Fund Factsheet November 2024

Precious Metals Securities

3-year Fund Volatility
24.5
Very High
Lipper Analytics
31 Oct 2024

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.

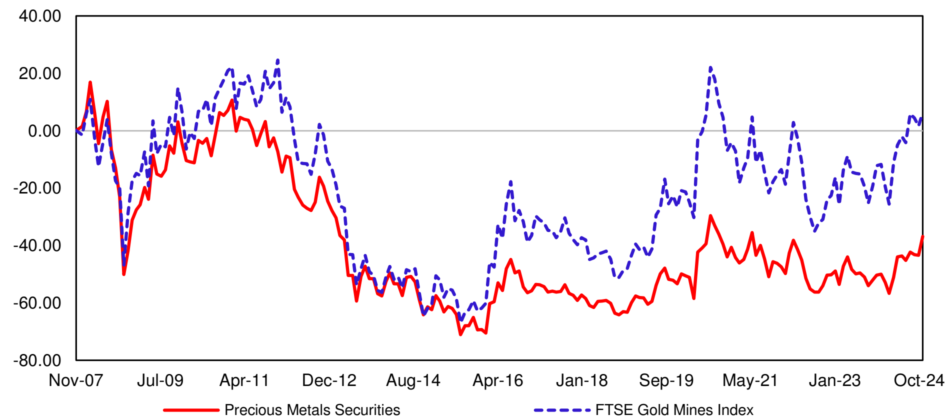
The Fund is suitable for investors:

• 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 October 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 October 2024)

Cumulative Return (%)	YTD	1 Month	6 Months	1 Year	3 Years	5 Years
Fund	26.20	11.56	12.78	31.56	16.22	31.92
*Benchmark	20.48	4.62	12.00	31.41	29.33	37.38

Annualised Return (%)	3 Years	5 Years	10 Years	Since Inception
Fund	5.14	5.69	5.84	-2.68
*Benchmark	8.94	6.55	11.61	0.35

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 October 2024)

NAV Per Unit*	MYR 0.5794
Fund Size*	MYR 150.54 million
Unit in Circulation*	259.85 million
1- Year NAV High*	MYR 0.6027 (23 Oct 2024)
1- Year NAV Low*	MYR 0.4032 (29 Feb 2024)

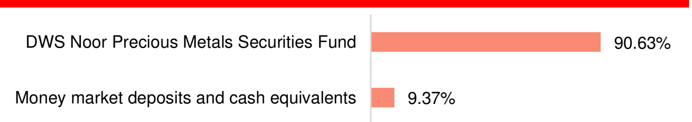
Source: AmFunds Management Berhad
The above fees and charges may be subject to any applicable taxes and/or duties (imposed by the Government of Malaysia which are payable by the unit holder(s) and/or the Fund (as the case may be) at the prevailing rate.

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 October 2024)



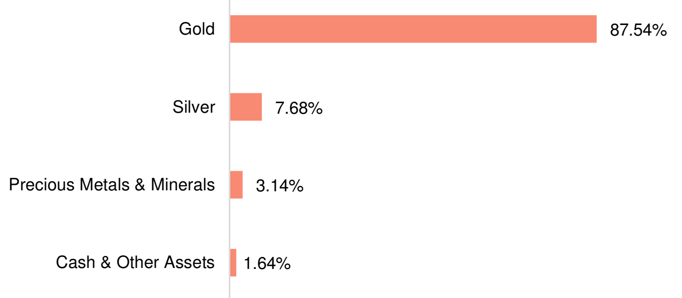
Source: AmFunds Management Berhad

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

Franco-Nevada Corp.	9.78%
Agnico Eagle Mines Ltd.	9.09%
Barrick Gold Corp.	7.47%
Newmont Corp.	6.63%
Gold Fields Ltd.	4.43%

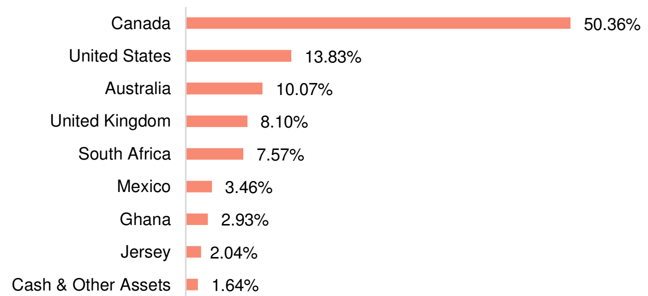
Source: DWS

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



Source: DWS

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

• During the month of October, the fund gained 4.47% in USD.
• The top 3 individual contributors to the fund were Agnico Eagle Mines Limited, Franco-Nevada Corporation, and Pan American Silver Corp.
• The top 3 detractors were Newmont Corporation, Endeavour Mining PLC, and Barrick Gold Corporation.

Current Gold & Precious Metals Themes

All the Precious Metals rose, with Palladium prices rising the most and Platinum the least. Precious Metals saw prices rise in October, with Palladium performing the best and Gold making new all-time highs over the course of the month. Platinum managed a positive gain as well but didn't keep up with other precious metals. Demand for gold from investors been strong as an alternative currency and an inflation hedge. Palladium price rose sharply after news came out that the U.S. government was considering sanctioning Russian Palladium supply. Russia's production accounts for 40% of annual supply, which mostly goes to China, followed by about a quarter going to the U.S. Platinum price rose slightly in sympathy.

In central bank activity, the market is pricing in 1-2 rate cuts by the U.S. Federal Reserve that would bring rates down to 4.5%, from the current 5.0% rate. The European Central Bank (ECB) cut its main policy rate by 25 bps, its third such move this year as inflation and growth slowed. Other central banks looked to ease monetary policy and spur growth by reducing rates during the month, including the Bank of Canada (-50 bps), Reserve Bank of New Zealand (-50bps), South Korea (-25bps), Colombia (-50 bps), and the Dominican Republic (-25 bps). Meanwhile, the Bank of Japan (BoJ) has held rates steady once again after two 25 bps increases earlier this year, and there has been no consensus signaled on the direction and timing of further rate hikes.

In geopolitical events, U.S. presidential candidates, Donald Trump and Kamala Harris, continued to hit the campaign trail as markets started to price in a Trump victory. The Ukraine-Russia conflict remains ongoing, with both sides striking and making further progress into one another's sovereign borders. In the Middle East, Israel struck at Hezbollah members and military targets in Lebanon, invading its Southern border. Israel also retaliated against Iran for a strike early in the month by hitting military targets in the country but alleviated some concerns by avoiding energy and nuclear facilities.

Chinese stimulus, the potential impact of possible U.S. tariffs, and the scope of supply losses are key. We remain cautious on China's property markets while stimulus-driven improvements temper our otherwise negative outlook for steel and iron ore. Pockets of strength elsewhere (e.g. grid, infrastructure) keep us relatively constructive on aluminum and copper. Supply-side concerns, lack of investment, and broadening of policy support present upside risk for metals prices, while tariffs, China's weak property sector, and depressed consumer confidence create downside risks.

What does the future hold for gold?
Gold has had a strong run since finding a floor last October, buoyed by central bank buying, path 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. 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 pace of the 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 $2,600, 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 the Fed's rate 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 PGMs remain tight in the physical markets. We also expect to see some production curtailments due to low metal basket prices. 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.

Consolidation Fever: Why M&A Could Be Mid-Cap Gold
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. 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 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 October, Palladium, Silver, Gold, and Platinum each had positive returns of 11.62%, 4.82%, 4.15%, and 1.29%, respectively.
• Gold and precious metals equities, as measured by the S&P BMI Gold and Precious Metals Index (non-Sharia compliant), gained 1.45% during the period.
• Gold ETFs had net inflows of 0.76mm oz, or about 0.9% of total known gold ETFs.

Source: DWS

Disclaimer

Based on the Fund's portfolio returns as at 31 October 2024, the Volatility Factor ("VF") for this Fund is 24.5 and is classified as "Very High" (Source: Lipper). "Very High" includes funds with VF that are more than 16.360 (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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