3-year Fund Volatility
25.3
Very High
Lipper Analytics
31 Aug 2024

Fund Factsheet September 2024

Precious Metals Securities

Fund Overview

Investment Objective

Precious Metals Securities (the "Fund") aims 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.

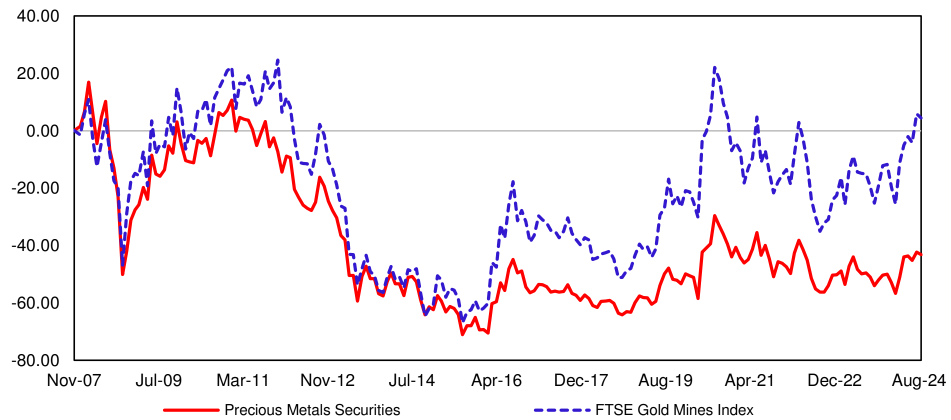
The Fund is suitable for investors:

- seeking global investment strategy that conforms to Shariah principles.
- seeking potential medium to long-term* capital appreciation.
- willing to invest in gold, silver, platinum and other precious metals equities, and their related equities.

Note: *Medium to long-term refers to a period of at least three (3) years.
Any material change to the investment objective of the Fund would require Unit Holders' approval.

Fund Performance (as at 31 August 2024)

Cumulative performance over the period (%)



Past performance is not necessarily indicative of future performance. Unit prices and investment returns may go down as well as up.
Source: AmFunds Management Berhad

Performance Table (as at 31 August 2024)

Cumulative Return (%)	YTD	1 Month	6 Months	1 Year	3 Years	5 Years
Fund	13.42	-1.69	31.00	15.73	2.70	8.82
*Benchmark	18.34	-1.35	40.20	29.57	22.41	25.56

Annualised Return (%)	3 Years	5 Years	10 Years	Since Inception
Fund	0.89	1.70	1.84	-3.33
*Benchmark	6.97	4.65	7.24	0.24

Calendar Year Return (%)	2023	2022	2021	2020	2019
Fund	0.63	-5.45	-11.45	18.45	25.22
*Benchmark	13.97	-10.46	-9.73	21.11	39.73

*FTSE Gold Mines Index
Source Benchmark: *AmFunds Management Berhad
Source Fund Return : Novagni Analytics and Advisory Sdn. Bhd.
Past performance is not necessarily indicative of future performance. The performance is calculated based on NAV-to-NAV using Time Weighted Rate of Return ("TWRR") method.

Fund Facts

Fund Category / Type
Feeder (Global Islamic equity) / Growth
Base Currency
MYR
Investment Manager
AmIslamic Funds Management Sdn Bhd
Launch Date
15 November 2007
Initial Offer Price
MYR 1.0000
Minimum Initial Investment
MYR 1,000
Minimum Additional Investment
MYR 500
Annual Management Fee
Up to 1.80% p.a. of the NAV of the Fund
Annual Trustee Fee
Up to 0.08% p.a. of the NAV of the Fund
Entry Charge
Up to 5.00% of NAV per unit of the Fund
Exit Fee
Nil
Redemption Payment Period
Within ten (10) Business Days of receiving the redemption request.
Income Distribution
Income distribution (if any) will be reinvested

Data as at (as at 31 August 2024)

NAV Per Unit*	MYR 0.5282
Fund Size*	MYR 150.54 million
Unit in Circulation*	285.00 million
1- Year NAV High*	MYR 0.5693 (17 Jul 2024)
1- Year NAV Low*	MYR 0.4032 (29 Feb 2024)

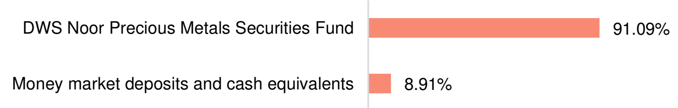
Source: AmFunds Management Berhad
The above fees and charges may be subject to any applicable taxes and/or duties (imposed by the Government of Malaysia which are payable by the unit holder(s) and/or the Fund (as the case may be) at the prevailing rate.

Income Distribution History

Year	Total Payout per unit (Sen)	Yield (%)
2024	N/A	N/A
2023	N/A	N/A
2022	N/A	N/A
2021	N/A	N/A
2020	N/A	N/A

Source: AmFunds Management Berhad
Historical income distribution is not indicative of future income distribution payout. The income could be in the form of units or cash. Unit prices and income distribution, if any, may rise or fall. Where an income distribution is declared, investors are advised that following the distribution the net asset value per unit will be reduced from cum-distribution NAV to ex-distribution NAV.

Asset Allocation (as at 31 August 2024)



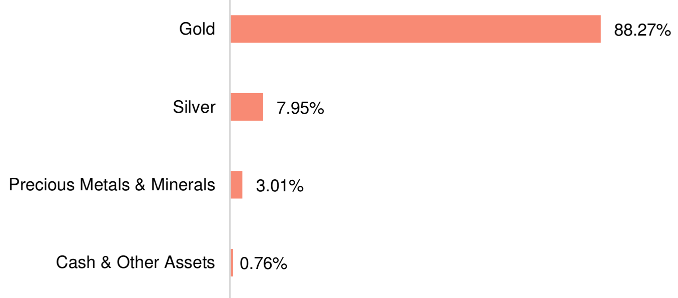
Source: AmFunds Management Berhad

Target Fund's Top 5 Holdings (as at 31 August 2024)

Agnico Eagle Mines Ltd.	9.32%
Franco-Nevada Corp.	8.88%
Barrick Gold Corp.	8.59%
Newmont Corp.	8.56%
Northern Star Resources Ltd.	4.49%

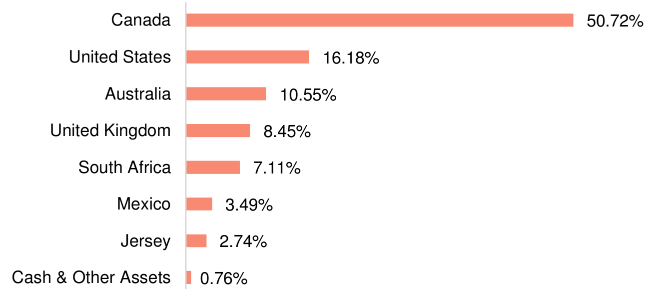
Source: DWS

Target Fund's Sector Allocation* (as at 31 August 2024)



Source: DWS

Target Fund's Country Allocation* (as at 31 August 2024)



Source: DWS

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

Target Fund Manager's Commentary (as at 31 August 2024)

During the month of August, Palladium and Gold had positive returns of 4.40% and 2.28%, respectively. Platinum and Silver had negative returns of -5.00% and -0.49%, respectively. Gold and precious metals equities, as measured by the S&P BMI Gold and Precious Metals Index (non-Sharia compliant), gained 2.20% during the period. Gold ETFs had net inflows of 0.38mm oz, or about 0.5% of total known gold ETFs.

Precious Metals saw prices rise in August, with Gold making a notable move higher. Silver saw a minor decline in price. It was noted during the month that China's net gold imports (via Hong Kong) picked up in July, up 17% from June. Gold performance was supported by stronger buying from India, lower U.S. Treasury yields and geopolitical risk. Platinum prices fell in August. Platinum's sharp sell-off was at least partly due to a decrease in ETF investments. Palladium prices rose in the month supported by strong retail auto sales figures. The U.S. Federal Reserve announced at its end of July Federal Open Market Committee (FOMC) meeting that it will keep its benchmark interest rate unchanged at 5.25% to 5.5%. There was no meeting held in August but some investors were clamoring for an emergency meeting and rate cut as markets unwound at the beginning of August. Later in August, at the Jackson Hole Economic Symposium, Fed Chairman Powell stated that "the time has come" to begin adjusting policy to a more accommodative state, sending markets upward. The European Central Bank (ECB) also held no meeting in August, while the Bank of England (BOE), in a close vote of 5 to 4, lowered policy rates by 25 bps on the first day of August citing expectations of headline inflation continuing to fall. September will bring meetings from the Fed, where a first rate cut this cycle is expected to be enacted in the size of 25 (possibly 50) bps. The ECB is expected to cut rates by 24 bps for the second time this year and the BOE is most likely to hold rate steady until their November meeting. The BoJ will also meet in September but is unlikely to take further action at this point. In geopolitical events, the Ukraine-Russia conflict remains ongoing, with Ukraine striking Russia territory multiple times and capturing land and villages within the Russian boarder during August. Russia retaliated with more strikes on Ukrainian infrastructure. We continue to see risks of escalation rather than a near-term end to this conflict. In the Middle East, the U.S. Secretary of State almost negotiated a ceasefire between Israel and Hamas in the Gaza Strip, but it no longer appears the case. Iran's promise to strike Israel in retaliation for earlier assassinations is unfulfilled but remains possible at anytime. Looking ahead there are still a number of important events (and unknowns) for the remainder of 2024 and into 2025. How many times the Fed cut rates this year and next remains open for debate. The U.S. presidential election in November will bring policy changes, domestic and foreign, regardless of the winner. Does the U.S. economy achieve a soft landing and avoid recession, and will we see economic rebounds out of Europe and China? And these are just a few of the uncertainties we have yet to navigate.

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. We expect central bank gold buying to continue at higher prices, albeit at a slower pace. 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 over the past year. The U.S. dollar has strengthened year-to-date, taking short breathers in May and July 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 later in the year, could propel gold prices to sustained levels above $2,500, with silver also likely to benefit from its industrial applications. We expect Precious Metals to be more resilient than industrial metals in this environment. In precious metals, we expect the price of Gold to climb given current expectations on the Fed's rate trajectory path and as we see signs of ex-China investors reallocating back to gold as a hedge for any potential recessions. Gold continues to be an attractive safe-haven and should see support due to geopolitical risks in Ukraine and the Middle East. We still see strong interest from central banks to increase gold holdings as an alternative currency reserve, which should limit the downside for gold. Medium-term fundamentals for Silver remain constructive, with expected deficits in 2024 and 2025. We remain bullish on both gold and silver. The Platinum Group Metals (PGMs) remain tight in the physical markets, and Palladium could benefit from a potential short squeeze as short interest remains significantly high. We also expect to see some production curtailments due to low metal basket prices. In North America, light vehicle production continues to prove more resilient than expected, and while some weakness has been seen in Europe, China remains strong, which should benefit the PGMs. Additionally, electric vehicle (EV) adoption has slowed globally, while PGM-using plug-in hybrids and extended-range vehicles have gained traction. We also see incentives for EVs being removed (or new tariffs added), which should lead to greater production of internal combustion engine vehicles or hybrid models, which has led to automakers slowly beginning to review their approach and return to the Palladium forward markets.

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. The outlook for gold miners has risen alongside gold spot price over the past year. While share prices have risen, they haven't maintained pace with gold price. Gold miners faced pressure from rapid cost expansion in the past 2 years, keeping margins subdued and valuations low. Cost inflation; however, has stabilized in 2024 while gross margins and free cash flow yields have risen on account of rising gold and silver prices. Current spot prices imply high upside for gold miners at today's valuations, creating a very favorable outlook for the sector. The gold mining sector is still lacking in names that can boast a strong growth profile past the one- to two-year time horizon. A lack of recent investment in growth and discovery may cause companies to face shrinking production as large miners continue to seek growth through M&A of smaller names instead of discovery.

Sector Performance and Positioning

•During the month of August, the Target Fund gained 4.35% in USD.

•The top 3 individual contributors to the Target Fund were Barrick Gold Corporation, Newmont Corporation, and Agnico Eagle Mines Limited.

•The top 3 detractors were Gold Fields Limited, Franco-Nevada Corporation, and Pan American Silver Corp.

Source: DWS

Disclaimer

Based on the Fund’s portfolio returns as at 31 August 2024, the Volatility Factor ("VF") for this Fund is 25.3 and is classified as "Very High" (Source: Lipper). "Very High" includes funds with VF that are more than 16.265 (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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