

Semi-Annual Report for

# European Equity Alpha

31 May 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

AmFunds Management Berhad  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur

### **Board of Directors**

Jeyaratnam A/L Tamotharam Pillai  
Ng Chih Kaye  
Jas Bir Kaur A/P Lol Singh  
Arnold Lim Boon Lay  
Goh Wee Peng

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **Trustee**

AmanahRaya Trustees Berhad

### **Auditors and Reporting Accountants**

Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

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## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of European Equity Alpha ("Fund") for the financial period from 1 December 2023 to 31 May 2024.

### Salient Information of the Fund

<b>Name</b>	European Equity Alpha ("Fund")
<b>Category/ Type</b>	Feeder (European Equity) / Capital growth
<b>Name of Target Fund</b>	Schroder ISF European Value
<b>Fund Objective</b>	<p>To provide capital growth primarily through investment in equity securities of European companies. It will invest in a select portfolio of securities which it believes offer the best potential for future growth.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Duration</b>	<p>The Fund was established on 8 August 2006 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interest of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.</p>
<b>Performance Benchmark</b>	<p>MSCI Europe Net (Total Return) Index ("MSCI-ENTRI"). (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note: The Fund adheres to the benchmark of the Target Fund. The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</i></p> <p><i>Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (<a href="http://www.msci.com">www.msci.com</a>).</i></p>

<b>Income Distribution Policy</b>	Income distribution (if any) is paid at least once every year.
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### Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 31 May 2024 and the past three financial years are as follows:				
		<b>As at 31.05.2024 %</b>	<b>As at 30 November</b>		
			<b>2023 %</b>	<b>2022 %</b>	<b>2021 %</b>
	Foreign collective investment scheme	91.68	96.21	96.51	96.06
	Money market deposits and cash equivalents	8.32	3.79	3.49	3.94
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>				
<b>Performance Details</b>	Performance details of the Fund for the financial period ended 31 May 2024 and three financial years ended 30 November are as follows:				
		<b>FPE 31.05.2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>	<b>FYE 2021</b>
	Net asset value (RM)	19,191,381	19,358,578	25,314,669	35,184,855
	Units in circulation	13,545,542	15,587,202	20,032,924	26,103,438
	Net asset value per unit (RM)	1.4168	1.2420	1.2637	1.3479
	Highest net asset value per unit (RM)	1.4204	1.5247	1.5561	1.4485
	Lowest net asset value per unit (RM)	1.2360	1.2381	1.1233	1.1153
	Benchmark performance (%)	14.78	20.12	-6.94	18.51
	Total return (%) <sup>(1)</sup>	14.07	15.72	1.93	19.80
	- Capital growth (%)	14.07	-1.66	-6.48	19.80
	- Income distribution (%)	-	17.38	8.41	-
	Gross distribution (sen per unit)	-	21.96	11.33	-
	Net distribution (sen per unit)	-	21.96	11.33	-
	Total expense ratio (%) <sup>(2)</sup>	0.27	0.52	0.49	0.46
	Portfolio turnover ratio (times) <sup>(3)</sup>	0.10	0.44	0.26	0.26
	<i>Note:</i>				
	<i>(1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.</i>				
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.</i>				

(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.

**Average Total Return (as at 31 May 2024)**

	<b>European Equity Alpha<sup>(a)</sup></b> %	<b>MSCI-ENTRI<sup>(b)</sup></b> %
One year	18.63	22.47
Three years	8.53	8.11
Five years	8.85	11.04
Ten years	5.92	8.10

**Annual Total Return**

<b>Financial Years Ended (30 November)</b>	<b>European Equity Alpha<sup>(a)</sup></b> %	<b>MSCI-ENTRI<sup>(b)</sup></b> %
2023	15.72	20.12
2022	1.93	-6.94
2021	19.80	18.51
2020	-11.79	1.23
2019	5.91	13.83

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.

(b) MSCI Europe Net (Total Return) Index ("MSCI-ENTRI").  
(Available at [www.aminvest.com](http://www.aminvest.com))

The Fund performance is calculated based on net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

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

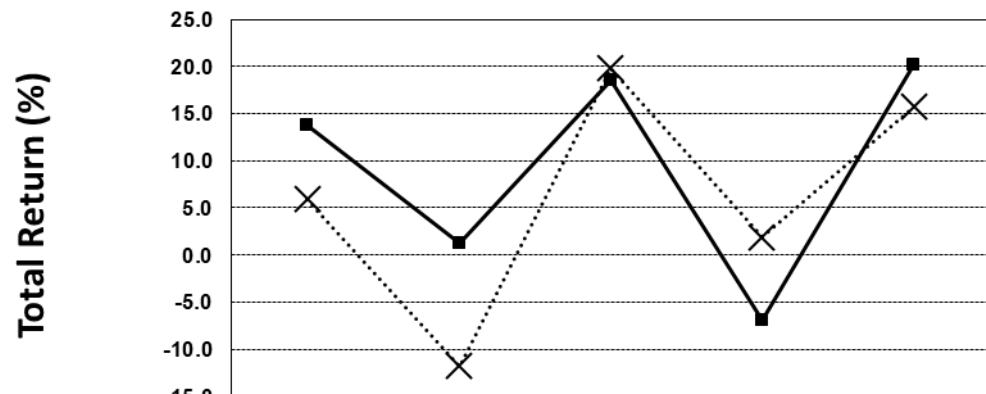
**Fund Performance**

For the financial period under review, the Fund registered a return of 14.07% which is entirely capital growth in nature.

Thus, the Fund's return of 14.07% has underperformed the benchmark's return of 14.78% by 0.71%.

As compared with the financial year ended 30 November 2023, the net asset value ("NAV") per unit of the Fund increased by 14.07% from RM1.2420 to RM1.4168, while units in circulation decreased by 13.10% from 15,587,202 units to 13,545,542 units.

The following line chart shows comparison between the annual performances of European Equity Alpha and its benchmark, MSCI-ENTRI, for the financial years ended 30 November.



	2019	2020	2021	2022	2023
···x··· Fund	5.91	-11.79	19.80	1.93	15.72
—■— Benchmark	13.83	1.23	18.51	-6.94	20.12

Financial Years Ended (30 November)

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

**Performance of the Target Fund**

**Fund Performance Review of the Target Fund – Schroder ISF European Value (the “Target Fund”)**

The Target Fund has outperformed over the period. Financials especially have enjoyed strong performance. Many European banks have returned significant levels of cash back to investors either via large share buyback programs or increased dividends. Banks have benefitted from the higher rate environment after years of anemic profits where net interest margins were depressed. We still think there are a number of banks that we own that have strong operational momentum yet still have room to re-rate, Natwest and Barclays being examples of these. Some stocks that were more challenged in the previous period have also shown strong performance, across several sectors and countries. Iveco, the Italian specialty vehicle business has seen shares move up 50% while Tecnicas Reunidas, the Spanish engineering business has also performed well. We retain both holdings and think current valuations offer generous upside for the associated risks.

There have still be some weaker names in the portfolio. Bpost, the Belgian postal business has been challenging, as has the Swiss staffing business Adecco. We have been staying close to both names and our conviction remains, and will continue to be patient to see a turnaround in those businesses or the wider operating environment.

*Source: Schroders, 31 May 2024*

**Strategies and Policies Employed**

**Strategies and Policies employed by Target Fund**

There has been no change in the strategies and policies employed in the review period. We believe that a great investment process is one with a high probability of superior outcomes over time. Our process is focused on producing the best possible long-term results with minimum risk. High risk does not equal high return; low risk equals high return in the long run. Real investment risk is the chance of permanently losing some or all of the money that you have invested. Buying stocks at a discount to their intrinsic value greatly reduces the risk of capital loss. Overpaying for stocks, however it is justified, will ultimately destroy capital.

Source: Schroders, 31 May 2024

### Strategies and Policies of the Fund

For the financial period under review, a minimum of 85% of its NAV was invested in the Target Fund.

### Target Fund's Top 10 Holdings

#### As at 31 May 2023

Security	Fund Weight %
Allianz	3.6
Sanofi	3.1
Axa	2.8
Orange	2.8
Continental	2.8
Bayer	2.7
Tesco	2.7
Software AG	2.7
UniCredit	2.6
Henkel	2.5

#### As at 31 May 2024

Security	Fund Weight %
Sanofi	2.5
British Land	2.4
Standard Chartered	2.4
Natwest	2.4
ITV	2.4
Barclays	2.3
Grand City Properties	2.3
Orange	2.3
Icade	2.2
Vodafone	2.2

Source: Schroders, 31 May 2024

### Portfolio Structure

The table below is the asset allocation of the Fund as at 31 May 2024 and 30 November 2023.

	As at 31.05.2024 %	As at 30.11.2023 %	Changes %
Foreign collective investment scheme	91.68	96.21	-4.53
Money market deposits and cash equivalents	8.32	3.79	4.53
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

For the financial period under review, the Fund has invested 91.68% of its NAV in the foreign collective investment scheme and the balance of 8.32% of its NAV in money market deposits and cash equivalents.



<b>Securities Lending / Repurchase Transactions</b>	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).
<b>Cross Trade</b>	There were no cross trades undertaken during the financial period under review.
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial period under review.
<b>State of Affairs</b>	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.
<b>Rebates and Soft Commission</b>	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.
<b>Market Review</b>	<p>Markets have enjoyed strong performance over the period as investors have turned optimistic around interest rates peaking which should allow for greater economic growth. Growthier areas of the market have enjoyed the bulk of this performance as investors have favored companies on high valuations expecting better earnings paths in the medium term.</p> <p><i>Source: Schroders, 31 May 2024</i></p>
<b>Market Outlook</b>	<p>While markets have enjoyed strong performance over the last six months, much of this has been driven by more expensive shares being re-rated further. Today the relative valuation gap between the cheapest and most expensive 20% of European shares remains almost at record highs. Additionally, the cheapest quintile of the European market is trading at roughly 30% of its long term average. We believe this should be supportive of strong returns from this part of the market, our typical hunting ground over the medium to long term.</p> <p><i>Source: Schroders, 31 May 2024</i></p>
<b>Additional Information</b>	<p>The following information was updated:</p> <p>The Eleventh Supplementary Master Prospectus dated 1 March 2024 has been registered with the Securities Commission Malaysia. The issuance of the Eleventh Supplementary Master Prospectus is to update the investment strategy, managing risk and asset allocation, risk of a passive strategy, and information in relation to the trustee's delegate of the Fund. Notice of the issuance for the Eleventh Supplementary Master Prospectus dated 1 March 2024 was published on our website at <a href="http://www.aminvest.com">www.aminvest.com</a> and sent to the unit holders on 13 March 2024.</p>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

19 July 2024

## European Equity Alpha

### STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2024

	Note	31.05.2024 (unaudited) RM	30.11.2023 (audited) RM
<b>ASSETS</b>			
Investment	4	17,595,123	18,624,630
Amount due from Manager	5(a)	65,383	90,889
Cash at banks		1,595,656	665,203
<b>TOTAL ASSETS</b>		<b>19,256,162</b>	<b>19,380,722</b>
<b>LIABILITIES</b>			
Amount due to Manager	5(b)	50,375	6,228
Amount due to Trustee	6	1,124	1,098
Sundry payables and accruals		13,282	14,818
<b>TOTAL LIABILITIES</b>		<b>64,781</b>	<b>22,144</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>19,191,381</b>	<b>19,358,578</b>
<b>EQUITY</b>			
Unit holders' capital	8(a)	(222,584)	2,394,166
Retained earnings	8(b)(c)	19,413,965	16,964,412
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	8	<b>19,191,381</b>	<b>19,358,578</b>
<b>UNITS IN CIRCULATION</b>	8(a)	<b>13,545,542</b>	<b>15,587,202</b>
<b>NAV PER UNIT (RM)</b>		<b>1.4168</b>	<b>1.2420</b>

*The accompanying notes form an integral part of the unaudited financial statements.*

## European Equity Alpha

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

	Note	01.12.2023 to 31.05.2024 RM	01.12.2022 to 31.05.2023 RM
<b>INVESTMENT INCOME</b>			
Interest income		1,018	999
Net gains from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	7	2,498,888	3,050,282
Other net realised gain/(loss) on foreign currency exchange		120	(31,797)
Other net unrealised loss on foreign currency exchange		-	(491)
		<u>2,500,026</u>	<u>3,018,993</u>
<b>EXPENDITURE</b>			
Manager’s fee	5	(33,144)	(42,451)
Trustee’s fee	6	(6,506)	(8,509)
Audit fee		(4,350)	(4,334)
Tax agent’s fee		(1,900)	(1,895)
Other expenses		(4,573)	(3,553)
		<u>(50,473)</u>	<u>(60,742)</u>
<b>Net income before taxation</b>		2,449,553	2,958,251
<b>Taxation</b>	10	-	-
<b>Net income after taxation, representing total comprehensive income for the financial period</b>		<u>2,449,553</u>	<u>2,958,251</u>
Total comprehensive income comprises the following:			
Realised income		942,142	2,442,955
Unrealised gains		1,507,411	515,296
		<u>2,449,553</u>	<u>2,958,251</u>

*The accompanying notes form an integral part of the unaudited financial statements.*

## European Equity Alpha

### STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 December 2023		2,394,166	16,964,412	19,358,578
Total comprehensive income for the financial period		-	2,449,553	2,449,553
Creation of units	8(a)	1,496,803	-	1,496,803
Cancellation of units	8(a)	(4,113,553)	-	(4,113,553)
Balance at 31 May 2024		<u>(222,584)</u>	<u>19,413,965</u>	<u>19,191,381</u>
At 1 December 2022		9,236,816	16,077,853	25,314,669
Total comprehensive income for the financial period		-	2,958,251	2,958,251
Creation of units		7,555,307	-	7,555,307
Cancellation of units		(14,868,178)	-	(14,868,178)
Balance at 31 May 2023		<u>1,923,945</u>	<u>19,036,104</u>	<u>20,960,049</u>

*The accompanying notes form an integral part of the unaudited financial statements.*

## European Equity Alpha

### STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

	01.12.2023 to 31.05.2024 RM	01.12.2022 to 31.05.2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investment	3,528,515	11,582,083
Purchases of investment	-	(4,474,671)
Interest received	1,018	999
Manager's fee paid	(31,884)	(43,110)
Trustee's fee paid	(6,480)	(8,652)
Payments for other expenses	(12,359)	(11,055)
Net cash generated from operating and investing activities	<u>3,478,810</u>	<u>7,045,594</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	1,522,309	7,648,023
Payments for cancellation of units	(4,070,666)	(14,735,280)
Distribution paid	-	(11,449)
Net cash used in financing activities	<u>(2,548,357)</u>	<u>(7,098,706)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	930,453	(53,112)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>665,203</u>	<u>491,165</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>1,595,656</u>	<u>438,053</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>1,595,656</u>	<u>438,053</u>

## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 1. GENERAL INFORMATION

European Equity Alpha (the “Fund”) was established pursuant to a Deed dated 30 June 2006 as amended by Deeds supplemental thereto (the “Deeds”), between AmFunds Management Berhad as the Manager, AmanahRaya Trustees Berhad as the Trustee and all unit holders.

The Fund was set up with the objective of providing investors with capital growth primarily through investment in equity securities of European companies. Being a feeder fund, a minimum of 85% of the Fund’s NAV will be invested in the Luxembourg-based Schroder International Selection Fund European Value (“Target Fund”), which is separately managed by Schroder Investment Management (Europe) S.A. (formerly known as Schroder Investment Management (Luxembourg) S.A.) (“Target Fund Manager”). As provided in the Deeds, the financial year shall end on 30 November and the units in the Fund were first offered for sale on 8 August 2006.

The financial statements were authorised for issue by the Manager on 19 July 2024.

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

##### Standards effective during the financial period

The adoption of the following MFRS and amendments to MFRS which became effective during the financial period did not have any material financial impact to the financial statements.

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D.)

##### Standards effective during the financial period (cont'd.)

The adoption of the following MFRS and amendments to MFRS which became effective during the financial period did not have any material financial impact to the financial statements. (cont'd.)

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

##### Standards issued but not yet effective

The new and amended standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

\* These MFRS and Amendments to MFRSs are not relevant to the Fund.

#### 3. SUMMARY OF ACCOUNTING POLICIES

##### 3.1 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.1 Income recognition (cont'd.)**

(i) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(ii) Gain or loss on disposal of investment

On disposal of investment, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investment. The net realised gain or loss is recognised in profit or loss.

**3.2 Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**3.3 Functional and presentation currency**

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

**3.4 Foreign currency transactions**

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

**3.5 Statement of cash flows**

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investment that is readily convertible to cash with insignificant risk of changes in value.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.6 Distribution**

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from retained earnings and realised income. Realised income is the income earned from interest income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

**3.7 Unit holders' capital**

The unit holders' capital of the Fund meets the definition of puttable instruments and are classified as equity instruments under MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

**3.8 Financial assets – initial recognition and measurement**

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial assets. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

(iii) "Day 1" profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a "Day 1" profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.9 Financial assets under MFRS 9**

Classification and measurement

The classification of financial assets depends on the Fund's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cash flow characteristics of the financial instruments ("SPPI test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest and the assessment is performed on a financial instrument basis.

The Fund may classify its financial assets under the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial assets. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Interest earned element of such instrument is recorded in "Interest income". Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.9 Financial assets under MFRS 9 (cont'd.)**

Classification and measurement (cont'd.)

The Fund may classify its financial assets under the following categories: (cont'd.)

*Financial assets at FVTPL (cont'd.)*

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

The Fund subsequently measures its investment in Collective Investment Scheme ("CIS") at FVTPL. Distribution earned whilst holding the investment in CIS is recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the investment in CIS, realised and unrealised, are included in profit or loss.

**3.10 Financial liabilities – classification and subsequent measurement**

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holders. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**3.11 Derecognition of financial instruments**

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
  - the Fund has transferred substantially all the risks and rewards of the asset, or
  - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

**3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)**

**3.11 Derecognition of financial instruments (cont'd.)**

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

**3.12 Financial instruments – expected credit losses (“ECL”)**

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

**3.13 Determination of fair value**

For the investment in CIS, fair value is determined based on the closing NAV per unit of the foreign CIS. Purchased cost is the price that the Fund paid when buying its investment. The difference between purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

**3.14 Classification of realised and unrealised gains and losses**

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 3. SUMMARY OF ACCOUNTING POLICIES (CONT'D.)

##### 3.15 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its investment as financial assets at FVTPL as the Fund may sell its investment in the short-term for profit-taking or to meet unit holders' cancellation of units.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

#### 4. INVESTMENT

	31.05.2024 RM	30.11.2023 RM
<b>Financial asset at FVTPL</b>		
At cost:		
Foreign CIS	<u>11,621,330</u>	<u>14,158,248</u>
At fair value:		
Foreign CIS	<u>17,595,123</u>	<u>18,624,630</u>

Details of investment are as follows:

Foreign CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>31.05.2024</b>				
Schroder International Selection Fund European Value ("Target Fund")	<u>38,479</u>	<u>17,595,123</u>	<u>11,621,330</u>	<u>91.68</u>
<b>Excess of fair value over purchased cost</b>		<u>5,973,793</u>		

## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 5. AMOUNT DUE FROM/TO MANAGER

	Note	31.05.2024 RM	30.11.2023 RM
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>65,383</u>	<u>90,889</u>
<b>(b) Due to Manager</b>			
Cancellation of units	(ii)	42,887	-
Manager's fee payable	(iii)	<u>7,488</u>	<u>6,228</u>
		<u>50,375</u>	<u>6,228</u>

(i) This represents amount receivable from the Manager for units created.

(ii) This represents amount payable to the Manager for units cancelled.

The normal credit period in the previous financial year and current financial period for creation and cancellation of units is three business days.

(iii) As the Fund is investing in the Target Fund, the Manager's fee is charged as follows:

	01.12.2023 to 31.05.2024 % p.a.	01.12.2022 to 31.05.2023 % p.a.
Manager's fee charged by the Target Fund Manager, on the NAV of the Target Fund	1.50	1.50
Manager's fee charged by the Manager, on the NAV of investment in the Target Fund (Note a)	0.30	0.30
Manager's fee charged by the Manager, on the remaining NAV of the Fund (Note a)	1.80	1.80

Note a) The Manager's fee is charged on 0.30% of the NAV of investment in the Target Fund and 1.80% on the remaining NAV of the Fund.

The normal credit period in the previous financial year and current financial period for Manager's fee payable is one month.

#### 6. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.07% (30.11.2023: 0.07%) per annum on the NAV of the Fund, calculated on a daily basis.

The normal credit period in the previous financial year and current financial period for Trustee's fee payable is one month.

## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 7. NET GAINS FROM INVESTMENT

	01.12.2023 to 31.05.2024 RM	01.12.2022 to 31.05.2023 RM
Net gains on financial assets at FVTPL comprised:		
– Net realised gains on sale of investment	838,534	2,602,083
– Net realised gain/(loss) on foreign currency exchange	152,943	(67,588)
– Net unrealised gain/(loss) on changes in fair value of investment	1,585,379	(841,080)
– Net unrealised (loss)/gain on foreign currency fluctuation of investment denominated in foreign currency	<u>(77,968)</u>	<u>1,356,867</u>
	<u>2,498,888</u>	<u>3,050,282</u>

#### 8. TOTAL EQUITY

Total equity is represented by:

	Note	31.05.2024 RM	30.11.2023 RM
Unit holders' capital	(a)	(222,584)	2,394,166
Retained earnings			
– Realised income	(b)	13,440,172	12,498,030
– Unrealised gains	(c)	<u>5,973,793</u>	<u>4,466,382</u>
		<u>19,191,381</u>	<u>19,358,578</u>

##### (a) Unit holders' capital/Units in circulation

	31.05.2024		30.11.2023	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	15,587,202	2,394,166	20,032,924	9,236,816
Creation during the financial period/year	1,127,583	1,496,803	7,911,967	11,146,258
Reinvestment of distribution	-	-	2,337,187	2,893,671
Cancellation during the financial period/year	<u>(3,169,243)</u>	<u>(4,113,553)</u>	<u>(14,694,876)</u>	<u>(20,882,579)</u>
At end of the financial period/ year	<u>13,545,542</u>	<u>(222,584)</u>	<u>15,587,202</u>	<u>2,394,166</u>

## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 8. TOTAL EQUITY (CONT'D.)

##### (a) Unit holders' capital/Units in circulation (cont'd.)

The negative balance of unit holders' capital is due to the cancellation of units at a higher NAV per unit following the price appreciation of the Fund as compared to the units being created at a lower NAV per unit in prior years.

##### (b) Realised - distributable

	31.05.2024 RM	30.11.2023 RM
At beginning of the financial period/year	12,498,030	12,238,095
Net realised income for the financial period/year	942,142	3,153,606
Distribution out of realised income	-	(2,893,671)
At end of the financial period/year	<u>13,440,172</u>	<u>12,498,030</u>

##### (c) Unrealised - non-distributable

	31.05.2024 RM	30.11.2023 RM
At beginning of the financial period/year	4,466,382	3,839,758
Net unrealised gains for the financial period/year	1,507,411	626,624
At end of the financial period/year	<u>5,973,793</u>	<u>4,466,382</u>

#### 9. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationships with the Fund are as follows:

##### Related parties

AmFunds Management Berhad  
AmInvestment Bank Berhad  
AMMB Holdings Berhad  
Subsidiaries and associates of AMMB  
as disclosed in its financial statements

##### Relationships

The Manager  
Holding company of the Manager  
Ultimate holding company of the Manager  
Subsidiaries and associate companies of the  
ultimate holding company of the Manager

There are no units held by the Manager or any other related party as at 31 May 2024 and 30 November 2023.



## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 9. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES (CONT'D.)

Other than those disclosed elsewhere in the financial statements, the significant related party balances as at the reporting date is as follows:

	31.05.2024	30.11.2023
	RM	RM
<b>Significant related party balance</b>		
<u>AmBank (M) Berhad</u>		
Cash at bank	299	319

#### 10. TAXATION

Income tax payable is calculated on investment income less deduction for permitted expenses as provided under Section 63B of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	01.12.2023 to 31.05.2024	01.12.2022 to 31.05.2023
	RM	RM
Net income before taxation	2,449,553	2,958,251
Taxation at Malaysian statutory rate of 24% (2023: 24%)	587,893	709,980
Tax effects of:		
Income not subject to tax	(618,719)	(950,388)
Losses not allowed for tax deduction	18,712	225,829
Restriction on tax deductible expenses for unit trust fund	8,099	10,106
Non-permitted expenses for tax purposes	3,115	3,350
Permitted expenses not used and not available for future financial periods	900	1,123
Tax expense for the financial period	-	-

## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 11. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	01.12.2023 to 31.05.2024 % p.a.	01.12.2022 to 31.05.2023 % p.a.
Manager’s fee	0.18	0.17
Trustee’s fee	0.03	0.03
Fund’s other expenses	0.06	0.05
Total TER	<u>0.27</u>	<u>0.25</u>

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

#### 12. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investment to the average NAV of the Fund calculated on a daily basis, is 0.10 times (01.12.2022 to 31.05.2023: 0.33 times).

#### 13. SEGMENTAL REPORTING

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 85% of the Fund’s NAV will be invested in the Target Fund.

As the Fund operates substantially as a feeder fund which invests primarily in the Target Fund, it is not possible or meaningful to classify its investment by separate business or geographical segments.

#### 14. TRANSACTIONS WITH THE TARGET FUND MANAGER

Details of transactions with the Target Fund Manager for the financial period ended 31 May 2024 are as follows:

Target Fund Manager	Transaction value RM	%
Schroder Investment Management (Europe) S.A. <i>(formerly known as Schroder Investment Management (Luxembourg) S.A.)</i>	<u>3,528,395</u>	<u>100.00</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

**14. TRANSACTIONS WITH THE TARGET FUND MANAGER (CONT'D.)**

The above transactions are in respect of investment in foreign CIS. Transactions in this investment do not involve any commission or brokerage fee.

**15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, country risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investment restrictions as stipulated by the Capital Markets and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

**(a) Market risk**

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

The Fund's market risk is affected primarily by the following risks:

**(i) Price risk**

Price risk refers to the uncertainty of an investment's future prices. In the event of adverse price movements, the Fund might endure potential loss on its investment in the Target Fund. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

**(ii) Interest rate risk**

Interest rate risk will affect the value of the Fund's investment, given the interest rate movements, which are influenced by regional and local economic developments as well as political developments.

Domestic interest rate on deposits and placements with licensed financial institutions are determined based on prevailing market rates.

**(iii) Currency risk**

Currency risk is associated with the Fund's financial assets and financial liabilities that are denominated in currencies other than the Fund's functional currency. Currency risk refers to the potential loss the Fund might face due to unfavorable fluctuations of currencies other than the Fund's functional currency against the Fund's functional currency.

## European Equity Alpha

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024

#### 15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

##### (a) Market risk (cont'd.)

##### (iii) Currency risk (cont'd.)

The net unhedged financial assets of the Fund that are not denominated in Fund's functional currency are as follows:

Financial assets denominated in	31.05.2024		30.11.2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
<b>Euro</b>				
Investment	17,595,123	91.68	18,624,630	96.21
Cash at bank	2,553	0.02	2,540	0.11
	<u>17,597,676</u>	<u>91.70</u>	<u>18,627,170</u>	<u>96.32</u>

##### (b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to short-term deposits. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund's investment to fluctuate in value.

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund manages the risk by setting internal counterparty limits and undertaking internal credit evaluation to minimise such risk.

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

##### (c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its financial liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at banks, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 31 MAY 2024**

**15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

**(d) Single issuer risk**

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund is restricted from investing in securities issued by any issuer in excess of a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed by the Target Fund Manager based on internal/external ratings.

**(e) Regulatory risk**

Any changes in national policies and regulations may have effects on the capital market and the NAV of the Fund.

**(f) Country risk**

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is a possibility that the NAV of the Fund may be adversely affected.

**(g) Management risk**

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the NAV of the Fund.

**(h) Non-compliance risk**

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deed and its Supplemental Deed, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

The specific risks associated to the Target Fund include market risk, securities risk, emerging market risk, settlement and credit risks, regulatory and accounting standards risks, political risk, custody risk and liquidity risk.

## **European Equity Alpha**

### **STATEMENT BY THE MANAGER**

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of European Equity Alpha (the “Fund”) as at 31 May 2024 and of the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

19 July 2024

## **TRUSTEE'S REPORT**

To the unit holders of **EUROPEAN EQUITY ALPHA** ("Fund"),

We have acted as Trustee of the Fund for the financial period ended 31 May 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AMFUNDS MANAGEMENT BERHAD has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

For **AMANAHRAYA TRUSTEES BERHAD**

**ZAINUDIN BIN SUHAIMI**

Chief Executive Officer

Date:16 July 2024

## DIRECTORY

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*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad  
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),  
Friday (8.45 a.m. to 5.00 p.m.)*



