

Annual Report for

# Precious Metals Securities

31 May 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

AmFunds Management Berhad  
9<sup>th</sup> & 10<sup>th</sup> Floor, Bangunan AmBank Group  
55 Jalan Raja Chulan  
50200 Kuala Lumpur

### **Board of Directors**

Jeyaratnam A/L Tamotharam Pillai  
Ng Chih Kaye  
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Arnold Lim Boon Lay  
Goh Wee Peng

### **Investment Committee**

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### **Investment Manager**

AmIslamic Funds Management Sdn Bhd

### **Shariah Adviser**

Amanie Advisors Sdn Bhd

### **Trustee**

Deutsche Trustees Malaysia 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 Precious Metals Securities ("Fund") for the financial year ended 31 May 2024.

### Salient Information of the Fund

<b>Name</b>	Precious Metals Securities ("Fund")
<b>Category/ Type</b>	Feeder (Global Islamic Equity) / Growth
<b>Name of Target Fund</b>	DWS Noor Precious Metals Securities Fund
<b>Fund Objective</b>	<p>To achieve capital appreciation by investing in a portfolio of global Shariah-compliant equity and Shariah-compliant equity-related securities (including, without limitation, Islamic depository receipts, but excluding Shariah-compliant preferred shares and sukuk), of companies engaged in activities (exploration, mining and processing) related to gold, silver, platinum or other precious metals or minerals.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Duration</b>	The Fund was established on 15 November 2007 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interest of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
<b>Performance Benchmark</b>	<p>FTSE Gold Mines Index ("FGMI") (Available at <a href="http://www.aminvest.com">www.aminvest.com</a>)</p> <p><i>Note: The Fund adheres to the benchmark of the Target Fund. The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</i></p> <p><i>Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). ©LSE Group 2024. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "FTSE Russell®", is a trade mark(s) of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors 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 LSE Group does not promote, sponsor or endorse the content of this communication.</i></p>
<b>Income Distribution Policy</b>	Income distribution (if any) will be reinvested.

## Fund Performance Data

<b>Portfolio Composition</b>	Details of portfolio composition of the Fund as at 31 May are as follows:			
		<b>As at 31 May</b>		
		<b>2024</b>	<b>2023</b>	<b>2022</b>
		<b>%</b>	<b>%</b>	<b>%</b>
	Foreign collective investment scheme	90.50	97.06	95.59
	Money market deposits and cash equivalents	9.50	2.94	4.41
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
<b>Performance Details</b>	Performance details of the Fund for the financial years ended 31 May are as follows:			
		<b>FYE 2024</b>	<b>FYE 2023</b>	<b>FYE 2022</b>
	Net asset value (RM)	162,959,525	178,937,412	199,355,013
	Units in circulation	310,499,811	371,860,991	390,509,662
	Net asset value per unit (RM)	0.5248	0.4812	0.5105
	Highest net asset value per unit (RM)	0.5408	0.5457	0.6064
	Lowest net asset value per unit (RM)	0.4032	0.3742	0.4574
	Benchmark performance (%)	14.50	-3.78	-15.13
	Total return (%) <sup>(1)</sup>	9.06	-5.74	-15.00
	- Capital growth (%)	9.06	-5.74	-15.00
	Total expense ratio (%) <sup>(2)</sup>	1.16	1.15	1.14
	Portfolio turnover ratio (times) <sup>(3)</sup>	0.70	0.21	0.24
		<i>Note:</i>		
	<i>(1) Total return is the actual return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.</i>			
	<i>(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The TER increased by 0.01% as compared to 1.15% per annum for the financial year ended 31 May 2023 mainly due to decrease in average fund size.</i>			
	<i>(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The increase in the PTR for 2024 and decrease in 2023 were due mainly to investing activities.</i>			
	<b>Average Total Return (as at 31 May 2024)</b>			
		<b>Precious Metals Securities<sup>(a)</sup></b>	<b>FGMI<sup>(b)</sup></b>	
		<b>%</b>	<b>%</b>	
One year		9.06	14.50	
Three years		-4.40	-2.21	
Five years		6.82	10.74	
Ten years		2.87	8.04	

### Annual Total Return

Financial Years Ended (31 May)	Precious Metals Securities <sup>(a)</sup> %	FGMI <sup>(b)</sup> %
2024	9.06	14.50
2023	-5.74	-3.78
2022	-15.00	-15.13
2021	9.20	5.07
2020	45.81	69.57

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

(b) FTSE Gold Mines Index ("FGMI") (Available at [www.aminvest.com](http://www.aminvest.com))

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

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

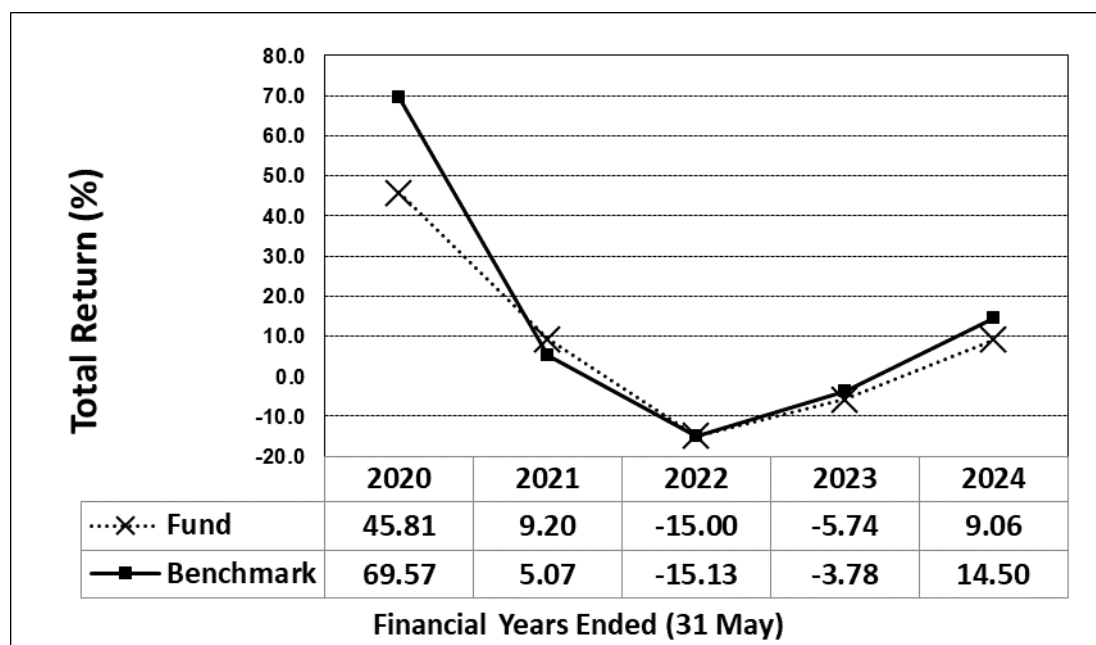
### Fund Performance

For the financial year under review, the Fund registered a return of 9.06% which is entirely capital growth in nature.

Thus, the Fund's return of 9.06% has underperformed the benchmark's return of 14.50% by 5.44%.

As compared with the financial year ended 31 May 2023, the net asset value ("NAV") per unit of the Fund increased by 9.06% from RM0.4812 to RM0.5248, while units in circulation have decreased by 16.50% from 371,860,991 units to 310,499,811 units.

The following line chart shows comparison between the annual performances of Precious Metals Securities and its benchmark, FGMI, for the financial years ended 31 May.



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

<b>Performance of the Target Fund</b>	<p><b>Fund Performance Review of the Target Fund – DWS Noor Precious Metals Securities Fund (“Target Fund”)</b></p> <p>During the period, Silver, Gold, and Platinum each had positive returns of 29.48%, 18.58%, and 4.01%, respectively, while Palladium had a negative return of -33.00%. Gold and precious metals equities, as measured by the S&amp;P BMI Gold and Precious Metals Index (non-Sharia compliant), gained 14.22% during the period. Additionally, Gold ETFs had net outflows of -13.35mm oz, or about -14.2% of total known gold ETFs over the same time frame.</p> <p>During the period, the Target Fund gained 9.56% in USD. The top 3 individual contributors to the Target Fund were Agnico Eagle Mines Limited, AngloGold Ashanti PLC, and Pan American Silver Corp. The top 3 detractors were Franco-Nevada Corporation, Impala Platinum Holdings Limited, and AngloGold Ashanti Limited.</p> <p><i>Source: DWS, as at 31 May 2024</i></p>																												
<b>Strategies and Policies Employed</b>	<p><b>Strategies and Policies employed by Target Fund</b></p> <p>We continue to observe that performance for firms that rate highly on our framework (falling capital investment and rising cash flow) has improved since the end of last year. We see the most favorable conditions for the companies that can maintain strong cash flows by controlling operational cost better than their peers. Companies that can maintain the best cash flow margins should outperform, especially during periods of cost inflation. The types of companies we seek to invest in can grow production capacity more efficiently than their peers and we are looking for production gains over simply increasing capital expenditures. Companies with existing large built out projects tend to see the best margin gains and thus we prefer companies transitioning from incremental capital expenditures to cash flow generation. As a result, we believe these companies will prove most resilient to the current environment and have the most potential to outperform the broader universe. We believe the companies our process emphasizes offer a compelling combination of upside capture, by delivering shareholder returns and funding development activities from ongoing cash flows, and downside protection due to superior margins and declining cost profiles.</p> <p><i>Source: DWS, as at 31 May 2024</i></p> <p><b>Strategies and Policies of the Fund</b></p> <p>For the financial year under review, a minimum of 85% of its NAV was invested in the share class denominated in USD of the Target Fund.</p>																												
<b>Target Fund’s Top 10 Holdings</b>	<table border="1"> <thead> <tr> <th data-bbox="336 1597 791 1664">Fund Name</th> <th data-bbox="791 1597 1198 1664">Holding/Security Name</th> <th data-bbox="1198 1597 1473 1664">% of NAV (as of 31 May 2023)</th> </tr> </thead> <tbody> <tr> <td data-bbox="336 1664 791 2080" rowspan="10">DWS Noor Precious Metals Securities</td> <td data-bbox="791 1664 1198 1704">Franco-Nevada Corporation</td> <td data-bbox="1198 1664 1473 1704">9.61</td> </tr> <tr> <td data-bbox="791 1704 1198 1744">Agnico Eagle Mines Limited</td> <td data-bbox="1198 1704 1473 1744">9.40</td> </tr> <tr> <td data-bbox="791 1744 1198 1785">Barrick Gold Corporation</td> <td data-bbox="1198 1744 1473 1785">9.27</td> </tr> <tr> <td data-bbox="791 1785 1198 1825">Newmont Corporation</td> <td data-bbox="1198 1785 1473 1825">9.09</td> </tr> <tr> <td data-bbox="791 1825 1198 1865">U.S. Dollar</td> <td data-bbox="1198 1825 1473 1865">6.05</td> </tr> <tr> <td data-bbox="791 1865 1198 1906">Gold Fields Limited</td> <td data-bbox="1198 1865 1473 1906">4.77</td> </tr> <tr> <td data-bbox="791 1906 1198 1946">Royal Gold Inc</td> <td data-bbox="1198 1906 1473 1946">4.72</td> </tr> <tr> <td data-bbox="791 1946 1198 1986">Wheaton Precious Metals Corp</td> <td data-bbox="1198 1946 1473 1986">4.70</td> </tr> <tr> <td data-bbox="791 1986 1198 2027">Northern Star Resources Ltd</td> <td data-bbox="1198 1986 1473 2027">4.64</td> </tr> <tr> <td data-bbox="791 2027 1198 2067">AngloGold Ashanti Limited</td> <td data-bbox="1198 2027 1473 2067">4.59</td> </tr> <tr> <td data-bbox="791 2067 1198 2080"><b>Total</b></td> <td data-bbox="1198 2067 1473 2080"><b>66.84</b></td> </tr> </tbody> </table>	Fund Name	Holding/Security Name	% of NAV (as of 31 May 2023)	DWS Noor Precious Metals Securities	Franco-Nevada Corporation	9.61	Agnico Eagle Mines Limited	9.40	Barrick Gold Corporation	9.27	Newmont Corporation	9.09	U.S. Dollar	6.05	Gold Fields Limited	4.77	Royal Gold Inc	4.72	Wheaton Precious Metals Corp	4.70	Northern Star Resources Ltd	4.64	AngloGold Ashanti Limited	4.59	<b>Total</b>	<b>66.84</b>		
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<b>Fund Name</b>	<b>Holding/Security Name</b>	<b>% of NAV (as of 31 May 2024)</b>
DWS Noor Precious Metals Securities	Franco-Nevada Corporation	9.57
	Agnico Eagle Mines Limited	9.40
	Barrick Gold Corporation	8.88
	Newmont Corporation	7.97
	B2Gold Corp.	4.78
	Royal Gold, Inc.	4.55
	Wheaton Precious Metals Corp	4.48
	Northern Star Resources Ltd	4.18
	U.S. Dollar	3.84
	Anglogold Ashanti PLC	3.82
	<b>Total</b>	<b>61.47</b>

Source: DWS, as at 31 May 2024

<b>Portfolio Structure</b>	<p>The table below is the asset allocation of the Fund as at 31 May 2024 and 31 May 2023.</p> <table border="1"> <thead> <tr> <th></th> <th><b>As at 31.05.2024 %</b></th> <th><b>As at 31.05.2023 %</b></th> <th><b>Changes %</b></th> </tr> </thead> <tbody> <tr> <td>Foreign collective investment scheme</td> <td>90.50</td> <td>97.06</td> <td>-6.56</td> </tr> <tr> <td>Money market deposits and cash equivalents</td> <td>9.50</td> <td>2.94</td> <td>6.56</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.00</b></td> <td><b>100.00</b></td> <td></td> </tr> </tbody> </table> <p>As at 31 May 2024, the Fund has invested 90.50% of its NAV in the foreign collective investment scheme and 9.50% in money market deposits and cash equivalents.</p>		<b>As at 31.05.2024 %</b>	<b>As at 31.05.2023 %</b>	<b>Changes %</b>	Foreign collective investment scheme	90.50	97.06	-6.56	Money market deposits and cash equivalents	9.50	2.94	6.56	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	
	<b>As at 31.05.2024 %</b>	<b>As at 31.05.2023 %</b>	<b>Changes %</b>														
Foreign collective investment scheme	90.50	97.06	-6.56														
Money market deposits and cash equivalents	9.50	2.94	6.56														
<b>Total</b>	<b>100.00</b>	<b>100.00</b>															
<b>Securities Lending / Repurchase Transactions</b>	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).																
<b>Cross Trade</b>	There were no cross trades undertaken during the financial year under review.																
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial year under review.																
<b>State of Affairs</b>	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.																
<b>Rebates and Soft Commission</b>	During the financial year, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.																
<b>Market Review</b>	<p>To start the review period, all precious metals declined in June. Gold prices appeared rangebound for the first half of the month before descending in the back half to finally end at a lower level, ending the month around \$1,920/oz. ETF holdings of gold fell during June, though purchases by certain central banks remain robust. Other precious metals performed worse than gold in June. Palladium fell the most during June, while platinum and silver also made moves lower.</p> <p>In July, Precious Metals were mixed with the overall complex down for the month.</p>																



Gold prices fell sharply to start the month, sagging under the weight of hawkish central banks and worries that increasingly large interest rate hikes might be deemed appropriate. As the month continued, Gold prices recovered as economic data pointed to a potential. Platinum and Silver managed to end July in positive territory but with just marginal gains. Palladium ended higher benefitting from the bounce in sentiment and price recovery in broader industrial metals.

Moving through August, all members of the complex fell. Gold prices were pressured as persistently hawkish commentary from Fed speakers drove expectations for rate increases higher, lending support to the U.S. dollar. Retail investors continued to show declining interest in Gold, with Gold backed ETFs seeing their fourth straight month of declines. Silver was the weakest performer as the outlook for both industrial and precious commodities soured during August. Palladium and Platinum both underperformed broader precious metals, though Palladium prices fell less than Platinum.

In September, Gold was the only precious metal to decline as Silver, Palladium, and Platinum rebounded, taking direction from broad support for industrial metals. Gold prices fell as hotter than expected CPI and PCE prints renewed investor focus on increasingly constrictive monetary policy. September marked the sixth straight monthly decline for Gold prices as souring sentiment and an ultra-strong U.S. dollar remained a formidable headwind, along with a relentlessly hawkish Fed. Platinum and Palladium were aided after a major producer announced that refined volumes were expected to be lower after maintenance issues drove delays in production.

Precious Metals were down during October in aggregate. Gold prices slipped mildly and were range-bound near the low \$1,600/oz levels as persistent inflationary pressures, along with relatively benign jobs reports, continued to limit upside. Silver was close to flat but outperformed Gold during the month as its industrial use attracted interest from market participants. Platinum rose in October as it continued to benefit from supply disruptions in refined material due to continuing power outages in South Africa. Palladium fell and was the clear laggard as demand was weak due to soft auto-demand.

In November, Precious Metals ended up as markets priced in a higher probability of slowing policy increases for U.S. interest rates. This welcome development helped temper the relative strength of the U.S. dollar versus other currencies and, by extension, supported the price of Gold which marked a reversal of trends following seven straight monthly declines for the metal. Higher-beta Silver outperformed Gold during the month as it moved sharply higher. Platinum continued to rise in November from ongoing issues in South Africa. Palladium dipped slightly as demand remained weak due to soft auto-demand and a lack of hedging activities from automakers.

In December, Precious Metals rose with Gold, Silver, and Platinum pricing higher while Palladium fell. Gold continued its rebound in December ending the year at \$1,824/oz, a level not seen since June of 2022 and experienced a strong pickup in investor demand and hedging needs from some global central banks. With its industrial uses still high in demand, Silver outperformed Gold for the month. Platinum also marginally outperformed Gold during December as supply disruptions continued, while Palladium slumped on the back of ongoing negative sentiment in automobile manufacturing. Precious metals also benefitted from year-end profit taking as investors closed out certain short positions.

Gold traded in a narrow range during January, staying above the \$2,000/oz level for the duration of the month and closing the month out at ~\$2,040/oz. This small dip ended the streak of three straight months of positive price performance as Gold dipped in sympathy with a small rise in U.S. 10-year Treasury yields and a U.S. dollar that strengthened against most major currencies. Silver, which typically exhibits more volatility than Gold, fared slightly worse. consecutive year. Meanwhile,

Platinum and Palladium, saw more pronounced selling in January. They witnessed the same interest rate and currency concerns as Gold and Silver, along with the rising belief that the U.S. Fed may hold off cutting rates until much later than investors initially expected.

Gold started February by moving higher, but quickly pulled back and fell below the \$2,000/oz level for a few days before recovering and ending February at a slightly higher price. Silver was also affected by higher Treasury yields and a strong dollar, but also by slowing economic growth given its industrial uses. Platinum and Palladium saw greater losses in February. Both metals continue to have elevated levels of short interest, around the same level seen ahead of their December rally. Reports showed some market participants taking off long positions after strong runs for both Platinum and Palladium as they escaped the newest rounds of sanctions on Russia.

In March, Gold's price moved materially higher early in the month, then found a plateau for the middle part of the month but started to climb again into month's end. Gold started the month around the \$2,040/oz level and closed March out at ~\$2,230/oz, making new all-time highs in the process and setting a new record for end of the month pricing. Silver made a slightly larger move higher, also assisted by the Fed's dovish remarks and updated forecasts. Silver also likely benefited from its industrial uses as economic growth in the U.S. continues to exceed expectations and as signs of green shoots in China's manufacturing activity arose. Platinum and Palladium also saw price gains in March.

Gold's price made moves higher for the first few weeks of April before pulling back, but it still ended the month higher, making new all-time highs in the middle of the month and again setting a new record for end-of-month pricing. Silver made a larger move higher during April. Silver followed a similar pattern as Gold, rising quickly higher early in the month, possibly driven by speculators, but with its price fading over the last several trading days of April. Platinum and Palladium saw their performance diverge during April. Platinum continued to rise as supplies are expected to remain in deficit when compared to overall demand this year, while Palladium fell as it remains abundantly available and continues to trade at a premium to Platinum.

Gold's price continued to climb higher in the month of May, although at a slower pace than previous months. Gold ended May around the ~\$2,327/oz level. The U.S. dollar (as measured by the DXY Index) took its first monthly breather in performance by weakening -1.46% in May as inflation eased, providing potential room for the U.S. Federal Reserve to possibly cut short-term rates during the year. Silver made a larger move higher during May, following a strong April. Silver followed a similar pattern as Gold. Silver continues to be in supply deficit. Platinum and Palladium again saw their performance diverge during May. Platinum continued to rise as supplies are expected to remain in deficit when compared to overall demand this year, while Palladium fell as it remains abundantly available.

*Source: DWS, as at 31 May 2024*

**Market Outlook**

**What does the future hold for Gold?**

Gold has had a strong run since finding a floor last October, buoyed by central bank buying, prospects of potential Fed rate cuts, and a de-dollarization wave. However, after a new all-time high spot price in the middle of this month, momentum has faded out, at least temporarily. We expect central bank gold buying to remain strong, especially from China, although there are indications that China's central bank may have sensitivity to price for additional buying. Retail purchases of Gold have also been strong in the Asia Pacific region, both for jewelry purposes and as a store of wealth, especially with declining property values in China. Japan also saw notable inflows to Gold with prices attractive on a local basis again. On the other hand,

known holdings of physical Gold in ETFs have fallen for 12 consecutive months. While the U.S. dollar has strengthened year-to-date, it softened in May as investors considered a second potential cut by the Fed this year. We expect the future direction of the price of Gold to be tied to the timing and pace of the start of Fed easing along with the corresponding movement in the U.S. dollar. A weaker dollar, often a consequence of easing monetary policy, historically acts as a tailwind for gold, boosting its haven appeal and attracting capital away from the greenback. This dollar depreciation, coupled with anticipated Fed cuts in late the year, could propel gold towards \$2,500, with silver also likely to benefit from its industrial applications.

Within the Platinum Group Metals (PGMs), we expect to see some production curtailments due to low metal basket prices. In South Africa, producers have successfully navigated disruptions due to (now easing) power grid issues. While Russian production remains currently available in the market, reduced volumes from Russia are expected in 2024, and any escalation in the Ukraine-Russia conflict could further interrupt the supply. Finally, China and the U.S. have recently implemented policy changes around automobiles and hybrids sales are picking up, which should be favorable for the PGMs as demand for ICE (internal combustion engine) and hybrid cars in these two markets will directly impact PGM prices. In China, stimulus aimed at increasing new car purchases will lower the downpayment threshold for all cars, including ICEs, which should push demand upwards. In the U.S., regulations are being relaxed to allow a greater mix of ICEs and hybrids (especially in the light truck category) to be produced within the targets set for 2032.

#### **Consolidation Fever: Why M&A Could Be Mid-Cap Gold in 2024**

Despite historical concerns about high debt levels among gold miners, many now have improved balance sheets and exceptionally strong margins thanks to soaring metal prices. However, many haven't invested adequately in finding new gold deposits, potentially jeopardizing future production growth. This opens the door for potential consolidation in 2024. With valuations, particularly in mid- and small-cap equities, still lagging their larger counterparts, the stage is set for potential mergers and acquisitions, and we are already seeing the announcement of some deals. Larger miners, flush with cash and facing limited organic growth opportunities, may look to acquire exploration-focused mid-cap companies or consolidate existing assets, propelling a wave of deals across the sector. This presents savvy investors with the chance to unlock significant value, especially in undervalued mid-cap equities poised to be absorbed by bigger players. In a Gold market poised for both growth and consolidation, we meticulously select established producers who, unlike many peers, have already invested in securing future production. They now enjoy falling capital expenditures as cash flow and production steadily climb, all while demonstrating exemplary cost control and consistent target-beating. These companies, boasting ample reserves and long mine lives, are prime targets in the predicted mid-cap M&A wave. As larger players seek established growth, these producers stand to be acquired at a premium, unlocking significant value for our investors. While the market might bask in the general upward trend, our focus on proven winners, operational efficiency, and future-proofed reserves positions us to deliver alpha as the gold story unfolds.

*Source: DWS, as at 31 May 2024*

#### **Additional Information**

The following information was updated:

The Eleventh Supplementary Master Prospectus dated 1 March 2024 has been registered with the Securities Commission Malaysia. The issuance of the Eleventh Supplementary Master Prospectus is to update the investment strategy, managing risk and asset allocation, and risk of a passive strategy of the Fund. Notice of the issuance for the Eleventh Supplementary Master Prospectus dated 1 March 2024 was published on our website at [www.aminvest.com](http://www.aminvest.com) and sent to the unit holders on 13 March 2024.

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

19 July 2024

## **Independent auditors' report to the unit holders of Precious Metals Securities**

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

#### *Opinion*

We have audited the financial statements of Precious Metals Securities (the "Fund"), which comprise the statement of financial position as at 31 May 2024, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 14 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Information other than the financial statements and auditors' report thereon*

The Manager of the Fund (the "Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

## **Independent auditors' report to the unit holders of Precious Metals Securities (cont'd.)**

### *Information other than the financial statements and auditors' report thereon (cont'd.)*

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### *Responsibilities of the Manager and the Trustee for the financial statements*

The Manager is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Precious Metals Securities (cont'd.)**

### *Auditors' responsibilities for the audit of the financial statements (cont'd.)*

As part of an audit in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the unit holders of  
Precious Metals Securities (cont'd.)**

**Other matters**

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Unit Trust Funds issued by Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760 - LCA) & AF 0039  
Chartered Accountants

Ng Sue Ean  
No. 03276/07/2026 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
19 July 2024



## Precious Metals Securities

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

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Shariah-compliant investment	4	147,470,548	173,682,967
Amount due from Manager	5(a)	51,709	3,336,856
Cash at banks		15,712,117	7,759,987
<b>TOTAL ASSETS</b>		<u>163,234,374</u>	<u>184,779,810</u>
<b>LIABILITIES</b>			
Amount due to Target Fund Manager	6	-	5,472,048
Amount due to Manager	5(b)	254,658	347,954
Amount due to Trustee	7	8,313	9,596
Sundry payables and accruals		11,878	12,800
<b>TOTAL LIABILITIES</b>		<u>274,849</u>	<u>5,842,398</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND</b>		<u>162,959,525</u>	<u>178,937,412</u>
<b>EQUITY</b>			
Unit holders’ capital	9(a)	276,574,553	311,501,394
Accumulated losses	9(b)(c)	<u>(113,615,028)</u>	<u>(132,563,982)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<u>162,959,525</u>	<u>178,937,412</u>
<b>UNITS IN CIRCULATION</b>	9(a)	<u>310,499,811</u>	<u>371,860,991</u>
<b>NAV PER UNIT (RM)</b>		<u>0.5248</u>	<u>0.4812</u>

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

## Precious Metals Securities

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

	Note	2024 RM	2023 RM
<b>SHARIAH-COMPLIANT INVESTMENT INCOME/ (LOSS)</b>			
Profit income		151,562	113,026
Other income	9(a)	-	10,415
Net gain/(loss) from Shariah-compliant investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	8	22,304,567	(4,989,277)
Other net realised losses on foreign currency exchange		(1,475,792)	(501,251)
		<u>20,980,337</u>	<u>(5,367,087)</u>
<b>EXPENDITURE</b>			
Manager’s fee	5	(1,898,627)	(1,931,521)
Trustee’s fee	7	(104,937)	(107,692)
Audit fee		(9,000)	(9,000)
Tax agent’s fee		(3,800)	(3,800)
Other expenses		(15,019)	(15,120)
		<u>(2,031,383)</u>	<u>(2,067,133)</u>
<b>Net income/(loss) before taxation</b>		18,948,954	(7,434,220)
<b>Taxation</b>	11	-	-
<b>Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial year</b>		<u>18,948,954</u>	<u>(7,434,220)</u>
Total comprehensive income/(loss) comprises the following:			
Realised losses		(7,814,241)	(3,898,749)
Unrealised gain/(loss)		26,763,195	(3,535,471)
		<u>18,948,954</u>	<u>(7,434,220)</u>

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

## Precious Metals Securities

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

	Note	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 June 2023		311,501,394	(132,563,982)	178,937,412
Total comprehensive income for the financial year		-	18,948,954	18,948,954
Creation of units	9(a)	166,399,356	-	166,399,356
Cancellation of units	9(a)	(201,326,197)	-	(201,326,197)
Balance at 31 May 2024		<u>276,574,553</u>	<u>(113,615,028)</u>	<u>162,959,525</u>
At 1 June 2022		324,484,775	(125,129,762)	199,355,013
Total comprehensive loss for the financial year		-	(7,434,220)	(7,434,220)
Creation of units	9(a)	102,826,377	-	102,826,377
Cancellation of units	9(a)	(115,809,758)	-	(115,809,758)
Balance at 31 May 2023		<u>311,501,394</u>	<u>(132,563,982)</u>	<u>178,937,412</u>

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

## Precious Metals Securities

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

	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of Shariah-compliant investment	145,051,546	42,898,888
Purchases of Shariah-compliant investment	(103,482,400)	(26,030,296)
Profit received	151,562	113,026
Other income	-	10,558
Manager's fee paid	(1,923,505)	(1,942,327)
Trustee's fee paid	(106,220)	(108,731)
Tax agent's fee paid	(3,800)	(3,800)
Payments for other expenses	(24,941)	(24,120)
Net cash generated from operating and investing activities	<u>39,662,242</u>	<u>14,913,198</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	169,684,503	99,621,615
Payments for cancellation of units	(201,394,615)	(115,907,897)
Net cash used in financing activities	<u>(31,710,112)</u>	<u>(16,286,282)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7,952,130	(1,373,084)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<u>7,759,987</u>	<u>9,133,071</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u>15,712,117</u>	<u>7,759,987</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>15,712,117</u>	<u>7,759,987</u>

## Precious Metals Securities

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

#### 1. GENERAL INFORMATION

Precious Metals Securities (the “Fund”) was established pursuant to a Deed dated 20 September 2007 as amended by Deeds supplemental thereto (the “Deed”), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders. By a Supplemental Deed dated 10 December 2015, the Fund has changed its name from AmPrecious Metals to Precious Metals Securities.

The Fund was set up with the objective of providing investors to achieve capital appreciation by investing in a portfolio of global Shariah observant equity and equity-related securities (including, without limitation, depository receipts and convertible securities, but excluding preferred shares, bonds, convertible bonds and warrants) of companies engaged in activities related to gold, silver, platinum or other precious metals. Being a feeder fund, a minimum of 85% of the Fund’s NAV will be invested in the Ireland-based DWS Noor Precious Metals Securities Fund (“Target Fund”), which is a separate unit trust fund managed by DWS Investment S.A. (“Target Fund Manager”). As provided in the Deed, the financial year shall end on 31 May and the units in the Fund were first offered for sale on 15 November 2007.

The financial statements were authorised for issue by the Manager on 19 July 2024.

#### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

##### Standards effective during the financial year

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

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i> )*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

## Precious Metals Securities

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

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

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

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 112 <i>Income Taxes: International Tax Reform - Pillar Two Model Rules</i>	1 January 2023

##### Standards issued but not yet effective

The new and amended standards that have been issued but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures: Amendments to the Classifications and Measurement of Financial Instruments</i>	1 January 2026
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures*</i>	1 January 2027
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

\* These MFRS and Amendments to MFRSs are not relevant to the Fund.

#### 3. SUMMARY OF ACCOUNTING POLICIES

##### 3.1 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

(i) Profit income

Profit income is recognised on an accrual basis using the effective profit method.

## Precious Metals Securities

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

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

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

- (ii) Gain or loss on disposal of Shariah-compliant investment

On disposal of Shariah-compliant 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 Shariah-compliant investment. The net realised gain or loss is recognised in profit or loss.

##### 3.2 Income tax

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

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

##### 3.3 Functional and presentation currency

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

##### 3.4 Foreign currency transactions

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

##### 3.5 Statement of cash flows

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

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

## Precious Metals Securities

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

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

##### 3.6 Distribution

Distribution is at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from the retained earnings and realised income. Realised income is the income earned from profit income, other income and net gain on disposal of Shariah-compliant investment after deducting expenses and taxation. A proposed distribution is recognised as a financial liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the distribution payment date. Reinvestment of units is based on the NAV per unit on the distribution payment date, which is also the time of creation.

##### 3.7 Unit holders' capital

The unit holders' capital of the Fund meets the definition of puttable instruments and are classified as equity instruments under MFRS 132 *Financial Instruments: Presentation* ("MFRS 132").

##### 3.8 Financial assets – initial recognition and measurement

###### (i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

###### (ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial assets. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

###### (iii) "Day 1" profit or loss

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



## Precious Metals Securities

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

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

##### 3.9 Financial assets under MFRS 9

###### 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 ("SPPP 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 SPPP test determines whether the contractual cash flows are solely for payments of principal and profit and the assessment is performed on a financial instrument basis.

The Fund may classify its financial assets under the following categories:

###### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. Financial assets include in this category are Shariah-compliant deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

###### Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial assets. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and profit on the outstanding principal.

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

## Precious Metals Securities

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

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

##### 3.9 Financial assets under MFRS 9 (cont'd.)

Classification and measurement (cont'd.)

The Fund may classify its financial assets under the following categories: (cont'd.)

##### Financial assets at 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". Profit earned element of such instrument is recorded in "Profit 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.

The Fund subsequently measures its Shariah-compliant investment in Collective Investment Scheme ("CIS") at FVTPL. Distributions earned whilst holding the Shariah-compliant investment is recognised in profit or loss when the right to receive the payment has been established. Gains and losses on the Shariah-compliant investment in CIS, realised and unrealised, are included in profit or loss.

##### 3.10 Financial liabilities – classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holders. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective profit 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 profit rate.

##### 3.11 Derecognition of financial instruments

###### (i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or

## Precious Metals Securities

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

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

##### 3.11 Derecognition of financial instruments (cont'd.)

(i) Derecognition of financial asset (cont'd.)

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when: (cont'd.)

- 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,
  - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For Shariah-compliant investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

##### 3.12 Financial instruments – expected credit losses (“ECL”)

The Fund assesses the ECL associated with its financial assets at amortised cost using simplified approach. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

##### 3.13 Determination of fair value

For the Shariah-compliant investment in CIS, fair value is determined based on the closing NAV per unit of the foreign CIS. Purchased cost is the price that the Fund paid when buying its Shariah-compliant 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.

## Precious Metals Securities

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

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

##### 3.14 Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

##### 3.15 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

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

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

#### 4. SHARIAH-COMPLIANT INVESTMENT

	2024 RM	2023 RM
<b>Financial asset at FVTPL</b>		
At cost:		
Foreign CIS	<u>131,231,429</u>	<u>184,207,043</u>
At fair value:		
Foreign CIS	<u>147,470,548</u>	<u>173,682,967</u>

## Precious Metals Securities

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

#### 4. SHARIAH-COMPLIANT INVESTMENT (CONT'D.)

Details of Shariah-compliant investment are as follows:

Foreign CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
<b>2024</b>				
DWS Noor Precious Metals Securities Fund ("Target Fund")	39,197,339	147,470,548	131,231,429	90.50
<b>Excess of fair value over purchased cost</b>		<b>16,239,119</b>		

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

	Note	2024 RM	2023 RM
<b>(a) Due from Manager</b>			
Creation of units	(i)	51,709	3,336,856
<b>(b) Due to Manager</b>			
Cancellation of units	(ii)	84,997	153,415
Manager's fee payable	(iii)	169,661	194,539
		<b>254,658</b>	<b>347,954</b>

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

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

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

## Precious Metals Securities

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

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

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

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager's fee charged by the Target Fund Manager, on the NAV of the Target Fund	0.75	0.75
Manager's fee charged by the Manager, on the NAV of investment in the Target Fund (Note a)	1.05	1.05
Manager's fee charged by the Manager, on the remaining NAV of the Fund (Note a)	1.80	1.80

Note a) The Manager's fee is charged on 1.05% of the NAV of investment in the Target Fund and 1.80% on the remaining NAV of the Fund.

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

#### 6. AMOUNT DUE TO TARGET FUND MANAGER

The amount due to Target Fund Manager arose from the purchase of Shariah-compliant investment. The settlement period is within five business days from the transaction date.

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (2023: 0.06%) 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.

## Precious Metals Securities

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

#### 8. NET GAIN/(LOSS) FROM SHARIAH-COMPLIANT INVESTMENT

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) on financial assets at FVTPL comprised:		
– Net realised losses on sale of Shariah-compliant investment	(17,231,540)	(4,035,304)
– Net realised gains on foreign currency exchange	12,772,912	2,581,498
– Net unrealised gain/(loss) on changes in fair value of Shariah-compliant investment	35,385,260	(11,508,241)
– Net unrealised (loss)/gain on foreign currency fluctuation of Shariah-compliant investment denominated in foreign currency	(8,622,065)	7,972,770
	<u>22,304,567</u>	<u>(4,989,277)</u>

#### 9. TOTAL EQUITY

Total equity is represented by:

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>RM</b>	<b>RM</b>
Unit holders' capital	(a)	276,574,553	311,501,394
Accumulated losses			
– Realised losses	(b)	(129,854,147)	(122,039,906)
– Unrealised gain/(loss)	(c)	16,239,119	(10,524,076)
		<u>162,959,525</u>	<u>178,937,412</u>

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

	<b>2024</b>		<b>2023</b>	
	<b>Number of units</b>	<b>RM</b>	<b>Number of units</b>	<b>RM</b>
At beginning of the financial year	371,860,991	311,501,394	390,509,662	324,484,775
Creation during the financial year	371,302,019	166,399,356	226,959,252	102,826,377
Cancellation during the financial year	(432,663,199)	(201,326,197)	(245,607,923)	(115,809,758)
At end of the financial year	<u>310,499,811</u>	<u>276,574,553</u>	<u>371,860,991</u>	<u>311,501,394</u>

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

## Precious Metals Securities

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

#### 9. TOTAL EQUITY (CONT'D.)

##### (b) Realised

	2024 RM	2023 RM
At beginning of the financial year	(122,039,906)	(118,141,157)
Net realised losses for the financial year	(7,814,241)	(3,898,749)
At end of the financial year	<u>(129,854,147)</u>	<u>(122,039,906)</u>

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

	2024 RM	2023 RM
At beginning of the financial year	(10,524,076)	(6,988,605)
Net unrealised gain/(loss) for the financial year	26,763,195	(3,535,471)
At end of the financial year	<u>16,239,119</u>	<u>(10,524,076)</u>

#### 10. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationships with the Fund are as follows:

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holding company of the Manager
AMMB Holdings Berhad ("AMMB")	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

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

#### 11. TAXATION

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

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

	2024 RM	2023 RM
Net income/(loss) before taxation	<u>18,948,954</u>	<u>(7,434,220)</u>



## Precious Metals Securities

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

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	4,547,749	(1,784,213)
Tax effects of:		
Income not subject to tax	(11,594,336)	(2,562,650)
Losses not allowed for tax deduction	6,559,055	3,850,751
Restriction on tax deductible expenses	412,153	419,475
Non-permitted expenses for tax purposes	29,584	30,029
Permitted expenses not used and not available for future financial years	45,795	46,608
Tax expense for the financial year	<u>-</u>	<u>-</u>

#### 12. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Manager's fee	1.09	1.08
Trustee's fee	0.06	0.06
Fund's other expenses	0.01	0.01
Total TER	<u>1.16</u>	<u>1.15</u>

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

#### 13. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of Shariah-compliant investment to the average NAV of the Fund calculated on a daily basis, is 0.70 times (2023: 0.21 times).

## Precious Metals Securities

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

#### 14. SEGMENTAL REPORTING

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 85% of the Fund's NAV will be invested in the Target Fund.

As the Fund operates substantially as a feeder fund which invests primarily in the Target Fund, it is not possible or meaningful to classify its Shariah-compliant 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 year ended 31 May 2024 are as follows:

Target Fund Manager	Transaction value	
	RM	%
DWS Investment S.A.	<u>244,537,690</u>	<u>100.00</u>

The above transactions are in respect of Shariah-compliant investment in foreign CIS. Transactions in this Shariah-compliant investment do not involve any commission or brokerage fee.

#### 16. FINANCIAL INSTRUMENTS

##### (a) Classification of financial instruments

The accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

## Precious Metals Securities

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

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

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

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>2024</b>				
<b>Financial assets</b>				
Shariah-compliant investment	147,470,548	-	-	147,470,548
Amount due from Manager	-	51,709	-	51,709
Cash at banks	-	15,712,117	-	15,712,117
Total financial assets	<u>147,470,548</u>	<u>15,763,826</u>	-	<u>163,234,374</u>
<b>Financial liabilities</b>				
Amount due to Manager	-	-	254,658	254,658
Amount due to Trustee	-	-	8,313	8,313
Total financial liabilities	-	-	<u>262,971</u>	<u>262,971</u>
<b>2023</b>				
<b>Financial assets</b>				
Shariah-compliant investment	173,682,967	-	-	173,682,967
Amount due from Manager	-	3,336,856	-	3,336,856
Cash at banks	-	7,759,987	-	7,759,987
Total financial assets	<u>173,682,967</u>	<u>11,096,843</u>	-	<u>184,779,810</u>
<b>Financial liabilities</b>				
Amount due to Target Fund Manager	-	-	5,472,048	5,472,048
Amount due to Manager	-	-	347,954	347,954
Amount due to Trustee	-	-	9,596	9,596
Total financial liabilities	-	-	<u>5,829,598</u>	<u>5,829,598</u>
<b>Income, expenses, gains and losses</b>				
			<b>2024</b>	<b>2023</b>
			<b>RM</b>	<b>RM</b>
Net gain/(loss) from financial assets at FVTPL			22,304,567	(4,989,277)
Income, of which derived from:				
- Profit income from financial assets at amortised cost			151,562	113,026
- Other net realised losses on foreign currency exchange			<u>(1,475,792)</u>	<u>(501,251)</u>

## Precious Metals Securities

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

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

##### (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 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
Financial assets at FVTPL	-	147,470,548	-	147,470,548
<b>2023</b>				
Financial assets at FVTPL	-	173,682,967	-	173,682,967

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

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

- Amount due from/to Manager
- Cash at banks
- Amount due to Target Fund Manager
- Amount due to Trustee

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

## Precious Metals Securities

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

#### 17. 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, non-compliance risk and Shariah non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of Shariah-compliant investment coupled with stringent compliance to Shariah-compliant investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds, Securities Commission Malaysia's Guidelines on Islamic Capital Market Products and Services 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.

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

The result below summarised the price risk sensitivity of the Fund's NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund's NAV	
	2024 RM	2023 RM
-5.00%	(7,373,527)	(8,684,148)
+5.00%	<u>7,373,527</u>	<u>8,684,148</u>

##### (ii) Profit rate risk

Profit rate risk will affect the value of the Fund's Shariah-compliant investment, given the profit rate movements, which are influenced by regional and local economic developments as well as political developments.

Domestic profit rates on Shariah-compliant deposits and placements with licensed financial institution are determined based on prevailing market rates.

## Precious Metals Securities

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

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

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

##### (iii) Currency risk

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

The 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	
	2024 RM	2023 RM
-5.00%	(7,373,607)	(8,410,658)
+5.00%	<u>7,373,607</u>	<u>8,410,658</u>

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

Financial assets/ (Financial liability) denominated in	2024		2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
<b>United States Dollar</b>				
Shariah-compliant investment	147,470,548	90.50	173,682,967	97.06
Cash at banks	1,587	-*	2,233	-*
Amount due to Target Fund Manager	-	-	(5,472,048)	(3.06)
	<u>147,472,135</u>	<u>90.50</u>	<u>168,213,152</u>	<u>94.00</u>

\* represents less than 0.01%.

## Precious Metals Securities

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

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

##### (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 distribution receivables. The issuer of such instruments may not be able to fulfill the required profit payments or repay the principal invested or amount owing. These risks may cause the Fund's Shariah-compliant investment to fluctuate in value.

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

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

##### (c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its financial liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of cash at banks, Shariah-compliant deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

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

##### (d) Single issuer risk

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

##### (e) Regulatory risk

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

## Precious Metals Securities

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

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

**(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, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

**(i) Shariah non-compliance risk**

This is the risk of the Fund not conforming to Shariah Investment Guidelines. The Shariah Adviser for the Fund would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah Investment Guidelines. Note that as the Fund can only invest in Shariah-compliant instruments, non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

#### 18. 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 Shariah-compliant investment.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units or make distribution payment.

No changes were made in the objective, policies or processes during the financial years ended 31 May 2024 and 31 May 2023.



## **Precious Metals Securities**

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

For and on behalf of the Manager

**GOH WEE PENG**

Executive Director

Kuala Lumpur, Malaysia

19 July 2024

## **TRUSTEE'S REPORT**

### **TO THE UNIT HOLDERS OF PRECIOUS METALS SECURITIES ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 May 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the 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 Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
19 July 2024

## SHARIAH ADVISER'S REPORT FOR ISLAMIC UNIT TRUST FUND

To the unit holders of Precious Metals Securities ("Fund"),

We hereby confirm the following:

1. 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 Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters: and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

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Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 19 July 2024

## DIRECTORY

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

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

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

