

Annual Report for

Global Smaller Companies Fund

31 May 2024



AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager

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

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Ng Chih Kaye
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Arnold Lim Boon Lay
Goh Wee Peng

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Tracy Chen Wee Keng
Goh Wee Peng

Trustee

Deutsche Trustees Malaysia Berhad

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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 audited accounts of Global Smaller Companies Fund ("Fund") for the financial year ended 31 May 2024.

Salient Information of the Fund

Name	Global Smaller Companies Fund ("Fund")
Category/ Type	Wholesale (Feeder Fund) / Growth
Name of Target Fund	Janus Henderson Horizon Fund - Global Smaller Companies Fund
Objective	<p>The Fund seeks to provide long-term capital growth.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holder's approval.</i></p>
Duration	<p>The Fund was established on 10 January 2022 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.</p>
Performance Benchmark	<p>MSCI World Small Cap Index (Available at www.aminvest.com)</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. (www.msci.com).</i></p>

Income Distribution Policy	<p>Given the Fund's investment objective, the Classes of the Fund are not expected to pay any distribution. Distributions, if any, are at the Manager's discretion.</p> <p><u>RM and RM-Hedged Classes</u> Distribution, if any, can be in the form of cash (by telegraphic transfer) or units (by reinvestment into units of the respective Classes).</p> <p><u>Other Classes except for RM and RM-Hedged Classes</u> Distribution, if any, to be reinvested into units of the respective Classes.</p> <p><i>Notes: Income distribution amount (if any) for each of the Classes could be different and is subject to the sole discretion of the Manager. For RM and RM-Hedged Classes only, if income distribution earned does not exceed RM500, it will be automatically reinvested.</i></p>																																																																																																						
Breakdown of Unit Holdings by Size	<p>For the financial year under review, the size of the Fund for RM Class stood at 293,510 units, for RM-Hedged Class stood at 28,711 units and for USD Class stood at 704 units.</p> <p><u>RM Class</u></p> <table border="1" data-bbox="331 884 1428 1198"> <thead> <tr> <th rowspan="2">Size of holding</th> <th colspan="2">As at 31 May 2024</th> <th colspan="2">As at 31 May 2023</th> </tr> <tr> <th>No of units held</th> <th>Number of unitholder</th> <th>No of units held</th> <th>Number of unitholder</th> </tr> </thead> <tbody> <tr> <td>5,000 and below</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>5,001-10,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>10,001-50,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>50,001-500,000</td> <td>293,510</td> <td>1</td> <td>143,986</td> <td>1</td> </tr> <tr> <td>500,001 and above</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><u>RM-Hedged Class</u></p> <table border="1" data-bbox="331 1321 1428 1635"> <thead> <tr> <th rowspan="2">Size of holding</th> <th colspan="2">As at 31 May 2024</th> <th colspan="2">As at 31 May 2023</th> </tr> <tr> <th>No of units held</th> <th>Number of unitholders</th> <th>No of units held</th> <th>Number of unitholders</th> </tr> </thead> <tbody> <tr> <td>5,000 and below</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>5,001-10,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>10,001-50,000</td> <td>28,711</td> <td>2</td> <td>56,130</td> <td>2</td> </tr> <tr> <td>50,001-500,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>500,001 and above</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><u>USD Class</u></p> <table border="1" data-bbox="331 1713 1428 2027"> <thead> <tr> <th rowspan="2">Size of holding</th> <th colspan="2">As at 31 May 2024</th> <th colspan="2">As at 31 May 2023</th> </tr> <tr> <th>No of units held</th> <th>Number of unitholder</th> <th>No of units held</th> <th>Number of unitholder</th> </tr> </thead> <tbody> <tr> <td>5,000 and below</td> <td>704</td> <td>1</td> <td>500</td> <td>1</td> </tr> <tr> <td>5,001-10,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>10,001-50,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>50,001-500,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>500,001 and above</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Size of holding	As at 31 May 2024		As at 31 May 2023		No of units held	Number of unitholder	No of units held	Number of unitholder	5,000 and below	-	-	-	-	5,001-10,000	-	-	-	-	10,001-50,000	-	-	-	-	50,001-500,000	293,510	1	143,986	1	500,001 and above	-	-	-	-	Size of holding	As at 31 May 2024		As at 31 May 2023		No of units held	Number of unitholders	No of units held	Number of unitholders	5,000 and below	-	-	-	-	5,001-10,000	-	-	-	-	10,001-50,000	28,711	2	56,130	2	50,001-500,000	-	-	-	-	500,001 and above	-	-	-	-	Size of holding	As at 31 May 2024		As at 31 May 2023		No of units held	Number of unitholder	No of units held	Number of unitholder	5,000 and below	704	1	500	1	5,001-10,000	-	-	-	-	10,001-50,000	-	-	-	-	50,001-500,000	-	-	-	-	500,001 and above	-	-	-	-
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Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 May are as follows:		
	As at 31 May		
	2024 %	2023 %	2022 %
Foreign collective investment scheme	92.80	98.63	96.18
Forward contracts	-	0.04	0.30
Money market deposits and cash equivalents	7.20	1.33	3.52
Total	100.00	100.00	100.00
<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial years/period ended 31 May are as follows:		
	FYE 2024	FYE 2023	FPE 31.05.2022
Net asset value (USD)			
- RM Class	52,682	21,662	941
- RM-Hedged Class	4,333	7,444	8,613
- USD Class	532	314	359
Units in circulation			
- RM Class	293,510	143,986	5,492
- RM-Hedged Class	28,711	56,130	52,359
- USD Class	704	500	500
Net asset value per unit in USD			
- RM Class	0.1795	0.1504	0.1714
- RM-Hedged Class	0.1509	0.1326	0.1645
- USD Class	0.7554	0.6270	0.7184
Net asset value per unit in respective currencies			
- RM Class (RM)	0.8443	0.6940	0.7500
- RM-Hedged Class (RM)	0.7100	0.6118	0.7200
- USD Class (USD)	0.7554	0.6270	0.7184
Highest net asset value per unit in respective currencies			
- RM Class (RM)	0.8486	0.7589	1.0068
- RM-Hedged Class (RM)	0.7150	0.7263	1.0007
- USD Class (USD)	0.7606	0.7245	1.0011
Lowest net asset value per unit in respective currencies			
- RM Class (RM)	0.6670	0.6177	0.7408
- RM-Hedged Class (RM)	0.5616	0.5493	0.7082
- USD Class (USD)	0.5841	0.5520	0.7065
Benchmark performance (%)			
- RM Class	18.75	-0.95	-8.64
- RM-Hedged Class	18.75	-0.95	-8.64
- USD Class	16.38	-5.99	-12.34
Total return (%) ⁽¹⁾			
- RM Class	21.66	-7.47	-25.00
- RM-Hedged Class	16.05	-15.03	-28.00
- USD Class	20.48	-12.72	-28.16

	FYE 2024	FYE 2023	FPE 31.05.2022
- Capital growth (%)			
- RM Class	21.66	-7.47	-25.00
- RM-Hedged Class	16.05	-15.03	-28.00
- USD Class	20.48	-12.72	-28.16
Total expense ratio (%) ⁽²⁾	3.68	14.72	192.63
Portfolio turnover ratio (times) ⁽³⁾	2.65	0.70	2.25

Note:

(1) Total return is the actual return of the Fund for the respective financial years/period computed based on the net asset value per unit and net of all fees.

(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. The TER decreased by 11.04% as compared to 14.72% per annum for the financial year ended 31 May 2023 mainly due to increase in average fund size.

(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. The increase in the PTR for 2024 and decrease for 2023 were due mainly to investing activities.

Average Total Return (as at 31 May 2024)

	Global Smaller Companies Fund ^(a) %	MSCI World Small Cap Index ^(b) %
One year		
- RM Class	21.66	18.75
- RM-Hedged Class	16.05	18.75
- USD Class	20.48	16.38
Since launch (10 January 2022)		
- RM Class	-6.86	3.05
- RM-Hedged Class	-13.39	3.05
- USD Class	-11.11	-1.74

Annual Total Return

Financial Years/Period Ended (31 May)	Global Smaller Companies Fund ^(a) %	MSCI World Small Cap Index ^(b) %
2024		
- RM Class	21.66	18.75
- RM-Hedged Class	16.05	18.75
- USD Class	20.48	16.38
2023		
- RM Class	-7.47	-0.95
- RM-Hedged Class	-15.03	-0.95
- USD Class	-12.72	-5.99
2022 ^(c)		
- RM Class	-25.00	-8.64
- RM-Hedged Class	-28.00	-8.64
- USD Class	-28.16	-12.34

- (a) Source: Novagni Analytics and Advisory Sdn. Bhd.
- (b) MSCI World Small Cap Index (Available at www.aminvest.com)
- (c) Total actual return for the financial period from 10 January 2022 (date of launch) to 31 May 2022.

The Fund performance is calculated based on the 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

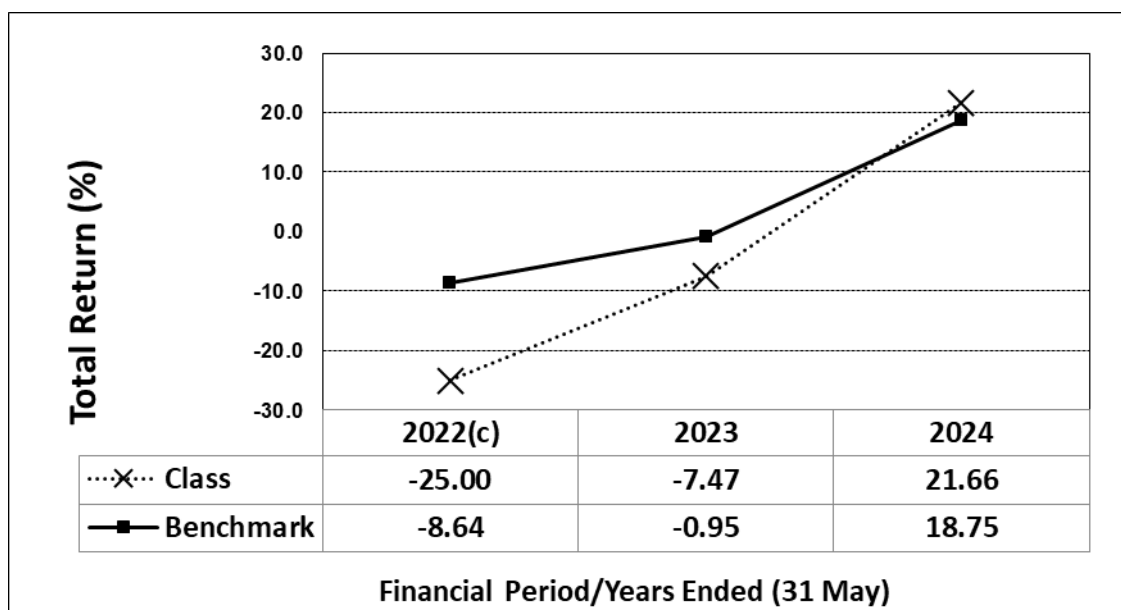
RM Class

For the financial year under review, the Fund registered a return of 21.66% which is entirely capital growth in nature.

Thus, the Fund's return of 21.66% has outperformed the benchmark's return of 18.75% by 2.91%.

As compared with the financial year ended 31 May 2023, the net asset value ("NAV") per unit of the Fund increased by 21.66% from RM0.6940 to RM0.8443, while units in circulation increased by >100.00% from 143,986 units to 293,510 units.

The following line chart shows comparison between the annual performances of Global Smaller Companies Fund (RM Class) and its benchmark, MSCI World Small Cap Index, for the financial period/years ended 31 May.



RM-Hedged Class

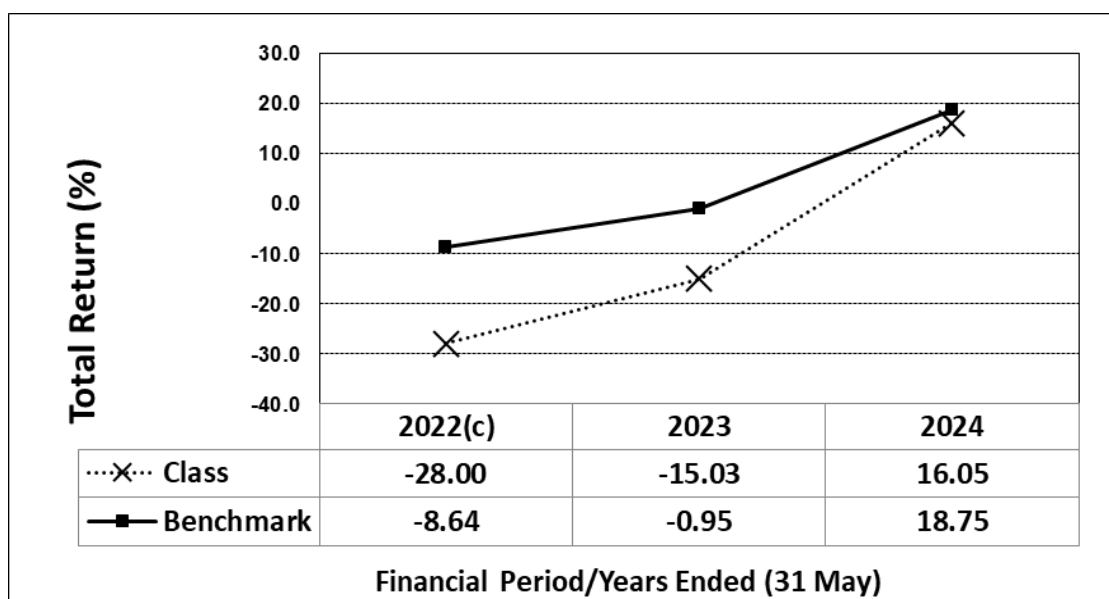
For the financial year under review, the Fund registered a return of 16.05% which is entirely capital growth in nature.

Thus, the Fund's return of 16.05% has underperformed the benchmark's return of 18.75% by 2.70%.

As compared with the financial year ended 31 May 2023, the net asset value ("NAV") per unit of the Fund increased by 16.05% from RM0.6118 to RM0.7100, while units in

circulation decreased by 48.85% from 56,130 units to 28,711 units.

The following line chart shows comparison between the annual performances of Global Smaller Companies Fund (RM-Hedged Class) and its benchmark, MSCI World Small Cap Index, for the financial period/years ended 31 May.



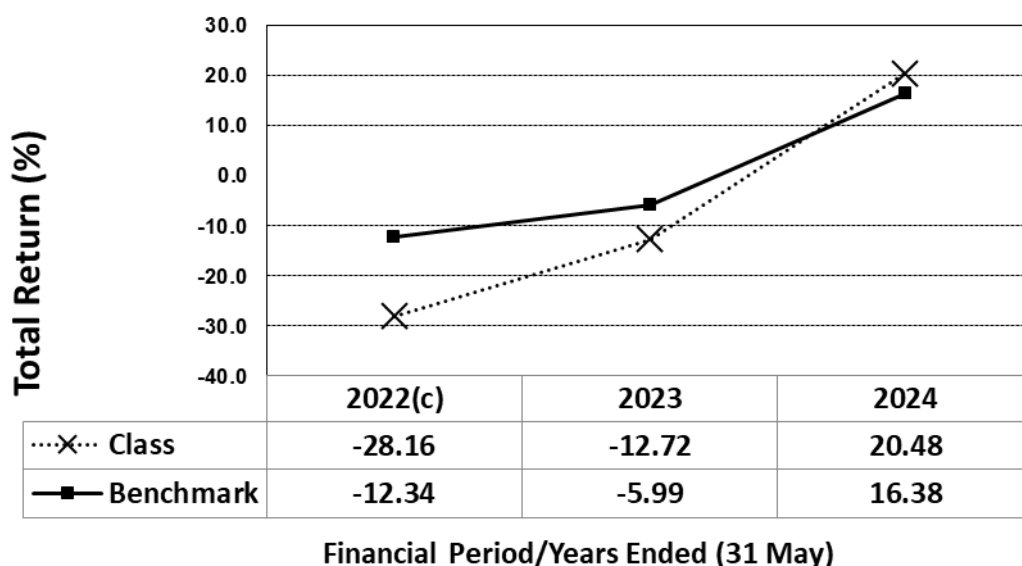
USD Class

For the financial year under review, the Fund registered a return of 20.48% which is entirely capital growth in nature.

Thus, the Fund's return of 20.48% has outperformed the benchmark's return of 16.38% by 4.10%.

As compared with the financial year ended 31 May 2023, the net asset value ("NAV") per unit of the Fund increased by 20.48% from USD0.6270 to USD0.7554, while units in circulation increased by 40.80% from 500 units to 704 units.

The following line chart shows comparison between the annual performances of Global Smaller Companies Fund (USD Class) and its benchmark, MSCI World Small Cap Index, for the financial period/years ended 31 May.



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 – Janus Henderson Horizon Fund - Global Smaller Companies Fund (the “Target Fund”)

Target Fund returned 31.59% versus index return of 18.3%.

Source: Janus Henderson Investors, as at 31 May 2024

Has the Fund achieved its objective?

The Fund has achieved its objective by investing more than 85% of its NAV in the Target Fund.

Strategies and Policies Employed

Strategies and Policies employed by Target Fund

The Janus Henderson Horizon Global Smaller Companies Fund (the ‘Target Fund’) aims to provide capital growth over the long term by investing in small companies listed globally. The Target Funds looks to identify good quality, but potentially undervalued stocks, driven by the belief that the level of real returns delivered depends on the initial price paid.

This strategy/mode of operation remains unchanged, we are trying to buy high return stocks whose price in the market does not reflect their ability to reinvest cashflows at an above average rate of return. As a consequence, the Target Fund will tend to have a valuation multiple below that of the market but a return profile higher than the market. Hence it could be said that if viewed as a single stock the portfolio has the characteristics of a fallen angel, a company which historically high returns but one where the market believes these returns will degrade. We believe that when taken in aggregate this is not the case for the portfolio and, assuming we are correct, we believe the fund is well placed for the future.

Source: Janus Henderson Investors, as at 31 May 2024

Strategies and Policies of the Fund

For the financial year under review, the Fund seeks to achieve its investment objective by investing a minimum of 85% of the Fund’s NAV in the Janus Henderson Horizon

	Fund - Global Smaller Companies Fund ("Target Fund"). This implies that the Fund has a passive strategy.																				
Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 31 May 2024 and 31 May 2023.</p> <table border="1"> <thead> <tr> <th></th> <th>As at 31.05.2024 %</th> <th>As at 31.05.2023 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Foreign collective investment scheme</td> <td>92.80</td> <td>98.63</td> <td>-5.83</td> </tr> <tr> <td>Forward contracts</td> <td>-</td> <td>0.04</td> <td>-0.04</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>7.20</td> <td>1.33</td> <td>5.87</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>For the financial year under review, the Fund invested 92.80% of its NAV in a foreign collective investment scheme and the remaining 7.20% in money market deposits and cash equivalents.</p>		As at 31.05.2024 %	As at 31.05.2023 %	Changes %	Foreign collective investment scheme	92.80	98.63	-5.83	Forward contracts	-	0.04	-0.04	Money market deposits and cash equivalents	7.20	1.33	5.87	Total	100.00	100.00	
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Total	100.00	100.00																			
Cross Trades	There were no cross trades undertaken during the financial year under review.																				
Distribution/ Unit Splits	There is no income distribution and unit split declared for the financial year under review.																				
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.																				
Rebates and Soft Commission	During the financial year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.																				
Market Review	<p>Hyman Minsky was a famous Austrian Economist whose most influential idea was that stability in financial markets leads to increased risk-taking behaviour which then leads to financial instability and crises. Or put another way when everyone gets so used to the perceived norm that they don't expect things to change, risk is perversely at its greatest.</p> <p>The last few years certainly seem to have proved this in rather spectacular fashion as War/Armed conflicts have returned (Ukraine/Israel), Political instability/tensions are on the rise (China/Taiwan & numerous global elections showing voter dissatisfaction), inflation proving far stickier than expected, Global warming effects increasing (although some still debate this) and finally the prospect of AI either exciting or scaring depending on your viewpoint. The latter point has certainly excited markets with NVIDIA (the current US stock market darling) now a \$3 trillion market cap stock having risen nearly 200% over the last year, making it worth more than Berkshire Hathaway, Meta and JP Morgan combined. Roy Amara was an American scientist, futurist and President of the Institute of the Future. He is known for what is now called Amara's Law, which states that 'We (human beings) tend to overestimate the effect of a technology in the short run and underestimate the effect in the long term'. Question is, are investors in NVIDIA right to ignore this sentiment?</p> <p>Looking at the Target Funds' performance in more detail, the majority of the outperformance came from stock selection (about 85%) the balance from sector allocation. Good performance was shown by the holdings in Celestica (electronic component manufacturer, good results well placed to meet data centre demand),</p>																				

	<p>Deckers Outdoor Systems (foot ware manufacturer both athletic and leisure/ results – meeting demand for outdoor activities), Comfort Systems (ventilation and air conditioning systems provider – robust demand for products), Yangzijiang Shipbuilding (contract wins) and Indra Sistemas (IT & defence, results and potential for corporate reorganisation). On the other hand, the holdings in Quidelortho Corp (sold), Pal Holdings (sold), Bel Fuse (sold), Value Partners (sold) and Russel Metals (US steel distributor -reacting to commodity weakness, position retained) all disappointed.</p> <p>Over the year under review, we slightly increased the number of holdings from 105 to 110.</p> <p>New additions included amongst others the aforementioned Yangzijiang Shipbuilding & Allison Transmissions. Allison Transmissions operates in the Consumer Vehicles and Parts market with exposure to Municipal & Government Services. The group is the world’s largest manufacturer of fully automatic transmissions for medium/heavy duty commercial vehicles including US military vehicles and is transitioning towards electric/hybrid propulsion systems. In the short-term earnings from the Municipal/Government sector are likely to be less volatile than the commercial side of the operation which is forecast to see some slowdown. Longer term the group has proved itself to have attractive margins/cashflow and while some uncertainty remains over electrification/alternative propulsion systems these seem to have, for the time being, slowed.</p> <p><i>Source: Janus Henderson Investors, as at 31 May 2024</i></p>
<p>Market Outlook</p>	<p>We view global small-cap stocks as undervalued relative to large-cap stocks and see an attractive opportunity for those prepared to wait for this value to be realised. That said, given that markets have performed reasonably well so far this year, any unexpected geopolitical events could (at the very least) result in an increase in volatility.</p> <p><i>Source: Janus Henderson Investors, as at 31 May 2024</i></p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 July 2024

Independent auditors' report to the unit holders of Global Smaller Companies Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Global Smaller Companies Fund (the "Fund"), which comprise the statement of financial position as at 31 May 2024, and statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows of the Fund for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 14 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditors' report to the unit holders of Global Smaller Companies Fund (cont'd.)

Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Manager and the Trustee for the financial statements

The Manager is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the unit holders of Global Smaller Companies Fund (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unit holders of
Global Smaller Companies Fund (cont'd.)**

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Sue Ean
03276/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
19 July 2024

Global Smaller Companies Fund

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2024

	Note	2024 USD	2023 USD
ASSETS			
Investment	4	53,402	29,016
Derivative asset	5	-	13
Cash at banks		7,364	3,526
TOTAL ASSETS		<u>60,766</u>	<u>32,555</u>
LIABILITIES			
Derivative liability	5	3	-
Amount due to Manager	6	51	20
Amount due to Trustee	7	2	1
Sundry payables and accruals		3,163	3,114
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>3,219</u>	<u>3,135</u>
NET ASSET VALUE ("NAV") OF THE FUND ATTRIBUTABLE TO UNIT HOLDERS		<u>57,547</u>	<u>29,420</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS OF THE FUND COMPRISE:			
Unit holders' contribution	9(a)(b)(c)	50,811	37,996
Retained earnings/(Accumulated losses)	9(d)(e)	6,736	(8,576)
		<u>57,547</u>	<u>29,420</u>
NET ASSET VALUE			
- RM Class		52,682	21,662
- RM-Hedged Class		4,333	7,444
- USD Class		532	314
		<u>57,547</u>	<u>29,420</u>
UNITS IN CIRCULATION			
- RM Class	9(a)	293,510	143,986
- RM-Hedged Class	9(b)	28,711	56,130
- USD Class	9(c)	704	500
NAV PER UNIT IN USD			
- RM Class		0.1795	0.1504
- RM-Hedged Class		0.1509	0.1326
- USD Class		0.7554	0.6270

Global Smaller Companies Fund

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2024 (CONT'D.)**

	2024	2023
NAV PER UNIT IN RESPECTIVE CURRENCIES		
- RM Class (RM)	<u>0.8443</u>	<u>0.6940</u>
- RM-Hedged Class (RM)	<u>0.7100</u>	<u>0.6118</u>
- USD Class (USD)	<u>0.7554</u>	<u>0.6270</u>

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

Global Smaller Companies Fund

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

	Note	2024 USD	2023 USD
INVESTMENT INCOME			
Interest income		194	13
Net gains from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	20,071	1,100
Other net realised (loss)/gain on foreign currency exchange		(1,068)	16
		<u>19,197</u>	<u>1,129</u>
EXPENDITURE			
Manager’s fee	6	(840)	(166)
Trustee’s fee	7	(42)	(10)
Audit fee		(1,626)	(1,828)
Tax agent’s fee		(824)	(869)
Other expenses		(553)	(941)
		<u>(3,885)</u>	<u>(3,814)</u>
Net income/(loss) before taxation		15,312	(2,685)
Taxation	11	-	-
Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year		<u>15,312</u>	<u>(2,685)</u>
Total comprehensive income/(loss) comprises the following:			
Realised income/(loss)		10,611	(4,408)
Unrealised gains		4,701	1,723
		<u>15,312</u>	<u>(2,685)</u>

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

Global Smaller Companies Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

	Note	Unit holders' contribution USD	(Accumulated losses)/ Retained earnings USD	Total USD
At 1 June 2023		37,996	(8,576)	29,420
Total comprehensive income for the financial year		-	15,312	15,312
Creation of units				
- RM Class	9(a)	301,765	-	301,765
- RM-Hedged Class	9(b)	13,971	-	13,971
- USD Class	9(c)	12,225	-	12,225
Cancellation of units				
- RM Class	9(a)	(284,512)	-	(284,512)
- RM-Hedged Class	9(b)	(18,072)	-	(18,072)
- USD Class	9(c)	(12,562)	-	(12,562)
Balance at 31 May 2024		<u>50,811</u>	<u>6,736</u>	<u>57,547</u>
At 1 June 2022		15,804	(5,891)	9,913
Total comprehensive loss for the financial year		-	(2,685)	(2,685)
Creation of units				
- RM Class	9(a)	27,045	-	27,045
- RM-Hedged Class	9(b)	3,300	-	3,300
Cancellation of units				
- RM Class	9(a)	(5,445)	-	(5,445)
- RM-Hedged Class	9(b)	(2,708)	-	(2,708)
Balance at 31 May 2023		<u>37,996</u>	<u>(8,576)</u>	<u>29,420</u>

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

Global Smaller Companies Fund

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

	2024	2023
	USD	USD
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investment	276,931	9,316
Purchases of investment	(281,500)	(27,100)
Net settlement from derivative contracts	(799)	(564)
Interest received	194	13
Manager's fee paid	(809)	(155)
Trustee's fee paid	(41)	(10)
Tax agent's fee paid	(802)	(860)
Payments for other expenses	<u>(2,151)</u>	<u>(2,460)</u>
Net cash used in operating and investing activities	<u>(8,977)</u>	<u>(21,820)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	327,961	30,345
Payments for cancellation of units	<u>(315,146)</u>	<u>(8,153)</u>
Net cash generated from financing activities	<u>12,815</u>	<u>22,192</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,838	372
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>3,526</u>	<u>3,154</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>7,364</u>	<u>3,526</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>7,364</u>	<u>3,526</u>

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

1. GENERAL INFORMATION

Global Smaller Companies Fund (the “Fund”) was established pursuant to a Deed, between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders.

The Fund aims to provide long-term capital growth by investing in the Jenus Henderson Horizon Fund - Global Smaller Companies Fund (“Target Fund”), which invests in an actively managed listed equity and equity-related securities portfolio. Being a feeder fund, a minimum of 85% of the Fund’s NAV will be invested in the Target Fund, which is a separate unit trust fund managed by Henderson Management S.A. (Luxembourg) (“Target Fund Manager”). As provided in the Deed, the financial year shall end on 31 May and the units in the Fund were first offered for sale on 10 January 2022.

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 (“MFRS”) as issued by the Malaysian Accounting Standards Board (“MASB”) and International Financial Reporting Standards (“IFRS”).

Standards effective during the financial year

The adoption of the following MFRS and amendments to MFRS which became effective during the financial year 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
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

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

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.

Description	Effective for financial periods beginning on or after
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.

(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.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

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

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 United States Dollar ("USD") which is the currency in which the issuance and redemption certain of the Fund's units and the sale and purchase of the Fund's investment are denominated and settled. The Fund has also adopted USD 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 USD 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.

3.6 Unit holders' contribution

The unit holders' contribution of the Fund are classified as liabilities under the requirements of MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

Under MFRS 132, a unit trust fund with one common class of unit holders is classified as equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as liability.

The Fund issues cancellable units in three classes. Details are disclosed in Note 9.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

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

3.7 Distribution

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from realised income and recognised in statement of comprehensive income, as the unit holders' contribution is classified as financial liability as per Note 3.6. Realised income is the income earned from interest income and net gain on disposal of investment 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.

3.8 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.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 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.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 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

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 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.

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") and derivative instruments 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.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

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

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.

(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.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

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

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.

The fair value of foreign exchange - forward contracts is calculated by making reference to prevailing forward exchange rates for contracts with similar maturity profiles in the market. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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.

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 year.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

4. INVESTMENT

	2024 USD	2023 USD
Financial asset at FVTPL		
At cost:		
Foreign CIS	<u>47,171</u>	<u>27,502</u>
At fair value:		
Foreign CIS	<u>53,402</u>	<u>29,016</u>

Details of investment are as follows:

Foreign CIS	Number of units	Fair value USD	Purchased cost USD	Fair value as a percentage of NAV %
2024				
Jenus Henderson Horizon Fund - Global Smaller Companies Fund ("Target Fund")	<u>1,415</u>	<u>53,402</u>	<u>47,171</u>	<u>92.80</u>
Excess of fair value over purchased cost		<u>6,231</u>		

5. DERIVATIVE INSTRUMENTS

Derivative instruments comprise forward currency contracts. The forward currency contracts entered into during the financial year were for hedging against the currencies exposure arising mainly from creation and cancellation of units in foreign currencies that are not denominated in the Fund's functional currency. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward currency contract is recognised immediately in the statement of comprehensive income.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

5. DERIVATIVE INSTRUMENTS (CONT'D.)

The table below shows the fair value of derivative financial instruments, recorded as assets (being derivatives which are in a net gain position) or liabilities (being derivatives which are in a net loss position), together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, foreign exchange currency and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of the financial year.

Maturity date	Counterparty	Notional amount	Fair value of derivative (liability)/ asset USD	Fair value as a percentage of NAV %
2024				
Ringgit Malaysia				
28.06.2024	Deutsche Bank (Malaysia) Berhad	20,228	(3)	-*
2023				
Ringgit Malaysia				
30.06.2023	Deutsche Bank (Malaysia) Berhad	35,434	13	0.04
30.06.2023	Deutsche Bank (Malaysia) Berhad	665	-*	-*

* represents less than 0.01%

6. AMOUNT DUE TO MANAGER

	2024 USD	2023 USD
Due to Manager		
Manager's fee payable	51	20

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

6. AMOUNT DUE TO MANAGER (CONT'D.)

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

	2024	2023
	% p.a.	% p.a.
Manager's fee charged by the Target Fund Manager, on the NAV of the Target Fund	1.20	1.20
Manager's fee charged by the Manager, on the NAV of investment in the Target Fund (Note a)	0.60	0.60
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 0.60% 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 and current financial years for Manager's fee payable is one month.

7. AMOUNT DUE TO TRUSTEE

Trustee's fee is up to 0.04% (2023: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis.

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

8. NET GAINS FROM INVESTMENT

	2024	2023
	USD	USD
Net gains on financial assets at FVTPL comprised:		
– Net realised gain/(loss) on sale of investment	16,169	(59)
– Net realised losses on settlement of derivative contracts	(799)	(564)
– Net unrealised gains on changes in fair value of investment	4,717	1,741
– Net unrealised losses from revaluation of derivative contracts	(16)	(18)
	<u>20,071</u>	<u>1,100</u>

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

9. NAV ATTRIBUTABLE TO UNIT HOLDERS

Total NAV attributable to unit holders is represented by:

	Note	2024 USD	2023 USD
Unit holders' contribution			
– RM Class	(a)	40,016	22,763
– RM Hedged Class	(b)	10,632	14,733
– USD Class	(c)	163	500
Retained earnings/(Accumulated losses)			
– Realised income/(loss)	(d)	509	(10,102)
– Unrealised gains	(e)	6,227	1,526
		<u>57,547</u>	<u>29,420</u>

The Fund issues cancellable units in three classes as detailed below:

Classes of units	Currency denomination	Categories of investors	Distribution policy
RM Class	RM	Mixed	Incidental
RM Hedged Class	RM	Mixed	Incidental
USD Class	USD	Mixed	Incidental

The different charges and features of each class are as follows:

- (i) Initial price
- (ii) Minimum initial investment
- (iii) Minimum additional investment

(a) Unit holders' contribution/Units in circulation – RM Class

	2024		2023	
	Number of units	USD	Number of units	USD
At beginning of the financial year	143,986	22,763	5,492	1,163
Creation during the financial year	1,874,465	301,765	173,686	27,045
Cancellation during the financial year	(1,724,941)	(284,512)	(35,192)	(5,445)
At end of the financial year	<u>293,510</u>	<u>40,016</u>	<u>143,986</u>	<u>22,763</u>

Global Smaller Companies Fund

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

9. NAV ATTRIBUTABLE TO UNIT HOLDERS (CONT'D.)

(b) Unit holders' contribution/Units in circulation – RM-Hedged Class

	2024		2023	
	Number of units	USD	Number of units	USD
At beginning of the financial year	56,130	14,733	52,359	14,141
Creation during the financial year	98,710	13,971	23,307	3,300
Cancellation during the financial year	(126,129)	(18,072)	(19,536)	(2,708)
At end of the financial year	<u>28,711</u>	<u>10,632</u>	<u>56,130</u>	<u>14,733</u>

(c) Unit holders' contribution/Units in circulation – USD Class

	2024		2023	
	Number of units	USD	Number of units	USD
At beginning of the financial year	500	500	500	500
Creation during the financial year	17,892	12,225	-	-
Cancellation during the financial year	(17,688)	(12,562)	-	-
At end of the financial year	<u>704</u>	<u>163</u>	<u>500</u>	<u>500</u>

(d) Realised - distributable

	2024 USD	2023 USD
At beginning of the financial year	(10,102)	(5,694)
Net realised income/(loss) for the financial year	10,611	(4,408)
At end of the financial year	<u>509</u>	<u>(10,102)</u>

(e) Unrealised – non-distributable

	2024 USD	2023 USD
At beginning of the financial year	1,526	(197)
Net unrealised gains for the financial year	4,701	1,723
At end of the financial year	<u>6,227</u>	<u>1,526</u>

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

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

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holding company of the Manager
AMMB Holdings Berhad (“AMMB”)	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

	2024		2023	
	Number of units	USD	Number of units	USD
The Manager*				
– USD Class	704	532	500	314

* The Manager is the legal and beneficial owner of the units.

There are no units held by any other related party as at 31 May 2024 and 31 May 2023.

11. 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/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2024 USD	2023 USD
Net income/(loss) before taxation	15,312	(2,685)
Taxation at Malaysian statutory rate of 24% (2023: 24%)	3,675	(644)
Tax effects of:		
Income not subject to tax	(5,059)	(425)
Losses not allowed for tax deduction	452	154
Restriction on tax deductible expenses for unit trust fund	533	458
Non-permitted expenses for tax purposes	340	407
Permitted expenses not used and not available for future financial years	59	50
Tax expense for the financial year	-	-

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

12. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	2024	2023
	% p.a.	% p.a.
Manager’s fee	0.80	0.64
Trustee’s fee	0.04	0.04
Fund’s other expenses	2.84	14.04
Total TER	<u>3.68</u>	<u>14.72</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.

13. 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 2.65 times (2023: 0.70 times).

14. 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.

15. TRANSACTIONS WITH THE TARGET FUND MANAGER

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

Target Fund Manager	Transaction value	
	USD	%
Henderson Management S.A. (Luxembourg)	<u>559,500</u>	<u>100.00</u>

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

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

16. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets/ (liability) at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
2024				
Financial assets				
Investment	53,402	-	-	53,402
Cash at banks	-	7,364	-	7,364
Total financial assets	<u>53,402</u>	<u>7,364</u>	<u>-</u>	<u>60,766</u>
Financial liabilities				
Derivative liab	3	-	-	3
Amount due to Manager	-	-	51	51
Amount due to Trustee	-	-	2	2
Total financial liabilities	<u>3</u>	<u>-</u>	<u>53</u>	<u>56</u>
2023				
Financial assets				
Investment	29,016	-	-	29,016
Derivative assets	13	-	-	13
Cash at banks	-	3,526	-	3,526
Total financial assets	<u>29,029</u>	<u>3,526</u>	<u>-</u>	<u>32,555</u>
Financial liabilities				
Amount due to Manager	-	-	20	20
Amount due to Trustee	-	-	1	1
Total financial liabilities	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
			Income, expenses, gains and losses	
			2024	2023
			USD	USD
Net gains from financial assets at FVTPL			20,071	1,100
Income, of which derived from:				
– Interest income from financial assets at amortised cost			194	13
– Other net realised (loss)/gain on foreign currency exchange			(1,068)	16
			<u>(1,068)</u>	<u>16</u>

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

16. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value

The Fund's financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable; either directly or indirectly; or

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
2024				
Financial asset at FVTPL:				
– Investment	-	53,402	-	53,402
Financial liability at FVTPL:				
– Derivative liability	-	3	-	3
2023				
Financial assets at FVTPL:				
– Investment	-	29,016	-	29,016
– Derivative assets	-	13	-	13
	-	29,029	-	29,029

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

16. FINANCIAL INSTRUMENTS (CONT'D.)

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Cash at banks
- Amount due to Manager
- Amount due to Trustee

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

17. 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 investment coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework 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 Funds'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.

Global Smaller Companies Fund

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

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

(a) Market risk (cont'd.)

(i) Price risk (cont'd.)

The result below summarised the price risk sensitivity of the Fund's NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2024 USD	2023 USD
-5.00%	(2,670)	(1,451)
+5.00%	2,670	1,451

(ii) 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.

The result below summarised the currency risk sensitivity of the Fund's NAV due to appreciation/depreciation of the Fund's functional currency against currencies other than the Fund's functional currency.

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2024 USD	2023 USD
+5.00%	5	1
-5.00%	(5)	(1)

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

Financial asset denominated in	2024		2023	
	USD equivalent	% of NAV	USD equivalent	% of NAV
Ringgit Malaysia				
Cash at bank	107	0.19	20	0.07

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

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

(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 derivative assets and liability. 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. This is also the risk of the Fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavorable prices to meet redemption requirements.

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, deposit with licensed financial institution 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.

The Fund's financial liabilities have contractual maturities of not more than six months.

(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.

Global Smaller Companies Fund

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

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

(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, 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.

18. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maximises unit holders' value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investment.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units or make distribution payment.

No changes were made in the objective, policies or processes during the financial years ended 31 May 2024 and 31 May 2023.

Global Smaller Companies Fund

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 and International Financial Reporting Standards so as to give a true and fair view of the financial position of Global Smaller Companies Fund (the “Fund”) as at 31 May 2024 and of the comprehensive income, the changes in net assets attributable to unit holders and cash flows for the financial year 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 GLOBAL SMALLER COMPANIES FUND ("Fund")

We have acted as Trustee of the Fund for the financial year 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 year 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 Unlisted Capital Market Products under the Lodge and Launch Framework;
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 Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
19 July 2024

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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.)*

