Information Memorandum

Areca i-Strategic Income Fund 5

Management Company

ARECA CAPITAL

Company Registration No. [200601021087 (740840-D)]

Trustee
RHB Trustees Berhad
Company Registration No. 200201005356 (573019-U)

This Information Memorandum is dated 18 June 2026.

The Fund is constituted on 15 May 2026.

Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to the Areca i-Strategic Income Fund 5.

For information concerning certain risk factors which should be considered by prospective investors, see "Risk Factors" commencing on page 15.

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RESPONSIBILITY STATEMENTS
&
STATEMENTS OF DISCLAIMER

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

The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Information Memorandum has not been registered with the Securities Commission Malaysia.

The lodgement of this Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the said Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Information Memorandum.

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

ADDITIONAL STATEMENT

Areca i-Strategic Income Fund 5 may only be offered for sale to the Sophisticated Investors and the investors must ensure that they are eligible as Sophisticated Investors before making an investment in the Fund. In the event that the Manager becomes aware that a person is not eligible to apply for Units is in fact holding Units, the Manager, subject to the available Liquid Assets in the Fund, shall be deemed to have received a Redemption request in respect of such Units on the Business Day following the day the Manager first became aware of the Unit Holder's ineligibility.

The Manager may reject any application of Units at its sole discretion without assigning any reasons.

Sophisticated Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of the securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Fund.

SPECIFIC RISK DISCLOSURE STATEMENT

The Fund may invest in Shariah-compliant illiquid assets such as non-tradable and non-transferable equity related securities or unlisted securities. Potential Sophisticated Investors are warned that they may not be able to redeem any Units within the first thirty six (36) months or longer from the date of investment; subject to the requirement of the underlying assets. For instance, the Fund may invest up to 100% of its NAV in preference share issued by a single issuer with an investment tenure of up to thirty six (36) months, therefore, you may not be able to redeem your investment for up to thirty six (36) months.

The Fund is suitable only for Sophisticated Investors who have a Medium to Long Term investment horizon. Investors may face difficulties in redeeming their investments as the Manager may not be able to dispose the investments. You are advised not to invest in this Fund if you are unable to accept the risks.

NO CASH / THIRD-PARTY PAYMENT POLICY

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

In view of this, it has embarked on a no-cash / third-party payment policy; where **ANY FORM OF CASH PAYMENT, CASH DEPOSITS AND THIRD-PARTY PAYMENT ARE STRICTLY NOT ALLOWED**.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

GLOSSARY

Business Day	A day on which Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia Securities Berhad, is open for trading;
Deed(s)	The deed in relation to the Fund and any other supplemental deeds that may be entered into between the Manager and the Trustee;
Financial Institution(s)	If the institution is in Malaysia – i. licensed bank; ii. licensed investment bank; or iii. licensed Islamic bank. If the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator; "licensed bank" has the same meaning as given under the Financial Services Act 2013; "licensed investment bank" has the same meaning as given under the Financial Services Act 2013; "licensed Islamic bank" means a bank licensed under the Islamic Financial Services Act 2013;
Fund	Areca i-Strategic Income Fund 5;
Guidelines	Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework as may be amended from time to time;
Islamic CIS	Islamic collective investment schemes which include Islamic exchange traded funds;
Islamic Deposits	Means a sum of money accepted or paid in accordance with Shariah - (a) on terms under which it will be repaid in full, with or without any gains, return or any other consideration in money or money's worth, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and person accepting it; or

	(b) under an agreement, on terms whereby the proceeds under the arrangement to be paid to the person paying the sum of money shall not be less than such sum of money; but excludes money paid bona fide – (i) by way of an advance or a part payment under a contract for the sale, hire or other provision of property or services, and is repayable only in the event that the property or services are not in fact sold, hired or otherwise provided; (ii) by way of security for the performance of a contract or by way of security in respect of any loss which may result from the non-performance of a contract; (iii) without limiting paragraph (ii), by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise; and (iv) in such other circumstances, or to or by such other person, as set out in schedule 2 of the Islamic Financial Services Act 2013;
Islamic Liquid Assets	Means any Shariah-compliant permitted investment capable of being converted into cash within seven (7) days;
Information Memorandum	Information Memorandum in relation to the Fund and includes any supplemental or replacement Information Memorandum;
IUTA	Institutional Unit Trust Scheme Adviser;
Jointholder	A Sophisticated Investor who holds Units together with another Sophisticated Investor(s);
Manager/We/ Us	Areca Capital Sdn Bhd;
Medium to Long Term	A period of two(2) years or more;
NAV	The net asset value of the Fund, which is the value of all the assets of the Fund less the value of all liabilities of the Fund at the valuation point;

NAV per Unit	The NAV of the Fund divided by the total number of Units in circulation of the Fund at the valuation point;
Redemption	The repurchase by the Manager of the Units owned by the Unit Holders upon a proper redemption request;
RM	Means Ringgit Malaysia;
SAC of SC	Refers to Shariah Advisory Council of the Securities Commission Malaysia;
SC	The Securities Commission Malaysia which was established under the Securities Commission Malaysia Act 1993;
Shariah	Means Islamic law derived primarily from the Quran and Hadith. For the avoidance of doubt, in the context of Islamic finance, it refers to the principles and rulings in Islamic law as determined by: • the Shariah Adviser; and • the Shariah Advisory Council of the Securities Commission Malaysia and/or Bank Negara Malaysia, whether such Shariah principles are determined, ascertained, or stated in the form of any regulations, guidelines, rulings or any other authoritive form, as the case may be**;**
Shariah Adviser	Refers to Masryef Advisory Sdn. Bhd. (1339966-H);
Shariah-compliant Investments	Means an investment that operates in accordance with the principles of Islamic finance and Shariah law, as determined by a qualified Shariah Adviser. This includes adherence to prohibitions against riba (interest), gharar (excessive uncertainty), maysir (gambling), and investments in non-halal activities, and requires the use of Shariah-compliant contracts such as Murabahah (cost-plus sale), Mudarabah (profit-sharing), Musharakah (joint venture), and Ijarah (leasing);

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

CORPORATE DIRECTORY

MANAGER
ARECA CAPITAL SDN BHD

Registration No.: 200601021087 (740840-D)

Registered Address:

Suite 30C, 3rd Floor, Wisma TCL,
470 Jalan Ipoh, 3rd Mile,
51200 Kuala Lumpur.
Tel: 603-4044 9811

Business Address:

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

TRUSTEE
RHB TRUSTEES BERHAD

Registration No: 200201005356 (573019-U)

Registered Address:

Level 10, Tower One,
RHB Centre, Jalan Tun Razak,
50400 Kuala Lumpur.

Business Address

Level 11, Tower Three,
RHB Centre, Jalan Tun Razak,
50400 Kuala Lumpur.

Tel: 03-2302 8252 Fax: 03-2302 8298

INFORMATION OF THE FUND

ARECA i-STRATEGIC INCOME FUND 5	
CATEGORY OF THE FUND	Shariah-Compliant Wholesale Fund with Flexible Asset Allocation
TYPE OF FUND	Income and Growth
TRUSTEE	RHB Trustees Berhad
INVESTMENT OBJECTIVE	The Fund aims to provide investors with a combination of income and incidental capital growth over Medium to Long Term. Income could be in the form of Units or cash. Any material changes to the Fund's objective would require Unit Holder's approval.
ASSET ALLOCATION	Flexible allocation between Shariah-compliant fixed income investment and Shariah-compliant equity depending on prevailing economic conditions and market outlook.
BASE CURRENCY	RM
INITIAL OFFER PERIOD (IOP)	21 days from the date of this Information Memorandum. The Manager may shorten the IOP.
INITIAL OFFER PRICE	RM 1.0000
FINANCIAL YEAR END	31 October
INVESTORS' PROFILE	The Fund is suitable for Sophisticated Investor who: • have Medium to Long Term investment horizon; • seek to invest in a portfolio of investments that comply with Shariah requirements; and • seek combination of income and incidental capital growth that is higher than performance benchmark rate of returns. The Units are only offered to Sophisticated Investors (applicable for principal Unit Holder and Jointholder).

ARECA i-STRATEGIC INCOME FUND 5	
INVESTMENT STRATEGY	The Fund aims to provide income with incidental capital growth for investors over the Medium to Long Term through investment in shariah-compliant fixed income and equity. The Fund may invest up to 100% of its NAV in permitted investments with flexible allocation in its assets to achieve a potential higher return by freely changing risk degree according to current market conditions. Depending on the market conditions,the Fund may concentrate its investments on few selected asset classes or a single investment that has potential income and/or incidental capital growth or that will minimize the Fund exposure to market risks. The Fund may also invest in Shariah-compliant unlisted securities (such as private equities, preference shares, pre-IPO securities and convertible securities), Islamic CIS and placement of Islamic deposits with Financial Institutions.
PERMITTED INVESTMENTS	The Fund may invest in the followings: • Shariah-compliant equities and Shariah-compliant equity-related securities; • Shariah-compliant unlisted securities; • Islamic CIS; • Shariah-compliant preference shares; • Shariah-compliant fixed income securities; • Islamic money market instruments; and • Islamic Deposits with Financial Institutions
PERFORMANCE BENCHMARK	Absolute return of 5% per annum.

ARECA i-STRATEGIC INCOME FUND 5	
CHARGES – This table describes the charges that you may directly incur when you buy or redeem Units in the Fund.	
ENTRY FEE (SALES CHARGE)	Up to 4% of the net investment amount of the Fund.
EXIT FEE	NIL
FEES AND EXPENSES - This table describes the fees that you may indirectly incur when you invest in the Fund.	
MANAGEMENT FEE	Up to 2.00% per annum of the NAV of the Fund.
TRUSTEE FEE	Up to 0.07% per annum of the NAV of the Fund (excluding foreign custodian fees, if any).
PERFORMANCE FEE	The Manager is entitled to a Performance Fee of up to 20% on the net total returns upon redemption or Capital Distribution, computed on each Unit Holder's account individually. For avoidance of doubt, the net total returns for each Unit Holder's account will be calculated by comparing the investment amount (including entry fee) to redemption or Capital Distribution value after adjusting and taking into consideration of all income distributions during the investment period.

ARECA i-STRATEGIC INCOME FUND 5	
FUND EXPENSES	These include but are not limited to: ▪ commissions or fees paid to brokers or dealers; ▪ auditor's fee; ▪ tax adviser's fee; ▪ Shariah Adviser's fee; ▪ valuation fee; ▪ fund accounting fee; ▪ remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund; ▪ taxes and other duties charged on the Fund by the government and/or other authorities; ▪ costs, fees and expenses incurred in connection with the printing and postage for tax vouchers,annual and quarterly reports/statements; ▪ costs incurred for the modification of the Deed other than those for the benefit of the Manager and/or Trustee; and ▪ costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee.
TRANSACTIONS	
MINIMUM INITIAL INVESTMENT	RM50,000 or such other amount at the Manager's discretion.
MINIMUM ADDITIONAL INVESTMENT	RM10,000 or such other amount at the Manager's discretion.
MINIMUM REDEMPTION	50,000 Units or such other lower number of Units at the Manager's discretion.
MINIMUM BALANCE	50,000 Units or such other number of Units at the Manager's discretion. We will, at our sole discretion, require you to redeem all the Units should the remaining balance Units in your account is less than the minimum balance.

ARECA i-STRATEGIC INCOME FUND 5	
REDEMPTION RESTRICTION	Investors should note that the Fund has a lock-in period of 36 months from the investment date. There is no exit fee or penalty as early redemption is not allowed. The redemption of units is subject to the liquidity of the Fund and its underlying investments.
REDEMPTION PAYMENT	We will pay you within seven (7) Business Days upon our receipt of the duly completed original Redemption form. However, for the Fund, it is our general Redemption policy to make payment within three (3) Business Days (T+3 days). Please note that for third party distributors such as IUTA, the Redemption payment could be longer, however it will still be within seven (7) Business Days as aforementioned. Redemption proceeds will be only paid to the principal holder, unless requested by the principal holder to pay to the Jointholder. We do not pay to any third-party.
SWITCHING FACILITY	Not available.
TRANSFER OF UNITS	Unit Holders are permitted to transfer part or all of their Units in the Fund to their immediate family members by completing a transfer form. However, for the transfer of Units to other investors, it is subject to the discretion of the Manager and the Manager reserve the rights to reject the transfer without assigning any reason. Transfers from corporate accounts to individual accounts are not permitted. You must submit the completed transfer form before the cut-off time on any Business Day. We will process your transaction on the next Business day if we receive your application after the cut-off time. Please note that the person who is in receipt of the Units must be a Sophisticated Investor as well.
COOLING-OFF RIGHTS	Not available.

ARECA i-STRATEGIC INCOME FUND 5	
CUT-OFF TIME	All completed transaction forms and investment notice must be submitted to the Manager before the cut-off time, on any Business Day. We will process your transaction on the next Business Day if we receive your application after the cut-off time. Distributors may impose an earlier cut-off time if you purchase the Units through our distributors. Redemption proceeds will only be credited to your bank account after we receive your original Redemption form. Please refer to our company website, www.arecacapital.com for the cut-off time.
DISTRIBUTION POLICY	Incidental. Subject to the availability of distributable income.
CAPITAL DISTRIBUTION	<u>Capital distribution without cancellation / Redemption of Units ("Cash Capital Distribution")</u> The Manager may declare Cash Capital Distribution by way of cash to Unit Holders at its discretion. Cash Capital Distribution will reduce the NAV of the Fund without reducing the total Units in circulation of the Fund. <u>Capital distribution by way of mandatory cancellation / Redemption of Units ("Capital Redemption")</u> The Manager may make Capital Redemption through the compulsory Redemption of the Units held by the Unit Holders at its discretion. The Capital distribution of the Fund (with or without cancellation of Units) is pursuant to the maturity of the investment, disposal of the investment by Manager or early redemption of the investment by issuer (if any) and the Manager does not intend to reinvest the investment proceeds.

ARECA i-STRATEGIC INCOME FUND 5	
INCOME DISTRIBUTION RE-INVESTMENT POLICY	In the absence of any instructions, we will, at our discretion, reinvest the income distribution or capital distribution of the Fund into another unit trust fund as determined by the Manager at the net asset value per unit of that unit trust fund on the distribution day of the Fund without any entry fee.

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund. All fees and charges are subject to any other taxes which the government may impose from time to time.

Unit prices and distributions payable, if any, may go down as well as up.

You should read and understand the contents of this Information Memorandum and, if necessary, consult your adviser. For information concerning certain risk factors which should be considered by you, see "Risk Factors" commencing on page 15.

RISKS FACTORS

All types of investments carry some degree of risks which may have an adverse effect on the price of the investments. Therefore, before making an investment decision, investors are advised to consider the different types of risks that may affect the unit trust fund. Below are some of the general risks of investing in the unit trust fund and specific risks associated with the investment portfolio of the Fund.

GENERAL RISKS OF INVESTING IN A UNIT TRUST FUND

- **Market Risk**

  Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political, social and/or other factors, which will result in a decline in the fund's net asset value. Market risk stems from the fact that there are economy-wide perils which impact all businesses. Investors will be exposed to market uncertainties no matter how a fund's investments are diversified. The fluctuations in the economy, political and social environment will affect the market price of the fund's investments either in a positive or negative way.

- **Manager's Risk**

  This risk refers to the day-to-day management of a fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant laws or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

- **Liquidity Risk**

  Liquidity risks refer to the ease of liquidating an asset at or near its fair value depending on the asset's volume traded in the market. If the fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices. In situation where the fund has insufficient cash and is unable to liquidate its assets due to market condition as aforesaid, redemption requests made by the unit holders are likely to be affected as the manager may not be able to fulfil its payment obligation on time.

- **Financing Risk**

  The risk occurs when investors take a financing to finance their investment and thereafter unable to service the financing payments. If units are used as collateral, an investor may be required to top-up his existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the financing.

- **Performance Risk**

  As a result of the risk elements, the returns from a fund are not guaranteed. The value of the fund's investment will vary when disposed and an investment may be worth more or less than when purchased.

- **Inflation Risk**

  This is the risk that the investors' investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce investors' purchasing power even though the value of the investment in monetary terms has increased.

- **Non-Compliance Risk**

  This risk refers to the possibility that the manager may not follow the provisions set out in the information memorandum, the deed, the relevant laws, rules, guidelines or internal operating policies which governs the fund. Non-compliance may occur directly due to factors such as human error or system failure and can also occur indirectly due to amendment on the relevant regulatory frameworks, relevant laws, rules, and other legal practices affecting the fund. This risk may result in operational disruptions and potential losses to the fund.

- **Suspension of Redemption Request Risk**

  Having considered the best interests of unit holders, the redemption requests by the unit holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the fund's assets cannot be determined. In such case, unit holders will not be able to redeem their units and will be compelled to remain invested in the fund for a longer period of time than original timeline. Hence, their investments will continue to be subject to the risks inherent to the fund.

SPECIFIC RISKS ASSOCIATED TO THE FUND

- **Stock Specific Risk**

  Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stocks will adversely affect the Fund's NAV.

- **Equity-related Securities Risk**

  The risk of the Fund's investment in equity-related securities such as rights and warrants, where the price movement is dependent on the price movement of the underlying equities is generally higher than the underlying equities as these equity-related securities are leveraged form of investment. The price of equity-related securities generally fluctuates more than the underlying equities and consequently may affect the volatility of the Fund's NAV. For example, warrants have a limited life and will depreciate in value as they approach their maturity date. If a warrant's exercise price is above the share price at any time during its remaining subscription period, the warrant will theoretically carry little value and warrants that are not exercised at the maturity date become worthless.

- **Islamic CIS Risk**

  The Fund may invest into Islamic CIS which the Islamic CIS's management company has absolute discretion over the management and operations control as well as investment strategy of such Islamic CIS. In the event of mis-management of the Islamic CIS due to factors such as incorrect market view adopted by the Islamic CIS's management company or non-compliance with the Shariah investment requirements by the Islamic CIS, the performance of the Islamic CIS will be adversely affected. This will further impact the performance of the Fund.

- **Private Equity Risk**

  The Fund may be subject to the risks inherent in private equity investment. The task of identifying good companies that may become successful and generate good capital gains is difficult. The future performance of any entity into which any part of the Fund is invested and therefore the value of the Fund's investment portfolio may be subject to many factors over which the Fund may have limited or no control.

- **Illiquidity Risk**

  The investment to be made by the Fund would be generally illiquid. The eventual liquidity of all investment of the Fund will be dependent upon the success of the realisation strategy proposed for each investment which

could adversely be affected by a variety of risk factors. The period of time required to liquidate the Fund's assets cannot be predicted with certainty.

- **Concentration Risk**

  Concentration risk is the probability of loss arising from lack of diversification, investing with a single issuer. The strength of the issuer may be affected due to changes of financial performance, news of a possible merger or loss of key personnel of the issuer.

- **Country Risk**

  Investments of the Fund in any foreign countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the laws or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of the countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV or prices of Units to fall.

- **Credit and Default Risk**

  Credit risk relates to the creditworthiness of the issuers of the debt instruments and its expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the Fund.

- **Profit Rate Risk**

  Profit rate risk refers to the impact of profit rate changes on the Islamic Deposits. Profit rate fluctuations affect the Islamic Deposits' returns of the Fund. Profit rates offered by the Financial Institutions will fluctuate according to the overnight rate policy determined by BNM and this has direct correlation with the Fund's investment in Islamic Deposits. The Fund's future reinvestment in Islamic Deposits will benefit from the higher profit rate and in the event of falling profit rates, the Fund's future investment in Islamic deposits will be reinvested at lower profit rates which in turn will reduce the Fund's potential returns.

- **Counterparty Risk**

  The Fund's placements of Islamic deposits and/or investments in Islamic money market instruments with Financial Institutions are subject to the risk of the counterparty. Counterparty risk also refers to the possibility that the counterparty being unable to make timely payments of interest and/or

principal payment on the maturity date. This may then lead to a default in the payment and/or profit and ultimately, affect the NAV per Unit of the Fund.

- **Flexible Asset Allocation Risk**

  This Fund is a flexible asset allocation fund where the strategies employed to shift the asset mix between equities and fixed income, depends on the prevailing market outlook. The Manager's investment decision pertaining to the asset allocation may adversely affect the Fund's performance if the assessment concluded by the Manager is not consistent with the market outlook.

- **Valuation Risk Related to the Fund's Assets**

  The Fund's assets will consist of illiquid, unlisted and unquoted securities for which no public market exists, and for which no price quotation may be available from exchanges, brokers or other third party sources. Valuation of assets undertaken or provided by the Manager will be conclusive and binding on all investors. However, these valuations may not reflect the actual prices which would be realized upon a sale of a particular asset. Prospective investors should be aware that the valuation or pricing of certain asset classes, particularly hard-to-price assets such as illiquid, unlisted and unquoted securities, may result in subjective prices being applied to the Manager's calculations of the NAV of the Fund. This could materially affect the NAV of the Fund, particularly if the judgments of the Manager or its third party valuation agents regarding appropriate valuations or pricing is proven incorrect.

- **Unlisted Security Risk**

  The Fund may be subject to the risks inherent in unlisted investment. The Fund may be compelled to make investment decisions on the basis of financial information that will be less complete and reliable than that customarily available for listed securities. The future performance of any entity into which any part of the Fund is invested and therefore the value of the Fund's investment portfolio may be subject to many factors over which the Fund may have limited or no control.

- **Regulatory Risk**

  Regulatory risk refers to the possibilities where security, business, sector, or market may be materially impacted due to the changes in laws or regulations made by the government or a regulatory body. The adverse impact may include the increase of business operating expenses, more stringent regulatory requirements such as the regulatory requirement for the listing of IPO or issuance of private placement or any other regulations which may reduce the attractiveness or value of the investment which subsequently may result in a decline in NAV of the Fund.

- **Reclassicfication of Shariah Status Risk**

  This refers to the situation where the Shariah-compliant investments currently held by the Fund may be reclassified as Shariah non-compliant in the periodic review by the SAC of the SC or the Shariah Adviser of the Fund. In such circumstance, we are required to dispose of such investments immediately if the market value is above the investment cost. In the event the market value is below the investment cost, we may choose to hold these investments until the market value meets the investment cost. However, in the event we decide to dispose of these investments below the investment cost, the Fund will realise its losses and thus impact the NAV of the Fund.

  For further information of the risk, you may refer to "Shariah Investment Guidelines" issued by the Shariah Adviser on page 21 of this Information Memorandum on how the Shariah methodologies treat the investment gains and losses as a result of reclassification of Shariah status of a particular investment.

The abovementioned risks which you should consider before investing into a unit trust fund should not be considered to be an exhaustive list. You should be aware that investments in the Fund may be exposed to other risks of an exceptional nature from time to time.

Shariah Investment Guidelines

The following are the Shariah Investment Guidelines for the Fund, which the Manager, is to strictly adhere to on a continuous basis. At all times, the Fund shall invest in investment instruments that are allowed under the Shariah principles and shall not invest in investment instruments that are prohibited by the Shariah principles based on the Shariah Advisory Council of SC or the Shariah Adviser's established parameters, where applicable.

The following matters are adopted by the Shariah Adviser in determining the Shariah status of the Fund's investments.

A. INVESTMENT

1. Shariah-compliant Equities

The Fund will invest in listed equities based on a list of Shariah-compliant equities issued by the SAC of SC. For companies that have yet to be determined the Shariah status by the SAC of SC, the Shariah Adviser adopts the following analysis as a temporary measure in determining its Shariah status until the SAC of SC releases the Shariah status of the respective companies.

2. Qualitative Analysis

In this analysis, the Shariah Adviser will look into aspects of general public perception of the companies' images, core businesses which are considered important and *maslahah* (beneficial) to the Muslim ummah (nation) and the country. The non-permissible elements are very small and involve matters like *umum balwa* (common plight and difficult to avoid), *'uruf* (custom) and rights of the non-Muslim community which are accepted under the Shariah.

3. Quantitative Analysis

Companies which passed the above qualitative analysis will be further subjected to quantitative analysis. The Shariah Adviser deduces the following to ensure that the contribution of Shariah non-compliant businesses/activities to the overall revenue/sales/turnover/income and profit before tax of the companies are less than the following Shariah tolerable benchmarks:

(a) Business Activity Benchmarks

The contribution of Shariah non-compliant activities to Total Incomeof the company will be computed and compared against the relevant business activity benchmarks as follows:

(i) The 5-per cent benchmark

The 5-per cent benchmark is applicable to the following businesses/activities:

- conventional banking and lending;
- conventional insurance;
- gambling;
- liquor and liquor-related activities;
- pork and pork-related activities;
- non-halal food and beverages;
- tobacco and tobacco-related activities;
- interest income[1] from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- dividends[2]* from Shariah non-compliant investments;
- Shariah non-compliant entertainment; and
- other activities deemed non-compliant according to Shariah principles as determined by the SAC of SC.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the Group revenue or Group profit before taxation of the company must be less than five per cent.

(b) Financial Ratio Benchmarks

The financial ratios applied for listed companies are as follows:

(i) Cash over total assets
Cash only includes cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments is excluded from the calculation.

(ii) Debt over total assets
Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

Both ratios, which are intended to measure *riba'* and *riba'*-based elements within a company's statement of financial position, must be less than 33 per cent.

[1] Interest income and dividends from Shariah non-compliant investments will be compared against the Group revenue. However, if the main activity of the company is holding of investments, the dividends from Shariah non-compliant investments will be compared against the Group revenue and Group profit before taxation.
[2] Ibid.

The applicable financial ratio benchmarks for unlisted target companies are as follows: -

(i) Total cash over total assets
Cash only includes cash placed in conventional accounts and instruments.The ratio, which is intended to measure the amount of cash placed in the conventional instruments within a company's statements of financial position, must be less than 33%.

(ii) Total debt over total assets
Debt only includes interest-bearing debt. The ratio, which is intended to measure conventional borrowings within a company's statements of financial position, must be less than 49%.

Should any of the above deductions fail to meet the benchmarks, the Shariah Adviser will not accord Shariah-compliant status for the companies.

4. Special Purpose Acquisition Companies (SPACs)

The Shariah Adviser had considered the following criteria for a SPAC to be classified as Shariah compliant:
(i) The proposed business activity should be Shariah-compliant;
(ii) The entire proceeds raised from the Initial Public Offering should be placed in an Islamic account; and
(iii) In the event that the proceeds are invested, the entire investment should be Shariah compliant.

Shariah-compliant securities include ordinary shares and warrants (issued by the companies themselves). This means that warrants are classified as Shariah-compliant securities provided the underlying shares are also Shariah-compliant.

5. Shariah-compliant Equity-related Securities

The Fund will invest in Shariah-compliant equity-related securities as approved by the Shariah Advisory Council of the SC or the Shariah Adviser.

6. Investment in Islamic Deposits

The Fund is prohibited from investing in interest-bearing deposits and recognizing any interest income.

7. Islamic CIS

The Fund may invest in domestic and foreign Islamic CIS. The domestic Islamic CIS must be authorised or approved by, or lodged with, by the SC. For the foreign Islamic CIS, it must be approved by the Shariah Adviser upon review of the necessary and relevant documentation.

8. Islamic Money Market Instruments

For investment in money market, the Fund may acquire any Islamic money market instruments based on the data available at:

- Bond Info Hub (www.bondinfo.bnm.gov.my)
- Fully Automated System for issuing/tendering) (https://fast.bnm.gov.my)

The Fund may also invest into any other Islamic money market instruments deemed Shariah-compliant by the Shariah Advisory Council of BNM or the Shariah Adviser.

9. Any Other Shariah-compliant Investments

For avoidance of doubt, the documents relating to the Shariah liquidity management instrument should be submitted for prior approval by the Shariah Adviser. Where the Shariah Adviser request a change to the Shariah Investment Guidelines, it shall give the Manager a reasonable period of time to effect such change in the Prospectus in accordance with the requirements of any applicable law and regulation.

B. PURIFICATION PROCESS FOR THE FUND

1. Shariah Non-compliant Investments

The Manager will immediately dispose of any Shariah non-compliant investment inadvertently made in the Fund. If the disposal of the Shariah non-compliant investment results in losses to the Fund, the losses are to be borne by the Manager by ensuring the loss portion is restored and returned to the Fund. The said investment will be disposed/withdrawn with immediate effect or within a period of not more than one month after becoming aware of the status of the investment. In the event that there are any capital gains or dividend received before or after the disposal of the investment, such gains will be channeled to *Baitulmal and/*or any other charitable bodies as advised by the Shariah Adviser. The Fund have the right to retain only the investment cost.

2. **Reclassification of Shariah status of the Fund's investments**

Listed Instruments

If a security is reclassified as Shariah non-compliant by the SAC of SC and/or any other relevant sources, as per the Shariah Adviser's advice, the said security shall be disposed of soonest practical, once the total amount of dividends received and the market value held exceed or equal the investment costs.

In this regard, if on the date an updated list/a review of Shariah-compliant securities takes effect, the respective market price of Shariah non-compliant securities exceeds or is equal to the investment cost, the Fund must dispose of such securities. Any dividends received up to the date of the announcement/review and capital gains arising from the disposal of Shariah non-compliant securities on the date of the announcement/review can be kept by the Fund. However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of the announcement/review should be channeled to baitulmal and/or charitable bodies as advised by the Shariah Adviser.

On the other hand, the Fund is allowed to hold their investment in the Shariah non-compliant securities if the market price of the said securities is below the investment cost. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equals the investment cost. At this stage, the Fund advised to dispose of their holding.

Unlisted Instruments

Reclassification status refers to underlying investment that were previously classified as Shariah-compliant but are reclassified or deemed Shariah non-compliant as a result of a new or previously unknown fatwa/ruling and/or upon advice from the Shariah Adviser. In such cases, the Company will be required to address the reclassification as follows:

(a) Grace Period: The Fund is granted a grace period of six (6) months from the date of reclassification status to rectify the non-compliance issue or explore other corrective measures to bring the investment back into Shariah compliance. The grace period can be extended on a case-to-case basis subject to the approval from the Shariah Adviser.

(b) Disposal or withdrawal requirements: If the Portfolio Companies remain Shariah non-compliant after the six-month grace period, the

Manager must proceed to dispose of its investment in such Portfolio Companies.

(c) Capital gains after reclassification: Any excess capital gains derived after the announcement of the reclassification status shall be considered as tainted income.

The Fund will channel tainted income to baitulmal and/or charitable bodies as advised by the Shariah Adviser.

C. PAYMENT OF ZAKAT

This refers to the purification by way of payment of zakat by Muslims. The Fund does not pay zakat on behalf of Muslim Unit Holders. Thus, Muslim Unit Holders are advised to pay zakat on their own.

The Shariah Adviser confirms that the investment portfolio of the Fund comprises instruments which have been classified as Shariah-compliant by the SAC of SC and, where applicable the SAC of BNM. As for instruments which have not been classified as Shariah-compliant by the SAC of SC and, where applicable the SAC of BNM , the status of the instruments has been determined by the Shariah Adviser.

BASES OF VALUATION OF THE ASSETS OF THE FUND

Investment Instruments	Valuation Basis
Shariah-compliant investment instruments that are listed and quoted on an exchange	The official closing price or last known transacted price on the eligible market on which the investment is quoted. However, if the price is not representative for example during abnormal market conditions or not available to the market including in the event of a suspension in the quotation of the investment instrument for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee, the investment will be valued at fair value.
Shariah-compliant investment instruments not listed or quoted on an exchange	At fair value as determined in good faith by the Manager.

TRANSACTION INFORMATION

CALCULATION OF UNIT PRICES

Valuation Point

Every Business Day is a dealing day of the Fund where the Fund is open for sale and repurchase of Units by the Manager. The Fund will be valued at least once every Business Day. The Fund will be valued at the end of every Business Day and the Manager will publish the NAV per Unit on the Manager's website at www.arecacapital.com following the valuation of the Fund.

Single Pricing Policy

We adopt the single pricing policy to price the Units in relation to investment and Redemption of Units. This means that the selling of Units by the Manager (i.e. when you purchase Units and invest in the Fund) and repurchase of Units by the Manager (i.e. when you redeem your Units and liquidate your investments) will be carried out at the NAV per Unit (the actual value of the Unit). The entry fee/exit fee (if any) would be computed separately based on your net investment/Redemption amount. The single price for investment and Redemption of Units shall be the daily NAV per Unit as at the next valuation

point after the Manager receives the investment or Redemption application (i.e. forward pricing).

How Is The NAV (actual value) Per Unit Calculated?

The Manager will calculate the NAV of the Fund at the end of the valuation point. The NAV is defined as the total value of the Fund's investment, assets and properties less any liabilities or provisions of the Fund. Where applicable, investment income, fees and other liabilities will be accrued daily in arriving at the NAV of the Fund. The NAV per Unit is then determined by dividing the NAV of the Fund by the number of Units in circulation of the Fund at the valuation point rounded nearest to four (4) decimal places or as agreed between Manager and Trustee.

Illustration 1: Computation of NAV

		RM
	Securities investment	224,600,000.00
Add:	Assets	2,320,028.32
		226,920,028.32
Less:	Liabilities	210,751.05
	NAV before deducting annual management fee and annual trustee fee for the day	226,709,277.27
Less:	Annual management fee for the day (2.00% per annum)	12,422.43
Less:	Annual trustee fee for the day (0.07% per annum)	434.78
	NAV	**226,696,420.06**

NAV per Unit

The NAV per Unit is then determined by dividing the NAV of the Fund by the number of Units in circulation of the Fund at the valuation point. If the Units in circulation are 436,555,891 Units at the point of valuation, therefore:

Illustration 2: Computation of NAV per Unit

NAV per Unit of the Fund	**=** NAV ÷ Units in circulation of the Fund
	= RM226,696,420.06 ÷ 436,555,891
	= RM0.5193

Computation of Net Investment Amount and Units Entitlement

For investors who make a lump sum payment inclusive of fees and any relevant taxes which may be imposed by the government from time to time.

The net investment amount (excluding fees and taxes) is determined by dividing the lump sum payment (excluding bank charges) with a charge factor.

Charge Factor = 100.00% + Entry Fee in %

The number of Units invested is determined by dividing the net investment amount (excluding fee and taxes), with the NAV per Unit at the next valuation point after the Manager receives the investment application and rounded up to two (2) decimal places.

Illustration 3A: Allocation of Units to investor

Assuming you invest a lump sum of RM100,000.00 of gross investment amount with an entry fee of 2.00% and the NAV per Unit of the Fund is RM0.5193, therefore:

	RM
Gross investment amount	100,000.00
Divided by charge factor: 100.00% + (2.00%)	1.0200
Net investment amount	98,039.22
Divided by NAV per Unit	0.5193
Units credited to investor's account	188,791.10
Net investment amount	98,039.22
Add: Entry fee of 2.00% (RM98,039.22 x 2.00%)	1,960.78
Gross investment amount	100,000.00

- For investors who prefer an even (rounded) net investment amount

The number of Units invested is determined by dividing the net investment amount (excluding fee and taxes), with the NAV per Unit at the next valuation point after the Manager receives the investment application and rounded up to two (2) decimal places.

Illustration 3B: Allocation of Units to investor	
Assuming you invest RM100,000.00 into the Fund, and the NAV per Unit of the Fund is RM0.5193, therefore;	
	RM
Net investment amount	100,000.00
Add: Entry fee of 2.00% (RM100,000.00 x 2.00%)	2,000.00
Total amount payable by investor	102,000.00
Net investment amount	100,000.00
Divided by NAV per Unit	0.5193
Units credited to investor's account	192,566.92

Calculation of Redemption Value

The Redemption value is the number of Units to be liquidated multiplied by the NAV per Unit as at the next valuation point, after the Manager receives the Redemption request.

Illustration 4: Calculation of Redemption in cash	
Assuming you request to redeem 20,000.00 Units of the Fund and the NAV per Unit for the Business Day is RM0.5193, therefore:	
Number of Units redeemed	20,000.00
Multiply by NAV per Unit	0.5193
Net amount payable to investor	RM 10,386.00

Performance Fee

The Manager is entitled to a performance fee of up to 20% on the net total returns upon Redemption or capital distribution, computed on each Unit Holder's account individually. For avoidance of doubt, the net total returns for each Unit Holder's account will be calculated by deducting the net investment amount and including entry fee from the Redemption or capital distribution value during the investment period.

Assuming current NAV per Unit is RM1.0000 and the Unit Holders redeem Units after 1 year from the date of their investments

	NAV per Unit	**Units**	Value	**In %**
Gross investment amount (a)			RM100,000.00	
Entry fee (2.00%) (b)			RM1,960.78	
Net investment amount (c)	RM1.0000	98,039.22	RM98,039.22	
Assuming NAV per Unit at 12th month upon Redemption	RM1.1500			
Investor's investment value upon Redemption (d)	RM1.1500	98,039.22	RM112,745.10	
Net total returns (including entry fee) (e) = (d) - (a)			RM12,745.10	12.75%
Performance fee (20% performance fee of the net total returns) (f) = (e) x 20%			RM2,549.02	
Redemption value after performance fee (g) = (d) - (f)			RM110,196.08	
Investor's total return after performance fee (h) = (g) - (a)			RM10,196.08	10.20%

INCORRECT VALUATION AND PRICING

The Manager will take immediate remedial action to rectify any incorrect valuation or pricing. Where the incorrect valuation or pricing is at or above the threshold of 0.50% of the NAV per Unit, rectification will be extended to the reimbursement of money–

a. by the Manager to the Fund;
b. from the Fund to the Manager; or
c. by the Manager to Unit Holders and former Unit Holders.

Notwithstanding the abovementioned, if the amount to be reimbursed to an individual account is less than RM10.00 in absolute amount, the requirement to reimburse does not apply.

MAKING AN INVESTMENT

If you are investing for the first time, you are required to complete the account opening documents. Individual or joint application must be accompanied by either a copy of the applicant's identity card, passport or other identification.

Application by a corporation must be accompanied by a certified true copy of its memorandum and articles of association*, certificate of incorporation* (if applicable), form 24*, form 44*, form 49*, board resolution relating to the investment and other related documents required by the Manager.

** or any other equivalent documentation issued by the authorities*

Existing investors who wish to purchase additional Units can complete the additional investments Form.

You must submit the completed forms with the necessary payment before the cut-off time on any Business Day. We will process your transaction on the next Business Day if we receive your application after the cut-off time.

The Fund may only be offered for sale to Sophisticated Investors and investors must ensure that they are Sophisticated Investors before making an investment in the Fund. In the event that the Manager becomes aware that a person is not eligible to apply for Units is in fact holding Units, the Manager, subject to the available Liquid Assets in the Fund, shall be deemed to have received a Redemption request in respect of such Units on the Business Day following the day the Manager first became aware of the Unit Holder's ineligibility.

PAYMENT METHODS

- Via telegraphic or online transfer.

- By a crossed cheque or banker's cheque made payable to **"Areca Capital Sdn Bhd".**

WE DO NOT ACCEPT ANY FORM OF CASH PAYMENT (INCLUDING CASH DEPOSIT VIA CASH DEPOSIT MACHINE) AND PAYMENT MADE BY A THIRD PARTY.

INVESTOR MUST NOT MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF THE FUND.

DISTRIBUTION CHANNELS

The Fund is distributed through the Manager's head office, branches and authorised distributors. Please refer to the directory on page 48 or call us at 03-7956 3111 for the list of contacts.

ARECA CAPITAL SDN BHD AS IUTA

The Manager is an IUTA to distribute third party unit trust funds. The Fund may invest into CIS distributed by the Manager. In such circumstances, the Manager will NOT receive any fees or benefits from the distribution of third party funds that the Fund invests in. Any fees received resulting from the Fund's holding in third party CIS will be channelled to the Fund.

CROSS TRADE POLICY

The Manager may undertake cross trades, i.e. sale and purchase transactions between funds or portfolios under the management of the Manager where the:-

i. sale and purchase decisions are in the best interest of the investor;

ii. reason for such transactions is documented prior to execution of the trades;

iii. transactions are executed through a dealer or a Financial Institution on an arm's length and fair value basis;

iv. the policies and procedures governing cross-trades have been approved by the person(s) or members of a committee undertaking the oversight function of the Fund;

v. transactions will be reported to the Trustee and the person(s) or members of a committee undertaking the oversight function of the Fund; and

vi. cross trade transactions are disclosed to both clients.

SOFT COMMISSIONS

The Manager will retain soft commissions received from brokers or dealers, provided that:

(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.

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.

SUSPENSION OF FUND

We may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so.

Where a suspension of dealing of Units is triggered, the Manager will ensure that all Unit Holders are informed in a timely and appropriate manner of its decision to suspend dealing of Units of the Fund.

UNCLAIMED MONEYS POLICY

The Manager will re-invest any moneys payable to Unit Holder in the Fund, if such money remains un-credited to the Unit Holder's bank account after three (3) months from the date of payment, provided always that the Unit Holder still has an account with the Manager. If the Unit Holder no longer has an account with the Manager, the payment of distribution shall be dealt with in accordance with the Unclaimed Moneys Act 1965.

In the event the moneys payable are for the payment of Redemption proceeds and those moneys remain unclaimed for such time as may be prescribed by the Unclaimed Moneys Act 1965, the Manager may deal with the Redemption proceeds in accordance with the Unclaimed Moneys Act 1965.

ANTI-MONEY LAUNDERING POLICIES & PROCEDURES

Money laundering is a process intended to conceal the benefits derived from unlawful activities which are related, directly or indirectly, to any serious offence so that they appear to have originated from a legitimate source. Under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA), any person who –

a) engages, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;

b) acquires, receives, possesses, disguises, transfers, converts, exchanges, carries, disposes of or uses proceeds of an unlawful activity or instrumentalities of an offence;

c) removes from or brings into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence; or

d) conceals, disguises or impedes the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence,

commits a money laundering offence and shall on conviction be liable to imprisonment for a term not exceeding fifteen (15) years and shall also be liable to a fine of not less than five (5) times the sum or value of the proceeds of an unlawful activity or instrumentalities of an offence at the time the offence was committed or five (5) million ringgit, whichever is the higher.

We have anti-money laundering policies in place where investors need to complete the customer information form and the Manager will perform checks on all investors without exception. New investors must provide their identification documents for our verification. No individual/corporation shall be allowed to invest in the funds managed by the Manager if they fail to provide their identity and/or attempt to give a false name or records. If a potential customer refuses to produce any requested information or if a sales personnel does not feel comfortable or is suspicious with the information provided, the transaction will be terminated.

All cases of suspicious transactions must be reported by the relevant staff to the compliance manager. The compliance manager is to obtain relevant information from the relevant staff where applicable and evaluate the evidence and report matters relating to AMLA to the board of directors of the Manager. A suspicious transaction report will then be submitted to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia as well as the SC

THE MANAGER: ARECA CAPITAL SDN BHD

Areca Capital Sdn Bhd was incorporated on 13 July 2006 under the Companies Act, 1965 (now known as Companies Act 2016). Areca Capital Sdn Bhd is a licensed fund manager approved by the SC in February 2007. It is engaged in the business of managing, administering, marketing and distributing unit trust funds and managing and administering funds under private mandates and regulated activity of financial planning and providing investment advice.

DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager's principal duty is to manage and administer the Fund in a proper and efficient manner in accordance with the Deed, the Guidelines, the relevant laws, acceptable and efficacious business practice within the unit trust industry and the internal controls and policies of the Manager. The Manager has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of the Fund and Unit Holders.

ROLES AND FUNCTIONS OF THE BOARD OF DIRECTORS

Board of Directors of Areca Capital Sdn Bhd ("the Board")

The Board plays an active part in the affairs of the Manager. The Board meets at least once every quarter to receive recommendations and reports on investment activities from the person(s) or members of a committee undertaking the oversight function of the Fund and the senior representatives of the Manager. Information on the Board can be found at https://arecacapital.com/our-people/

DESIGNATED FUND MANAGER

Mr. Danny Wong Teck Meng is the designated fund managers responsible for the management of the Fund. Information on Mr. Danny Wong Teck Meng can be found at https://arecacapital.com/our-people/

LITIGATION AND ARBITRATION

As at 30 April 2026, Areca Capital Sdn Bhd is not engaged in any material litigation and arbitration (claims above RM3 million), including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of Areca Capital Sdn Bhd.

You may visit our website at www.arecacapital.com for further information on Areca Capital Sdn Bhd, and the designated fund manager of the Fund.

THE TRUSTEE: RHB TRUSTEES BERHAD

RHB Trustees Berhad was incorporated in Malaysia under the Companies Act, 1965 (now known as Companies Act, 2016) on 6 March 2002. It is registered as a trust company under the Trust Companies Act, 1949 and is also registered with the SC to provide capital market services. The principal activity of RHB Trustees Berhad is providing retail and corporate trustee services. RHB Trustees Berhad has been in the trustee business since 2002.

EXPERIENCE IN TRUSTEE BUSINESS

RHB Trustees Berhad undertakes all types of trustee business allowed under the Trust Companies Act, 1949, ranging from corporate trustee services to retail services. RHB Trustees Berhad offers corporate trustee services such as trustee for real estate investment trusts (REITs), unit trust funds and custodian services. Its retail services include estate planning services (will writing, custodian and executor/trustee services) and private trustee services (private purpose trust, investment trust, charitable trust, insurance trust, business succession trust, estate administration trust, custodian and stakeholder services).

DUTIES AND RESPONSIBILITIES OF THE TRUSTEE

The Trustee's functions, duties and responsibilities are set out in the Deed. The general function, duties and responsibility of the Trustee include, but are not limited to, the following:

a) acting as trustee and safeguarding the rights and interests of the Unit Holders;

b) holding the assets of the Fund for the benefit of the Unit Holders; and

c) exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of the Fund.

The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.

THE TRUSTEE'S DELEGATE

RHB Trustees Berhad has appointed Maybank Islamic Berhad ("MIB") as custodian of the investments of the Fund. MIB is the Islamic banking arm of Malayan Banking Berhad (Maybank), Malaysia's largest financial services group. Established in 2008, it builds on Maybank's Islamic banking operations that began in 1993. Headquartered in Kuala Lumpur, Maybank Islamic offers a full range of Shariah-compliant products and services including consumer banking, corporate banking, investment banking, and takaful. It is regulated under the Islamic Financial Services Act 2013 and supervised by Bank Negara Malaysia. As one of the largest Islamic banks globally by assets, Maybank Islamic plays a leading role in advancing Islamic finance in Malaysia and across ASEAN, aligned with Maybank's mission of "Humanising Financial Services".

The roles and duties of the Trustee's delegate, MSS, are as follows:

- safekeep, reconcile and maintain assets holdings records of the Fund in accordance with the Trustee's instructions;
- act as settlement agent for shares and monies to counterparties in accordance with the Trustee's instructions;
- act as agents for money market placement where applicable in accordance with the Trustee's instructions;
- disseminate listed companies' announcements to and follow through for corporate actions instructions from the Trustee;
- compile, prepare and submit holdings report to the Trustee and beneficial owners where relevant; and
- other ad-hoc payments for work done for the Fund in accordance with the Trustee's instructions, etc.

LITIGATION AND ARBITRATION

As at 30 April 2026, RHB Trustees Berhad is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of RHB Trustees Berhad.

SHARIAH ADVISOR: MASRYEF ADVISORY SDN. BHD.

Masryef specialises in Islamic Banking, Finance and Asset Management where they develop and conduct trainings based on industry practices, provide consultancy, advisory services, assist institutions and businesses in respect of governance on Islamic Finance.
Based in Kuala Lumpur, the heart of Malaysia, Masryef is a registered Shariah Adviser under Securities Commission (SC) Malaysia, Labuan Financial Services Authorities (Labuan FSA), Suruhanjaya Koperasi Malaysia and Malaysia Digital Economic Corporation (MDEC).

Masryef has been offering consultancy and advisory services to over 100 clients for the past 7 years The founders and consultants of Masryef have a combined working experience of over 70 years in various areas of finance and banking of which 50 years were devoted to Islamic Banking and Finance. Their Islamic banking and asset management experience covers the practices of 4 key centers of Islamic finance, namely Kuala Lumpur, Dubai, Riyadh and Abu Dhabi.

DUTIES AND RESPONSIBILITIES

- Advising on compliance with Shariah principles relating to the offering of Islamic flexible asset fund;
- Providing Shariah expertise and giidance on all matters, particularly in documentation, structuring and investment instruments, and ensure compliance with relevant securities laws and guidelines issued by the SnC;
- Ensuring that the applicable Shariah rulings, principles and concepts endorsed by the Shariah Advisory Council are complied with;
- Applying ijtihad (intellectual reasoning) to ensure that all aspects relating to the offering of Islamic flexible asset fund are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the Shariah Advisory Council; and
- Where applicable, issue a Shariah pronouncement, which must include–
    - the basis and rationale for the pronouncement;
    - the structure and mechanism of the Islamic flexible asset fund; and
    - the applicable Shariah rulings, principles and concepts used in the Islamic flexible asset fund.

SALIENT TERM OF THE DEED

UNIT HOLDERS' RIGHTS & LIABILITIES

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

Rights

As a Unit Holder of the Fund, and subject to the provisions of the Deed, you have the right to:

- receive distributions of income and/or capital (if any);
- participate in any increase in the value of the Units;
- call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through a special resolution;
- receive monthly statements, quarterly and annual reports on the Fund;
- exercise such other rights and privileges as provided for in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the assets of the Fund or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such assets.

Liabilities

- No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased and any charges payable in relation thereto.
- A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

UNIT HOLDERS' MEETING

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

(a) requiring the retirement or removal of the Manager;

(b) requiring the retirement or removal of the Trustee;

(c) considering the most recent audited financial statements of the Fund;

(d)giving to the Trustee such directions as the meeting thinks proper; or

(e) considering any matter in relation to the Deed,

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the lesser number.

Every question arising at any Unit Holders' meeting shall be decided in the first instance by a show of hands unless a poll be demanded or, if it be a question which under the Deed requires a special resolution, a poll shall be taken. On a voting by show of hands every Unit Holder who is present in person or by proxy shall have one (1) vote. Upon a voting by poll, the votes by every Unit Holder present in person or by proxy shall have one (1) vote for every Unit held by him.

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, however, if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders shall be two (2) Unit Holders, whether present in person or by proxy. If the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation of the Fund at the time of the meeting. If the Fund has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders.

PERMITTED EXPENSES PAYABLE OUT OF THE FUND'S PROPERTY

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;

b) taxes and other duties charged on the Fund by the government and/or other authorities;

c) costs, fees and expenses properly incurred by the auditor of the Fund;

d) fees for the valuation of any investment of the Fund;

e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;

f) costs, fees and expenses incurred for any meeting of the Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;

g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;

h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;

i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;

j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;

k) costs, fees and expenses incurred in the termination of the Fund or the removal or retirement of the Trustee or the Manager and the appointment of a new Trustee or management company;

l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);

m) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;

n) remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decides otherwise;

o) costs, fees and expenses incurred in connection with the printing and postage for the annual and quarterly reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund;

p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;

q) costs and expenses incurred in relation to the distribution of income and/or capital distribution (if any);

r) fees in relation to fund accounting; and

s) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (r) above.

TERMINATION OF THE FUND

The Manager may without having to obtain the prior approval of the Unit Holders, terminate the trust and wind up the Fund upon the occurrence of any of the following events:

(a) if any new law shall be passed which renders it illegal; or

(b) the Manager and the Trustee agree that it is no longer economical for the Manager to continue managing the Fund and the termination of the Fund is in the best interests of the Unit Holders.

If the Fund is left with no Unit Holder, the Manager shall also be entitled to terminate the Fund.

RELATED-PARTY TRANSACTION AND CONFLICT OF INTEREST

Areca Capital Sdn Bhd

We have in place policies and procedure to deal with any conflict of interest situations. All transactions with related parties are executed on terms that are best available to the Fund and which are no less favourable than arm's length transaction between independent parties.

The fund management team exercises its discretion to make independent investment decisions, which include asset allocations and individual stocks / instrument selection based on fundamental research and analysis. These decisions are informed by considerations such as market outlook, interest rate trends, and the suitability of the investment to the Fund's objectives. The person(s) or members of a committee undertaking the oversight function of the Fund provide oversight on the fund management team's investment strategy and its application to the Fund, ensuring that the investments align with the Fund's investment goals.

Over and above all decisions and steps taken to avoid potential and/or actual conflict of interest, the overarching principle of "the interest of the investor to prevail above all" will be upheld. This is a core principle of the investment approach and underscores the commitment to maintaining the highest levels of integrity and transparency by the Manager.

Our directors or any employees may invest in the Fund managed or distributed by us. Trading in securities by our employees is allowed, provided that policies and procedures in respect of the personal account dealing are observed. An annual declaration of securities trading is required from all directors and employees to ensure there is no potential conflict of interest.

The Manager may pay up to 100% of the fees and charges as commission to distribution partner.

RHB Trustees Berhad

As trustee for the Fund, there may be related party transaction involving or in connection with the Fund in the following events: -

1. where the Fund is being distributed by the related party of the Trustee as IUTA;

2. where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and

3. where the Fund obtains financing as permitted under the Guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit Holders. Any related party transaction is to be made on terms which are best available to the Fund and which are no less favorable to the Fund than an arm's length transaction between independent parties.

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit Holder or enter into any contract or transaction with each other, the Fund or any Unit Holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

ADDITIONAL INFORMATION

You may always contact our team who would be happy to assist you in your:

- enquiry on balance account and market value;
- investment, Redemption, and transfer request;
- request to update personal details; and
- the Fund's NAV or any other queries regarding the Fund's performance.

You may choose to communicate with us via:-

- Telephone : 603 7956 3111
- Facsimile : 603 7955 4111
- E-mail : invest@arecacapital.com

In addition, you may also review the NAV per Unit of the Fund in any major local newspaper or visit our website at www.arecacapital.com to obtain more information on us, our products and services.

Investors can constantly keep abreast of their investment portfolio's via:-

- quarterly report containing information of the Fund, a report on the Fund's performance and financial statements for the accounting period. The quarterly report will be dispatched to all Unit Holders within two (2) months from the close of each financial quarter;
- an annual report containing information of the Fund, a report on the Fund's performance, audited financial statements for the accounting period and auditor's report. The annual report will be distributed (online or otherwise) to all Unit Holders within two (2) months from the close of each financial year; or
- www.arecacapital.com

Investors are advised to keep their statement for record purposes.

In the event of joint accounts, the principal Unit Holder shall receive the confirmation advices, all notices and correspondence with respect to the account, as well as any Redemption proceeds or income distributions.

The Fund is established pursuant to a deed entered into between the Manager and the Trustee dated 15 May 2026.

THE FUND'S ANNUAL REPORT IS AVAILABLE UPON REQUEST.

DIRECTORY

Units can be bought and sold on any Business Day from Monday to Friday at the following locations:

Our offices:

Head Office

107, Blok B, Pusat Dagangan Phileo Damansara I,
No.9 Jalan 16/11, Off Jalan Damansara,
46350 Petaling Jaya, Selangor.
Tel: 603-7956 3111
Email: invest@arecacapital.com

Branches:

Ipoh branch

No. 11, Persiaran Greentown 5,
Greentown Business Centre,
30450 Ipoh, Perak.
Tel: 605-249 6697

Penang branch

368-2-02, Belissa Row,
Jalan Burma, Georgetown,
10350 Pulau Pinang.
Tel : 604-210 2011

Melaka branch

95A, Jalan Melaka Raya 24,
Taman Melaka Raya,
75000 Melaka.
Tel : 606-282 9111

Kuching branch

1st Floor, Sublot 3, Lot 7998,
Block 16, KCLD, Cha Yi Goldland,
Jalan Tun Jugah/Stutong,
93350 Kuching, Sarawak.
Tel : 082-572472

Johor Bahru

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

Kota Kinabalu

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

We may appoint additional third party distributors to distribute the Fund. Please contact us at 03-7956 3111 for the updated list of appointed distributors.



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

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E invest@arecacapital.com
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Pulau Pinang Branch
368-2-02 Belisa Row, Jalan Burma
Georgetown, 10350 Pulau Pinang
T 604 · 210 2011 **F** 604 · 210 2013

Ipoh Branch
11A, (First Floor), Persiaran Greentown 5
Greentown Business Centre, 30450 Ipoh, Perak
T 605 · 249 6697 **F** 605 · 249 6696

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

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

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

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