previously charged to profit or loss in relation to the disposal of this investment will be reversed and classified as realised gain or loss during the financial period.

Unrealised gains and losses are calculated based on changes in the fair value of financial instruments at the end of the reporting period.

Transaction Costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the profit or loss.

Income Tax

Pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967, interest income derived by the Fund is exempt from tax, and pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967, gains from realisation of investments are not treated as income and is also exempt from tax.

Functional and Presentation Currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

Unitholders' Capital

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments.

The units in the Fund are puttable instruments which entitle the unitholders to a pro-rata share of the net asset value of the Fund. The units are subordinated and have identical features. There is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net asset value of the Fund.

Creation and Cancellation of Units

The Fund issues cancellable units, which are cancelled at the unitholders' option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The outstanding units are carried at the redemption amount that is payable at the net asset value if the holder exercises the right to put the units back to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

Financial Instruments

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Financial Assets

(i) Classification

The Fund classified its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Fund can make an irrevocable election at the time of initial recognition to account for the equity investments either at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Impairment of Financial Assets

The Fund assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

The Fund applies the simplified approach under MFRS 9 which requires expected lifetime loss to be recognised from initial recognition. The expected loss allowance is based on provisional matrix.

Derecognition of Financial Assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Equity Instruments

The Fund measures its equity investments at fair value with gains or losses on valuation recognised in profit or loss unless the Fund's management has made an irrevocable election to recognise the fair value gains and losses in other comprehensive income at its initial stage.

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial Liabilities Measured Subsequently at Amortised Cost

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Investments

Investments in quoted equity securities are classified as FVTPL and valued at the last done market price quoted on Bursa Malaysia at the end of the reporting period.

Investments in collective investment schemes are valued at FVTPL based on the Net Asset Value of such collective investment schemes at the end of the reporting period.

Unquoted equity securities in preference shares are valued at FVTPL. Where no market data is available, the Fund will value the investment based on valuation methods and techniques generally recognised as standard within the industry.

Gains or losses arising from the changes in the fair value of the investments are recognised in the profit or loss and are classified as unrealised gain or loss.

Classification of Realised and Unrealised Gains and Losses

Gains or losses arising from the disposal of financial instruments are recognised as realised gains or losses in the profit or loss.

Gain or losses arising from the changes in the valuation of financial instruments at the end of the reporting period are recognised as unrealised gains or losses in the profit or loss.

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Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, where it is probable that the Fund will be required to settle that obligation and a reliable estimate can be made of the amount or timing of the obligation.

The amount recognised as a provision will be the best estimate of the amount required to settle the present obligation at the reporting date, taking into account the uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount will be the present value of those cash flows.

Statement of Cash Flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents, which comprise cash and balances with banks and other financial institutions and deposit placements, are short-term, highly liquid investments with maturities of three months or less from the date of acquisition or are readily convertible to cash with insignificant risk of changes in value.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying accounting policies

In the process of applying the Fund's accounting policies, which are described in Note 3 above, the Manager is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period except as disclosed below:

(a) Fair value estimation of preference shares

The preference shares are not quoted in an active market. Where no market data is available, the Fund will value the investment based on valuation methods and techniques generally recognised as standard within the industry, and are generally based on the net present value of contractual cash flows of the securities discounted using a discount rate which approximates the expected rate of return by the unitholders.

5 INVESTMENTS

	2025	2024
	RM	RM
Financial assets at FVTPL:		
Quoted equity securities	72,939,682	92,298,352
Collective investment schemes	11,813,777	6,965,894
Unquoted equity securities	1,000,000	-
	<u>85,753,459</u>	<u>99,264,246</u>
Net (loss)/gain on investments at FVTPL comprise:		
Realised (loss)/gain on disposals	(2,348,358)	824,380
Unrealised (loss)/gain on changes in fair values	(6,084,797)	7,407,027
	<u>(8,433,155)</u>	<u>8,231,407</u>

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Financial assets at fair value through profit or loss as at 31 March 2025 are as follows:

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
ACE Market				
Construction				
MN Holdings Bhd	980,700	887,162	1,059,156	1.17
		887,162	1,059,156	1.17
Industrial Products & Services				
Kawan Renergy Bhd	1,325,200	1,061,090	940,892	1.03
		1,061,090	940,892	1.03
Main Market				
Construction				
Gamuda Bhd	976,725	3,371,684	4,102,245	4.52
IJM Corporation Bhd	1,404,000	2,760,112	2,948,400	3.25
		6,131,796	7,050,645	7.77
Consumer Products & Services				
Genting Malaysia Bhd	1,586,000	3,489,920	2,632,760	2.90
		3,489,920	2,632,760	2.90
Energy				
Dialog Group Bhd	1,208,000	2,247,809	1,860,320	2.05
Hibiscus Petroleum Bhd	310,000	626,846	585,900	0.65
Yinson Holdings Bhd	1,500,000	4,153,768	3,300,000	3.63
		7,028,423	5,746,220	6.33
Financial Services				
AMMB Holdings Bhd	1,128,500	3,438,850	6,319,600	6.96
CIMB Group Holdings Bhd	340,000	2,362,592	2,380,000	2.62
Hong Leong Bank Bhd	175,000	3,625,604	3,524,500	3.89
Public Bank Bhd	871,000	3,896,032	3,849,820	4.24
		13,323,078	16,073,920	17.71
Health Care				
Hartalega Holdings Bhd	909,600	2,628,860	1,719,144	1.89
IHH Healthcare Bhd	550,000	3,985,441	3,806,000	4.19
Kossan Rubber Industries Bhd	1,657,000	3,212,890	2,883,180	3.18
		9,827,191	8,408,324	9.26
Industrial Products & Services				
SAM Engineering & Equipment (M) Bhd	517,900	2,250,337	1,921,409	2.12
Sunway Bhd	546,200	2,242,511	2,479,748	2.73
		4,492,848	4,401,157	4.85
Property				
IOI Properties Group Bhd	960,000	1,959,360	1,900,800	2.09
		1,959,360	1,900,800	2.09

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
Main Market				
Real Estate Investment Trust				
Pavilion Real Estate Investment Trust	4,000,000	4,880,000	5,840,000	6.43
		4,880,000	5,840,000	6.43
Technology				
D & O Green Technologies Bhd	576,400	1,074,365	841,544	0.93
Inari Amertron Bhd	1,363,000	3,832,480	2,766,890	3.05
Malaysian Pacific Industries	139,100	3,155,721	2,656,810	2.92
MY E.G. Services Bhd	1,550,000	1,410,500	1,410,500	1.55
VSTECs Bhd	505,800	1,597,855	1,487,052	1.64
		11,070,921	9,162,796	10.09
Telecommunications & Media				
Axiata Group Bhd	987,000	1,860,002	1,766,730	1.95
Telekom Malaysia Bhd	510,000	3,445,152	3,340,500	3.68
		5,305,154	5,107,230	5.63
Transportation & Logistics				
MISC Bhd	227,600	1,614,729	1,631,892	1.80
		1,614,729	1,631,892	1.80
Utilities				
Tenaga Nasional Bhd	170,000	2,040,327	2,274,600	2.51
YTL Power International Bhd	213,000	806,366	709,290	0.78
		2,846,693	2,983,890	3.29
Total quoted equity securities		73,918,365	72,939,682	80.35
COLLECTIVE INVESTMENT SCHEMES				
	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
Areca Dynamic Growth Fund 10	2,632,500	2,632,500	1,847,488	2.04
Areca Dynamic Growth Fund 11	3,500,000	3,500,000	3,605,700	3.97
Areca Global Emerging Momentum 3 – MYR Class	3,150,000	3,150,000	2,348,010	2.59
Areca Progressive Income Fund	2,970,885	3,000,000	3,002,080	3.31
Areca Progressive Income Fund 4.0	1,999,800	2,000,000	1,010,499	1.11
Total collective investment schemes		14,282,500	11,813,777	13.02

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	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
UNQUOTED EQUITY SECURITIES				
Preference Shares				
Aira Fintech Sdn Bhd	1,000,000	1,000,000	1,000,000	1.10
Total unquoted equity securities		<u>1,000,000</u>	<u>1,000,000</u>	<u>1.10</u>
Total investments		<u>89,200,865</u>	<u>85,753,459</u>	<u>94.47</u>
Unrealised loss on investments			<u>(3,447,406)</u>	

Financial assets at fair value through profit or loss as at 31 March 2024 are as follows:

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
Main Market				
Construction				
Gamuda Bhd	1,175,711	5,281,424	6,195,997	5.69
IJM Corporation Bhd	1,700,000	3,172,250	4,131,000	3.79
Muhibbah Engineering (M) Bhd	1,700,000	1,117,472	1,538,500	1.41
		<u>9,571,146</u>	<u>11,865,497</u>	<u>10.89</u>
Consumer Products & Services				
Genting Bhd	1,600,000	7,143,495	7,520,000	6.90
Genting Malaysia Bhd	1,080,000	2,765,422	2,937,600	2.70
		<u>9,908,917</u>	<u>10,457,600</u>	<u>9.60</u>
Energy				
Dialog Group Bhd	1,504,000	3,285,169	3,444,160	3.16
Hibiscus Petroleum Bhd	1,400,000	3,219,880	3,626,000	3.33
Yinson Holdings Bhd	1,400,000	3,230,390	3,304,000	3.03
		<u>9,735,439</u>	<u>10,374,160</u>	<u>9.52</u>
Financial Services				
AMMB Holdings Bhd	2,000,500	5,832,892	8,382,095	7.69
Bursa Malaysia Bhd	760,000	5,643,684	5,662,000	5.20
Tune Protect Group Bhd	1,800,000	757,983	576,000	0.53
		<u>12,234,559</u>	<u>14,620,095</u>	<u>13.42</u>
Health Care				
Hartalega Holdings Bhd	2,280,000	5,679,476	6,270,000	5.76
Kossan Rubber Industries Bhd	1,810,000	3,174,495	3,529,500	3.24
Supermax Corporation Bhd	1,550,000	1,482,846	1,271,000	1.17
		<u>10,336,817</u>	<u>11,070,500</u>	<u>10.17</u>
Industrial Products & Services				
Dufu Technology Corp. Bhd	900,000	1,654,425	1,638,000	1.50
		<u>1,654,425</u>	<u>1,638,000</u>	<u>1.50</u>

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
Main Market				
Property				
Malaysian Resources Corporation Bhd	6,000,000	3,465,000	4,050,000	3.72
S P Setia Bhd	4,110,000	4,772,760	6,041,700	5.55
		<u>8,237,760</u>	<u>10,091,700</u>	<u>9.27</u>
Real Estate Investment Trust				
Pavilion Real Estate Investment Trust	5,000,000	6,100,000	6,400,000	5.88
		<u>6,100,000</u>	<u>6,400,000</u>	<u>5.88</u>
Technology				
Frontken Corporation Bhd	1,100,000	3,607,450	4,268,000	3.92
Genetec Technology Bhd	2,000,000	4,901,214	4,100,000	3.76
		<u>8,508,664</u>	<u>8,368,000</u>	<u>7.68</u>
Transportation & Logistics				
Malaysia Airports Holdings Bhd	630,000	4,635,649	6,274,800	5.76
		<u>4,635,649</u>	<u>6,274,800</u>	<u>5.76</u>
Utilities				
Tenaga Nasional Bhd	100,000	1,094,600	1,138,000	1.05
		<u>1,094,600</u>	<u>1,138,000</u>	<u>1.05</u>
Total quoted equity securities		<u>82,017,976</u>	<u>92,298,352</u>	<u>84.74</u>
	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
COLLECTIVE INVESTMENT SCHEMES				
Areca Global Emerging Momentum Fund 2 – MYR Class	1,855,982	1,907,016	1,965,300	1.80
Areca Progressive Income Fund	2,970,885	3,000,000	3,000,594	2.76
Areca Progressive Income Fund 4.0	1,999,800	2,000,000	2,000,000	1.84
Total collective investment schemes		<u>6,907,016</u>	<u>6,965,894</u>	<u>6.40</u>
Total investments				
		<u>88,924,992</u>	<u>99,264,246</u>	<u>91.14</u>
Unrealised gain on investments				
			<u>10,339,254</u>	

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6 CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash at banks	7,730	4,967
Short-term deposits	3,508,644	1,057,776
	<u>3,516,374</u>	<u>1,062,743</u>

Short-term deposits represent deposits placed with a local licensed financial institution.

The effective interest rate for short-term deposits is 3.20% (2024: 3.00%) per annum and the remaining maturity period is 2 days (2024: 1 day).

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2025 RM	2024 RM
Accrued expenses:		
Management fee	135,192	167,254
Trustee's fee	3,935	4,581
Audit fee	4,999	15,000
Tax agent's fee	7,634	5,475
	<u>151,760</u>	<u>192,310</u>

8 NUMBER OF UNITS IN CIRCULATION

	2025 Units	2024 Units
At beginning of the period	74,106,380	86,320,913
Created during the period	4,147,462	2,511,652
Cancelled during the period	(6,440,483)	(8,119,322)
At end of the period	<u>71,813,359</u>	<u>80,713,243</u>

9 MANAGEMENT FEE

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee at a rate not exceeding 2.50% per annum computed daily on the net asset value of the Fund before the deduction of the management fee and Trustee's fee for the relevant day.

The management fee provided in the financial statements is an average of 1.76% (2024: 1.80%) per annum for the financial period, net of management fee rebates on the collective investment schemes.

10 TRUSTEE'S FEE

The Schedule 9 of the Deeds provides that the Trustee is entitled to an annual Trustee's fee at rate not exceeding 0.50% per annum computed daily on the net asset value of the Fund before the deduction of the management fee and Trustee's fee for the relevant day.

The Trustee's fee provided in the financial statements is 0.05% (2024: 0.05%) per annum for the financial period.

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11 INCOME TAX EXPENSE

There is no income tax expenses for the period as interest income derived by the Fund is exempted from tax pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967.

12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

Total Expense Ratio (TER)

Total expense ratio for the Fund is 0.92% (2024: 0.96%) for the financial period ended 31 March 2025. The total expense ratio which includes management fee, Trustee's fee, audit fee, tax agent's fee and other expenses, is calculated as follows:

$$\text{TER} = \frac{(A + B + C + D + E)}{F} \times 100$$

A	=	Management fee
B	=	Trustee's fee
C	=	Audit fee
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average net asset value of Fund

The average net asset value of the Fund for the financial period is RM101,497,262 (2024: RM108,279,405).

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.70 times (2024: 0.56 times) for the financial period ended 31 March 2025. The portfolio turnover ratio is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}}$$

Where:	total acquisition for the financial period	=	RM74,886,217	(2024: RM58,788,646)
	total disposal for the financial period	=	RM67,483,117	(2024: RM63,420,710)

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

As at end of the financial period, the total number and value of units held by the Manager and related parties are as follows:

	←-----2025-----→		←-----2024-----→	
	No. of units	RM	No. of units	RM
The Manager	29,082	36,763	92,896	125,354
Directors of the Manager	116,612	147,409	112,650	152,010
(The above units are held legally and beneficially)				
	<u>145,694</u>	<u>184,172</u>	<u>205,546</u>	<u>277,364</u>

The Directors of the Manager are of the opinion that the transactions with the related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with related parties have been transacted at arm's length basis.

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14 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

Brokers/Dealers	Value of Trades RM	% of Total Trades %	Fees RM	% of Total Brokerage Fee %
2025				
Public Investment Bank Bhd	41,628,384	31.53	128,659	33.24
Maybank Investment Bank Bhd	25,681,645	19.45	67,847	17.53
Kenanga Investment Bank Bhd	15,591,632	11.81	39,695	10.26
CIMB Securites Sdn Bhd	9,621,545	7.29	29,886	7.72
RHB Investment Bank Bhd	8,249,642	6.25	25,184	6.51
UOB Kay Hian Securities (M) Sdn Bhd	7,401,442	5.61	23,129	5.98
CGS International Securities Malaysia Sdn Bhd	7,088,366	5.37	22,381	5.78
CLSA Securities Malaysia Sdn Bhd	6,369,316	4.82	19,926	5.15
JPMorgan Securities (Malaysia) Sdn Bhd	5,768,699	4.37	17,890	4.62
Hong Leong Investment Bank Bhd	4,628,704	3.50	12,427	3.21
	132,029,375	100.00	387,024	100.00
2024				
JPMorgan Securities (Malaysia) Sdn Bhd	27,664,119	27.56	82,264	28.79
RHB Investment Bank Bhd	17,683,470	17.61	52,243	18.28
CGS International Securities Malaysia Sdn Bhd	16,476,208	16.41	43,531	15.23
Public Investment Bank Bhd	12,736,885	12.69	38,473	13.46
Kenanga Investment Bank Bhd	9,016,844	8.98	18,537	6.49
Maybank Investment Bank Bhd	8,060,585	8.03	26,304	9.21
CLSA Securities Malaysia Sdn Bhd	5,292,124	5.27	15,172	5.31
UOB Kay Hian Securities (M) Sdn Bhd	1,727,990	1.72	5,703	2.00
CIMB Securites Sdn Bhd	1,094,600	1.09	3,518	1.23
KAF Investment Bank Bhd	642,000	0.64	-	-
	100,394,825	100.00	285,745	100.00

15 RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to provide regular income while providing long term capital appreciation by investing principally in equities and equity related securities. In order to meet its stated investment objectives, the Fund utilises risk management for both defensive and proactive purposes. Rigorous analysis of sources of risk in the portfolio is carried out and the following policies are implemented to provide effective ways to reduce future risk and enhance future returns within the Fund's mandate.

The key risks faced by the Fund are credit risk, liquidity risk, market risk (including interest rate risk and price risk) primarily on its investments and capital risk.

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Categories of Financial Instruments

	2025 RM	2024 RM
Financial assets		
Carried at FVTPL:		
Investments	<u>85,753,459</u>	<u>99,264,246</u>
Amortised cost:		
Cash and cash equivalents	3,516,374	1,062,743
Amount due from stockbrokers	2,454,180	5,074,412
Dividend receivables	312,548	548,794
Prepayment of shares	<u>-</u>	<u>3,300,000</u>
Financial liabilities		
Amortised cost:		
Amount due to Manager	964,923	139,728
Amount due to stockbrokers	142,513	-
Other payables and accrued expenses	<u>151,760</u>	<u>192,310</u>

Credit risk management

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely repayments of interest, principal and proceeds from realisation of investments.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at 31 March 2025.

The credit risk for cash at bank is considered negligible since the counterparties are reputable banks with high quality external ratings.

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The following table set out the Fund's portfolio of investments by industry:

	Short-term deposits RM	Quoted equity securities RM	Collective investment schemes RM	Unquoted equity securities RM
2025				
Industry				
Construction	-	8,109,801	-	-
Consumer Products & Services	-	2,632,760	-	-
Energy	-	5,746,220	-	-
Financial Services	3,508,644	16,073,920	11,813,777	-
Health Care	-	8,408,324	-	-
Industrial Products & Services	-	5,342,049	-	-
Property	-	1,900,800	-	-
Real Estate Investment Trust	-	5,840,000	-	-
Technology	-	9,162,796	-	1,000,000
Telecommunications & Media	-	5,107,230	-	-
Transportation & Logistics	-	1,631,892	-	-
Utilities	-	2,983,890	-	-
	3,508,644	72,939,682	11,813,777	1,000,000
2024				
Industry				
Construction	-	11,865,497	-	-
Consumer Products & Services	-	10,457,600	-	-
Energy	-	10,374,160	-	-
Financial Services	1,057,776	14,620,095	6,965,894	-
Health Care	-	11,070,500	-	-
Industrial Products & Services	-	1,638,000	-	-
Property	-	10,091,700	-	-
Real Estate Investment Trust	-	6,400,000	-	-
Technology	-	8,368,000	-	-
Transportation & Logistics	-	6,274,800	-	-
Utilities	-	1,138,000	-	-
	1,057,776	92,298,352	6,965,894	-

Liquidity risk management

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able of being converted into cash with 7 days.

All financial liabilities are repayable on demand or due within 1 year from the date of the statement of financial position.

Market risk management

This is a class of risk that inherently exists in an economy and cannot be avoided by any business or Fund. It is usually due to changes in market variables such as interest rates and market prices.

During the financial period, as the Fund invests in quoted equity security, collective investment schemes and unquoted equity securities, the performance of the Fund might go up or down in accordance with the prevailing market risk in Malaysia.

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Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Fund is not exposed to interest rate risk through the impact of market interest rate changes as the interest rate on preference shares are fixed on the inception. The Fund's short-term deposits and cash at banks earn interest at floating rates but is not exposed to any significant interest rate risk as the floating rates, represented by overnight cash rates, do not fluctuate significantly period-on-period.

The Fund is exposed to risk of fluctuation in fair value of financial assets as a result of change in the market interest rate. The valuation for financial assets at FVTPL move inversely to the market interest rate movements. As the market interest rate rise, the fair value of financial assets at FVTPL decrease and vice versa.

Price risk management

Price risk is the risk of unfavourable changes in the fair value of quoted equity securities, collective investment schemes and unquoted equity securities as the result of changes in the levels of the equity indices. The price risk exposure arises from the Fund's investments in quoted equity securities, collective investment schemes and unquoted equity securities. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

Price risk sensitivity

The Manager's best estimate of the effect on the income for the period due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

	Changes in price %	Effect on profit or loss Increase/(Decrease) RM
2025		
Investments	+5/-5%	<u>4,287,673/(4,287,673)</u>
2024		
Investments	+5/-5%	<u>4,963,212/(4,963,212)</u>

Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions.

For quoted equity securities in general, fair values have been estimated by reference to last done market price quoted on Bursa Malaysia at the end of the reporting period.

The fair value of the collective investment scheme is determined based on Net Asset Value ("NAV") per unit of such collective investment scheme as at the end of the reporting period.

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The fair value of preference shares which is not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily earning multiples and discounted cash flows. The models used to determine fair values are validated and periodically reviewed by experienced personnel, independent of the party that created them. The models used for the preference shares are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

For deposits and placements with financial institutions with maturities of less than twelve months, the carrying value is a reasonable estimate of fair value.

The carrying amounts of other financial assets and financial liabilities approximate their fair values due to short maturity of these instruments.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Financial assets at FVTPL				
Quoted equity securities	72,939,682	-	-	72,939,682
Collective investment schemes	-	11,813,777	-	11,813,777
Unquoted equity securities	-	-	1,000,000	1,000,000
2024				
Financial assets at FVTPL				
Quoted equity securities	92,298,352	-	-	92,298,352
Collective investment schemes	-	6,965,894	-	6,965,894

There is no transfer between Level 1, 2 and 3 during the financial period.



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