

Semi-Annual Report September 2024

For the Period Ended 30 September 2024

Areca Islamic equity TRUST Fund

Management Company



200601021087(740840-D)

SEMI-ANNUAL REPORT SEPTEMBER 2024

❖ 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)

INVESTMENT COMMITTEE MEMBERS

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

TRUSTEE

Maybank Trustees Berhad
Company No:196301000109 (5004-P)
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, 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 Belissa Row
Jalan Burma, Georgetown
10350 Pulau Pinang
Tel : 604-210 2011
Fax: 604-210 2013

IPOH BRANCH

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

MALACCA BRANCH

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

KUCHING BRANCH

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

JOHOR BRANCH

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

KOTA KINABALU BRANCH

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

SEMI-ANNUAL REPORT SEPTEMBER 2024
ARECA Islamic equityTRUST FUND

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 period under review, the Manager had not received any soft commissions.</p>
Inception Date	9 September 2022
Financial Year End	31 March

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ARECA Islamic equity TRUST FUND

FUND PERFORMANCE

	2024	2023
NET ASSET VALUE ("NAV")		
Net Asset Value (RM million)	1.43	1.07
Units in circulation (million units)	2.60	2.09
NAV per unit (RM)	0.5519	0.5116

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	0.5327
Lowest NAV per unit (RM)	0.5157	0.5000

ASSET ALLOCATION % of NAV		
Quoted Shariah-compliant equity securities		
Construction	18.32	2.90
Consumer Products & Services	10.06	3.02
Energy	5.12	3.68
Health Care	-	2.41
Industrial Products & Services	11.37	24.65
Plantation	1.28	-
Property	14.88	7.96
Technology	9.55	34.71
Telecommunications & Media	-	5.77
Transportation & Logistics	3.27	-
Utilities	3.22	6.33
Liquid assets and other net current assets	22.93	8.57

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

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

EXPENSE/TURNOVER		
Total expense ratio (TER) (%)		
<i>Please refer to Note 2 for further information</i>	2.89	2.35
Portfolio turnover ratio (PTR) (times)		
<i>Please refer to Note 3 for further information</i>	0.79	0.80

	01.04.2024 to 30.09.2024	01.04.2023 to 30.09.2023
TOTAL RETURN		
<i>Please refer to Note 4 for further information</i>		
Total Return (%)	2.32	2.32
- Capital growth (%)	2.32	2.32
- Income distribution (%)	-	-

	2024	2023
Annual Total Return (%)	4.68*	4.68*
Performance Benchmark (%): 1-year Average Returns of the funds under Lipper's "Equity Malaysia-Islamic" category	3.92*	2.76*
* Annualised for comparison purpose only		

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FUND PERFORMANCE

	2024	2023
Total Return since launch (%)	10.38	2.32
	1-yr	3-yrs
Average Total Return per annum (%)	7.88	N/A
		5-yrs
		N/A

NOTES:

Note 1: Selling of units by the Management Company (i.e. when you purchase units and invests in the Fund) and redemption of units by the Management Company (i.e. when you redeem your units and liquidate your investments) will be carried out at NAV per unit (the actual value of a unit). The entry/exit fee (if any) would be computed separately based on your net investment/liquidation amount.

Note 2: TER is calculated based on the total fees and expenses incurred by the Fund, divided by the average net asset value calculated on a daily basis.

Note 3: PTR is computed based on the average of the total acquisitions and total disposals of the investment securities of the Fund, divided by the average net asset value calculated on a daily basis.

Note 4: Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The 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 period under review, the Fund registered a total return of 2.32% compared to the benchmark (1-year Average Returns for all the Funds under "Equity Malaysia" Islamic category of the Malaysia Lipper Fund table, "peers benchmarking") total return of 3.92%. The total return since inception of the Fund is 10.38%.

The strategy of the Fund is to invest in Shariah-compliant stocks within the Areca Equity Trust Fund, adopting a stock-picking strategy with a preference for large-cap stocks. We are maintaining a cash level of approximately 20.00% for now, in line with the Areca Equity Trust Fund.

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 net assets value (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 Collective Investment Scheme (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 30 September 2024

RM0.5519

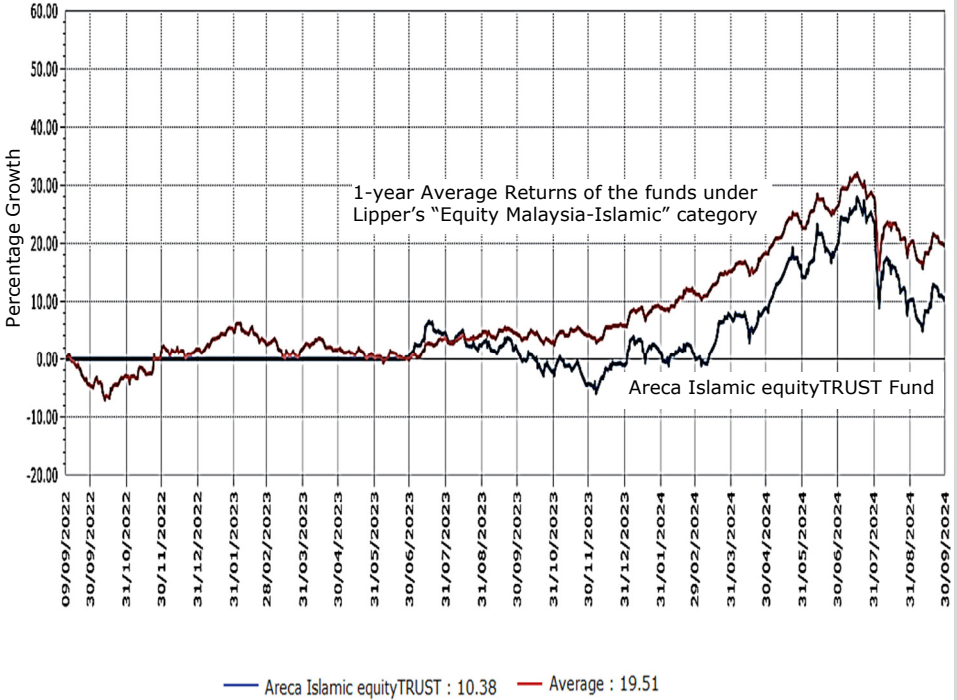
Asset Allocation/Portfolio Composition

	2024	2023
Quoted Shariah-compliant equity securities	77.07%	91.43%
Liquid assets and other net current assets	22.93%	8.57%

FUND REVIEW

**Performance of Areca Islamic equityTRUST Fund
for the period since inception to 30 September 2024**

Total Return of Areca Islamic equityTRUST Fund vs Benchmark



Source Lipper

MALAYSIAN EQUITY MARKET REVIEW

The FTSE Bursa Malaysia KLCI Index ("FBMKLCI") rose 7.70% to 1,649 points during the period under review, while the broader FTSE Bursa Malaysia EMAS Index ("FBMEMAS") gained 6.90% to 12,322 points. Similarly, the FTSE Bursa Malaysia Small Cap Index ("FBMSCAP") increased marginally by 0.70% to 17,359 points, underperforming the FBMKLCI by 7.00%, as small-cap stocks faced heightened volatility.

Foreign investors were net buyers, with inflows totalling MYR4.44 billion, while domestic institutions and retail investors were net sellers, offloading MYR0.89 billion and MYR3.54 billion, respectively.

Optimism surrounding Malaysia's economic reforms and record-high direct investment approvals supported early gains. However, late August saw a decline due to global concerns, including weak United States ("US") jobs data and underwhelming tech earnings. Despite a brief selloff, the FBMKLCI rebounded on expectations of a soft landing for the US economy. Towards the end of the period, investors shifted their focus to Chinese equities following the announcement of broad stimulus measures by China's Central Bank.

Key events include Malaysia raising diesel prices by RM1.20 to RM3.35 per litre in June 2024. The Ministry of Investment secured RM13.2 billion in potential investments through 11 memorandum of understanding ("MOUs") with China, further reinforcing Malaysia's involvement in the Belt and Road Initiative ("BRI") and solidifying economic ties with China. On 4th September, Malaysia announced that it had secured RM85.4 billion in foreign investments during first half of year 2024 ("1H2024"), which accounted for 53.40% of the total approved investments. The major deal included Infineon committing RM30 billion to expand its Kulim facility. Furthermore, the Malaysian Government announced incentives to stimulate the Forest City Special Financial Zone, including special corporate income tax rates and 0.00% tax rates for family offices.

In terms of commodities, Brent crude oil prices declined 13.00% to \$71.40/barrel amid supply glut and demand fears. Conversely, crude palm oil ("CPO") prices rose marginally by 1.60% to RM3,686/tonne. Meanwhile, the Dollar index fell by 3.60% to 100.78 for the period.

Sector-wise, construction (+28.00%) and utilities (+11.00%) outperformed, while energy (-10.00%) and technology (-8.00%) underperformed. Among the FBMKLCI constituents, the top gainers were MRDIY (+41.00%), Tenaga (+28.00%), and CIMB (+23.00%), while the biggest laggards were Petronas Chemicals (-17.00%), Petronas Dagangan (-17.00%), and Nestle Malaysia (-12.00%).

MALAYSIAN EQUITY MARKET OUTLOOK AND STRATEGY

The United States Dollar ("USD") is weakening amid the US interest rate cuts, which bodes well for emerging markets, including Malaysia. This is evident from the strong foreign Fund inflows into the Malaysian stock market, totaling approximately RM3.8 billion year-to-date. Foreign interest has been further supported by Malaysia's solid Gross Domestic Product ("GDP") growth, with year-on-year increases of 4.20% in first quarter of year 2024 ("1Q2024") and 5.90% in second quarter of year 2024 ("2Q2024"), driven by strong performance across all sectors. Notably, the construction sector has gained momentum due to the data center boom and robust foreign direct investment ("FDI") inflows. However, the sharp appreciation of the Malaysian Ringgit ("MYR") against the USD in September triggered a major sell-off in some export-oriented companies, as concerns over significant negative forex impacts emerged. Although Bank Negara Malaysia ("BNM") is expected to keep interest rates steady at 3.00% to support consumer spending, the Government's subsidy rationalisation plan, particularly regarding petrol prices, could dampen consumption. Adding to the uncertainty are mixed economic signals from the US and the upcoming US presidential election. Nonetheless, the upcoming Budget 2025 announcement could provide a boost to market sentiment. We remain optimistic about Malaysia's economic outlook, supported by the global semiconductor recovery, rising FDI driven by the "China + 1" strategy, and the National Energy Transition Roadmap ("NETR"). Increased investments in data centers and construction further reinforce our strategy for navigating this volatile period. In light of these factors, we suggest to accumulate high-quality stocks during periods of market weakness, focusing on companies with solid fundamentals that are well-positioned for long-term secular growth.

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CROSS TRADE

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIRS

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

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 30 September 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Areca Capital Sdn Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the 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 [Company No: 196301000109 (5004-P)]

NORHAZLIANA BINTI MOHAMMED HASHIM
HEAD, UNIT TRUST & CORPORATE OPERATIONS

Kuala Lumpur
22 November 2024

STATEMENT BY MANAGER

To the Unitholders of Areca Islamic equityTRUST Fund

We, **WONG TECK MENG** and **EDWARD ISKANDAR TOH BIN ABDULLAH**, two of the Directors of the Manager, Areca Capital Sdn Bhd, do hereby state that in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 September 2024 and the financial performance and the cash flows of the Fund for the financial period ended on that date.

For and on behalf of the Manager Areca Capital Sdn Bhd

WONG TECK MENG
CEO/EXECUTIVE DIRECTOR

EDWARD ISKANDAR TOH BIN ABDULLAH
CIO/EXECUTIVE DIRECTOR

Kuala Lumpur
22 November 2024

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 period covered by these unaudited 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 comprise of instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

TAN SRI DR MOHD DAUD BAKAR
EXECUTIVE CHAIRMAN

Kuala Lumpur
22 November 2024

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UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 30 September 2024

	Note	30.09.2024	30.09.2023
		RM	RM
Assets			
Investments	5	1,105,188	978,739
Cash and cash equivalents	6	300,084	100,629
Amount due from stockbrokers		41,965	-
Dividend receivables		873	1,098
Total Assets		1,448,110	1,080,466
 Unitholders' Fund And Liabilities			
Liabilities			
Other payables and accrued expenses	7	14,038	9,965
Total Liabilities		14,038	9,965
 Unitholders' Fund			
Unitholders' capital		1,362,051	1,047,901
Retained earnings		72,021	22,600
Net Asset Value Attributable To Unitholders		1,434,072	1,070,501
 Total Unitholders' Fund And Liabilities		1,448,110	1,080,466
 Number Of Units In Circulation	 8	2,598,644	2,092,364
Net Asset Value Per Unit (RM)		0.5519	0.5116

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

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UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Financial Period Ended 30 September 2024

	Note	01.04.2024 to 30.09.2024 RM	01.04.2023 to 30.09.2023 RM
Investments Income			
Dividend income		7,413	4,611
Profit income		2,154	2,195
Net gain on investments at fair value through profit or loss ("FVTPL")	5	26,505	33,218
Total Investments Income		<u>36,072</u>	<u>40,024</u>
Expenditure			
Management fee	9	13,080	5,597
Trustee's fee	10	8,084	168
Audit fee		4,500	3,000
Tax agent's fee		1,650	1,100
Transaction costs		7,422	3,507
Other expenses		10,366	4,052
Total Expenditure		<u>45,102</u>	<u>17,424</u>
Net (Loss)/Income Before Tax		(9,030)	22,600
Income Tax Expense	11	-	-
Net (Loss)/Income After Tax And Total Comprehensive (Loss)/Income For The Financial Period		<u>(9,030)</u>	<u>22,600</u>
Net (Loss)/Income After Tax Is Made Up Of:			
Realised gain/(loss)		88,622	(10,618)
Unrealised (loss)/gain		(97,652)	33,218
		<u>(9,030)</u>	<u>22,600</u>

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

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UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 30 September 2024

	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 April 2023	1,000	-	1,000
Amounts received from units created	1,046,901	-	1,046,901
Total comprehensive income for the financial period	-	22,600	22,600
Balance as at 30 September 2023	<u>1,047,901</u>	<u>22,600</u>	<u>1,070,501</u>
Balance as at 1 April 2024	1,049,441	81,051	1,130,492
Amounts received from units created	312,610	-	312,610
Total comprehensive loss for the financial period	-	(9,030)	(9,030)
Balance as at 30 September 2024	<u>1,362,051</u>	<u>72,021</u>	<u>1,434,072</u>

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

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UNAUDITED STATEMENT OF CASH FLOWS

For The Financial Period Ended 30 September 2024

	Note	01.04.2024 to 30.09.2024	01.04.2023 to 30.09.2023
		RM	RM
Cash Flows From Operating Activities			
Proceeds from disposal of investments		1,004,129	-
Purchase of investments		(1,011,943)	(945,521)
Dividend income received		9,441	3,513
Profit income received		2,154	2,195
Management fee paid		(12,580)	(3,835)
Trustee's fee paid		(5,891)	(115)
Transaction costs paid		(7,282)	(3,507)
Payment for other fees and expenses		(32,366)	(2)
Net Cash Used In From Operating Activities		<u>(54,338)</u>	<u>(947,272)</u>
Cash Flows From Financing Activities			
Cash proceeds from units created		<u>312,610</u>	<u>1,046,901</u>
Net Cash Generated From Financing Activities		<u>312,610</u>	<u>1,046,901</u>
Net Increase In Cash And Cash Equivalents		258,272	99,629
Cash And Cash Equivalents At Beginning Of Period		<u>41,812</u>	<u>1,000</u>
Cash And Cash Equivalents At The End Of Period		<u><u>300,084</u></u>	<u><u>100,629</u></u>
Cash And Cash Equivalents Comprise:			
Cash at bank	6	9,032	328
Short-term Islamic deposits	6	<u>291,052</u>	<u>100,301</u>
		<u><u>300,084</u></u>	<u><u>100,629</u></u>

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

NOTES TO THE UNAUDITED 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 by the Trustee in accordance with 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.

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 Amendments to MFRSs

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

Amendments to MFRS 101 *Disclosure of Accounting Policies*
Amendments to MFRS 108 *Definition of Accounting Estimates*
Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*

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, the relevant new MFRS and revised Amendments to MFRSs which were in issue by the MASB but not yet effective and not early adopted by the Fund are listed below:

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	Effective for annual periods beginning on or after
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026

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

3 MATERIAL ACCOUNTING POLICIES

Basis of Accounting

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

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

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

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

The principal accounting policies adopted are set out below.

Income Recognition

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

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

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

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

Transaction Costs

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

Income Tax

Pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967, 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 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 period whether there is any objective evidence that a financial asset is impaired.

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

Derecognition of Financial Assets

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

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

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

Investments

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 period.

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

Classification of Realised and Unrealised Gains and Losses

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

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

Provisions

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

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

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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.

** For the purposes of this Fund, the term 'interest' refers to 'profits' and/or earnings derived from Shariah-compliant investments and does not imply that the Fund is investing in Shariah Non-Compliant securities or activities.*

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying accounting policies

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

(ii) Key sources of estimation uncertainty

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

5 INVESTMENTS

	2024	2023
	RM	RM
Financial assets at FVTPL:		
Quoted Shariah-compliant equity securities	1,105,188	978,739
	1,105,188	978,739
Net gain on investments at FVTPL comprise:		
Realised gain on disposals	124,157	-
Unrealised (loss)/gain on changes in fair value	(97,652)	33,218
	26,505	33,218

Financial assets at fair value through profit or loss as at 30 September 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				
Consumer Products & Services				
Farm Price Holdings Bhd	19,700	9,017	11,229	0.78
		9,017	11,229	0.78

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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				
Industrial Products & Services				
Topmix Bhd	37,000	19,446	18,130	1.26
		<u>19,446</u>	<u>18,130</u>	<u>1.26</u>
Technology				
ECA Integrated Solution Bhd	71,800	48,979	13,642	0.95
Edeltec Holdings Bhd	27,700	11,905	9,141	0.64
Infomina Bhd	14,000	25,518	21,000	1.47
LGMS Bhd	8,600	12,155	11,180	0.78
Ramssol Group Bhd	24,900	16,185	13,944	0.97
SMRT Holdings Bhd	43,700	42,321	45,885	3.20
		<u>157,063</u>	<u>114,792</u>	<u>8.01</u>
Main Market				
Construction				
Gamuda Bhd	16,021	81,303	129,450	9.02
IJM Corporation Bhd	32,200	72,960	94,346	6.58
WCT Holdings Bhd	41,900	54,692	38,967	2.72
		<u>208,955</u>	<u>262,763</u>	<u>18.32</u>
Consumer Products & Services				
Capital A Bhd	122,600	98,693	121,374	8.46
Parkson Holdings Bhd	65,200	18,432	11,736	0.82
		<u>117,125</u>	<u>133,110</u>	<u>9.28</u>
Energy				
Dayang Enterprise Holdings Bhd	18,800	36,659	42,864	2.99
Dialog Group Bhd	14,200	33,733	30,530	2.13
		<u>70,392</u>	<u>73,394</u>	<u>5.12</u>
Industrial Products & Services				
BM Greentech Bhd	7,700	15,400	13,167	0.92
CPE Technology Bhd	21,400	29,986	20,330	1.42
L&P Global Bhd	47,000	19,637	15,980	1.11
SAM Engineering & Equipment (M) Bhd	7,700	35,616	32,340	2.26
Sunway Bhd	14,900	38,771	62,580	4.36
V.S. Industry Bhd – Warrants 2024/2026	2,830	-	523	0.04
		<u>139,410</u>	<u>144,920</u>	<u>10.11</u>
Plantation				
United Plantations Bhd	700	17,592	18,326	1.28
		<u>17,592</u>	<u>18,326</u>	<u>1.28</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				
Property				
Eco World Development Group Bhd	41,900	68,273	75,001	5.23
Mah Sing Group Bhd	32,500	59,511	55,900	3.90
Naim Holdings Bhd	20,800	23,458	22,464	1.57
Sime Darby Property Bhd	40,800	65,162	59,976	4.18
		<u>216,404</u>	<u>213,341</u>	<u>14.88</u>
Technology				
Notion VTec Bhd	24,000	50,400	22,080	1.54
		<u>50,400</u>	<u>22,080</u>	<u>1.54</u>
Transportation & Logistics				
E.A. Technique (M) Bhd	151,300	50,337	46,903	3.27
		<u>50,337</u>	<u>46,903</u>	<u>3.27</u>
Utilities				
Mega First Corporation Bhd	10,500	32,548	46,200	3.22
		<u>32,548</u>	<u>46,200</u>	<u>3.22</u>
Total investments		<u>1,088,689</u>	<u>1,105,188</u>	<u>77.07</u>
Unrealised gain on investments			<u>16,499</u>	

Financial assets at fair value through profit or loss as at 30 September 2023 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				
L&P Global Bhd	55,600	25,037	25,020	2.34
NationGate Holdings Bhd	35,100	48,618	46,683	4.36
		<u>73,655</u>	<u>71,703</u>	<u>6.70</u>
Technology				
Cnenergiz Bhd	26,600	23,025	16,758	1.57
ECA Integrated Solution Bhd	78,100	67,141	64,433	6.02
Genetec Technology Bhd	15,700	35,357	37,523	3.50
Infomina Bhd	36,800	67,231	57,776	5.40
SFP Tech Holdings Bhd	58,500	56,116	56,452	5.27
SMRT Holdings Bhd	31,800	24,928	23,373	2.18
TT Vision Holdings Bhd	28,600	30,513	34,320	3.21
		<u>304,311</u>	<u>290,635</u>	<u>27.15</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				
Ekovest Bhd	56,000	30,330	31,080	2.90
		<u>30,330</u>	<u>31,080</u>	<u>2.90</u>
Consumer Products & Services				
Berjaya Food Bhd	43,100	24,860	32,325	3.02
		<u>24,860</u>	<u>32,325</u>	<u>3.02</u>
Energy				
Hibiscus Petroleum Bhd	34,900	30,492	39,437	3.68
		<u>30,492</u>	<u>39,437</u>	<u>3.68</u>
Health Care				
Kossan Rubber Industries Bhd	19,500	25,247	25,740	2.41
		<u>25,247</u>	<u>25,740</u>	<u>2.41</u>
Industrial Products & Services				
Ancom Nylex Bhd	26,300	24,780	32,349	3.02
Dufu Technology Corp Bhd	13,400	25,208	22,780	2.13
EG Industries Bhd	24,000	25,363	34,800	3.25
PIE Industrial Bhd	8,400	24,594	25,032	2.34
SAM Engineering & Equipment (M) Bhd	5,400	24,946	24,192	2.26
Sunway Bhd	15,700	24,856	30,929	2.89
Thong Guan Industries Bhd	11,500	25,074	22,080	2.06
		<u>174,821</u>	<u>192,162</u>	<u>17.95</u>
Property				
Iskandar Waterfront City Bhd	46,000	31,689	34,500	3.22
UEM Sunrise Bhd	60,000	42,900	50,700	4.74
		<u>74,589</u>	<u>85,200</u>	<u>7.96</u>
Technology				
Frontken Corporation Bhd	7,500	23,211	23,625	2.21
Inari Amertron Bhd	12,200	37,027	35,380	3.30
Malaysian Pacific Industries Bhd	800	22,618	21,968	2.05
		<u>82,856</u>	<u>80,973</u>	<u>7.56</u>
Telecommunications & Media				
TIME dotCom Bhd	11,400	59,922	61,788	5.77
		<u>59,922</u>	<u>61,788</u>	<u>5.77</u>
Utilities				
Mega First Corporation Bhd	10,500	32,548	35,700	3.34
PETRONAS Gas Bhd	1,900	31,890	31,996	2.99
		<u>64,438</u>	<u>67,696</u>	<u>6.33</u>
Total investments		<u>945,521</u>	<u>978,739</u>	<u>91.43</u>
Unrealised gain on investments			<u>33,218</u>	

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6 CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Cash at bank	9,032	328
Short-term Islamic deposits	291,052	100,301
	300,084	100,629

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

The effective average profit rate for short-term Islamic deposits is 2.83% (2023: 2.75%) per annum and the average maturity period is 1 day (2023: 4 days).

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2024	2023
	RM	RM
Accrued expenses:		
Management fee	2,340	1,762
Trustee's fee	2,248	53
Audit fee	4,500	3,000
Tax agent's fee	4,950	1,100
Shariah adviser's fee	-	4,050
	14,038	9,965

8 NUMBER OF UNITS IN CIRCULATION

	2024	2023
	Units	Units
At beginning of the period	2,095,986	2,000
Created during the period	502,658	2,090,364
At end of the period	2,598,644	2,092,364

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 period.

For previous financial period, the management fee provided in the financial statements was 2.00% per annum for the period from 27 June 2023 to 30 September 2023. 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 is 0.06% per annum for the financial period.

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For previous financial period, the Trustee's fee provided in the financial statements was 0.06% per annum for the period from 27 June 2023 to 30 September 2023. 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 period as profit income derived by the Fund is exempted from tax pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967.

12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

Total Expense Ratio (TER)

Total expense ratio for the Fund is 2.89% (2023: 2.35%) for the financial period ended 30 September 2024. The total expense ratio which includes management fee, trustee's fee, audit fee, tax agent's fee and other expenses, is calculated as follows:

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

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

The average net asset value of the Fund for the financial period is RM1,304,330 (2023: RM591,389).

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.79 times (2023: 0.80 times) for the financial period ended 30 September 2024. The portfolio turnover ratio is derived from the following calculation:

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

where: total acquisition for the financial period = RM1,011,943 (2023: RM945,521)
total disposal for the financial period = RM1,046,234 (2023: Nil)

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

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

	<----- 2024 ----->	<----- 2023 ----->		
	No. of units	RM	No. of units	RM
The Manager (The above units are held legally and beneficially)	2,000	1,104	2,000	1,023

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

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14 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

Brokers/Dealers	Value of Trades RM	% of Total Trades %	Fees RM	% of Total Brokerage Fee %
2024				
JPMorgan Securities (Malaysia) Sdn Bhd	853,354	41.50	3,055	41.16
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS- CIMB Securities Sdn Bhd)	420,564	20.45	1,534	20.67
Public Investment Bank Bhd	333,800	16.23	1,198	16.14
CIMB Securities Sdn Bhd	165,171	8.03	567	7.64
UOB Kay Hian Securities (M) Sdn Bhd	102,436	4.98	342	4.61
RHB Investment Bank Bhd	78,079	3.80	303	4.08
CLSA Securities Malaysia Sdn Bhd	60,788	2.96	283	3.81
Kenanga Investment Bank Bhd	42,105	2.05	140	1.89
	<u>2,056,297</u>	<u>100.00</u>	<u>7,422</u>	<u>100.00</u>
2023				
Maybank Investment Bank Bhd	733,727	77.60	2,805	79.98
UOB Kay Hian Securities (M) Sdn Bhd	211,794	22.40	702	20.02
	<u>945,521</u>	<u>100.00</u>	<u>3,507</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 interest rate risk and price risk) primarily on its investments, capital risk and reclassification of Shariah status risk.

Categories of Financial Instruments

	2024 RM	2023 RM
Financial assets		
Carried at FVTPL:		
Investments	1,105,188	978,739
Amortised costs:		
Cash and cash equivalents	300,084	100,629
Amount due from stockbrokers	41,965	-
Dividend receivables	873	1,098
Financial liabilities		
Amortised cost:		
Other payables and accrued expenses	14,038	9,965

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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.

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 30 September 2024.

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:

	Quoted Shariah-compliant equity securities RM
2024	
Industry	
Construction	262,763
Consumer Products & Services	144,339
Energy	73,394
Industrial Products & Services	163,050
Plantation	18,326
Property	213,341
Technology	136,872
Transportation & Logistics	46,903
Utilities	46,200
	1,105,188
2023	
Industry	
Construction	31,080
Consumer Products & Services	32,325
Energy	39,437
Health Care	25,740
Industrial Products & Services	263,865
Property	85,200
Technology	371,608
Telecommunications & Media	61,788
Utilities	67,696
	978,739

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 Shariah-compliant securities that it expects to be able of being converted into cash with 7 days.

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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 the market variables such as interest rates and market prices.

During the financial period, 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.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Fund's short-term Islamic deposits and cash at bank 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.

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 period due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

	Changes in price %	Effect on profit or loss Increase/(Decrease) RM
2024		
Investments	+5/-5%	<u>55,259/(55,259)</u>
2023		
Investments	+5/-5%	<u><u>48,937/(48,937)</u></u>

Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and 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.

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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 of 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 period.

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
2024				
Financial assets at FVTPL				
Quoted Shariah-compliant equity securities	1,105,188	-	-	1,105,188
2023				
Financial assets at FVTPL				
Quoted Shariah-compliant equity securities	978,739	-	-	978,739

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



ARECA CAPITAL SDN BHD 200601021087(740840-D)

107, Block B, Pusat Dagangan Phileo
Damansara 1, No.9, Jalan 16/11
Off Jalan Damansara, 46350 Petaling Jaya
Selangor, Malaysia

T 603 7956 3111 F 603 7955 4111
E invest@arecacapital.com
www.arecacapital.com

Penang Branch

368-2-02 Belisa Row, Jalan Burma
Georgetown, 10350 Pulau Pinang
T 604 210 2011 F 604 210 2013

Ipoh Branch

11, Persiaran Greentown 5
Greentown Business Centre, 30450 Ipoh, Perak
T 605 249 6697 F 605 249 6696

Malacca Branch

95-A, Jalan Melaka Raya 24
Taman Melaka Raya, 75000 Melaka
T 606 282 9111 F 606 283 9112

Kuching Branch

1st Floor, Sublot 3, Lot 7998, Block16
KCLD, Cha Yi Goldland, Jalan Tun Jugah / Stutong
93350 Kuching, Sarawak
T 082 572 472

Johor Branch

No 105, Jalan Meranti Merah
Taman Melodies,
80250 Johor Bahru
T 07 336 3689

Kota Kinabalu Branch

Unit 5-1-8 1st Floor
Lorong Api-Api 1
Api-Api Centre
88000 Kota Kinabalu, Sabah
T 088 276 757