

Semi-Annual Report for

European Equity Alpha

(formerly known as AmSchroders European Equity Alpha)

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 Unit holders,

We are pleased to present you the Manager's report and the unaudited accounts of European Equity Alpha ("Fund") (formerly known as AmSchroders European Equity Alpha) for the financial period from 1 December 2021 to 31 May 2022.

Salient Information of the Fund

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

Income Distribution Policy	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 2022 and for the past three financial years are as follows:					
		As at 31.5.2022 %	As at 30 November			
			2021 %	2020 %	2019 %	
	Foreign collective investment scheme	95.92	96.06	100.47	97.27	
Money market deposits and cash equivalents	4.08	3.94	-0.47	2.73		
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 31 May 2022 and three financial years ended 30 November are as follows:					
		Half year ended 31.5.2022	FY 2021	FY 2020	FY 2019	
	Net asset value (RM)*	31,726,364	35,184,855	38,113,471	61,917,174	
	Units in circulation*	21,471,146	26,103,438	33,879,215	48,551,136	
	Net asset value per unit (RM)*	1.4776	1.3479	1.1250	1.2753	
	Highest net asset value per unit (RM)*	1.5561	1.4485	1.3328	1.2835	
	Lowest net asset value per unit (RM)*	1.2480	1.1153	0.7473	1.1183	
	Benchmark performance (%)	-5.14	18.51	1.23	13.83	
	Total return (%) ⁽¹⁾	9.63	19.80	-11.79	5.91	
	- Capital growth (%)	9.63	19.80	-11.79	5.91	
	- Income distribution (%)	-	-	-	-	
	Gross distribution (sen per unit)	-	-	-	-	
	Net distribution (sen per unit)	-	-	-	-	
	Total expense ratio (%) ⁽²⁾	0.48	0.46	0.46	0.44	
	Portfolio turnover ratio (times) ⁽³⁾	0.17	0.26	0.37	0.25	
		* Above prices and net asset value per unit are not shown as ex-distribution.				
		<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>					

- (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.
- (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)

	European Equity Alpha ^(a) %	MSCI-ENTRI ^(b) %
One year	4.17	-6.57
Three years	7.58	7.68
Five years	1.68	3.98
Ten years	9.45	10.33

Annual Total Return

Financial Years Ended (30 November)	European Equity Alpha ^(a) %	MSCI-ENTRI ^(b) %
2021	19.80	18.51
2020	-11.79	1.23
2019	5.91	13.83
2018	-10.81	-7.28
2017	13.96	19.04

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

(b) MSCI Europe Net (Total Return) Index (“MSCI-ENTRI”).
(Available at www.aminvest.com)

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

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

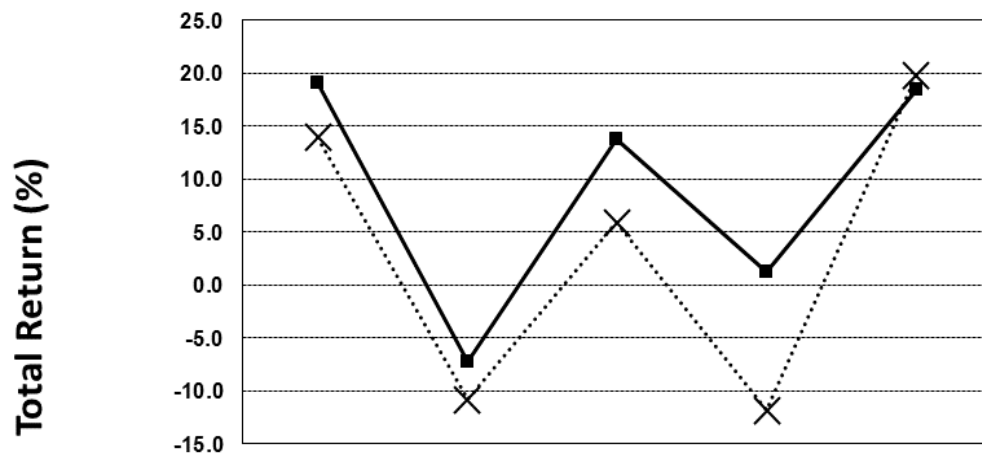
Fund Performance

For the financial period under review, the Fund registered a return of 9.63% which was entirely capital growth in nature.

Thus, the Fund’s return of 9.63% has outperformed the benchmark’s negative return of 5.14% by 14.77%.

As compared with the financial year ended 30 November 2021, the net asset value (“NAV”) per unit of the Fund increased by 9.62% from RM1.3479 to RM1.4776, while units in circulation decreased by 17.75% from 26,103,438 units to 21,471,146 units.

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



	2017	2018	2019	2020	2021
...X... Fund	13.96	-10.81	5.91	-11.79	19.80
—■— Benchmark	19.04	-7.28	13.83	1.23	18.51

Financial Years Ended (30 November)

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

Performance of the Target Fund

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

Over the performance period, the Target Fund has strongly outperformed the index. The period saw value areas of the market perform strongly as growth names across the technology sector especially struggled owing to rising rates and questions around the sustainability of their earning growth going forward.

Dassault Aviation was the best performing stock, the French aviation and defence business. In light of Russia’s invasion of the Ukraine, defence stocks saw share prices increases as the market looked through a period of increased demand as geopolitical tensions elevate.

Elsewhere, South 32 has performed well alongside other commodities names including Repsol, Eni and Maersk Drilling. Both Oil and Gas as well as the mining sector has performed well as commodity prices have risen to record highs. These companies were trading at trough valuations, and when their earnings see a pickup, as they are now, they can also re-rate quickly, leading to sharp increases in share prices.

Lukoil was the Target Fund’s biggest detractor. In line with Schrodgers policy we have written down the value of the ADRs to zero as the ADR market closed in response to Russia’s invasion of Ukraine.

Source: Schrodgers, as at 31 May 2022

Strategies and Policies Employed

Strategies and Policies employed by Target Fund

There has been no change in the strategies and policies employed in the review period. We believe that a great investment process is one with a high probability of superior outcomes over time. Our process is focused on producing the best possible long-term results with minimum risk. High risk does not equal high return; low risk equals high return in the long run. Real investment risk is the chance of

permanently losing some or all of the money that you have invested. Buying stocks at a discount to their intrinsic value greatly reduces the risk of capital loss. Overpaying for stocks, however it is justified, will ultimately destroy capital.

Value investing's major strength is the disciplined focus on buying out-of-favour companies at all stages of the investment cycle. Only by being disciplined and consistent can we deliver its long-term performance advantage.

Source: Schroders, as at 31 May 2022

Strategies and Policies of the Fund

For the financial period under review, a minimum of 95% of its NAV was invested in the Target Fund.

Target Fund's Top 10 Holdings

As at 31 May 2021

Security	%
Centrica	3.4
Eni	3.0
BT Group	2.9
Imperial Brands	2.9
South32	2.9
Natwest Group	2.7
Morrison(Wm.)Supermarkets	2.6
ING Groep	2.6
Sanofi	2.5
Scandinavian Tobacco	2.4

As at 31 May 2022

Security	%
Repsol	3.0
Sanofi	3.0
Eni	2.8
GlaxoSmithKline	2.7
Orange	2.7
Allianz	2.7
Bayer	2.7
SES	2.5
H.Lundbeck	2.4
Standard Chartered	2.4

Source: Aladdin, Schroders, as at 31 May 2022

Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 31 May 2022 and 30 November 2021.</p> <table border="1" data-bbox="363 219 1428 461"> <thead> <tr> <th></th> <th>As at 31.5.2022 %</th> <th>As at 30.11.2021 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Foreign collective investment scheme</td> <td>95.92</td> <td>96.06</td> <td>-0.14</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>4.08</td> <td>3.94</td> <td>0.14</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>For the financial period under review, there are no significant changes in the allocation that is permissible in the Fund's strategy. As at 31 May 2022, the Fund has invested 95.92% of its NAV in the foreign collective investment scheme and the balance of 4.08% of its NAV in money market deposits and cash equivalents.</p>		As at 31.5.2022 %	As at 30.11.2021 %	Changes %	Foreign collective investment scheme	95.92	96.06	-0.14	Money market deposits and cash equivalents	4.08	3.94	0.14	Total	100.00	100.00	
	As at 31.5.2022 %	As at 30.11.2021 %	Changes %														
Foreign collective investment scheme	95.92	96.06	-0.14														
Money market deposits and cash equivalents	4.08	3.94	0.14														
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 period under review.																
Distribution/ Unit splits	There is no income distribution and 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>Markets sold off aggressively since December, due to a number of factors. Runaway inflation and the ability of central banks to be able to control price rises have dominant investor sentiment. The sell-off has been led by the areas of the market that has benefitted from the era of ultra-low interest rates; predominantly growth equities (especially US technology firms) whose valuations get hit harder when long dated future earnings are discounted back at higher rates. One area of the market that has outperformed strongly is traditional oil and energy. With oil prices rising to record highs, impacted by the Russian invasion of Ukraine, the large oil and gas producers are seeing record profitability. Elsewhere, rising tensions between the US & China and global supply chain complications also stalk markets.</p> <p><i>Source: Schroders, as at 31 May 2022</i></p>																

Market Outlook	<p>Despite a very strong period for value, we still think there are a number of compelling valuation opportunities today in Europe. The MSCI Europe Value index is trading on near record lows of 9x P/E, and the valuation dispersion between value and growth remains significant. This gives us confidence that there is still much further to run for value's outperformance from today. From a bottom up standpoint we are still seeing interesting ideas come through our valuation screen – health care as a sector is expensive but there are individual stocks trading at low valuations. The German industrial sector is also going through a tough time owing to fears around energy security and how this will impact manufacturing. As ever, we try to remain objective and separate the noise from the underlying economics of the business to assess how compelling the risk reward trade is. While geopolitical tensions, interest rate speculation and market volatility will rise and fall, we continue to focus on the one thing that moves share prices over the long term; valuation.</p> <p><i>Source: Schroders, as at 31 May 2022</i></p>
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Kuala Lumpur, Malaysia
AmFunds Management Berhad

22 July 2022

European Equity Alpha
(formerly known as AmSchroders European Equity Alpha)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2022

	Note	31.5.2022 (unaudited) RM	30.11.2021 (audited) RM
ASSETS			
Investment	4	30,432,166	33,799,765
Amount due from Manager	5(a)	472,374	4,849
Deposit with financial institution	6	-	1,433,070
Cash at banks		848,536	5,011
TOTAL ASSETS		<u>31,753,076</u>	<u>35,242,695</u>
LIABILITIES			
Amount due to Manager	5(b)	9,691	38,807
Amount due to Trustee	7	1,864	2,274
Sundry payables and accruals		15,157	16,759
TOTAL LIABILITIES		<u>26,712</u>	<u>57,840</u>
NET ASSET VALUE (“NAV”) OF THE FUND		<u>31,726,364</u>	<u>35,184,855</u>
EQUITY			
Unit holders’ capital	9(a)	11,317,728	18,109,857
Retained earnings	9(b)(c)	20,408,636	17,074,998
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>31,726,364</u>	<u>35,184,855</u>
UNITS IN CIRCULATION	9(a)	<u>21,471,146</u>	<u>26,103,438</u>
NAV PER UNIT (RM)		<u>1.4776</u>	<u>1.3479</u>

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

European Equity Alpha
(formerly known as AmSchroders European Equity Alpha)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022

	Note	1.12.2021 to 31.5.2022 RM	1.12.2020 to 31.5.2021 RM
INVESTMENT INCOME			
Interest income		7,200	7,868
Net gains from investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	<u>3,404,987</u>	<u>9,361,042</u>
		<u>3,412,187</u>	<u>9,368,910</u>
EXPENDITURE			
Manager’s fee	5	(57,409)	(69,425)
Trustee’s fee	7	(11,531)	(14,101)
Audit fee		(4,334)	(5,213)
Tax agent’s fee		(1,895)	(1,894)
Other expenses		<u>(3,380)</u>	<u>(3,312)</u>
		<u>(78,549)</u>	<u>(93,945)</u>
Net income before taxation		3,333,638	9,274,965
Taxation	11	<u>-</u>	<u>-</u>
Net income after taxation, representing total comprehensive income for the financial period		<u>3,333,638</u>	<u>9,274,965</u>
Total comprehensive income comprises the following:			
Realised income		1,763,018	814,553
Unrealised gains		<u>1,570,620</u>	<u>8,460,412</u>
		<u>3,333,638</u>	<u>9,274,965</u>

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

European Equity Alpha
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CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022

	Note	Unit holders' capital RM	Retained earnings RM	Total equity RM
At 1 December 2021		18,109,857	17,074,998	35,184,855
Total comprehensive income for the financial period		-	3,333,638	3,333,638
Creation of units	9(a)	6,815,822	-	6,815,822
Cancellation of units	9(a)	(13,607,951)	-	(13,607,951)
Balance at 31 May 2022		<u>11,317,728</u>	<u>20,408,636</u>	<u>31,726,364</u>
At 1 December 2020		28,566,278	9,547,193	38,113,471
Total comprehensive income for the financial period		-	9,274,965	9,274,965
Creation of units		10,617,283	-	10,617,283
Cancellation of units		(15,667,658)	-	(15,667,658)
Balance at 31 May 2021		<u>23,515,903</u>	<u>18,822,158</u>	<u>42,338,061</u>

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

European Equity Alpha
(formerly known as AmSchroders European Equity Alpha)

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022

	1.12.2021 to 31.5.2022 RM	1.12.2020 to 31.5.2021 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investment	9,018,779	9,396,613
Purchase of investment	(2,246,195)	(4,637,822)
Interest received	7,200	7,868
Manager's fee paid	(59,748)	(66,468)
Trustee's fee paid	(11,941)	(13,741)
Tax agent's fee paid	-	(3,800)
Payments for other expenses	<u>(11,210)</u>	<u>(12,951)</u>
Net cash generated from operating and investing activities	<u>6,696,885</u>	<u>4,669,699</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	6,348,298	10,456,779
Payments for cancellation of units	<u>(13,634,728)</u>	<u>(14,238,573)</u>
Net cash used in financing activities	<u>(7,286,430)</u>	<u>(3,781,794)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(589,545)	887,905
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>1,438,081</u>	<u>266,343</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>848,536</u>	<u>1,154,248</u>
Cash and cash equivalents comprise:		
Deposit with financial institution	-	1,149,055
Cash at banks	<u>848,536</u>	<u>5,193</u>
	<u>848,536</u>	<u>1,154,248</u>

European Equity Alpha
(formerly known as AmSchroders European Equity Alpha)

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022**

1. GENERAL INFORMATION

European Equity Alpha (“the Fund”) was established pursuant to a Deed dated 30 June 2006 as amended by Deeds Supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, AmanahRaya Trustees Berhad as the Trustee and all unit holders. By 8th Supplementary Master Prospectus dated 20 December 2021, the Fund has changed its name from AmSchroders European Equity Alpha to European Equity Alpha.

The Fund was set up with the objective of providing investors with capital growth primarily through investment in equity securities of European companies. Being a feeder fund, a minimum of 95% of the Fund’s NAV will be invested in the Luxembourg-based Schroder International Selection Fund European Value (“Target Fund”), which is separately managed by Schroder Investment Management (Europe) S.A. (formerly known as Schroder Investment Management (Luxembourg) S.A.) (“Target Fund Manager”). As provided in the Deeds, the “accrual period” or the financial year shall end on 30 November and the units in the Fund were first offered for sale on 8 August 2006.

The financial statements were authorised for issue by the Manager on 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 134: Interim Financial Reporting (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”) and the Securities Commission Malaysia’s Guidelines on Unit Trust Funds in Malaysia.

Standards effective during the financial period

The adoption of MFRS which has been effective during the financial period 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

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:

European Equity Alpha
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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022**

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

Standards issued but not yet effective (cont'd.)

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.

European Equity Alpha
(formerly known as AmSchroders European Equity Alpha)

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 31 MAY 2022**

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

3.1 Income recognition (cont'd.)

(i) Interest income

Interest income on short-term deposits is recognised on an accrual basis using the effective interest method.

(ii) Gain or loss on disposal of investment

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

3.2 Income tax

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

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

3.3 Functional and presentation currency

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

3.4 Foreign currency transactions

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

European Equity Alpha
(formerly known as AmSchroders European Equity Alpha)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2021 TO 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 interest income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the 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 CONDENSED FINANCIAL STATEMENTS
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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 receive the payment has been established. Gains and losses on the investment in CIS, realised and unrealised, are included in profit or loss.

3.10 Financial 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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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 element of such instrument is recorded in "Interest income". Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

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.

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

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 holders. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

3.12 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:

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

3.13 Financial instruments – expected credit losses (“ECL”) (cont'd.)

- 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.

3.14 Determination of fair value

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

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

3.16 Significant accounting estimates and judgments (cont'd.)

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

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

4. INVESTMENT

	31.5.2022	30.11.2021
	RM	RM
Financial asset at FVTPL		
At cost:		
Foreign CIS	<u>23,909,496</u>	<u>28,847,715</u>
At fair value:		
Foreign CIS	<u>30,432,166</u>	<u>33,799,765</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 %
31.5.2022				
Schroder International Selection Fund European Value ("Target Fund")	<u>84,281</u>	<u>30,432,166</u>	<u>23,909,496</u>	<u>95.92</u>
Excess of fair value over purchased cost		<u>6,522,670</u>		

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4. INVESTMENT (CONT'D.)

Details of investment are as follows: (cont'd.)

Foreign CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
30.11.2021				
Schroder International Selection Fund European Value ("Target Fund")	103,587	33,799,765	28,847,715	96.06
Excess of fair value over purchased cost		<u>4,952,050</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 does 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.

5. AMOUNT DUE FROM/TO MANAGER

	Note	31.5.2022 RM	30.11.2021 RM
(a) Due from Manager			
Creation of units	(i)	<u>472,374</u>	<u>4,849</u>
(b) Due to Manager			
Redemption of units	(ii)	-	26,777
Manager's fee payable	(iii)	<u>9,691</u>	<u>12,030</u>
		<u>9,691</u>	<u>38,807</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 financial year and current financial period for creation and redemption of units is three business days.

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

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

	1.12.2021 to 31.5.2022 % p.a.	1.12.2020 to 31.5.2021 % p.a.
Manager's fee charged by the Target Fund Manager, on the NAV of the Target Fund (Note a)	1.50	1.50
Manager's fee charged by the Manager, on the NAV of investment in the Target Fund (Note b)	0.30	0.30
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 Condensed Statement of Comprehensive Income relates to 0.30% 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. DEPOSIT WITH FINANCIAL INSTITUTION

	31.5.2022 RM	30.11.2021 RM
At nominal value:		
Short-term deposit with a licensed bank	<u>-</u>	<u>1,433,000</u>
At carrying value:		
Short-term deposit with a licensed bank	<u>-</u>	<u>1,433,070</u>

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6. DEPOSIT WITH FINANCIAL INSTITUTION (CONT'D.)

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 %
30.11.2021				
Short-term deposit with a licensed bank				
01.12.2021	Malayan Banking Berhad	<u>1,433,000</u>	<u>1,433,070</u>	<u>4.07</u>

7. 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 financial year and current financial period for Trustee's fee payable is one month.

8. NET GAINS FROM INVESTMENT

	1.12.2021 to 31.5.2022 RM	1.12.2020 to 31.5.2021 RM
Net gains on financial assets at FVTPL comprised:		
- Net realised gains on sale of investment	2,051,488	685,097
- Net realised (loss)/gain on foreign currency exchange	(217,121)	215,533
- Net unrealised gains on changes in fair value of investment	1,639,248	7,502,386
- Net unrealised (loss)/gain on foreign currency fluctuation of investment denominated in foreign currency	<u>(68,628)</u>	<u>958,026</u>
	<u>3,404,987</u>	<u>9,361,042</u>

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9. TOTAL EQUITY

Total equity is represented by:

	Note	31.5.2022 RM	30.11.2021 RM
Unit holders' capital	(a)	11,317,728	18,109,857
Retained earnings			
– Realised income	(b)	13,885,966	12,122,948
– Unrealised gains	(c)	6,522,670	4,952,050
		<u>31,726,364</u>	<u>35,184,855</u>

(a) Unit holders' capital/units in circulation

	31.5.2022		30.11.2021	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	26,103,438	18,109,857	33,879,215	28,566,278
Creation during the financial period/year	4,769,612	6,815,822	12,982,765	17,126,121
Cancellation during the financial period/year	<u>(9,401,904)</u>	<u>(13,607,951)</u>	<u>(20,758,542)</u>	<u>(27,582,542)</u>
At end of the financial period/year	<u>21,471,146</u>	<u>11,317,728</u>	<u>26,103,438</u>	<u>18,109,857</u>

(b) Realised - distributable

	31.5.2022 RM	30.11.2021 RM
At beginning of the financial period/year	12,122,948	10,140,250
Net realised income for the financial period/year	<u>1,763,018</u>	<u>1,982,698</u>
At end of the financial period/year	<u>13,885,966</u>	<u>12,122,948</u>

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9. TOTAL EQUITY (CONT'D.)

(c) Unrealised - non-distributable

	31.5.2022	30.11.2021
	RM	RM
At beginning of the financial period/year	4,952,050	(593,057)
Net unrealised gains for the financial period/year	1,570,620	5,545,107
At end of the financial period/year	<u>6,522,670</u>	<u>4,952,050</u>

10. UNITS HELD BY 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	Holding company of the Manager
AMMB Holdings Berhad	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 30 November 2021.

11. 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.

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11. TAXATION (CONT'D.)

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

	1.12.2021 to 31.5.2022 RM	1.12.2020 to 31.5.2021 RM
Net income before taxation	<u>3,333,638</u>	<u>9,274,965</u>
Taxation at Malaysian statutory rate of 24% (2021: 24%)	800,073	2,225,992
Tax effects of:		
Income not subject to tax	(887,505)	(2,248,538)
Loss not allowed for tax deduction	68,580	-
Restriction on tax deductible expenses for unit trust fund	13,336	16,122
Non-permitted expenses for tax purposes	4,034	4,634
Permitted expenses not used and not available for future financial periods	<u>1,482</u>	<u>1,790</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

12. TOTAL EXPENSE RATIO (“TER”)

The Fund's TER is as follows:

	1.12.2021 to 31.5.2022 % p.a.	1.12.2020 to 31.5.2021 % p.a.
Manager's fee	0.35	0.34
Trustee's fee	0.07	0.07
Fund's other expenses	0.06	0.06
Total TER	<u>0.48</u>	<u>0.47</u>

The TER of the Fund is the ratio of the sum of annualised 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 0.17 times (2021: 0.19 times).

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14. 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.

15. TRANSACTIONS WITH THE TARGET FUND MANAGER

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

Target Fund Manager	Transaction value	
	RM	%
Schroder Investment Management (Europe) S.A.	<u>11,329,333</u>	<u>100.00</u>

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

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

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 investments coupled with stringent compliance to investments restrictions as stipulated by the Capital Markets and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

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

(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.

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 investments in the Target Fund. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

(ii) Interest rate risk

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

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

(iii) Currency risk

Currency risk is associated with the Fund's 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.

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

(a) Market risk (cont'd.)

(iii) Currency risk (cont'd.)

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

Assets denominated in Euro	31.5.2022		30.11.2021	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Investment	30,432,166	95.92	33,799,765	96.06
Cash at bank	396,325	1.25	2,228	0.01
	<u>30,828,491</u>	<u>97.17</u>	<u>33,801,993</u>	<u>96.07</u>

(b) Credit risk

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

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

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

(c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial 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 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.

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

(d) Single issuer risk

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

(e) Regulatory risk

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

(f) Country risk

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

(g) Management risk

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

(h) Non-compliance risk

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

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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 condensed financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134: Interim Financial Reporting (“MFRS 134”) so as to give a true and fair view of the financial position of European Equity Alpha (formerly known as AmSchroders European Equity Alpha) (the “Fund”) as at 31 May 2022 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
22 July 2022

TRUSTEE'S REPORT

To the unit holders of **EUROPEAN EQUITY ALPHA (FORMERLY KNOWN AS AMSCHRODERS EUROPEAN EQUITY ALPHA** ("Fund"),

We have acted as Trustee of the Fund for the financial period 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 period covered by these financial statements in accordance with the following:

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

For **AMANAHRAYA TRUSTEES BERHAD**

ZAINUDIN BIN SUHAIMI

Chief Executive Officer

Date: 1 July 2022

DIRECTORY

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

