

Annual Report March 2025

For the Year Ended 31 March 2025

Areca Islamic equityTRUST Fund

Management Company



200601021087(740840-D)

ANNUAL REPORT MARCH 2025

✧ ARECA Islamic equityTRUST FUND

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CORPORATE DIRECTORY

MANAGER

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

BOARD OF DIRECTORS

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

INVESTMENT COMMITTEE MEMBERS

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

TRUSTEE

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

AUDITOR

Deloitte PLT (LLP0010145-LCA)
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 03-7610 8888, Fax: 03-7726 8986

TAX ADVISER

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

SHARIAH ADVISER

Amanie Advisors Sdn Bhd
Company No: 200501007003 (684050-H)
Level 13A-2, Menara Tokio Marine Life
189, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2161 0260, Fax: 03-2161 0262

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

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

IPOH BRANCH

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

JOHOR BRANCH

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

MALACCA BRANCH

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

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

FUND INFORMATION

Name of the Fund	Areca Islamic equityTRUST Fund
Fund Category/ Type	Equity (Shariah-compliant)/Growth
Objective of the Fund	To provide investors with Medium to Long Term capital growth by investing primarily in a portfolio of Shariah-compliant equities and Shariah-compliant equity-related securities.
Performance Benchmark	1-year Average Returns of the funds under Lipper's "Equity Malaysia-Islamic" category
Distribution Policy of the Fund	Incidental, subject to the 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 year under review, the Manager had not received any soft commissions.</p>
Inception Date	9 September 2022
Financial Year End	31 March

FUND PERFORMANCE

	2025	2024	09.09.2022 (launch date) to 31.03.2023
NET ASSET VALUE ("NAV")			
Net Asset Value (RM million)	1.26	1.13	0.001
Units in circulation (million units)	2.63	2.10	0.002
NAV per unit (RM)	0.4789	0.5394	0.5000

HIGHEST & LOWEST NAV per unit			
<i>Please refer to Note 1 for further information on NAV and pricing policy</i>			
Highest NAV per unit (RM)	0.6386	0.5394	0.5000
Lowest NAV per unit (RM)	0.4564	0.4712	0.5000

ASSET ALLOCATION % of NAV			
Quoted Shariah-compliant equity securities			
Construction	5.02	11.11	-
Consumer Products & Services	4.10	-	-
Energy	6.59	11.66	-
Health Care	13.93	3.35	-
Industrial Products & Services	15.67	19.01	-
Plantation	9.19	-	-
Property	8.54	20.42	-
Technology	12.46	20.40	-
Telecommunications & Media	-	8.48	-
Transportation & Logistics	1.19	-	-
Utilities	3.25	4.02	-
Liquid assets and other net current assets	20.06	1.55	100.00

DISTRIBUTION			
There was no distribution for the financial year under review.			

UNIT SPLIT			
There was no unit split exercise for the financial year under review.			

EXPENSE/TURNOVER			
Total expense ratio (TER) (%)			
<i>Please refer to Note 2 for further information</i>	5.24	5.12	-
Portfolio turnover ratio (PTR) (times)			
<i>Please refer to Note 3 for further information</i>	1.39	1.23	-

TOTAL RETURN			
<i>Please refer to Note 4 for further information</i>			
Total Return (%)	(11.20)	7.88	-
- Capital growth (%)	(11.20)	7.88	-
- Income distribution (%)	-	-	-

Annual Total Return (%)	(11.20)	7.88	-
Performance Benchmark (%): 1-year Average Returns of the funds under Lipper's "Equity Malaysia-Islamic" category	(2.25)	13.02	3.14*
* Annualised for comparison purpose only			

FUND PERFORMANCE

	2025	2024	09.09.2022 (launch date) to 31.03.2023
Total Return since launch (%)	(4.20)	7.88	-
	1-yr (11.20)	3-yrs N/A	5-yrs N/A
Average Total Return per annum (%)			

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 performance figures for the benchmark of Average Returns of the funds under Lipper's "Equity Malaysia-Islamic" category are calculate assuming investment in the index. The total return and the benchmark data are sourced from Lipper.

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

FUND REVIEW

During the year under review, the Fund underperformed its benchmark with a total return of -11.20% compared to the benchmark (1-year Average Returns of the funds under Lipper's "Equity Malaysia-Islamic" category of the Malaysia Lipper Fund table, "peers benchmarking") total return of -2.25%. The total return since inception of the Fund is -4.20%.

The strategy of the Fund is to invest in Shariah-compliant stocks within the Areca Equity Trust Fund ("AETF"). We are maintaining a decent cash level for now in line with the AETF as we plan to accumulate high-quality stocks during periods of market weakness.

Since the Fund's inception on 9 September 2022, it has registered a total return of -4.20%, underperforming its absolute benchmark return of 12.38%. Hence, the Fund has yet to achieve its objective.

Investment Policy and Strategy

The Fund will invest a maximum of 98% of its NAV in Shariah-compliant equities and Shariah-compliant equity-related securities and a minimum of 2% of its NAV in Islamic Liquid Assets. Shariah-compliant equity-related securities includes but not limited to different classes of listed and unlisted Shariah-compliant shares, Shariah-compliant warrants, Shariah-compliant options, Islamic preference shares and Shariah-compliant convertible securities. The Fund will normally invest in Shariah-compliant 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 may also invest in units or shares of other Islamic CIS which have similar objective. Nevertheless, the Fund may also invest in Islamic money market or short term Islamic fixed income funds for the purpose of liquidity, diversification of investments and investment risk mitigation. The Fund may take a temporary defensive position, which may be inconsistent with the Fund's investment strategies and asset allocation, to respond to adverse economic, political or other market conditions by holding up to 100% of the Fund's NAV in Islamic Liquid Assets or Islamic money market and short term Islamic fixed income funds.

NAV per unit as at 31 March 2025

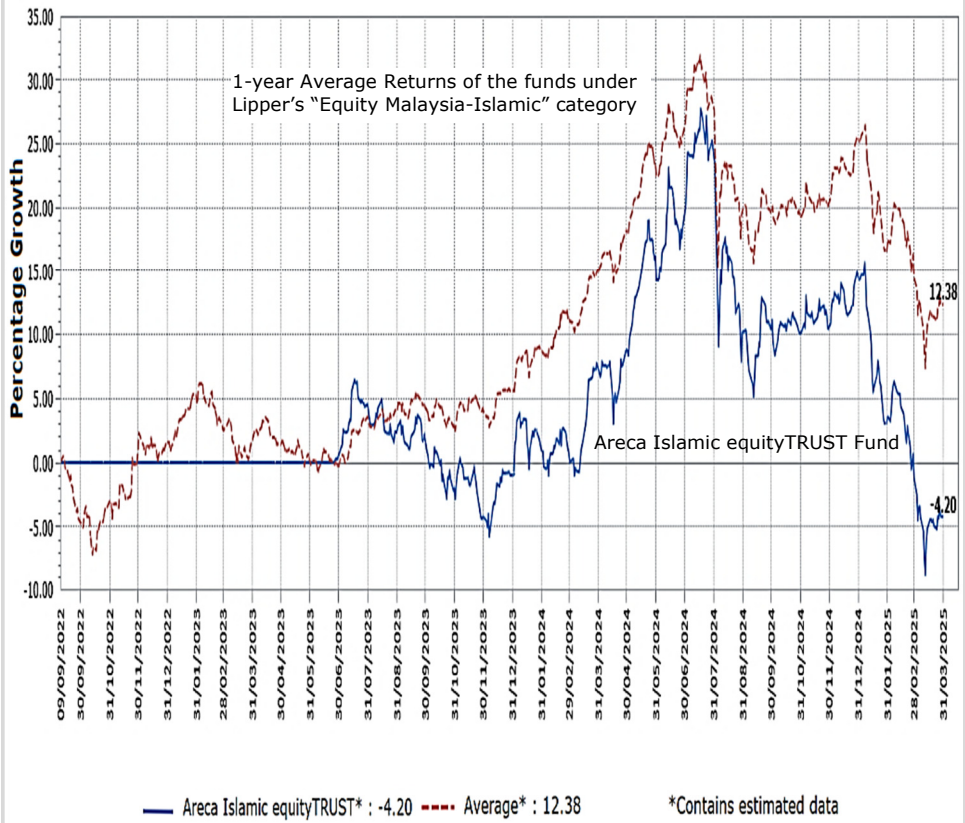
RM0.4789

Asset Allocation/Portfolio Composition	2025	2024	2023
Quoted Shariah-compliant equity securities	79.94%	98.45%	-
Liquid assets and other net current assets	20.06%	1.55%	100.00%

FUND REVIEW

Performance of Areca Islamic equityTRUST Fund
for the period since inception to 31 March 2025

Total Return of Areca Islamic equityTRUST Fund vs Benchmark



Source Lipper

MALAYSIAN EQUITY MARKET REVIEW

During the financial year under review, the FTSE Bursa Malaysia KLCI Index ("FBMKLCI") fell 1.50% to close at 1,514 points, while the FTSE Bursa Malaysia EMAS Index ("FBMEMAS") declined by 1.90% to 11,348 points. In contrast, the FTSE Small Cap Index ("FBMSCAP") plunged 9.90% to 15,579 points, underperforming the broader market.

Foreign investors were net sellers in eight of the twelve months, bringing foreign outflows to MYR13.3 billion (compared to -MYR1.4 billion in the preceding corresponding period). In contrast, domestic institutions and retail investors were net buyers, with net inflows of MYR15.5 billion, while domestic retail investors were net sellers at MYR2.3 billion.

Optimism surrounding Malaysia's economic reforms and record-high direct investment approvals supported early market gains. However, the momentum was short-lived as the market dipped early in the period, weighed down by weaker United States ("US") jobs data and the unwinding of yen carry trades. Towards year-end, the FBMKLCI rebounded on window-dressing activities.

As 2025 began, profit-taking set in, pressured by a weak earnings season and external headwinds such as uncertainty over US tariff policies and a sell-off in Artificial Intelligence ("AI") and data centre-related stocks following stricter US curbs on AI chip exports and the launch of China's DeepSeek AI chatbot. Investor sentiment further deteriorated amid persistent foreign selling ahead of the US reciprocal tariff announcement on 2 April. Tensions escalated with President Trump's move to impose 25.00% tariffs on all steel, aluminium and automobile imports.

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

In terms of commodities, Brent crude oil prices plunged by 14.50% to \$74.7/barrel amid Trump's tariff uncertainty and higher US stockpiles. Conversely, crude palm oil ("CPO") prices gained 10.10% to RM4,762/tonne, attributable to supply tightness. Moreover, the Dollar index shed 0.80% to 104.2 for the period while the Ringgit appreciated 6.10% against the US Dollar, reaching 4.44.

Sector-wise, construction (+21.00%), financials (8.00%), and utilities (+7.00%) led gains, while technology (-21.00%), energy (-20.00%), and telecommunications (-19.00%) lagged. Top FBMKLCI gainers included Gamuda (+59.00%), Sunway (+30.00%), and 99 Speed Mart (+24.00%), while laggards were Petronas Chemicals (-46.00%), Nestle Malaysia (-37.00%), and Axiata (-33.00%).

MALAYSIAN EQUITY MARKET OUTLOOK

Global markets plunged amid growing fears of a global recession, fueled by President Trump's intensifying tariff war. On April 2, Malaysia was hit with a 24.00% reciprocal tariff by the US — a relatively milder impact compared to its The Association of Southeast Asian Nations ("ASEAN") peers, with Vietnam facing 46.00%, Cambodia 49.00%, Thailand 36.00%, and Indonesia 32.00%. Despite these headwinds, Malaysia remains well-positioned in the global trade landscape. Only 13.20% of its exports are US-bound — significantly lower than Vietnam's 29.30% and Cambodia's 37.80%. The US and China primarily influence our economy. However, a potential silver lining is that China's business environment seems more stable, aided by government stimulus measures aimed at boosting consumption, stabilising the property market, and maintaining a moderately loose monetary policy. This positions China to be better prepared than during the previous Trump administration. Additionally, Malaysia could benefit from intra-Asian trade. If China recovers, especially with technological breakthroughs like Deepseek and advancements in semiconductors that bypass US sanctions, we could see positive developments. Malaysia will continue to attract strong Foreign Direct Investment ("FDI")

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inflows under the China+1 strategy, supported by its relatively lower tariffs, high-quality infrastructure, reliable utilities, and strategic proximity to Singapore. Despite the excessive sell-off reflecting negative sentiment, long-term investment opportunities are emerging. For our equity funds, we will continue accumulating on weakness, employing a barbell strategy that balances oversold exporters with domestic themes. Although more volatility may occur in the short term, the long-term outlook remains promising. The FBMKLCI's price-to-earnings ratio ("PER") currently stands at approximately 14.3 times — around one standard deviation below its 10-year mean—further reinforcing its attractiveness.

CROSS TRADE

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

SECURITIES FINANCING TRANSACTIONS

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

TRUSTEE'S REPORT

To the Unitholders of Areca Islamic equityTRUST Fund ("Fund")

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

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

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

NORHAZLIANA BINTI MOHAMMED HASHIM
HEAD, UNIT TRUST & CORPORATE OPERATIONS

Kuala Lumpur
23 May 2025

STATEMENT BY MANAGER

To the Unitholders of Areca Islamic equityTRUST Fund

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

For and on behalf of the Manager
Areca Capital Sdn Bhd

WONG TECK MENG
CEO/EXECUTIVE DIRECTOR

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

Kuala Lumpur
23 May 2025

SHARIAH ADVISER'S REPORT

To the Unitholders of Areca Islamic equityTRUST Fund ("Fund")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Areca Capital Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprises of instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

TAN SRI DR MOHD DAUD BAKAR
EXECUTIVE CHAIRMAN

Kuala Lumpur
23 May 2025

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF ARECA Islamic equityTRUST FUND**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ARECA Islamic equityTRUST FUND** ("the Fund"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 15 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2025, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Fund in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Trustee for the Financial Statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable the fair presentation of these financial statements.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

MAK WAI KIT
Partner - 03546/12/2026 J
Chartered Accountant

23 May 2025

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STATEMENT OF FINANCIAL POSITION

As At 31 March 2025

	Note	2025 RM	2024 RM
Assets			
Investments	5	1,007,235	1,112,974
Cash and cash equivalents	6	293,498	41,812
Dividend receivables		2,252	2,901
Total Assets		<u>1,302,985</u>	<u>1,157,687</u>
Unitholders' Fund And Liabilities			
Liabilities			
Amount due to stockbrokers		18,545	-
Other payables and accrued expenses	7	<u>24,485</u>	<u>27,195</u>
Total Liabilities		<u>43,030</u>	<u>27,195</u>
Unitholders' Fund			
Unitholders' capital		1,379,757	1,049,441
(Accumulated losses)/Retained earnings		<u>(119,802)</u>	<u>81,051</u>
Net Asset Value Attributable To Unitholders		<u>1,259,955</u>	<u>1,130,492</u>
Total Unitholders' Fund And Liabilities		<u>1,302,985</u>	<u>1,157,687</u>
Number Of Units In Circulation	8	<u>2,630,809</u>	<u>2,095,986</u>
Net Asset Value Per Unit (RM)		<u>0.4789</u>	<u>0.5394</u>

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

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 March 2025

	Note	2025 RM	2024 RM
Investments (Loss)/Income			
Dividend income		20,163	12,830
Profit income		5,988	3,308
Net (loss)/gain on investments at fair value through profit or loss ("FVTPL")	5	<u>(142,305)</u>	<u>115,029</u>
Total Investments (Loss)/Income		<u>(116,154)</u>	<u>131,167</u>
Expenditure			
Management fee	9	27,128	16,196
Trustee's fee	10	11,514	486
Audit fee		10,800	10,000
Tax agent's fee		3,300	3,300
Transaction costs		13,630	7,881
Other expenses		<u>18,327</u>	<u>12,253</u>
Total Expenditure		<u>84,699</u>	<u>50,116</u>
Net (Loss)/Income Before Tax		(200,853)	81,051
Income Tax Expense	11	<u>-</u>	<u>-</u>
Net (Loss)/Income After Tax And Total Comprehensive (Loss)/Income For The Financial Year		<u>(200,853)</u>	<u>81,051</u>
Net (Loss)/Income After Tax Is Made Up Of:			
Realised gain/(loss)		27,076	(33,100)
Unrealised (loss)/gain		<u>(227,929)</u>	<u>114,151</u>
		<u>(200,853)</u>	<u>81,051</u>

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

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STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Year Ended 31 March 2025

	Unitholders' capital RM	Retained earnings/ (Accumulated losses) RM	Total net asset value RM
Balance as at 1 April 2023	1,000	-	1,000
Amounts received from units created	1,057,901	-	1,057,901
Amounts paid for units cancelled	(9,460)	-	(9,460)
Total comprehensive income for the financial year	-	81,051	81,051
Balance as at 31 March 2024	<u>1,049,441</u>	<u>81,051</u>	<u>1,130,492</u>
Balance as at 1 April 2024	1,049,441	81,051	1,130,492
Amounts received from units created	330,316	-	330,316
Total comprehensive loss for the financial year	-	(200,853)	(200,853)
Balance as at 31 March 2025	<u>1,379,757</u>	<u>(119,802)</u>	<u>1,259,955</u>

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

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STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 March 2025

	2025 RM	2024 RM
Cash Flows From Operating Activities		
Proceeds from disposal of investments	1,862,719	514,539
Purchase of investments	(1,878,139)	(1,512,484)
Dividend income received	18,147	9,929
Profit income received	5,988	3,308
Management fee paid	(26,833)	(14,356)
Trustee's fee paid	(6,319)	(431)
Transaction costs paid	(13,566)	(7,881)
Payment for other fees and expenses	(40,627)	(253)
Net Cash Used In From Operating Activities	<u>(78,630)</u>	<u>(1,007,629)</u>
Cash Flows From Financing Activities		
Cash proceeds from units created	330,316	1,057,901
Payment for cancellation of units	-	(9,460)
Net Cash Generated From Financing Activities	<u>330,316</u>	<u>1,048,441</u>
Net Increase In Cash And Cash Equivalents	251,686	40,812
Cash And Cash Equivalents At Beginning Of Year	<u>41,812</u>	<u>1,000</u>
Cash And Cash Equivalents At End Of Year	<u><u>293,498</u></u>	<u><u>41,812</u></u>
Cash And Cash Equivalents Comprise:		
Cash at banks	6 9,657	41,812
Short-term Islamic deposits	6 <u>283,841</u>	<u>-</u>
	<u><u>293,498</u></u>	<u><u>41,812</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Areca Islamic equityTRUST Fund ("the Fund") was established pursuant to the Trust Deed dated 1 March 2022 ("the Deed") 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 Deed, which include Shariah-compliant equities and Shariah-compliant equity-related securities, Islamic deposits with financial institutions, units or shares in Islamic collective investment schemes and any other form of Shariah-compliant investment as may be agreed upon by the Manager and the Trustee from time to time. The Fund was launched on 9 September 2022 and will continue its operations until terminated in accordance with the conditions provided in Part 12 of the Deed.

The investment objective of the Fund is to provide investors with medium to long term capital growth by investing primarily in a portfolio of Shariah-compliant equities and Shariah-compliant equity-related securities. 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.

The financial statements were authorised for issue by the Board of Directors of the Manager on 23 May 2025.

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.

Adoption of Amendment to MFRSs

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

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

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

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

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

	Effective for annual periods beginning on or after
MFRS 18 <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: Disclosures</i>	1 January 2026

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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.

Profit income from short-term Islamic 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 year.

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

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, profit 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 year 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 year 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 continue 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 profit method.

The effective profit method is a method of calculating the amortised cost of a financial liability and of allocating profit expense over the relevant years. The effective profit 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 profit 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

Investment in quoted Shariah-compliant equity securities are classified as FVTPL and valued at the last done market price quoted on Bursa Malaysia at the end of the reporting year.

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.

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 year 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.

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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 year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 INVESTMENTS

	2025 RM	2024 RM
Financial assets at FVTPL:		
Quoted Shariah-compliant equity securities	1,007,235	1,112,974
	<u>1,007,235</u>	<u>1,112,974</u>
Net (loss)/gain on investments at FVTPL comprise:		
Realised gain on disposals	85,624	878
Unrealised (loss)/gain on changes in fair values	(227,929)	114,151
	<u>(142,305)</u>	<u>115,029</u>

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

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED SHARIAH- COMPLIANT EQUITY SECURITIES				
ACE Market				
Industrial Products & Services				
Topmix Bhd	37,000	19,446	15,540	1.23
		<u>19,446</u>	<u>15,540</u>	<u>1.23</u>

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED SHARIAH- COMPLIANT EQUITY SECURITIES				
ACE Market Technology				
Edeltec Holdings Bhd	27,700	11,905	6,786	0.54
Infomina Bhd	14,000	25,518	14,560	1.16
LGMS Bhd	8,600	12,155	7,869	0.62
Ramssol Group Bhd	24,900	16,185	21,539	1.71
SFP Tech Holdings Bhd	90,000	41,267	24,750	1.96
SMRT Holdings Bhd	30,700	29,731	30,393	2.41
		136,761	105,897	8.40
Main Market Construction				
Gamuda Bhd	11,348	32,390	47,662	3.79
WCT Holdings Bhd	23,000	30,022	15,525	1.23
		62,412	63,187	5.02
Consumer Products & Services				
AirAsia X Bhd	9,500	19,936	14,725	1.17
Capital A Bhd	45,000	36,225	36,900	2.93
		56,161	51,625	4.10
Energy				
BM Greentech Bhd	7,700	15,400	14,091	1.12
BM Greentech Bhd - Warrants 2024/2027	1,925	-	866	0.07
Dayang Enterprise Holdings Bhd	34,700	72,504	68,012	5.40
		87,904	82,969	6.59
Health Care				
IHH Healthcare Bhd	12,300	88,944	85,116	6.75
KPJ Healthcare Bhd	34,000	79,358	90,440	7.18
		168,302	175,556	13.93
Industrial Products & Services				
CPE Technology Bhd	21,400	29,986	14,338	1.14
Hume Cement Industries Bhd	9,400	29,995	25,474	2.02
L&P Global Bhd	47,000	19,637	8,460	0.67
Pantech Global Bhd	48,000	25,680	24,960	1.98
SAM Engineering & Equipment (M) Bhd	4,100	18,965	15,211	1.21
Sunway Bhd	11,600	30,184	52,664	4.18
V.S. Industry Bhd	47,000	46,040	40,655	3.22
V.S. Industry Bhd - Warrants 2024/2026	2,830	-	226	0.02
		200,487	181,988	14.44

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED SHARIAH- COMPLIANT EQUITY SECURITIES				
Main Market				
Plantation				
Johor Plantations Group Bhd	50,000	64,654	62,000	4.92
United Plantations Bhd	2,400	47,046	53,760	4.27
		<u>111,700</u>	<u>115,760</u>	<u>9.19</u>
Property				
Naim Holdings Bhd	20,800	23,458	17,576	1.40
Sime Darby Property Bhd	39,700	61,716	53,198	4.22
UEM Sunrise Bhd	48,800	49,365	36,844	2.92
		<u>134,539</u>	<u>107,618</u>	<u>8.54</u>
Technology				
MY E.G. Services Bhd	28,000	24,732	25,480	2.02
Notion VTec Bhd	36,500	64,833	25,733	2.04
		<u>89,565</u>	<u>51,213</u>	<u>4.06</u>
Transportation & Logistics				
Avangaad Bhd (Formerly known as E.A. Technique (M) Bhd)	53,500	17,799	14,980	1.19
		<u>17,799</u>	<u>14,980</u>	<u>1.19</u>
Utilities				
Mega First Corporation Bhd	10,200	35,937	40,902	3.25
		<u>35,937</u>	<u>40,902</u>	<u>3.25</u>
Total investments		<u>1,121,013</u>	<u>1,007,235</u>	<u>79.94</u>
Unrealised loss on investments			<u>(113,778)</u>	

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

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED SHARIAH- COMPLIANT EQUITY SECURITIES				
ACE Market				
Industrial Products & Services				
Nationgate Holdings Bhd	8,700	12,051	13,572	1.20
		<u>12,051</u>	<u>13,572</u>	<u>1.20</u>
Technology				
ECA Integrated Solution Bhd	48,800	41,953	18,544	1.64
Infomina Bhd	35,600	64,888	56,248	4.98
SFP Tech Holdings Bhd	21,400	20,528	15,194	1.34
SMRT Holdings Bhd	43,000	35,319	36,765	3.25
		<u>162,688</u>	<u>126,751</u>	<u>11.21</u>

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED SHARIAH- COMPLIANT EQUITY SECURITIES				
Main Market				
Construction				
Gamuda Bhd	13,828	64,645	72,874	6.45
IJM Corporation Bhd	21,700	48,177	52,731	4.66
		<u>112,822</u>	<u>125,605</u>	<u>11.11</u>
Energy				
Dayang Enterprise Holdings Bhd	29,100	53,151	70,131	6.20
Hibiscus Petroleum Bhd	5,860	12,800	15,177	1.34
Velesto Energy Bhd	157,800	41,817	46,551	4.12
		<u>107,768</u>	<u>131,859</u>	<u>11.66</u>
Health Care				
Top Glove Corporation Bhd	47,300	42,438	37,840	3.35
		<u>42,438</u>	<u>37,840</u>	<u>3.35</u>
Industrial Products & Services				
Ancom Nylex Bhd	11,615	10,835	11,615	1.03
L&P Global Bhd	43,100	19,408	16,378	1.45
P.I.E. Industrial Bhd	8,400	24,594	29,904	2.64
SAM Engineering & Equipment (M) Bhd	7,700	35,616	38,346	3.39
Sunway Bhd	17,900	36,380	62,650	5.54
Thong Guan Industries Bhd	11,400	23,580	21,432	1.90
V.S. Industry Bhd	23,900	21,428	21,032	1.86
		<u>171,841</u>	<u>201,357</u>	<u>17.81</u>
Property				
Eastern & Oriental Bhd	31,000	20,851	32,550	2.88
Iskandar Waterfront City Bhd	46,000	31,689	38,640	3.42
S P Setia Bhd	42,800	38,186	62,916	5.57
UEM Sunrise Bhd	79,900	58,536	96,679	8.55
		<u>149,262</u>	<u>230,785</u>	<u>20.42</u>
Technology				
Cnergenz Bhd	26,600	23,025	15,428	1.37
Frontken Corporation Bhd	4,400	13,779	17,072	1.51
Genetec Technology Bhd	22,700	50,899	46,535	4.12
Malaysian Pacific Industries	800	22,618	24,800	2.19
		<u>110,321</u>	<u>103,835</u>	<u>9.19</u>
Telecommunications & Media				
Axiata Group Bhd	13,700	37,162	36,853	3.26
Time Dotcom Bhd	11,400	59,922	59,052	5.22
		<u>97,084</u>	<u>95,905</u>	<u>8.48</u>

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED SHARIAH- COMPLIANT EQUITY SECURITIES				
Main Market Utilities				
Mega First Corporation Bhd	10,500	32,548	45,465	4.02
		<u>32,548</u>	<u>45,465</u>	<u>4.02</u>
Total investments		<u>998,823</u>	<u>1,112,974</u>	<u>98.45</u>
Unrealised gain on investments			<u>114,151</u>	

6 CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash at banks	9,657	41,812
Short-term Islamic deposits	283,841	-
	<u>293,498</u>	<u>41,812</u>

Short-term Islamic deposits represent deposits placed with local licensed financial institutions.

The weighted average profit rate for short-term Islamic deposits is 2.83% (2024: Nil) per annum and the average maturity period is 2 days (2024: Nil).

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2025 RM	2024 RM
Accrued expenses:		
Management fee	2,135	1,840
Trustee's fee	5,250	55
Audit fee	10,800	10,000
Tax agent's fee	3,300	3,300
Shariah adviser's fee	3,000	12,000
	<u>24,485</u>	<u>27,195</u>

8 NUMBER OF UNITS IN CIRCULATION

	2025 Units	2024 Units
At beginning of the year	2,095,986	2,000
Created during the year	534,823	2,112,917
Cancelled during the year	-	(18,931)
At end of the year	<u>2,630,809</u>	<u>2,095,986</u>

9 MANAGEMENT FEE

The Schedule 8 of the Deed 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 2.00% per annum for the financial year.

For the previous financial year, the management fee provided in the financial statements was 2.00% per annum for the period from 27 June 2023 to 31 March 2024. There was no management fee provided for the period from 1 April 2023 to 26 June 2023.

10 TRUSTEE'S FEE

The Schedule 9 of the Deed provides that the Trustee is entitled to an annual Trustee's fee 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 fee of RM6,000 per annum.

The Trustee's fee provided in the financial statements includes a minimum fee of RM6,000 per annum for the financial year. Included in the Trustee's fee of the year is an under-accrual of RM5,514 for the financial year ended 31 March 2024.

For the previous financial year, the Trustee's fee provided in the financial statements was 0.06% per annum for the period from 27 June 2023 to 31 March 2024. There was no Trustee's fee provided for the period from 1 April 2023 to 26 June 2023.

11 INCOME TAX EXPENSE

There is no income tax expense for the year as profit 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.

12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

Total Expense Ratio ("TER")

Total expense ratio for the Fund is 5.24% (2024: 5.12%) for the financial year ended 31 March 2025. The total expense ratio which includes management fee, Trustee's fee, audit fee, tax agent's fee and other expenses, is calculated as follows:

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

- 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 year is RM1,356,344 (2024: RM824,195).

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Portfolio Turnover Ratio ("PTR")

The portfolio turnover ratio for the Fund is 1.39 times (2024: 1.23 times) for the financial year ended 31 March 2025. The portfolio turnover ratio is derived from the following calculation:

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

Where: total acquisition for the financial year = RM1,899,284 (2024: RM1,512,484)
 total disposal for the financial year = RM1,862,719 (2024: RM514,539)

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

As at end of the financial year, the total number and value of units held by the Manager is as follows:

	←----- 2025 -----→		←----- 2024 -----→
	No. of units	RM	No. of units
			RM
The Manager (The above units are held legally and beneficially)	2,000	958	2,000
			1,079

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.

14 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

Brokers/Dealers	Value of Trades RM	% of Total Trades %	Fees RM	% of Total Brokerage Fee %
2025				
Public Investment Bank Bhd	1,126,959	29.98	4,121	30.24
JPMorgan Securities (Malaysia) Sdn Bhd	1,081,805	28.78	3,865	28.36
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	432,984	11.52	1,591	11.67
CLSA Securities Malaysia Sdn Bhd	220,656	5.87	883	6.48
CIMB Securities Sdn Bhd	209,771	5.58	727	5.33
UOB Kay Hian Securities (M) Sdn Bhd	199,213	5.30	663	4.86
Kenanga Investment Bank Bhd	185,374	4.93	655	4.81
Maybank Investment Bank Bhd	184,335	4.90	648	4.75
RHB Investment Bank Bhd	118,241	3.14	477	3.50
	3,759,338	100.00	13,630	100.00

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Brokers/Dealers	Value of Trades RM	% of Total Trades %	Fees RM	% of Total Brokerage Fee %
2024				
Maybank Investment Bank Bhd	836,380	41.27	3,222	40.88
UOB Kay Hian Securities (M) Sdn Bhd	377,305	18.62	1,254	15.91
JP Morgan Securities (Malaysia) Sdn Bhd	356,478	17.59	1,507	19.12
RHB Investment Bank Bhd	271,985	13.42	1,217	15.44
CLSA Securities Malaysia Sdn Bhd	184,309	9.10	681	8.65
	<u>2,026,457</u>	<u>100.00</u>	<u>7,881</u>	<u>100.00</u>

15 RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to provide medium to long term capital growth by investing principally in Shariah-compliant equities and Shariah-compliant 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 profit rate risk and price risk) primarily on its investments, capital risk and reclassification of Shariah status risk.

Categories of Financial Instruments

	2025 RM	2024 RM
Financial assets		
Carried at FVTPL:		
Investments	<u>1,007,235</u>	<u>1,112,974</u>
Amortised cost:		
Cash and cash equivalents	293,498	41,812
Dividend receivables	<u>2,252</u>	<u>2,901</u>
Financial liabilities		
Amortised cost:		
Amount due to stockbrokers	18,545	-
Other payables and accrued expenses	<u>24,485</u>	<u>27,195</u>

Credit risk management

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

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

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

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

	Short-term Islamic deposits RM	Quoted Shariah-compliant equity securities RM
2025		
Industry		
Construction	-	63,187
Consumer Products & Services	-	51,625
Energy	-	82,969
Financial Services	283,841	-
Health Care	-	175,556
Industrial Products & Services	-	197,528
Plantation	-	115,760
Property	-	107,618
Technology	-	157,110
Transportation & Logistics	-	14,980
Utilities	-	40,902
	283,841	1,007,235
2024		
Industry		
Construction	-	125,605
Energy	-	131,859
Health Care	-	37,840
Industrial Products & Services	-	214,929
Property	-	230,785
Technology	-	230,586
Telecommunications & Media	-	95,905
Utilities	-	45,465
	-	1,112,974

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 profit rates and market prices.

During the financial year, as the Fund invests only in Malaysian listed quoted Shariah-compliant equity securities, the performance of the Fund might go up or down in accordance with the prevailing market risk in Malaysia.

Profit rate risk management

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rate. The Fund's short-term Islamic deposits and cash at banks earn profit 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 year-on-year.

The Fund is exposed to risk of fluctuation in fair value of financial assets as a result of change in the market profit rate. The valuation for financial assets at FVTPL move inversely to the market profit rate movements. As the market profit 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 Shariah-compliant equity securities as the result of changes in the levels of the equity indices. The price risk exposure arises from the Fund's investment in quoted Shariah-compliant equity securities. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

Price risk sensitivity

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

	Changes in price %	Effect on profit or loss Increase/(Decrease) RM
2025		
Investments	+5/-5%	<u>50,362/(50,362)</u>
2024		
Investments	+5/-5%	<u>55,649/(55,649)</u>

Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and (accumulated losses)/retained earnings. 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 Shariah-compliant investment activities of the Fund.

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant investments in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia, the Shariah Advisory Council of Bank Negara Malaysia or the relevant Shariah Supervisory Board of an approved Islamic Index. If this occurs, the Manager will take the necessary steps to dispose off such Shariah-compliant securities.

There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant securities. The value of the Fund may also adversely affected in the event of a disposal of Shariah-non compliant securities at a price lower than the investment cost.

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Financial assets at FVTPL				
Quoted Shariah-compliant equity securities	1,007,235	-	-	1,007,235
2024				
Financial assets at FVTPL				
Quoted Shariah-compliant equity securities	1,112,974	-	-	1,112,974

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



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