

Semi-Annual Report June 2025

For the Period Ended 30 June 2025

Areca Aggressive Alpha Fund

Management Company



200601021087(740840-D)

SEMI-ANNUAL REPORT JUNE 2025

✧ ARECA AGGRESSIVE ALPHA FUND

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CORPORATE DIRECTORY

MANAGER

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

BOARD OF DIRECTORS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin
(Independent Non-Executive Chairman)
Dr. Junid Saham
(Independent Non-Executive)
Wong Teck Meng
(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 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

Deloitte Tax Services Sdn Bhd (36421-T)
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 03-7610 8888, Fax: 03-7726 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
KLCD, 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

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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 period under review, the Manager had not received any soft commissions.</p>
Inception Date	23 April 2024
Financial Year End	31 December

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ARECA AGGRESSIVE ALPHA FUND

FUND PERFORMANCE

**01.01.2025
to 30.06.2025**

NET ASSET VALUE ("NAV")

Net Asset Value (RM million)	4.47
Units in circulation (million units)	5.92
NAV per unit (RM)	0.7560

HIGHEST & LOWEST NAV per unit

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

Highest NAV per unit (RM)	0.9838
Lowest NAV per unit (RM)	0.6852

ASSET ALLOCATION % of NAV

Quoted equity securities

Construction	4.16
Consumer Product & Services	19.03
Financial Services	4.54
Industrial Product & Services	39.50
Property	4.35
Technology	20.02

Liquid assets and other net current assets	8.40
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DISTRIBUTION

There was no distribution for the financial period under review.

UNIT SPLIT

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

EXPENSE/TURNOVER

Total expense ratio (TER) (%)	0.76
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*Please refer to **Note 2** for further information*

Portfolio turnover ratio (PTR) (times)	0.46
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*Please refer to **Note 3** for further information*

TOTAL RETURN

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

Total Return (%)	(21.80)
- Capital growth (%)	(21.80)
- Income distribution (%)	-

Annual Total Return (%)	(39.10)*
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Performance Benchmark (%):

1-year Average Returns of the Funds under "Equity Malaysia Small & Mid-Cap" Non-Islamic category	(22.18)*
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* Annualised for comparison purpose only

Total Return since launch (%)	(24.40)
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	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	(26.16)	N/A	N/A

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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 period under review, the Fund registered a loss of 21.80% vs. its benchmark loss of 11.84%. The underperformance was mainly due to the Fund's exposure to the technology sector, which didn't perform compared with the construction and data centre play.

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 30 June 2025

RM0.7560

Asset Allocation/Portfolio Composition

Quoted equity securities

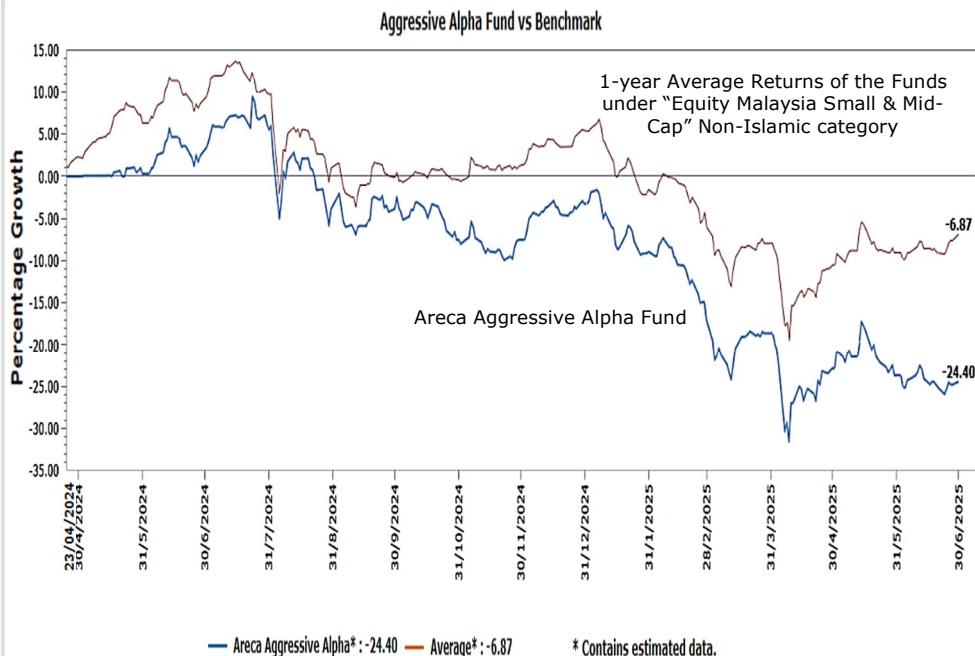
2025

91.60%

Liquid assets and other net current assets

8.40%

Performance of Areca Aggressive Alpha Fund for the period since inception to 30 June 2025



Source: Lipper

MALAYSIAN EQUITY MARKET REVIEW

During the period under review, the FTSE Bursa Malaysia KLCI Index ("FBMKLCI") declined 6.70% to 1,533 points, while the broader FTSE Bursa Malaysia EMAS Index ("FBMEMAS") fell by 9.00% to 11,448 points. On the flip side, the FTSE Bursa Malaysia Small Cap Index ("FBMSCAP") plunged 14.80% to 15,301 points, underperforming the FBMKLCI and FBMEMAS by 8.10% and 5.80% respectively.

Foreign investors were as net sellers for the period, with net outflows at MYR12.1 billion for the period. In contrast, domestic institutions and domestic retail investors were net buyers, recording inflows of MYR10.4 billion and MYR1.7 billion, respectively.

As 2025 began, markets faced profit-taking driven by a weak earnings season and external headwinds, including uncertainty surrounding United States ("US") tariff policies and a sell-off in Artificial Intelligence ("AI") and data centre-related stocks. This was triggered by stricter US export curbs on AI chips and the launch of China's DeepSeek AI chatbot. Investor sentiment worsened further when local indices plunged following President Trump's announcement of reciprocal tariffs on April 2. A strong rebound followed when Trump paused implementation for 90 days, suggesting room for negotiation. Nonetheless, investor caution lingered amid global monetary policy uncertainty, geopolitical tensions, and concerns over the expanded Sales and Service Tax's ("SST") broader impact.

Notable events include the announcement of an expanded SST effective 1 July, targeting premium goods and services. Malaysia secured RM378.5 billion in approved investments for 2024, marking a 14.90% year-over-year increase from 2023. Additionally, Malaysia partnered with Arm Holdings to acquire chip design blueprints, an important step toward climbing the semiconductor value chain. Meanwhile, an agreement was formalised with Singapore to establish the Johor-Singapore Special Economic Zone ("JS-SEZ"), targeting 50 projects over the next five years.

In the commodities space, Brent crude oil prices declined by 9.40% to \$67.6/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 by 18.60% to RM3,958/tonne on normalising supply. Moreover, the Dollar index slipped 10.70% to 96.88 for the period while the Ringgit appreciated 5.90% against the greenback, reaching 4.21.

Sector-wise, REITs (+4.00%), construction (-3.00%) and plantation (-4.00%) outperformed, while healthcare (-28.00%), technology (-21.00%) and industrials (-13.00%) underperformed. Among the FBMKLCI constituents, the top gainers were Petronas Dagangan (+11.00%), CelcomDigi (+9.00%), and Press Metal (+6.00%), while the biggest laggards were Petronas Chemicals (-33.00%), Sime (-30.00%), and Nestle Malaysia (-23.00%).

MALAYSIAN EQUITY MARKET OUTLOOK AND STRATEGY

The Malaysian equity market lagged behind global peers in June 2025, with the FBMKLCI rising by 1.60%, compared to a 5.00% gain in the Standard & Poor's 500 ("S&P 500") and a 3.40% increase in the Hang Seng Index ("HSI"). Among the Association of Southeast Asian Nations ("ASEAN") peers, performance was mixed: Vietnam rose by 3.30%, the Philippines posted a modest 0.40% gain, while Indonesia and Thailand declined by -3.50% and -5.20%, respectively. Despite the relative underperformance, we remain cautiously optimistic that the Malaysian market will eventually catch up. Early signs of a reversal in foreign fund outflows are encouraging. Sustained inflows—particularly if amplified by a broader emerging market carry trade tailwind—could significantly strengthen market momentum.

Malaysia is also well-positioned to benefit from the renewed global AI race, especially after President Trump rescinded Biden's AI Diffusion Act. Data center investment is booming in Johor, and multinational corporations are accelerating AI-related capital deployment. Key local beneficiaries include semiconductor players, data infrastructure providers, power utilities, and construction companies. Malaysia is expected to attract over RM70 billion in data center investments, with Johor emerging as a major hub alongside Selangor and Kuala Lumpur. Beyond the tech theme, Malaysia stands to benefit

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from global supply chain diversification, robust domestic consumption, and a relatively stable interest rate environment—all of which support prospects for a broader market re-rating.

Our current investment thesis is anchored on the “Globalisation 2.0” theme—where the East is rising and the West is recalibrating. Malaysia is well-positioned to benefit from this structural shift through increased capital flows, supply chain realignment, and deepening regional tech partnerships. We are employing a barbell strategy—balancing exposure between oversold export-oriented sectors such as semiconductors, and structural domestic growth themes. Our high-conviction areas include Electric Vehicle (“EV”) components, technology, and data centers. That said, we continue to maintain a tactical cash allocation of 10.00% – 20.00% to capitalise on volatility and opportunistic dislocations. History has shown that post-crisis rebounds—such as the one following April 9—tend to reward those already positioned. The window may be opening again. Valuation remains compelling: the FBMKLCI’s price-to-earnings ratio (“PER”) currently stands at approximately 14.3 times, which is below one standard deviation under its 10-year historical mean—further reinforcing its attractiveness as a value opportunity within the region.

In terms of portfolio strategy, we continue to be positioned in technology and small and mid-cap space.

CROSS TRADE

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

SECURITIES FINANCING TRANSACTIONS

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

STATE OF AFFAIRS

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

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 30 June 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 period covered by these financial statements in accordance with the following:

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

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

NORHAZLIANA BINTI MOHAMMED HASHIM
HEAD, UNIT TRUST & CORPORATE OPERATIONS

Kuala Lumpur
27 August 2025

STATEMENT BY MANAGER

To the Unitholders of Areca Aggressive Alpha Fund

We, **WONG TECK MENG** and **RAJA DATUK ZAHARATON BT RAJA DATO' ZAINAL ABIDIN**, two of the Directors of the Manager, Areca Capital Sdn Bhd, do hereby state that in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 June 2025 and the financial performance and the cash flows of the Fund for the financial period ended on that date.

For and on behalf of the Manager
Areca Capital Sdn Bhd

WONG TECK MENG
CEO/EXECUTIVE DIRECTOR

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

Kuala Lumpur
27 August 2025

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UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 30 June 2025

	Note	30.06.2025 RM
Assets		
Investments	5	4,096,790
Cash and cash equivalents	6	270,402
Amount due from stockbrokers		119,443
Dividend receivables		3,800
Total Assets		<u><u>4,490,435</u></u>
Unitholders' Fund And Liabilities		
Liabilities		
Other payables and accrued expenses	7	18,033
Total Liabilities		<u><u>18,033</u></u>
Unitholders' Fund		
Unitholders' capital		6,305,332
Accumulated losses		(1,832,930)
Net Asset Value Attributable To Unitholders		<u><u>4,472,402</u></u>
Total Unitholders' Fund And Liabilities		<u><u>4,490,435</u></u>
Number Of Units In Circulation	8	5,916,184
Net Asset Value Per Unit (RM)		<u><u>0.7560</u></u>

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

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UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 30 June 2025

		01.01.2025 to 30.06.2025 RM
	Note	
Investments Loss		
Dividend income		35,327
Interest income		4,114
Net loss on investments at fair value through profit or loss ("FVTPL")	5	<u>(1,472,799)</u>
Total Investments Loss		<u>(1,433,358)</u>
Expenditure		
Management fee	9	27,342
Trustee's fee	10	5,229
Audit fee		4,999
Tax agent's fee		1,800
Transaction costs		15,276
Other expenses		<u>2,535</u>
Total Expenditure		<u>57,181</u>
Net Loss Before Tax		(1,490,539)
Income Tax Expense	11	<u>-</u>
Net Loss After Tax And Total Comprehensive Loss For The Financial Period		<u><u>(1,490,539)</u></u>
Net Loss After Tax Is Made Up Of:		
Realised loss		(807,283)
Unrealised loss		<u>(683,256)</u>
		<u><u>(1,490,539)</u></u>

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

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ARECA AGGRESSIVE ALPHA FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 30 June 2025

	Unitholders' capital RM	Accumulated losses RM	Total net asset value RM
Balance as at 1 January 2025	7,255,232	(342,391)	6,912,841
Amounts received from units created	49,315	-	49,315
Amounts paid for units cancelled	(999,215)	-	(999,215)
Total comprehensive loss for the financial period	-	(1,490,539)	(1,490,539)
Balance as at 30 June 2025	<u>6,305,332</u>	<u>(1,832,930)</u>	<u>4,472,402</u>

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

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UNAUDITED STATEMENT OF CASH FLOWS

For The Financial Period Ended 30 June 2025

	Note	01.01.2025 to 30.06.2025 RM
Cash Flows From/(Used In) Operating Activities		
Proceeds from disposal of investments		2,980,330
Purchase of investments		(2,006,321)
Dividend income received		31,527
Interest received		4,114
Management fee paid		(29,292)
Trustee's fee paid		(11,597)
Transaction costs paid		(14,880)
Payment for other fees and expenses		(12,534)
Net Cash From Operating Activities		<u>941,347</u>
Cash Flows From/(Used In) Financing Activities		
Cash proceeds from units created		49,315
Payment for cancellation of units		(999,215)
Net Cash Used In Financing Activities		<u>(949,900)</u>
Net Decrease In Cash And Cash Equivalents		(8,553)
Cash And Cash Equivalents At Beginning Of Period		<u>278,955</u>
Cash And Cash Equivalents At End Of Period		<u><u>270,402</u></u>
Cash And Cash Equivalents Comprise:		
Cash at banks	6	381
Short-term deposits	6	<u>270,021</u>
		<u><u>270,402</u></u>

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

NOTES TO THE UNAUDITED 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.

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 period beginning on 1 January 2025:

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:

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

The Manager of the Fund anticipates that the abovementioned new MFRS and Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these 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 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 period.

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

Transaction Costs

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

Income Tax

Pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967, 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 ("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 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 investment either at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Impairment of Financial Assets

The Fund assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

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

Derecognition of Financial Assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither 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 Berhad at the end of the reporting period.

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

Classification of Realised and Unrealised Gains and Losses

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

Gains or losses arising from the changes in the valuation of financial instruments at the end of the reporting 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.

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

5 INVESTMENTS

	2025 RM
Financial assets at FVTPL:	
Quoted equity securities	<u>4,096,790</u>
Net loss on investments at FVTPL comprised:	
Realised loss on disposals	(789,543)
Unrealised loss on changes in fair value	<u>(683,256)</u>
	<u><u>(1,472,799)</u></u>

Financial assets at fair value through profit or loss as at 30 June 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	<u>221,030</u>	<u>186,000</u>	<u>4.16</u>
		<u>221,030</u>	<u>186,000</u>	<u>4.16</u>

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
ACE Market				
Consumer Products & Services				
OB Holdings Bhd	1,500,000	360,000	270,000	6.04
Sorento Capital Bhd	600,000	270,390	234,000	5.23
		<u>630,390</u>	<u>504,000</u>	<u>11.27</u>
Industrial Products & Services				
EPB Group Bhd	560,000	330,400	296,800	6.64
Northeast Group Bhd	300,000	209,760	160,500	3.59
Volcano Bhd	610,000	485,006	329,400	7.36
		<u>1,025,166</u>	<u>786,700</u>	<u>17.59</u>
Technology				
TT Vision Holdings Bhd	350,000	282,126	197,750	4.42
		<u>282,126</u>	<u>197,750</u>	<u>4.42</u>
Main Market				
Consumer Products & Services				
Guan Chong Bhd	280,000	464,815	347,200	7.76
		<u>464,815</u>	<u>347,200</u>	<u>7.76</u>
Financial Services				
Affin Bank Bhd	80,000	216,100	203,200	4.54
		<u>216,100</u>	<u>203,200</u>	<u>4.54</u>
Industrial Products & Services				
Feytech Holdings Bhd	300,000	258,000	96,000	2.15
RGT Bhd	703,000	399,471	196,840	4.40
SAM Engineering & Equipment (M) Bhd	100,000	378,014	415,000	9.28
Seng Fong Holdings Bhd	200,000	214,200	161,000	3.60
SKB Shutters Corporation Bhd	150,000	134,858	111,000	2.48
		<u>1,384,543</u>	<u>979,840</u>	<u>21.91</u>
Property				
SEAL Incorporated Bhd	270,000	211,610	194,400	4.35
		<u>211,610</u>	<u>194,400</u>	<u>4.35</u>
Technology				
JCY International Bhd	500,000	311,320	172,500	3.86
Malaysian Pacific Industries Bhd	5,000	87,514	106,000	2.37
Pentamaster Corporation Bhd	70,000	216,637	214,900	4.80
Unisem (M) Bhd	90,000	288,433	204,300	4.57
		<u>903,904</u>	<u>697,700</u>	<u>15.60</u>
Total investments		<u>5,339,684</u>	<u>4,096,790</u>	<u>91.60</u>
Unrealised loss on investments			<u>(1,242,894)</u>	

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6 CASH AND CASH EQUIVALENTS

	2025 RM
Cash at banks	381
Short-term deposits	<u>270,021</u>
	<u><u>270,402</u></u>

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

The effective interest rate for short-term deposits is 2.90% per annum and the remaining maturity period is 1 day.

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2025 RM
Accrued expenses:	
Management fee	3,817
Trustee's fee	3,817
Audit fee	4,999
Tax agent's fee	<u>5,400</u>
	<u><u>18,033</u></u>

8 NUMBER OF UNITS IN CIRCULATION

	2025 Units
At beginning of the period	7,149,877
Created during the period	57,059
Cancelled during the period	<u>(1,290,752)</u>
At end of the period	<u><u>5,916,184</u></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 period.

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 0.06% per annum for the financial period.

11 INCOME TAX EXPENSE

There is no income tax expense for the period as interest 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 0.76% for the financial period ended 30 June 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 Fund

The average net asset value of the Fund for the financial period is RM5,513,593.

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.46 times for the financial period ended 30 June 2025. The portfolio turnover is derived from the following calculation:

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

Where: total acquisition for the financial period = RM2,006,321
total disposal for the financial period = RM3,100,170

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

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

	←-----2025-----→	
	No. of units	RM
Directors of the Manager		
(The above units are held legally and beneficially)	100,000	75,600

There are no units held by the Manager for the financial period under review.

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

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14 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

Brokers/Dealers	Value of Trades RM	% of Total Trades %	Fees RM	% of Total Brokerage Fee %
2025				
Maybank Investment Bank Bhd	2,467,413	48.32	7,481	48.97
Kenanga Investment Bank Bhd	1,951,392	38.21	5,509	36.06
Public Investment Bank Bhd	645,686	12.65	2,147	14.06
Affin Hwang Investment Bank Bhd	42,000	0.82	139	0.91
	<u>5,106,491</u>	<u>100.00</u>	<u>15,276</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.

Categories of Financial Instruments

	2025 RM
Financial assets	
Carried at FVTPL:	
Investments	<u>4,096,790</u>
Amortised cost:	
Cash and cash equivalents	270,402
Amount due from stockbrokers	119,443
Dividend receivables	<u>3,800</u>
Financial liabilities	
Amortised cost:	
Other payables and accrued expenses	<u>18,033</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.

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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 June 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 RM	Quoted equity securities RM
2025		
Industry		
Construction	-	186,000
Consumer Product & Services	-	851,200
Financial Services	270,021	203,200
Industrial Product & Services	-	1,766,540
Property	-	194,400
Technology	-	895,450
	<u>270,021</u>	<u>4,096,790</u>

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 period, as the Fund invest only in Malaysia listed quoted equity securities, the performance of the Fund might go up or down in accordance with the prevailing market risk of 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 period-on-period.

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.

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Price risk management

Price risk is the risk of unfavourable changes in the fair value of quoted equity 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 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.

Price risk sensitivity

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

	Changes in price %	Effect on profit or loss Increase/(Decrease) RM
2025		
Investments	+5/-5%	<u>204,840/(204,840)</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 Berhad at end of the reporting period.

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Financial assets at FVTPL				
Quoted equity securities	<u>4,096,790</u>	-	-	<u>4,096,790</u>

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

17 COMPARATIVE FIGURES

There are no comparative figures as this is the Fund's first set of unaudited financial statements.



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