

Semi-Annual Report for

Pan European Property Equities

30 November 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

Trustee

AmanahRaya Trustees Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

CONTENTS

- 1** Manager's Report
- 8** Statement of Financial Position
- 9** Statement of Comprehensive Income
- 10** Statement of Changes in Equity
- 11** Statement of Cash Flows
- 12** Notes to the Financial Statements
- 29** Statement by the Manager
- 30** Trustee's Report
- 31** Directory

MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of Pan European Property Equities ("Fund") for the financial period from 1 June 2024 to 30 November 2024.

Salient Information of the Fund

Name	Pan European Property Equities ("Fund")
Category/ Type	Feeder (European Property Equity) / Capital growth and income
Name of Target Fund	Janus Henderson Horizon Pan European Property Equities Fund
Fund Objective	<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>
Duration	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.
Performance Benchmark	<p>FTSE EPRA/NAREIT Developed Europe Capped Index Net TRI ("EPRA-Index"). (Available at www.aminvest.com)</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>
Income Distribution Policy	Income distribution (if any) is paid at least once every year.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 November 2024 and for the past three financial years are as follows:			
	As at 30.11.2024 %	As at 31 May		
		2024 %	2023 %	2022 %
Foreign Collective Investment Scheme	91.26	90.21	96.00	97.83
Money market deposits and cash equivalents	8.74	9.79	4.00	2.17
Total	100.00	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 period ended 30 November 2024 and three financial years ended 31 May are as follows:			
	FPE 30.11.2024	FYE 2024	FYE 2023	FYE 2022
Net asset value (RM)	20,957,018	23,627,237	21,244,823	30,281,506
Units in circulation	19,721,974	20,121,173	23,418,260	24,434,441
Net asset value per unit (RM)	1.0626	1.1742	0.9072	1.2393
Highest net asset value per unit (RM)	1.2032	1.1896	1.2258	1.5511
Lowest net asset value per unit (RM)	1.0149	0.8662	0.7807	1.1398
Benchmark performance (%)	-8.13	26.30	-30.74	-15.03
Total return (%) ⁽¹⁾	-7.99	29.43	-26.80	-10.51
- Capital growth (%)	-9.63	29.43	-26.80	-10.51
- Income distribution (%)	1.64	-	-	-
Gross distribution (sen per unit)	2.9423	-	-	-
Net distribution (sen per unit)	1.9305	-	-	-
Total expense ratio (%) ⁽²⁾	0.21	0.34	0.32	0.29
Portfolio turnover ratio (times) ⁽³⁾	0.04	0.13	0.08	0.21
<i>Note:</i>				
<i>(1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.</i>				
<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.</i>				
<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.</i>				

Average Total Return (as at 30 November 2024)

	Pan European Property Equities^(a) %	Benchmark^(b) %
One year	2.55	0.44
Three years	-9.00	-11.83
Five years	0.92	-6.29
Ten years	6.74	0.03

Annual Total Return

Financial Years Ended (31 May)	Pan European Property Equities^(a) %	Benchmark^(b) %
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)

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.

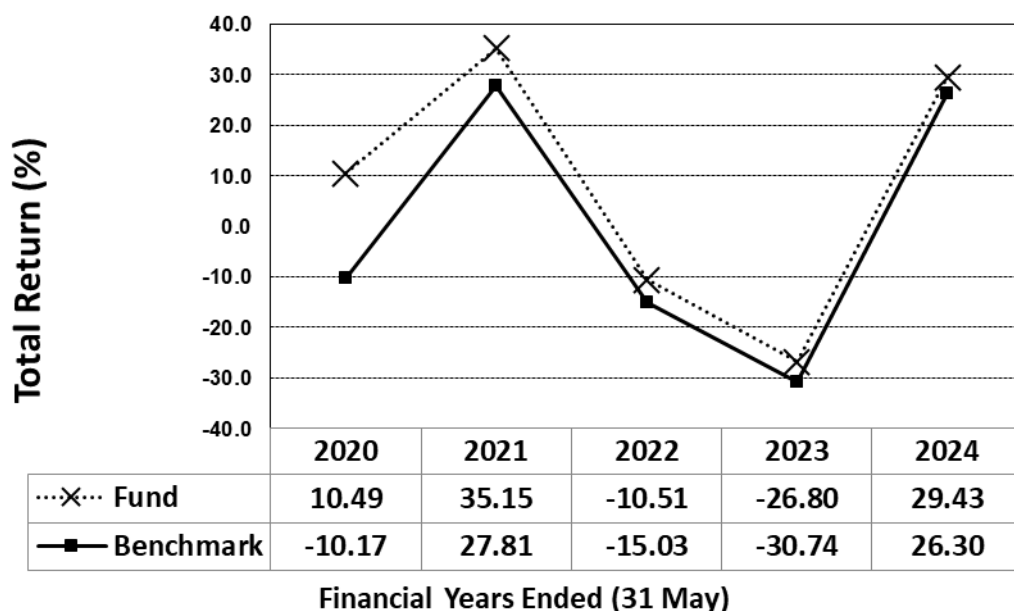
Fund Performance

For the financial period under review, the Fund registered a negative return of 7.99% comprising of negative 9.63% capital and 1.64% income distribution.

Thus, the Fund's negative return of 7.99% has outperformed the negative benchmark's return of 8.13% by 0.14%.

As compared with the financial year ended 31 May 2024, the net asset value ("NAV") per unit of the Fund decreased by 9.50% from RM1.1742 to RM1.0626, while units in circulation decreased by 1.98% from 20,121,173 units to 19,721,974 units.

The following line chart shows comparison between the annual performances of Pan European Property Equities and its benchmark 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.

Performance of the Target Fund

Fund Performance Review of the Target Fund – Janus Henderson Horizon Pan European Property Equities Fund (the “Target Fund”)

As at 30 November 2024, the Target Fund returned 0.07%, the Index returned 1.23% and the Sector returned 0.34%.

Source: Janus Henderson Investors, as at 30 November 2024

Strategies and Policies Employed

Strategies and Policies employed by Target Fund

Dutch industrial technology conglomerate TKH Group was the top detractor from fund performance in November. The company's share price fell after it lowered its expectations for its offshore cable division due to production issues on a new site. We believe the company is attractively valued when considering each of its business units in isolation, and we hope it will improve its prospects in 2025. Suss Microtec, the German semiconductor capital equipment manufacturer that makes temporary bonders for high-powered memory chips, also detracted over the period. After some strong performance this year, as it supplies the hybrid-bonding equipment needed to service the boom in artificial intelligence (AI), the share price fell in November given that investors expect the demand for microchips to slow in 2025. We believe these concerns are overdone, and, in our view, the stock was still attractively valued compared to its larger peers at the time of writing.

Finally, Dutch geoscience services company Fugro detracted over the period. Its share price fell due to delays in its offshore wind and liquefied natural gas (LNG) projects announced in its recent results. However, we believe these delays will only be short-term and are confident about Fugro's prospects.

The top positive contributor to fund performance in November was waste management firm Renewi, after it received a revised and enhanced bid from Macquarie.

Asset Management. Macquarie made a bid for Renewi last year, which the Renewi board deemed to be significantly undervaluing the company. We believe the new bid is likely to get support from Renewi's investors, with Macquarie having until Boxing Day to decide whether or not to proceed.

French advertising company Criteo was another positive contributor in November. Its share price rebounded after a sell-off following the release of its results at the end of October - a sell-off we believe was overdone. Shares in UK-based travel retailer On The Beach began to outperform in November due to the expectation that consumer spending on holidays is holding up. The company released a strong set of results, which included a positive outlook.

During the month, we opened a small position in Swedish paper and pulp company Billerud after the company experienced a period of underperformance. We are hopeful that the price of raw materials will fall and that the company will be able to reverse its fortunes soon. We think this reversal will be more likely if there is a ceasefire in Ukraine, which could potentially bring Russian and Ukrainian wood back into the global market. We are also optimistic about the company's expansion in the US, where it is opening new manufacturing facilities, as these facilities are unlikely to be affected by any future import tariffs under the new Donald Trump presidency.

We opened a small position in Norwegian automated warehouse solutions firm AutoStore Holdings, which has seen its share price rally strongly since our initial purchase. The company has recently suffered from a slowdown in orders, but we are hopeful that if the economy improves in 2025 then its orders will also improve.

We closed the position in the German defence company Renk, which has recently seen the resignation of its CEO and CFO. After its strong performance since its initial public offering (IPO), we sold the stock due to the higher likelihood of a ceasefire in Ukraine.

We closed the position in wind turbine transportation company Cadeler. We believe existing offshore wind projects will continue but that new orders may slow under President Trump.

We also sold the holding in private equity provider Tikehau Capital. While we like the company, the era of virtually free money (very low interest rates), which benefited the company after the Global Financial Crisis, is now at an end. Finally, we sold the position in UK gaming company Team 17 after the resignation of its founder and CEO Debbie Bestwick.

Source: Janus Henderson Investors, as at 30 November 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 30 November 2024

Asset Reporting Name	Weight
Vonovia	9.852841
Segro	7.330676
LEG Immobilien	5.839961
Unibail-Rodamco-Westfield	5.430473
British Land	4.50793
Merlin Properties Socimi	4.345704
PSP Swiss Property	4.210859
Tritax Big Box REIT	4.126711
Fastighets AB Balder	4.023629
UNITE Group	3.363895

As at 30 November 2023

Asset Reporting Name	Weight
Vonovia	9.670655
Segro	8.36678
PSP Swiss Property	5.238606
Merlin Properties Socimi	4.920119
LEG Immobilien	4.682386
Tritax Big Box REIT	4.074313
UNITE Group	3.967498
Castellum	3.732867
VGP	3.531229
British Land	3.40687

Source: Janus Henderson Investors, as at 30 November 2024

Portfolio Structure

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

	As at 30.11.2024 %	As at 31.05.2024 %	Changes %
Foreign Collective Investment Scheme	91.26	90.21	1.05
Money market deposits and cash equivalents	8.74	9.79	-1.05
Total	100.00	100.00	

For the financial period under review, the Fund has invested 91.26% of its NAV in the foreign Collective Investment Scheme while the remaining 8.74% of its NAV in money market deposits and cash equivalents.

Securities Lending / Repurchase Transactions

The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).

Cross Trades

There were no cross trades undertaken during the financial period under review.

Distribution/ Unit splits

During the financial period under review, the Fund declared income distribution, detailed as follows:

Date of distribution	Distribution per unit (RM) sen	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)
16-Jul-24	1.9305	1.1710	1.1517

There is no unit split declared for the financial period 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 period under review.

Rebates and Soft Commission

During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.

Market Review	<p>European equity markets were unsettled in November after Donald Trump convincingly won the US presidential election, with the president-elect vowing to implement trade tariffs that could hurt Europe's economy. However, European small-cap stocks recovered slightly in the second half of the month.</p> <p>Political instability also weighed on investor sentiment. In France, Prime Minister Michel Barnier resigned after lawmakers motioned a vote of no confidence against his government, while Germany faces a snap election in February after its ruling coalition collapsed.</p> <p>Investors are expecting the European Central Bank (ECB) to cut interest rates in December. This is because of the need to mitigate building economic pressure amid a fall in the eurozone composite purchasing managers' index (PMI), which dropped to 48.1 in November - the lowest level in 10 months – and potential US trade tariffs. The US Federal Reserve (Fed) cut interest rates by 25 basis points (bps) during the month.</p> <p>Concerning the corporate earnings cycle, the market's expectations for third-quarter results were low due to the poor economic environment. Results released in November were predictably mixed in terms of company performance.</p> <p><i>Source: Janus Henderson Investors, as at 30 November 2024</i></p>
Market Outlook	<p>In our view, the two main factors that have been holding back the performance of small-cap stocks are high interest rates and fears surrounding the economic cycle, both of which we believe are set to improve from here. We continue to think the US election will act as a clearing event for markets, allowing activity to accelerate again. On the threat of US tariffs, European small caps have approximately 12% of revenues exposed to the US, much of which will be services related (tariff exempt). Thus, we think the real-world impact is likely to be far less than what is currently priced in.</p> <p>Further potential catalysts to the performance of small-cap companies include improving consumer sentiment, signs of which we have already seen in Sweden, and further Chinese stimulus measures, which we believe would benefit Europe. Furthermore, we hope that the German parliamentary elections in February will lead to an improved political situation and that Germany may start to focus on tax cuts, deregulation and increased productivity. All considered, we believe we could soon be looking at a very different economic backdrop, defined by a coordinated global upswing in which we would expect small-cap stocks to participate.</p> <p><i>Source: Janus Henderson Investors, as at 30 November 2024</i></p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

17 January 2025

Pan European Property Equities

STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2024

	Note	30.11.2024 (unaudited) RM	31.05.2024 (audited) RM
ASSETS			
Investment	4	19,126,230	21,315,168
Tax recoverable		74,269	-
Cash at banks		1,781,540	2,469,203
TOTAL ASSETS		<u>20,982,039</u>	<u>23,784,371</u>
LIABILITIES			
Amount due to Manager	5	12,688	125,340
Amount due to Trustee	6	1,188	1,395
Tax payable		-	19,208
Sundry payables and accruals		11,145	11,191
TOTAL LIABILITIES		<u>25,021</u>	<u>157,134</u>
NET ASSET VALUE (“NAV”) OF THE FUND		<u>20,957,018</u>	<u>23,627,237</u>
EQUITY			
Unit holders’ capital	8(a)	221,720,225	222,182,224
Accumulated losses	8(b)(c)	(200,763,207)	(198,554,987)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	8	<u>20,957,018</u>	<u>23,627,237</u>
UNITS IN CIRCULATION	8(a)	<u>19,721,974</u>	<u>20,121,173</u>
NAV PER UNIT (RM)		<u>1.0626</u>	<u>1.1742</u>

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

Pan European Property Equities

STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

	Note	01.06.2024 to 30.11.2024 RM	01.06.2023 to 30.11.2023 RM
INVESTMENT (LOSS)/INCOME			
Distribution income		647,168	854,022
Interest income		2,465	1,106
Net (loss)/gain from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	7	(2,407,929)	2,771,751
Other net realised losses on foreign currency exchange		(13,432)	(11,107)
Other net unrealised loss on foreign currency exchange		-	(1,254)
		<u>(1,771,728)</u>	<u>3,614,518</u>
EXPENDITURE			
Manager’s fee	5	(27,676)	(17,443)
Trustee’s fee	6	(7,856)	(7,734)
Audit fee		(4,015)	(3,999)
Tax agent’s fee		(1,905)	(1,900)
Custodian’s fee		(1,512)	(372)
Other expenses		(4,602)	(3,754)
		<u>(47,566)</u>	<u>(35,202)</u>
Net (loss)/income before taxation		(1,819,294)	3,579,316
Taxation	10	-	(202,264)
Net (loss)/income after taxation, representing total comprehensive (loss)/income for the financial period		<u>(1,819,294)</u>	<u>3,377,052</u>
Total comprehensive (loss)/income comprises the following:			
Realised income		579,288	474,554
Unrealised (loss)/gain		(2,398,582)	2,902,498
		<u>(1,819,294)</u>	<u>3,377,052</u>
Distribution for the financial period:			
Net distribution	11	<u>388,926</u>	<u>-</u>
Gross distribution per unit (sen)	11	<u>2.9423</u>	<u>-</u>
Net distribution per unit (sen)	11	<u>1.9305</u>	<u>-</u>

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

Pan European Property Equities

STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

	Note	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 June 2024		222,182,224	(198,554,987)	23,627,237
Total comprehensive loss for the financial period		-	(1,819,294)	(1,819,294)
Creation of units	8(a)	1,166,877	-	1,166,877
Reinvestment of distribution	8(a)	388,926	-	388,926
Cancellation of units	8(a)	(2,017,802)	-	(2,017,802)
Distribution	11	-	(388,926)	(388,926)
Balance at 30 November 2024		<u>221,720,225</u>	<u>(200,763,207)</u>	<u>20,957,018</u>
At 1 June 2023		225,729,941	(204,485,118)	21,244,823
Total comprehensive income for the financial period		-	3,377,052	3,377,052
Creation of units		704,325	-	704,325
Cancellation of units		(1,647,826)	-	(1,647,826)
Balance at 30 November 2023		<u>224,786,440</u>	<u>(201,108,066)</u>	<u>23,678,374</u>

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

Pan European Property Equities

STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

	01.06.2024 to 30.11.2024 RM	01.06.2023 to 30.11.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investment	786,184	534,808
Purchases of investment	(371,438)	(830,492)
Distribution received	-	854,022
Interests received	2,465	1,106
Manager's fee paid	(27,822)	(18,068)
Trustee's fee paid	(8,063)	(7,712)
Tax paid	(93,477)	(99,983)
Payments for other expenses	(12,081)	(10,701)
Net cash generated from operating and investing activities	<u>275,768</u>	<u>422,980</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	1,166,877	707,108
Payments for cancellation of units	(2,130,308)	(1,451,540)
Net cash used in financing activities	<u>(963,431)</u>	<u>(744,432)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(687,663)	(321,452)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>2,469,203</u>	<u>897,601</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>1,781,540</u>	<u>576,149</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>1,781,540</u>	<u>576,149</u>

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 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 17 January 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Standards effective during the financial period

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

Description	Effective for financial periods beginning on or after
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 and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 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 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
Amendments that are part of Annual Improvements - Volume 11: Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2026
Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i>	
Amendments to MFRS 9 <i>Financial Instruments</i>	
Amendments to MFRS 10 <i>Consolidated Financial Statements</i> *	
Amendments to MFRS 107 <i>Statement of Cash Flows</i>	
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</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) Distribution income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024**

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

3.1 Income recognition (cont'd.)

(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.

3.5 Statement of cash flows

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024**

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

3.6 Distribution

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

3.7 Unit holders' capital

The unit holders' capital of the Fund meets the definition of puttable instruments and is classified as equity instruments as it meets criteria for such classification 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.

(iii) "Day 1" profit or loss

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024**

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

3.9 Financial assets

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 profit 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 date 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024**

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

3.9 Financial assets (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". Distribution revenue 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 not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

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

The Fund subsequently measures its investment in Collective Investment Scheme ("CIS") at FVTPL. Distributions earned whilst holding the investment in CIS is recognised in profit or loss when the right to the payment has been established. Gains and losses on the investment, 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 PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 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 PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 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 period.

4. INVESTMENT

	30.11.2024	31.05.2024
	RM	RM
Financial assets at FVTPL		
At cost:		
Foreign CIS	<u>20,886,272</u>	<u>20,676,628</u>
At fair value:		
Foreign CIS	<u>19,126,230</u>	<u>21,315,168</u>

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

4. INVESTMENT (CONT'D.)

Details of investment are as follows:

Foreign CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
30.11.2024				
Janus Henderson Horizon Pan European Property Equities Fund ("Target Fund")	111,020	19,126,230	20,886,272	91.26
Shortfall of fair value over purchased cost		<u>(1,760,042)</u>		

5. AMOUNT DUE TO MANAGER

	Note	30.11.2024 RM	31.05.2024 RM
Due to Manager			
Cancellation of units	(i)	8,109	120,615
Manager's fee payable	(ii)	4,579	4,725
		<u>12,688</u>	<u>125,340</u>

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

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

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

	01.06.2024 to 30.11.2024 % p.a.	01.06.2023 to 30.11.2023 % p.a.
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

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

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

- (ii) As the Fund is investing in the Target Fund, the Manager's fee was charged as follows: (cont'd.)

Note a) The Manager's fee is charged on 0.10% on the NAV of investment in the Target Fund and 1.80% on the remaining NAV of the Fund.

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

6. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.07% (31.05.2024: 0.07%) per annum on the NAV of the Fund, calculated on a daily basis.

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

7. NET (LOSS)/GAIN FROM INVESTMENT

	01.06.2024 to 30.11.2024 RM	01.06.2023 to 30.11.2023 RM
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised losses on sale of investment	(30,332)	(193,343)
– Net realised gains on foreign currency exchange	20,985	61,342
– Net unrealised (loss)/gain on changes in fair value of investment	(539,817)	2,105,135
– Net unrealised (loss)/gain on foreign currency of investment denominated in foreign currency	<u>(1,858,765)</u>	<u>798,617</u>
	<u>(2,407,929)</u>	<u>2,771,751</u>

8. TOTAL EQUITY

Total equity is represented by:

	Note	30.11.2024 RM	31.05.2024 RM
Unit holders' capital	(a)	221,720,225	222,182,224
Accumulated losses			
– Realised losses	(b)	(199,003,165)	(199,193,527)
– Unrealised (loss)/gain	(c)	<u>(1,760,042)</u>	<u>638,540</u>
		<u>20,957,018</u>	<u>23,627,237</u>

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

8. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/Units in circulation

	30.11.2024		31.05.2024	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	20,121,173	222,182,224	23,418,260	225,729,941
Creation during the financial period/year	1,031,782	1,166,877	1,960,834	2,065,509
Reinvestment of distribution	337,697	388,926	-	-
Cancellation during the financial period/year	(1,768,678)	(2,017,802)	(5,257,921)	(5,613,226)
At end of the financial period/year	<u>19,721,974</u>	<u>221,720,225</u>	<u>20,121,173</u>	<u>222,182,224</u>

(b) Realised

	30.11.2024 RM	31.05.2024 RM
At beginning of the financial period/year	(199,193,527)	(199,579,537)
Net realised income for the financial period/year	579,288	386,010
Distribution out of realised income (Note 11)	(388,926)	-
At end of the financial period/year	<u>(199,003,165)</u>	<u>(199,193,527)</u>

(c) Unrealised - non-distributable

	30.11.2024 RM	31.05.2024 RM
At beginning of the financial period/year	638,540	(4,905,581)
Net unrealised (loss)/gain for the financial period/year	(2,398,582)	5,544,121
At end of the financial period/year	<u>(1,760,042)</u>	<u>638,540</u>

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

9. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and its 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 30 November 2024 and 31 May 2024.

10. TAXATION

	01.06.2024 to 30.11.2024	01.06.2023 to 30.11.2023
	RM	RM
Local tax	-	<u>202,264</u>

Income tax payable is calculated on investment income less deduction for permitted expenses as provided for 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.

Based on the Income Tax (Unit Trust in relation to Income received in Malaysia from Outside Malaysia) (Exemption) Order 2024, a qualifying unit trust is exempted from the payment of income tax in respect of the gross income from all sources of income under section 4 of the Act which is received in Malaysia from outside Malaysia between 1 January 2024 to 31 December 2026.

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

10. TAXATION (CONT'D.)

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

	01.06.2024 to 30.11.2024 RM	01.06.2023 to 30.11.2023 RM
Net (loss)/income before taxation	<u>(1,819,294)</u>	<u>3,579,316</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	(436,631)	859,036
Tax effects of:		
Income not subject to tax	(160,948)	(714,589)
Losses not allowed for tax deduction	586,163	49,369
Restriction on tax deductible expenses for unit trust fund	7,002	4,660
Non-permitted expenses for tax purposes	3,636	3,270
Permitted expenses not used and not available for future financial periods	<u>778</u>	<u>518</u>
Tax expense for the financial period	<u>-</u>	<u>202,264</u>

11. DISTRIBUTION

Distribution to unit holders for the current financial period is from the following sources:

	01.06.2024 to 30.11.2024 RM
Gross distribution per unit (sen)	<u>2.9423</u>
Net distribution per unit (sen)	<u>1.9305</u>

Financial period ended 30 November 2024

Distribution Ex-date	Gross distribution per unit RM (sen)	Net distribution per unit RM (sen)	Total distribution RM
16 July 2024	<u>2.9423</u>	<u>1.9305</u>	<u>388,926</u>

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

11. DISTRIBUTION (CONT'D.)

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

The distribution declared for the financial period ended 30 November 2024 was proposed before taking into account the net unrealised loss of RM2,398,582 arising during the financial period which is carried forward to the next financial period.

12. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	01.06.2024 to 30.11.2024 % p.a.	01.06.2023 to 30.11.2023 % p.a.
Manager's fee	0.12	0.08
Trustee's fee	0.04	0.03
Fund's other expenses	0.05	0.05
Total TER	<u>0.21</u>	<u>0.16</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 0.04 times (01.06.2023 to 30.11.2023: 0.04 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.

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

15. TRANSACTIONS WITH THE TARGET FUND MANAGER

Details of transactions with the Target Fund Manager for the financial period ended 30 November 2024 are as follows:

Target Fund Manager	Transaction value	
	RM	%
Henderson Management S.A.	<u>1,818,222</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.

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 Markets 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.

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

(i) Price risk

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

(ii) Interest rate risk

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

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

Pan European Property Equities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024

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

(a) Market risk (cont'd.)

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

Financial assets denominated in Euro	30.11.2024		31.05.2024	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Investment	19,126,230	91.26	21,315,168	90.21
Cash at banks	2,345	0.01	2,553	0.01
	<u>19,128,575</u>	<u>91.27</u>	<u>21,317,721</u>	<u>90.22</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 distributions receivable. 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 fund experiencing large redemptions, when the Investment Manger could be forced to sell large volumes of its holdings at unfavorable prices to meet redemptions requirements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2024 TO 30 NOVEMBER 2024**

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

(c) Liquidity risk (cont'd.)

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 their respective internal policies, the Deeds, 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.

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 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of Pan European Property Equities (the “Fund”) as at 30 November 2024 and the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

GOH WEE PENG
Executive Director

Kuala Lumpur, Malaysia
17 January 2025

TRUSTEE'S REPORT

To the unit holders of **PAN EUROPEAN PROPERTY EQUITIES** ("Fund"),

We have acted as Trustee of the Fund for the financial period ended 30 November 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AMFUNDS MANAGEMENT BERHAD has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

We are of the opinion that the distributions of income by the Fund is appropriate and reflects the investment objective of the Fund.

For **AMANAHRAYA TRUSTEES BERHAD**

ZAINUDIN BIN SUHAIMI

Chief Executive Officer

Date: 14 January 2025

DIRECTORY

Head Office

9th & 10th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan, 50200 Kuala Lumpur
Tel: (03) 2032 2888 Facsimile: (03) 2031 5210
Email: enquiries@aminvest.com

Postal Address

AmFunds Management Berhad
P.O Box 13611, 50816 Kuala Lumpur

*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.)*

