

Semi-Annual Report for

# Precious Metals Securities

30 November 2023



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## TRUST DIRECTORY

### **Manager**

AmFunds Management Berhad  
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### **Board of Directors**

Jeyaratnam A/L Tamotharam Pillai  
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Goh Wee Peng

### **Investment Committee**

Arnold Lim Boon Lay  
Tracy Chen Wee Keng  
Goh Wee Peng

### **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 unaudited accounts of Precious Metals Securities ("Fund") for the financial period from 1 June 2023 to 30 November 2023.

### 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 2023. 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 30 November 2023 and for the past three financial years are as follows:				
		<b>As at 30.11.2023 %</b>	<b>As at 31 May</b>		
			<b>2023 %</b>	<b>2022 %</b>	<b>2021 %</b>
	Foreign collective investment scheme	98.61	97.06	95.59	94.41
	Money market deposits and cash equivalents	1.39	2.94	4.41	5.59
<b>Total</b>	<b>100.00</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 period ended 30 November 2023 and three financial years ended 31 May are as follows:				
		<b>FPE 30.11.2023</b>	<b>FYE 2023</b>	<b>FYE 2022</b>	<b>FYE 2021</b>
	Net asset value (RM)	183,833,159	178,937,412	199,355,013	296,555,429
	Units in circulation	398,120,771	371,860,991	390,509,662	493,729,735
	Net asset value per unit (RM)	0.4618	0.4812	0.5105	0.6006
	Highest net asset value per unit (RM)	0.5027	0.5457	0.6064	0.6723
	Lowest net asset value per unit (RM)	0.4105	0.3742	0.4574	0.4839
	Benchmark performance (%)	2.59	-3.78	-15.13	5.07
	Total return (%) <sup>(1)</sup>	-4.03	-5.74	-15.00	9.20
	- Capital growth (%)	-4.03	-5.74	-15.00	9.20
	Total expense ratio (%) <sup>(2)</sup>	0.58	1.15	1.14	1.17
	Portfolio turnover ratio (times) <sup>(3)</sup>	0.27	0.21	0.24	1.15
		<i>Note:</i>			
	<i>(1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.</i>				
	<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.</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.</i>				

**Average Total Return (as at 30 November 2023)**

	Precious Metals Securities <sup>(a)</sup> %	FGMI <sup>(b)</sup> %
One year	-0.02	15.73
Three years	-3.95	-1.94
Five years	6.18	11.06
Ten years	1.39	7.06

**Annual Total Return**

Financial Years Ended (31 May)	Precious Metals Securities <sup>(a)</sup> %	FGMI <sup>(b)</sup> %
2023	-5.74	-3.78
2022	-15.00	-15.13
2021	9.20	5.07
2020	45.81	69.57
2019	-0.21	2.28

(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.**

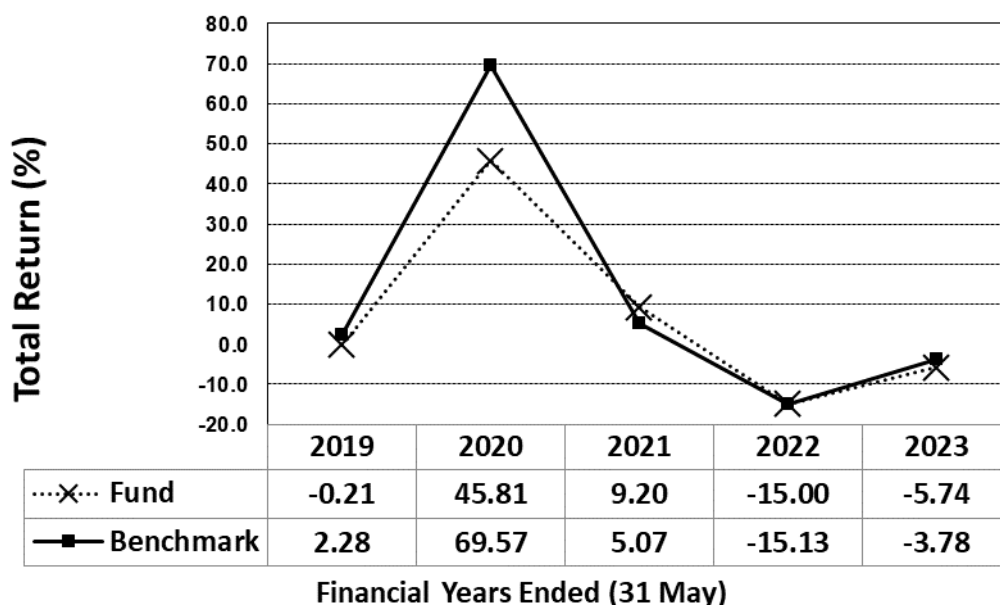
**Fund Performance**

For the financial period under review, the Fund registered a negative return of 4.03% which is entirely capital in nature.

Thus, the Fund's negative return of 4.03% has underperformed the benchmark's return of 2.59% by 6.62%.

As compared with the financial year ended 31 May 2023, the net asset value ("NAV") per unit of the Fund decreased by 4.03% from RM0.4812 to RM0.4618, while units in circulation increased by 7.06% from 371,860,991 units to 398,120,771 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.**

**Performance of the Target Fund**

**Fund Performance Review of the Target Fund – DWS Noor Precious Metals Securities Fund (“Target Fund”)**

During the period, Gold, Silver, Platinum, and Palladium each had returns of 3.75%, 7.61%, -6.90%, and -26.22% respectively. Gold and precious metals equities, as measured by the S&P BMI Gold and Precious Metals Index (non-Sharia compliant), lost -0.43% during the period. Additionally, Gold ETFs had net outflows of 8.25mm oz over the same time frame.

During the period, the Target Fund lost -4.11% in USD.

*Source: DWS, Bloomberg, as at 30 November 2023*

**Strategies and Policies Employed**

**Strategies and Policies employed by Target Fund**

In the dynamic landscape of the gold market, our investment process prioritizes producers who have demonstrably secured future growth. We hone in on companies transitioning from investment-driven expansion to robust cash flow generation, characterized by exemplary cost control and superior margin sustainability. These established players consistently exceed their peers in efficient production growth, maximizing output beyond mere capital injections. Our strategy further identifies companies boasting extensive reserves and lengthy mine lives, positioning them as attractive acquisition targets. This comprehensive approach delivers a twofold advantage: upside capture through sustained shareholder returns and internally funded development, coupled with downside protection courtesy of resilient margins and declining cost profiles.

*Source: DWS, as at 30 November 2023*

**Strategies and Policies of the Fund**

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

Target Fund's Top 10 Holdings	Fund Name	Holding/Security Name	% of NAV (as of 30 November 2023)		
	DWS Noor Precious Metals Securities	Barrick Gold Corp.		9.90	
		Agnico Eagle Mines Ltd.		9.90	
		Franco-Nevada Corp.		8.40	
		Newmont		5.30	
		Northern Star Resources Ltd.		5.10	
		Gold Fields Ltd.		4.90	
		Royal Gold Inc.		4.70	
		Wheaton Precious Metals Corp.		4.70	
		Anglogold Ashanti Plc		4.60	
B2gold Corp			4.40		
	<b>Total</b>		<b>61.90</b>		
Fund Name	Holding/Security Name	% of NAV (as of 30 November 2022)			
DWS Noor Precious Metals Securities	Agnico Eagle Mines Ltd.		9.89		
	Franco-Nevada Corp.		9.76		
	Barrick Gold Corp.		8.66		
	Newmont Corp.		5.61		
	Gold Fields Ltd.		5.02		
	Anglogold Ashanti Ltd.		5.02		
	Northern Star Resources Ltd.		4.99		
	Newcrest Mining Ltd.		4.98		
	Wheaton Precious Metals Corp.		4.79		
	Yamana Gold Inc.		4.43		
	<b>Total</b>		<b>63.15</b>		
<i>Source: DWS, FactSet, as at 30 November 2023</i>					
Portfolio Structure	The table below is the asset allocation of the Fund as at 30 November 2023 and 31 May 2023.				
		As at 30.11.2023 %	As at 31.05.2023 %	Changes %	
	Foreign collective investment scheme	98.61	97.06	1.55	
	Money market deposits and cash equivalents	1.39	2.94	-1.55	
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>		
As at 30 November 2023, the Fund has invested 98.61% of its NAV in the foreign collective investment scheme and 1.39% in money market deposits and cash equivalents.					
Securities Lending / Repurchase Transactions	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 period under review.
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial period 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 period under review.
<b>Rebates and Soft Commission</b>	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.
<b>Market Review</b>	<p>In June 2023, gold prices initially moved sideways before dipping in the latter half, finishing around \$1,920/oz. Despite strong demand from central banks like China and India, gold ETF holdings dropped after a three-month climb and remained below year-ago levels. While inflation eased, expectations for the terminal Fed rate and long-term Treasury yields rose, keeping pressure on gold. The dollar's late-month decline offered little support.</p> <p>Other precious metals fared worse. Palladium suffered the steepest fall, with platinum and silver also declining. Tepid auto demand capped the Platinum Group Metals (PGMs), with platinum substituting for palladium due to its price premium. However, South African production disruptions provided some support, and a potential Chinese auto market rebound, fueled by domestic consumption, could offer future boosts. Silver, burdened by subdued Chinese manufacturing, also fell, but prospects for solar energy could drive future price increases.</p> <p>June also saw the U.S. debt ceiling resolved and further rate hikes anticipated by the Fed. Despite pausing for the month, the Fed's hawkish stance kept potential future increases on the table. Dollar movements were initially downward but reversed somewhat after the Fed meeting, ending the month slightly lower.</p> <p>July saw gold prices climb mid-month before retreating, ending near \$1,965/oz. Central bank buying remained strong, particularly from China and India, aiming for de-dollarization and diversification. However, ETF holdings continued to decline for the second month and remained below last year's levels. Inflation indicators in the US and Europe slowed further, while long-term Treasury yields rose. The dollar weakened initially, aiding gold, but partially rebounded later.</p> <p>Other precious metals outperformed gold due to industrial demand. Silver, with its diverse uses, led the pack, followed by platinum and palladium. Auto demand, particularly for EVs in Europe, showed signs of improvement but limited the potential of PGMs used in traditional catalysts. Platinum substitution for palladium persisted due to the price premium. South African power disruptions, previously supporting PGMs, lessened, but winter was expected to bring renewed disruptions, potentially bolstering prices. Silver remained well supported by industrial uses and solar energy demand, as the market anticipated a production deficit for the year.</p> <p>The Fed resumed rate hikes in late July, bringing the target rate to its highest level since 2001. Despite Powell's hawkish stance, room for flexibility was acknowledged, and the futures market predicted minimal further hikes with cutting potential in 2024. US inflation data showed a continued decline, with CPI and PPI both coming in lower than expected. Gold miners faced ongoing cost pressures, particularly in labor, though some easing in fuel and other commodity costs was observed. Production volumes declined for many producers, with a shift towards growth projects due to high prices. Free cash flows were down, but differentiation opportunities arose for miners who invested in operational resilience and cost control. M&amp;A activity</p>

increased, reflecting a search for production growth by acquiring companies.

In August, gold prices dipped significantly before regaining some ground to finish the month near \$1,940/oz. ETF holdings plunged to their lowest since early 2020, while central banks, particularly China's PBOC, continued their strong buying. Inflation ticked up slightly, driven by energy prices, but core inflation remained on a downward trend. The Fed signaled a potential pause in rate hikes, with only one more likely before year-end. The dollar strengthened but eased by month's end. Among other precious metals, platinum thrived on supply disruptions and healthy demand, while palladium suffered from weak auto demand and potential U.S. strikes. Silver held steady, supported by industrial uses and future solar energy demand.

In September, gold plunged sharply after an initial dip and recovery, ending the month at \$1,850/oz, the lowest since March 2023. ETF holdings tumbled to their lowest level since early 2020, despite robust buying from China and other emerging market central banks. Inflation data was mixed, with headline numbers rising due to energy prices but with core CPI leveling off or declining. The Fed remained hawkish, with Powell emphasizing "higher for longer" rates. U.S. dollar strength pressured gold, though it eased slightly at month's end. Other precious metals declined, with silver falling the most and palladium the only gainer. The UAW strike briefly impacted PGMs but quickly faded as supply deficit concerns returned. Despite hawkish rhetoric, the August PCE Core Deflator showed inflation easing, further fueling our expectation of an imminent end to the U.S. tightening cycle and potential dollar weakness, ultimately benefiting gold prices.

Gold prices rebounded sharply in October, spurred by the outbreak of conflict in Israel, and ended the month near \$1,980/oz, the highest since May. Despite continued ETF outflows, China's aggressive gold buying persisted, with estimated reserves increasing by nearly 4% in Q3. Inflation data remained mixed, with core figures stabilizing while headline prints rose due to energy costs. Fed rate hike expectations eased significantly, with November odds dropping below 20% by month's end. The dollar remained somewhat range-bound, offering less resistance to gold's climb.

Other precious metals followed suit, with silver and platinum gaining alongside gold. Palladium, however, suffered due to weak auto demand and increasing platinum substitution in catalytic converters. South African power disruptions and potential escalation in Ukraine continued to threaten PGM supply. As expected, the Fed held rates steady in October, but longer-term Treasury yields surged, weighing on equities. Despite higher-than-expected inflation data and economic resilience, Powell reiterated the Fed's commitment to battling inflation and hinted at further rate hikes. We maintain our forecast for an imminent end to the U.S. tightening cycle, potentially paving the way for a weaker dollar and, consequently, an uptrend for gold prices.

Gold prices soared in November, reaching \$2,036/oz by month's end, the highest since May. Despite continued ETF outflows, strong central bank buying, primarily from China, Poland, and Singapore, boosted global reserves by 800 tons in the first nine months. Inflation data surprised to the downside, leading to expectations of the Fed ending its rate hiking cycle, effectively confirmed by their November meeting and declining Treasury yields. The dollar weakened, further aiding gold's climb.

Silver outperformed, buoyed by gold's rally, a weaker dollar, and positive US economic data suggesting a "soft landing." In contrast, palladium plunged due to weak auto demand, and platinum saw modest losses. Both faced inventory destocking after UAW strike fears subsided. The Fed maintained a neutral stance, but investors interpreted it as hawkishness receding, propelling markets higher. Overall, November painted a picture of easing inflation, a potential Fed policy shift,

	<p>and economic resilience, setting the stage for a bullish outlook on gold prices in 2024, likely aided by a weaker dollar.</p> <p><i>Source: DWS, as at 30 November 2023</i></p>
<p><b>Market Outlook</b></p>	<p><b>What does the future hold for Gold?</b>  2024 looks bright for gold and precious metals, buoyed by potential Fed rate cuts and a de-dollarization wave. Central bank gold buying remains strong, potentially exceeding record levels, adding fuel to the fire. 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 the second half of the year, could propel gold towards \$2,300, with silver also likely to benefit from its industrial applications. Platinum and palladium may see slower growth due to ongoing supply chain issues, but they remain attractive long-term holdings due to their limited supply and role in green technologies. Overall, gold and precious metals equities are poised for a potentially stellar year, offering investors a safe haven and the potential for significant capital appreciation in a volatile market.</p> <p><b>Consolidation Fever: Why M&amp;A Could Be Mid-Cap Gold in 2024</b>  The gold and precious metals equities landscape offers intriguing opportunities alongside the broader sector's bullish outlook. Despite historical concerns about high debt levels among gold miners, many boast exceptionally strong margins thanks to soaring metal prices. However, a crucial question lies in exploration: 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, remaining depressed compared to their larger counterparts and a valuation premium already baked into large-cap stocks, the stage is set for potential mergers and acquisitions. 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. While exploration needs addressing, the current market dynamics present a potentially lucrative landscape for both gold and its equities in 2024.</p> <p><b>Golden Alpha: Our Recipe for Triumph in a Consolidating Gold Market</b>  In a gold market poised for both growth and consolidation, our investment process shines. 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. But here's the golden nugget: these companies, boasting ample reserves and long mine lives, are prime targets in the predicted mid-cap M&amp;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.</p> <p><i>Source: DWS, as at 30 November 2023</i></p>

<b>Additional Information</b>	<p>The following information was updated:</p> <ol style="list-style-type: none"><li>1) Pn Azian Binti Kassim has been appointed as an Independent Non-Executive Director of AmIslamic Funds Management Sdn Bhd and a member of the Fund Management Division's Audit and Risk Management Committee with effect 30 June 2023.</li><li>2) The Tenth Supplementary Master Prospectus dated 31 August 2023 has been registered with the Securities Commission Malaysia. The issuance of the Tenth Supplementary Master Prospectus is to be in line with the revised Guidelines on Unit Trust Funds and the Prospectus Guidelines for Collective Investment Schemes.</li><li>3) Mr Tai Terk Lin, an Independent Non-Executive Director of AmFunds Management Berhad ('AFM'), has retired from the Board and the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li><li>4) Mdm Jas Bir Kaur A/P Lol Singh, an Independent Non-Executive Director of AFM, has resigned as the Chairperson of the Investment Committee and has been appointed as a member of the Fund Management Division's Audit and Risk Management Committee with effect from 15 December 2023.</li><li>5) Mr Arnold Lim Boon Lay has been appointed as an Independent Non-Executive Director of AFM and the Chairman of the Investment Committee with effect from 15 December 2023.</li></ol> <p>Notice of issuance of the Tenth Supplementary Master Prospectus dated 31 August 2023 has been published on our website at <a href="http://www.aminvest.com">www.aminvest.com</a> and sent to the unit holders on 31 August 2023.</p>
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Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 January 2024

## Precious Metals Securities

### STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023

	Note	30.11.2023 (unaudited) RM	31.05.2023 (audited) RM
<b>ASSETS</b>			
Shariah-compliant investment	4	181,283,306	173,682,967
Amount due from Manager	5(a)	649,384	3,336,856
Cash at banks		4,922,203	7,759,987
<b>TOTAL ASSETS</b>		<u>186,854,893</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)	3,001,380	347,954
Amount due to Trustee	7	8,728	9,596
Sundry payables and accruals		11,626	12,800
<b>TOTAL LIABILITIES</b>		<u>3,021,734</u>	<u>5,842,398</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>183,833,159</u>	<u>178,937,412</u>
<b>EQUITY</b>			
Unit holders' capital	9(a)	321,501,388	311,501,394
Accumulated losses	9(b)(c)	(137,668,229)	(132,563,982)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	9	<u>183,833,159</u>	<u>178,937,412</u>
<b>UNITS IN CIRCULATION</b>	9(a)	<u>398,120,771</u>	<u>371,860,991</u>
<b>NAV PER UNIT (RM)</b>		<u>0.4618</u>	<u>0.4812</u>

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

## Precious Metals Securities

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

	Note	01.06.2023 to 30.11.2023 RM	01.06.2022 to 30.11.2022 RM
<b>SHARIAH-COMPLIANT INVESTMENT LOSSES</b>			
Profit income		73,836	55,394
Other income	9(a)	-	10,415
Net losses from Shariah-compliant investment:			
- Financial assets at fair value through profit or loss ("FVTPL")	8	(3,688,592)	(16,388,911)
Other net realised losses on foreign currency exchange		(457,076)	(90,542)
		<u>(4,071,832)</u>	<u>(16,413,644)</u>
<b>EXPENDITURE</b>			
Manager's fee	5	(964,811)	(920,338)
Trustee's fee	7	(53,566)	(51,205)
Audit fee		(4,500)	(4,517)
Tax agent's fee		(1,900)	(1,905)
Other expenses		(7,638)	(8,079)
		<u>(1,032,415)</u>	<u>(986,044)</u>
<b>Net losses before taxation</b>		(5,104,247)	(17,399,688)
<b>Taxation</b>	11	-	-
<b>Net losses after taxation, representing total comprehensive losses for the financial period</b>		<u>(5,104,247)</u>	<u>(17,399,688)</u>
Total comprehensive losses comprises the following:			
Realised losses		(5,592,728)	(1,463,845)
Unrealised gain/(loss)		488,481	(15,935,843)
		<u>(5,104,247)</u>	<u>(17,399,688)</u>

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

## Precious Metals Securities

### STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

	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 loss for the financial period		-	(5,104,247)	(5,104,247)
Creation of units	9(a)	92,105,501	-	92,105,501
Cancellation of units	9(a)	(82,105,507)	-	(82,105,507)
Balance at 30 November 2023		<u>321,501,388</u>	<u>(137,668,229)</u>	<u>183,833,159</u>
At 1 June 2022		324,484,775	(125,129,762)	199,355,013
Total comprehensive loss for the financial period		-	(17,399,688)	(17,399,688)
Creation of units		32,157,410	-	32,157,410
Cancellation of units		(31,939,909)	-	(31,939,909)
Balance at 30 November 2022		<u>324,702,276</u>	<u>(142,529,450)</u>	<u>182,172,826</u>

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

## Precious Metals Securities

### STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

	01.06.2023 to 30.11.2023 RM	01.06.2022 to 30.11.2022 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of Shariah-compliant investment	42,439,204	2,367,331
Purchase of Shariah-compliant investment	(59,657,259)	(4,469,302)
Profit received	73,836	55,394
Other income received	-	10,558
Manager's fee paid	(979,235)	(947,943)
Trustee's fee paid	(54,434)	(53,035)
Tax agent's fee paid	-	(3,800)
Payments for other expenses	(15,213)	(15,644)
Net cash used in operating and investing activities	<u>(18,193,101)</u>	<u>(3,056,441)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	94,792,974	31,043,567
Payments for cancellation of units	(79,437,657)	(30,670,048)
Net cash generated from financing activities	<u>15,355,317</u>	<u>373,519</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,837,784)</b>	<b>(2,682,922)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>7,759,987</b>	<b>9,133,071</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>4,922,203</u></b>	<b><u>6,450,149</u></b>
Cash and cash equivalents comprise:		
Cash at banks	<u>4,922,203</u>	<u>6,450,149</u>



## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

#### 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.

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 95% 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 18 January 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 134: *Interim Financial Reporting* (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

##### Standards effective during the financial period

The adoption of the following MFRS which became effective during the financial period 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 and Amendments to MFRS 17*</i>	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 PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

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

##### Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
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 and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

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

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 3.1 Income recognition

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

(i) Profit income

Profit income on Islamic short-term deposits is recognised on an accrual basis using the effective profit method.

(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.

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

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

##### 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.

##### 3.6 Distribution

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from the retained earnings and realised income. Realised income is the income earned from 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 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.

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

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

##### 3.7 Unit holders' capital

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

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

###### (i) Initial recognition

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

###### (ii) Initial measurement

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

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

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

##### 3.9 Financial assets 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.

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

#### 3. SUMMARY OF SIGNIFICANT 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:

###### *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 asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and 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.

###### *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.

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

#### 3. SUMMARY OF SIGNIFICANT 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 (cont'd.)*

The Fund subsequently measures its Shariah-compliant investment in collective investment scheme ("CIS") at FVTPL. Distribution 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
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
  - the Fund has transferred substantially all the risks and rewards of the asset, or
  - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023**

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

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

**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.

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

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

##### 3.15 Significant accounting estimates and judgments (cont'd.)

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

#### 4. SHARIAH-COMPLIANT INVESTMENT

	30.11.2023 RM	31.05.2023 RM
<b>Financial asset at FVTPL</b>		
At cost:		
Foreign CIS	<u>191,318,901</u>	<u>184,207,043</u>
At fair value:		
Foreign CIS	<u>181,283,306</u>	<u>173,682,967</u>

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>30.11.2023</b>				
DWS Noor Precious Metals Securities Fund ("Target Fund")	<u>55,610,082</u>	<u>181,283,306</u>	<u>191,318,901</u>	<u>98.61</u>
<b>Shortfall of fair value over purchased cost</b>		<u>(10,035,595)</u>		

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

	Note	30.11.2023 RM	31.05.2023 RM
(a) <b>Due from Manager</b>			
Creation of units	(i)	<u>649,384</u>	<u>3,336,856</u>



## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

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

	Note	30.11.2023 RM	31.05.2023 RM
<b>(b) Due to Manager</b>			
Cancellation of units	(ii)	2,821,265	153,415
Manager's fee payable	(iii)	180,115	194,539
		<u>3,001,380</u>	<u>347,954</u>

(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 financial year and current financial period for creation and cancellation of units is three business days.

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

	01.06.2023 to 30.11.2023 % p.a.	01.06.2022 to 30.11.2022 % p.a.
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 financial year and current financial period 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 investment. The settlement period is within five business days from the transaction date.

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

#### 7. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (31.05.2023: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis.

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

#### 8. NET LOSSES FROM SHARIAH-COMPLIANT INVESTMENT

	01.06.2023 to 30.11.2023 RM	01.06.2022 to 30.11.2022 RM
Net losses on financial assets at FVTPL comprised:		
– Net realised losses on sale of Shariah-compliant investment	(8,920,978)	(773,803)
– Net realised gains on foreign currency exchange	4,743,905	320,735
– Net unrealised gain/(loss) on changes in fair value of Shariah-compliant investment	2,969,425	(18,907,826)
– Net unrealised (loss)/gain on foreign currency fluctuation of Shariah-compliant investment denominated in foreign currency	(2,480,944)	2,971,983
	<u>(3,688,592)</u>	<u>(16,388,911)</u>

#### 9. TOTAL EQUITY

Total equity is represented by:

	Note	30.11.2023 RM	31.05.2023 RM
Unit holders' capital	(a)	321,501,388	311,501,394
Accumulated losses			
– Realised losses	(b)	(127,632,634)	(122,039,906)
– Unrealised losses	(c)	(10,035,595)	(10,524,076)
		<u>183,833,159</u>	<u>178,937,412</u>

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

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

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

	30.11.2023		31.05.2023	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	371,860,991	311,501,394	390,509,662	324,484,775
Creation during the financial period/year	207,175,837	92,105,501	226,959,252	102,826,377
Cancellation during the financial period/year	(180,916,057)	(82,105,507)	(245,607,923)	(115,809,758)
At end of the financial period/year	<u>398,120,771</u>	<u>321,501,388</u>	<u>371,860,991</u>	<u>311,501,394</u>

The Manager imposed an exit penalty of 1.00% (31.05.2023: 1.00%) if redemption is made within 90 days of purchase on the NAV per unit of the Fund during the financial period. The exit penalty will be recognised as income of the Fund.

##### (b) Realised

	30.11.2023 RM	31.05.2023 RM
At beginning of the financial period/year	(122,039,906)	(118,141,157)
Net realised losses for the financial period/year	<u>(5,592,728)</u>	<u>(3,898,749)</u>
At end of the financial period/year	<u>(127,632,634)</u>	<u>(122,039,906)</u>

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

	30.11.2023 RM	31.05.2023 RM
At beginning of the financial period/year	(10,524,076)	(6,988,605)
Net unrealised gain/(loss) for the financial period/year	<u>488,481</u>	<u>(3,535,471)</u>
At end of the financial period/year	<u>(10,035,595)</u>	<u>(10,524,076)</u>

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

#### 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 30 November 2023 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 losses before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>01.06.2023 to 30.11.2023 RM</b>	<b>01.06.2022 to 30.11.2022 RM</b>
Net losses before taxation	<u>(5,104,247)</u>	<u>(17,399,688)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(1,225,019)	(4,175,925)
Tax effects of:		
Income not subject to tax	(1,868,920)	(806,046)
Losses not allowed for tax deduction	2,846,160	4,745,321
Restriction on tax deductible expenses for unit trust fund	209,449	199,944
Non-permitted expenses for tax purposes	15,058	14,490
Permitted expenses not used and not available for future financial periods	<u>23,272</u>	<u>22,216</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

#### 12. TOTAL EXPENSE RATIO (“TER”)

The Fund’s TER is as follows:

	01.06.2023 to 30.11.2023 % p.a.	01.06.2022 to 30.11.2022 % p.a.
Manager’s fee	0.54	0.54
Trustee’s fee	0.03	0.03
Fund’s other expenses	0.01	0.01
Total TER	<u>0.58</u>	<u>0.58</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 0.27 times (01.06.2022 to 30.11.2022: 0.02 times).

#### 14. SEGMENTAL REPORTING

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 95% of the Fund’s NAV will be invested in the Target Fund.

As the Fund operates substantially as a feeder fund which invests primarily in the Target Fund, it is not possible or meaningful to classify its 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 period ended 30 November 2023 are as follows:

Target Fund Manager	Transaction value	
	RM	%
DWS Investment S.A.	<u>97,081,491</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.

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

#### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, country risk, management risk, 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.

##### (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 deposits and placements with licensed financial institutions are determined based on prevailing market rates.

##### (iii) Currency risk

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

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

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

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

##### (iii) Currency risk (cont'd.)

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

Assets/(liability) denominated in United States Dollar	30.11.2023		31.05.2023	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Shariah-compliant investment	181,283,306	98.61	173,682,967	97.06
Cash at bank	1,959	-*	2,233	-*
Amount due to Target Fund Manager	-	-	(5,472,048)	(3.06)
	<u>181,285,265</u>	<u>98.61</u>	<u>168,213,152</u>	<u>94.00</u>

\* represents less than 0.01%.

##### (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 Islamic short-term deposits. The issuer of such instruments may not be able to fulfil 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 asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise Shariah-compliant of deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

## Precious Metals Securities

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2023 TO 30 NOVEMBER 2023

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

**(d) Single issuer risk**

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

**(e) Regulatory risk**

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

**(f) Country risk**

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

**(g) Management risk**

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

**(h) Non-compliance risk**

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



## 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 134: *Interim Financial Reporting* (“MFRS 134”) so as to give a true and fair view of the financial position of Precious Metals Securities (“the Fund”) as at 30 November 2023 and the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

**GOH WEE PENG**  
Executive Director

Kuala Lumpur, Malaysia  
18 January 2024

## **TRUSTEE'S REPORT**

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

We have acted as Trustee of the Fund for the financial period ended 30 November 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
18 January 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: 18 January 2024

## DIRECTORY

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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.)*

