

# Annual Report November 2025

For the Year Ended 30 November 2025

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Areca Islamic incomeTRUST Fund

Management Company



200601021087(740840-D)

# ANNUAL REPORT NOVEMBER 2025

## ❖ ARECA Islamic incomeTRUST FUND

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## C O R P O R A T E D I R E C T O R Y

### MANAGER

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

### BOARD OF DIRECTORS

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

### INVESTMENT COMMITTEE MEMBERS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin  
(Independent Non-Executive Chairman)  
Dr. Junid Saham  
(Independent Non-Executive)  
Dato' Seri Lee Kah 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 Malaysia PLT (*formerly known as Deloitte PLT*) (LLP0010145-LCA)  
Level 16, Menara LGB  
1 Jalan Wan Kadir, Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Tel: 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

## M A N A G E R ' S O F F I C E A N D B R A N C H E S

### HEAD OFFICE

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

### PENANG BRANCH

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

### IPOH BRANCH

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

### MALACCA BRANCH

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

### KUCHING BRANCH

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

### JOHOR BRANCH

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

### KOTA KINABALU BRANCH

Unit 5-1-8, 1st Floor  
Lorong Api-Api 1  
Api-Api Centre  
88000 Kota Kinabalu, Sabah  
Tel : 6088-276 757

## FUND INFORMATION

<b>Name of the Fund</b>	Areca Islamic incomeTRUST Fund
<b>Fund Category/Type</b>	Fixed Income (Islamic)/Income
<b>Objective of the Fund</b>	To provide investors with Short to Medium-Term capital preservation and a regular income (income could be in the form of Units or cash).
<b>Performance Benchmark</b>	Maybank's Islamic 6-month fixed deposit rate
<b>Distribution Policy of the Fund</b>	Yearly, subject to the availability of realised income.
<b>Rebates &amp; Soft Commissions</b>	<p>The Manager will retain soft commissions received from brokers or dealers, provided that:</p> <ul style="list-style-type: none"> <li>(a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;</li> <li>(b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and</li> <li>(c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.</li> </ul> <p>The soft commissions may be in the form of goods and services such as data and quotation services, computer software incidental to the management of the Fund and investment related publications. Cash rebates, if any, will be directed to the account of the Fund. During the year under review, the Manager had not received any soft commissions.</p>
<b>Inception Date</b>	15 March 2023
<b>Financial Year End</b>	30 November

**ANNUAL REPORT NOVEMBER 2025**

ARECA Islamic incomeTRUST FUND

**F U N D   P E R F O R M A N C E**

	2025	2024	15.03.2023 (launch date) to 30.11.2023
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**NET ASSET VALUE ("NAV")**

Net Asset Value (RM million)	5.95	11.51	5.20
Units in circulation (million units)	10.98	21.93	10.22
NAV per unit (RM)	0.5420	0.5250	0.5094

**HIGHEST & LOWEST NAV per unit**

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

Highest NAV per unit (RM)	0.5420	0.5250	0.5094
Lowest NAV per unit (RM)	0.5250	0.5094	0.5000

**ASSET ALLOCATION % of NAV****Unquoted Islamic fixed income securities**

Islamic Commercial Paper	-	8.64	9.58
Unquoted Sukuk	51.78	67.87	69.31

**Liquid assets and other net current assets**

48.22	23.49	21.11
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**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) (%)	1.40	1.43	1.24
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*Please refer to **Note 2** for further information*

Portfolio turnover ratio (PTR) (times)	0.71	0.68	1.40
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*Please refer to **Note 3** for further information*

**TOTAL RETURN**

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

Total Return (%)	3.24	3.06	1.88
- Capital growth (%)	3.24	3.06	1.88
- Income distribution (%)	-	-	-

Annual Total Return (%)	3.24	3.06	2.65*
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Performance Benchmark (%): Maybank's Islamic 6-month fixed deposit rate	2.84	2.84	0.87*
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*\* Annualised for comparison purpose only*

Total Return since launch (%)	8.40	5.00	1.88
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Average Total Return per annum (%)	1-yr 3.24	3-yrs N/A	5-yrs N/A
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## **ANNUAL REPORT NOVEMBER 2025**

ARECA Islamic incomeTRUST FUND

### **NOTES:**

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

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

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

**Note 4:** Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The total return and 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

For the year ended 30th November 2025, the Fund posted an annualised return of 3.24% against 2.84% as its benchmark (Maybank's Islamic 6-month fixed deposit rate). The Fund met the objective of short to medium-term preservation of capital.

During the year under review, the Fund has 51.78% in fixed income and 48.22% in cash equivalents. The Fund is diversified with a good spread of credit names across various industries. From rating perspective, 51.78% of the portfolio is in corporate bonds that are rated AA or better while 48.61% is in short term commercial papers or cash.

While we remain optimistic that the local bond market will be well supported by a stable interest rates environment but wary of shifting global policies that may have an impact on local markets. Our focus remains on selecting good quality corporate names for better yield pick-up.

### **Investment Policy and Strategy**

The Fund may invest up to 98% of its NAV in Fixed Income Securities and Islamic Money Market Instruments with a minimum of 2% of its NAV in Islamic Liquid Assets. The minimum credit rating for Islamic Money Market Instruments and other Fixed Income Securities (other than government and government related securities) that the Fund shall invest in is the credit rating of 'A3' by RAM or such equivalent rating by other rating agencies. Notwithstanding the above and subject to the person(s) or members undertaking the oversight function unanimous approval, the Fund may invest up to 25% of its NAV in Fixed Income Securities and Islamic Money Market Instruments with a credit rating below the minimum 'A3' rating including unrated issues. The Fund may continue to hold its investment in Fixed Income Securities with a credit rating below 'A3' even if the holdings exceeds 25% of its NAV due to appreciation or depreciation of the NAV of the Fund, whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of Units or other payment made by the Fund.

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.

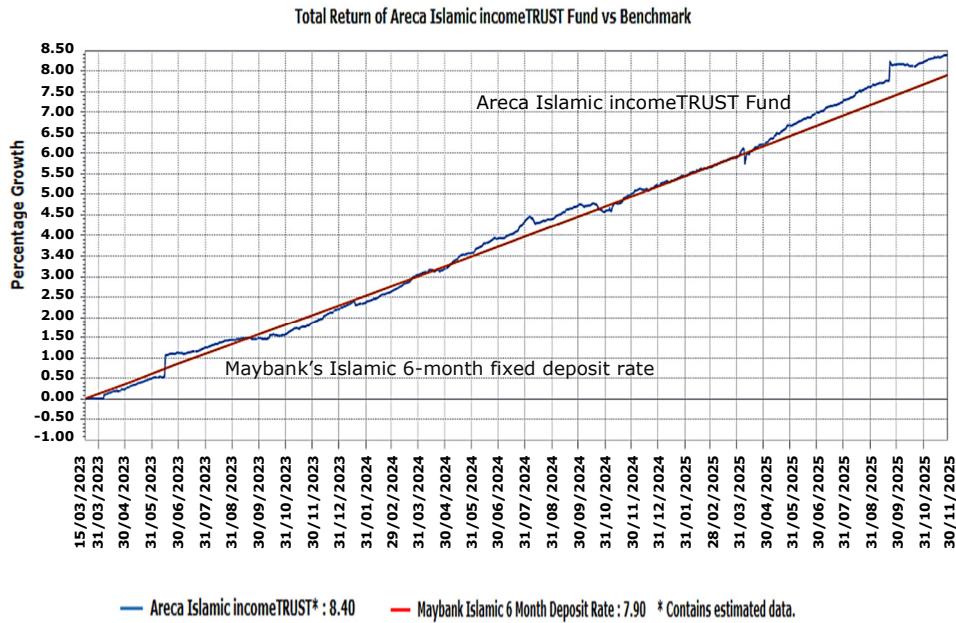
In general, the temporary defensive positions shall be taken for a period of not more than six (6) months. However, the position could be held for a longer period with the approval from the person(s) or members undertaking the oversight function of the Fund during prolonged adverse market conditions. We will re-align the Fund to its principal investment strategies when market conditions turn for the better.

**NAV per unit** as at 30 November 2025 RM0.5420

<b>Asset Allocation/Portfolio Composition</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Unquoted Islamic fixed income securities	51.78%	76.51%	78.89%
Liquid assets and other net current assets	48.22%	23.49%	21.11%

## FUND REVIEW

**Performance of Areca Islamic incomeTRUST Fund  
for the period since inception to 30 November 2025**



Source: Lipper

## **GLOBAL FIXED INCOME MARKET REVIEW AND OUTLOOK**

Heading into 2025, the Federal Reserve ("Fed") held rates steady at 4.25% - 4.50% at its January Federal Open Market Committee ("FOMC") meeting, while signaling a gradual pace of rate cuts in 2025 amid a resilient United States ("US") economy and slower progress in reduction inflation. US Treasury ("UST") yields slid in February as market participants prepare for President Trump's tariff on Canada and Mexico to go into effect. In April traders kept a close watch on the evolving trade war, holding onto hopes for a potential easing of tensions. News reports indicated that China might suspend its 125.00% tariff on some US goods, although Chinese officials denied any active tariff negotiations.

In September, US headline Consumer Price Index ("CPI") inflation came in at 3.00% Year-on-Year ("YoY") that was below consensus expectation of 3.10% YoY, but higher than August 2025 at 2.90% YoY. At the same time core CPI inflation cooled to 3.00% YoY in September 2025 from 3.10% YoY in August 2025 raising some concern on the resilience of domestic demand. In view of a moderation in US inflation and a softer labour market, the Fed began its rate cut cycle by reducing the Fractional Flow Reserve ("FFR") by a total of 50 basis points ("bps") to a target range of 3.75% - 4.00% in September and October. Weakening economic indicators, notably a contraction in the US manufacturing Purchasing Managers' Index ("PMI") and rising unemployment rate, reinforced expectations of an economic slowdown and more accommodative monetary policy.

In November, USTs saw declining yields overall, driven primarily by the Fed's second consecutive interest rate cut and signs of a softening labor market. The decline in yields was most pronounced around mid-to-late November as expectations for future Fed rate cuts increased. The UST yields were lower in November in the range of 9 bps and 12 bps amid firming expectations for a Fed rate cut in December. This sentiment was supported by recent commentary from Fed officials, including Governor Waller and President Williams, who both indicated support for a cut at the year's final meeting. Furthermore, delayed US data pointed to economic softness with retail sales rose less than anticipated in September.

## **MALAYSIA FIXED INCOME MARKET REVIEW AND OUTLOOK**

In the review period, Malaysia's advance third quarter of year 2025 ("3Q 2025") Gross Domestic Product ("GDP") saw growth at 5.20% YoY, which exceeded market expectations of 4.20% and accelerating from second quarter of year 2025 ("2Q 2025") of 4.40%. Services sector growth was supported by domestic tourism, while capital investments and external demand also remained solid despite global uncertainties. Headline CPI rose by 1.50% YoY in September 2025 driven by bigger increases in personal care and food prices, while core inflation also rose to 2.10% YoY (August 2025: 2.00%) amid sustained insurance and financial services inflation. September's labour market remained resilient with unemployment data held steady at 3.00%. Producer Price Index fell for the 6th consecutive month in August (-2.80% YoY).

In July, Bank Negara Malaysia ("BNM") delivered the widely expected 25 bps cut to the Overnight Policy Rate ("OPR") lowering it to 2.75% after the central bank holding OPR steady for 12 consecutive meetings since May 2023. The pre-emptive cut reflected BNM's focus to preserve Malaysia's steady growth path amid continued challenges from global environment. Meanwhile, Malaysia's Prime Minister, unveiled Budget 2026 on 10 October and announced the implementation of Budi Madani RON95 programme which is expected to ease households' transport expenses and keep inflation contained.

In its final meeting of 2025, BNM maintained the OPR at 2.75%, in line with expectations. The decision highlights the central bank's confidence in Malaysia's economic resilience amid ongoing global uncertainties. Domestic demand remained the key driver of growth, underpinned by resilient private consumption, which expanded by 5.30% on the back of firm household spending, stable inflation, and strong retail and tourism activity.

Looking ahead, growth is expected to moderate in fourth quarter of year 2025 ("4Q 2025") as the temporary boost from accelerated shipments dissipates and the revised US tariff regime begins to weigh on trade flows. The global backdrop also remains uneven, with geopolitical uncertainties continuing to shape investment decisions and external demand dynamics. BNM may consider an additional 25 bps cut if tariff tensions intensify and GDP growth slips below the lower bound of the official 2026 forecast range of 4.00% - 4.50%.

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**CROSS TRADE**

Cross trade transactions have been carried out during the reporting year and the Investment Committee of the Fund has reviewed that such transactions are in the best interest of the Fund and transacted on an arm's length (\*) and fair value basis.

\* Transactions at arm's length refer to transactions entered in the normal course of business at prevailing market price as at the date of cross trade.

**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.

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**TRUSTEE'S REPORT**

**To the Unitholders of Areca Islamic incomeTRUST Fund ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 30 November 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  
28 January 2026

**STATEMENT BY MANAGER**

**To the Unitholders of Areca Islamic incomeTRUST Fund**

We, **WONG TECK MENG** and **DR. JUNID SAHAM**, two of the Directors of the Manager, Areca Capital Sdn Bhd, do hereby state that in the opinion of the Manager, the accompanying 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 November 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

DR. JUNID SAHAM  
INDEPENDENT NON-EXECUTIVE DIRECTOR

Kuala Lumpur  
28 January 2026

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**SHARIAH ADVISER'S REPORT**

**To the Unitholders of Areca Islamic incomeTRUST 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 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  
28 January 2026

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

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **ARECA Islamic incomeTRUST FUND** ("the Fund"), which comprise the statement of financial position as at 30 November 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 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 November 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 the 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 MALAYSIA PLT (LLP0010145-LCA)**  
**Chartered Accountants (AF 0080)**

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

28 January 2026

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**STATEMENT OF FINANCIAL POSITION**

As At 30 November 2025

	Note	2025 RM	2024 RM
<b>Assets</b>			
Investments	5	3,081,142	8,807,897
Cash and cash equivalents	6	2,892,653	2,728,046
<b>Total Assets</b>		<u>5,973,795</u>	<u>11,535,943</u>
<b>Unitholders' Fund And Liabilities</b>			
<b>Liabilities</b>			
Other payables and accrued expenses	7	23,599	23,425
<b>Total Liabilities</b>		<u>23,599</u>	<u>23,425</u>
<b>Unitholders' Fund</b>			
Unitholders' capital		5,444,596	11,262,314
Retained earnings		505,600	250,204
<b>Net Asset Value Attributable To Unitholders</b>		<u>5,950,196</u>	<u>11,512,518</u>
<b>Total Unitholders' Fund And Liabilities</b>		<u>5,973,795</u>	<u>11,535,943</u>
<b>Number Of Units In Circulation</b>	8	10,978,234	21,929,869
<b>Net Asset Value Per Unit (RM)</b>		<u>0.5420</u>	<u>0.5250</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 30 November 2025*

	Note	2025 RM	2024 RM
<b>Investments Income</b>			
Profit income		301,943	232,790
Net gain on investments at fair value through profit or loss ("FVTPL")	5	67,001	61,637
Total Investments Income		<u>368,944</u>	<u>294,427</u>
<b>Expenditure</b>			
Management fee	9	(80,859)	(68,958)
Trustee's fee	10	(6,000)	(6,000)
Audit fee		(10,800)	(9,000)
Tax agent's fee		(3,300)	(3,300)
Other expenses		<u>(12,589)</u>	<u>(10,921)</u>
Total Expenditure		<u>(113,548)</u>	<u>(98,179)</u>
<b>Net Income Before Taxation</b>		255,396	196,248
<b>Taxation</b>	11	<u>-</u>	<u>-</u>
<b>Net Income After Taxation And Total Comprehensive Income For The Financial Year</b>		<b>255,396</b>	<b>196,248</b>
<b>Net Income After Taxation Is Made Up Of:</b>			
Realised gain		259,580	167,071
Unrealised (loss)/gain		<u>(4,184)</u>	<u>29,177</u>
		<b><u>255,396</u></b>	<b><u>196,248</u></b>

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

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ARECA Islamic IncomeTRUST FUND

**STATEMENT OF CHANGES IN NET ASSET VALUE**

*For The Financial Year Ended 30 November 2025*

	<b>Unitholders' capital RM</b>	<b>Retained earnings RM</b>	<b>Total net asset value RM</b>
<b>Balance as at 1 December 2023</b>			
Amounts received from units created	5,151,000	53,956	5,204,956
Amounts paid for units cancelled	6,361,314	-	6,361,314
Total comprehensive income for the financial year	(250,000)	-	(250,000)
<b>Balance as at 30 November 2024</b>		196,248	196,248
	<b>11,262,314</b>	<b>250,204</b>	<b>11,512,518</b>
<b>Balance as at 1 December 2024</b>			
Amounts received from units created	11,262,314	250,204	11,512,518
Amounts paid for units cancelled	5,211,187	-	5,211,187
Total comprehensive income for the financial year	(11,028,905)	-	(11,028,905)
<b>Balance as at 30 November 2025</b>		255,396	255,396
	<b>5,444,596</b>	<b>505,600</b>	<b>5,950,196</b>

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

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**STATEMENT OF CASH FLOWS**

*For The Financial Year Ended 30 November 2025*

	Note	2025 RM	2024 RM
<b>Cash Flows From/(Used In) Operating Activities</b>			
Proceeds from disposal of investments		7,608,760	-
Proceeds from maturity of investments		1,000,000	2,400,000
Purchase of investments		(2,842,980)	(7,013,847)
Profit income received		329,919	206,688
Management fee paid		(84,137)	(65,040)
Trustee's fee paid		(6,758)	(3,252)
Payment for other fees and expenses		(22,479)	(31,221)
Net Cash From/(Used In) Operating Activities		<u>5,982,325</u>	<u>(4,506,672)</u>
<b>Cash Flows From/(Used In) Financing Activities</b>			
Cash proceeds from units created		5,211,187	6,361,314
Payment for cancellation of units		<u>(11,028,905)</u>	<u>(250,000)</u>
Net Cash (Used In)/From Financing Activities		<u>(5,817,718)</u>	<u>6,111,314</u>
<b>Net Increase In Cash And Cash Equivalents</b>		<b>164,607</b>	<b>1,604,642</b>
<b>Cash And Cash Equivalents At Beginning Of Year</b>		<b>2,728,046</b>	<b>1,123,404</b>
<b>Cash And Cash Equivalents At End Of Year</b>		<b>2,892,653</b>	<b>2,728,046</b>
<b>Cash And Cash Equivalents Comprise:</b>			
Cash at banks	6	714	5,893
Short-term Islamic deposits	6	<u>2,891,939</u>	<u>2,722,153</u>
		<u>2,892,653</u>	<u>2,728,046</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 GENERAL INFORMATION**

Areca Islamic incomeTRUST Fund ("the Fund") was established pursuant to the Trust Deed dated 5 September 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 fixed income securities, Sukuk, 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 15 March 2023 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 short to medium-term capital preservation and a regular income (income could be in the form of units or cash). 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 28 January 2026.

### **2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the relevant Securities Commission Malaysia guidelines.

#### **Adoption of Amendments to MFRS**

The Fund has applied the following relevant Amendments for the first time for the financial year beginning on 1 December 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, the relevant new MFRS and Amendments to MFRSs which were in issue by the MASB but not yet effective and not early adopted by the Fund are listed below:

	<b>Effective for annual periods beginning on or after</b>
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	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 new MFRS and Amendments to MFRSs is not expected to have material impact on the financial statements of the Fund in the period of initial application.

### **3 MATERIAL ACCOUNTING POLICIES**

#### **Basis of Accounting**

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

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

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

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

The principal accounting policies adopted are set out below.

#### **Income Recognition**

Profit income from short-term Islamic deposits and unquoted fixed income securities are 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.

#### **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 ("the 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 transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Equity Instruments**

The Fund measures its equity investments at fair value with gains or losses on valuation recognised in profit or loss unless the Fund's management has made an irrevocable election to recognise the fair value gains and losses in other comprehensive income at its initial stage.

**Financial Liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

**Financial Liabilities Measured Subsequently at Amortised Cost**

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortised cost using the effective 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.

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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**

Unquoted Islamic fixed income securities are valued at FVTPL and are generally valued by reference to published prices of Bond Pricing Agency Malaysia ("BPAM").

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 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.

### **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.

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**5 INVESTMENTS**

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
<b>Financial assets at FVTPL:</b>		
Unquoted Islamic fixed income securities	<u>3,081,142</u>	<u>8,807,897</u>
<b>Net gain on investments at FVTPL comprise:</b>		
Realised gain on disposals	71,185	32,460
Unrealised (loss)/gain on changes in fair value	<u>(4,184)</u>	<u>29,177</u>
	<u>67,001</u>	<u>61,637</u>

Financial assets at fair value through profit or loss as at 30 November 2025 are as follows:

<b>Issuer coupon (%) maturity rating</b>	<b>Nominal value RM</b>	<b>Adjusted Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>UNQUOTED ISLAMIC FIXED INCOME SECURITIES</b>				
<b>Unquoted Sukuk</b>				
Amanat Lebuhraya Rakyat Bhd 5.09% 11/10/2030 AAA IS	1,000,000	1,072,754	1,072,914	18.03
Bank Simpanan Nasional 3.82% 05/11/2027 AAA	1,000,000	1,002,302	1,009,282	16.96
Konsortium KAJV Sdn Bhd 5.90% 11/05/2029 AA- IS	400,000	401,995	418,423	7.03
Lebuhraya Duke Fasa 3 Sdn Bhd 6.23% 21/08/2037 AA- IS	500,000	<u>561,993</u>	<u>580,523</u>	<u>9.76</u>
Total unquoted Sukuk		<u>3,039,044</u>	<u>3,081,142</u>	<u>51.78</u>
<b>Total investments</b>		<u>3,039,044</u>	<u>3,081,142</u>	<u>51.78</u>
<b>Unrealised gain on investments</b>				<u>42,098</u>

Financial assets at fair value through profit or loss as at 30 November 2024 are as follows:

<b>Issuer coupon (%) maturity rating</b>	<b>Nominal value RM</b>	<b>Adjusted Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>UNQUOTED ISLAMIC FIXED INCOME SECURITIES</b>				
<b>Islamic Commercial Paper</b>				
Gabungan AQRS Bhd 30/12/2024 MARC-1 IS	1,000,000	972,575	994,479	8.64
Total Islamic commercial paper		<u>972,575</u>	<u>994,479</u>	<u>8.64</u>

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<b>Issuer coupon (%) maturity rating</b>	<b>Nominal value RM</b>	<b>Adjusted Cost RM</b>	<b>Fair Value RM</b>	<b>Fair Value as a % of Net Asset Value %</b>
<b>UNQUOTED ISLAMIC FIXED INCOME SECURITIES</b>				
<b>Unquoted Sukuk</b>				
Amanat Lebuhraya Rakyat Bhd 5.09% 11/10/2030 AAA IS	1,000,000	1,072,754	1,062,764	9.23
Bank Pembangunan Malaysia Bhd 2.80% 10/10/2025 AAA IS	1,000,000	981,206	996,636	8.66
Bank Simpanan Nasional 3.82% 05/11/2027 AAA	1,000,000	1,002,407	1,003,047	8.71
GII Murabahah 4.193% 07/10/2032 NR (LT)	2,000,000	2,071,373	2,065,373	17.94
Hong Leong Islamic Bank Bhd 4.07% 03/11/2026 AAA	800,000	802,319	807,103	7.01
Korsortium KAJV Sdn Bhd 5.90% 11/05/2029 AA- IS	400,000	402,059	412,207	3.58
Lebuhraya Duke Fasa 3 Sdn Bhd 6.23% 21/08/2037 AA- IS	500,000	562,249	559,069	4.86
TG Excellence Bhd 3.95% 27/02/2120 A IS (CG)	900,000	894,673	907,219	7.88
Total unquoted Sukuk		<u>7,789,040</u>	<u>7,813,418</u>	<u>67.87</u>
<b>Total investments</b>		<u>8,761,615</u>	<u>8,807,897</u>	<u>76.51</u>
<b>Unrealised gain on investments</b>			<u>46,282</u>	

## 6 CASH AND CASH EQUIVALENTS

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
Cash at banks	714	5,893
Short-term Islamic deposits	<u>2,891,939</u>	<u>2,722,153</u>
	<u>2,892,653</u>	<u>2,728,046</u>

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

The weighted average profit rate for short-term Islamic deposits is 2.79% (2024: 2.90%) per annum and the average maturity period is 11 days (2024: 6 days).

## 7 OTHER PAYABLES AND ACCRUED EXPENSES

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
Accrued expenses:		
Management fee	4,887	8,165
Trustee's fee	2,202	2,960
Audit fee	10,800	9,000
Tax agent's fee	3,300	3,300
Other expenses	<u>2,410</u>	-
	<u>23,599</u>	<u>23,425</u>

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**8 NUMBER OF UNITS IN CIRCULATION**

	<b>2025 Units</b>	<b>2024 Units</b>
At beginning of the year	21,929,869	10,217,390
Created during the year	9,832,648	12,191,223
Cancelled during the year	(20,784,283)	(478,744)
At end of the year	<u>10,978,234</u>	<u>21,929,869</u>

**9 MANAGEMENT FEE**

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

The management fee provided in the financial statements is 1.00% (2024: 1.00%) per annum for the financial year.

**10 TRUSTEE'S FEE**

The Schedule 9 of the Deed provides that the Trustee is entitled to an annual Trustee's fee of up to 0.05% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day, subject to a minimum fee of RM6,000 per annum.

The Trustee's fee provided in the financial statements with minimum fee of RM6,000 (2024: RM6,000) per annum for the financial year.

**11 TAXATION**

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 1.40% (2024: 1.43%) for the financial year ended 30 November 2025. The total expense ratio which includes management fee, Trustee's fee, audit fee, tax agent's fee and other expenses, is calculated as follows:

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

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 RM8,085,665 (2024: RM6,876,737).

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## Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.71 times (2024: 0.68 times) for the financial year ended 30 November 2025. The portfolio turnover ratio is derived from the following calculation:

(Total acquisition for the financial year + total disposal for the financial year) ÷ 2  
Average net asset value of the Fund for the financial year calculated on a daily basis

Where: total acquisition for the financial year = RM2,842,980 (2024: RM7,013,847)  
           total disposal for the financial year = RM8,608,760 (2024: RM2,400,000)

### **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	1,050

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:

<b>Brokers/Dealers</b>	<b>Value of Trades RM</b>	<b>% of Total Trades %</b>
<b>2025</b>		
Hong Leong Investment Bank Bhd	4,652,360	44.51
Hong Leong Bank Bhd	3,073,900	29.41
Malayan Banking Bhd	1,903,000	18.21
CIMB Islamic Bank Bhd	822,480	7.87
	<b>10,451,740</b>	<b>100.00</b>
<b>2024</b>		
Hong Leong Bank Bhd	2,091,765	29.61
Malayan Banking Bhd	2,033,088	28.78
Kenanga Investment Bank Bhd	1,940,164	27.46
CIMB Bank Bhd	1,000,000	14.15
	<b>7,065,017</b>	<b>100.00</b>

## 15 RISK MANAGEMENT POLICIES

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to provide sophisticated investors with a stable stream of consistent income while maintaining capital stability by investing in unquoted Islamic fixed income securities with medium to long-term investment horizon. 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

	<b>2025</b> <b>RM</b>	<b>2024</b> <b>RM</b>
<b>Financial assets</b>		
<b>Carried at FVTPL:</b>		
Investments	3,081,142	8,807,897
<b>Amortised cost:</b>		
Cash and cash equivalents	2,892,653	2,728,046
<b>Financial liabilities</b>		
<b>Amortised cost:</b>		
Other payables and accrued expenses	23,599	23,425

#### 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 nor impaired as at 30 November 2025.

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

The Fund invests only in unquoted Islamic fixed income securities of at least investment grade as rated by a credit rating agency at inception. The Fund also invests in government backed/related securities which are not rated by credit rating agency. The following table set out the Fund's portfolio of unquoted Islamic fixed income securities by rating categories:

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<b>Credit Rating</b>	<b>Fair Value</b> <b>RM</b>	<b>As a % of unquoted Islamic fixed income securities %</b>	<b>As a % of NAV %</b>		
<b>2025</b>					
<b>Unquoted Islamic fixed income securities</b>					
AAA IS	1,072,914	34.82	18.03		
AAA	1,009,282	32.76	16.96		
AA- IS	998,946	32.42	16.79		
	<b>3,081,142</b>	<b>100.00</b>	<b>51.78</b>		

**2024**  
**Unquoted Islamic fixed income securities**

AAA IS	2,059,400	23.38	17.89
AAA	1,810,150	20.55	15.72
AA- IS	971,276	11.03	8.44
A IS (CG)	907,219	10.30	7.88
MARC-1 IS	994,479	11.29	8.64
NR (LT)	<b>2,065,373</b>	<b>23.45</b>	<b>17.94</b>
	<b>8,807,897</b>	<b>100.00</b>	<b>76.51</b>

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

<b>2025</b> <b>Industry</b>	<b>Short-term Islamic deposits</b> <b>RM</b>	<b>Unquoted Islamic fixed income securities</b> <b>RM</b>	
Energy/Utilities	-	418,423	
Financial services	2,891,939	1,009,282	
Transportation	-	1,653,437	
	<b>2,891,939</b>	<b>3,081,142</b>	

<b>2024</b> <b>Industry</b>	<b>Short-term Islamic deposits</b> <b>RM</b>	<b>Unquoted Islamic fixed income securities</b> <b>RM</b>
Civil/Engineering	-	412,207
Construction and property development	-	2,616,312
Financial, insurance and business services	2,722,153	3,714,005
Government and other services	-	2,065,373
	<b>2,722,153</b>	<b>8,807,897</b>

**Liquidity risk management**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund manages its liquidity risk by investing predominantly in Shariah-compliant 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 only invests in unquoted Islamic fixed income securities, the performance of the Fund might go up or down in accordance with the prevailing market risk of 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 is not exposed to profit rate risk through the impact of market profit rate changes as the profit rate on unquoted Islamic fixed income securities are fixed on the inception. The Fund is not exposed to any significant profit rate risk as the Fund's short-term Islamic deposits and cash at banks have fixed profit rates.

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 unquoted Islamic fixed income securities as the result of changes in the levels of the equity indices and the value of individual securities. The price risk exposure arises from the Fund's investment in unquoted Islamic fixed income 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:

	<b>Changes in price %</b>	<b>Effect on profit or loss Increase/(Decrease) RM</b>
<b>2025</b>		
Investments	+5/-5%	<u>154,057/(154,057)</u>
<b>2024</b>		
Investments	+5/-5%	<u>440,395/(440,395)</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.

### **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 be 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.

Unquoted Islamic fixed income securities are valued using fair value prices quoted by a Bond Pricing Agency Malaysia ("BPAM"). When no market price is available or during abnormal market or when the Manager is of the view that the price quoted by BPAM for a specific bond differs from the market price by more than 20 basis points, the Manager will separately assess the security to determine the price valuation, and the Manager will record the valuation basis and obtain the necessary internal approvals for using the non-BPAM price.

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

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

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

	<b>Level 1 RM</b>	<b>Level 2 RM</b>	<b>Level 3 RM</b>	<b>Total RM</b>
<b>2025</b>				
<b>Financial assets at FVTPL</b>				
Unquoted Islamic fixed income securities	-	3,081,142	-	3,081,142
<b>2024</b>				
<b>Financial assets at FVTPL</b>				
Unquoted Islamic fixed income securities	-	8,807,897	-	8,807,897

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

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