

PRODUCT HIGHLIGHTS SHEET

Areca Value Fund

(Date of Constitution: 30 December 2021)

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the Directors of Areca Capital Sdn Bhd and collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

SPECIFIC RISK DISCLOSURE STATEMENTS

The Fund is suitable only for Sophisticated Investors who understand the degree of risks involved and believe that the investment is suitable based upon their investment objectives and financial needs; accept the investment strategy of the Fund according to their risk appetite; have no need for liquidity of the investment monies; and who are able to bear the loss of a substantial portion or even all of the money they invest in. You are advised not to invest in this Fund if you are unable to accept the risks specifically to the Fund.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the Areca Value Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Areca Value Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Areca Value Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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



NO CASH POLICY

Areca Capital Sdn Bhd is committed towards safeguarding the interests of our investors; prevention of any incidence of cash mishandling or mismanagement while heeding Bank Negara Malaysia's desire for electronic payment methods for greater efficiency, transparency and accountability.

WE DO NOT ACCEPT CASH DEPOSIT, CASH PAYMENT AND PAYMENT THROUGH THE CASH DEPOSIT MACHINE AND PAYMENT MADE BY A THIRD PARTY.

INVESTOR SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT WHEN PURCHASING UNITS OF THE FUND.

This Product Highlights Sheet only highlights the key features and risks of the Areca Value Fund. Investors are advised to request, read and understand the disclosure documents of the Fund before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

ARECA VALUE FUND

BRIEF INFORMATION ON THE FUND

1. What is this fund about?

Fund category / type	Wholesale Equity Fund / Growth
Manager	Areca Capital Sdn Bhd [200601021087 (740840-D)]
Trustee	RHB Trustees Berhad [200201005356 (573019-U)]

PRODUCT SUITABILITY

2. Who is this fund suitable for?

Please note that this wholesale fund is for Sophisticated Investors (please refer to Glossary) only.

This Fund is suitable and only offer to Sophisticated Investors (applicable for principal and Jointholder) who:

- Have Medium to Long Term investment horizon; and
- Seek capital growth.

KEY FUND FEATURES

3. What am I investing in?

Launch date	21 January 2022
Initial Offer Period	30 days from the date of this Information Memorandum. The Manager may shorten the IOP. Please note that during the IOP, the initial offering price stays at RM1.0000.
Initial Offer Price	RM1.0000 (Fixed during Initial Offer Period)
Objective of the Fund	The Fund aims to provide Medium to Long Term capital growth. Any material changes to the Fund's objective would require Unit Holder's approval.
Investment Strategy	The Fund will invest a maximum of 100% of its NAV in domestic and foreign equities, equity-related securities and collective investment schemes, to achieve its objective. The Fund may concentrate its investments wholly in securities of a company or Units in a single collective investment scheme that have potential for capital growth. The Fund may also invest in unlisted securities (for instance private equities, pre-IPO securities and convertible securities) and placement of deposits with Financial Institutions. The Fund may take a temporary defensive position, which may be inconsistent with the Fund's investment strategy, in attempting to respond to adverse economic, political or any other market conditions such as changes in interest rate policy and introduction of a new policy which may affect the equity markets. The Fund may reduce its exposure in equities and increase its exposure in deposits or collective investment schemes (including non-equity related unit trust funds). The Manager will re-align the Fund to its principal investment strategy when the market conditions improved.
Asset Allocation	Equities, equity-related securities and collective investment schemes Up to 100% of its NAV

Performance Benchmark	Absolute returns of 6% per annum
Distribution of Income and Reinvestment Policy	Incidental, Subject to the availability of distributable income. In the absence of any instructions, we will, at our discretion, reinvest the income into another unit trust fund as determined by the Manager at the NAV per Unit of the distribution day without any entry fee.
Financial Year End	31 January

4. Who am I investing in?

Manager	Areca Capital Sdn Bhd [200601021087 (740840-D)]
Trustee	RHB Trustees Berhad [200201005356 (573019-U)]
Auditors	PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146)

5. What are the possible outcomes of my investment?

There are many possible outcomes associated with an investment in the Fund and involves some degree of risk. Investors are to take note that the value of an investment in the Fund and its distributions payable (if any) may go down as well as up and are not guaranteed. The value of your investment is at risk depending on the underlying investments of the Fund.

Under normal circumstances, the Manager aims to out-perform the Fund's benchmark, the Absolute returns of 7% per annum. However, on the flip side, the Fund may post a much lower return or even incurring losses if one or more of the key risks occur. **In the worst scenario where all the investments of the Fund are in default or suspended, investors may lose part or even all of your initial investments.**

KEY RISKS

6. What are the key risks associated with this fund?

PLEASE BE ADVISED THAT IF YOU INVEST IN UNITS THROUGH AN IUTA WHICH ADOPTS THE NOMINEE SYSTEM OF OWNERSHIP, YOU WOULD NOT BE CONSIDERED TO BE A UNIT HOLDER UNDER THE DEED AND YOU MAY CONSEQUENTLY NOT HAVE ALL THE RIGHTS ORDINARILY EXERCISABLE BY A UNIT HOLDER (FOR EXAMPLE, THE RIGHT TO CALL FOR A UNIT HOLDERS' MEETING AND TO VOTE THEREAT AND THE RIGHT TO HAVE YOUR PARTICULARS APPEARING IN THE REGISTER OF UNIT HOLDERS OF THE FUND).

Below are the risks associated in the product which may cause significant losses if they occur.

General risks of investing in the Unit Trust Fund

- **Market Risk**
Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's net asset value.
- **Manager's Risk**
This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
- **Performance Risk**
As a result of the risk elements, the returns from a fund are not guaranteed. The value of the fund's investment will vary when sold and an investment may be worth more or less than when purchased.
- **Inflation Risk**
This is the risk that investors' investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

Specific risks associated to the Fund

The Fund is suitable only for Sophisticated Investors who understand the degree of risks involved and believe that the investment is suitable based upon their investment objectives and financial needs; accept the investment strategy of the Fund according to their risk appetite; have no need for liquidity of the investment monies; and who are able to bear the loss of a substantial portion or even all of the money they invest in.

The Fund may invest in unlisted securities such as private equity which may be subjected to legal or other restrictions on transfer and which are illiquid. There can be no assurance as to when the investments in the companies invested by the Fund may mature so that gains, if any, can be realised. Potential Sophisticated Investors are warned that they may not be able to redeem any Units within the first

24 months or longer from the date of investment; subject to the requirement of the underlying assets. Investors may face difficulties in redeeming their investments as the Manager may not be able to dispose the investments. You are advised not to invest in this Fund if you are unable to accept the risks specifically to the Fund.

- **Illiquidity Risk**
The investment to be made by the Fund would be generally illiquid. The eventual liquidity of all investment of the Fund will be dependent upon the success of the realisation strategy proposed for each investment which could adversely be affected by a variety of risk factors. The period of time required to liquidate the Fund's assets cannot be predicted with certainty.
- **Stock Specific Risk**
Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, loss of key personnel, news of a possible merger or initial public offering. Any adverse price movements of such stocks will adversely affect the Fund's NAV.
- **Equity-Related Securities Risk**
The Fund invests in equity-related securities such as rights and warrants, where price movement is dependent on the price movement of the underlying equities. The risk is generally higher than their underlying equities as these equity related securities are leveraged form of investment. The price of equity-related securities generally fluctuates more than the underlying equities and consequently may affect the volatility of the Fund's NAV.
- **Private Equity Risk**
The Fund may be subject to the risks inherent in private equity investment. The task of identifying good companies that may become successful and generate good capital gains is difficult. The future performance of any entity into which any part of the Fund is invested and therefore the value of the Fund's investment portfolio may be subject to many factors over which the Fund may have limited or no control.
- **Concentration Risk**
Concentration risk is the probability of loss arising from lack of diversification, investing in a single company. The strength of the company may be affected due to changes of financial performance, loss of key personnel, news of a possible merger or initial public offering.
- **Country Risk**
Investments of the Fund in any foreign countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV or prices of Units to fall.
- **Currency Risk**
As the base currency of the Fund is in Malaysian Ringgit, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice-versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
- **Credit and Default Risk**
Credit risk relates to the creditworthiness of the issuers of the debt instruments and its expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the Fund.
- **Interest Rate Risk**
Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments whenever is applicable. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the Fund's investment in debt instruments. The reverse may apply when interest rates fall.
- **Counterparty Risk**
The Fund will transact most of its investments through financial institutions including but not limited to brokers, dealers and banks. All transactions will carry counterparty risks until the transactions have settled. All deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk. Upon default by a counterparty the Fund may be forced to unwind certain transactions and the Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of the Fund's assets.
- **Regulatory Risk**
Regulatory risk refers to the possibilities where security, business, sector, or market may be materially impacted due to the changes in laws or regulations made by the government or a regulatory body. The adverse impact may include the increase of business operating expenses, more stringent regulatory requirements such as regulatory requirements for the listing of IPO or issuance of private placement or any other regulations which may reduce the attractiveness or value of the investment which subsequently may result in a declined in NAV of the Fund.
- **Valuation Risk Related to the Fund's Assets**
The Fund's assets will consist of illiquid, unlisted and unquoted securities for which no public market exists, and for which no price quotation may be available from exchanges, brokers or other third party sources. Valuation of assets undertaken or provided by the Manager will be conclusive and binding on all investors. However, these valuations may not reflect the actual prices which would be realized upon a sale of a particular asset. Prospective investors should be aware that the valuation or pricing of certain asset classes, particularly hard-to-price assets such as illiquid, unlisted and unquoted securities, may result in subjective prices being applied to the Manager's calculations of the net asset value of the Fund. This could materially affect the net asset value of the Fund, particularly if the judgments of the Manager or their third party valuation agents regarding appropriate valuations or pricing should prove incorrect.

▪ **Lack of Transparency Risk**

The Fund may not have access to reliable or detailed information, including both general economic data and information concerning the operations, financial results, capitalization and financial obligations of companies invested in certain countries. The quality and reliability of information available to the Fund might be less than what might be available when investing in developed countries. Certain countries may limit the obligations on companies to publish information, which would further restrict the Fund's ability to carry out due diligence. The Fund may be compelled to make investment decisions on the basis of financial information that will be less complete and reliable than that customarily available in developed countries.

The abovementioned risks which you should consider before investing into a wholesale fund should not be considered to be an exhaustive list.

You should be aware that investments in the Fund may be exposed to other risks of an exceptional nature from time to time.

FEES & CHARGES

7. What are the fees and charges involved?

Entry Fee (Sales Charge)	Up to 4% of the net investment amount. Net investment amount is the number of Units at the NAV per Unit.
Exit Fee	NIL
Annual Management Fee	Up to 2.50% per annum of the NAV of the Fund.
Annual Trustee Fee	0.07% per annum of NAV of the Fund. (exclude foreign custodian fee, if any).

How will I be notified of any increase in fees and charges?

- A written communication will be sent to unit holders to notify on the higher rate and its effective date;
- A supplementary or replacement Information Memorandum will be lodged and issued.

VALUATION AND EXITING FROM INVESTMENT

8. How often are valuations available?

The valuation of the assets of the Fund is carried out at the end of the Business Day.

The NAV per unit of the Fund will be published on the Manager's website at www.arecacapital.com

9. How can I invest in this investment?

Minimum Initial Investment	RM50,000 or such other lower amount as decided by the Manager.
Minimum Additional Investment	RM10,000 or such other lower amount as decided by the Manager.

Note: The Manager reserves the rights to accept or reject any application in whole or part thereof without assigning any reason.

10. How can I exit from this investment and what are the risks and costs involved?

Cooling-Off Rights	Not Available
Minimum Redemption	RM50,000 or 50,000 Units or such other amount as decided by the Manager; subject to redemption restriction. Redemption notice must be submitted before 3.00p.m. We will process your transaction on the next Business Day if we receive your application after the cut-off time. If the transaction date falls on a weekend or public holiday, your transaction date will take place on the next Business Day.

Minimum Balance	RM50,000 or 50,000 Units or such other amount as decided by the Manager. However, if the redemption request leaves you with less than the minimum balance, the Manager may require you to fully redeem all the remaining Units; subject to the availability of Liquid Assets.
Redemption Payment	We will pay you within 10 days upon receipt of the duly completed original redemption form. However, it is our general redemption policy to make payment within the next 3 Business Days from the transaction day for those Units purchased directly through the Manager. (i.e. T+3 days).
Switching Facility	Not Available
Transfer Facility	Not available, unless by operations of law or under the provision of the Deed.
Cut-Off time	All completed transaction forms and investment notice must be submitted to the Manager before the cut-off time, on any Business Day. We will process your transaction on the next Business Day if we receive your application after the cut-off time. Distributors may impose an earlier cut-off time if you purchase the Units through our distributors. Redemption proceeds will only be credited into your account after we receive your original Redemption form.

Note: All completed transaction forms must be submitted to the Manager before the cut-off time as determined by the Manager, on any Business Day. We will process your transaction on the next Business day if we receive your application after the cut-off time. Distributors may impose an earlier cut-off time if you purchase the Units through our distributors. Redemption proceeds will only be credited into your account after we receive your original redemption form.

For more information, please refer to the Information Memorandum dated 21 January 2021 and the First Supplemental Information Memorandum dated 28 February 2024.

CONTACT INFORMATION

11. Who should I contact for further information or to lodge a complaint?

For enquiries/further information, please contact:

Head Office	Areca Capital Sdn Bhd (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	
Branches	Pulau Pinang Tel: 604-210 2011 Fax: 604-210 2013	Malacca Tel: 606-282 9111 Fax: 606-283 9112
	Ipoh Tel: 605-249 6697 Fax: 605-249 6696	Kuching Tel: 082-572 472
	Johor Bharu Tel: 07-336 3689	Kota Kinabalu Tel 088-276 757

- For internal dispute resolution, you may contact:
Areca Capital Sdn Bhd – Investor Care: 03-7956 3111
- If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Corporation (SIDREC):
 - via phone to : 03-2282 2280
 - via fax to : 03-2282 3855
 - via e-mail to : info@sidrec.com.my
 - via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur.
- You can also direct your complaint to the Securities Commission Malaysia even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the Securities Commission Malaysia's Investor Affairs & Complaints Department:
 - via phone to the Aduan Hotline at : 03-6204 8999
 - via fax to : 03-6204 8991
 - via e-mail to : aduan@seccom.com.my
 - via online complaint form available at www.sc.com.my
 - via letter to : Investor Affairs & Complaints Department
Securities Commission Malaysia
No. 3 Persiaran Bukit Kiara, Bukit Kiara
50490 Kuala Lumpur

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:
- (a) via phone to : 03-2092 3800
 - (b) via fax to : 03-2093 2700
 - (c) via e-mail to : complaints@fimm.com.my
 - (d) via online complaint form available at www.fimm.com.my
 - (e) via letter to : Legal, Secretariat & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-01, 6th Floor Wisma Tune
No. 19 Lorong Dungun, Damansara Heights
50490 Kuala Lumpur

GLOSSARY

Business Day	A day on which Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia Securities Berhad, is open for trading;
CMSA	The Capital Markets and Services Act, 2007 including all amendments thereto;
Deed(s)	The deed in relation to the Fund and any other supplemental deeds that may be entered into between the Manager and the Trustee;
Financial Institution	<p>if the institution is in Malaysia –</p> <ul style="list-style-type: none"> i. licensed bank; ii. licensed investment bank; and iii. Islamic bank. <p>if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator;</p> <p>“licensed bank” has the same meaning as given under the Financial Services Act 2013;</p> <p>“licensed investment bank” has the same meaning as given under the Financial Services Act 2013;</p> <p>“licensed islamic bank” means a bank licensed under the Islamic Financial Services Act 2013”;</p>
Fund	Areca Value Fund;
Guidelines	Guidelines on unlisted Capital Market Products Under the Lodge and Launch Framework as may be amended from time to time;
Information Memorandum	Information Memorandum in relation to the Fund and includes any supplemental or replacement Information Memorandum;
Jointholder	A person who holds Units together with another person or persons;
Liquid Assets	Means cash or any permitted investment capable of being converted into cash within seven (7) days;
Manager/We/Us	Areca Capital Sdn Bhd;
Medium to Long Term	A period of two to above five years;
NAV	The net asset value of the Fund, which is the value of all the assets attributed to the Fund less the total liabilities attributed to the Fund at the point of valuation;
NAV per Unit	The NAV of the Fund divided by the number of Units in circulation at the valuation point;
Redemption	The repurchase by the manager of the Units owned by the Unit Holders upon a proper redemption request;
SC	The Securities Commission Malaysia which was established under the Securities Commission Malaysia Act 1993;

Sophisticated Investor	<p>Refers to:</p> <p>(a) any person who is determined to be a sophisticated investor under:</p> <p>(i) the Guidelines on Categories of Sophisticated Investors;</p> <p>(ii) any relevant laws/guidelines for wholesale funds; or</p> <p>(b) any person who acquires any capital market product specified under the Guidelines where the consideration is not less than RM250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise;</p>
Trustee	RHB Trustees Berhad and includes its permitted assigns and successors in title and any new or replacement trustee of the Fund;
Units	Units of the Fund and includes a fraction of a unit of the Fund;
Unit Holder/You	A person for the time being who is registered pursuant to the Deed as a holder of Units, including a Jointholder.