

# Semi-Annual Report January 2025

For the Period Ended 31 January 2025

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Areca Equity Growth Fund

Management Company



200601021087(740840-D)



# SEMI-ANNUAL REPORT JANUARY 2025

## ✦ ARECA EQUITY GROWTH FUND

Contents

CORPORATE DIRECTORY	2
MANAGER’S REPORT	
Fund Information, Performance & Review	3
Market Review & Outlook	8
TRUSTEE’S REPORT	10
STATEMENT BY MANAGER	10
UNAUDITED FINANCIAL STATEMENTS FOR Areca Equity Growth Fund	11

## CORPORATE DIRECTORY

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### 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](http://www.arecacapital.com)  
e-mail: [invest@arecacapital.com](mailto: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)

### 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

PricewaterhouseCoopers Taxation  
Services Sdn Bhd (464731-M)  
Level 10, Menara TH 1 Sentral  
Jalan Rakyat, Kuala Lumpur Sentral  
P O Box 10192  
50706 Kuala Lumpur  
Tel: 03-2173 1188, Fax: 03-2173 1288

## MANAGER'S OFFICE AND BRANCHES

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### 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](http://www.arecacapital.com)  
e-mail: [invest@arecacapital.com](mailto: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 JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**FUND INFORMATION**

<b>Name of the Fund</b>	Areca Equity Growth Fund
<b>Fund Category/ Type</b>	Equity/Growth
<b>Objective of the Fund</b>	The Fund aims to provide investors with Medium to Long Term capital growth.
<b>Performance Benchmark</b>	1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category
<b>Distribution Policy of the Fund</b>	Incidental, subject to the availability of distributable income.
<b>Rebates &amp; Soft Commissions</b>	<p>The Manager will retain soft commissions received from brokers or dealers, provided that:</p> <ul style="list-style-type: none"><li>(a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;</li><li>(b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and</li><li>(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.</li></ul> <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>
<b>Inception Date</b>	4 January 2021
<b>Financial Year End</b>	31 July

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**FUND PERFORMANCE**

	2025	2024	2023
<b>NET ASSET VALUE ("NAV")</b>			
Net Asset Value (RM million)	33.84	52.84	67.81
Units in circulation (million units)	41.86	67.53	78.05
NAV per unit (RM)	0.8084	0.7825	0.8688

<b>HIGHEST &amp; LOWEST NAV per unit</b>			
<i>Please refer to <b>Note 1</b> for further information on NAV and pricing policy</i>			
Highest NAV per unit (RM)	0.9233	0.8376	0.8797
Lowest NAV per unit (RM)	0.7942	0.7742	0.7863

<b>ASSET ALLOCATION % of NAV</b>			
<b>Quoted equity securities</b>			
Construction	14.85	13.98	-
Consumer Products & Services	-	12.66	12.39
Energy	6.10	6.45	3.44
Financial Services	-	5.15	16.71
Health Care	10.01	11.11	5.33
Industrial Products & Services	14.72	8.67	22.60
Information Technology	-	3.79	-
Technology	19.20	26.29	26.31
Trading & Services	-	-	1.94
Transportation & Logistics	-	6.11	-
Utilities	5.78	-	-
<b>Collective investment schemes</b>	8.40	2.84	-
<b>Liquid assets and other net current assets</b>	20.94	2.95	11.28

<b>DISTRIBUTION</b>			
There was no distribution for the financial period under review.			

<b>UNIT SPLIT</b>			
There was no unit split exercise for the financial period under review.			

<b>EXPENSE/TURNOVER</b>			
Total expense ratio (TER) (%)	1.04	1.05	0.76
<i>Please refer to <b>Note 2</b> for further information</i>			
Portfolio turnover ratio (PTR) (times)	1.43	0.68	0.63
<i>Please refer to <b>Note 3</b> for further information</i>			

	31.07.2024 to 31.01.2025	31.07.2023 to 31.01.2024	31.07.2022 to 31.01.2023
<b>TOTAL RETURN</b>			
<i>Please refer to <b>Note 4</b> for further information</i>			
Total Return (%)	(12.74)	(6.71)	2.51
- Capital growth (%)	(12.74)	(6.71)	2.51
- Income distribution (%)	-	-	-

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**FUND PERFORMANCE**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Annual Total Return (%)	(23.68)*	(12.87)*	5.05*	(3.02)*
Performance Benchmark (%): 1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category	(10.10)*	15.39*	2.51*	(1.89)*

\* Annualised for comparison purpose only

Total Return since launch (%)	(19.16)	(21.75)	(13.12)	(7.71)
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	<b>1-yr</b>	<b>3-yrs</b>	<b>5-yrs</b>
Average Total Return per annum	3.31	(4.14)	N/A

**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 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 for all the funds under "Equity Malaysia" Non-Islamic category of the Malaysia Lipper Fund table, "peers benchmarking") with a total return of -12.74% compared to benchmark's return of -5.34%. The Fund remain focused on positioning for longer term growth. In terms of portfolio strategy, the Fund would remain focused on stock selection to generate outperformance. We have adopted a bullish stance on selected Data Centre stocks following recent market weakness. Additionally, we maintain a meaningful position in the Glove sector, driven by volume recovery and the competitive advantage gained from the United States tariffs imposed on Chinese glove manufacturers.

### Investment Policy and Strategy

Fund will invest a maximum of 98% of its NAV in equities and equity-related securities which is traded on eligible markets (maximum 25% of its NAV in foreign eligible markets) and a minimum of 2% of its NAV in liquid assets. Equity-related securities includes but is not limited to different classes of listed and unlisted shares, warrants, options, preference shares and convertible securities. The Fund will normally invest in securities issued by companies that exhibit a good management track record, a sound history of Long-Term profitability and earnings resilience, a strong balance sheet, and/or have a good competitive position in their respective industries. The Fund will invest in markets where the regulatory authorities are ordinary or associate members of the International Organization of Securities Commission ("IOSCO").

**NAV per unit** as at 31 January 2025

RM0.8084

### Asset Allocation/Portfolio Composition

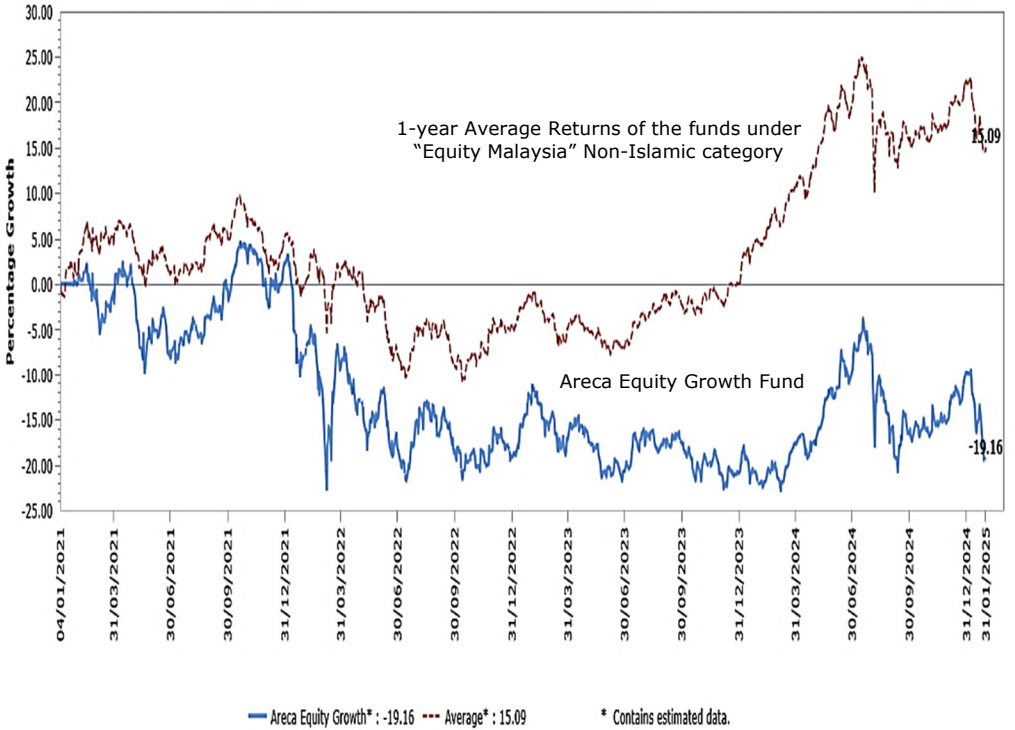
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Quoted equity securities	70.66%	94.21%	88.72%
Collective investment schemes	8.40%	2.84%	-
Liquid assets and other net current assets	20.94%	2.95%	11.28%



FUND REVIEW

Performance of Areca Equity Growth Fund  
for the period since inception to 31 January 2025

Total Return of Areca Equity Growth Fund vs Benchmark



Source Lipper

## **MALAYSIAN EQUITY MARKET REVIEW**

During the financial period under review, FTSE Bursa Malaysia KLCI Index ("FBMKLCI") declined by 4.20% to close at 1,557 points, while the FTSE Bursa Malaysia EMAS Index ("FBMEMAS") fell 5.10% to 11,884 points. Similarly, the FTSE Bursa Malaysia Small Cap Index ("FBMSCAP") plunged 12.20% to 17,049 points, underperforming the broad market.

Foreign investors were net sellers in four of the six months, leading to total outflows of MYR 7.8 billion. In contrast, domestic institutions were net buyers with net inflows of MYR8.4 billion, while domestic retail investors were net sellers, offloading MYR0.6 billion.

The market dipped early in the period due to weaker United States ("U.S.") jobs data and disappointing tech earnings but rebounded as confidence grew in a soft landing for the U.S. economy. A brief rally in early November followed Donald Trump's decisive U.S. presidential election victory. Toward year-end, the FBMKLCI surged on window-dressing activities. However, entering 2025, profit-taking set in, driven by external headwinds such as uncertainty over U.S. tariff policies and sell-offs in Artificial Intelligence ("AI") and data centre-related stocks following tighter U.S. restrictions on AI chips and the launch of China's DeepSeek AI chatbot. Foreign investors continued to accelerate selling, further weighing on the market.

Key events include Malaysia approving RM254.7 billion of investments for the first nine months of 2024 ("9M24"), marking a steady 10.70% increase from the previous year. 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. Tenaga announced a base electricity tariff of 45.62 sen/kWh for Regulatory Period 4 ("RP4"), marking a 14.00% rise from Regulatory Period 3 ("RP3"). 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.

In terms of commodities, Brent crude oil prices fell by 3.30% to \$75.7/barrel amid Trump's tariff uncertainty and higher U.S. stockpiles. Conversely, crude palm oil ("CPO") prices gained 8.90% to RM4,198/tonne attributable to supply tightness. Moreover, the dollar index rose by 4.10% to 108.40 for the period while the Ringgit appreciated 2.80% against the United States Dollar ("USD"), reaching 4.46.

Sector-wise, REITs (+5.00%), healthcare (+5.00%), and financials (+4.00%) led gains, while technology (-22.00%), industrials (-14.00%), and energy (-14.00%) lagged. Top FBMKLCI gainers included 99 Speed Mart (+35.00%), IHH (+14.00%), and RHB Bank (+13.00%), while laggards were YTL Corp (-44.00%), YTL Power (-33.00%), and MRDIY (-20.00%).

## **MALAYSIAN EQUITY MARKET OUTLOOK**

In addition to the challenges posed by Trump's second presidency—including escalating global trade tensions, a stronger USD leading to significant foreign fund outflows, and uncertainty surrounding U.S. interest rate trajectories—Malaysia has faced further headwinds from the AI diffusion framework introduced by President Biden in January 2025. This framework restricts AI chip exports to Malaysia, triggering a significant plunge in the local stock market, particularly among data center-themed stocks. Malaysia had been in the spotlight in 2024 due to its data center boom, driven by the rapid expansion of AI applications. Foreign investment surged into the country, largely attracted by this data center thematic, which was expected to positively impact various sectors such as property, construction, building materials, utilities, and even banking in terms of financing data center developments. This optimism contributed to projections of robust GDP growth for Malaysia. However, this framework has cast a shadow over these expectations, raising concerns that the restriction on AI chip exports could significantly slow data center buildouts, potentially undermining the broader growth thesis.

**SEMI-ANNUAL REPORT JANUARY 2025**  
**ARECA EQUITY GROWTH FUND**

Nevertheless, we maintain a positive outlook on Malaysia’s data center sector, albeit with a focus on niche areas. Selected local players are well-positioned to benefit, even under the Biden administration’s tiered system and amidst shifts in the AI landscape prompted by DeepSeek. DeepSeek’s open-source nature presents new opportunities, potentially driving increased demand for data center infrastructure. As a result, we believe the recent selloff in Malaysia has created attractive value opportunities.

**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 Equity Growth Fund ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 January 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 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  
24 March 2025

## **STATEMENT BY MANAGER**

### **To the Unitholders of Areca Equity Growth Fund**

We, **WONG TECK MENG** and **EDWARD ISKANDAR TOH BIN ABDULLAH**, 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 January 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

EDWARD ISKANDAR TOH BIN ABDULLAH  
CIO/EXECUTIVE DIRECTOR

Kuala Lumpur  
24 March 2025

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**UNAUDITED STATEMENT OF FINANCIAL POSITION**

*As At 31 January 2025*

	<b>Note</b>	<b>31.01.2025</b>	<b>31.01.2024</b>
		<b>RM</b>	<b>RM</b>
<b>Assets</b>			
Investments	5	26,754,407	51,279,507
Cash and cash equivalents	6	778,567	2,324,795
Amount due from Manager		5,000	-
Amount due from stockbrokers		6,861,549	-
Dividend receivables		-	31,200
<b>Total Assets</b>		<u>34,399,523</u>	<u>53,635,502</u>
<b>Unitholders' Fund And Liabilities</b>			
<b>Liabilities</b>			
Amount due to Manager		-	687,875
Amount due to stockbrokers		486,579	-
Other payables and accrued expenses	7	<u>71,055</u>	<u>106,253</u>
<b>Total Liabilities</b>		<u>557,634</u>	<u>794,128</u>
<b>Unitholders' Fund</b>			
Unitholders' capital		47,231,558	68,428,300
Accumulated losses		<u>(13,389,669)</u>	<u>(15,586,926)</u>
<b>Net Asset Value Attributable To Unitholders</b>		<u>33,841,889</u>	<u>52,841,374</u>
<b>Total Unitholders' Fund And Liabilities</b>		<u>34,399,523</u>	<u>53,635,502</u>
<b>Number Of Units In Circulation</b>	8	<u>41,862,119</u>	<u>67,530,044</u>
<b>Net Asset Value Per Unit (RM)</b>		<u>0.8084</u>	<u>0.7825</u>

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

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For The Financial Period Ended 31 January 2025*

	<b>Note</b>	<b>01.08.2024 to 31.01.2025 RM</b>	<b>01.08.2023 to 31.01.2024 RM</b>
<b>Investment Loss</b>			
Dividend income		390,512	266,087
Interest income		56,672	27,979
Net loss on investments at fair value through profit or loss ("FVTPL")	5	(4,787,889)	(3,471,932)
Net realised gain on foreign exchange		-	17,341
Total Investments Loss		<u>(4,340,705)</u>	<u>(3,160,525)</u>
<b>Expenditure</b>			
Management fee	9	355,690	561,019
Trustee's fee	10	11,225	17,407
Audit fee		5,749	6,250
Tax agent's fee		1,815	1,815
Transaction costs		332,435	219,363
Other expenses		11,797	16,861
Total Expenditure		<u>718,711</u>	<u>822,715</u>
<b>Net Loss Before Tax</b>		(5,059,416)	(3,983,240)
<b>Income Tax Expense</b>	11	-	-
<b>Net Loss After Tax And Total Comprehensive Loss For The Financial Period</b>		<u>(5,059,416)</u>	<u>(3,983,240)</u>
<b>Net Loss After Tax Is Made Up Of:</b>			
Realised gain/(loss)		1,833,748	(3,058,354)
Unrealised loss		(6,893,164)	(924,886)
		<u>(5,059,416)</u>	<u>(3,983,240)</u>

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

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE**

*For The Financial Period Ended 31 January 2025*

	<b>Unitholders' capital RM</b>	<b>Accumulated losses RM</b>	<b>Total net asset value RM</b>
<b>Balance as at 1 August 2023</b>	72,229,342	(11,603,686)	60,625,656
Amounts received from units created	1,121,955	-	1,121,955
Amounts paid for units cancelled	(4,922,997)	-	(4,922,997)
Total comprehensive loss for the financial period	-	(3,983,240)	(3,983,240)
<b>Balance as at 31 January 2024</b>	<u>68,428,300</u>	<u>(15,586,926)</u>	<u>52,841,374</u>
<b>Balance as at 1 August 2024</b>	49,399,475	(8330,253)	41,069,222
Amounts received from units created	1,558,754	-	1,558,754
Amounts paid for units cancelled	(3,726,671)	-	(3,726,671)
Total comprehensive loss for the financial period	-	(5,059,416)	(5,059,416)
<b>Balance as at 31 January 2025</b>	<u>47,231,558</u>	<u>(13,389,669)</u>	<u>33,841,889</u>

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

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**UNAUDITED STATEMENT OF CASH FLOWS**

*For The Financial Period Ended 31 January 2025*

		<b>01.08.2024 to 31.01.2025</b>	<b>01.08.2023 to 31.01.2024</b>
<b>Note</b>		<b>RM</b>	<b>RM</b>
<b>Cash Flows From Operating Activities</b>			
		50,290,097	41,146,948
		(50,091,158)	(37,018,426)
		363,338	244,887
		56,672	27,979
		(366,466)	(567,037)
		(11,521)	(17,588)
		(312,543)	(219,363)
		(24,296)	(25,861)
		<hr/>	<hr/>
		(95,877)	3,571,539
<b>Cash Flows From Financing Activities</b>			
		1,553,754	1,121,955
		(3,726,671)	(4,235,122)
		<hr/>	<hr/>
		(2,172,917)	(3,113,167)
<b>Net (Decrease)/Increase In Cash And Cash Equivalents</b>			
		(2,268,794)	458,372
<b>Cash And Cash Equivalents At Beginning Of Period</b>		<hr/>	<hr/>
		3,047,361	1,866,423
<b>Cash And Cash Equivalents At The End Of Period</b>		<hr/>	<hr/>
		778,567	2,324,795
<b>Cash And Cash Equivalents Comprise:</b>			
	6	7,769	7,786
	6	770,798	2,317,009
		<hr/>	<hr/>
		778,567	2,324,795
		<hr/>	<hr/>

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



## **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

### **1 GENERAL INFORMATION**

Areca Equity Growth Fund (“the Fund”) was established pursuant to the Trust Deed dated 19 October 2020, as modified by the First Supplemental Deed dated 29 August 2022 (“the Deeds”) 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 the Schedule 7 of the Deeds, which include listed and unlisted securities, deposits with financial institutions, derivatives such as futures contracts for hedging purposes only, collective investment schemes, and any other form of investment as may be agreed upon by the Manager and the Trustee from time to time. The Fund was launched on 4 January 2021 and will continue its operations until terminated in accordance with the conditions provided in Part 12 of the Deeds.

The investment objective of the Fund is to provide investors with medium to long term capital growth. Any material changes to the Fund’s objective 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 FINANCIAL STATEMENTS**

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards (“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 the relevant Amendment for the first time for the financial period beginning on 1 August 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:

	<b>Effective for annual periods beginning on or after</b>
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments and MFRS 7 Financial Instruments: Disclosures</i>	1 January 2026

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

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 ("functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

### **Foreign Currency Translation**

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing as at the date of the statement of financial position. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the statement of comprehensive income.

Translation differences on non-monetary financial assets such as foreign quoted equity securities classified as investments at fair value through profit and loss are recognised in profit or loss as part of the fair value gain or loss.

### **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 investment 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 years. 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.

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

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**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.

Gains 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.

**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.

**5 INVESTMENTS**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets at FVTPL:</b>		
Quoted equity securities - local	23,912,081	47,779,228
Quoted equity securities - foreign	-	2,000,130
Collective investment schemes	2,842,326	1,500,149
	<b>26,754,407</b>	<b>51,279,507</b>
 <b>Net loss on investments at FVTPL comprise:</b>		
Realised gain/(loss) on disposals	2,105,275	(2,547,046)
Unrealised loss on changes in fair values	(6,893,164)	(924,886)
	<b>(4,787,889)</b>	<b>(3,471,932)</b>

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

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

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
<b>QUOTED EQUITY SECURITIES - LOCAL</b>				
<b>ACE Market Construction</b>				
MN Holdings Bhd	1,432,500	1,353,826	1,475,475	4.36
		<u>1,353,826</u>	<u>1,475,475</u>	<u>4.36</u>
<b>Industrial Products &amp; Services</b>				
Kawan Renergy Bhd	727,100	558,568	592,586	1.75
		<u>558,568</u>	<u>592,586</u>	<u>1.75</u>
<b>Main Market Construction</b>				
Eversendai Corporation Bhd	540,000	364,500	318,600	0.94
Gamuda Bhd	496,056	1,734,426	2,004,066	5.92
IJM Corporation Bhd	513,600	987,924	1,227,504	3.63
		<u>3,086,850</u>	<u>3,550,170</u>	<u>10.49</u>
<b>Energy</b>				
Hibiscus Petroleum Bhd	704,000	1,537,660	1,295,360	3.83
Yinson Holdings Bhd	330,635	874,839	770,380	2.27
		<u>2,412,499</u>	<u>2,065,740</u>	<u>6.10</u>
<b>Health Care</b>				
Hartalega Holdings Bhd	383,600	1,174,161	1,269,716	3.75
Kossan Rubber Industries Bhd	286,000	627,069	640,640	1.89
Supermax Corporation Bhd	1,380,000	1,684,214	1,476,600	4.37
		<u>3,485,444</u>	<u>3,386,956</u>	<u>10.01</u>
<b>Industrial Products &amp; Services</b>				
NationGate Holdings Bhd	700,000	1,436,545	1,253,000	3.70
SAM Engineering & Equipment (M) Bhd	211,000	964,310	835,560	2.47
Sunway Bhd	362,300	1,421,458	1,576,005	4.66
Thong Guan Industries Bhd	510,000	767,920	724,200	2.14
		<u>4,590,233</u>	<u>4,388,765</u>	<u>12.97</u>
<b>Technology</b>				
D&O Green Technologies Bhd	636,000	1,645,542	1,125,720	3.33
Inari Amertron Bhd	494,000	1,517,520	1,249,820	3.69
Malaysian Pacific Industries Bhd	67,400	1,794,928	1,497,628	4.43
Unisem (M) Bhd	442,800	1,355,258	1,195,560	3.53
VSTECS Bhd	415,400	1,364,828	1,428,976	4.22
		<u>7,678,076</u>	<u>6,497,704</u>	<u>19.20</u>

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

	<b>No. of Shares Units</b>	<b>Aggregate Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>QUOTED EQUITY SECURITIES - LOCAL</b>				
<b>Main Market</b>				
<b>Utilities</b>				
YTL Power International Bhd	624,500	2,319,515	1,954,685	5.78
		<u>2,319,515</u>	<u>1,954,685</u>	<u>5.78</u>
Total quoted equity securities - local		<u>25,485,011</u>	<u>23,912,081</u>	<u>70.66</u>

	<b>Quantity Units</b>	<b>Aggregate Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>COLLECTIVE INVESTMENT SCHEMES</b>				
Areca Dynamic Growth Fund 10	1,088,500	1,088,500	1,069,560	3.16
Areca Global Emerging Momentum Fund 3 – MYR Class	1,860,000	1,860,000	1,772,766	5.24
Total collective investment schemes		<u>2,948,500</u>	<u>2,842,326</u>	<u>8.40</u>
<b>Total investments</b>		<u>28,433,511</u>	<u>26,754,407</u>	<u>79.06</u>
<b>Unrealised loss on investments</b>			<u>(1,679,104)</u>	

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

	<b>No. of Shares Units</b>	<b>Aggregate Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>QUOTED EQUITY SECURITIES - LOCAL</b>				
<b>ACE Market</b>				
<b>Industrial Products &amp; Services</b>				
L&P Global Bhd	3,000,000	1,352,398	1,230,000	2.33
Volcano Bhd	1,830,000	1,773,150	1,226,100	2.32
		<u>3,125,548</u>	<u>2,456,100</u>	<u>4.65</u>
<b>Technology</b>				
Cloudpoint Technology Bhd	3,000,000	1,610,400	1,560,000	2.95
LGMS Bhd	1,500,000	1,646,936	1,387,500	2.63
TT Vision Holdings Bhd	2,500,000	3,051,503	1,862,500	3.52
		<u>6,308,839</u>	<u>4,810,000</u>	<u>9.10</u>



**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

	<b>No. of Shares Units</b>	<b>Aggregate Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>QUOTED EQUITY SECURITIES - LOCAL</b>				
<b>Main Market</b>				
<b>Construction</b>				
Ekovest Bhd	3,350,000	1,697,390	1,859,250	3.52
Gamuda Bhd	520,000	2,329,756	2,626,000	4.97
IJM Corporation Bhd	975,000	1,604,265	2,184,000	4.13
Muhibbah Engineering (M) Bhd	900,000	591,601	720,000	1.36
		<u>6,223,012</u>	<u>7,389,250</u>	<u>13.98</u>
<b>Consumer Products &amp; Services</b>				
Airasia X Bhd	1,500,000	3,321,578	2,535,000	4.80
Genting Bhd	880,000	3,870,252	4,153,600	7.86
		<u>7,191,830</u>	<u>6,688,600</u>	<u>12.66</u>
<b>Energy</b>				
Yinson Holdings Bhd	840,000	1,859,517	2,158,800	4.09
Yinson Holdings Bhd - Warrants 2022/2025	2,500,000	1,469,801	1,250,000	2.36
		<u>3,329,318</u>	<u>3,408,800</u>	<u>6.45</u>
<b>Financial Services</b>				
AMMB Holdings Bhd	500,000	1,449,246	2,120,000	4.01
Tune Protect Group Bhd	1,500,000	636,047	600,000	1.14
		<u>2,085,293</u>	<u>2,720,000</u>	<u>5.15</u>
<b>Health Care</b>				
Hartalega Holdings Bhd	800,000	1,698,248	2,192,000	4.15
Supermax Coporation Bhd	1,300,000	1,262,840	1,215,500	2.30
Kossan Rubber Industries Bhd	1,200,000	2,024,323	2,460,000	4.66
		<u>4,985,411</u>	<u>5,867,500</u>	<u>11.11</u>
<b>Industrial Products &amp; Services</b>				
SAM Engineering & Equipment (M) Bhd	600,000	2,777,700	2,124,000	4.02
SAM Engineering & Equipment (M) Bhd – Ordinary Rights	150,000	-	750	-
		<u>2,777,700</u>	<u>2,124,750</u>	<u>4.02</u>
<b>Technology</b>				
Genetec Technology Bhd	770,200	1,887,856	1,463,380	2.77
Greatech Technology Bhd	946,400	4,618,630	4,325,048	8.19
Mi Technovation Bhd	685,000	1,053,034	1,370,000	2.59
Unisem (M) Bhd	600,000	1,995,682	1,926,000	3.64
		<u>9,555,202</u>	<u>9,084,428</u>	<u>17.19</u>

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
<b>QUOTED EQUITY SECURITIES - LOCAL</b>				
<b>Main Market</b>				
<b>Transportation &amp; Logistics</b>				
Malaysia Airports Holdings Bhd	420,000	2,975,204	3,229,800	6.11
		<u>2,975,204</u>	<u>3,229,800</u>	<u>6.11</u>
Total quoted equity securities - local		<u>48,557,357</u>	<u>47,779,228</u>	<u>90.42</u>

**QUOTED EQUITY SECURITIES - FOREIGN**

<b>Hong Kong</b>				
<b>Information Technology</b>				
Pentamaster International Ltd	3,800,000	2,368,721	2,000,130	3.79
Total quoted equity securities - foreign		<u>2,368,721</u>	<u>2,000,130</u>	<u>3.79</u>

	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
<b>COLLECTIVE INVESTMENT SCHEME</b>				
Areca Progressive Income Fund	1,485,443	1,500,000	1,500,149	2.84
Total collective investment scheme		<u>1,500,000</u>	<u>1,500,149</u>	<u>2.84</u>
<b>Total investments</b>		<u>52,426,078</u>	<u>51,279,507</u>	<u>97.05</u>
<b>Unrealised loss on investments</b>			<u>(1,146,571)</u>	

**6 CASH AND CASH EQUIVALENTS**

	2025 RM	2024 RM
Cash at banks	7,769	7,786
Short-term deposits	<u>770,798</u>	<u>2,317,009</u>
	<u>778,567</u>	<u>2,324,795</u>

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

The effective interest rate for short-term deposits is 3.00% (2024: 3.00%) per annum and the remaining maturity period is 3 days (2024: 2 days).

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**7 OTHER PAYABLES AND ACCRUED EXPENSES**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Accrued expenses:		
Management fee	58,017	91,730
Trustee's fee	1,844	2,828
Audit fee	5,749	6,250
Tax agent's fee	5,445	5,445
	<u>71,055</u>	<u>106,253</u>
	<u>71,055</u>	<u>106,253</u>

**8 NUMBER OF UNITS IN CIRCULATION**

	<b>2025</b>	<b>2024</b>
	<b>Units</b>	<b>Units</b>
At beginning of the period	44,333,510	72,273,348
Created during the period	1,849,610	1,409,434
Cancelled during the period	<u>(4,321,001)</u>	<u>(6,152,738)</u>
At end of the period	<u>41,862,119</u>	<u>67,530,044</u>
	<u>41,862,119</u>	<u>67,530,044</u>

**9 MANAGEMENT FEE**

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee up to 2.00% 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 1.90% (2024: 1.93%) per annum for the financial period, net of management fee rebate 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 up to 0.06% 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, subject to a minimum of RM6,000 per annum.

The Trustee's fee provided in the financial statements is 0.06% (2024: 0.06%) per annum for the financial period.

**11 INCOME TAX EXPENSE**

There is no income tax expense for the period as interest income derived by the Fund is exempted income 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.

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO**

**Total Expense Ratio (TER)**

Total expense ratio for the Fund is 1.04% (2024: 1.05%) for the financial period ended 31 January 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:

$$\text{TER} = \frac{A + B + C + D + E}{F}$$

- 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 RM37,109,693 (2024: RM57,548,981).

**Portfolio Turnover Ratio (PTR)**

The portfolio turnover ratio for the Fund is 1.43 times (2024: 0.68 times) for the financial period ended 31 January 2025. The portfolio turnover is derived from the following calculation:

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

Where: total acquisition for the financial period = RM50,606,751 (2024: RM37,018,426)  
total disposal for the financial period = RM55,788,813 (2024: RM40,913,611)

**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 related parties are as follows:

	←-----2025-----→		←-----2024-----→	
	No. of units	RM	No. of units	RM
Directors of the Manager (The above units are held legally and beneficially)	249,627	201,798	169,489	132,625
	249,627	201,798	169,489	132,625

There are no units held by the Manager for the financial period under review.

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.

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**14 TRADE WITH BROKERS/DEALERS**

Details of transactions with brokers/dealers are as follows:

<b>Brokers/Dealers</b>	<b>Value of Trades RM</b>	<b>% of Total Trades %</b>	<b>Fees RM</b>	<b>% of Total Brokerage Fee %</b>
<b>2025</b>				
Public Investment Bank Bhd	28,959,615	28.41	95,453	28.71
Kenanga Investment Bank Bhd	14,330,524	14.06	39,375	11.85
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS CIMB Securities Sdn Bhd)	10,451,819	10.26	34,365	10.34
CIMB Securities Malaysia Sdn Bhd	9,023,978	8.85	41,844	12.59
JPMorgan Securities (Malaysia) Sdn Bhd	8,702,604	8.54	28,731	8.64
Maybank Investment Bank Bhd	7,295,563	7.16	21,691	6.53
UOB Kay Hian Securities (M) Sdn Bhd	7,122,621	6.99	23,108	6.95
CLSA Securities Malaysia Sdn Bhd	7,088,169	6.95	23,418	7.04
RHB Investment Bank Bhd	4,983,614	4.89	15,674	4.71
Hong Leong Investment Bank Bhd	2,932,495	2.88	8,000	2.41
Others	1,025,000	1.01	776	0.23
	<b>101,916,002</b>	<b>100.00</b>	<b>332,435</b>	<b>100.00</b>
<b>2024</b>				
CIMB Investment Bank Bhd	15,761,341	21.91	47,197	21.52
UOB Kay Hian Securities (M) Sdn Bhd	11,664,124	16.21	36,264	16.53
Maybank Investment Bank Bhd	10,094,784	14.03	30,279	13.80
JPMorgan Securities (Malaysia) Sdn Bhd	9,299,286	12.93	29,311	13.36
RHB Investment Bank Bhd	8,810,764	12.25	28,293	12.90
Kenanga Investment Bank Bhd	8,232,213	11.44	21,012	9.58
CLSA Securities Malaysia Sdn Bhd	6,464,280	8.99	21,323	9.72
Public Investment Bank Bhd	1,130,880	1.57	5,160	2.35
KAF Investment Bank Bhd	321,000	0.45	-	-
Affin Hwang Investment Bank Bhd	158,880	0.22	524	0.24
	<b>71,937,552</b>	<b>100.00</b>	<b>219,363</b>	<b>100.00</b>

**15 RISK MANAGEMENT POLICIES**

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund seeks to provide investors with medium to long term capital growth 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 currency risk, interest rate risk and price risk) primarily on its investment and capital risk.

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**Categories of Financial Instruments**

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
<b>Carried at FVTPL:</b>		
Investments	26,754,407	51,279,507
<b>Financial assets</b>		
<b>Amortised cost:</b>		
Cash and cash equivalents	778,567	2,324,795
Amount due from Manager	5,000	-
Amount due from stockbrokers	6,861,549	-
Dividend receivables	-	31,200
<b>Financial liabilities</b>		
<b>Amortised cost:</b>		
Amount due to Manager	-	687,875
Amount due to stockbrokers	486,579	-
Other payable and accrued expenses	71,055	106,253

**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 January 2025.

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

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

	<b>Short-term deposits</b>	<b>Quoted equity securities</b>	<b>Collective investment schemes</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2025</b>			
<b>Industry</b>			
Construction	-	5,025,645	-
Energy	-	2,065,740	-
Financial Services	770,798	-	2,842,326
Health Care	-	3,386,956	-
Industrial Products & Services	-	4,981,351	-
Technology	-	6,497,704	-
Utilities	-	1,954,685	-
	770,798	23,912,081	2,842,326

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

	<b>Short-term deposits RM</b>	<b>Quoted equity securities RM</b>	<b>Collective investment schemes RM</b>
<b>2024</b>			
<b>Industry</b>			
Construction	-	7,389,250	-
Consumer Products & Services	-	6,688,600	-
Energy	-	3,408,800	-
Financial Services	2,317,009	2,720,000	1,500,149
Health Care	-	5,867,500	-
Industrial Products & Services	-	4,580,850	-
Information Technology	-	2,000,130	-
Technology	-	13,894,428	-
Transportation & Logistics	-	3,229,800	-
	<b>2,317,009</b>	<b>49,779,358</b>	<b>1,500,149</b>

### **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 presently invests in quoted equity security and collective investment schemes, the performance of the Fund might go up or down in accordance with the prevailing market risk of Malaysia.

### **Foreign Currency Risk Management**

The Fund undertake transactions in foreign currencies, consequently, exposure to exchange rate fluctuations arise.

The carrying amounts of the Fund's foreign currency denominated monetary assets and liabilities at the end of the reporting year are as disclosed in the respective notes.

### **Foreign Currency Sensitivity**

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only major foreign currency denominated monetary items and adjusts its translation at the end of the reporting period for a 5% change in foreign currency rates.

**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

	<b>2025</b>	<b>2024</b>
	<b>Denominated in HKD</b>	<b>Denominated in HKD</b>
	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>		
Quoted equity securities - foreign	-	2,000,130
Currency exposure	-	2,000,130
	<hr/>	<hr/>

If the relevant foreign currencies strengthens/weakens against Ringgit Malaysia by 5%, with all other variables held constant, the Fund's net income before tax for the financial period will increase/(decrease) by:

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Hong Kong Dollar	-	100,007/(100,007)
	<hr/> <hr/>	<hr/> <hr/>

**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's short-term deposits and cash at bank 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 and collective investment schemes and as the result of changes in the levels of the equity indices and the value of individual securities. The price risk exposure arises from the Fund's investment in quoted equity securities and collective investment schemes. The Manager manages the 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:

	<b>Changes in price</b>	<b>Effect on profit or loss</b>
	<b>%</b>	<b>Increase/(Decrease)</b>
		<b>RM</b>
<b>2025</b>		
Investments	+5/-5%	<u>1,337,720/(1,337,720)</u>
<b>2024</b>		
Investments	+5/-5%	<u>2,563,975/(2,563,975)</u>



**SEMI-ANNUAL REPORT JANUARY 2025**  
ARECA EQUITY GROWTH FUND

**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.

**18 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 the relevant stock exchanges at the end of the reporting period.

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

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

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2025</b>				
<b>Financial assets at FVTPL</b>				
Quoted equity securities - local	23,912,081	-	-	23,912,081
Collective investment schemes	-	2,842,326	-	2,842,326
<b>2024</b>				
<b>Financial assets at FVTPL</b>				
Quoted equity securities - local	47,779,228	-	-	47,779,228
Quoted equity securities - foreign	2,000,130	-	-	2,000,130
Collective investment scheme	-	1,500,149	-	1,500,149

There is no transfer between Levels 1 and 2 during the financial period.







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