



European Equity Alpha (fka AmSchroders European Equity Alpha)

November 2022



European Equity Alpha (fka AmSchroders European Equity Alpha) (the "Fund") aims 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.

The Fund is suitable for investors:

- seeking access to European growth prospects;
- seeking attractive potential long-term* returns from European equities; and
- seeking to diversify and away from domestic, Asian and US equities.

Note: *Long-term refers to a period of at least five (5) years.

Any material change to the investment objective of the Fund would require Unit Holders' approval.

Investment Strategy

- A minimum of 95% of the Fund's NAV will be invested in the share class denominated in Euro of the Schroder ISF European Value (Target Fund).

Asset Allocation

- Schroder ISF European Value 96.63%
- Money market deposits and cash equivalents 3.37%

Source: AmFunds Management Berhad

Fund Details

| | |
|-------------------------------|--|
| Fund Category / Type | Feeder (European equity) / Capital growth |
| Fund Launch Date | 08 August 2006 |
| Offer Price at Launch | MYR 1.0000 |
| NAV Per Unit (31 Oct 2022) | MYR 1.3082 |
| 1-year NAV High (31 Oct 2022) | MYR 1.5561 (10 Feb 2022) |
| 1-year NAV Low (31 Oct 2022) | MYR 1.1233 (28 Sep 2022) |
| Total Units (31 Oct 2022) | 18.82 million |
| Fund Size (31 Oct 2022) | MYR 24.62 million |
| Annual Management Fee | Up to 1.80% p.a. of the NAV of the Fund |
| Annual Trustee Fee | Up to 0.07% p.a. of the NAV of the Fund |
| Entry Charge | Up to 5.00% of the NAV per unit for cash sales |
| Exit Fee | Nil |
| Redemption Payment Period | Within ten (10) days of receiving the redemption request. |
| Investment Manager | AmFunds Management Berhad |
| Income Distribution | Income distribution (if any) is paid at least once every year. |

Source: AmFunds Management Berhad

Most Recent Income Distribution History

| Year | 2021 | 2020 | 2019 | 2018 | 2017 |
|-----------------------------|------|------|------|------|------|
| Total Payout per unit (Sen) | N/A | N/A | N/A | N/A | 0.92 |

Source: AmFunds Management Berhad

Target Fund Manager's Commentary (as at 30 September 2022)

European equities fell in Q2. The Target Fund underperformed the MSCI Europe index.

The main detractor from returns was German-based retailer Ceconomy after it cut full-year guidance at a trading update. This was as a result of a deteriorating backdrop for the European consumer. Luxembourg headquartered satellite group SES SA and Danish pharmaceuticals company Lundbeck also detracted. Lundbeck performed poorly on the back of disappointing interim results. UK telecoms firm BT Group detracted. BT is in the midst of a dispute with frontline staff over pay, with strike action planned for October. Meanwhile, UK pharmaceuticals group GSK performed poorly amid concerns related to a US lawsuits related to heartburn drug Zantac. On the positive side, electric vehicle powertrain specialist Vitesco performed very well on the back of news the German company has struck a new partnership with French carmaker Renault, which was another top performer in the period. Italian banking group UniCredit also positively contributed. Banks are beneficiaries of rising bond yields as this enables them to reprice loans at higher rates, supporting profitability. During September, UniCredit's CEO said that profit guidance would be upgraded. Drilling rig operator Drilling Company of 1972 was another top contributor, as was French marketing communications group Publicis.

HeidelbergCement was added to the portfolio in August, which is one of the largest building material businesses in the world. The company has seen healthy profit growth and the balance sheet has deleveraged in recent years. Near term cyclical concerns and longer term carbon emissions issues have put pressure on the valuation. However, the shares look cheaper than we believe they should be and the associated risks are more than compensated for by the upside in the current valuation. We also built positions in German industrial Jungheinrich, premium polymers supplier Covestro, Sweden-based residential property developer Bonava and Italian oilfield engineer Saipem. We exited our holdings in Scandinavian Tobacco and Norwegian based agribusiness Yara International after they reached fair value.

Source: Schroders

Target Fund's Top 5 Holdings (as at 30 September 2022)

| | |
|---------------------|-------|
| Sanofi | 3.25% |
| Allianz SE | 3.08% |
| Renault SA | 3.05% |
| AXA SA | 2.96% |
| Imperial Brands PLC | 2.89% |

Source: Schroders

Target Fund's Sector Allocation* (as at 30 September 2022)

| | |
|------------------------|--------|
| Financials | 22.64% |
| Consumer Discretionary | 13.42% |
| Communication Services | 12.10% |
| Health Care | 10.26% |
| Industrials | 10.25% |
| Energy | 9.62% |
| Materials | 8.94% |
| Consumer Staples | 7.59% |
| Liquid Assets | 3.59% |
| Utilities | 1.60% |

* As percentage of NAV. Please note that asset exposure for the Target Fund is subject to frequent change on a daily basis.
Source: Schroders

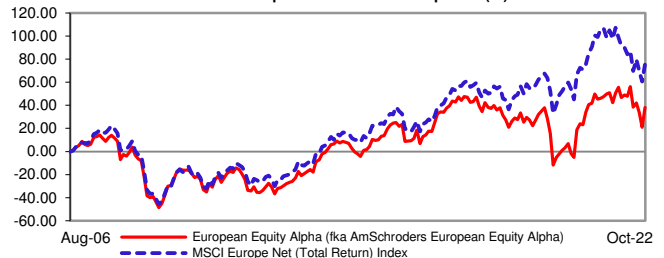
Target Fund's Country Allocation* (as at 30 September 2022)

| | |
|----------------|--------|
| Germany | 25.34% |
| United Kingdom | 23.73% |
| France | 22.22% |
| Italy | 5.59% |
| Liquid Assets | 3.59% |
| Switzerland | 2.61% |
| United States | 2.21% |
| Denmark | 2.19% |
| Sweden | 2.16% |
| Netherlands | 2.09% |
| Luxembourg | 1.98% |
| Australia | 1.95% |
| Spain | 1.88% |
| South Africa | 1.24% |
| Ukraine | 1.22% |

* As percentage of NAV. Please note that asset exposure for the Target Fund is subject to frequent change on a daily basis.
Source: Schroders

Fund Performance (as at 31 October 2022)

Cumulative performance over the period (%)



The value of units may go down as well as up. Past performance is not indicative of future performance.
Source: AmFunds Management Berhad

Performance Data (as at 31 October 2022)

| | 1 m | 6 m | 1 yr | 3 yrs | 5 yrs |
|----------------|-------|-------|--------|-------|-------|
| Fund (%) | 14.29 | -6.46 | -8.45 | 4.69 | -6.01 |
| *Benchmark (%) | 9.37 | -4.65 | -14.43 | 8.10 | 8.99 |

*MSCI Europe Net (Total Return) Index

Source Benchmark: *AmFunds Management Berhad

Source Fund Return: Novagni Analytics and Advisory Sdn. Bhd.

The Fund Performance is calculated based on NAV-to-NAV using Time Weighted Rate of Return ("TWRR") method

Calendar Year Return

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|----------------|-------|--------|-------|--------|-------|
| Fund (%) | 21.50 | -10.00 | 13.95 | -15.54 | 7.80 |
| *Benchmark (%) | 20.18 | 2.91 | 22.78 | -13.24 | 13.44 |

*MSCI Europe Net (Total Return) Index

Source Benchmark: *AmFunds Management Berhad

Source Fund Return: Novagni Analytics and Advisory Sdn. Bhd.

The Fund Performance is calculated based on NAV-to-NAV using Time Weighted Rate of Return ("TWRR") method

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Based on the Fund's portfolio returns as at 30 September 2022, the Volatility Factor ("VF") for this Fund is 26.9 and is classified as "Very High" (Source: Lipper). "Very High" includes funds with VF that are more than 17.635 (Source: Lipper). The VF means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class ("VC") is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

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The Fund's units will only be issued upon receipt of the complete application form accompanying the Prospectus(es). Past performance of the Fund is not an indication of its future performance. The Fund's unit prices and income distribution payable, if any, may rise or fall. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the Net Asset Value ("NAV") per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Please be advised that where a unit split is declared, the value of investor's investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units.

Investments in the Fund are exposed to currency risk, risk of a passive strategy, risk of not meeting the Fund's investment objective and counterparty credit risk. Please refer to the Prospectus(es) for detailed information on the specific risks of the fund(s). Investors are advised to consider these risks and other general risk elaborated, as well as the fees, charges and expenses involved.

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