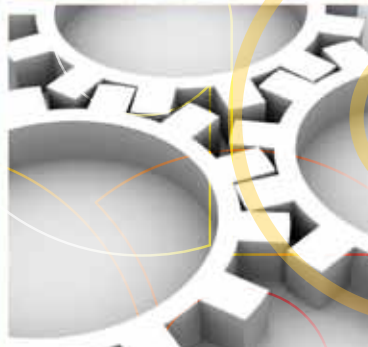


Annual Report for

Pan European Property Equities

(formerly known as AmPan European Property Equities)

31 May 2022



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

Board of Directors

Jeyaratnam A/L Tamotharam Pillai
Dato' Mustafa Bin Mohd Nor
Tai Terk Lin
Ng Chih Kaye
Jas Bir Kaur A/P Lol Singh
Goh Wee Peng

Investment Committee

Jas Bir Kaur A/P Lol Singh
Dato' Mustafa Bin Mohd Nor
Izad Shahadi Bin Mohd Sallehuddin
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 2022.

Salient Information of the Fund

Name	Pan European Property Equities ("Fund") <i>(Formerly known as AmPan European Property Equities)</i>
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 Holders' 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 2022. 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.
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Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 31 May are as follows:			
		As at 31 May		
		2022 %	2021 %	2020 %
	Foreign collective investment scheme	97.83	95.02	97.75
Money market deposits and cash equivalents	2.17	4.98	2.25	
Total	100.00	100.00	100.00	
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
Performance Details	Performance details of the Fund for the financial years ended 31 May are as follows:			
		FY 2022	FY 2021	FY 2020
	Net asset value (RM)	30,281,506*	27,246,697	22,466,220
	Units in circulation	24,434,441*	19,675,061	21,682,867
	Net asset value per unit (RM)	1.2393*	1.3848	1.0361
	Highest net asset value per unit(RM)	1.5511*	1.3885	1.1783
	Lowest net asset value per unit (RM)	1.1398*	1.0265	0.7817
	Benchmark performance (%)	-15.03	27.81	-10.17
	Total return (%) ⁽¹⁾	-10.51	35.15	10.49
	- Capital growth (%)	-10.51	33.70	8.67
	- Income distribution (%)	-	1.45	1.82
	Gross distribution (sen per unit)	-	1.50	1.74
	Net distribution (sen per unit)	-	1.50	1.74
	Total expense ratio (%) ⁽²⁾	0.29	0.31	0.32
	Portfolio turnover ratio (times) ⁽³⁾	0.21	0.21	0.57
	* Above prices and net asset value per unit are not shown as ex-distribution.			
	<i>Note:</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.			
	(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER decreased by 0.02% as compared to 0.31% per annum for the financial year ended 31 May 2021 mainly due to increase in average fund size.			
	(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.			

Average Total Return (as at 31 May 2022)

	Pan European Property Equities^(a) %	EPRA-Index^(b) %
One year	-10.51	-15.03
Three years	10.15	-0.82
Five years	9.13	-0.81
Ten years	14.43	7.12

Annual Total Return

Financial Years Ended (31 May)	Pan European Property Equities^(a) %	EPRA-Index^(b) %
2022	-10.51	-15.03
2021	35.15	27.81
2020	10.49	-10.17
2019	5.65	-1.19
2018	9.62	-0.38

(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.

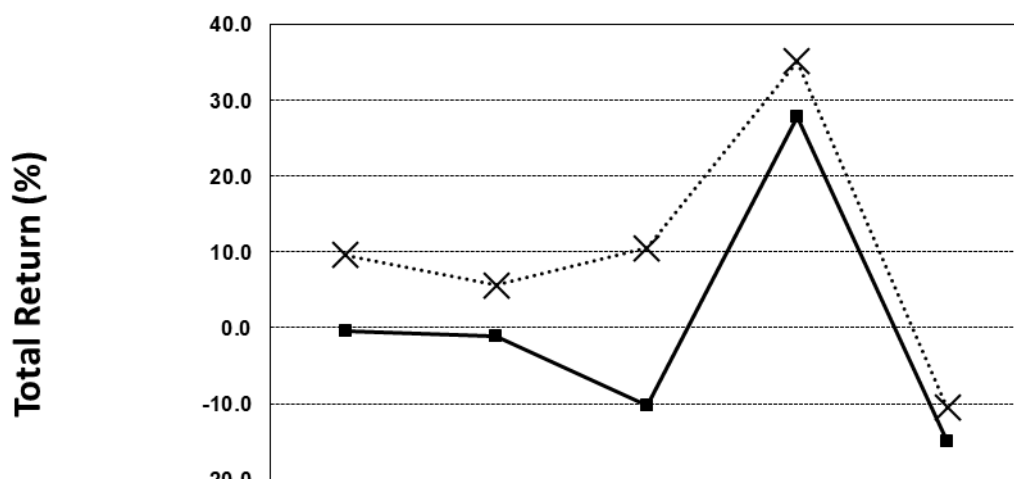
Fund Performance

For the financial year under review, the Fund registered a negative return of 10.51% which was entirely capital in nature.

Thus, the Fund's negative return of 10.51% has outperformed the benchmark's negative return of 15.03% by 4.52%.

As compared with the financial year ended 31 May 2021, the net asset value ("NAV") per unit of the Fund decreased by 10.51% from RM1.3848 to RM1.2393, while units in circulation increased by 24.19% from 19,675,061 units to 24,434,441 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.



	2018	2019	2020	2021	2022
...x... Fund	9.62	5.65	10.49	35.15	-10.51
—■— Benchmark	-0.38	-1.19	-10.17	27.81	-15.03

Financial Year 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”)

Horizon Pan European Property Equities Fund (EUR): -1.6% (Gross)
 FTSE EPRA/NAREIT Developed Europe Capped Index Net TR (EUR): -6.6%

The Target Fund significantly outperformed over the period. A logistics overweight generated meaningful alpha with positions in VIB, VGP and Argan notable contributors, backed by ongoing structural tailwinds and a favorable environment for landlords. UK long-income play Secure Income REIT outperformed following a proposed merger with peer LXI at a c15% premium and storage operator Safestore added value following sequential earnings upgrades. Our underweight to retail also aided performance as companies were negatively impacted by Covid19 in the second half of 2021. Conversely, German residential developer Instone detracted as management suspended guidance owing to significant uncertainty and a lack of visibility in the current macro and geopolitical environment. Likewise, German residential landlord LEG and Balder in Sweden negatively impacted performance on balance sheet concerns despite stable underlying cash flows. An underweight to Switzerland detracted as investors sought defensive ‘safe-haven’ names.

Source: Janus Henderson Investors, as at 31 May 2022

Strategies and Policies Employed

Strategies and Policies employed by Target Fund

The portfolio continues to be constructed around areas of structural growth where we believe that the longer-term structural drivers of demand in these sectors remain intact.

We have sought to focus the portfolio, placing emphasis on those businesses offering visible and growing income streams. We exited positions in Spanish office landlord Inmobiliaria Colonial, London office name GPE, French housebuilder Kaufman & Broad, as well as the remaining positions in logistics landlords VIB and Warehouses de Pauw. Proceeds have been used to add to existing names, such as European

tower company Cellnex, student accommodation provider Unite, healthcare name Aedifica and Wihlborgs in Sweden. We have also placed increased emphasis on balance sheet strength, selling out of the remaining balance of Swedish listed SBB as well as peer Nyfosa following strong outperformance, with a tougher financing backdrop a headwind to future external growth.

We added a new position in UK diversified company Landsec, with the stock trading at a deep discount to its reported NAV following a period of substantial underperformance and at a time when underlying asset values are inflecting positively. We established a new position in Icade, a diversified company owning a French office portfolio and a Pan European healthcare portfolio. Following a bid we used Deutsche Wohnen as a source of capital for new initiations and to top up peers Vonovia and LEG. We also closed our position in German diversified landlord Aroundtown, using the proceeds to add to our position in French office landlord Gecina. With both shares trading at deep discounts to their NAV, we have more conviction in Gecina's strategy and prime office portfolio. We also reduced our retail underweight via new positions in Mercialis and Unibail-Rodamco-Westfield.

Source: Janus Henderson Investors, as at 31 May 2022

Strategies and Policies of the Fund

For the financial year under review, the Fund invested a minimum of 95% of its NAV in the Target Fund. (Based in Luxembourg).

Target Fund's Top 10 Holdings

As at 31 May 2021

Asset Reporting Name	Weight %	Reporting Market Value In Fund Base Ccy
Vonovia	9.07	51,661,500.00
Deutsche Wohnen	7.79	44,361,500.00
Segro	7.34	41,821,340.20
LEG Immobilien	5.59	31,826,500.00
Fastighets AB Balder	4.87	27,745,358.80
Aroundtown	4.28	24,399,836.21
Gecina	4.02	22,930,720.30
Instone Real Estate Group	3.49	19,859,768.48
VGP	3.42	19,475,000.00
UNITE Group	3.31	18,869,579.30

As at 31 May 2022

Asset Reporting Name	Weight %	Reporting Market Value In Fund Base Ccy
Vonovia	9.66	59,127,500.00
Segro	8.14	49,847,877.65
LEG Immobilien	6.38	39,056,685.00
Land Securities Group	4.99	30,522,085.85
Gecina	4.82	29,511,000.00
Castellum	4.35	26,652,195.18
Fastighets AB Balder	4.20	25,708,386.66
Merlin Properties Socimi	4.07	24,934,520.16
UNITE Group	3.94	24,131,241.73
VGP	3.68	22,550,000.00

Source: Janus Henderson Investors, as at 31 May 2022

Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 31 May 2022 and 31 May 2021.</p> <table border="1" data-bbox="352 219 1477 461"> <thead> <tr> <th></th> <th>As at 31.5.2022 %</th> <th>As at 31.5.2021 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Foreign collective investment scheme</td> <td>97.83</td> <td>95.02</td> <td>2.81</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>2.17</td> <td>4.98</td> <td>-2.81</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>For the financial year under review, the Fund has invested 97.83% of its NAV in the foreign collective investment scheme while the remaining 2.17% of its NAV in money market deposits and cash equivalents. There have been no significant changes to the asset allocation since the last reporting.</p>		As at 31.5.2022 %	As at 31.5.2021 %	Changes %	Foreign collective investment scheme	97.83	95.02	2.81	Money market deposits and cash equivalents	2.17	4.98	-2.81	Total	100.00	100.00	
	As at 31.5.2022 %	As at 31.5.2021 %	Changes %														
Foreign collective investment scheme	97.83	95.02	2.81														
Money market deposits and cash equivalents	2.17	4.98	-2.81														
Total	100.00	100.00															
Securities Lending / Repurchase Transactions	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).																
Cross Trade	There were no cross trades undertaken during the financial year under review.																
Distribution/ Unit splits	There is no income distribution and unit split declared for the financial year under review.																
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.																
Rebates and Soft Commission	During the year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.																
Market Review	<p>Despite initial strength the period proved challenging as markets were shaken by geopolitical worries following the outbreak of conflict in Ukraine. This, coupled with ongoing supply chain disruption, sustained inflationary impulses and concerns over slowing growth forced investor expectations to be rebased rapidly, most notably around the path of monetary policy. Amidst a more uncertain backdrop European property stocks finished down 6.6% for the period, lagging wider equities.</p> <p>Within the sector areas of structural growth experienced outperformance, most notably storage and logistics stocks where results once again highlighted very favorable fundamentals. Retail and hotel names underperformed as the continued negative impact of Covid19 lockdowns and delta/omicron variant threats to a sustained recovery hindered performance. We also saw strong performance from several large UK diversified players following encouraging results that suggested the worst of retail drag may be behind them. German residential names continued to underperform on balance sheet concerns.</p> <p>M&A remained a core theme for the sector with German residential owner Vonovia making an increased offer for peer Deutsche Wohnen, which saw them cross their revised 50% acceptance threshold. Likewise, in the office sector activity continued to highlight the disconnect between public and private real estate markets, with German office REIT Alstria, Belgian office REIT Befimmo and Irish office REIT Hibernia subject to bids from private equity house Brookfield at material premiums to the</p>																

	<p>undisturbed share prices. We saw retail landlord German landlord Deutsche Euroshop subject to a bid and announced merger between long-income focussed Secure Income REIT and LXI.</p> <p><i>Source: Janus Henderson Investors, as at 31 May 2022</i></p>
<p>Market Outlook</p>	<p>While real estate will not be immune to the changing macro-economic landscape, its ability to provide more dependable income streams, diversification benefits and inflation protection over time, should provide some protection. Within the sector, real estate fundamentals are likely to reflect ongoing divergence across different property types in the years ahead, driven by the themes of changing demographics, digitization, sustainability and the convenience lifestyle. It therefore remains important, in our view, to remain selective. The importance of management, asset and balance sheet quality are also likely to come to the fore again.</p> <p>While the direct property market will take time to adjust to higher funding costs, the listed market has reacted already, resulting in shares trading at wide discounts to previous asset values and reflecting a highly uncertain environment. This may overlook the attractive, reliable and growing income streams that many real estate companies can generate for investors. Something which we expect to be rewarded over time.</p> <p><i>Source: Janus Henderson Investors, as at 31 May 2022</i></p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

22 July 2022

**Independent auditors' report to the unit holders of
Pan European Property Equities
(formerly known as AmPan European Property Equities)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmPan European Property Equities (formerly known as AmPan European Property Equities) ("the Fund"), which comprise the statement of financial position as at 31 May 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 38.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2022, 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 *Auditor's 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 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 is responsible for the other information. The other information comprises the information 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
(formerly known as AmPan 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 Trustees 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 to do so.

The Trustee is 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.

Auditor's 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 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
(formerly known as AmPan European Property Equities) (cont'd.)**

Auditor's 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 planning and performance of 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 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
(formerly known as AmPan 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 Commissions 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

Lee Pei Yin
No. 03189/05/2023 J
Chartered Accountant

Kuala Lumpur, Malaysia
22 July 2022

Pan European Property Equities
(formerly known as AmPan European Property Equities)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2022

	Note	2022 RM	2021 RM
ASSETS			
Investment	4	29,625,366	25,889,338
Amount due from Manager	5(a)	-	559,367
Amount due from Target Fund Manager	6	-	464,686
Sundry receivable		-	42
Deposit with financial institution	7	-	352,017
Cash at banks		684,661	4,723
TOTAL ASSETS		<u>30,310,027</u>	<u>27,270,173</u>
LIABILITIES			
Amount due to Manager	5(b)	14,898	3,876
Amount due to Trustee	8	1,823	1,553
Distribution payable		-	6,247
Sundry payables and accruals		11,800	11,800
TOTAL LIABILITIES		<u>28,521</u>	<u>23,476</u>
NET ASSET VALUE (“NAV”) OF THE FUND		<u>30,281,506</u>	<u>27,246,697</u>
EQUITY			
Unit holders’ capital	10(a)	226,425,727	219,448,537
Accumulated losses	10(b)(c)	(196,144,221)	(192,201,840)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	10	<u>30,281,506</u>	<u>27,246,697</u>
UNITS IN CIRCULATION	10(a)	<u>24,434,441</u>	<u>19,675,061</u>
NAV PER UNIT (RM)			
– EX-DISTRIBUTION		<u>1.2393</u>	<u>1.3848</u>

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

Pan European Property Equities
(formerly known as AmPan European Property Equities)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

	Note	2022 RM	2021 RM
INVESTMENT (LOSS)/INCOME			
Distribution income		687,686	415,181
Interest income		17,163	11,337
Other income – exit penalty		632	1,815
Net (loss)/gain from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	(4,548,219)	7,004,709
Other unrealised foreign exchange gain/(loss)		811	(811)
		<u>(3,841,927)</u>	<u>7,432,231</u>
EXPENDITURE			
Manager’s fee	5	(55,747)	(36,876)
Trustee’s fee	8	(24,126)	(16,816)
Audit fee		(8,000)	(8,000)
Tax agent’s fee		(3,800)	(3,800)
Custodian’s fee		(331)	(1,759)
Other expenses		(8,450)	(6,689)
		<u>(100,454)</u>	<u>(73,940)</u>
Net (loss)/income before taxation		(3,942,381)	7,358,291
Taxation	12	-	-
Net (loss)/income after taxation, representing total comprehensive (loss)/income for the financial year		<u>(3,942,381)</u>	<u>7,358,291</u>
Total comprehensive (loss)/income comprises the following:			
Realised income		1,242,364	1,959,947
Unrealised (loss)/gain		(5,184,745)	5,398,344
		<u>(3,942,381)</u>	<u>7,358,291</u>
Distribution for the financial year			
Net distribution	13	-	285,929
Gross/net distribution per unit (RM)	13	-	1.50 sen

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

Pan European Property Equities
(formerly known as AmPan European Property Equities)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

	Note	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 June 2021		219,448,537	(192,201,840)	27,246,697
Total comprehensive loss for the financial year		-	(3,942,381)	(3,942,381)
Creation of units	10(a)	16,597,602	-	16,597,602
Cancellation of units	10(a)	(9,620,412)	-	(9,620,412)
Balance at 31 May 2022		<u>226,425,727</u>	<u>(196,144,221)</u>	<u>30,281,506</u>
At 1 June 2020		221,740,422	(199,274,202)	22,466,220
Total comprehensive income for the financial year		-	7,358,291	7,358,291
Creation of units	10(a)	6,507,230	-	6,507,230
Reinvestment of distribution	10(a),13	279,682	-	279,682
Cancellation of units	10(a)	(9,078,797)	-	(9,078,797)
Distribution	13	-	(285,929)	(285,929)
Balance at 31 May 2021		<u>219,448,537</u>	<u>(192,201,840)</u>	<u>27,246,697</u>

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

Pan European Property Equities
(formerly known as AmPan European Property Equities)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

	Note	2022 RM	2021 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investment		3,412,340	6,047,827
Purchase of investment		(11,231,090)	(3,436,168)
Distributions received		687,686	415,181
Interest received		17,163	11,337
Other income – exit penalty		674	1,773
Manager’s fee paid		(55,748)	(35,712)
Trustee’s fee paid		(23,856)	(16,455)
Tax agent’s fee paid		(3,800)	(3,800)
Custodian’s fee paid		(331)	(1,759)
Payments for other expenses		(16,450)	(14,689)
Net cash (used in)/generated from operating and investing activities		<u>(7,213,412)</u>	<u>2,967,535</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		17,156,969	5,947,863
Payments for cancellation of units		(9,609,389)	(9,213,935)
Distribution paid		(6,247)	(7,334)
Net cash generated from/(used in) financing activities		<u>7,541,333</u>	<u>(3,273,406)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		327,921	(305,871)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>356,740</u>	<u>662,611</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		<u><u>684,661</u></u>	<u><u>356,740</u></u>
Cash and cash equivalents comprise:			
Deposit with financial institution	7	-	352,017
Cash at banks		684,661	4,723
		<u><u>684,661</u></u>	<u><u>356,740</u></u>

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

Pan European Property Equities
(formerly known as AmPan European Property Equities)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

1. GENERAL INFORMATION

AmPan European Property Equities (“the Fund”) was established pursuant to a Deed dated 29 January 2007 as amended by Deeds Supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, AmanahRaya Trustees Berhad as the Trustee and all unit holders. By the 8th Supplementary Master Prospectus dated 20 December 2021, the Fund has changed its name from AmPan European Property Equities to Pan European Property Equities.

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 95% 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 Deed, the “accrual period” or 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 22 July 2022.

2. BASIS OF PREPARATION OF 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 MFRS which has been effective during the financial year did not have any material financial impact to the financial statements, which as per the following:

Description	Effective for financial periods beginning on or after
<i>Interest Rate Benchmark Reform – Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021

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

Standards issued but not yet effective

The standards and amendments to 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
<i>Covid-19 - Related Rent Concessions beyond 30 June 2021</i> (Amendments to MFRS 16)*	1 April 2021
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i>)*	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i>)*	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022
Extension of the Temporary Exemption from applying MFRS 9 (Amendments to MFRS 4 <i>Insurance Contracts</i>)*	1 January 2022
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i>)*	1 January 2023
Amendments to MFRS 101: <i>Presentation of Financial Statements</i> <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 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 SIGNIFICANT 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

3. SUMMARY OF SIGNIFICANT 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 on short-term deposits 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

3. SUMMARY OF SIGNIFICANT 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

Distributions are 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 income payment date. Reinvestment of units is based on the NAV per unit on the income 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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

3. SUMMARY OF SIGNIFICANT 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 – classification and subsequent measurement

The Fund subsequently measures its investment in collective investment scheme (“CIS”) at FVTPL. Distribution earned whilst holding the investment in CIS is recognised in profit or loss when the right to 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 assets under MFRS 9

(i) 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 included in this category are deposits with financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager and other receivables.

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FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

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

3.10 Financial assets under MFRS 9 (cont'd.)

(i) Classification and measurement (cont'd.)

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 asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

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

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Interest earned and distribution income elements of such instruments are recorded separately in "Interest income" and "Distribution 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.

3.11 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 holder. 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.

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

3.12 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.

3.13 Financial instruments – expected credit losses (“ECL”)

The Fund assesses on a forward-looking basis the ECL associated with its financial assets at amortised cost. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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.

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

3.14 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.

3.15 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.

3.16 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

4. INVESTMENT

	2022	2021
	RM	RM
Financial asset at FVTPL		
At cost:		
Foreign CIS	<u>26,151,459</u>	<u>17,229,875</u>
At fair value:		
Foreign CIS	<u>29,625,366</u>	<u>25,889,338</u>

Details of investment are as follows:

Foreign CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
2022				
Janus Henderson Horizon Pan European Property Equities Fund ("Target Fund")	<u>137,684</u>	<u>29,625,366</u>	<u>26,151,459</u>	<u>97.83</u>
Excess of fair value over purchased cost		<u>3,473,907</u>		
2021				
Janus Henderson Horizon Pan European Property Equities Fund ("Target Fund")	<u>105,378</u>	<u>25,889,338</u>	<u>17,229,875</u>	<u>95.02</u>
Excess of fair value over purchased cost		<u>8,659,463</u>		

Based on the Fund's prospectus, a minimum of 95% of its NAV will be invested in the Target Fund. However, if the asset allocation will not achieve the minimum requirement, it will be adjusted back to the minimum level after the reporting period. The reduction of the asset allocation is due to the creation of units at the point of reporting date.

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5. AMOUNT DUE FROM/TO MANAGER

	Note	2022 RM	2021 RM
(a) Due from Manager			
Creation of units	(i)	-	559,367
(b) Due to Manager			
Redemption of units	(ii)	11,023	-
Manager's fee payable	(iii)	3,875	3,876
		<u>14,898</u>	<u>3,876</u>

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

(ii) The amount represents amount payable to the Manager for units redeemed.

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

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

	2022 % p.a.	2021 % p.a.
Manager's fee charged by the Target Fund Manager, on the NAV of the Target Fund (Note a)	1.70	1.70
Manager's fee charged by the Manager, on the NAV of investment in the Target Fund (Note b)	0.10	0.10
Manager's fee charged by the Manager, on the remaining NAV of the Fund (Note b)	1.80	1.80

Note a) The Fund's share of Manager's fee to the Target Fund Manager has been accounted for as part of net unrealised changes in fair value of investment in foreign CIS.

Note b) The Manager's fee of the Fund chargeable in the Statement of Comprehensive Income relates to 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 and current financial years for Manager's fee payable is one month.

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6. AMOUNT DUE FROM TARGET FUND MANAGER

The amount due from the Target Fund Manager was for the sale of investment where receipts was not due as at the financial year end.

The normal trade settlement period is five business days.

7. DEPOSIT WITH FINANCIAL INSTITUTION

	2022	2021
	RM	RM
At nominal value:		
Short-term deposit with a licensed bank	-	352,000
	<u> </u>	<u> </u>
At carrying value:		
Short-term deposit with a licensed bank	-	352,017
	<u> </u>	<u> </u>

Details of deposit with financial institution for the previous financial year are as follows:

Maturity date	Bank	Nominal value RM	Carrying value RM	Carrying value as a percentage of NAV %
2021				
Short-term deposit with a licensed bank				
01.06.2021	Public Bank Berhad	352,000	352,017	1.29
		<u> </u>	<u> </u>	<u> </u>

The weighted average effective interest rate and weighted average remaining maturity of short-term deposit is as follows:

	Weighted average effective interest rate		Weighted average remaining maturity	
	2022	2021	2022	2021
	%	%	Day	Day
Short-term deposit with a licensed bank	-	1.75	-	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.07% (2021: 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.

9. NET (LOSS)/GAIN FROM INVESTMENT

	2022	2021
	RM	RM
Net (loss)/gain on financial assets at FVTPL comprised:		
– Net realised gains on sale of investment	691,524	1,367,324
– Net realised (loss)/gain on foreign currency exchange	(54,187)	238,230
– Net unrealised (loss)/gain on changes in fair value of investment	(3,382,203)	4,862,090
– Net unrealised (loss)/gain on foreign currency fluctuation of investment denominated in foreign currency	(1,803,353)	537,065
	<u>(4,548,219)</u>	<u>7,004,709</u>

10. TOTAL EQUITY

Total equity is represented by:

	Note	2022	2021
		RM	RM
Unit holders' capital	(a)	226,425,727	219,448,537
Accumulated losses			
– Realised losses	(b)	(199,618,128)	(200,860,492)
– Unrealised gains	(c)	3,473,907	8,658,652
		<u>30,281,506</u>	<u>27,246,697</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

10. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/units in circulation

	2022		2021	
	Number of units	RM	Number of units	RM
At beginning of the financial year	19,675,061	219,448,537	21,682,867	221,740,422
Creation during the financial year	11,493,435	16,597,602	5,392,765	6,507,230
Distribution reinvested (Note 13)	-	-	208,143	279,682
Cancellation during the financial year	<u>(6,734,055)</u>	<u>(9,620,412)</u>	<u>(7,608,714)</u>	<u>(9,078,797)</u>
At end of the financial year	<u>24,434,441</u>	<u>226,425,727</u>	<u>19,675,061</u>	<u>219,448,537</u>

The Manager imposed an exit penalty of 1.00% (2021: 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 shall be placed back to the Fund.

(b) Realised - distributable

	2022 RM	2021 RM
At beginning of the financial year	(200,860,492)	(202,534,510)
Net realised income for the financial year	1,242,364	1,959,947
Distribution out of realised income (Note 13)	-	(285,929)
At end of the financial year	<u>(199,618,128)</u>	<u>(200,860,492)</u>

(c) Unrealised - non-distributable

	2022 RM	2021 RM
At beginning of the financial year	8,658,652	3,260,308
Net unrealised (loss)/gain for the financial year	<u>(5,184,745)</u>	<u>5,398,344</u>
At end of the financial year	<u>3,473,907</u>	<u>8,658,652</u>

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FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

11. UNITS HELD BY THE MANAGER AND RELATED PARTIES

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 were no units held by the Manager or any related party as at 31 May 2022 and 31 May 2021.

12. TAXATION

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.

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:

	2022	2021
	RM	RM
Net (loss)/income before taxation	<u>(3,942,381)</u>	<u>7,358,291</u>
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(946,171)	1,765,990
Tax effects of:		
Income not subject to tax	(340,534)	(1,783,494)
Loss not allowed for tax deduction	1,262,748	195
Restriction on tax deductible expenses for unit trust fund	13,859	10,064
Non-permitted expenses for tax purposes	8,710	6,563
Permitted expenses not used and not available for future financial years	<u>1,388</u>	<u>682</u>
Tax expense for the financial year	<u>-</u>	<u>-</u>

13. DISTRIBUTION

The Fund did not declare distribution to unit holders during the financial year ended 31 May 2022.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

13. DISTRIBUTION (CONT'D.)

Distribution to unit holders for the previous financial year are from the following sources:

	2021
	RM
Distribution income	73,461
Interest income	2,006
Other income – exit penalty	321
Net realised gain on sale of investment	<u>284,081</u>
	359,869
Less: Expenses	<u>(73,940)</u>
Total amount of distribution	<u><u>285,929</u></u>
Gross/net distribution per unit (RM)	<u>1.50 sen</u>
Distribution made out of:	
– Realised income [Note 10(b)]	<u>285,929</u>
Comprising:	
Distribution payable	6,247
Distribution reinvested [Note 10(a)]	<u>279,682</u>
	<u><u>285,929</u></u>

Financial year ended 31 May 2021

Distribution	Distribution	Total
Ex-date	per unit	distribution
	RM	RM
24 May 2021	<u>1.50</u>	<u>285,929</u>

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.

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14. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	2022	2021
	% p.a.	% p.a.
Manager’s fee	0.16	0.15
Trustee’s fee	0.07	0.07
Fund’s other expenses	0.06	0.09
Total TER	<u>0.29</u>	<u>0.31</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.

15. 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 0.21 times (2021: 0.21 times).

16. SEGMENTAL REPORTING

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 95% 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.

17. TRANSACTIONS WITH THE TARGET FUND MANAGER

Details of transactions with the Target Fund Manager for the financial year ended 31 May 2022 are as follows:

Target Fund Manager	Transaction value	
	RM	%
Henderson Management S.A.	<u>14,253,828</u>	<u>100.00</u>

There was no transaction with financial institutions related to the Manager, during the financial year.

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

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18. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The significant 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
2022				
Assets				
Investment	29,625,366	-	-	29,625,366
Cash at banks	-	684,661	-	684,661
Total financial assets	<u>29,625,366</u>	<u>684,661</u>	<u>-</u>	<u>30,310,027</u>
Liabilities				
Amount due to Manager	-	-	14,898	14,898
Amount due to Trustee	-	-	1,823	1,823
Total financial liabilities	<u>-</u>	<u>-</u>	<u>16,721</u>	<u>16,721</u>
2021				
Assets				
Investment	25,889,338	-	-	25,889,338
Amount due from Manager	-	559,367	-	559,367
Amount due from Target Fund Manager	-	464,686	-	464,686
Sundry receivable	-	42	-	42
Deposit with financial institution	-	352,017	-	352,017
Cash at banks	-	4,723	-	4,723
Total financial assets	<u>25,889,338</u>	<u>1,380,835</u>	<u>-</u>	<u>27,270,173</u>
Liabilities				
Amount due to Manager	-	-	3,876	3,876
Amount due to Trustee	-	-	1,553	1,553
Distribution payable	-	-	6,247	6,247
Total financial liabilities	<u>-</u>	<u>-</u>	<u>11,676</u>	<u>11,676</u>

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18. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Income, expenses, gains and losses	
	2022	2021
	RM	RM
Net (loss)/gain from financial assets at FVTPL	(4,548,219)	7,004,709
Income, of which derived from:		
– Distribution income from financial assets at FVTPL	687,686	415,181
– Interest income from financial assets at amortised cost	17,163	11,337
– Other unrealised foreign exchange gain/(loss)	811	(811)
	<u> </u>	<u> </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.

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
		(Note 4)		
2022				
Financial assets at FVTPL	-	29,625,366	-	29,625,366
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2021				
Financial assets at FVTPL	-	25,889,338	-	25,889,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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18. FINANCIAL INSTRUMENTS (CONT'D.)

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

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

- Amount due from/to Manager
- Amount due from Target Fund Manager
- Deposit with financial institution
- Cash at banks
- Amount due to Trustee
- Distribution payable

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.

19. 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 Deed as the backbone of risk management of the Fund.

(a) Market risk

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

Financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as Covid-19. The outbreak of Covid-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The outcomes of global and local financial markets are highly uncertain and cannot be predicted at this point in time. Due to this, the Manager of the Fund is unable to reliably estimate the quantitative impact of Covid-19 towards the Fund's performance for the next twelve months. The Manager of the Fund will continue to actively monitor the developments in the market to minimise any potential impact to the Fund.

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19. 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	
	2022 RM	2021 RM
-5.00%	(1,481,268)	(1,294,467)
+5.00%	1,481,268	1,294,467

(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 institution are determined based on prevailing market rates.

The result below summarised the interest rate sensitivity of the Fund's NAV, or theoretical value (applicable to money market deposit) due to the parallel movement assumption of the yield curve by +100bps and -100bps respectively:

Parallel shift in yield curve by:	Sensitivity of the Fund's NAV, or theoretical value	
	2022 RM	2021 RM
+100bps	-	(9)
-100bps	-	10

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

(a) Market risk (cont'd.)

(iii) Currency risk

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

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

Percentage movements in currencies other than the Fund's functional currency:	Sensitivity of the Fund's NAV	
	2022 RM	2021 RM
-5.00%	(1,481,384)	(1,317,815)
+5.00%	1,481,384	1,317,815

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

Assets denominated in Euro	2022	% of NAV	2021	% of NAV
	RM equivalent		RM equivalent	
Investment	29,625,366	97.83	25,889,338	95.02
Amount due from Target Fund Manager	-	-	464,686	1.71
Cash at banks	2,321	0.01	2,266	0.01
	<u>29,627,687</u>	<u>97.84</u>	<u>26,356,290</u>	<u>96.74</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.

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

(b) Credit risk (cont'd.)

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 asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its 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 deposit with licensed financial institution and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

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

(d) Single issuer risk

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

(e) Regulatory risk

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

(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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

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

(g) Management risk

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

(h) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deed and its Supplemental Deed, securities law 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.

20. 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, make distribution payment, or return capital to unit holders by way of redemption of units.

No changes were made in the objective, policies or processes during the financial years ended 31 May 2022 and 31 May 2021.

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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 (formerly known as AmPan European Property Equities) (the “Fund”) as at 31 May 2022 and 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
22 July 2022

TRUSTEE'S REPORT

To the unit holders of **PAN EUROPEAN PROPERTY EQUITIES (FORMERLY KNOWN AS AMPAN EUROPEAN PROPERTY EQUITIES)** ("Fund"),

We have acted as Trustee of the Fund for the financial year ended 31 May 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AMFUNDS MANAGEMENT BERHAD has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

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

For **AMANAHRAYA TRUSTEES BERHAD**

ZAINUDIN BIN SUHAIMI

Chief Executive Officer

Date: 1 July 2022

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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.)*

