

Information Memorandum

Areca Islamic Cash Fund

Management Company



(740840-D)

Trustee
RHB Trustees Berhad (573019-U)

Shariah Adviser
ZICO Shariah Advisory Services Sdn Bhd (Formerly known as ZICOLaw Shariah Advisory Services Sdn Bhd)

This Information Memorandum is dated 18 June 2015. Investors are advised to read the Information Memorandum and obtain professional advice before subscribing to the Areca Islamic Cash Fund. For information concerning certain Risk Factors which should be considered by prospective investors, see "Risk Factors" commencing on page 11.

PREFACE

Dear Investors,

Thank you for investing with Areca Capital Sdn Bhd. This Information Memorandum contains information relating to the Areca Islamic Cash Fund ("AICF"), a Shariah-compliant fund.

The information in this Information Memorandum will give you a better understanding of the Fund's features before making any investment decisions.

AICF seeks to offer investors regular income. The Fund is suitable for investors with Short-Term investment horizon, with a low risk tolerance and seek potential income from Shariah-compliant investment.

Investors are advised to consider the different types of risks that may affect the performance of the Fund. You may refer to page 11 for detailed information on the specific risks investing in the Fund.

There are fees and charges involved when you invest in the Fund. List of fees and charges can be found on page 19.

If you have any queries on our Fund, please feel free to contact our Investor Care at 03- 7956 3111 or email us at invest@arecacapital.com.



DANNY WONG TECK MENG
CEO/EXECUTIVE DIRECTOR

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 has authorized the Fund, the subject of this Information Memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

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.

RISK DISCLOSURE STATEMENTS

In the event some of the underlying investments of the Areca Islamic Cash Fund are not actively traded, potential investors are warned that under such circumstances, they may face difficulties in redeeming their investments.

Investors are advised to read and understand the contents of this Information Memorandum and obtain professional advice before subscribing to the units of the Fund.

Areca Islamic Cash Fund has been certified as Shariah-compliant by the Shariah Adviser appointed for the Fund.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT PROFESSIONAL ADVISERS IMMEDIATELY.

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GLOSSARY

BNM	Bank Negara Malaysia;
Bursa Malaysia	Bursa Malaysia Securities Berhad, the stock exchange managed or operated by Bursa Malaysia Berhad;
Business Day	A day on which Bursa Malaysia is open for trading;
CMSA	The Capital Markets and Services Act, 2007 including all amendments thereto;
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;
FIMM	Federation of Investment Managers Malaysia;
Financial Institution	(a) if the institution is in Malaysia – (i) licensed bank; (ii) licensed investment bank; (iii) Islamic bank; (b) if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised to provide financial services by the relevant banking regulator;
Fund	Areca Islamic Cash Fund;
Fund Manager	A person who holds a capital market services representative's licence to carry on the regulated activity of fund management;
GST	Goods and Services Tax;
Guidelines	Guidelines on Wholesale Funds issued by the Securities Commission Malaysia as may be amended from time to time;
Information Memorandum	Information Memorandum in relation to the Fund and includes any supplemental or replacement Information Memorandum;
Islamic Bank	Means a bank licensed under the Islamic Financial Services Act 2013;

Islamic Deposits	Means Islamic deposits where a sum of money is accepted and will be repaid in full, with or without any gains, in accordance with Shariah;
Islamic Investment Account	Cash placement with licensed financial institution for the purpose of investments, including for the provision of finance, in accordance with Shariah principles which are Mudarabah, Musyarakah and Wakalah investment accounts;
IUTA	Institutional unit trust adviser, which is an institution, body or organisation that is registered with the FIMM to market and distribute unit trust;
Jointholder	A person who holds Units together with another person or persons;
Licensed Bank	Means a bank licensed under the Financial Services Act 2013;
Licensed Investment Bank	Means an investments bank licensed under the Financial Services Act 2013;
Liquidation	The repurchase by the Manager of the Units owned by the Unit Holders upon a proper redemption request;
Manager/We/Us	Areca Capital Sdn Bhd;
NAV	The Net Asset Value of the Fund, which is the value of all the assets of the Fund less the total liabilities of the Fund at the valuation point; for the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund should be inclusive of the management fee and trustee fee for the relevant day;
NAV per Unit	The NAV of the Fund divided by the number of Units in circulation at the valuation point;
SCSAC	SC's Shariah Advisory Council;

Shariah	The Islamic Law comprising the whole body of rulings pertaining to human conducts derived from the sources of the Shariah. The primary sources are the Quran and the Sunnah while the secondary ones are those established sources such as Ijma' (consensus), Qiyas (analogical reason), Maslahah (public interest), Istihsan (juristic preference), Istihab (presumption of continuity), 'Uruf (custom) and Sadd Zara'ie (blocking of means);
Shariah Adviser	ZICO Shariah Advisory Services Sdn Bhd (ZICO Shariah);
SC	The Securities Commission Malaysia which was established under the Securities Commission Act 1993;
Short-Term	A period of less than 3 years;
Sophisticated Investor	Any person who comes within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the Capital Markets and Services Act 2007;
Sukuk	Certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts approved by the Shariah Advisory Council of the Securities Commission Malaysia;
Trustee	RHB Trustees Berhad;
Units	Units of the Fund and includes a fraction of a unit of the Fund;
Unit Holder/You	A person 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 (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: 03-7956 3111, Fax: 03-7955 4111

Website: www.arecacapital.com

E-mail: invest@arecacapital.com

TRUSTEE

RHB Trustees Berhad (573019-U)

Registered office

Level 9, Tower One, RHB Center, Jalan Tun Razak, 50400 Kuala Lumpur

Tel: 03-2078 8363, Fax: 03-20709387

Business Address:

6th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur

Trustee's Delegate (as Custodian) :

Malayan Banking Berhad (3813-K)

Maybank Custody Services - Transaction Banking, Global Wholesale Banking
4th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur.

SHARIAH ADVISER

ZICOSHariah Advisory Services Sdn Bhd (formerly known as ZICOLaw Shariah Advisory Services Sdn Bhd) (769433-D)

Business Address:

Suite 2-4, Level 2, Tower Block, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur

Tel No : 03-2087 9999

Fax No : 03-2094 4888

<p>Board of Directors</p> <p>Dato' Wee Hoe Soon @ Gooi Hoe Soon (Independent)</p> <p>Dr. Junid Saham (Independent)</p> <p>Danny Wong Teck Meng (Executive)</p> <p>Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin (Non-Independent)</p>	<p>FIMM</p> <p>Federation of Investment Managers Malaysia</p> <p>19-6-1, 6th Floor, Wisma Tune, 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.</p> <p>Tel:03-2093 2600</p> <p>Fax: 03-2093 2700</p> <p>Website: www.fimm.com.my</p> <p>Email: info@fimm.com.my</p>
<p>AUDIT COMMITTEE MEMBERS</p> <p>Dato' Wee Hoe Soon @ Gooi Hoe Soon (Independent)</p> <p>Danny Wong Teck Meng</p> <p>Dr. Junid Saham (Independent)</p>	<p>AUDITORS</p> <p>PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M)</p> <p>Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O Box 10192, 50706 Kuala Lumpur.</p> <p>Tel: 03-21731188</p> <p>Fax: 03-2173 1288</p>
<p>INVESTMENT COMMITTEE MEMBERS</p> <p>Dato' Wee Hoe Soon @ Gooi Hoe Soon (Independent)</p> <p>Dr. Junid Saham (Independent)</p> <p>Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin (Non-Independent)</p>	<p>TAX ADVISERS</p> <p>PricewaterhouseCoopers (AF1146)(3642-P)</p> <p>Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O Box 10192, 50706 Kuala Lumpur.</p> <p>Tel: 03-21731188</p> <p>Fax: 03-2173 1288</p>
<p>COMPANY SECRETARY</p> <p>Ng Bee Chin (MAICSA 0858126)</p> <p>Suite 30C, 3rd Floor, Wisma TCL, 470, Jalan Ipoh, 3rd Mile, 51200 Kuala Lumpur.</p> <p>Tel: 03-4044 9811</p> <p>Fax: 03-4044 9822</p>	<p>SOLICITOR</p> <p>Naqiz & Partners</p> <p>42A, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.</p> <p>Tel: 03-2081 7888</p> <p>Fax: 03-2081 7886</p>
<p>PRINCIPAL BANKERS</p> <p>Malayan Banking Berhad (3813-K)</p> <p>No 8 & 10, Jalan SS2/63, 47300 Petaling Jaya.</p> <p>Standard Chartered Bank Malaysia Berhad (115793-P)</p> <p>Level 16, Menara Standard Chartered, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur.</p>	

KEY DATA OF THE FUND

FUND	Areca Islamic Cash Fund
CATEGORY OF THE FUND	Islamic Fixed Income (Wholesale)
TYPE OF FUND	Income
TRUSTEE	RHB Trustees Berhad
INVESTMENT OBJECTIVE	Seek to offer investors regular income*.
ASSET ALLOCATION	<ul style="list-style-type: none"> ▪ <u>Islamic fixed income securities</u> 0 - 30% of the NAV of the Fund (at time of purchase) ▪ <u>Islamic money market instruments (other than those instruments classified as Islamic liquid assets), Islamic Deposits and placement with Islamic Investment Account and other Islamic liquid assets</u> Remaining balance of the NAV of the Fund
INVESTMENT STRATEGY	The Fund may invest up to 30% of its NAV in Islamic fixed income securities including Ringgit denominated Sukuk and invest the remaining NAV in Short-Term Islamic money market instruments and Islamic Deposits and placement with Islamic Investment Account with different maturity periods to meet the objective of the Fund.
PRINCIPAL RISKS	<ul style="list-style-type: none"> ▪ Liquidity Risk ▪ Credit Risk ▪ Interest rate risk ▪ Shariah Non-Compliance Risk
PERFORMANCE BENCHMARK	Maybank Islamic 1 month REPO rate
* income could be in the form of Units or cash. Please refer to page 25 for further details on income distribution and reinvestment policies.	

FUND	Areca Islamic Cash Fund
INVESTORS' PROFILE	<ul style="list-style-type: none"> ▪ Have a low risk tolerance; ▪ Have Short-Term investment horizon; ▪ Seek potential income from Shariah-compliant investment.
DEED THAT GOVERN THE FUND	The deed dated 3 June 2015
FINANCIAL YEAR END	30 September
QUALIFICATION OF INVESTMENT	The Units are only offered to Sophisticated Investor.
INITIAL OFFER PERIOD	1 day commencing from the launch date.
INITIAL OFFER PRICE	RM1.0000
CHARGES - This table describes the charges that you may directly incur when you buy or redeem Units in the Fund.	
ENTRY FEE (SALES)	NIL
TRANSFER FEE	NIL
FEES AND EXPENSES - This table describes the fees that you may indirectly incur when you buy or redeem Units in the Fund.	
ANNUAL MANAGEMENT FEE	0.75% p.a. of NAV of the Fund.
ANNUAL TRUSTEE FEE	0.05% p.a. of NAV of the Fund.

FUND	Areca Islamic Cash Fund
ANY OTHER FEES PAYABLE INDIRECTLY BY AN INVESTOR	<p>These include but are not limited to:</p> <ul style="list-style-type: none"> ▪ Commissions paid to dealers; ▪ Auditor’s fee; ▪ Tax adviser’s fee; ▪ Valuation fee; ▪ Taxes; ▪ Tax vouchers; ▪ Annual/quarterly reports/statements; and ▪ Cost incurred for the modification of the Deed other than those for the benefit of the Manager or Trustee 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.
<p><i>Please refer to page 19 for further details on fees and charges.</i></p> <p><i>There are fees and charges involved and investors are advised to consider the fees and charges before investing in the Fund.</i></p> <p><i>The above fees and charges are exclusive of goods and services tax and/or duties as may be imposed by the government and/or the relevant authorities from time to time.</i></p>	
TRANSACTIONS	
MINIMUM INITIAL INVESTMENT	RM100,000 or such other limit at the Manager’s discretion.
MINIMUM ADDITIONAL INVESTMENT	RM10,000 or such other limit at the Manager’s discretion.

FUND	Areca Islamic Cash Fund
MINIMUM LIQUIDATION	RM10,000 or 10,000 Units or such other limit at the Manager's discretion. However, if the liquidation request leaves an investor with less than 10,000 Units (minimum balance), the investor may be required to make an application for the Manager to liquidate all the investor's Units.
MINIMUM BALANCE	10,000 Units or such other limit at the Manager's discretion.
LIQUIDATION NOTICE/ FREQUENCY	<p>1 Business Day prior to liquidation (i.e. T-1 day). However, a liquidation notice must be submitted before 3.30p.m on T-1 day for processing.</p> <p>There is no limit on the frequency of liquidation.</p>
LIQUIDATION PAYMENT	Payment will be made on the next Business Day of the transaction day (i.e. T+1 day) under normal circumstances. However, under specific conditions such as under liquidity constraint conditions, payment may be made within 10 days upon receipt by the Manager of the duly completed original liquidation form.
COOLING-OFF RIGHT	Within 6 Business Days commencing on the date of receipt of the application for Units by the Manager. Applicable for initial investment by investors in any funds managed by the Manager for the first time only. Not applicable to corporation or institution, a staff of the Manager and persons registered with a body approved by the SC to deal in unit trusts.
SWITCHING FACILITY	Not Available.
TRANSFER FACILITY	Not Available.
DISTRIBUTION OF INCOME	At least twice a year, subject to availability of distributable income.

FUND	Areca Islamic Cash Fund
INCOME RE-INVESTMENT POLICY	In the absence of instructions to the contrary from a Unit Holder, the Manager is entitled to reinvest the income distributed from the Fund in additional Units at the NAV per Unit at the end of the distribution day with no entry fee.

Please refer to page 21 for further details on transaction information.

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

Prospective investors may contact our investor care at 03-7956 3111 for further information on the Fund.

RISK 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 the Unit Trust Fund

- **Market Risk**

Market risk inherently exists in any market and cannot be avoided by any business or company. Uncertainties in economic and socio-political environment of a particular market may affect a fund's investments in that market negatively and consequently, its unit prices as well.

- **Inflation/Purchasing Power Risk**

Inflation risk is the risk of potential loss in the purchasing power of your investment due to a general increase of consumer price. Inflation will erode the value of the investment returns and the worth of the investment itself. Investor's returns from the fund may not be in-line with the inflation rate and hence reduce their purchasing power.

- **Fund Management Risk**

A fund may underperform its benchmark due to the experience, knowledge and expertise of the manager and the investment strategies adopted. A fund manager who lacks experience and knowledge may make poor or wrong forecasts of the performance stocks or markets. The fund manager may also adopt investment strategies which are not suitable for a fund or current market situations; for instance, whether to take temporary defensive positions at the right time. All these may affect the fund's performance negatively and as such, may result in the fund under-performing the benchmark.

- **Loan Financing Risk**

Investors must be aware of the inherent risk involved with margin of financing for investments including their ability to service its financing instalments, which may be affected by increase in cost of financing or unforeseen circumstances, such as loss of a regular income stream. Investors may be required to pledge

units held in a fund or any other assets as collateral to cover the margin of financing. In the event units are used as collateral, an investor may be required to provide cash or units as additional collateral if the unit prices fall beyond a certain level. If the additional collateral is not made within the prescribed time, the investors' units may be sold towards settling such financing.

- **Risk of Non-Compliance**

This is the risk that the manager does not adhere to relevant laws, regulations and guidelines that govern the investment management and operations of a fund or a fund's investment mandate stated in the deed. Non-compliance could occur due to internal factors such as weaknesses in operational processes and systems. Non-compliance risk may adversely affect the investment of the fund. The manager may be forced to sell the investments of the fund at a discount to rectify the non-compliance. This risk is mitigated by having sufficient internal controls in place and compliance monitoring program.

- **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 with the investment portfolio of Areca Islamic Cash Fund

- **Liquidity Risk**

Liquidity risk refers to the ease at which an instrument can be sold at or near its fair value depending on the volume traded on the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund may be negatively affected when it has to sell such assets at unfavourable prices. To mitigate liquidity risk, the Manager will continuously conduct research and analysis work to actively manage the asset allocations.

- **Credit Risk**

Credit risk arises when there is a possibility that the issuer of Islamic fixed securities and Islamic money market instruments is unable to pay the interest/profit due or the principal repayment on time leading to a default by the issuer. An issuer suffering adverse change in its financial condition could have the credit rating of the Islamic fixed securities and Islamic money market instruments lowered. Any adverse situations faced by the issuer may impact the

value as well as liquidity of the instruments. This risk is mitigated by carrying out continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer.

- **Interest Rate Risk**

This risk relates to unforeseen movements in the direction of interest rates. Interest rate movements can lead to fluctuations in Islamic fixed securities prices. Islamic fixed securities prices generally move in the opposite direction of interest rate, that is, any increase in interest rate will lead to a reduction in the Islamic fixed securities prices, thus affecting the valuation of the Fund.

(Note: The interest rate mentioned above will have an impact on the management of the Fund, regardless whether it is a Shariah-compliant Fund or otherwise. It does not anyway suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with the Shariah requirements.)

- **Shariah Non-Compliance Risk**

This risk refers to the risk that the currently held Shariah-compliant instruments and Islamic Deposits and investment placement in the Fund may be reclassified as Shariah non-compliant in the periodic review of the instruments by the, SCSAC, the Shariah Advisory Council of Bank Negara Malaysia (SAC), the Shariah Adviser or the Shariah boards of the relevant Islamic indices or Financial Institutions. If this occurs, the Manager will take the necessary steps to dispose such instruments according to Shariah requirements, subject to the approval of the Shariah Adviser.

The abovementioned risks which investors should consider before investing into the Fund should not be considered to be an exhaustive list. Investors should be aware that investments in the Fund may be exposed to other risks of an exceptional nature from time to time.

Risk Management

The Manager adopts various risks management strategies to mitigate and diversify the inherent risks associated to the Fund. The fund manager conducts fundamental analysis of economic and socio-political environment of a particular market to evaluate their likely effect on the performance of that market and any risks associated with them. For credit management, the fund manager will carry out fundamental credit research and analysis. The Manager will maintain a sufficient

level of liquid assets to ensure that the Fund is able to meet the short term expenses and liquidation request from Unit Holders. Asset allocations and the investment of the Fund are monitored regularly by the compliance department who reports monthly to the investment committee.

Another risk management measure is to adopt a temporary defensive strategy during adverse market conditions as further explained below.

Temporary Defensive Position

The Fund may take a temporary defensive position, which may be inconsistent with the Fund' investment strategy, in attempting to respond to adverse economic, political or any other market conditions such as changes in interest rate policy or the introduction of a new policy which may affect Ringgit denominated Sukuk or Islamic money market instruments. These measures include increasing the Fund' exposure in cash.

In general, the temporary defensive position shall be taken for a period of not more than 6 months with prior approval from the investment committee. However, the period may be extended with the approval of the investment committee during prolonged adverse market conditions.

FUND DETAILS

Investment Objective

The Fund seeks to offer investors regular income*.

Note: Any material changes to the investment objective would require Unit Holders' approval.

* *income could be in the form of Units or cash.*

Asset Allocation

Asset Class	% of NAV
Islamic fixed income securities	0-30% of the NAV (At time of purchase)
Islamic money market instruments (other than those classified as Islamic liquid assets), Islamic Deposits and placement with Islamic Investment Account and other Islamic liquid assets	Remaining balance of the NAV of the Fund

Investment Strategy

The Fund may invest up to 30% of its NAV in Islamic fixed income securities including Ringgit denominated Sukuk with the remaining of its NAV in Short-Term Islamic money market instruments, Islamic Deposits and placement with Islamic Investment Account and other Islamic liquid assets. However, the Fund may continue to hold its investment in Islamic fixed income securities even if the holdings exceeds 30% of its NAV due to appreciation or depreciation of the NAV of the Fund, whether as a result of an appreciation or depreciation in value of the investments, or as a result of repurchase of Units or payments made by the Fund. The minimum credit rating of the Islamic fixed income securities and Islamic money market instruments that the Fund shall invest in is the credit rating of 'P2/A3' by RAM or such equivalent rating by other rating agencies. Under normal circumstances, the weighted average duration of the investments is expected to be not more than 24 months.

Investors' Profile

The Fund is suitable for investor who:

- Have Short-Term investment horizon;
- Have a low risk tolerance; and
- Seek potential income from Shariah-compliant investment.

Permitted Investments

Unless otherwise prohibited by the relevant authorities or any relevant laws and provided always that there are no inconsistencies with the objective of the Fund, the Fund may invest in the following:

- Government Investment Issues (GII), Islamic Accepted Bills, Bank Negara Negotiable Notes, Negotiable Islamic Debt Securities, Islamic Negotiable Instruments of Deposits (INID), Cagamas Mudharabah Bonds and any other government Islamic papers;
- Ringgit Denominated Sukuk;
- Other Shariah-compliant obligations issued or guaranteed by the government of Malaysia or BNM or any state government in Malaysia;
- Islamic Deposits and placement with Islamic Investment Account ;
- Shariah-compliant derivatives for hedging purposes only;
- Islamic structured products where the underlying securities/instruments are Shariah-compliant, such as Shariah-compliant options, commodities futures, currencies or Islamic profit rate swaps; and
- Any other form of Shariah-compliant investment as may be permitted by the relevant authorities from time to time, where necessary.

Investment Restrictions

The Fund is not subjected to any investment restrictions.

Valuation Method

The Manager will ensure that the valuation of the assets of the Fund will be carried out at fair value and at all times in compliance with the relevant laws. The bases of valuations of the instruments are as follows:

Islamic Fixed Income Securities

Investment in Islamic fixed income securities shall be based using the appropriate price by reference to quotes/yields published by approved bond pricing agency (BPA). Where the Manager is of the view that the price/yield quoted by BPA for a

specific Sukuk differs from the “market price” by more than 20 basis points, the Manager may use the “market price” provided that the Manager records its basis for using a non-BPA price, obtains the necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the “market price”.

Islamic Money Market Instruments

For Islamic money market instruments, valuation shall be based on the value provided by the Financial Institution that issue the instruments.

Islamic Deposits and Placement with Islamic Investment Account

Valuation of Islamic Deposits and placement with Islamic Investment Account are valued by reference to the value of such investments and the profit accrued thereon for the relevant period.

Islamic Structured Products

Structured products will be valued at fair value as determined in good faith by the Manager on method or bases which have been verified by the auditor of the Fund and approved by the Trustee.

Shariah-compliant Derivatives

Derivatives instruments are marked-to-market on a daily basis. Any changes in the value of the contracts are adjusted for directly in the margin accounts, with a corresponding recognition in the unrealised reserves.

Shariah-compliant Collective Investment Schemes

Investment in units or shares in other collective investment schemes (CIS) will be valued based on the last published repurchase price of the CIS.

Incorrect Pricing

Subject to any relevant law, if there is an error in the pricing of the NAV per Unit of the Fund, the Manager will take immediate remedial action to correct the error. Rectification shall, where necessary, extend to the reimbursements of money as follows if the error is at or above the significant threshold of 0.50% of the NAV per Unit:

- if there is an over pricing in relation to the purchase and creation of Units, the Fund shall reimburse the Unit Holders;
- if there is an over pricing in relation to the repurchase of Units, the Manager shall reimburse the Fund;

- if there is an under pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
- if there is an under pricing in relation to the repurchase of Units, the Fund shall reimburse the Unit Holders or former Unit Holders.

The Manager retains the discretion whether or not to reimburse to the Fund and/or Unit Holders if the error is below 0.50% of the NAV per Unit or where the total impact on an individual account is less than RM10.00 in absolute amount. This is because the reprocessing costs may be greater than the amount of the reimbursement.

Liquid Assets Policy

We shall review the need to maintain a sufficient level of liquid assets to meet potential liquidation requests for the Fund.

Liquid assets of the Fund may be held in the form of cash, net amount receivable/(payable) from the dealers, deposits with Financial Institution and any other instrument capable of being converted into cash within seven (7) Business Days as may be approved by the Trustee. Liquid assets may include but not be limited to Shariah - Compliant securities issued by the Malaysian Government or quasi-government bodies, including but not limited to Khazanah Nasional Berhad, Cagamas Berhad, Danamodal Nasional Berhad and BNM, securities guaranteed by the Malaysian government or BNM or their agencies.

FEES, CHARGES, AND EXPENSES

Charges

Below are the charges **directly** incurred when you buy or redeem Units:-

Entry Fee (Sales Charge)

Direct Investment through the Manager	Third party distributors including Appointed IUTA
Maximum Rate	Maximum Rate
NIL	NIL

Fees

Below are the fees **indirectly** incurred by investors when investing in the Fund.

Annual Management Fee and Annual Trustee Fee

The annual management fee and trustee fee chargeable to the Fund are as follows;

Annual Management Fee	Annual Trustee Fee
0.75% p.a. of NAV of the Fund	0.05% p.a. of NAV of the Fund

The annual management fee will be paid out of the Fund and will be calculated based on the NAV of the Fund and accrued on a daily basis. The Manager may, in consultation with the Trustee, charge a lower management fee.

The annual trustee fee will be paid out of the Fund and will be calculated based on the NAV of the Fund and accrued on a daily basis.

For details on computation of management fee and trustee fee, please refer to page 22.

Other Charges and Fees

Transfer Fee

No transfer fee is imposed on the transfer of Units for the Fund.

Other Charges

In executing your transaction, certain charges may be incurred. For instance, bank charges, telegraphic charges and courier charges. We reserve the right to vary such conditions from time to time, which shall be communicated to you in writing.

Expenses of the Fund

Below is a list of expenses to be incurred by the Fund, which include:-

- Commissions or fees paid to dealers in affecting dealings in the investments of the fund;
- Tax and other duties charged on the Fund by the government and other authorities;
- Fees and other expenses properly incurred by the auditor appointed for the Fund;
- Fees for the valuation of any investments of the Fund by independent valuers;
- Cost incurred for the modification of the Deed other than those for the benefit of the Manager or Trustee;
- 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; and
- Other fees/expenses permitted in the Deed.

These expenses are necessary for the business of the Fund. Only those expenses set out in the Deed can be paid out of the Fund.

Rebates & Soft Commissions

The Manager will retain soft commissions received from stockbrokers, provided these are of demonstrable benefit to the Unit Holders. The soft commissions may take 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.

Zakat

The Fund does not pay Zakat on behalf of Muslim individuals and Islamic legal entities who are investors of the Fund since doing so would not satisfy completely their zakat obligations. Such investors are thus required to pay on their own behalf.

There are fees and charges involved and investors are advised to consider the fees and charges before investing in the Fund.

The above fees and charges are exclusive of goods and services tax and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

Transaction Information

Calculation of Unit Prices

Valuation Point

Valuation point refers to the time(s) on a Business Day as may be decided by the Manager wherein the NAV of the Fund is calculated. The Manager may consider additional valuation point(s) for the Fund during a Business Day when there is a material market movement within the day (more than 5% of the last valuation point).

The daily price of Units will be published on the next Business day and shall be available upon Unit Holder's request.

Single Pricing

The Manager adopts the single pricing policy to price the Units. This means that the selling of Units by the Manager (i.e when you purchase Units and invests 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 NAV per Unit.

The entry fee and exit fee (if any) would be computed separately based on your net investment/liquidation amount. The single pricing for investment and liquidation of Units shall be the daily NAV per Unit at the next valuation point after the Manager receives the investment or liquidation application.

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

The NAV of the Fund is calculated at the end of each Business Day and is defined 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 up to four (4) decimal places or as agreed between the Manager and Trustee.

Illustration 1: Computation of NAV of the Fund		RM
	Investment	180,000,000.00
Add:	Assets	10,000.00
		180,010,000.00
Less	Liabilities	8,000.00
	NAV before deducting Management Fee for the day	180,002,000.00
Less	Management Fee for the day (0.75%) + GST* (6%)	6534.32
	<u>180,002,000 x 1.25% + (6% x RM6,164.45)</u>	
	365	
Less	Trustee Fee for the day (0.05%) + GST* (6%)	261.37
	<u>180,002,000 x 0.05% + (6% x RM14.79)</u>	
	365	
	NAV	179,995,204.31

* Effective 1 April 2015, The GST is implemented at a standard rate of 6%. The management fee and trustee service fee charged to the fund are subject to GST as a standard rate, as illustrated above.

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.

If the Units in circulation are 180,000,000 Units at the point of valuation, therefore;

Illustration 2: Computation of NAV per Unit	
NAV per Unit of	= NAV ÷ Units in Circulation
	= RM179,995,204.31 ÷ 180,000,000
	= RM0.99997335
	= RM1.0000 (rounded to 4 decimal places)

Computation of Investment Amount and Units Entitlement

The number of Units invested is determined by dividing the investment amount (excluding entry fee), 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 3: Allocation of Units to Investor	
Assuming you invest RM100,000 into the Fund, and the NAV per Unit of the Fund	
	RM
Investment amount	100,000
Add: Entry Fee of 2% (RM100,000 x 2%)	2,000
Add: GST* (6% x RM2,000)	120
Total amount payable by investor	102,120
Value of investment	100,000
Divided by NAV per Unit	1.0000
Units credited to investor's account	100,000

* Effective 1 April 2015, The GST is implemented at a standard rate of 6%. The management fee and trustee service fee charged to the fund are subject to GST as a standard rate, as illustrated above.

Calculation of Liquidation Value

The liquidation value is calculated by multiplying the number of Units to be liquidated and NAV per Unit at the next valuation point after the Manager receives the liquidation request.

Illustration 4: Calculation of liquidation proceeds paid to investor	
Assuming you request to liquidate 150,000 Units and the NAV per unit of the Fund is RM1.5000, therefore;	
	RM
Number of Units liquidated	150,000
Multiply by NAV per Unit	1.5000
Liquidation Value	225,000
Net amount payable to investor	225,000

Distribution Channels

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

Making An Investment

First time Sophisticated Investor is 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 Memorandum and Articles of Association, certificate of Incorporation, Form 24, Form 44, Form 49, board resolution relating to the investment and other related documents required by the Manager. Existing investors who wish to purchase additional Units can complete the investments form.

Investors must submit the completed forms with the necessary payment by 3.30p.m on any Business Day. Any forms received after the cut-off time will be processed by the Manager on the next Business Day.

The minimum initial investments and the minimum additional investment for Units are as follows:

Minimum Initial Investments	RM100,000
Minimum Additional Investments	RM10,000

The Manager, may at its discretion, lower or raise the minimum transaction amounts in respect of the Fund.

The Manager reserves the right to accept or reject an application for Units if the information is incomplete, or if not accompanied by the required documents, or is not signed by investors/authorized signatories or where there are any other reasonable grounds to reject. Unsuccessful applicants will be notified and entitled to a full refund.

Payment Methods

- By a crossed cheque or banker's cheque made payable to "**Areca Capital Sdn Bhd**".
- Via telegraphic or online transfer.
- Details of the principal banks are as follows:

- Malayan Banking Berhad : 5 12231 327139
- Standard Chartered Bank Malaysia Berhad: 312 157161615

Investors are advised not to make any payment in cash when purchasing Units of the Fund via any institutional/retail agent

Liquidating an Investment

Investors must submit the completed liquidation form in the following manner;

Minimum Liquidation	RM10,000 or 10,000 Units
Liquidation Notice	Before 3.30p.m. on any Business Day

The Manager, may at its discretion, lower or raise the minimum transactions amounts in respect of the Fund.

Any liquidation notice received after the cut-off time will be processed by the Manager on the next Business Day.

Payment will be made on the next Business Day of the transaction day (i.e. T+1 day) under normal circumstances. However, under specific conditions such as under liquidity constraint conditions, payment may be made within 10 days upon receipt by the Manager of the duly completed original liquidation form.

Minimum Units Held

Instructions to liquidate will be carried out only if the minimum balance requirement of 10,000 Units or such other limit at the Manager's discretion. If the instructions to liquidate leave an investor with less than the minimum balance remaining in the Fund, the investor may be required to make an application for the Manager to liquidate all the investor's holding in the Fund.

Income Distribution and Reinvestment Policies

Income distribution for the Fund is twice a year, subject to availability of distributable income.

Unit Holders may opt for either of the following distribution methods:

- reinvestment of the distribution amount into additional Units of the Fund. No entry fee will be imposed; or
- distribution in cash to be paid via cheque sent to the Unit Holder at the last postal address given to us.

In the absence of instructions to the contrary from a Unit Holder, the Manager is entitled to reinvest the income distributed from the Fund in additional Units at the NAV per Unit at the end of the distribution day with no entry fee.

Unclaimed Moneys Policy

Any money which remain unclaimed after 12 months from the date of payment or any such other period as is prescribed by the Unclaimed Moneys Act, 1965 shall be dealt with in accordance with the provisions of the Unclaimed Moneys Act, 1965.

THE MANAGER: ARECA CAPITAL SDN BHD

Areca Capital Sdn Bhd was incorporated on 13 July 2006 under the Companies Act, 1965. It has an issued and paid-up share capital of RM5,070,000.00 divided into 5,000,000 ordinary shares of RM1.00 each and 7,000,000 redeemable preference shares of RM0.01 each issued at a premium of RM0.99 each.

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. We launched our 3 maiden funds in April 2007.

As at 15 January 2015, we are managing 8 unit trust funds, namely Areca income**TRUST**, Areca equity**TRUST**, Areca money**TRUST**, Areca enhanced**INCOME**, Areca Steady fixed**INCOME**, Areca Flexi fixed**INCOME**, Areca AUD Savings Fund and Areca growth**TRUST** Fund. The total value of funds under management is RM945.81million. We have a staff force of 27 executives and 4 non-executives.

	For Financial Year Ended 30 April		
	2014	2013	2012
	RM '000	RM '000	RM '000
Paid-up Share Capital	12,000	12,000	12,000
Shareholders' Fund	12,352	12,230	12,272
Turnover (RM'000)	185,697	171,439	303,513
Pre-tax profit (Loss)	824	243	1,002
Profit/(Loss) after tax	563	243	767

Duties and Responsibilities of the Manager

The Manager is engaged in the business of managing, administering, marketing and distributing unit trust funds and managing and administering funds under private mandates. Its 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.

Roles and Function 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 meet 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.

Fund Management Function

Our fund managers are authorized to manage the Fund in accordance with the investment objective of the Fund. This is subject to the requirements of this Information Memorandum, the Deed, the Guidelines, the Act, acceptable and efficacious business practice within the unit trust industry and the policies and internal controls of the Manager. The fund manager will report to the investment committee of the Fund and will implement the investment strategies selected by the investment committee.

Designated Person Responsible For The Management Of The Fund

Mr. Edward Iskandar Toh is the designated person responsible for the management of Areca Islamic Cash Fund.

Material Litigations

As at 28 February, there is no current material litigation and arbitration, including those pending or threatened any facts likely to give rise to any proceedings which might materially affect our business and/or financial position or any of our delegates.

Profile of Directors And Members Of The Investment Committee

Name:	Danny Wong Teck Meng
Designation:	Non-Independent Director, Executive Director/Chief Executive Officer
Qualifications:	Fellow member of the Association of Chartered Certified Accountants (ACCA)(UK), member of Financial Planning Association of Malaysia, Certified Financial Planner (CFP).
Experience:	He has more than 23 years' experience in stock broking, asset management and unit trusts. Mr Wong is currently on the board of FIMM.
Name:	Dato' Wee Hoe Soon @ Gooi Hoe Soon
Designation:	Chairman & Independent Director, Chairman & Independent Investment Committee Member.
Qualifications:	Member of the Malaysian Institute of Certified Public Accountant and Malaysian Institute of Accountants.
Experience:	He has more than 30 years' experience in the field of accounting, corporate finance and banking.
Name:	Raja Datuk Zaharaton binti Raja Dato' Zainal Abidin
Designation:	Non-Independent Director & Non-Independent Investment Committee Member.
Qualifications:	Masters in Economics (University of Leuven, Belgium), Bachelor of Economics (University of Malaya).
Experience:	She has served the Government of Malaysia in various capacities for 36 years.
Name:	Dr. Junid Saham
Designation:	Independent Director & Independent Investment Committee Member.
Qualifications:	Bachelor and Master Degree in Economics (University of Canterbury, New Zealand), Doctor of Philosophy (Economics) (University of Hull, UK).
Experience:	He has more than 38 years' experience in audit, banking and finance. Currently, he is a director of Master-Pack Group.

Profile of Key Personnel

Name:	Danny Wong Teck Meng
Designation:	Chief Executive Officer/Executive Director
Qualifications:	Profile as set out above
Experience:	Profile as set out above
Name:	Edward Iskandar Toh
Designation:	Chief Investment Officer
Qualifications:	Bachelor of Business Studies degree (Curtin University, Australia)
Experience:	He has over 24 years of experience in the fixed income markets.
Name:	Tracy Khiew
Designation:	Compliance Officer
Qualifications:	Bachelor of Arts in Social Science (National University of Malaysia)
Experience:	She has more than 12 years of experience in the unit trust industry, including 4 years in compliance.

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.

The present authorised share capital of RHB Trustees Berhad is RM25,000,000 comprising 2,500,000 ordinary shares of RM10.00 each, of which 1,200,000 are currently issued and credited as partially paid-up of RM5.00 each in RHB Trustees Berhad. The shareholders are as follows:

Shareholders	Percentage (%)
RHB Capital Bhd	20
RHB Investment Bank Berhad	20
RHB Nominees (Tempatan) Sdn Berhad	20
RHB Nominees (Asing) Sdn Berhad	20
OSK Futures & Options Sdn Berhad	20

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, private retirement schemes 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). As of 15 January 2015, RHB Trustees Berhad is the trustee for nine (9) unit trust funds, twenty (20) wholesale funds and three (3) REITs. As of 15 January 2015, RHB Trustees Berhad's staff strength comprises 35 executives and 2 non-executive staff.

The Board of Directors

The following table sets out information regarding the Board of Directors of RHB Trustees Berhad:-

Name	Directorship
Foo San Kan	Independent Non-Executive Director
Dato' Nik Mohamed Din bin Datuk Nik Yusoff	Non-Independent Non-Executive Director (Chairman)
Datuk Haji Faisal @Ibrahim bin Siraj	Independent Non-Executive Director
Ong Seng Pheow	Independent Non-Executive Director
Tony Chieng Siong Ung	Executive Director

Financial Position of the Trustee

The following is a summary of the past performance of RHB Trustees Berhad based on audited accounts for the last 3 years:

	Financial Year Ended 31 December		
	2011 (RM)	2012 (RM)	2013 (RM)
Paid-up capital	6,000,000	6,000,000	6,000,000
Shareholders' funds	5,657,431	7,075,336	7,578,080
Turnover	6,625,528	7,566,249	7,629,601
Profit before taxation	475,479	1,924,026	710,680
Profit after taxation	390,580	1,417,905	502,744

Trustee's Statement of Responsibility

RHB Trustees Berhad has given its willingness to assume the position as the Trustee of the Fund and all the obligations in accordance with the Deed, the Guidelines, securities laws and other relevant law, and also its willingness to provide indemnity to the Manager for the benefit of the Unit Holders of the Fund for any loss incurred as a result of any non-performance of RHB Trustees Berhad.

Duties and Responsibilities of the Trustee

RHB Trustees Berhad's functions, duties and responsibilities are set out in the Deed. The general function, duties and responsibilities of RHB Trustees Berhad 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.

RHB Trustees Berhad 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 Unit Holders.

The Trustee's Delegate

RHB Trustees Berhad has appointed Malayan Banking Berhad as the custodian of the quoted and unquoted, local and foreign investments of the Fund. The custody services provided by the custodian include clearing and settlement, safekeeping, corporate events monitoring and processing, income collection, reporting on securities and cash transactions and positions. All investments are registered in the name of the custodian or its nominee for the account of the Fund. The custodian acts only in accordance with instructions from its principal, RHB Trustees Berhad.

Litigation and arbitration

As at 15 January 2015, 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 or any of its delegates.

Trustee's Declaration

RHB Trustees Berhad is independent of the Manager. RHB Trustees Berhad will carry out transactions on an arm's length basis and on terms which are best available to the Fund, as well as act at all times in the best interest of the Unit Holders. RHB Trustees Berhad also has adequate procedures and processes in place to prevent or control conflicts of interest.

RHB Trustees Berhad's Board of Directors declare that the requirements of the guidelines on allowing a person to be appointed or to act as trustee under subsection 290(1) of the Capital Markets and Services Act 2007 have been complied with at the point of application.

Anti-Money Laundering Provisions

RHB Trustees Berhad adopts the Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Program for Investment Banking Business ("the Program") in dealing with the principles to combat money laundering and terrorism financing.

The Program inter alia provides guidance to all employees of RHB Investment Banking Group ("RHB IB Group") on the requirement of Know Your Client ("KYC") / clients' due diligence ("CDD"), whereby they are required to obtain satisfactory evidence to establish the identity and legal existence of any person applying to do business with any companies of RHB IB Group. The employees should not compromise any attempt to circumvent the CDD requirement.

The policies and procedures in the Program serve to prevent RHB Trustees Berhad from being used as a conduit for money laundering and terrorism financing activities. This is through the prevention and detection of AML/CFT suspicious transaction and fraud, and reporting of such activities to the relevant regulatory bodies.

Key Personnel of The Trustee

Name: Position: Qualification/ Experience:	Tony Chieng Siong Ung
	<i>Executive Director</i>
	<p>Mr Tony holds a Master of Business Administration specializing in finance from University of Southern Queensland and professional certification from The Institute of Chartered Secretaries & Administrators (ICSA). Prior to joining RHB Trustees Berhad, he is the Head of Operations with one of Malaysia's leading financial institutions managing a team of 45 staff that covers Trustee, Custodian and Fund Accounting services with over 60 unit trust funds (UTF), 85 private debt securities (PDS) & real estate investment trusts (REITs) and over 3500 accounts under custodianship with Asset under Custody (AUC) worth of more than 70 Billion Ringgit Malaysia. He has more than 17 years' experience in financial services industry encompassing hands on experience in day to day operations of trusteeship such as UTF, PDS, REITs, Estate Administrations, Will & Wasiat; custodian roles such as trade settlement and corporate action, fund accounting, asset management, stock broking and insurance. He is responsible for overall business direction and management of RHB Trustees Berhad, including but not limited to business development and day-to-day operations for UTF, REITS and PDS.</p>
Name: Position: Qualification/ Experience:	Ngu Kee Keong
	<i>Head of Business Development</i>
	<p>Mr. Ngu holds a Bachelor of Science (Computer Science) Degree from Campbell University, North Carolina, USA. He is a Chartered Financial Practitioner and Chartered Life Planner from Financial and Life Practitioners Council, NAMLIFA, and a Registered Financial Planner from Malaysia Financial Planning Council (MFPC). He is also a qualified Trainer for Malaysian Insurance Institute (MII) and MFPC. He also holds Professional Qualifications such as Fellow of Life Underwriters Training Council (MII-LUTCF& LUTCF-USA), Fellow of Life Management Institute (FLMI), Associate of Customer Service (ACS), Associate Of Agency Administration (AIAA)(LOMA-USA), Associate Of Insurance Regulatory Compliance (AIRC),</p>

	<p>Associate of Reinsurance Administration (ARA), Certificate In Underwriting, Professional Customer Service(PCS) and Associate Of Annuity Product Administration (AAPA) where he emerged as Top Scorer for Asia Pacific. He has more than 20 years of experience in various areas such as sales and marketing, agency management, product development, sales force development, financial planning, sales motivation and design and conduct training for sales personnel. He has also been invited as a speaker for many talks and seminars on Financial Planning and Estate Planning. He oversees the business development and training portfolios of RHB Trustees Berhad.</p>
Name:	Cheah Kuan Yoon
Position:	<i>Head of Operations</i>
Qualification/ Experience:	<p>Mr Cheah holds a Bachelor of Arts majoring in Accountancy and Finance from University of Abertay Dundee, Scotland. Prior joining RHB Trustees Berhad, he was a functional consultant with OpenLink International Sdn Bhd. He was a manager in Operation Department, KAF Trustee Berhad for 4 years, where he specialised in fund accounting, administration and settlement operations of high net worth clients' (institutional and individual) transactional records. He also involved in bond trustee activities including oversee and monitoring funds on designated accounts operations. Mr Cheah started his career as an Executive in CIMB Investment Bank Berhad for 3 years. He was in Financial Accounting Unit where he had extensive experience in firming the foundation of fund management for fixed income services and implementation projects in system user testing. He currently oversees and manages all administration and operation functions of RHB Trustees Berhad.</p>

Name:	Zulkifli Hassan
	<i>Senior Manager, Unit Trust/Client On-Boarding</i>
	<p>Bachelor's Degree in Economics majoring in Business Administration from the University of Malaya. He has more than 20 years of experience in the financial services industry including asset management, stock broking and retail banking services. Prior to joining RHB Trustees Berhad, he was an Assistant Manager with MIDF Amanah Asset Management Berhad and his main responsibility was then to oversee the company's day-to-day operations.</p> <p>His current scope of work includes but is not limited to supervising all aspects of operations, administration and compliance of the Unit Trust's Trustee services. Additionally, due to his experience with trustee operational matters, Mr. Zulkifli has also recently been placed in charge of all client on-boarding cases for the company.</p>
Position:	
Qualification/ Experience:	
Name:	Sazali Alias
Position:	<i>Head of Internal Process and Management</i>
Qualification/ Experience:	<p>Mr. Sazali holds a Bachelor of Arts in Business Administration (Marketing) from Benedictine College, Kansas, USA and a Diploma in Business Studies from University MARA Institute of Technology (UiTM). He has 10 years in financial services industries encompassing hands on experience in day to day operations of nominees, trusteeship services such as unit trust funds, clubs, real estate investment trust and private debt securities. Prior to joining RHB Trustees Berhad, he was a Compliance Manager with AmTrustee Berhad (AmTB) and his main responsibility was then to set up and oversee the Compliance Unit (CU) so as to ensure that the company's day to day operations and compliance monitoring (internal processes) are in order and in line with the company's Standard Operational Procedures, Trust Deed, any other related guidelines, and rules & regulations. And prior to AmTB, he was an Assistant Vice President in ABB Trustee Berhad (ABBT) and last headed ABBT's Finance & Operations Units. His scope of work at RHB Trustees includes ensuring that the Company's day to day operations and business are in compliance with the relevant laws and guidelines and that the necessary reporting to the relevant authorities and enquiries are attended to.</p>

SHARIAH ADVISER

ZICO Shariah Advisory Services Sdn. Bhd. ("ZICO Shariah") is licensed by the SC to advise, among others, on Sukuk issuances, Islamic funds, as well as Islamic capital market products and instruments.

Some of the key advisory services which ZICO Shariah provides include advising regulatory authorities on Shariah issues in law reform, establishment of or conversion into Islamic banks, advising and monitoring of Shariah compliance funds, conducting Shariah compliance review and Shariah audit for financial institutions, structuring Islamic banking and takaful/retakaful products and instruments, structuring and advising on Islamic capital market instruments, and advising on Islamic wealth management and succession.

Among the relevant experience of ZICO Shariah as Shariah Adviser for Shariah-compliant funds and investments are as follows:

- Acting as the Shariah adviser of reputable unit trust funds;
- Acting as the Shariah adviser to a sukuk investment fund ensuring the fund structure, operations and investment portfolio are Shariah compliant;
- Acting as the Shariah adviser to the Australia investment fund ensuring the fund structure, operations and investment portfolio are Shariah compliant;
- Advised on potential sukuk structures within the Japanese legal framework in relation to proposals for tax law reform to facilitate sukuk issuances;
- Advised on the establishment of a Shariah-compliant private equity fund for infrastructure projects in the Middle East; and
- Advised on the establishment of a Shariah-compliant private equity fund in relation to investments in East Asia.

Board of Directors

- Dato' Dr. Nik Norzrul Thani
- Dr. Aida Othman
- Ahmad Ab Hamid
- Zahrul Annuar Mat Desa
- Kamaruzaman Ashari

Role of the Shariah Adviser

ZICO Shariah is the Shariah Adviser to Areca Islamic Cash Fund ("Fund"). As the Shariah Adviser, the role of ZICO Shariah is to ensure that the operations and investments of the Fund are in compliance with Shariah requirements.

The Shariah Adviser reviews the Fund's investments to ensure the fund manager has managed and administered Fund in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the SC.

For the Fund's investment in domestic Shariah-compliant equity and sukuk, Islamic Deposits and Investment accounts, Islamic money market instruments and Islamic negotiable instruments, the screening of such investments are based on the "List of Shariah-compliant securities by the Shariah Advisory Council of the SC", list of sukuk issued by the SC, list of Islamic money market instruments provided by BNM; and list of Islamic Deposits and Investment accounts provided by the fund manager on a monthly basis as required by the Shariah Adviser to ensure that all placements are in accordance with Shariah. Final responsibility for ensuring Shariah compliance of the Fund in all relevant aspects rests solely with the fund manager.

Responsibilities of the Shariah Adviser

In line with the applicable SC Guidelines, the roles of the Shariah Adviser are as follows:

1. To ensure that the Fund is managed and administered in accordance with Shariah principles;
2. To provide expertise and guidance for the Fund in all matters from the perspective of Shariah, including on the Fund's Deed and information memorandum, its structure and investment process, and other operational and administrative matters;
3. To consult the SC who may consult its Shariah Advisory Council where there is any ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
4. To scrutinise the Fund's compliance reports as provided by the fund manager's compliance officer, transaction reports provided by or duly approved by the Trustee and any other report deemed necessary for the purpose of ensuring that the Fund's investments are in line with Shariah principles;

5. To prepare reports to be included in the Fund's quarterly and annual reports certifying whether the Fund have been managed and administered in accordance with the Shariah principles;
6. To ensure that the Fund complies, with any guideline, ruling or decision issued by the SC, with regard to Shariah matters;
7. To vet and advise on the promotional materials of the Fund; and
8. To assist and attend any ad-hoc meeting called by the SC and/or any other relevant authority.

Profile of designated persons responsible for Shariah matters relating to the fund

The designated person responsible for Shariah matters relating to the Fund is Dr. Aida Othman.

Dr. Aida Othman is a Partner at Zaid Ibrahim & Co. She is also a Director with ZICO Shariah. Dr. Aida advises on Islamic banking and finance transactions and documentation, corporate and commercial matters. In particular, she has advised on Shariah compliance issues, structure and documentation for Islamic corporate and retail financing, sukuk issuance, takaful products and operations and Islamic private equity and unit trust funds; legal and regulatory framework for Islamic financial services; and Islamic wealth management and planning.

Dr. Aida holds a Doctor of Philosophy in Comparative Law & Middle Eastern Studies from Harvard University, United States of America. She also obtained her Masters of Law from Cambridge University, United Kingdom and Bachelor of Laws (First Class Honours) and Bachelor of Islamic Law (Syariah) (First Class Honours) from International Islamic University, Malaysia.

Dr. Aida sits on the Shariah Advisory Board of Syarikat Takaful Malaysia Berhad.

SALIENT TERMS OF THE DEED

Unit Holders' Rights & Liabilities

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; and
- exercise such other rights and privileges as provided for in the Deed.

However, Unit Holders would not have the right to require the transfer to them any of the assets of the Fund. Neither would Unit Holders have the right to interfere with or to question the exercise by the Trustee (or by the Manager on the Trustee's behalf) of the rights of the Trustee as the registered owner of such assets.

Liabilities

As a Unit Holder of the Fund, and subject to the provisions of the Deed, your liabilities would be limited to the following:

- A Unit Holder would not be liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.
- A Unit Holder would not be liable to indemnify the Trustee and/or the Manager in the event that the liabilities incurred by the Trustee and/or the Manager on behalf of the Fund exceed the value of the assets of the Fund.

Meetings Directed by the Unit Holders

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is less, summon a meeting of the Unit Holders by:

- (a) sending by post/facsimile at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

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

- (1) requiring the retirement or removal of the Manager;
- (2) requiring the retirement or removal of the Trustee;
- (3) considering the most recent financial statements of the Fund;
- (4) giving to the Trustee such directions as the meeting thinks proper; or
- (5) 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.

Meetings Summoned by the Trustee

The Trustee may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days written notice of the meeting to Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

Meetings Summoned by the Manager

The Manager may summon a meeting of Unit Holders for any purpose whatsoever by:

- (a) giving at least fourteen (14) days written notice of the meeting to Unit Holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

Provisions Governing Unit Holders' Meetings

Quorum

The quorum required for a meeting of the Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy, provided that if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund 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 within one (1) hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the request of Unit Holders shall be dissolved. In any other case, it shall stand adjourned to such day and time not being less than seven (7) days thereafter and to such place as may be appointed by the chairman of the meeting; at such adjourned meeting, the Unit Holders present in person or by proxy shall be the quorum for the transaction of business including the passing of special resolutions if the quorum prescribed by the Deed is not present after one (1) hour from the time appointed for the adjourned meeting.

Resolutions passed at a meeting of Unit Holders bind all Unit Holders whether or not they were present at the meeting at which the resolutions were passed. No objection may be made as to any vote cast unless such objection is made at the meeting.

Voting by Proxy

A notice calling a Unit Holders' meeting will contain a statement that a Unit Holder is entitled to attend and vote or may appoint a proxy.

The instrument appointing a proxy shall be duly stamped, if required, and deposited at the office of the Manager not less than forty-eight (48) hours before the time appointed for the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or the power of attorney or other authority under which the proxy was signed or the sale of Units in respect of which the proxy was given provided that

no intimation in writing of such death, insanity, revocation or sale shall have been received at the place so appointed for the deposit of proxies or if no such place is appointed at the registered office of the Manager before the commencement of the meeting or adjourned meeting at which the proxy is used.

Chairman of the Meeting

The meeting will be chaired if the meeting was convened at the instance of the Unit Holders or the Trustee, by a person appointed by the Unit Holders present at the meeting or, where no such appointment is made, a nominee of the Trustee; or if the meeting was convened at the instance of the Manager, by a person appointed by the Manager.

The decision of the chairman of the meeting on any matter shall be final.

Casting of Votes

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. A poll may be demanded before or immediately after any question is put to a show of hands.

On a show of hands every Unit Holder who is present in person or by proxy shall have one vote. Upon a poll every Unit Holder present in person or by proxy shall have one vote for every Unit held by him.

A poll may be demanded by the chairman of the meeting, the Trustee, the Manager or by Unit Holders holding (or representing by proxy) between them not less than one-tenth (1/10) of the total number of Units then in issue.

Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Termination of the Fund

The Fund may be terminated or wound up upon the occurrence of any of the following events:

- (a) The SC has withdrawn the authorization of the Fund pursuant to section 256E of the CMSA;

- (b) a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund, following occurrence of events stipulated under section 301(1) of the CMSA and the court has confirmed the resolution, as required under section 301(2) of the CMSA;
- (c) a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund; and
- (d) by the Manager at any time in its absolute discretion subject to compliance with the relevant laws.

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, liquidation, transfer, and cooling-off 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 Reports comprising unaudited financial statements, Manager's report on the Fund' information, performance and review, market outlook and review and Trustees' report;
- Annual Reports comprising audited financial statements, Manager's report on the Fund' information, performance and review, market outlook and review, Trustees' report and auditors' report;
- 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 liquidation proceeds or income distributions.

Malaysian Goods and Services Tax ("GST")

The Malaysian Government announced that the implementation of Goods and Services Tax ("GST") will apply to any goods and/or services supplied with effect from 1st April 2015 ("the effective date") at a rate of 6%. GST is a consumption tax on consumers and as a service provider, we are required to charge you GST and remit the same to the Royal Malaysian Custom Department as required under the Goods and Services Tax Act.

Anti-Money-Laundering (“AML”) policies and 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, any person who:

- (a) engages in, or attempts to engage in; or
- (b) abets the commission of,

money laundering, commits an offence and shall on conviction be liable to a fine not exceeding five million ringgit or to imprisonment for a term not exceeding five years or both.

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. 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:

Our offices:

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 branch

11A, (First Floor)

Persiaran Greentown 5

Greentown Business Centre

30450 Ipoh, Perak.

Tel: 605-249 6697, 605-249 6698

Fax : 605-249 6696

Penang branch

368-2-02 Belissa Row

Jalan Burma,

Georgetown

10350 Pulau Pinang

Tel : 604-210 2011

Fax : 604-210 2013

Malacca branch

95A, Jalan Melaka

Raya 24

Taman Melaka Raya

75000 Melaka

Tel : 606-282 9111

Fax : 606-283 9112

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



ARECA CAPITAL SDN BHD (740840-D)

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

T 603•7956 3111 **F** 603•7955 4111

E invest@arecacapital.com

www.arecacapital.com

Penang Branch

368-2-02 Belissa 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 / 6698 **F** 605•249 6696

Malacca Branch

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

T 606•282 9111 **F** 606•283 9112