

Annual Report December 2025

For the Year Ended 31 December 2025

Areca Aggressive Alpha Fund

Management Company



200601021087(740840-D)

ANNUAL REPORT DECEMBER 2025

✦ ARECA AGGRESSIVE ALPHA FUND

Contents

CORPORATE DIRECTORY	2
MANAGER'S REPORT	
Fund Information, Performance & Review	3
Market Review & Outlook	7
TRUSTEE'S REPORT	9
STATEMENT BY MANAGER	9
AUDITORS' REPORT	10
FINANCIAL STATEMENTS FOR Areca Aggressive Alpha Fund	13

CORPORATE DIRECTORY

MANAGER

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

BOARD OF DIRECTORS

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

INVESTMENT COMMITTEE MEMBERS

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

TRUSTEE

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

AUDITOR

Deloitte Malaysia PLT (*formerly known as
Deloitte PLT*) (LLP0010145-LCA)
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-7610 8888, Fax: 603-7726 8986

TAX ADVISER

Deloitte Malaysia Tax Services Sdn Bhd
(*formerly known as Deloitte Tax Services
Sdn Bhd*) (197701005407 (36421-T))
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-7610 8888, Fax: 603-7726 8986

MANAGER'S OFFICE AND BRANCHES

HEAD OFFICE

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

PENANG BRANCH

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

IPOH BRANCH

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

MALACCA BRANCH

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

KUCHING BRANCH

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

JOHOR BRANCH

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

KOTA KINABALU BRANCH

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

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

FUND INFORMATION

Name of the Fund	Areca Aggressive Alpha Fund
Fund Category/ Type	Equity/Growth
Objective of the Fund	The Fund aims to provide investors with high capital growth over Medium to Long Term.
Performance Benchmark	1-year Average Returns of the Funds under "Equity Malaysia Small & Mid-Cap" Non-Islamic category
Distribution Policy of the Fund	Incidental and subject to the availability of realised income.
Rebates & Soft Commissions	<p>The Manager will retain soft commissions received from brokers or dealers, provided that:</p> <ul style="list-style-type: none">(a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;(b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and(c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions. <p>The soft commissions may be in the form of goods and services such as data and quotation services, computer software incidental to the management of the Fund and investment related publications. Cash rebates, if any, will be directed to the account of the Fund. During the year under review, the Manager had not received any soft commissions.</p>
Inception Date	23 April 2024
Financial Year End	31 December

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

FUND PERFORMANCE

	2025	23.04.2024 (launch date) to 31.12.2024
NET ASSET VALUE ("NAV")		
Net Asset Value (RM million)	2.93	6.91
Units in circulation (million units)	3.98	7.15
NAV per unit (RM)	0.7349	0.9668

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)	0.9838	1.0940
Lowest NAV per unit (RM)	0.6852	0.9001

ASSET ALLOCATION % OF NAV		
Quoted equity securities		
Construction	9.16	9.66
Consumer Products & Services	9.64	14.86
Energy	-	3.72
Health Care	-	6.08
Industrial Products & Services	39.40	43.76
Property	6.64	2.60
Technology	34.67	12.67
Transportation & Logistic	-	3.04
Liquid assets and other net current assets	0.49	3.61

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) (%)	1.66	1.18
<i>Please refer to Note 2 for further information</i>		
Portfolio turnover ratio (PTR) (times)	0.80	1.46
<i>Please refer to Note 3 for further information</i>		

TOTAL RETURN		
<i>Please refer to Note 4 for further information</i>		
Total Return (%)	(23.99)	(3.32)
- Capital growth (%)	(23.99)	(3.32)
- Income distribution (%)	-	-

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

FUND PERFORMANCE

	2025	23.04.2024 (launch date) to 31.12.2024	
Annual Total Return (%)	(23.99)	(4.77)*	
Performance Benchmark (%): 1-year Average Returns of the Funds under "Equity Malaysia Small & Mid-Cap" Non-Islamic category	(5.12)	5.34*	
<i>* Annualised for comparison purpose only</i>			
Total Return since launch (%)	(26.51)	(3.32)	
Average Total Return per annum (%)	1-yr (23.99)	3-yrs 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 benchmark performance, based on the 1-year Average Returns of the Funds under "Equity Malaysia Small & Mid-Cap" Non-Islamic category, is calculated assuming investment in the index. The total return and the benchmark data are sourced from Lipper.

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

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

FUND REVIEW

During the year under review, the Fund registered a loss of 23.99% vs. its benchmark loss of 5.12%. The underperformance was mainly due to the Fund's exposure to the technology sector.

Investment Policy and Strategy

The Fund will primarily investing in Malaysia listed equity focusing on high potential capital gains, typically in those small and medium sized companies. The Fund will also invest in equity-related securities which include call warrants, preference shares and convertible instruments.

The Fund may invest in units or shares of other collective investment schemes which have similar objective. In addition, the Fund may also invest in money market instruments or Short Term Fixed Income Funds for the purpose of liquidity management or temporary defensive strategy.

NAV per unit as at 31 December 2025

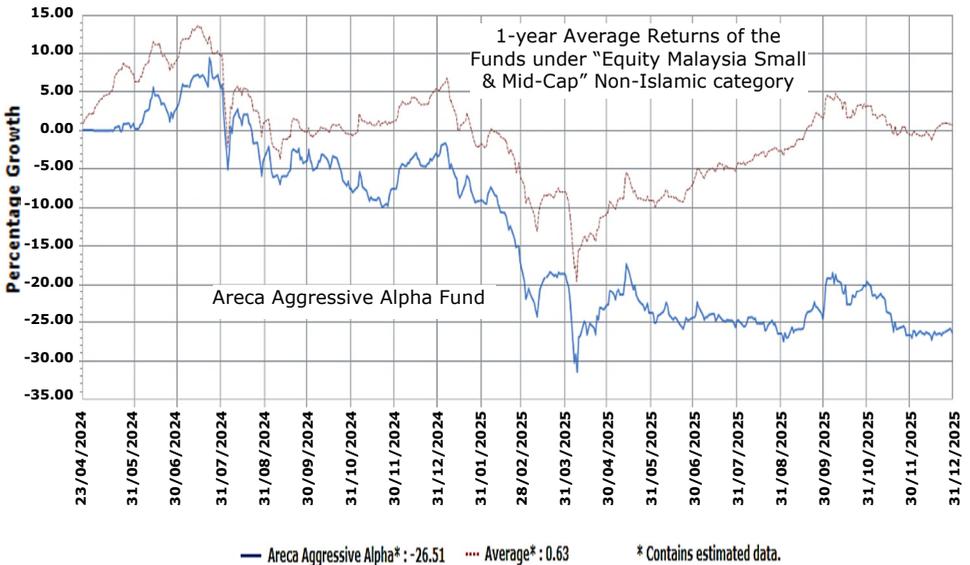
RM0.7349

Asset Allocation/Portfolio Composition

	2025	2024
Quoted equity securities	99.51%	96.39%
Liquid assets and other net current assets	0.49%	3.61%

**Performance of Areca Aggressive Alpha Fund
for the period since inception to 31 December 2025**

Aggressive Alpha Fund vs Benchmark



Source Lipper

MALAYSIAN EQUITY MARKET REVIEW

During the financial year under review, the FTSE Bursa Malaysia KLCI Index ("FBMKLCI") gained 2.30% to close at 1,680 points, while the FTSE Bursa Malaysia EMAS Index ("FBMEMAS") declined 2.20% to 12,304 points. In contrast, the FTSE Bursa Malaysia Small Cap Index ("FBMSCAP") plunged 12.20% to 15,772 points, underperforming the broader market.

Foreign investors were net sellers in eleven out of twelve months, resulting in substantial foreign outflows of MYR22.5 billion for full-year 2025, a sharp increase from MYR4.2 billion of net selling in 2024. In contrast, domestic institutions provided a strong offset, recording net inflows of MYR22.4 billion, while domestic retail investors were marginal net buyers, with net inflows of MYR0.1 billion.

As 2025 progressed, domestic equity markets faced sustained selling pressure amid a weaker-than-expected earnings season and heightened external headwinds. Key challenges included uncertainty surrounding United States ("US") tariff policies and a sharp correction in Artificial Intelligence ("AI") and data centre-related stocks. The sell-off intensified following tighter US export curbs on AI chips and the emergence of China's DeepSeek AI chatbot, which heightened competitive concerns across the sector. Market sentiment deteriorated further after President Trump's April 2 announcement of reciprocal tariffs triggered a broad-based sell-off, before markets staged a swift V-shaped rebound when implementation was paused for 90 days, allowing room for negotiations.

Despite the rebound, investor caution remained elevated, reflecting ongoing tariff uncertainty, global monetary policy risks, geopolitical tensions, and concerns over the expansion of the Sales & Service Tax ("SST"). While foreign investors continued to reduce exposure to Malaysian equities, local indices trended higher, supported by a more constructive policy backdrop. Key positives included a reduction in US tariffs on Malaysian exports from 25.00% to 19.00%, the signing of a US-Malaysia reciprocal trade agreement, the tabling of Budget 2026, a series of US Federal Reserve ("Fed") rate cuts in September, October, and December, and a one-year extension of the US-China trade agreement. Toward year-end, the FBMKLCI recorded strong gains, underpinned by window-dressing activities and a firmer Ringgit.

Key developments included the US-Malaysia reciprocal trade agreement, which improved market access for exporters, and approved investments of RM285.2 billion in the first nine months of 2025 (+13.20% year-over-year ("Y/Y")). In the technology space, Malaysia's partnership with Arm Holdings to acquire chip design blueprints marked progress up the semiconductor value chain. The formalisation of the Johor-Singapore Special Economic Zone ("JS-SEZ") and the unveiling of the RM430 billion 13th Malaysia Plan (2026 - 2030) further reinforced Malaysia's push towards a high-tech, high value-added economy.

In commodities, Brent crude plunged 18.50% to \$60.9/barrel, driven by global trade tensions, weakening demand expectations, and Organisation of Petroleum Exporting Countries Plus ("OPEC+") plans to increase output. Similarly, crude palm oil ("CPO") prices fell 2.50% to RM4,050/tonne. Meanwhile, the Dollar index declined by 9.40% to 98.32 for the period while the Ringgit appreciated 9.20% against the US Dollar ("USD"), reaching 4.06.

Sector-wise, Real Estate Investment Trusts ("REITs") (+15.00%), plantation (+13.00%), and financials (+9.00%) led gains, while healthcare (-35.00%), technology (-13.00%), and telecommunications (-9.00%) lagged. Top FBMKLCI gainers included 99 Speed Mart (+54.00%), Press Metal (+45.00%), and Telekom Malaysia (+21.00%), while laggards were Petronas Chemicals (-30.00%), YTL Power (-25.00%), and YTL Corp (-24.00%).

MALYSIAN EQUITY MARKET OUTLOOK

Malaysia's equity market performed well in December 2025, with the FBMKLCI closing at 1,680 (+2.30%) year-on-year ("YoY") performance, a level not seen since September 2024. Nonetheless, year-to-date ("YTD") performance still lagged behind global peers. Despite the relatively lacklustre equity performance in the year, the Malaysian Ringgit stood out as one of the strongest currencies in 2025, appreciating against most major currencies, in some cases by more than 10.00% on a YTD basis. Against the USD, the Ringgit strengthened by 10.20%, the strongest performance among Asian currencies. The strong performance of the FBMKLCI in the final trading month of 2025 was likely supported by emerging market carry trades. As discussed earlier, the US monetary easing cycle has helped reignite risk appetite for emerging market assets, including Malaysia.

Looking ahead to 2026, we are more optimistic. We believe that value in small- and mid-cap stocks is beginning to emerge. Our optimism for 2026 is based on five main factors: 1) Prudent and disciplined fiscal policy direction by the Malaysian government. The MADANI Budget under the Rancangan Malaysia Ketiga Belas ("RMK-13") framework balances fiscal consolidation, strategic investment, and subsidy reform. Priority sectors include semiconductors, renewable energy, and manufacturing supporting sustainable growth without excessive leverage. 2) Malaysia benefits from global supply chain restructuring and AI investment acceleration. Opportunities are evident in semiconductors, data infrastructure, energy, and construction. Amid US-China tensions, Malaysia's strategic neutrality positions it as a bridge, attracting investment and supply-chain relocation. 3) Global liquidity conditions remain accommodative. Inflation expected to moderate later in 2026, the Fed may cut rates, but only gradually in 2026. The US Fed has already cut rates three times in 2025 and is expected to continue easing, improving risk appetite for emerging markets, including Malaysia. 4) Foreign equity ownership is at historical lows, and this creates significant room for foreign inflows to return and a re-rating of our stock and bond market. 5) Valuations have more attractive with the FBMKLCI trading at about 15.5 times Price Earnings ("PE"), one standard deviation below its 10-year average making Malaysia one of the more attractive markets in Southeast Asia for patient investors. That said, risks remain especially with the current US-China trade truce only guaranteed for one year till November 2026 being a key geopolitical milestone.

Our portfolios remain anchored in technology and electronics manufacturing services space. We believe the cycle is finally materialising.

CROSS TRADE

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIRS

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

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

TRUSTEE'S REPORT

To the Unitholders of Areca Aggressive Alpha Fund ("Fund")

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

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

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

NORHAZLIANA BINTI MOHAMMED HASHIM
HEAD, UNIT TRUST & CORPORATE OPERATIONS

Kuala Lumpur
23 February 2026

STATEMENT BY MANAGER

To the Unitholders of Areca Aggressive Alpha 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 31 December 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
23 February 2026

**INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF ARECA AGGRESSIVE ALPHA FUND**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ARECA AGGRESSIVE ALPHA FUND** ("the Fund"), which comprise the statement of financial position as at 31 December 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 13 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 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"), as applicable to audits of financial statements of public interest entities 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.

ANNUAL REPORT DECEMBER 2025

ARECA AGGRESSIVE ALPHA FUND

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

23 February 2026

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

STATEMENT OF FINANCIAL POSITION

As At 31 December 2025

	Note	2025 RM	2024 RM
Assets			
Investments	5	2,911,745	6,663,438
Cash and cash equivalents	6	110,733	278,955
Dividend receivables		1,800	-
Total Assets		<u>3,024,278</u>	<u>6,942,393</u>
Unitholders' Fund And Liabilities			
Liabilities			
Amount due to Manager		72,127	-
Other payables and accrued expenses	7	25,962	29,552
Total Liabilities		<u>98,089</u>	<u>29,552</u>
Unitholders' Fund			
Unitholders' capital		4,852,172	7,255,232
Accumulated losses		(1,925,983)	(342,391)
Net Asset Value Attributable To Unitholders		<u>2,926,189</u>	<u>6,912,841</u>
Total Unitholders' Fund And Liabilities		<u>3,024,278</u>	<u>6,942,393</u>
Number Of Units In Circulation	8	<u>3,981,670</u>	<u>7,149,877</u>
Net Asset Value Per Unit (RM)		<u>0.7349</u>	<u>0.9668</u>

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

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2025

	Note	2025 RM	Financial period from 23.04.2024 (launch date) to 31.12.2024 RM
Investments Loss			
Dividend income		57,797	45,044
Interest income		6,035	10,374
Net loss on investments at fair value through profit or loss ("FVTPL")	5	<u>(1,547,741)</u>	<u>(283,192)</u>
Total Investments Loss		<u>(1,483,909)</u>	<u>(227,774)</u>
Expenditure			
Management fee	9	(46,449)	(36,009)
Trustee's fee	10	(12,000)	(12,000)
Audit fee		(10,000)	(10,000)
Tax agent's fee		(3,600)	(3,600)
Transaction costs		(22,762)	(52,743)
Other expenses		<u>(4,872)</u>	<u>(265)</u>
Total Expenditure		<u>(99,683)</u>	<u>(114,617)</u>
Net Loss Before Taxation		(1,583,592)	(342,391)
Taxation	11	-	-
Net Loss After Taxation And Total Comprehensive Loss For The Financial Year/Period		<u>(1,583,592)</u>	<u>(342,391)</u>
Net Loss After Taxation Is Made Up Of:			
Realised (loss)/gain		(1,412,924)	217,247
Unrealised loss		<u>(170,668)</u>	<u>(559,638)</u>
		<u>(1,583,592)</u>	<u>(342,391)</u>

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

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Year Ended 31 December 2025

	Unitholders’ capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 23 April 2024 (launch date)	-	-	-
Amounts received from units created	7,801,778	-	7,801,778
Amounts paid for units cancelled	(546,546)	-	(546,546)
Total comprehensive loss for the financial period	-	(342,391)	(342,391)
Balance as at 31 December 2024	<u>7,255,232</u>	<u>(342,391)</u>	<u>6,912,841</u>
Balance as at 1 January 2025	7,255,232	(342,391)	6,912,841
Amounts received from units created	56,315	-	56,315
Amounts paid for units cancelled	(2,459,375)	-	(2,459,375)
Total comprehensive loss for the financial year	-	(1,583,592)	(1,583,592)
Balance as at 31 December 2025	<u>4,852,172</u>	<u>(1,925,983)</u>	<u>2,926,189</u>

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

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2025

	Note	2025 RM	Financial period from 23.04.2024 (launch date) to 31.12.2024 RM
Cash Flows From/(Used In) Operating Activities			
Proceeds from disposal of investments		4,832,463	4,160,636
Purchase of investments		(2,628,511)	(11,107,266)
Dividend income received		55,997	45,044
Interest received		6,035	10,374
Management fee paid		(49,465)	(30,242)
Trustee's fee paid		(12,807)	(1,815)
Transaction costs paid		(22,762)	(52,743)
Payment for other fees and expenses		(18,239)	(265)
Net Cash From/(Used In) Operating Activities		<u>2,162,711</u>	<u>(6,976,277)</u>
Cash Flows From/(Used In) Financing Activities			
Cash proceeds from units created		56,315	7,801,778
Payment for cancellation of units		(2,387,248)	(546,546)
Net Cash (Used In)/From Financing Activities		<u>(2,330,933)</u>	<u>7,255,232</u>
Net (Decrease)/Increase In Cash And Cash Equivalents		(168,222)	278,955
Cash And Cash Equivalents At Beginning Of Year/Launch Date		<u>278,955</u>	<u>-</u>
Cash And Cash Equivalents At End Of Year/Period		<u>110,733</u>	<u>278,955</u>
Cash And Cash Equivalents Comprise:			
Cash at banks	6	611	8,483
Short-term deposits	6	110,122	270,472
		<u>110,733</u>	<u>278,955</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Areca Aggressive Alpha Fund ("the Fund") was established pursuant to the Trust Deed dated 23 May 2023 ("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 equities and equity-related securities, deposit with financial institutions, liquid assets, collective investment schemes and any other form of investment as may be agreed upon by the Manager and the Trustee from time to time. The Fund was launched on 23 April 2024 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 high capital growth over medium to long term. Any material changes to the Fund's objective would require unitholders' approval.

The Manager of the Fund is Areca Capital Sdn Bhd, a company incorporated in Malaysia. It is engaged in managing, administering, marketing and distributing unit trust funds, managing and administering funds under private mandates and the regulated activities of financial planning and providing investment advice.

The financial statements were authorised for issue by the Board of Directors of the Manager on 23 February 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 January 2025:

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates* titled *Lack of Exchangeability*

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:

	Effective for annual periods beginning on or after
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

The Manager of the Fund anticipates that the abovementioned new MFRS and Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these new MFRS and Amendments to MFRSs is not expected to have material impact on the financial statements of the Fund in the period of initial application.

3 MATERIAL ACCOUNTING POLICIES

Basis of Accounting

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

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

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

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

The principal accounting policies adopted are set out below.

Income Recognition

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

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

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

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

Transaction Costs

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

Income Tax

Pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967, interest income derived by the Fund is exempt from tax, and pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967, gains from realisation of investments are not treated as income and is also exempt from tax.

Functional and Presentation Currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("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/period following the change of the business model.

Financial Assets

(i) Classification

The Fund classified its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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 investments 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 interest method.

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

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

Investments

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

Gain or losses arising from the changes in the valuation of financial instruments at the end of the reporting year/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.

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

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

5 INVESTMENTS

	2025	2024
	RM	RM
Financial assets at FVTPL:		
Quoted equity securities	2,911,745	6,663,438
	2,911,745	6,663,438
		Financial period
		from 23.04.2024
		(launch date)
		to 31.12.2024
	2025	RM
	RM	RM
Net loss on investments at FVTPL comprise:		
Realised (loss)/gain on disposals	(1,377,073)	276,446
Unrealised loss on changes in fair value	(170,668)	(559,638)
	(1,547,741)	(283,192)

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

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

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
ACE Market				
Construction				
Southern Score Builders Bhd	400,000	221,030	254,000	8.68
		<u>221,030</u>	<u>254,000</u>	<u>8.68</u>
Consumer Products & Services				
Sorento Capital Bhd	600,000	270,390	282,000	9.64
		<u>270,390</u>	<u>282,000</u>	<u>9.64</u>
Industrial Products & Services				
Chemlite Innovation Bhd	650,000	177,840	146,250	5.00
Crest Group Bhd	700,000	189,840	147,000	5.02
EPB Group Bhd	460,000	271,400	161,000	5.50
Pan Merchant Bhd	200,000	49,960	45,000	1.54
Volcano Bhd	610,000	485,006	234,850	8.03
		<u>1,174,046</u>	<u>734,100</u>	<u>25.09</u>
Main Market				
Construction				
Ekovest Bhd	50,000	19,750	14,000	0.48
		<u>19,750</u>	<u>14,000</u>	<u>0.48</u>
Industrial Products & Services				
RGT Bhd	703,000	399,471	165,205	5.64
SAM Engineering & Equipment (M) Bhd	68,000	257,050	253,640	8.67
		<u>656,521</u>	<u>418,845</u>	<u>14.31</u>
Property				
SEAL Incorporated Bhd	270,000	211,610	194,400	6.64
		<u>211,610</u>	<u>194,400</u>	<u>6.64</u>
Technology				
JCY International Bhd	500,000	311,320	162,500	5.56
Malaysian Pacific Industries Bhd	5,000	87,514	161,200	5.51
Pentamaster Corporation Bhd	70,000	216,637	271,600	9.28
SNS Network Technology Bhd	280,000	184,800	142,800	4.88
Unisem (M) Bhd	90,000	288,433	276,300	9.44
		<u>1,088,704</u>	<u>1,014,400</u>	<u>34.67</u>
Total investments		<u>3,642,051</u>	<u>2,911,745</u>	<u>99.51</u>
Unrealised loss on investments			<u>(730,306)</u>	

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

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

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
ACE Market				
Construction				
Southern Score Builders Bhd	400,000	221,030	240,000	3.47
UUE Holdings Bhd	300,000	191,760	259,500	3.75
		<u>412,790</u>	<u>499,500</u>	<u>7.22</u>
Consumer Products & Services				
Carlo Rino Group Bhd	500,000	113,050	100,000	1.45
OB Holdings Bhd	1,500,000	360,000	315,000	4.56
Sorento Capital Bhd	300,000	140,640	138,000	1.99
		<u>613,690</u>	<u>553,000</u>	<u>8.00</u>
Industrial Products & Services				
BWYS Group Bhd	1,000,000	268,760	225,000	3.25
EPB Group Bhd	560,000	330,400	308,000	4.46
Northeast Group Bhd	300,000	209,760	180,000	2.60
Powerwell Holdings Bhd	600,000	246,780	273,000	3.95
Volcano Bhd	610,000	485,006	497,150	7.19
Wentel Engineering Holdings Bhd	500,000	168,500	145,000	2.10
		<u>1,709,206</u>	<u>1,628,150</u>	<u>23.55</u>
Technology				
TT Vision Holdings Bhd	300,000	269,704	240,000	3.47
		<u>269,704</u>	<u>240,000</u>	<u>3.47</u>
Main Market				
Construction				
Fajarbaru Builder Group Bhd	450,000	223,260	168,750	2.44
		<u>223,260</u>	<u>168,750</u>	<u>2.44</u>
Consumer Products & Services				
Guan Chong Bhd	120,000	464,815	474,000	6.86
		<u>464,815</u>	<u>474,000</u>	<u>6.86</u>
Energy				
Dialog Group Bhd	100,000	247,219	185,000	2.67
Uzma Bhd	94,200	116,403	72,534	1.05
		<u>363,622</u>	<u>257,534</u>	<u>3.72</u>
Health Care				
Pharmaniaga Bhd	800,000	353,760	284,000	4.11
Supercomnet Technologies Bhd	100,000	152,000	136,000	1.97
		<u>505,760</u>	<u>420,000</u>	<u>6.08</u>

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
Main Market				
Industrial Products & Services				
ATA IMS Bhd	400,000	193,120	118,000	1.71
Feytech Holdings Bhd	300,000	258,000	235,500	3.41
P.A. Resources Bhd	1,000,000	325,000	270,000	3.91
RGT Bhd	30,000	17,298	17,550	0.25
Seng Fong Holdings Bhd	200,000	214,200	196,000	2.83
SKB Shutters Corporation Bhd	200,000	179,810	186,000	2.69
TMK Chemical Bhd	200,000	350,000	374,000	5.41
		<u>1,537,428</u>	<u>1,397,050</u>	<u>20.21</u>
Property				
SEAL Incorporated Bhd	270,000	211,610	179,550	2.60
		<u>211,610</u>	<u>179,550</u>	<u>2.60</u>
Technology				
Greatech Technology Bhd	48,400	118,113	111,804	1.62
JCY International Bhd	500,000	311,320	282,500	4.09
Unisem (M) Bhd	80,000	268,348	241,600	3.49
		<u>697,781</u>	<u>635,904</u>	<u>9.20</u>
Transportation & Logistics				
E.A. Technique (M) Bhd	700,000	213,410	210,000	3.04
		<u>213,410</u>	<u>210,000</u>	<u>3.04</u>
Total investments		<u>7,223,076</u>	<u>6,663,438</u>	<u>96.39</u>
Unrealised loss on investments			<u>(559,638)</u>	

6 CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash at banks	611	8,483
Short-term deposits	<u>110,122</u>	<u>270,472</u>
	<u>110,733</u>	<u>278,955</u>

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

The effective interest rate for short-term deposits is 2.65% (2024: 2.90%) per annum and the remaining maturity period is 2 days (2024: 2 days).

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2025	2024
	RM	RM
Accrued expenses:		
Management fee	2,751	5,767
Trustee's fee	9,378	10,185
Audit fee	10,000	10,000
Tax agent's fee	3,600	3,600
Other expenses	233	-
	<u>25,962</u>	<u>29,552</u>

8 NUMBER OF UNITS IN CIRCULATION

	2025	2024
	Units	Units
At beginning of the year/launch date	7,149,877	-
Created during the year/period	66,531	7,746,526
Cancelled during the year/period	<u>(3,234,738)</u>	<u>(596,649)</u>
At end of the year/period	<u>3,981,670</u>	<u>7,149,877</u>

9 MANAGEMENT FEE

The Schedule 8 of the Deed provides that the Manager is entitled to an annual management fee of up to 1.00% 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% per annum for the financial year.

For the previous financial period, the management fee provided in the financial statements was 1.00% per annum for the period from 14 May 2024 to 31 December 2024. No management fee was provided in the financial statements for the period from 23 April 2024 (launch date) to 13 May 2024.

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 0.06% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day, subject to a minimum fee of RM12,000 per annum.

The Trustee's fee provided in the financial statements is subject to a minimum fee of RM12,000 per annum (2024: RM12,000) for the financial year/period.

11 TAXATION

There is no income tax expenses for the year/period as interest income derived by the Fund is exempted from tax pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967.

12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

Total Expense Ratio (TER)

Total expense ratio for the Fund is 1.66% (2024: 1.18%) for the financial year ended 31 December 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/period is RM4,644,763 (2024: RM5,223,457).

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.80 times (2024: 1.46 times) for the financial year ended 31 December 2025. The portfolio turnover ratio is derived from the following calculation:

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

Where: total acquisition for the financial year/period = RM2,628,511 (2024: RM11,107,266)
total disposal for the financial year/period = RM4,832,463 (2024: RM4,160,636)

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

As at end of the financial year/period, the total number and value of units held by the Manager and related parties are as follows:

	←-----2025-----→	←-----2024-----→		
	No. of units	RM	No. of units	RM
The Manager	-	-	1,000	967
Directors of the Manager	-	-	124,416	120,286
(The above units are held legally and beneficially)				
	-	-	125,416	121,253

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.

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

14 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

Brokers/Dealers	Value of Trades RM	% of Total Trades %	Fees RM	% of Total Brokerage Fee %
2025				
Maybank Investment Bank Bhd	3,260,183	43.70	10,100	44.37
Kenanga Investment Bank Bhd	2,553,832	34.23	7,207	31.66
Public Investment Bank Bhd	1,473,569	19.75	4,883	21.45
UOB Kay Hian Securities (M) Sdn Bhd	90,500	1.21	299	1.32
Affin Hwang Investment Bank Bhd	82,890	1.11	273	1.20
	<u>7,460,974</u>	<u>100.00</u>	<u>22,762</u>	<u>100.00</u>
2024				
Affin Hwang Investment Bank Bhd	4,472,627	29.30	14,777	28.02
Kenanga Investment Bank Bhd	3,157,652	20.68	9,207	17.46
Maybank Investment Bank Bhd	2,051,850	13.44	8,975	17.02
Public Investment Bank Bhd	1,365,523	8.94	4,520	8.57
UOB Kay Hian Securities (M) Sdn Bhd	1,023,054	6.70	3,378	6.40
CIMB Securities Sdn Bhd	931,699	6.10	6,540	12.40
RHB Investment Bank Bhd	919,093	6.02	3,036	5.75
CGS International Securities Malaysia Sdn Bhd	698,168	4.57	2,310	4.38
Alliance Islamic Bank Bhd	360,000	2.36	-	-
Malacca Securities Sdn Bhd	156,800	1.03	-	-
Others	131,436	0.86	-	-
	<u>15,267,902</u>	<u>100.00</u>	<u>52,743</u>	<u>100.00</u>

15 RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital as well as to provide investors with medium to long term capital growth by investing in securities that have potential for capital growth. 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 and capital risk.

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

Categories of Financial Instruments

	2025	2024
	RM	RM
Financial assets		
Carried at FVTPL:		
Investments	2,911,745	6,663,438
	<u>2,911,745</u>	<u>6,663,438</u>
Amortised cost:		
Cash and cash equivalents	110,733	278,955
Dividend receivables	1,800	-
	<u>112,533</u>	<u>278,955</u>
Financial liabilities		
Amortised cost:		
Amount due to Manager	72,127	-
Other payables and accrued expenses	25,962	29,552
	<u>98,089</u>	<u>29,552</u>

Credit risk management

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

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. None of the Fund's financial assets were past due nor impaired as at 31 December 2025.

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

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

	Short-term deposits	Quoted equity securities
	RM	RM
2025		
Industry		
Construction	-	268,000
Consumer Products & Services	-	282,000
Financial Services	110,122	-
Industrial Products & Services	-	1,152,945
Property	-	194,400
Technology	-	1,014,400
	<u>110,122</u>	<u>2,911,745</u>
	<u>110,122</u>	<u>2,911,745</u>

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

	Short-term deposits RM	Quoted equity securities RM
2024		
Industry		
Construction	-	668,250
Consumer Products & Services	-	1,027,000
Energy	-	257,534
Financial Services	270,472	-
Health Care	-	420,000
Industrial Products & Services	-	3,025,200
Property	-	179,550
Technology	-	875,904
Transportation & Logistics	-	210,000
	270,472	6,663,438

Liquidity risk management

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able of being converted into cash with 7 days.

All financial liabilities are repayable on demand or due within 1 year from the date of the statement of financial position.

Market risk management

This is a class of risk that inherently exists in an economy and cannot be avoided by any business or Fund. It is usually due to changes in market variables such as interest rates and market prices.

During the financial year/period, as the Fund invests only in Malaysia listed quoted 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 deposits and cash at banks earn interest at floating rates but is not exposed to any significant interest rate risk as the floating rates, represented by overnight cash rates, do not fluctuate significantly year-on-year.

The Fund is exposed to risk of fluctuation in fair value of financial assets as a result of change in the market interest rate. The valuation for financial assets at FVTPL move inversely to the market interest rate movements. As the market interest rate rise, the fair value of financial assets at FVTPL decrease and vice versa.

Price risk management

Price risk is the risk of unfavourable changes in the value of quoted equity securities as the result of changes in the levels of the equity indices. The price risk exposure arises from the Fund's investments in quoted 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.

ANNUAL REPORT DECEMBER 2025
ARECA AGGRESSIVE ALPHA FUND

Price risk sensitivity

The Manager's best estimate of the effect on the income for the year/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
2025		
Investments	+5/-5%	<u>145,587/(145,587)</u>
2024		
Investments	+5/-5%	<u>333,172/(333,172)</u>

Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions.

For quoted equity securities in general, fair values have been estimated by reference to last done market price quoted on Bursa Malaysia at end of the reporting year/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
2025				
Financial assets at FVTPL				
Quoted equity securities	<u>2,911,745</u>	-	-	<u>2,911,745</u>
2024				
Financial assets at FVTPL				
Quoted equity securities	<u>6,663,438</u>	-	-	<u>6,663,438</u>

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



ARECA CAPITAL SDN BHD 200601021087(740840-D)

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

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

Penang Branch

368-2-02 Bellisa 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

95A, 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, Block 16
KCLD, Cha Yi Goldland, Jalan Tun Jugah/Stutong
93350 Kuching, Sarawak
T 6082 572 472

Johor Branch

No 105, Jalan Meranti Merah
Taman Melodies,
80250 Johor Bahru
T 607 336 3689

Kota Kinabalu Branch

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