

Annual Report for

# Pan European Property Equities

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 audited accounts of Pan European Property Equities ("Fund") for the financial year ended 31 May 2024.

### Salient Information of the Fund

<b>Name</b>	Pan European Property Equities ("Fund")
<b>Category/ Type</b>	Feeder (European Property Equity) / Capital growth and income
<b>Name of Target Fund</b>	Janus Henderson Horizon Pan European Property Equities Fund
<b>Fund Objective</b>	<p>To seek long-term capital appreciation by investing its assets in quoted equity securities of companies or REITs (or its equivalent) having their registered office in the EEA (European Economic Area) or United Kingdom if it's not part of the EEA and listed or traded on a regulated market which derive the main part of their revenue from the ownership, management and/or development of real estate in Europe. The Fund is denominated in RM.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holder's approval.</i></p>
<b>Duration</b>	The Fund was established on 6 March 2007 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.
<b>Performance Benchmark</b>	<p>FTSE EPRA/NAREIT Developed Europe Capped Index Net TRI ("EPRA-Index"). (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: London Stock Exchange Group plc and its group undertakings, including FTSE International Limited (collectively, the "LSE Group"), European Public Real Estate Association ("EPRA"), and the National Association of Real Estate Investments Trusts ("Nareit") (and together the "Licensor Parties"). © LSE Group 2024. FTSE Russell is a trading name of certain LSE Group companies. "FTSE®" and "Russell®" are a trade mark(s) of the relevant LSE Group companies and are used by any other LSE Group company under license. "Nareit®" is a trade mark of Nareit, "EPRA®" is a trade mark of EPRA and all are used by the LSE Group under license. All rights in the FTSE EPRA Nareit Global Real Estate Index Series index(es) or data vest in the Licensor Parties. The Licensor Parties do not accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The Licensor Parties do not promote, sponsor or endorse the content of this communication.</i></p>
<b>Income Distribution Policy</b>	Income distribution (if any) is paid at least once every year.

## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 31 May are as follows:			
		<b>As at 31 May</b>		
		<b>2024</b> %	<b>2023</b> %	<b>2022</b> %
	Foreign collective investment scheme	90.21	96.00	97.83
	Money market deposits and cash equivalents	9.79	4.00	2.17
<b>Total</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 years ended 31 May are as follows:			
		<b>FYE 2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>
	Net asset value (RM)	23,627,237	21,244,823	30,281,506
	Units in circulation	20,121,173	23,418,260	24,434,441
	Net asset value per unit (RM)	1.1742	0.9072	1.2393
	Highest net asset value per unit(RM)	1.1896	1.2258	1.5511
	Lowest net asset value per unit (RM)	0.8662	0.7807	1.1398
	Benchmark performance (%)	26.30	-30.74	-15.03
	Total return (%) <sup>(1)</sup>	29.43	-26.80	-10.51
	- Capital growth (%)	29.43	-26.80	-10.51
	Total expense ratio (%) <sup>(2)</sup>	0.34	0.32	0.29
	Portfolio turnover ratio (times) <sup>(3)</sup>	0.13	0.08	0.21
		<i>Note:</i>		
	<i>(1) Total return is the actual return of the Fund for the respective financial 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. The TER increased by 0.02% as compared to 0.32% per annum for the financial year ended 31 May 2023 mainly due to increase in expenses.</i>			
	<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. The increase in the PTR for 2024 and decrease in 2023 were due mainly to investing activities.</i>			
	<b>Average Total Return (as at 31 May 2024)</b>			
	<b>Pan European Property Equities<sup>(a)</sup></b> %	<b>EPRA-Index<sup>(b)</sup></b> %		
One year	29.43	26.30		
Three years	-5.35	-9.41		
Five years	4.83	-3.12		
Ten years	8.15	1.21		

## Annual Total Return

Financial Years Ended (31 May)	Pan European Property Equities <sup>(a)</sup> %	EPRA-Index <sup>(b)</sup> %
2024	29.43	26.30
2023	-26.80	-30.74
2022	-10.51	-15.03
2021	35.15	27.81
2020	10.49	-10.17

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

(b) FTSE EPRA/NAREIT Developed Europe Capped Index Net TRI ("EPRA-Index")  
(Available at [www.aminvest.com](http://www.aminvest.com))

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.**

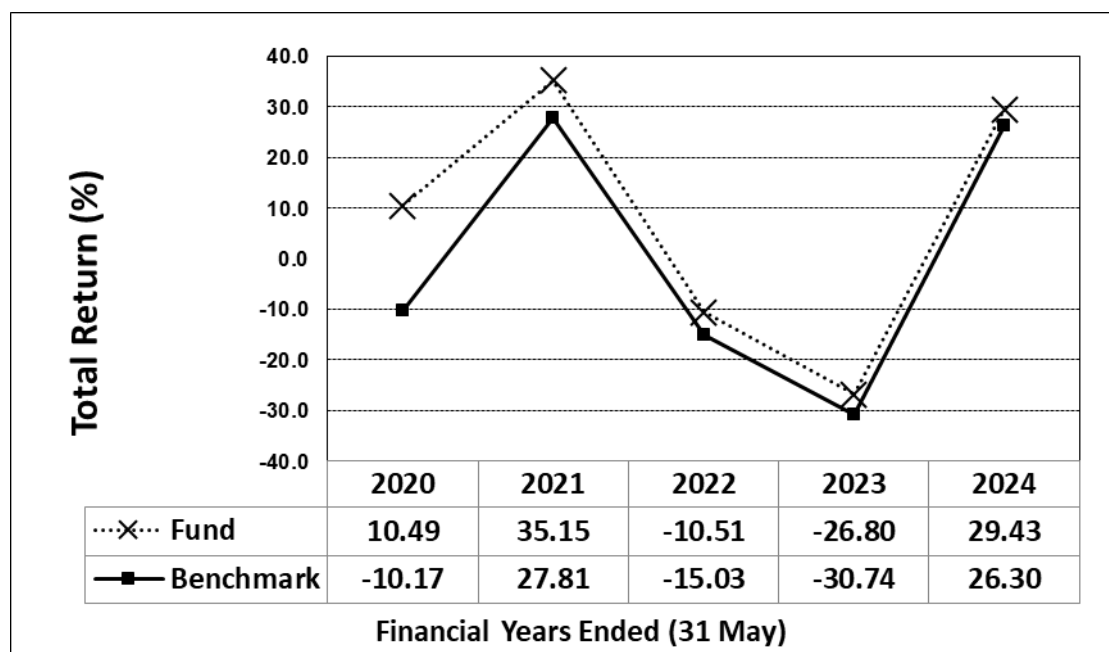
## Fund Performance

For the financial year under review, the Fund registered a return of 29.43% which is entirely capital growth in nature.

Thus, the Fund's return of 29.43% has outperformed the benchmark's return of 26.30% by 3.13%.

As compared with the financial year ended 31 May 2023, the net asset value ("NAV") per unit of the Fund increased by 29.43% from RM0.9072 to RM1.1742, while units in circulation decreased by 14.08% from 23,418,260 units to 20,121,173 units.

The following line chart shows comparison between the annual performances of Pan European Property Equities and its benchmark, EPRA-Index, for the financial 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.**

<b>Performance of the Target Fund</b>	<p><b>Fund Performance Review of the Target Fund – Janus Henderson Horizon Pan European Property Equities Fund (the “Target Fund”)</b></p> <p>Over the 12-month period ending 31 May 2024, the Target Fund (net of fees) rose 28.2%, outperforming the benchmark (FTSE EPRA NAREIT Developed Europe Capped NR Index), which returned 25.4%.</p> <p>On an individual stock basis, one of the top contributors over the period was the German residential provider LEG. Its share price bounced from depressed levels in the first half of the period, following results that highlighted accelerating rental growth, as well as a more constructive rates backdrop. Spanish property REIT Merlin also delivered strong returns and contributed positively, supported by optimism over what AI-induced demand could mean for the company’s growing data centre pipeline. Stock selection in the industrial and logistics space added value, as an absence of Belgian listed Warehouse De Pauw added value, as well as our position in CEE logistics provider CTP, benefiting from continued onshoring trends and resilient demand from occupiers. The Target Fund also benefited from M&amp;A over the period as small cap UK logistics name Lok’nStore was subject to a takeover from listed peer Shurgard.</p> <p>The Target Fund’s off-benchmark exposure to the towers sector detracted from performance. Here, our position in Cellnex Telecom detracted, hurt by rising real yields given the company’s long duration cashflows. This was despite the company’s intention to reward shareholders through dividends and buybacks in the future, and an earlier-than-expected upgrade to investment grade status by S&amp;P. Self-storage provider Safestore, and London office owner Helical, also detracted after both faced demand headwinds and concerns over declining occupancy.</p> <p><i>Source: Janus Henderson Investors, as at 31 May 2024</i></p>
<b>Strategies and Policies Employed</b>	<p><b>Strategies and Policies employed by Target Fund</b></p> <p>There was a narrowing of some of the Target Fund’s top-down sector investments during the period, given relative performance and with the potential for a recovery in several sectors that had seen weaker rental growth dynamics over the period. As an example, we trimmed the fund’s overall position in storage in the second half of the reporting period following recent strength. Having increased our position in storage owner Lok’nStore early in the period, we exited the holding, as, in our view, the share price reflected the bid for the business at an all-time high from peer Shurgard.</p> <p>We used a front-footed equity raise to grow the position in student accommodation provider Unite, where proceeds will be used to fund accretive developments. We sold out of UK diversified landlord Land Securities, switching into peer British Land following significant relative underperformance that has resulted in a more attractive valuation in our view. We grew more constructive on the retail sector, adding French listed shopping centre owners Klepierre and Unibail Rodamco Westfield (URW), and continued to build a position in UK retailer Hammerson. Elsewhere, we reduced the fund’s continental office exposure with valuations looking fuller, exiting Gecina following outperformance. We have recently started to selectively add back to the office sector, using a capital raise to fund development led growth as an opportunity to introduce London landlord GPE. We believe the market for prime London office assets is close to an inflection point following a valuation reset.</p>

Elsewhere, we made some changes to the Target Fund's logistics allocation by increasing the position in logistics-focused Montea via a capital raise to fund growth. We used Belgian listed logistics/office specialist Intervest Offices as a source of funding, following a cash bid for the company. We also added to landlords Argan, CTP, Tritax Big Box and Segro where we see an attractive pipeline of development opportunities and embedded rental growth.

We added residential exposure through German landlord TAG as well as Irish Housebuilder Cairn Homes, where we see attractive underlying demand fundamentals and supply challenges.

We added Sirius Real Estate in the UK given the attractive income and cash flow metrics. We also trimmed various outperformers, most notably in Sweden but started to narrow our underweight towards period end via Balder and a new position in Nyfosa following an oversubscribed equity raise. We also sold our remaining position in UK residential landlord Grainger.

*Source: Janus Henderson Investors, as at 31 May 2024*

### **Strategies and Policies of the Fund**

For the financial year under review, the Fund invested a minimum of 85% of its NAV in the Janus Henderson Horizon Pan European Property Equities Fund ("Target Fund").

### **Target Fund's Top 10 Holdings**

#### **As at 31 May 2023**

<b>Asset Reporting Name</b>	<b>Weight %</b>	<b>Reporting Market Value In Fund Base Ccy</b>
Segro	8.96	39,340,731.89
Vonovia	7.64	33,537,750.00
Land Securities Group	5.10	22,400,046.72
PSP Swiss Property	4.89	21,483,178.60
Safestore	4.68	20,539,392.62
Merlin Properties Socimi	4.38	19,231,250.00
Gecina	4.31	18,910,625.00
LEG Immobilien	4.27	18,764,900.00
VGP	3.88	17,030,138.08
UNITE Group	3.78	16,580,732.87

#### **As at 31 May 2024**

<b>Asset Reporting Name</b>	<b>Weight %</b>	<b>Reporting Market Value In Fund Base Ccy</b>
Vonovia	9.46	60,555,900
Segro	8.52	54,573,990
LEG Immobilien	5.67	36,334,490
Merlin Properties Socimi	4.86	31,118,877
British Land	4.05	25,934,201
PSP Swiss Property	4.01	25,676,748
Unibail-Rodamco-Westfield	3.97	25,404,750
Tritax Big Box REIT	3.71	23,756,890
Hammerson	3.17	20,294,366
Safestore	3.14	20,103,034

*Source: Janus Henderson Investors, as at 31 May 2024*



<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 31 May 2024 and 31 May 2023.</p> <table border="1" data-bbox="352 219 1476 461"> <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>90.21</td> <td>96.00</td> <td>-5.79</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>9.79</td> <td>4.00</td> <td>5.79</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.00</b></td> <td><b>100.00</b></td> <td></td> </tr> </tbody> </table> <p>For the financial year under review, the Fund has invested 90.21% of its NAV in the foreign collective investment scheme while the remaining 9.79% of its NAV in money market deposits and cash equivalents.</p>		As at 31.05.2024 %	As at 31.05.2023 %	Changes %	Foreign collective investment scheme	90.21	96.00	-5.79	Money market deposits and cash equivalents	9.79	4.00	5.79	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	As at 31.05.2024 %	As at 31.05.2023 %	Changes %														
Foreign collective investment scheme	90.21	96.00	-5.79														
Money market deposits and cash equivalents	9.79	4.00	5.79														
<b>Total</b>	<b>100.00</b>	<b>100.00</b>															
<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 Trades</b>	There were no cross trades undertaken during the financial year under review.																
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial year under review.																
<b>State of Affairs</b>	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.																
<b>Rebates and Soft Commission</b>	During the financial year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.																
<b>Market Review</b>	<p>European equity markets performed strongly over the reporting period, as inflation cooled and investors grew increasingly confident that borrowing conditions would ease in 2024. This was despite periods of heightened anxiety about tighter-for-longer monetary policy, an economic downturn, China’s uncertain recovery and conflict in the Middle East which dampened sentiment. Following a final rate hike in September, the European Central Bank’s (ECB) tone turned increasingly dovish in 2024, and by April, it was hinting at cutting rates in June.</p> <p>European property equities outperformed but remained largely dictated by macroeconomic events and the interest rate narrative. At the end of 2023, listed real estate stocks were among the best-performing sectors following a strong rally into year end, but the first five months of 2024 proved to be more muted as investors moderated expectations for the pace and timing of interest rate cuts. The countries showing particular strength and resilience included Germany, Sweden, France and Spain.</p> <p>At a sector level, there is increasing confidence that the market is reaching an inflection point in capital value growth as investor optimism around the easing of interest rates grew and with ongoing operational strength. This is reflected in transaction markets opening in some markets such as logistics and storage. Diversified REITs also performed well, and both retail REITs and the industrial sector made positive returns, as confidence began to return to these areas. The only sector in the benchmark to post a negative return was healthcare REITs amid ongoing operational concerns.</p>																

	<i>Source: Janus Henderson Investors, as at 31 May 2024</i>
<b>Market Outlook</b>	<p>While challenges will remain in some parts of the real estate market for those carrying too much debt from the zero-interest rate regime, increasing confidence that we have passed peak rates in Europe is likely to prove a key moment for the property sector. With increasing confidence that the direct market is now bottoming, the listed market (in which we invest) can start to look forward, positioning itself on the front foot and taking advantage of attractive opportunities that may appear.</p> <p>European property shares continue to trade at wide discounts to realistic bottom-of-the-cycle asset values. While further balance sheet strengthening will be required in some cases, we expect this to be manageable for most. In a lower-growth environment, the importance of management, asset and balance-sheet quality matters more and we continue to expect divergence across different property types, driven by the themes of changing demographics, digitisation, sustainability and the convenience lifestyle. It therefore remains important, in our view, to be selective.</p> <p><i>Source: Janus Henderson Investors, as at 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 objective, investment strategy, managing risk and asset allocation, and risk of a passive strategy, and information in relation to 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

## **Independent auditors' report to the unit holders of Pan European Property Equities**

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Pan European Property Equities (the "Fund"), which comprise the statement of financial position as at 31 May 2024, and statement of comprehensive income, statement of changes in equity 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 12 to 35.

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 Pan European Property Equities (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 approved with 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  
Pan European Property Equities (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  
Pan European Property Equities (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 Unit Trust Funds 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  
No. 03276/07/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
19 July 2024

## Pan European Property Equities

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

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Investment	4	21,315,168	20,394,175
Amount due from Manager	5(a)	-	2,783
Cash at banks		2,469,203	897,601
<b>TOTAL ASSETS</b>		<u>23,784,371</u>	<u>21,294,559</u>
<b>LIABILITIES</b>			
Amount due to Manager	5(b)	125,340	10,925
Amount due to Trustee	6	1,395	1,299
Tax payable		19,208	25,712
Sundry payables and accruals		11,191	11,800
<b>TOTAL LIABILITIES</b>		<u>157,134</u>	<u>49,736</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<u>23,627,237</u>	<u>21,244,823</u>
<b>EQUITY</b>			
Unit holders’ capital	8(a)	222,182,224	225,729,941
Accumulated losses	8(b)(c)	(198,554,987)	(204,485,118)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	8	<u>23,627,237</u>	<u>21,244,823</u>
<b>UNITS IN CIRCULATION</b>	8(a)	<u>20,121,173</u>	<u>23,418,260</u>
<b>NAV PER UNIT (RM)</b>		<u>1.1742</u>	<u>0.9072</u>

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

## Pan European Property Equities

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

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Distribution income		854,022	834,735
Interest income		2,337	2,075
Other income		-	2,038
Net gain/(loss) from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	7	5,375,540	(8,905,665)
Other net realised losses on foreign currency exchange		(20,749)	(1,882)
		<u>6,211,150</u>	<u>(8,068,699)</u>
<b>EXPENDITURE</b>			
Manager’s fee	5	(36,762)	(36,825)
Trustee’s fee	6	(16,074)	(16,200)
Audit fee		(8,000)	(8,000)
Tax agent’s fee		(3,800)	(3,800)
Custodian’s fee		(1,510)	(2,231)
Other expenses		(12,716)	(7,194)
		<u>(78,862)</u>	<u>(74,250)</u>
<b>Net income/(loss) before taxation</b>		6,132,288	(8,142,949)
<b>Taxation</b>	10	<u>(202,157)</u>	<u>(197,948)</u>
<b>Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year</b>		<u>5,930,131</u>	<u>(8,340,897)</u>
Total comprehensive income/(loss) comprises the following:			
Realised income		386,010	38,591
Unrealised gain/(loss)		5,544,121	(8,379,488)
		<u>5,930,131</u>	<u>(8,340,897)</u>

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



## Pan European Property Equities

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

	Note	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 June 2023		225,729,941	(204,485,118)	21,244,823
Total comprehensive income for the financial year		-	5,930,131	5,930,131
Creation of units	8(a)	2,065,509	-	2,065,509
Cancellation of units	8(a)	(5,613,226)	-	(5,613,226)
Balance at 31 May 2024		<u>222,182,224</u>	<u>(198,554,987)</u>	<u>23,627,237</u>
At 1 June 2022		226,425,727	(196,144,221)	30,281,506
Total comprehensive loss for the financial year		-	(8,340,897)	(8,340,897)
Creation of units	8(a)	2,802,720	-	2,802,720
Cancellation of units	8(a)	(3,498,506)	-	(3,498,506)
Balance at 31 May 2023		<u>225,729,941</u>	<u>(204,485,118)</u>	<u>21,244,823</u>

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

## Pan European Property Equities

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investment	5,264,290	1,912,493
Purchases of investment	(830,492)	(1,588,849)
Distributions received	854,022	834,735
Interest received	2,337	2,075
Other income	-	2,038
Manager's fee paid	(35,632)	(37,105)
Trustee's fee paid	(15,978)	(16,724)
Tax agent's fee paid	(3,800)	(3,800)
Tax paid	(208,661)	(172,236)
Custodian's fee paid	(1,510)	(2,231)
Payments for other expenses	(21,325)	(15,194)
Net cash generated from operating and investing activities	<u>5,003,251</u>	<u>915,202</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	2,068,292	2,799,937
Payments for cancellation of units	(5,499,941)	(3,502,199)
Net cash used in financing activities	<u>(3,431,649)</u>	<u>(702,262)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,571,602	212,940
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>897,601</u>	<u>684,661</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u><u>2,469,203</u></u>	<u><u>897,601</u></u>
Cash and cash equivalents comprise:		
Cash at banks	<u>2,469,203</u>	<u>897,601</u>

## Pan European Property Equities

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

#### 1. GENERAL INFORMATION

Pan European Property Equities (the “Fund”) was established pursuant to a Deed dated 29 January 2007 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 long term capital appreciation by investing in the Luxembourg-based Janus Henderson Horizon Pan European Property Equities Fund (“Target Fund”) which invests primarily in quoted equity securities of companies or Real Estate Investment Trusts (“REITs”) having their registered office in the European Economic Area listed or traded on a regulated market which derive the main part of their revenue from the ownership, management and/or development of real estate in Europe. 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. (“Target Fund Manager”). As provided in the Deeds, the financial year shall end on 31 May and the units in the Fund were first offered for sale on 6 March 2007.

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 (Amendments to MFRS 17 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

## Pan European Property Equities

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

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

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

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. (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.

## Pan European Property Equities

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

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

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

(i) Distribution income

Distribution income is recognised when the Fund's right to receive payment is established.

(ii) Interest income

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

(iii) 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.

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

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

**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 Distribution**

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from the retained earnings and realised income. Realised income is the income earned from distribution income, interest income, other 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 asset. 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.

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

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

**3.8 Financial assets – initial recognition and measurement (cont'd.)**

(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.

**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.

## Pan European Property Equities

### 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 FVOCI (cont'd.)

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". Distribution income and interest earned elements of such instruments are recorded separately in "Distribution income" and "Interest income" respectively. 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 schemes ("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.



**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.

**3.13 Determination of fair value**

For investment in CIS, fair value is determined based on the closing NAV per unit of the foreign CIS. Purchased cost is the quoted 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.

## Pan European Property Equities

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

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

##### 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.

#### 4. INVESTMENT

	2024 RM	2023 RM
<b>Financial asset at FVTPL</b>		
At cost:		
Foreign CIS	<u>20,676,628</u>	<u>25,299,756</u>
At fair value:		
Foreign CIS	<u>21,315,168</u>	<u>20,394,175</u>

## Pan European Property Equities

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

#### 4. INVESTMENT (CONT'D.)

Foreign CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>2024</b>				
Janus Henderson Horizon Pan European Property Equities Fund ("Target Fund")	109,949	21,315,168	20,676,628	90.21
<b>Excess of fair value over purchased cost</b>		<u>638,540</u>		

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

	Note	2024 RM	2023 RM
<b>(a) Due from Manager</b>			
Creation of units	(i)	<u>-</u>	<u>2,783</u>
<b>(b) Due to Manager</b>			
Cancellation of units	(ii)	120,615	7,330
Manager's fee payable	(iii)	<u>4,725</u>	<u>3,595</u>
		<u>125,340</u>	<u>10,925</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 and current financial years for creation and cancellation of units is three business days.

## Pan European Property Equities

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

#### 5. AMOUNT DUE FROM/TO MANAGER (CONT'D.)

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

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager's fee charged by the Target Fund Manager, on the NAV of the Target Fund	1.70	1.70
Manager's fee charged by the Manager, on the NAV of investment in the Target Fund (Note a)	0.10	0.10
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 0.10% 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.

#### 6. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.07% (2023: 0.07%) 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.

#### 7. NET GAIN/(LOSS) FROM INVESTMENT

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) on financial assets at FVTPL comprised:		
– Net realised losses on sale of investment	(517,054)	(433,918)
– Net realised gain/(loss) on foreign currency exchange	348,473	(92,259)
– Net unrealised gain/(loss) on changes in fair value of investment	4,898,537	(9,702,991)
– Net unrealised gains on foreign currency of investment denominated in foreign currency	645,584	1,323,503
	<u>5,375,540</u>	<u>(8,905,665)</u>

## Pan European Property Equities

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

#### 8. TOTAL EQUITY

Total equity is represented by:

	Note	2024 RM	2023 RM
Unit holders' capital	(a)	222,182,224	225,729,941
Accumulated losses			
– Realised losses	(b)	(199,193,527)	(199,579,537)
– Unrealised gain/(loss)	(c)	638,540	(4,905,581)
		<u>23,627,237</u>	<u>21,244,823</u>

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

	2024		2023	
	Number of units	RM	Number of units	RM
At beginning of the financial year	23,418,260	225,729,941	24,434,441	226,425,727
Creation during the financial year	1,960,834	2,065,509	2,889,461	2,802,720
Cancellation during the financial year	<u>(5,257,921)</u>	<u>(5,613,226)</u>	<u>(3,905,642)</u>	<u>(3,498,506)</u>
At end of the financial year	<u>20,121,173</u>	<u>222,182,224</u>	<u>23,418,260</u>	<u>225,729,941</u>

The Manager imposed an exit penalty of 1.00% (2023: 1.00%) if redemption is made within 90 days of purchase on the NAV per unit of the Fund during the financial year. The exit penalty will be recognised as income of the Fund.

#### (b) Realised

	2024 RM	2023 RM
At beginning of the financial year	(199,579,537)	(199,618,128)
Net realised income for the financial year	<u>386,010</u>	<u>38,591</u>
At end of the financial year	<u>(199,193,527)</u>	<u>(199,579,537)</u>

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

	2024 RM	2023 RM
At beginning of the financial year	(4,905,581)	3,473,907
Net unrealised gain/(loss) for the financial year	<u>5,544,121</u>	<u>(8,379,488)</u>
At end of the financial year	<u>638,540</u>	<u>(4,905,581)</u>

## Pan European Property Equities

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

#### 9. 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	Holdings 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

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

#### 10. TAXATION

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Local tax		
- current tax	201,659	197,948
- under provision in previous year	498	-
	<u>202,157</u>	<u>197,948</u>

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

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempted from tax. Foreign-sourced income (“FSI”) received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

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:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net income/(loss) before taxation	<u>6,132,288</u>	<u>(8,142,949)</u>

## Pan European Property Equities

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

#### 10. TAXATION (CONT'D.)

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	1,471,749	(1,954,308)
Tax effects of:		
Income not subject to tax	(1,417,011)	(319,927)
Losses not allowed for tax deduction	129,073	2,455,452
Restriction on tax deductible expenses for unit trust fund	9,712	9,795
Non-permitted expenses for tax purposes	8,136	6,936
Under provision in prior year	498	-
Tax expense for the financial year	<u>202,157</u>	<u>197,948</u>

#### 11. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager’s fee	0.16	0.16
Trustee’s fee	0.07	0.07
Fund’s other expenses	0.11	0.09
Total TER	<u>0.34</u>	<u>0.32</u>

The TER of the Fund is the ratio of the sum of actual 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 0.13 times (2023: 0.08 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.

## Pan European Property Equities

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

#### 14. 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	
	RM	%
Henderson Management S.A.	6,115,531	100.00

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 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 at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2024</b>				
<b>Financial assets</b>				
Investment	21,315,168	-	-	21,315,168
Cash at banks	-	2,469,203	-	2,469,203
Total financial assets	<u>21,315,168</u>	<u>2,469,203</u>	<u>-</u>	<u>23,784,371</u>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	125,340	125,340
Amount due to Trustee	-	-	1,395	1,395
Total financial liabilities	<u>-</u>	<u>-</u>	<u>126,735</u>	<u>126,735</u>



## Pan European Property Equities

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

#### 15. FINANCIAL INSTRUMENTS (CONT'D.)

##### (a) Classification of financial instruments (cont'd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2023</b>				
<b>Financial assets</b>				
Investment	20,394,175	-	-	20,394,175
Amount due from Manager	-	2,783	-	2,783
Cash at banks	-	897,601	-	897,601
Total financial assets	<u>20,394,175</u>	<u>900,384</u>	<u>-</u>	<u>21,294,559</u>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	10,925	10,925
Amount due to Trustee	-	-	1,299	1,299
Total financial liabilities	<u>-</u>	<u>-</u>	<u>12,224</u>	<u>12,224</u>

	<b>Income, expenses, gains and losses</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) from financial assets at FVTPL	5,375,540	(8,905,665)
Income, of which derived from:		
– Distribution income from financial assets at FVTPL	854,022	834,735
– Interest income from financial assets at amortised cost	2,337	2,075
– Other net realised losses on foreign currency exchange	<u>(20,749)</u>	<u>(1,882)</u>

##### (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 value 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.

## Pan European Property Equities

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

#### 15. FINANCIAL INSTRUMENTS (CONT'D.)

##### (b) Financial instruments that are carried at fair value (cont'd.)

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

	Level 1 RM	Level 2 RM (Note 4)	Level 3 RM	Total RM
<b>2024</b>				
Financial assets at FVTPL	-	21,315,168	-	21,315,168
<b>2023</b>				
Financial assets at FVTPL	-	20,394,175	-	20,394,175

##### (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:

- Amount due from/to Manager
- Cash at banks
- 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.

#### 16. 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 Unit Trust Funds and the Deeds 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.

## Pan European Property Equities

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

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

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

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.

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 RM	2023 RM
-5.00%	(1,065,758)	(1,019,709)
+5.00%	<u>1,065,758</u>	<u>1,019,709</u>

##### (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 rates 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.

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.

## Pan European Property Equities

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

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

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

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

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2024 RM	2023 RM
-5.00%	(1,065,886)	(1,019,832)
+5.00%	1,065,886	1,019,832

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

Financial assets denominated in Euro	2024		2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Investment	21,315,168	90.21	20,394,175	96.00
Cash at bank	2,553	0.01	2,459	0.01
	<u>21,317,721</u>	<u>90.22</u>	<u>20,396,634</u>	<u>96.01</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 and distribution receivables. 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.

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

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

**(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.

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.

**(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 the respective internal policies, the Deeds and its Supplemental Deeds, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

## Pan European Property Equities

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

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

##### (h) Non-compliance risk (cont'd.)

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.

#### 17. 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.

## **Pan European Property Equities**

### **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 Pan European Property Equities (the “Fund”) as at 31 May 2024 and of the comprehensive income, the changes in equity and cash flows for the financial year then ended.

For and of behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

19 July 2024

## **TRUSTEE'S REPORT**

To the unit holders of **PAN EUROPEAN PROPERTY EQUITIES** ("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 financial 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 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 requirements.

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.)*

