

Information Memorandum

Areca i-Value Assets Fund

Management Company



Company Registration No. 200601021087 (740840-D)

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

This Information Memorandum is dated 24 June 2022. Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to the Areca i-Value Assets Fund. For information concerning certain Risk Factors which should be considered by prospective investors, see "Risk Factors" commencing on page 16.

RESPONSIBILITY STATEMENTS AND 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 will not be liable for any non-disclosure on the part of Areca Capital Sdn Bhd and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.

SPECIFIC RISK DISCLOSURE STATEMENTS

The Fund is suitable only for Sophisticated Investors who understand the degree of risks involved and believe that the investment is suitable based upon their investment objectives and financial needs; accept the investment strategy of the Fund according to their risk appetite; have no need for liquidity of the investment monies; and who are able to bear the loss of a substantial portion or even all of the money they invest in.

The Fund presents a different risk than other types of funds. The Fund uses Leverage and is riskier than similarly benchmarked funds that do not use Leverage. The Fund may Leverage up to 100% of its NAV and concentrate in a single investment. The Fund may invest in unlisted securities such as private equity and preference share which may be subjected to legal or other restrictions on transfer and which are illiquid. There can be no assurance as to when the investments in the companies invested by the Fund may mature so that gains, if any, can be realised.

Potential Sophisticated Investors are warned that they may not be able to redeem any Units within the first 36 months or longer from the date of investment; subject to the requirement of the underlying assets. 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 specifically to the Fund.

ADDITIONAL STATEMENT

Areca i-Value Assets Fund may only be offered for sale to the Sophisticated Investors and the investors must ensure that they are eligible as the 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 the Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Information Memorandum or the conduct of any other person in relation to the Fund.

NO CASH / THIRD-PARTY PAYMENT POLICY

Areca Capital Sdn Bhd is committed towards safeguarding the interests of our 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, we have embarked on a no-cash / no third-party payment policy; where **ANY FORM OF CASH PAYMENT, CASH DEPOSITS AND THIRD PARTY PAYMENT ARE STRICTLY NOT ALLOWED.**

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GLOSSARY

<p>Business Day</p>	<p>A day on which Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia Securities Berhad, is open for trading;</p>
<p>CMSA</p>	<p>The Capital Markets and Services Act, 2007 including all amendments thereto;</p>
<p>Class of Units</p>	<p>means any class of Units representing similar interests in the assets of the Fund although a class of Units may have different features from another class of Units;</p>
<p>Deed(s)</p>	<p>The deed in relation to the Fund and any other supplemental deeds that may be entered into between the Manager and the Trustee;</p>
<p>Financial Institution</p>	<p>if the institution is in Malaysia –</p> <ul style="list-style-type: none"> i. licensed bank; ii. licensed investment bank; and iii. licensed islamic bank. <p>if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator;</p> <p>“licensed bank” has the same meaning as given under the Financial Services Act 2013;</p> <p>“licensed investment bank” has the same meaning as given under the Financial Services Act 2013;</p> <p>“licensed islamic bank” means a bank licensed under the Islamic Financial Services Act 2013”;</p>
<p>Fund</p>	<p>Areca i-Value Assets Fund;</p>
<p>Guidelines</p>	<p>Guidelines on unlisted Capital Market Products Under the Lodge and Launch Framework as may be amended from time to time;</p>
<p>Islamic CIS</p>	<p>Islamic collective investment schemes which include Islamic exchange traded funds;</p>

<p>Islamic Deposits</p>	<p>Means a sum of money accepted or paid in accordance with Shariah -</p> <p>(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</p> <p>(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;</p> <p>but excludes money paid bona fide -</p> <p>(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;</p> <p>(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;</p> <p>(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</p> <p>(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;</p>
<p>Islamic Liquid Assets</p>	<p>Means any Shariah-compliant permitted investment capable of being converted into cash within seven (7) days;</p>
<p>Information Memorandum</p>	<p>Information Memorandum in relation to the Fund and includes any supplemental or replacement Information Memorandum;</p>
<p>Jointholder</p>	<p>A Sophisticated Investor who holds Units together with another Sophisticated Investor(s);</p>

Leverage	Means using borrowed money, specifically, the use of various financial instruments or borrowed capital to increase the potential return of an investment;
Manager/We/Us	Areca Capital Sdn Bhd;
Medium to Long Term	A period of two to five years;
MYR Class	Class of Units denominated in RM;
NAV	The net asset value of the Fund, which is the value of all the assets attributed to the Fund less the total liabilities attributed to the Fund at the point of valuation;
NAV per Unit	The NAV of the Fund divided by the number of Units in circulation at the valuation point;
Redemption	The redemption 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;
SGD	Means Singapore Dollar;
SGD Class	Class of Units denominated in SGD;
Shariah	Means Islamic law comprising the whole body of rulings pertaining to human conducts derived from the sources of the Shariah namely the Qur`an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (pbuh) and Ijtihad of ulamak (personal efforts by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit);
Shariah Adviser	Refers to Masryef Advisory Sdn. Bhd. (1339966-H);

<p>Shariah Requirements</p>	<p>The requirements which make sure that any human conduct must not involve any elements which are prohibited by the Shariah and that in performing that conduct all the essential elements that make up the conduct must be present and each essential element must meet all the necessary conditions as required by the Shariah for that element;</p>
<p>Sophisticated Investor</p>	<ul style="list-style-type: none"> ▪ An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; ▪ An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding twelve months; ▪ An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding twelve months; ▪ An individual who total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding one million ringgit or its equivalent in foreign currencies; ▪ Any person who acquires the unlisted capital market product where the considerations is not less than RM250,000.00 or its equivalent in foreign currencies for each transaction whether such amount is paid in cash or otherwise; ▪ Chief Executive Officer and directors of licensed or registered persons under the CMSA; ▪ A corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;

	<ul style="list-style-type: none"> ▪ A partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies; ▪ A unit trust scheme or prescribed investment scheme; ▪ A corporation which is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has assets under its management exceeding ten million ringgit or its equivalent in foreign currencies; ▪ A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10 million or its equivalent in foreign currencies; ▪ A closed-end fund approved by the SC; ▪ A statutory body established by an Act of Parliament or an enactment of any State; ▪ A private retirement scheme; ▪ Central Bank of Malaysia established under the Central Bank of Malaysia Act 2009; ▪ A corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding RM10 million or its equivalent in foreign currencies; ▪ A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967; ▪ A holder of a capital markets services licence or an executive director or a chief executive officer of a holder of a capital markets services license; ▪ A licensed institution as defined in the Financial Services Act 2013; ▪ An Islamic bank as defined in the Islamic Financial Services Act 2013;
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	<ul style="list-style-type: none"> ▪ An insurance company registered under the Financial Services Act 2013; ▪ A takaful operator registered under the Islamic Financial Services Act 2013; ▪ A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010; ▪ An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; and ▪ Any other investor as may be defined by the SC from time to time.
Trustee	RHB Trustees Berhad and includes its permitted assigns and successors in title and any new or replacement trustee of the Fund;
Units	Units of the Fund and includes a fraction of a unit of the Fund;
Unit Holder/You	a Sophisticated Investor for the time being who is registered pursuant to the Deed as a holder of Units of a Class of Units, including a Jointholder;
USD	Means United States dollar;
USD Class	Class of Units denominated in USD.

CORPORATE DIRECTORY

MANAGER

Areca Capital Sdn Bhd 200601021087 (740840-D)

Registered Office:

Suite 30C, 3rd Floor, Wisma TCL,
470 Jalan Ipoh, 3rd Mile,
51200 Kuala Lumpur

Business Address:

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

Tel: 603-7956 3111

Fax: 603-7955 4111

Website: www.arecacapital.com

E-mail: invest@arecacapital.com

TRUSTEE

RHB Trustees Berhad 200201005356 (573019-U)

Registered Office:

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: 03-9280 5933

Fax: 03-9280 5204

BOARD OF DIRECTORS

Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin
(Independent Non-executive Director)

Dr. Junid Saham
(Independent Non-executive Director)

Danny Wong Teck Meng
(Non-independent Executive Director)

Edward Iskandar Toh Bin Abdullah
(Non-independent Executive Director)

INVESTMENT COMMITTEE MEMBERS

Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin
(Independent)

Dr. Junid Saham
(Independent)

Dato' Seri Lee Kah Choon
(Independent)

SHARIAH ADVISOR

Masryef Advisory Sdn. Bhd. (1339966-H)

Registered Address:
C-39-G, Star Avenue Commercial Centre,
Jalan Zuhal U5/178, Seksyen U5,
40150 Shah Alam, Selangor

Business Address:
BO1-A-09-1 Menara 2,
KL Eco City,
No.3 Jalan Bangsar,
Kuala Lumpur, 59200 WPKL

AUDITORS

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146)

Level 10, 1 Sentral, Jalan Rakyat, KL Sentral,
50706 Kuala Lumpur, Malaysia.

Tel: 03-2173 1188

Fax: 03-2173 1288

INFORMATION OF THE FUND

ARECA i-VALUE ASSETS FUND									
CATEGORY OF THE FUND	Shariah-Compliant Wholesale Fund with Flexible Asset Allocation								
TYPE OF FUND	Income and Growth								
TRUSTEE	RHB Trustees Berhad								
INVESTMENT OBJECTIVE	<p>The Fund aims to provide a combination of income and incidental capital growth by investing in portfolio shariah-compliant investment.</p> <p>Any material changes to the Fund’s objective would require Unit Holders’ approval.</p>								
ASSET ALLOCATION	Flexible allocation between shariah-compliant fixed income and shariah-compliant equity investment depending on prevailing economic conditions and market outlook.								
BASE CURRENCY	RM								
CLASS OF UNITS	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>MYR</th> <th>USD</th> <th>SGD</th> </tr> </thead> </table> <p>This Fund is established with a multi-class structure which has more than one (1) Class. Investors should note that the Fund is allowed to establish new Class(es) from time to time without prior consent from the Unit holders. For more information on launching of the Class(es), please refer to our company’s website, www.arecacapital.com.</p>			MYR	USD	SGD			
MYR	USD	SGD							
INITIAL OFFER PERIOD (IOP)	30 days from the date of this Information Memorandum. The Manager may shorten the IOP.								
INITIAL OFFER PRICE	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>MYR Class</th> <th>SGD Class</th> <th>USD Class</th> </tr> </thead> <tbody> <tr> <td>RM1.00</td> <td>SGD1.00</td> <td>USD1.00</td> </tr> </tbody> </table>			MYR Class	SGD Class	USD Class	RM1.00	SGD1.00	USD1.00
MYR Class	SGD Class	USD Class							
RM1.00	SGD1.00	USD1.00							

ARECA i-VALUE ASSETS FUND	
FINANCIAL YEAR END	31 st October
INVESTMENT STRATEGY	<p>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.</p> <p>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. The Fund may also invest in shariah-compliant unlisted securities (such as preference shares or private equities), Islamic CIS and placement of Islamic Deposits with Financial Institutions.</p> <p>The Fund may deploy a Medium to Long Term Leverage strategy by leveraging up to 100% of its NAV to enhance, improve or preserve the fund's investment position provided the benefit of leveraging exceeds the cost of engaging the leverage position. The Fund may pledge its assets as collateral to mitigate call risk.</p>
INVESTORS' PROFILE	<p>The Fund is suitable for Sophisticated Investor who:</p> <ul style="list-style-type: none"> • 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. <p>The Units are only offered to Sophisticated Investors (applicable for principal and Jointholder).</p>

ARECA i-VALUE ASSETS FUND

PRINCIPAL RISKS

- Illiquidity risk
- Stock specific risk
- Islamic CIS Risk
- Equity-related securities risk
- Private equity risk
- Concentration risk
- Reclassification of shariah status risk
- Country risk
- Counterparty risk
- Credit and default risk
- Profit rate risk
- Regulatory Risk
- Valuation risk related to the Fund’s assets
- Lack of transparency risk
- Currency risk
- Leverage risk
- Call risk

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;
- Islamic Deposits;
- Any other form of Shariah-compliant investment as may be agreed upon by the Manager and the Trustee from time to time.

ARECA i-VALUE ASSETS FUND	
PERFORMANCE BENCHMARK	<p>Absolute returns of 5.00% p.a.</p> <p>The risk profile of the Fund is different from the risk profile of the performance benchmark. There is no guarantee that the Fund will outperform the performance benchmark.</p>
CHARGES - This table describes the charges that you may directly incur when you buy or redeem Units in the Fund.	
ENTRY FEE (SALES CHARGE)	<p>Up to 4.00% of the net investment amount.</p> <p>Net investment amount is the number of Units at the NAV per Unit.</p>
EXIT FEE	NIL
FEES AND EXPENSES - This table describes the fees that you may indirectly incur when you buy or redeem Units 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. (exclude foreign custodian fee, if any).
PERFORMANCE FEE	<p>The Manager is entitled to a Performance Fee of up to 10% on the net total returns upon redemption or capital distribution, computed on each Unit Holder's account individually.</p> <p>For avoidance of doubt, the net total returns for each Unit Holder's account will be calculated by comparing the net investment amount (including entry fee) to redemption or capital distribution value.</p>

ARECA i-VALUE ASSETS FUND

ANY OTHER FEES PAYABLE INDIRECTLY BY AN INVESTOR

- These include but are not limited to:
- Commissions or fees paid to brokers;
 - Auditor’s fee;
 - Tax adviser’s fee;
 - Shariah adviser’s fee;
 - Valuation fee;
 - Remuneration and out of pocket expenses of the independent members of the investment committee of the Fund;
 - Taxes and other duties charged on the Fund by the government and/or other authorities;
 - Tax vouchers;
 - Annual/quarterly reports/statements;
 - Cost, fees and expenses incurred in relation to the Leverage facilities or any permitted borrowings under the deed;
 - Cost incurred for the modification of the Deed other than those for the benefit of the Manager and/or Trustee; and
 - Cost, 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	MYR Class	SGD Class	USD Class
	RM50,000 or such other limit at the Manager’s discretion.	SGD50,000 or such other limit at the Manager’s discretion.	USD50,000 or such other limit at the Manager’s discretion.
MINIMUM ADDITIONAL INVESTMENT	MYR Class	SGD Class	USD Class
	RM10,000 or such other limit at the Manager’s discretion.	SGD10,000 or such other limit at the Manager’s discretion.	USD10,000 or such other limit at the Manager’s discretion.

ARECA i-VALUE ASSETS FUND									
COOLING-OFF RIGHT	Not available.								
REDEMPTION RESTRICTIONS	You may not be able to redeem your Units within the first 36 months from the investment date. Investors may face difficulties in redeeming their investments as the Manager or a Class of Units is unable to dispose its assets and has insufficient cash.								
REDEMPTION PAYMENT	We will pay you within seven (7) Business Days upon receipt of the duly completed original redemption form.								
MINIMUM REDEMPTION	<table border="1"> <thead> <tr> <th>MYR Class</th> <th>SGD Class</th> <th>USD Class</th> </tr> </thead> <tbody> <tr> <td>RM50,000 or such other limit at the Manager's discretion.</td> <td>SGD50,000 or such other limit at the Manager's discretion.</td> <td>USD50,000 or such other limit at the Manager's discretion.</td> </tr> </tbody> </table>	MYR Class	SGD Class	USD Class	RM50,000 or such other limit at the Manager's discretion.	SGD50,000 or such other limit at the Manager's discretion.	USD50,000 or such other limit at the Manager's discretion.		
	MYR Class	SGD Class	USD Class						
RM50,000 or such other limit at the Manager's discretion.	SGD50,000 or such other limit at the Manager's discretion.	USD50,000 or such other limit at the Manager's discretion.							
However, if the redemption request leaves you with less than the minimum balance, the Manager may require you to fully redeem all the remaining Units; subject to the availability of Liquid Assets.									
MINIMUM BALANCE	<table border="1"> <thead> <tr> <th>MYR Class</th> <th>SGD Class</th> <th>USD Class</th> </tr> </thead> <tbody> <tr> <td>RM50,000 or such other limit at the Manager's discretion.</td> <td>SGD50,000 or such other limit at the Manager's discretion.</td> <td>USD50,000 or such other limit at the Manager's discretion.</td> </tr> </tbody> </table>	MYR Class	SGD Class	USD Class	RM50,000 or such other limit at the Manager's discretion.	SGD50,000 or such other limit at the Manager's discretion.	USD50,000 or such other limit at the Manager's discretion.		
	MYR Class	SGD Class	USD Class						
RM50,000 or such other limit at the Manager's discretion.	SGD50,000 or such other limit at the Manager's discretion.	USD50,000 or such other limit at the Manager's discretion.							
We will, at our sole discretion, requires you to redeem all the Units should the remaining balance is less than the minimum balance; subject to the availability of Liquid Assets.									
SWITCHING FACILITY	Not Available.								
TRANSFER FACILITY	Not available, unless by operations of law or under the provision of the Deed.								

ARECA i-VALUE ASSETS FUND	
CUT-OFF TIME	<p>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.</p> <p>Please refer to our company website for the cut-off time; www.arecacapital.com.</p>
DISTRIBUTION OF INCOME	Incidental, subject to the availability of distributable income.
CAPITAL DISTRIBUTION	<p>The Manager may make capital distribution to the Unit Holders. The capital distribution is pursuant to the maturity of the investment, disposal by Manager or early redemption by issuer, if any and the Manager does not intend to reinvest the investment proceeds.</p> <p>Capital distribution will be made via cancellation of Units where the Manager will redeem Units from Unit Holders at its discretion.</p>
CAPITAL / INCOME DISTRIBUTION REINVESTMENT POLICY	In the absence of any instructions, we will, at our discretion, reinvest the capital and/or income distribution into another unit trust fund as determined by the Manager at the net asset value per unit of the distribution day 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 may subject to taxes and/or duties which the government may impose from time to time.

Unit prices and distributions payable, if any, may decrease as well as increase.

You should read and understand the contents of 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 16.

RISKS FACTORS

GENERAL RISKS OF INVESTING IN A WHOLESALE 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 and/or other factors, which will result in a decline in the fund's net asset value.

- **Manager's Risk**

This risk refers to the day-to-day management of the 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 law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

- **Inflation Risk**

This is the risk that investors' investment in the 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.

- **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 sold and an investment may be worth more or less than when purchased.

SPECIFIC RISKS ASSOCIATED TO THE FUND

- **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.

- **Stock Specific Risk**

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

- **Equity-Related Securities Risk**

The Fund invests in equity-related securities such as rights and warrants, where price movement is dependent on the price movement of the underlying equities. The risk is generally higher than their 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.

- **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.

- **Concentration Risk**

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

- **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 law 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 than 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 will transact most of its investments through financial institutions including but not limited to brokers, dealers and banks. All transactions will carry counterparty risks until the transactions have settled. All deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk. Upon default by a counterparty the Fund may be forced to unwind certain transactions and the Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of the Fund's assets.

- **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.

- **Reclassification 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 24 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.

- **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 net asset value of the Fund. This could materially affect the net asset value of the Fund, particularly if the judgments of the Manager or their third party valuation agents regarding appropriate valuations or pricing should prove incorrect.

- **Leverage Risk**

The Fund obtains investment exposure in excess of its assets, a form of leverage to achieve its investment objective. The Fund may lose more money in market environments adverse to its daily objective than a similar fund that does not employ Leverage. The use of Leverage increases the risk of a total loss of an investor's investment. In addition, the use of Leverage may increase the volatility of the Fund and magnify any differences between the performance of the Fund and its underlying benchmark.

- **Call Risk**

The Fund Leverage and financing facilities may subject to call risk. Call risk refers to the possibilities that the financier may exercise its rights to terminate the financing facilities earlier than expected. The financier may terminate the financing facilities for a number of reasons (e.g. changes in interest rate, the fund's abilities to repay the instalment, insufficient collateral, deterioration of the Fund's credit rating and etc.). If the financier terminates the financing facilities, the Fund may have to terminate the leverage features to repay the financing facilities. The Fund may not be able to recoup the full amount of its initial Leverage amount and may be forced to use the capital for settlement of the financing facilities.

- **Lack of Transparency Risk**

The Fund may not have access to reliable or detailed information, including both general economic data and information concerning the operations, financial results, capitalization and financial obligations of companies invested in certain countries. The quality and reliability of information available to the Fund might be less than what might be available when investing in developed countries. Certain countries may limit the obligations on companies to publish information, which would further restrict the Fund's ability to carry out due diligence. 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 in developed countries.

- **Currency Risk**

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

a) Currency risk at the Fund's portfolio level.

The impact of the exchange rate movement between the base currency of the Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the base currency of the Fund; and

b) Currency risk at the class level.

The impact of the exchange rate movement between the base currency of the Fund and the currency of the respective classes may result in a depreciation of the investor's holdings as expressed in the base currency of the Fund.

In order to manage currency risk, we may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the Class. However, every hedge comes with a cost and will be borne by the respective Class.

Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged but it does not entirely eliminate currency risk between the Class and the base currency of the Fund. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class. You should note that if the exchange rate moves favourably, the Class will

not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging may affect returns of the hedged class.

The abovementioned risks which you should consider before investing into a wholesale 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 the revenue and profit before taxation of 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* from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- dividends* 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.

* 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.

(ii) The 20-per cent benchmark

The 20-per cent benchmark is applicable to the following businesses/activities:

- share trading;
- stockbroking business;
- rental received from Shariah non-compliant activities;
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 20 per cent.

(b) Financial Ratio Benchmarks

The financial ratios applied 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.

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

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.

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.

Transaction Information

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	<p>The official closing price or last known transacted price on the eligible market on which the investment is quoted.</p> <p>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 14 days, or such shorter period as agreed by the Trustee, the investment will be valued at fair value.</p>
Shariah-compliant investment instruments not listed or quoted on an exchange	At fair value as determined in good faith by the Manager.

CALCULATION OF UNIT PRICES

VALUATION POINT

Every Business Day is a Dealing Day for the Funds where the Funds are open for sale and redemption of Units by the Manager. The Fund will be valued at least once every Business Day. Under normal market condition, 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.

If and when the Fund invests in a foreign market, the valuation of the Fund may be carried by 5.00p.m (or such other time as may be permitted by the relevant authorities from time to time) on the following Business Day (T+1 Day).

This is due to certain foreign markets in which the Fund may invest in have yet to close due to the different time zones. As such, the daily NAV of the Fund will be determined on T+1 Day and will be published on T+2.

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 redemption of Units by the Manager (i.e. when you redeem your Units and liquidate your investment) will be carried out at NAV per Unit (the actual value of the Unit). The entry or exit fee (if any) would be computed separately based on your net investment or redemption amount. The single price for investment and redemption of Units shall be the daily NAV per Unit 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 valuation point. The NAV is defines as the total value of the Fund's investment, assets and properties less any liabilities or provisions. Where applicable,

investment income, interest payable, 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 at the valuation point rounded nearest to four (4) decimal places or as agreed between Manager and Trustee.

Illustration 1: Computation of NAV				
		Fund (MYR)	Class MYR (MYR)	Class SGD (MYR)
	Investment	224,607,604.73	67,382,281.42	157,225,323.31
	Multi-class ratio [^]	100%	30%	70%
Add:	Assets	2,320,028.32	696,008.50	1,624,019.82
		226,927,633.05	68,078,289.92	158,849,343.13
Less:	Liabilities	210,751.05	63,225.32	147,525.73
	NAV before deducting annual management fee and annual trustee fee for the day	226,716,882.00	68,015,064.60	158,701,817.40
Less:	Annual management fee for the day (2.00% per annum)	12,422.84	3726.86	8695.98
Less:	Annual trustee fee for the day (0.07% per annum)	434.78	130.43	304.35
	NAV	226,704,024.38	68,011,207.31	158,692,817.07

[^]Multi-class ratio is apportioned based on the size of the Class relative to the whole Fund. This means the multi-class ratio is calculated by taking the value of a Class for a particular day and dividing it with the value of the Fund for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

NAV PER UNIT

The NAV per Unit is then determined by dividing the NAV of the Fund by the number of Units in circulation at the valuation point.

Illustration 2: Computation of NAV per Unit				
		Fund (MYR)	Class MYR (MYR)	Class SGD (MYR)
	NAV	226,704,024.38	68,011,207.31	158,692,817.07
Divide:	Units in circulation	95,403,188	60,420,956	34,982,232
	NAV per Unit of the Class (MYR)		RM1.1256	RM4.5364
	Conversion to SGD (at SGD1:MYR3.00 exchange rate)			SGD1.1512

Computation of Net Investment Amount and Units Entitlement

- A. 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% + 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.

- B. 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.

CALCULATION OF REDEMPTION VALUE

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

INCORRECT VALUATION AND PRICING

The Manager will take immediate remedial action to rectify in the event of incorrect valuation or pricing. Where the incorrect valuation or pricing is at or above the threshold of 0.5% 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 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 company constitution*, certificate of incorporation* (if applicable), Latest Return of Allotment of Shares*, latest particulars in register of directors, managers and secretaries and change of particulars*, latest Notice of Situation of Registered Office, board resolution relating to the investment and other related documents required by the Manager.

* or any other equivalent documentation issued by the authorities

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

Areca i-Value Assets 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.

The minimum initial investments and the minimum additional investment for Units in any of the Fund are as follows:

Minimum Initial Investments			Investment Notice
MYR Class	SGD Class	USD Class	Before cut-off time On any Business Day
RM50,000 or such other limit at the Manager's discretion.	SGD50,000 or such other limit at the Manager's discretion.	USD50,000 or such other limit at the Manager's discretion.	
Minimum Additional Investments			
MYR Class	SGD Class	USD Class	Before cut-off time on any Business Day
RM10,000 or such other limit at the Manager's discretion.	SGD10,000 or such other limit at the Manager's discretion.	USD10,000 or such other limit at the Manager's discretion.	

The minimum initial investment and minimum additional investments are applicable for both direct investment through Manager and third party distributors including IUTA. We will process your application on the next Business Day if we receive your application after the cut-off time.

DISTRIBUTION CHANNELS

The Fund is distributed through the Manager's head office, branches and authorized distributors. Please refer to the directory on page 53 or call us at 03-7956 3111 for list of contacts.

PAYMENT METHODS

- Via telegraphic or online transfer.
- By a crossed cheque or banker's cheque made payable to "**Areca Capital Sdn Bhd-CTA**".

WE DO NOT ACCEPT ANY FORM OF CASH PAYMENT AND PAYMENT MADE BY A THIRD PARTY.

INVESTOR SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

REDEMPTION

You will not be able to redeem your Units within the first 12 months or longer from the investment date; subject to the requirement of the underlying investment.

Please note that you might not be able to redeem Units if the Fund is not able to dispose its assets and has insufficient cash.

Considering the illiquidity of the Fund's assets, the Manager may pay the Unit Holder in cash or other consideration for the redemption of the Units. Where redemption of Units other than for cash, such consideration is subject to the the consent of the respective Unit Holders in writing and approval from the Trustee.

You must submit the completed redemption form in the following manner;

Minimum Redemption			Redemption Notice
MYR Class	SGD Class	USD Class	Redemption notice must be submitted before cut-off time on any Business Day
RM50,000 or such other limit at the Manager's discretion.	SGD50,000 or such other limit at the Manager's discretion.	USD50,000 or such other limit at the Manager's discretion.	
<p>If the Redemption request leaves you with less than Minimum Balance, We will, at our sole discretion, require you to redeem all the remaining balance Units; subject to the availability of liquid Assets.</p>			

We will not process your application if we receive your application after the cut-off time. If the application date falls on a weekend or holiday, your transaction date will take place on the next Business Day.

We will pay you within seven (7) Business Days, upon receipt of the duly completed original redemption form.

SUSPENSION OF FUND

We may, after consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing of Units due to exceptional circumstances, where there is good and sufficient reason to do so having regard to the interests of the Unit Holders. In particular, the redemption of Units may be suspended or deferred due to unusual market conditions or where massive liquidation of assets is required.

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 the decision to suspend dealing of Units of the Fund. For avoidance of doubt, a suspension of dealing in Units can apply to one or

more classes of Units without being applied to the other classes if it is in the interests of the Unit Holders of such class(es) of Units.

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 banking account after three (3) months from the date of payment. The unclaimed money shall exclude Redemption proceeds where it shall be dealt with in accordance with the provisions of the Unclaimed Moneys Act, 1965.

SOFT COMMISSION

The Manager will retain soft commissions received from stockbrokers, 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 stockbrokers 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 stockbroker, and the 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.

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 financial institution on an arm's length and fair value basis;
- iv. The policies and procedures governing cross-trades have been approved by the investment committee of the Fund; and
- v. Transaction will be reported to the trustee and investment committee.

THE MANAGER: ARECA CAPITAL SDN BHD

Areca Capital Sdn Bhd was incorporated on 13 July 2006 under the Companies Act, 1965. Areca is a licensed fund manager approved by the SC in February 2007. We are 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. We launched our 3 maiden funds in April 2007.

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 and 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.

LITIGATION AND ARBITRATION

As at 31st May 2022, Areca Capital Sdn Bhd 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 Areca Capital Sdn Bhd.

ROLES AND FUNCTIONS OF THE BOARD OF DIRECTORS AND INVESTMENT COMMITTEE

Board of Directors of Areca Capital Sdn Bhd ("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 investment committee of the Fund and the senior representatives of the Manager.

Investment Committee of the Fund

The investment committee is fully responsible for the Fund's investment policies and guidelines, and shall review and approve the investment strategies undertaken by the fund managers for the Fund. The investment committee meets every month or more frequently if required.

Designated Fund Manager

Mr. Danny Wong Teck Meng is the designated fund manager responsible for the management of the Fund.

THE TRUSTEE: RHB TRUSTEES BERHAD

RHB Trustees Berhad was incorporated in Malaysia under the Companies Act, 1965 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 conduct unit trust business. 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 Malayan Banking Berhad ("MBB") as custodian of the investments of the Fund. Malayan Banking Berhad ("Maybank") was established in 1960 and it is the largest financial services group in Malaysia. Maybank is one of the leading domestic Custodian Banks in Malaysia provides full fledge securities solutions services which includes domestic and global custody & clearing services, fund accounting services and transfer agency services. Maybank partner with reputable Global Custodian Banks offering global custody services in more than 100 different markets around the world. The custodian services function is run under Maybank Securities Solutions ("MSS"), a business unit within Maybank. Maybank have a proven track record in servicing diverse clients segments covering institutional investors, financial institutions banks, insurance companies, asset and fund management companies, government-linked companies, conglomerate companies and high net worth individual investors. On top of the numerous awards and accolades by the financial publications magazine in the past years, Maybank have recently been awarded as the Best Domestic Custodian – Highly Commended in Malaysia by the Triple A Asset Asian Awards 2020.

Roles and duties of the trustee's delegate, MSS, are as follow:

- Safekeep, reconcile and maintain assets holdings records of funds against trustee's instructions;
- Act as settlement agent for shares and monies to counterparties against trustee's instructions;
- Act as agents for money market placement where applicable against trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from trustee;
- Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and

- Other ad-hoc payments for work done for the funds against trustee's instructions, etc.

LITIGATION AND ARBITRATION

As at 31st May 2022, 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 Advisory is an Islamic Financial advisory house specializing in three core functions which are:

1. Structuring & developing shariah-compliant products.
2. Conducting independent review of procedures manual and process.
3. Designing tailored training programs based on industry practices and cutting edge-based knowledge enrichment.

Based in Kuala Lumpur, the heart of Malaysia, Masryef is a registered Shariah Adviser under Securities Commission (SC) Malaysia and a partner of Malaysia Digital Economic Corporation (MDEC).

Masryef has been offering consultancy and advisory services to over 30 clients for the past 3 years standing by over than 50 years of experienced founders and consultants. Parallel to Malaysia's aspiration as a leading global Islamic finance hub, we have worked together with regulators, experts in the field and industry players. Passionate in Islamic Finance and Banking, we have now expanded to Nigeria by affiliating with Marble Capital. Masryef also is the leading Shariah advisor in the Islamic Fintech field.

DUTIES AND RESPONSIBILITIES

- Advising on compliance with Shariah principles relating to the offering of Islamic flexible asset fund;
- Providing Shariah expertise and guidance on all matters, particularly in documentation, structuring and investment instruments, and ensure compliance with relevant securities laws and guidelines issued by the SC;
- Ensuring that the applicable Shariah rulings, principles and concepts endorsed by the Shariah Advisory Council are complied with;
- Applying ijthihad (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.

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
- 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 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 dispatched to all Unit Holders within 2 months from the close of each financial year;
- Areca Online at www.arecacapital.com

Investors are advise to keep their statement for record purposes.

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

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 THEREAT AND THE RIGHT TO HAVE YOUR PARTICULARS APPEARING IN THE REGISTER OF UNIT HOLDERS OF THE FUND).

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, 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.
- 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 or a particular Class of Units, 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 show of hands every Unit Holder who is present or by proxy shall have one vote.

The quorum for a meeting of Unit Holders of the Fund is five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund or a Class of Units has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a Class of Units 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 or a particular Class at the time of the meeting.

TERMINATION OF THE FUND

The Manager may terminate a particular Class of Units via the passing of a special resolution by the Unit Holders of such Class of Units at a meeting of such Unit Holders, and subject to and in accordance with the relevant laws. The Manager may only terminate a particular Class of Units if the termination of that Class of Units does not prejudice the interests of Unit Holders of any other Class of Units. For the avoidance of doubt, the termination of a Class of Units shall not affect the continuity of any other Class of Units of the Fund. Notwithstanding the aforesaid, the Manager may also, in its sole discretion and without having to obtain the prior consent of the Unit Holders, terminate a particular Class if the Manager and the Trustee agree that it is no longer economical and to the best interests of the Unit Holders for the Manager to continue managing the Class.

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 and 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 customer information form and the Manager will perform check on all investors without exception. New investors must provide their identification documents for our verification. No individual/ corporation

shall be allowed to do business with 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 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 AML to the Board of Director. A suspicious transaction report will then be submitted to the Financial Intelligence and Enforcement Department of BNM as well as the SC.

DIRECTORY

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

HEAD OFFICE:

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

Tel: 603-7956 3111
Fax: 603-7955 4111
Email: invest@arecacapital.com

BRANCHES:

IPOH

11A, (First Floor),
Persiaran Greentown 5,
Greentown Business Centre,
30450 Ipoh, Perak.

Tel: 605-249 6697
Fax : 605-249 6696

MELAKA

95A, Jalan Melaka Raya 24,
Taman Melaka Raya,
75000 Melaka.

Tel : 606-282 9111
Fax : 606-283 9112

JOHOR BHARU

No. 105, Jalan Meranti Merah,
Taman Melodies,
80250 Johor Bahru.

Tel: 07-336 3689

PENANG

368-2-02 Belissa Row,
Jalan Burma, Georgetown,
10350 Pulau Pinang.

Tel : 604-210 2011
Fax : 604-210 2013

KUCHING

1st Floor, Sublot 3, Lot 7998,
Block 16, KCLD, Cha Yi Goldland,
Jalan Tun Jugah, Slutong,
93350 Kuching, Sarawak.

Tel: 082-572472

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.



ARECA CAPITAL SDN BHD 200601021087(740840-D)

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

T 603 7956 3111 **F** 603 7955 4111

E invest@arecacapital.com

www.arecacapital.com

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