

Semi-Annual Report January 2026

For the Period Ended 31 January 2026

Areca Equity Growth Fund

Management Company



200601021087(740840-D)

SEMI-ANNUAL REPORT JANUARY 2026

✦ 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

MANAGER

Areca Capital Sdn Bhd
Company No: 200601021087 (740840-D)
107, Blok B, Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor
Tel: 603-7956 3111, Fax: 603-7955 4111
website: www.arecacapital.com
e-mail: invest@arecacapital.com

BOARD OF DIRECTORS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin
(Independent Non-Executive Chairman)
Dr. Junid Saham
(Independent Non-Executive)
Wong Teck Meng
(Non-Independent Executive/Chief Executive Officer)
Edward Iskandar Toh Bin Abdullah
(Non-Independent Executive/Chief Investment Officer)
(Resigned with effect from 16 April 2025)

INVESTMENT COMMITTEE MEMBERS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin
(Independent Non-Executive Chairman)
Dr. Junid Saham
(Independent Non-Executive)
Dato' Seri Lee Kah Choong
(Independent Non-Executive)

TRUSTEE

Maybank Trustees Berhad
Company No: 196301000109 (5004-P)
22nd Floor, Tower 1, Etiqa Twin Towers
11 Jalan Pinang
50450 Kuala Lumpur
Tel: 603-2177 5960, Fax: 603-2177 5974

AUDITOR

Deloitte Malaysia PLT (*formerly known as
Deloitte PLT*) (LLP0010145-LCA)
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-7610 8888, Fax: 603-7726 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: 603-2173 1188, Fax: 603-2173 1288

MANAGER'S OFFICE AND BRANCHES

HEAD OFFICE

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

PENANG BRANCH

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

IPOH BRANCH

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

MALACCA BRANCH

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

KUCHING BRANCH

1st Floor, Sublot 3
Lot 7998, Block 16
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 5-1-8, 1st Floor
Lorong Api-Api 1
Api-Api Centre
88000 Kota Kinabalu, Sabah
Tel : 6088-276 757

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

FUND INFORMATION

Name of the Fund	Areca Equity Growth Fund
Fund Category/ Type	Equity/Growth
Objective of the Fund	The Fund aims to provide investors with Medium to Long Term capital growth.
Performance Benchmark	1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category
Distribution Policy of the Fund	Incidental, subject to availability of distributable income.
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	4 January 2021
Financial Year End	31 July

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

FUND PERFORMANCE

	2026	2025	2024
NET ASSET VALUE ("NAV")			
Net Asset Value (RM million)	35.17	33.84	52.84
Units in circulation (million units)	42.81	41.86	67.53
NAV per unit (RM)	0.8215	0.8084	0.7825

HIGHEST & LOWEST NAV per unit

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

Highest NAV per unit (RM)	0.8905	0.9233	0.8376
Lowest NAV per unit (RM)	0.7819	0.7942	0.7742

ASSET ALLOCATION % of NAV

Quoted equity securities - local

Construction	11.56	14.85	13.98
Consumer Products & Services	3.43	-	12.66
Energy	3.08	6.10	6.45
Financial Services	11.45	-	5.15
Health Care	-	10.01	11.11
Industrial Products & Services	15.96	14.72	8.67
Technology	21.06	19.20	26.29
Telecommunications & Media	0.95	-	-
Transportation & Logistics	-	-	6.11
Utilities	9.20	5.78	-

Quoted equity securities - foreign

Information Technology	-	-	3.79
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Collective investment schemes

	5.62	8.40	2.84
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Liquid assets and other net current assets	17.69	20.94	2.95
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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) (%)	1.07	1.04	1.05
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*Please refer to **Note 2** for further information*

Portfolio turnover ratio (PTR) (times)	1.00	1.43	0.68
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*Please refer to **Note 3** for further information*

	31.07.2025 to 31.01.2026	31.07.2024 to 31.01.2025	31.07.2023 to 31.01.2024
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TOTAL RETURN

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

Total Return (%)	5.90	(12.74)	(6.71)
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- Capital growth (%)	5.90	(12.74)	(6.71)
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- Income distribution (%)	-	-	-
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SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

FUND PERFORMANCE

	2026	2025	2024	2023	2022
Annual Total Return (%)	12.05*	(23.68)*	(12.87)*	5.05*	(3.02)*
Performance Benchmark (%): 1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category	21.77*	(10.10)*	15.39*	2.51*	(1.89)*
<i>* Annualised for comparison purpose only</i>					

	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	1.62	(1.81)	(3.57)

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 benchmark performance, based on the 1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category, is calculated assuming investment in the index. 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 of the funds under "Equity Malaysia" Non-Islamic category of the Malaysia Lipper Fund table, "peers benchmarking") with a total return of 5.90% compared to benchmark's return of 10.36%. The Fund remain focused on positioning for longer term growth. In terms of portfolio strategy, the Fund will remain focused on disciplined stock selection to generate outperformance. We maintain a bullish stance on selected semiconductor and data centre stocks. Additionally, we hold meaningful positions in several large-cap stocks that could benefit from strong domestic economic growth as well as sustained foreign inflows.

Investment Policy and Strategy

The 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.

NAV per unit as at 31 January 2026

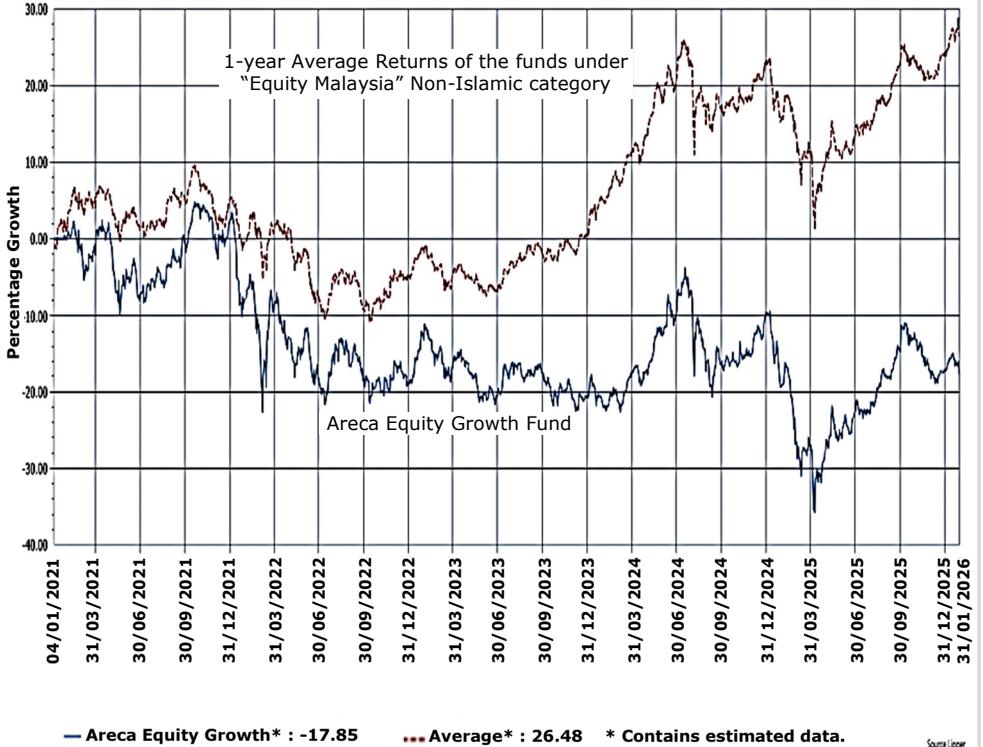
RM0.8215

Asset Allocation/Portfolio Composition	2026	2025	2024
Quoted equity securities - local	76.69%	70.66%	90.42%
Quoted equity securities - foreign	-	-	3.79%
Collective investment schemes	5.62%	8.40%	2.84%
Liquid assets and other net current assets	17.69%	20.94%	2.95%

FUND REVIEW

Performance of Areca Equity Growth Fund
for the period since inception to 31 January 2026

Total Return of Areca Equity Growth Fund vs Benchmark



MALAYSIAN EQUITY MARKET REVIEW

During the period under review, the FTSE Bursa Malaysia KLCI Index ("FBMKLCI") surged 15.10% to 1,741 points, while the broader FTSE Bursa Malaysia EMAS Index ("FBMEMAS") gained 11.80% to 12,746 points. Separately, the FTSE Bursa Malaysia Small Cap Index ("FBMSCAP") increased 1.80% to 16,008 points, underperforming the broader market.

Foreign investors remained net sellers for the period, bringing net outflows to MYR5.2 billion. In contrast, domestic institutions were net buyers, recording inflows of MYR6.5 billion while domestic retail investors were net sellers at MYR1.3 billion.

Local equity markets rallied strongly, supported by a favourable policy backdrop and improving macro sentiment. Key catalysts included the signing of a United States ("US")-Malaysia reciprocal trade agreement, the announcement of Budget 2026, and a series of US Federal Reserve ("Fed") rate cuts in September, October and December, which helped ease global financial conditions. Gains accelerated toward year-end, with the FBMKLCI benefiting from window-dressing activities and a firmer Ringgit.

Momentum carried into early 2026, underpinned by policy optimism, sustained foreign inflows, improved liquidity and currency strength. Sentiment was further reinforced by Prime Minister Datuk Anwar Ibrahim's New Year address highlighting governance reforms and stronger policy execution, alongside better-than-expected fourth quarter of year 2025 advance Gross Domestic Product ("GDP") growth of 5.70%. Nonetheless, market performance remained selective and volatile, with small caps lagging amid weaker earnings delivery, lingering uncertainty over global monetary policy, and elevated geopolitical risks.

On the policy front, Prime Minister Anwar Ibrahim's mid-December cabinet reshuffle provided additional clarity on governance continuity. The US-Malaysia reciprocal trade agreement improved export visibility, with up to 1,700 Malaysian products now benefiting from tariffs below 19.00%. Domestically, the RM470 billion Budget 2026 reaffirmed the government's commitment to fiscal consolidation, targeting a narrower fiscal deficit of 3.50% of GDP versus 3.80% previously. Meanwhile, approved investments reached RM285.2 billion in the first nine months of 2025, up 13.20% year-on-year, reinforcing confidence in Malaysia's medium-term growth outlook.

In commodities, Brent crude declined 3.30% to \$69.3/barrel amid easing geopolitical tensions and planned output boost by Organisation of Petroleum Exporting Countries Plus ("OPEC+"). In contrast, crude palm oil ("CPO") advanced 1.30% to RM4,229/tonne. Meanwhile, the Dollar index fell 3.00% to 96.99 for the period while the Ringgit strengthened 7.50% against the greenback, reaching 3.95.

Sector-wise, financials (+25.00%), consumer (+14.00%) and plantation (+13.00%) outperformed, while healthcare (-10.00%), telecommunications (-10.00%) and construction (-6.00%) underperformed. Among the FBMKLCI constituents, the top gainers were 99 Speed Mart (+76.00%), Press Metal (+42.00%), and RHB Bank (+38.00%), while the biggest laggards were YTL Power (-21.00%), Petronas Chemicals (-17.00%), and YTL Corp (-16.00%).

MALAYSIAN EQUITY MARKET OUTLOOK

Malaysia's equity market performed strongly in January 2026, with the FBMKLCI closing the month at 1,740.88, a level not seen since 2018. Despite the relatively lacklustre equity market performance in 2025, we believe the market is well positioned to catch up in 2026, and the strong start to the year further reinforces this view. The rally was likely supported by emerging market carry trades. As discussed earlier, the US monetary easing cycle has helped reignite risk appetite for emerging market assets, including Malaysia. The strong performance of the Ringgit, which appreciated by 2.90% against the US Dollar in January 2026, provides further evidence supporting this thesis.

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

Looking ahead, we are increasingly optimistic about Malaysia's prospects in 2026. Valuations in small- and mid-cap stocks are beginning to look attractive, and we see several factors underpinning our constructive outlook. First, Malaysia continues to benefit from a prudent and disciplined fiscal policy framework. The MADANI Budget under the 13th Malaysia Plan ("13MP") framework strikes a balance between fiscal consolidation, strategic investment, and subsidy reform, with priority sectors including semiconductors, renewable energy, and manufacturing, supporting sustainable growth without excessive leverage. Second, Malaysia stands to gain from global supply chain restructuring and accelerating Artificial Intelligence ("AI")-related investments, with clear opportunities in semiconductors, data infrastructure, energy, and construction. Amid ongoing US-China tensions, Malaysia's strategic neutrality positions it well as a bridge for investment inflows and supply chain relocation. Third, global liquidity conditions remain relatively accommodative. With inflation expected to moderate later in 2026, the Federal Reserve may continue to ease policy, albeit gradually. Having already cut rates three times in 2025, further easing would likely support risk appetite for emerging markets, including Malaysia. Fourth, foreign equity ownership in Malaysia remains at historical lows, creating meaningful room for foreign inflows to return and drive a re-rating of both the equity and bond markets. Fifth, valuations remain attractive, with the FBMKLCI trading at around 16.1 times earnings, still below its 10-year historical average, making Malaysia one of the more compelling markets in Southeast Asia for patient investors.

That said, risks remain. In particular, the current US-China trade truce is only guaranteed for one year, until November 2026, making it a key geopolitical milestone to monitor.

Our portfolios remain anchored in domestic recovery sectors such as consumer, construction, and utilities, alongside growth exposure to future-ready themes including AI, semiconductors, and data centres.

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 2026 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
25 March 2026

STATEMENT BY MANAGER

To the Unitholders of Areca Equity Growth Fund

We, **WONG TECK MENG** and **DR. JUNID SAHAM**, 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 2026 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

DR JUNID SAHAM
INDEPENDENT NON-EXECUTIVE DIRECTOR

Kuala Lumpur
25 March 2026

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 31 January 2026

	Note	31.01.2026 RM	31.01.2025 RM
Assets			
Investments	5	28,945,060	26,754,407
Cash and cash equivalents	6	4,158,072	778,567
Amount due from Manager		434,458	5,000
Amount due from stockbrokers		2,050,397	6,861,549
Dividend receivables		6,233	-
Total Assets		35,594,220	34,399,523
 Unitholders' Fund and Liabilities			
Liabilities			
Amount due to stockbrokers		353,890	486,579
Other payables and accrued expenses	7	74,885	71,055
Total Liabilities		428,775	557,634
 Unitholders' Fund			
Unitholders' capital		48,079,561	47,231,558
Accumulated losses		(12,914,116)	(13,389,669)
Net Asset Value Attributable To Unitholders		35,165,445	33,841,889
 Total Unitholders' Fund And Liabilities			
		35,594,220	34,399,523
 Number Of Units In Circulation			
	8	42,808,743	41,862,119
Net Asset Value Per Unit (RM)			
		0.8215	0.8084

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

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 31 January 2026

	Note	01.08.2025 to 31.01.2026 RM	01.08.2024 to 31.01.2025 RM
Investments Income/(Loss)			
Dividend income		298,323	390,512
Interest income		35,547	56,672
Net gain/(loss) on investments at fair value through profit or loss ("FVTPL")	5	<u>2,039,130</u>	<u>(4,787,889)</u>
Total Investments Income/(Loss)		<u>2,373,000</u>	<u>(4,340,705)</u>
Expenditure			
Management fee	9	(324,974)	(355,690)
Trustee's fee	10	(10,511)	(11,225)
Audit fee		(6,000)	(5,749)
Tax agent's fee		(1,815)	(1,815)
Transaction costs		(209,012)	(332,435)
Other expenses		<u>(28,654)</u>	<u>(11,797)</u>
Total Expenditure		<u>(580,966)</u>	<u>(718,711)</u>
Net Income/(Loss) Before Taxation		1,792,034	(5,059,416)
Taxation	11	<u>-</u>	<u>-</u>
Net Income/(Loss) After Taxation And Total Comprehensive Income/(Loss) For The Financial Period		<u>1,792,034</u>	<u>(5,059,416)</u>
Net Income/(Loss) After Taxation Is Made Up Of:			
Realised (loss)/gain		(54,297)	1,833,748
Unrealised gain/(loss)		<u>1,846,331</u>	<u>(6,893,164)</u>
		<u>1,792,034</u>	<u>(5,059,416)</u>

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

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 31 January 2026

	Unitholders' capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 1 August 2024	49,399,475	(8,330,253)	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)
Balance as at 31 January 2025	<u>47,231,558</u>	<u>(13,389,669)</u>	<u>33,841,889</u>
Balance as at 1 August 2025	46,169,538	(14,706,150)	31,463,388
Amounts received from units created	3,695,565	-	3,695,565
Amounts paid for units cancelled	(1,785,542)	-	(1,785,542)
Total comprehensive income for the financial period	-	1,792,034	1,792,034
Balance as at 31 January 2026	<u>48,079,561</u>	<u>(12,914,116)</u>	<u>35,165,445</u>

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

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

UNAUDITED STATEMENT OF CASH FLOWS
For The Financial Period Ended 31 January 2026

	Note	01.08.2025 to 31.01.2026	01.08.2024 to 31.01.2025
		RM	RM
Cash Flows From/(Used In) Operating Activities			
Proceeds from disposal of investments		33,422,598	50,290,097
Purchase of investments		(33,871,942)	(50,091,158)
Dividend income received		272,421	363,338
Interest received		35,547	56,672
Management fee paid		(320,243)	(366,466)
Trustee's fee paid		(10,329)	(11,521)
Transaction costs paid		(203,025)	(312,543)
Payment for other fees and expenses		(35,183)	(24,296)
Net Cash Used In Operating Activities		<u>(710,156)</u>	<u>(95,877)</u>
Cash Flows From/(Used In) Financing Activities			
Cash proceeds from units created		3,263,107	1,553,754
Payment for cancellation of units		(1,785,542)	(3,726,671)
Net Cash From/(Used In) Financing Activities		<u>1,477,565</u>	<u>(2,172,917)</u>
Net Increase/(Decrease) In Cash And Cash Equivalents		767,409	(2,268,794)
Cash And Cash Equivalents At Beginning Of Period		<u>3,390,663</u>	<u>3,047,361</u>
Cash And Cash Equivalents At End Of Period		<u><u>4,158,072</u></u>	<u><u>778,567</u></u>
Cash And Cash Equivalents Comprise:			
Cash at banks	6	90,178	7,769
Short-term deposits	6	4,067,894	770,798
		<u>4,158,072</u>	<u>778,567</u>

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 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 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 Standards (“MFRSs”) as issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards (“IFRSs”) and the relevant Securities Commission Malaysia guidelines.

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

At the date of authorisation for issue of these financial statements, the 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 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	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 new MFRS and Amendments to MFRSs is not expected to have 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.

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.

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

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 transfers nor retains 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 scheme are valued at FVTPL based on the Net Asset Value of such collective investment scheme at the end of the reporting period.

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.

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.

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

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

	2026	2025
	RM	RM
Financial assets at FVTPL:		
Quoted equity securities - local	26,966,660	23,912,081
Collective investment scheme	<u>1,978,400</u>	<u>2,842,326</u>
	<u><u>28,945,060</u></u>	<u><u>26,754,407</u></u>

Net gain/(loss) on investments at FVTPL comprise:

Realised gain on disposals	192,799	2,105,275
Unrealised gain/(loss) on changes in fair value	<u>1,846,331</u>	<u>(6,893,164)</u>
	<u><u>2,039,130</u></u>	<u><u>(4,787,889)</u></u>

Financial assets at fair value through profit or loss as at 31 January 2026 are as follows:

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
ACE Market				
Construction				
Cheeding Holdings Bhd	535,000	352,726	345,075	0.98
MN Holdings Bhd	368,000	550,160	592,480	1.69
		<u>902,886</u>	<u>937,555</u>	<u>2.67</u>
Consumer Products & Services				
A1 A.K. Koh Group Bhd	2,543,000	635,750	572,175	1.63
		<u>635,750</u>	<u>572,175</u>	<u>1.63</u>
Energy				
Enproserve Group Bhd	1,149,000	275,760	247,035	0.70
Northern Solar Holdings Bhd	1,192,000	828,451	667,520	1.90
		<u>1,104,211</u>	<u>914,555</u>	<u>2.60</u>

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
ACE Market				
Industrial Products & Services				
Kawan Renenergy Bhd	939,100	711,526	516,505	1.47
PMW International Bhd	590,000	200,600	177,000	0.50
		<u>912,126</u>	<u>693,505</u>	<u>1.97</u>
Telecommunications & Media				
Foodie Media Bhd	788,000	236,400	334,900	0.95
		<u>236,400</u>	<u>334,900</u>	<u>0.95</u>
Main Market				
Construction				
Gamuda Bhd	367,624	1,627,285	1,624,898	4.62
IJM Corporation Bhd	560,000	1,467,949	1,500,800	4.27
		<u>3,095,234</u>	<u>3,125,698</u>	<u>8.89</u>
Consumer Products & Services				
HI Mobility Bhd	275,000	445,226	632,500	1.80
		<u>445,226</u>	<u>632,500</u>	<u>1.80</u>
Energy				
Lianson Fleet Group Bhd	83,000	131,970	168,490	0.48
Lianson Fleet Group Bhd - Warrants B 2026/2031	27,200	-	-	-
		<u>131,970</u>	<u>168,490</u>	<u>0.48</u>
Financial Services				
AMMB Holdings Bhd	163,000	1,061,611	1,051,350	2.99
CIMB Group Holdings Bhd	170,000	1,380,775	1,458,600	4.15
Hong Leong Financial Group Bhd	35,000	731,157	781,900	2.22
RHB Bank Bhd	87,000	705,570	735,150	2.09
		<u>3,879,113</u>	<u>4,027,000</u>	<u>11.45</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	648,000	945,388	933,120	2.65
Kelington Group Bhd	139,000	703,013	733,920	2.09
SAM Engineering & Equipment (M) Bhd	512,500	2,116,259	1,793,750	5.10
Sunway Bhd	253,200	1,253,514	1,458,432	4.15
		<u>5,018,174</u>	<u>4,919,222</u>	<u>13.99</u>
Technology				
Malaysian Pacific Industries Bhd	38,000	815,442	1,216,000	3.46
SNS Network Technology Bhd	1,769,000	1,044,976	928,725	2.64
Unisem (M) Bhd	841,100	2,411,903	2,649,465	7.53
ViTrox Corporation Bhd	207,000	919,065	900,450	2.56
VSTECs Bhd	407,700	1,372,742	1,712,340	4.87
		<u>6,564,128</u>	<u>7,406,980</u>	<u>21.06</u>

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
Main Market				
Utilities				
Tenaga Nasional Bhd	232,000	3,057,212	3,234,080	9.20
		<u>3,057,212</u>	<u>3,234,080</u>	<u>9.20</u>
Total quoted equity securities - local		<u>25,982,430</u>	<u>26,966,660</u>	<u>76.69</u>

	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
COLLECTIVE INVESTMENT SCHEME				
Areca Strategic Income Fund 15	2,000,000	2,000,000	1,978,400	5.62
Total collective investment scheme		<u>2,000,000</u>	<u>1,978,400</u>	<u>5.62</u>
Total investments		<u>27,982,430</u>	<u>28,945,060</u>	<u>82.31</u>
Unrealised gain on investments			<u>962,630</u>	

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 %
QUOTED EQUITY SECURITIES - LOCAL				
ACE Market				
Construction				
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>
Industrial Products & Services				
Kawan Renergy Bhd	727,100	558,568	592,586	1.75
		<u>558,568</u>	<u>592,586</u>	<u>1.75</u>
Main Market				
Construction				
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>
Energy				
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>

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
Main Market				
Health Care				
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>
Industrial Products & Services				
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>
Technology				
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>
Utilities				
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>
	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
COLLECTIVE INVESTMENT SCHEMES				
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>
Total investments		<u>28,433,511</u>	<u>26,754,407</u>	<u>79.06</u>
Unrealised loss on investments			<u>(1,679,104)</u>	

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

6 CASH AND CASH EQUIVALENTS

	2026	2025
	RM	RM
Cash at banks	90,178	7,769
Short-term deposits	4,067,894	770,798
	4,158,072	778,567

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

The effective interest rate for short-term deposits is 2.90% (2025: 3.00%) per annum and the remaining maturity period is 4 days (2025: 3 days).

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2026	2025
	RM	RM
Accrued expenses:		
Management fee	56,171	58,017
Trustee's fee	1,798	1,844
Audit fee	6,000	5,749
Tax agent's fee	5,445	5,445
Other expenses	5,471	-
	74,885	71,055

8 NUMBER OF UNITS IN CIRCULATION

	2026	2025
	Units	Units
At beginning of the period	40,563,078	44,333,510
Created during the period	4,390,838	1,849,610
Cancelled during the period	(2,145,173)	(4,321,001)
At end of the period	42,808,743	41,862,119

9 MANAGEMENT FEE

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee of up to 2.00% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day.

The management fee provided in the financial statements is an average of 1.86% (2025: 1.90%) 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 of up to 0.06% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day, subject to a minimum fee of RM6,000 per annum.

The Trustee's fee provided in the financial statements is 0.06% (2025: 0.06%) per annum for the financial period.

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

11 TAXATION

There is no income tax expense 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 1.07% (2025: 1.04%) for the financial period ended 31 January 2026. 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 the Fund

The average net asset value of the Fund for the financial period is RM34,749,439 (2025: RM37,109,693).

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 1.00 times (2025: 1.43 times) for the financial period ended 31 January 2026. 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 = RM33,766,282 (2025: RM50,606,751)
total disposal for the financial period = RM35,440,612 (2025: RM55,788,813)

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:

	←----- 2026 -----→	←----- 2025 -----→		
	No. of units	RM	No. of units	RM
Directors of the Manager (The above units are held legally and beneficially)	-	-	249,627	201,798
	-	-	249,627	201,798

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 2026
ARECA EQUITY GROWTH FUND

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 %
2026				
Kenanga Investment Bank Bhd	19,522,131	30.16	58,691	28.08
CGS International Securities Malaysia Sdn Bhd	12,960,825	20.02	40,207	19.23
CIMB Securities Sdn Bhd	12,554,402	19.39	41,887	20.04
Public Investment Bank Bhd	10,977,873	16.96	36,820	17.62
Maybank Investment Bank Bhd	6,398,217	9.88	22,883	10.95
CLSA Securities Malaysia Sdn Bhd	1,019,604	1.58	3,345	1.60
UOB Kay Hian Securities (M) Sdn Bhd	729,858	1.13	2,409	1.15
KAF Investment Bank Bhd	200,600	0.31	2,167	1.04
Alliance Bank Malaysia Bhd	189,860	0.29	-	-
TA Securities Holdings Bhd	182,670	0.28	603	0.29
	<u>64,736,040</u>	<u>100.00</u>	<u>209,012</u>	<u>100.00</u>
2025				
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
	<u>101,916,002</u>	<u>100.00</u>	<u>332,435</u>	<u>100.00</u>

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 interest rate risk and price risk) primarily on its investment and capital risk.

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

Categories of Financial Instruments

	2026	2025
	RM	RM
Financial assets		
Carried at FVTPL:		
Investments	28,945,060	26,754,407
Amortised cost:		
Cash and cash equivalents	4,158,072	778,567
Amount due from Manager	434,458	5,000
Amount due from stockbrokers	2,050,397	6,861,549
Dividend receivables	6,233	-
Financial liabilities		
Amortised cost:		
Amount due to stockbrokers	353,890	486,579
Other payables and accrued expenses	74,885	71,055

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 nor impaired as at 31 January 2026.

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:

	Short-term	Quoted	Collective
	deposits	equity	investment
	RM	securities -	scheme
		local	RM
		RM	
2026			
Industry			
Construction	-	4,063,253	-
Consumer Products & Services	-	1,204,675	-
Energy	-	1,083,045	-
Financial Services	4,067,894	4,027,000	1,978,400
Industrial Products & Services	-	5,612,727	-
Technology	-	7,406,980	-
Telecommunications & Media	-	334,900	-
Utilities	-	3,234,080	-
	<u>4,067,894</u>	<u>26,966,660</u>	<u>1,978,400</u>

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

	Short-term deposits RM	Quoted equity securities - local RM	Collective investment schemes RM
2025			
Industry			
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

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 Malaysia listed quoted equity securities and collective investment schemes, the performance of the Fund might go up or down in accordance with the prevailing market risk of Malaysia.

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

SEMI-ANNUAL REPORT JANUARY 2026
ARECA EQUITY GROWTH FUND

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
2026		
Investments	+5/-5%	<u>1,447,253/(1,447,253)</u>
2025		
Investments	+5/-5%	<u>1,337,720/(1,337,720)</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 Assets Value ("NAV") per unit of such collective investment scheme 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.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2026				
Financial assets at FVTPL				
Quoted equity securities - local	26,966,660	-	-	26,966,660
Collective investment scheme	-	1,978,400	-	<u>1,978,400</u>
2025				
Financial assets at FVTPL				
Quoted equity securities - local	23,912,081	-	-	23,912,081
Collective investment schemes	-	2,842,326	-	<u>2,842,326</u>

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



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