Annual Report for

Precious Metals Securities

31 May 2019

AmInvest

Growing Your Investments in a Changing World

TRUST DIRECTORY

Manager
AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

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Jeyaratnam A/L Tamotharam Pillai
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CONTENTS

MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the audited accounts of Precious Metals Securities ("Fund") for the financial year ended 31 May 2019.

Salient Information of the Fund

Name	Precious Metals Securities ("Fund")
Category/ Type	Feeder (Global Islamic equity)/Capital growth
Name of Target Fund	DWS Noor Precious Metals Securities Fund (formerly known as Deutsche Noor Precious Metals Securities Fund)
Fund Objective	Precious Metals Securities aims 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. *Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.*
Duration	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.
Performance Benchmark	FTSE Gold Mines Index. (obtainable from: www.aminvest.com) *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.* *Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2019. 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."*
Income Distribution Policy	Income distribution (if any) will be reinvested.

Breakdown of Unit Holdings by Size	For the financial year under review, the size of the Fund stood at 861,559,364 units.

Size of holding	As at 31 May 2019		As at 31 May 2018	
	No of units held	Number of unitholders	No of units held	Number of unitholders
5,000 and below	1,643,488	698	1,794,207	755
5,001-10,000	2,385,024	342	2,681,022	385
10,001-50,000	15,081,570	703	18,047,524	824
50,001-500,000	39,762,611	309	50,464,084	399
500,001 and above	802,686,671	34	890,969,865	41

Fund Performance Data

Portfolio Composition

Details of portfolio composition of the Fund for the financial years as at 31 May are as follows:

	FY 2019 %	FY 2018 %	FY 2017 %
Foreign collective investment scheme	95.19	96.20	99.86
Money market deposit	4.64	1.38	-
Cash and others	0.17	2.42	0.14
Total	**100.00**	**100.00**	**100.00**

Note: The abovementioned percentages are calculated based on total net asset value.

Performance Details

Performance details of the Fund for the financial years ended 31 May are as follows:

	FY 2019	FY 2018	FY 2017
Net asset value (RM)*	324,980,897	364,337,419	378,742,614
Units in circulation*	861,559,364	963,956,702	923,521,219
Net asset value per unit (RM)*	0.3772	0.3780	0.4101
Highest net asset value per unit (RM)*	0.4023	0.4416	0.5328
Lowest net asset value per unit (RM)*	0.3210	0.3571	0.3641
Benchmark performance (%)	2.28	-11.59	4.08
Total return (%)(1)	-0.21	-7.83	-0.49
- Capital growth (%)	-0.21	-7.83	-0.49
- Income distribution (%)	-	-	-
Gross distribution (sen per unit)	-	-	-
Net distribution (sen per unit)	-	-	-
Management expense ratio (%)(2)	1.15	1.22	1.24
Portfolio turnover ratio (times)(3)	1.00	1.24	3.00

* Above prices and net asset value per unit are not shown as ex-distribution.

Note:
(1) Total return is the annualised return of the Fund for the respective financial years computed based on the net asset value per unit and net of all fees.

	(2) Management expense ratio ("MER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The MER decreased by 0.07% as compared to 1.22% per annum for the financial year ended 31 May 2018 mainly due to decrease in expenses. *(3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The PTR decreased by 0.24 times (19.4%) as compared to 1.24 times for the financial year ended 31 May 2018 mainly due to decrease in investing activities.*

Average Total Return (as at 31 May 2019)

	Precious Metals Securities[(a)] %	**FGMI[(b)] %**
One year	-0.21	2.28
Three years	-2.91	-2.00
Five years	-0.93	5.40
Ten years	-7.82	-5.49

Annual Total Return

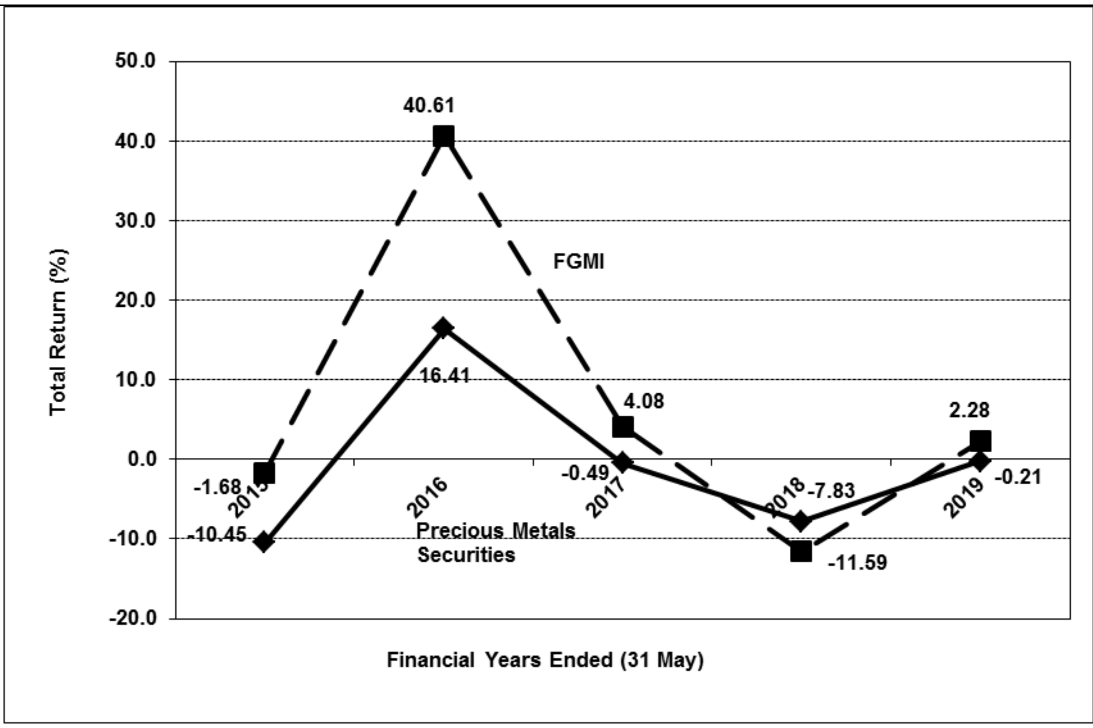
Financial Years Ended (31 May)	**Precious Metals Securities[(a)] %**	**FGMI[(b)] %**
2019	-0.21	2.28
2018	-7.83	-11.59
2017	-0.49	4.08
2016	16.41	40.61
2015	-10.45	-1.68

(a) Source: Novagni Analytics and Advisory Sdn Bhd.
(b) The FTSE Gold Mines Index in Ringgit Malaysia ("FGMI")
(obtainable from: www.aminvest.com)

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

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

Fund Performance	For the financial year under review, the Fund registered a negative return of 0.21% which was entirely capital in nature. Thus, the Fund's negative return of 0.21% has underperformed the benchmark's return of 2.28% by 2.49%. As compared with the financial year ended 31 May 2018, the net asset value ("NAV") per unit of the Fund decreased by 0.21% from RM0.3780 to RM0.3772, while units in circulation have decreased by 10.62% from 963,956,702 units to 861,559,364 units. The line chart below 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.

Target Fund Performance

Fund Performance Review of the Target Fund – DWS Noor Precious Metals Securities Fund (the "Target Fund")

The period under review was a characterized by marked volatility and significant headwinds for this segment of the global capital markets. Palladium was the standout, up 34.33%. Gold ended the period up +0.53% after a very volatile run. Platinum was next, down -12.42%, while Silver declined -11.27% during the period. The S&P BMI Gold and Precious Metals Index lost -1.92% while the fund declined -3.12%.

Note: Performances in USD.

Source: DWS Investment Management Americas Inc. (the Target Fund's investment manager)

Has the Fund achieved its objective?

The Fund has not achieved its objective by giving negative capital appreciation, where 3 years average total return and 5 years average total return is at -2.91% and -0.93%, respectively.

Strategies and Policies Employed

Strategies and Policies of the Target Fund

During the period, we continued to keep the fund invested in companies with strong management teams that have shown the ability to execute with operational stability and exhibited a lower than average financial and operational risk profile.

We believe this approach will generate alpha throughout the entire price cycle. However, deploying this approach does leave the fund underexposed to firms with extreme levels of operational and financial leverage. As such, the fund may underperform in the short term, during periods with elevated upward Gold price volatility. We believe our approach will more than make up for the lack of gearing to the Gold price in environments with elevated volatility through company specific re-ratings. As portfolio firms demonstrate the increase in overall production level and financial flexibility that accompany exiting the heavy spending portion of the capex cycle, we believe investors will respond by increasing valuations relative to peers, driving alpha.

Source: DWS Investment Management Americas Inc. (the Target Fund's investment manager)

Strategies and Policies of the Fund

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

Portfolio Structure

This table below is the asset allocation of the Fund for the financial years under review.

	As at 31-5-2019 %	As at 31-5-2018 %	Changes %
Foreign collective investment scheme	95.19	96.20	-1.01
Money market deposit	4.64	1.38	3.26
Cash and others	0.17	2.42	-2.25
Total	**100.00**	**100.00**	

For the financial year under review, the Fund has invested 95.19% of its NAV in the foreign collective investment scheme, 4.64% in money market deposit and the balance of 0.17% in cash and other net current assets. There have been no significant changes to the asset allocation since the last reporting.

Cross Trades

There are no cross trades for the Fund during this financial year under review.

Distribution/ Unit splits

There was no income distribution and unit split declared for the financial year under review.

State of Affairs

There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the financial year under review.

Note: The Manager has appointed Deutsche Trustees Malaysia Berhad ("DTMB") to carry out the fund accounting and valuation services for all funds effective 20th June 2018.

Rebates and Soft Commission

It is our policy to pay all rebates to the Fund. Soft commission received from brokers/dealers are retained by the Manager only if the goods and services provided are of demonstrable benefit to unitholders of the Fund.

During the financial year under review, the Manager had received on behalf of the Fund, soft commissions in the form of fundamental database, financial wire services, technical analysis software and stock quotation system incidental to investment management of the Fund. These soft commissions received by the Manager are deemed to be beneficial to the unitholders of the Fund.

Market Review	In June, we saw gold notch a third consecutive month of losses, with spot bullion down ~3.5%. The equities exhibited a disconnect from the Gold price: Gold equities were roughly flat as measured by various market indices. This has been a trend we have seen since the end of 2016. We believe it will take a step-change in generalist investor interest in the space to broadly drive Gold equities higher. During June, the Federal followed through with the broadly expected rate increase and Gold's reaction was initially to rise along with US Treasury Yields and the US Dollar (USD). To be sure, this was a strange reaction as, all else being equal, increasing rates should be negative for the yellow metal. All of that changed a few days later, however, when Gold swept through the USD1,300/oz level and triggered momentum selling that continued unabated until >USD20/oz was taken off the price. Following this close, a wave of selling continued to drive prices lower, ultimately closing the month just above USD1,250/oz, as investors appeared to heavily favor US Treasuries and traditional safe-haven currencies instead of Gold as their risk hedge. July saw Gold experience its fourth consecutive monthly loss as well as a flirtation with the psychologically important USD1,200 level as the yellow metal continued its search for a catalyst to spur buying. A strong dollar, rising nominal rates, and relatively muted inflationary pressures continued to dominate and dictate the direction of precious metals markets. Moving into August, Gold finished another volatile month down about 2% to ~USD1,201, marking the metal's longest losing streak in half a decade. We attribute much of the decline to geopolitical pressures abroad and bullish economic indicators in the United States (US). As the Turkish lira continued to tumble in the first half of the month, investors fled toward the greenback, resulting in the dollar's appreciation at Gold's expense. Safe haven buying normally serves as a robust source of demand during periods of uncertainty, so this rotation to other safe haven assets like the USD and US Treasuries is problematic for Gold. Declining inflation expectations along with the market's confidence of another Fed rate hike in September were also a drag on performance. Gold tumbled -1.6% on August 15th, although August 24th's gain of +1.72% more than offset the decline. Of note, positioning amongst money managers was (and remains) stretched to the downside at a historic level, resulting in high upside risk. August marked only the third time where funds were net short Gold at month-end and the highest short position on precious metals of all time. Exchange-Traded Fund (ETFs) also shed over one million ounces of the yellow metal, reflecting bearish positions from both institutional and retail investors. Gold imports by India also doubled from August 2017 as festival season kicked off at the end of the month and will last until early November. September was similar story, marking the sixth consecutive round of monthly losses as Gold touched a low of USD1,182/oz before rebounding to end the month at USD1,192/oz. While sentiment is certainly not bullish, Gold does seem to be finding some support around (and just below) the USD1,200/oz level. In fact, Gold's trading range was the narrowest it's been all year during the month of September, a small bright spot in an otherwise dismal 2018. Lending support was a pause in the relentless rise of the dollar during September, with September marking the first time in five months that the DXY has not ended the month higher than it started. Gold began October at USD1,192/oz, just below the psychologically important USD1,200/oz level. Prices had been consolidating around these levels since the sell-off lost steam in mid-August, an incrementally positive sign. There were glimmers of hope for the yellow metal entering October stemming from the fact that the relentless rise of the USD also showed signs of weakness during August. The reversal of the persistent strength in the Dollar and nominal rates took some of the pressure off of Gold prices, allowing Gold the opportunity to build a base and muting some of the

negative sentiment surrounding the metal. A correction in the equity market drove investors away from risky assets and towards the Dollar and Gold, which rose almost USD30/oz in a single day. The return of safe-haven flow helped Gold to its first positive monthly return in the last 7 months. To begin November, things initially looked bleak as Gold sold off aggressively after initially jumping USD15/oz on the first day of the month. The usual suspects were behind the move lower as yields rose, ultimately hitting 3.25% on the 10-year, and the USD strengthened. Dollar strength was also aided by a midterm election result in the US that saw Democrats take the majority in the House of Representatives. Sentiment toward Gold shifted as tensions over Brexit flared, causing a rise in general risk-off sentiment. The move higher was reinforced by cautious comments about the US economy from of several Fed speakers, ultimately culminating with comments by Federal Chairman Powell. In summary, Mr. Powell indicated that current rates were close to "neutral" levels, dampening expectations for the speed and degree of future rate hikes. The change in expectations drove down yields and the dollar to the benefit of Gold. After volatile trading action during the prior month, Gold began December at USD1,222 per oz. We saw Gold build on the strength of late November as prices appreciated steadily throughout the month. The S&P 500 began selling off to open the month and the relentless selling pressure caused the benchmark index to fall by > 10% for the month of December. Amidst the equity market volatility, the Fed followed through on the decision to raise the benchmark Federal Funds Rate, while simultaneously lowering projections for 2019 interest rate increases from three hikes to two. The combination of the hike in the Federal Funds Rate and the decline in expectations for future growth stoked doubts about the Federal's ability to engineer a soft landing for the US economy, driving up demand for safe-haven assets. At the same time, the market's dim view of future growth prospects in the US drove down longer-dated rates and the Dollar, both to the benefit of Gold.

After several failed attempts to break through the USD1,300/oz barrier, the end of January saw some fine-tuning of the language used by the Federal regarding current market conditions and their intentions moving ahead. The ultimate result was a decrease in expectations for rates moving forward and the catalyst which propelled Gold through the USD1,300/oz barrier to end the month on a high note at USD1,321/oz. February saw Gold trade in a USD30/oz range, hitting a high of USD1,341/oz before settling to end the month down. The main drivers of the move lower were a stronger dollar to open the month and broad increases in risk-on sentiment to close it. On the trade dispute front, positive rhetoric continued from officials in both China and the US. The US also officially agreed to extend the March 1st deadline to afford additional time to reach an agreement, which also pushed back the next round of tariff increases and increased risk-on sentiment to close the month, to the detriment of Gold. Rates strengthened and the Dollar strengthened, undercutting bullion's attractiveness. Technical selling may have also played a part in Gold's retreat from its mid-February high, as USD1,350/oz marks the approximate 5-year high for the Gold price and likely drove some profit-taking by Gold investors. March was a similar story, as Gold's rally was halted mid-month by a strengthening USD. The main catalyst for the move, in our view, was once again the increasingly positive newsflow about progress on the trade deal between the US and China.

Price action was relatively muted leading up to the April 9 cut-off date for the Commodity Futures Trading Commission (CFTC) report. Traders monitor this data, which serves a gauge for speculative trading, as extremely high or low numbers can be signs of an overbought or oversold market and an indication that a price correction may be on the horizon. On April 9th, Gold briefly breached the USD1,300/oz level as net long managed-money futures positions spiked, likely in response to a more

	accommodative Federal Reserve given the lackluster performance of equity markets during 1Q19. However, the uptick was short-lived as sentiment quickly shifted amidst further "progress" surrounding US-China trade negotiations and positive economic newsflow. After a strong start to 2019, stocks came under pressure in May as the trade spat intensified. The US slapped fresh tariffs on USD200b in Chinese goods (and threatened more) whilst China responded by targeting some of the biggest exporters in the US President Donald Trump also threatened to place escalating tariffs on Mexico. Amidst this backdrop, continued USD strength was not enough to stall a rebound in Gold prices, as a bid for safe haven provided support during May, though it has served to limit gold's upside benefit from risk-off events. Despite breaching the USD1,300/oz threshold, price action remains mostly range bound as the space is dominated by risk sentiment. Relative strength of the USD continues to heavily influence the direction of the gold price. *Source: DWS Investment Management Americas Inc. (the Target Fund's investment manager)*
Market Outlook	We continue to see the trajectory for prices as relatively muted going forward. Central to this view are a combination of potential risks on the horizon, such as progress on the trade dispute between the US and China driving risk-on sentiment and relative USD strength given macroeconomic divergences between the US and the rest of the world. Palladium continued to sell off from its mid-March peak, though money managers added net long positions for the first time in eight weeks during the first half of May. We remain constructive on Palladium as underlying market fundamentals are still positive. Supply and demand conditions remain in deficit and the ability for producers' to respond remains limited after years low margins driving capital expenditure reductions. The market continues to price in a lower rate path than Federal Reserve policymakers despite a reduction in the rate path projection by the Federal Open Market Committee (FOMC). Current market implied measures of forward rates are pricing a zero rate hike to one rate cut scenario, while the DOTS released by the Federal still indicate that policymakers expect to raise rates once more this year. We've seen such a disconnect before and it can be a source of downside volatility for Gold prices if the market implied path for rates proves too dovish. On the other hand, the fact that the market is already pricing a cut means that potential further upside for Gold could be limited even if the Fed moves in line with the market. This dynamic is part of what drives our relatively muted views on the Gold price moving forward in 2019. *Source: DWS Investment Management Americas Inc. (the Target Fund's investment manager)*

Additional Information	The following information has been updated: 1. Jeyaratnam A/L Tamotharam Pillai has been appointed as an Independent Non-Executive Chairman for AmFunds Management Berhad with effect from 1st April 2019. 2. The following information on the Target Fund is hereby amended to be read as follows:

Target Fund Information	
Name of the Target Fund	DWS Noor Precious Metal Securities Fund *(formerly known as Deutsche Noor Precious Metals Securities Fund)*
Main Investment Manager	DWS Investments Singapore Limited *(formerly known as Deutsche Asset Management (Asia) Limited)*
Investment Manager of the Target Fund	DWS Investment Management Americas Inc. (*formerly known as Deutsche Investment Management Americas Inc*.)

Kuala Lumpur, Malaysia
AmFunds Management Berhad

12 July 2019

Independent auditors' report to the unitholders of
Precious Metals Securities

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Precious Metals Securities** ("the Fund"), which comprise the statement of financial position as at 31 May 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a a summary of significant accounting policies, as set out on pages 13 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 May 2019, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for opinion

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

The Manager is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements of the Fund and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and Trustee of the Fund and take appropriate action to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom the auditors' report is prepared.

Responsibilities of the Manager and the Trustees for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matters

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Wan Daneena Liza Bt Wan Abdul Rahman
No. 02978/03/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
12 July 2019

Precious Metals Securities

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2019

	Note	2019 RM	2018 RM
ASSETS			
Shariah-compliant investment	4	309,335,476	350,479,968
Net amount due from Manager	5	592,922	3,041,283
Deposit with financial institution	6	15,079,198	5,049,443
Cash at banks		2,760	5,824,940
TOTAL ASSETS		325,010,356	364,395,634
LIABILITIES			
Amount due to Trustee	7	16,195	18,865
Sundry payables and accrued expenses		13,264	39,350
TOTAL LIABILITIES		29,459	58,215
EQUITY			
Unitholders' capital	9(a)	543,245,504	588,448,349
Accumulated losses	9(b)(c)	(218,264,607)	(224,110,930)
TOTAL EQUITY	9	324,980,897	364,337,419
TOTAL EQUITY AND LIABILITIES		325,010,356	364,395,634
UNITS IN CIRCULATION	9(a)	861,559,364	963,956,702
NET ASSET VALUE PER UNIT		37.72 sen	37.80 sen

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

Precious Metals Securities

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

	Note	2019 RM	2018 RM
SHARIAH-COMPLIANT INVESTMENT INCOME/(LOSS)			
Profit income		215,108	240,675
Net gain/(loss) from Shariah-compliant investment:			
− Financial assets at fair value through profit or loss (“FVTPL”)	8	9,348,412	(13,149,169)
Other unrealised foreign exchange loss		-	(39,700)
Gross Income/(Loss)		9,563,520	(12,948,194)
EXPENDITURE			
Manager’s fee	5	(3,486,006)	(4,206,527)
Trustee’s fee	7	(194,740)	(234,035)
Auditors’ remuneration − current financial year		(9,000)	(9,000)
Auditors’ remuneration − over/(under) provision in prior financial year		540	(2,000)
Tax agent’s fee − current financial year		(3,800)	(3,800)
Tax agent’s fee − under provision in prior financial year		-	(300)
Other expenses		(24,191)	(302,989)
Total Expenditure		(3,717,197)	(4,758,651)
NET INCOME/(LOSS) BEFORE TAX		5,846,323	(17,706,845)
LESS: INCOME TAX	11	-	-
NET INCOME/(LOSS) AFTER TAX		5,846,323	(17,706,845)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		5,846,323	(17,706,845)
Total comprehensive income/(loss) comprises the following:			
Realised losses		(11,703,252)	(17,273,530)
Unrealised gain/(loss)		17,549,575	(433,315)
		5,846,323	(17,706,845)

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

	Note	Unitholders' capital RM	Accumulated losses RM	Total equity RM
At 1 June 2017		585,146,699	(206,404,085)	378,742,614
Total comprehensive loss for the financial year		-	(17,706,845)	(17,706,845)
Creation of units	9(a)	881,042,355	-	881,042,355
Cancellation of units	9(a)	(877,740,705)	-	(877,740,705)
Balance at 31 May 2018		588,448,349	(224,110,930)	364,337,419
At 1 June 2018		588,448,349	(224,110,930)	364,337,419
Total comprehensive income for the financial year		-	5,846,323	5,846,323
Creation of units	9(a)	573,905,258	-	573,905,258
Cancellation of units	9(a)	(619,108,103)	-	(619,108,103)
Balance at 31 May 2019		543,245,504	(218,264,607)	324,980,897

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

Precious Metals Securities

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

	Note	2019 RM	2018 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of Shariah-compliant investment		347,589,768	500,102,739
Profit received		215,108	240,675
Manager's fee paid		(3,538,695)	(4,223,062)
Trustee's fee paid		(197,410)	(235,902)
Tax agent's fee paid		(3,800)	(3,800)
Payments for other expenses		(58,735)	(311,126)
Purchase of Shariah-compliant investment		(297,096,863)	(489,621,605)
Net cash generated from operating and investing activities		46,909,373	5,947,919
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		577,560,490	898,141,553
Payments for cancellation of units		(620,262,285)	(900,300,383)
Net cash used in financing activities		(42,701,795)	(2,158,830)
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,207,575	3,789,089
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		10,874,383	7,085,294
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		15,081,958	10,874,383
Cash and cash equivalents comprise:			
Deposit with financial institution	6	15,079,198	5,049,443
Cash at banks		2,760	5,824,940
		15,081,958	10,874,383

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

NOTES TO THE FINANCIAL STATEMENTS

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 unitholders. By a "Third" Supplemental Deed dated 10 December 2015, the Fund has changed its name from AmPrecious Metals to Precious Metals Securities.

The Fund was set up with the objective of providing investors to achieve capital appreciation by investing in a portfolio of global Shariah observant equity and equity-related securities (including, without limitation, depository receipts and convertible securities, but excluding preferred shares, bonds, convertible bonds and warrants) of companies engaged in activities related to gold, silver, platinum or other precious metals. Being a feeder fund, a minimum of 95% of the Fund's net asset value will be invested in the Ireland-based DWS Noor Precious Metals Securities Fund (formerly known as Deutsche Noor Precious Metals Securities Fund) ("Target Fund"), which is a separate unit trust fund managed by DWS Investments Singapore Limited (formerly known as Deutsche Asset Management (Asia) Limited) ("Target Fund Manager"). As provided in the Deed, the "accrual period" or the financial year shall end on 31 May and the units in the Fund were first offered for sale on 15 November 2007.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and are in compliance with International Financial Reporting Standards.

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

Adoption of new standards

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new standards which became effective for the first time on 1 June 2018:
MFRS 9 *Financial Instruments*
MFRS 15 *Revenue From Contracts With Customers*

The adoption of these new standards did not have any material impact on the financial statements of the Fund except for those arising from the adoption of MFRS 9 as disclosed below. Other than the adoption of new accounting policies for financial instruments as disclosed below, the Fund did not change its accounting policies or make retrospective adjustments as a result of adopting the new standards.

MFRS 9 *Financial Instruments*

MFRS 9 replaces the provisions of MFRS 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement, as well as derecognition of financial instruments, impairment of financial assets and hedge accounting. As permitted by the transitional provision of MFRS 9, comparative information has not been restated. The impact arising from the adoption of MFRS 9 is as follows:

(i) Classification and measurement

MFRS 9 requires all financial assets, other than equity instruments and derivatives, to be classified on the basis of two criteria, namely the entity's business model for managing the assets, as well as the instruments' contractual cash flow characteristics. Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and profit. If the financial assets are held within a business model whose objective is achieved by both selling financial assets and collecting contractual cash flows that are solely payments of principal and profit, the assets are measured at fair value through other comprehensive income ("FVOCI"). Any financial assets that are not measured at amortised cost or FVOCI are measured at fair value through profit or loss ("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.

Upon the adoption of MFRS 9 on 1 June 2018, the Fund's investment in the Target Fund continues to be measured at FVTPL.

There is no impact on the Fund's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and the Fund does not have any such liabilities.

(ii) Impairment

The loan loss impairment methodology is fundamentally changed under MFRS 9 as it replaces MFRS 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. The impairment requirements based on ECL approach is applicable for debt financial assets not held at FVTPL. The allowance for expected losses are determined based on the expected credit losses associated with the probability of default ("PD") in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the lifetime of the asset.

The Fund has established a policy to perform an assessment at the end of each reporting period of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument. To calculate ECL, the Fund has estimated the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e. the difference between the contractual cash flows that are due to the Fund under the contract and the cash flows that the Fund expect to receive, discounted at the effective profit rate of the financial asset.

There was no ECL impact on the Fund's financial assets at amortised cost upon the adoption of MFRS 9 on 1 June 2018 or during the current financial year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

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.

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 which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted Ringgit Malaysia as its presentation currency.

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 Ringgit Malaysia at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

Statement of cash flows

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

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

Distribution

Distributions are at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved.

Unitholders' capital

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

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 plus, in the case of financial assets not recorded at fair value through profit or loss, 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 fair value through profit or loss, 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.

Financial assets – classification and subsequent measurement

The Fund subsequently measures its investment in collective investment scheme at FVTPL. Distributions earned whilst holding the investment in collective investment scheme is recognised in profit or loss when the right to the payment has been established. Gains and losses on the investment in collective investment scheme, realised and unrealised, are included in profit or loss.

Financial instruments under MFRS 9

(i) Classification and measurement

The classification of financial assets depends on the Fund's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cash flow characteristics of the financial instruments ("SPPP test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPP test determines whether the contractual cash flows are solely for payments of principal and profit and the assessment is performed on a financial instrument basis.

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

Financial assets at amortised cost
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The Fund includes in this category deposits with financial institutions, cash at banks, amounts due from Target Fund Manager, amount due from the Manager 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 interest on the outstanding principal.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these 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 fair value to profit or loss ("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 of such instrument is recorded separately 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.

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 holder. 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.

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.

(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.

Financial instruments - expected credit losses

The Fund assesses on a forward-looking basis the expected credit losses ("ECL") associated with its financial assets at amortised cost. The Fund recognise a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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.

Determination of fair value

For the Shariah-compliant investment in collective investment scheme, fair value is determined based on the closing net asset value per unit of the foreign collective investment scheme. The difference between 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.

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 fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

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 unitholders' cancellation of units.

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

4. SHARIAH-COMPLIANT INVESTMENT

	2019 RM	2018 RM
Financial assets at FVTPL		
At cost:		
Foreign collective investment scheme	305,578,959	364,273,026
At fair value:		
Foreign collective investment scheme	309,335,476	350,479,968

Details of Shariah-compliant investment as at 31 May 2019 are as follows:

Foreign collective investment scheme	Number of units	Fair value RM	Purchase cost RM	Fair value as a percentage of net asset value %
DWS Noor Precious Metals Securities Fund ("Target Fund")	132,528,189	309,335,476	305,578,959	95.19
Excess of fair value over cost		3,756,517		

A minimum of 95% of its net asset value will be invested in the Target Fund. However, the asset allocation may be reduced due to creation of units at the point of reporting date. The ratio will be adjusted back to the minimum level after the reporting year, if need be.

The Target Fund's Shariah-compliant investment objective and policy is to achieve capital appreciation in the medium to long-term by investing in a portfolio of Shariah-compliant equity-related securities (including, without limitation, depository receipts and convertible securities, but excluding preferred shares, bonds, convertible bonds and warrants) listed or traded on recognised exchanges, of companies engaged in activities related to gold, silver, platinum or other precious metals or minerals. As at the reporting date, the Shariah-compliant investment portfolio of the Target Fund is made up of the following:

By country	**2019 % of portfolio**	**2018 % of portfolio**
Canada	44.0	38.2
Australia	20.1	16.6
United States	13.3	14.9
South Africa	5.5	-
Ghana	4.4	-
Mali	-	5.9
Mexico	-	4.4
Jersey	-	-
Other countries	8.0	15.8
Cash and others	4.8	4.2
	100.0	100.0

By sector		
Gold	78.8	81.7
Silver	8.4	7.6
Precious metals and minerals	8.0	6.4
Cash and others	4.8	4.3
	100.0	100.0

5. NET AMOUNT DUE FROM MANAGER

	2019 RM	2018 RM
Net creation of units*	920,579	3,421,629
Manager's fee payable	(327,657)	(380,346)
	592,922	3,041,283

* The amount represents net amount receivable from the Manager for units created.

As the Fund is investing in a target fund, the Manager's fee was charged as follows:

	2019 % p.a.	2018 % p.a.
Manager's fee charged by the Target Fund Manager, on the net asset value of the Target Fund (Note a)	0.75	0.75
Manager's fee charged by the Manager, on the net asset value of investment in the Target Fund (Note b)	1.05	1.05
Manager's fee charged by the Manager, on the remaining net asset value of the Fund (Note b)	1.80	1.80

Note a) The Fund's share of manager's fee to the Target Fund Manager has been accounted for as part of net unrealised changes in fair value of Shariah-compliant investment in foreign collective investment scheme.

Note b) The Manager's fee of the Fund chargeable in the Statement of Comprehensive Income relates to 1.05% on the net asset value of investment in the Target Fund and 1.80% on the remaining net asset value of the Fund.

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

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

6. DEPOSIT WITH FINANCIAL INSTITUTION

	2019 RM	2018 RM
At nominal value:		
Short-term deposit with a licensed Islamic bank	15,078,000	5,049,000
At carrying value:		
Short-term deposit with a licensed Islamic bank	15,079,198	5,049,443

Details of deposit with financial institution as at 31 May 2019 are as follows:

Maturity date	Bank	Nominal value RM	Carrying value RM	Purchase cost RM	Carrying value as a percentage of net asset value %
Short-term deposit with a licensed Islamic bank					
03.06.2019	Maybank Islamic Berhad	15,078,000	15,079,198	15,078,000	4.64

The weighted average effective profit rate and average remaining maturity of short-term deposit is as follows:

	Weighted average effective profit rate		Remaining maturity	
	2019 %	2018 %	2019 Days	2018 Day
Short-term deposit with a licensed Islamic bank	2.90	3.20	3	1

7. **AMOUNT DUE TO TRUSTEE**

Trustee's fee is at a rate of 0.06% (2018: 0.06%) per annum on the net asset value of the Fund, calculated on a daily basis.

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

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

	2019 RM	2018 RM
Net gain/(loss) on financial assets at FVTPL comprised:		
− Net realised (loss)/gain on sale of Shariah-compliant investment	(2,824,167)	8,386,777
− Net realised losses on foreign currency exchange	(5,376,996)	(21,142,331)
− Net unrealised (loss)/gain on changes in fair value of Shariah-compliant investment	(2,233,671)	11,860,469
− Net unrealised gain/(loss) on foreign currency fluctuation of Shariah-compliant investment denominated in foreign currency	19,783,246	(12,254,084)
	9,348,412	(13,149,169)

9. TOTAL EQUITY

Total equity is represented by:

	Note	2019 RM	2018 RM
Unitholders' capital	(a)	543,245,504	588,448,349
Accumulated losses			
− Realised losses	(b)	(222,021,124)	(210,317,872)
− Unrealised gain/(loss)	(c)	3,756,517	(13,793,058)
		324,980,897	364,337,419

(a) UNITHOLDERS' CAPITAL/UNITS IN CIRCULATION

	2019		2018	
	Number of units	RM	Number of units	RM
At beginning of the financial year	963,956,702	588,448,349	923,521,219	585,146,699
Creation during the financial year	1,557,123,278	573,905,258	2,228,531,230	881,042,355
Cancellation during the financial year	(1,659,520,616)	(619,108,103)	(2,188,095,747)	(877,740,705)
At end of the financial year	861,559,364	543,245,504	963,956,702	588,448,349

(b) REALISED – DISTRIBUTABLE

	2019 RM	2018 RM
At beginning of the financial year	(210,317,872)	(193,044,342)
Total comprehensive income/(loss) for the financial year	5,846,323	(17,706,845)
Net unrealised (gain)/loss attributable to Shariah-compliant investment held and others transferred to unrealised reserve [Note 9(c)]	(17,549,575)	433,315
Net decrease in realised reserve for the financial year	(11,703,252)	(17,273,530)
At end of the financial year	(222,021,124)	(210,317,872)

(c) **UNREALISED – NON-DISTRIBUTABLE**

	2019 RM	2018 RM
At beginning of the financial year	(13,793,058)	(13,359,743)
Net unrealised gain/(loss) attributable to Shariah-compliant investment held and others transferred from realised reserve [Note 9(b)]	17,549,575	(433,315)
At end of the financial year	3,756,517	(13,793,058)

10. UNITS HELD BY RELATED PARTIES

The Manager and parties related to the Manager did not hold any units in the Fund as at 31 May 2019 and 31 May 2018.

11. INCOME TAX

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

Pursuant to Schedule 6 of the Income Tax Act, 1967, local profit income derived by the Fund is exempted from tax.

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

	2019 RM	2018 RM
Net income/(loss) before tax	5,846,323	(17,706,845)
Taxation at Malaysian statutory rate of 24% (2018: 24%)	1,403,118	(4,249,643)
Tax effects of:		
Income not subject to tax	(4,799,605)	(4,917,101)
Loss not deductible for tax purposes	2,504,360	8,024,667
Restriction on tax deductible expenses for unit trust fund	757,835	915,991
Non-permitted expenses for tax purposes	50,088	124,309
Permitted expenses not used and not available for future financial years	84,204	101,777
Tax expense for the financial year	-	-

12. DISTRIBUTION

No distribution was declared by the Fund for the financial years ended 31 May 2019 and 31 May 2018.

13. MANAGEMENT EXPENSE RATIO ("MER")

The Fund's MER is as follows:

	2019 % p.a.	2018 % p.a.
Manager's fee	1.07	1.08
Trustee's fee	0.06	0.06
Fund's other expenses	0.02	0.08
Total MER	1.15	1.22

The MER of the Fund is the ratio of the sum of annualised fees and expenses incurred by the Fund to the average net asset value of the Fund calculated on a daily basis.

14. 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 net asset value of the Fund calculated on a daily basis, is 1.00 times (2018: 1.24 times).

15. SEGMENTAL REPORTING

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 95% of the Fund's net asset value 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. A summary of the Shariah-compliant investment portfolio of the Target Fund is disclosed in Note 4.

16. TRANSACTIONS WITH THE TARGET FUND MANAGER

Details of transactions with the Target Fund Manager for the financial year ended 31 May 2019 are as follows:

Target Fund Manager	**Transaction value** **RM**	 **%**
DWS Investments Singapore Limited	647,373,696	100.00

There was no transaction with financial institutions related to the Manager, during the financial year.

The above transactions were in respect of Shariah-compliant collective investment scheme. Transactions in this Shariah-compliant investment do not involve any commission or brokerage.

17. **FINANCIAL INSTRUMENTS**

(a) **Classification of financial instruments**

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

	Financial assets at FVTPL RM	**Financial assets at amortised cost RM**	**Financial liabilities at amortised cost RM**	**Total RM**
2019				
Assets				
Shariah-compliant investment	309,335,476	-	-	309,335,476
Net amount due from Manager	-	592,922	-	592,922
Deposit with financial institution	-	15,079,198	-	15,079,198
Cash at banks	-	2,760	-	2,760
Total financial assets	309,335,476	15,674,880	-	325,010,356
Liabilities				
Amount due to Trustee	-	-	16,195	16,195
Sundry payables and accrued expenses	-	-	13,264	13,264
Total financial liabilities	-	-	29,459	29,459

	Financial assets at FVTPL RM	**Receivables at amortised cost RM**	**Financial liabilities at amortised cost RM**	**Total RM**
2018				
Assets				
Shariah-compliant investment	350,479,968	-	-	350,479,968
Amount due from Target Fund Manager	-	3,041,283	-	3,041,283
Deposit with financial institution	-	5,049,443	-	5,049,443

(Forward)

	Financial assets at FVTPL RM	Receivables at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
2018				
Assets				
Cash at banks	-	5,824,940	-	5,824,940
Total financial assets	350,479,968	13,915,666	-	364,395,634
Liabilities				
Amount due to Trustee	-	-	18,865	18,865
Sundry payables and accrued expenses	-	-	39,350	39,350
Total financial liabilities	-	-	58,215	58,215

	Income, expense, gains and losses	
	2019 RM	2018 RM
Net gain/(loss) from financial assets at FVTPL	9,348,412	(13,149,169)
Income, of which derived from:		
− Profit income from financial assets/receivables at amortised cost	215,108	240,675
− Other unrealised foreign exchange loss	-	(39,700)

(b) **Financial instruments that are carried at fair value**

The Fund's financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable; either directly or indirectly; or

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2019				
Financial assets at FVTPL	-	309,335,476	-	309,335,476
2018				
Financial assets at FVTPL	-	350,479,968	-	350,479,968

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

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

- Net amount due from Manager
- Deposit with financial institution
- Cash at banks
- Amount due to Trustee
- Sundry payables and accrued expenses

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

18. RISK MANAGEMENT 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 and non-compliance/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’s Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

Market risk

Market risk, in general, is the risk that the value of a portfolio would decrease due to changes in market risk factors such as equity prices, profit rates, foreign exchange rates and commodity prices.

(i) **Price risk**

Price risk refers to the uncertainty of an investment’s future prices. In the event of adverse price movements, the Fund might endure potential loss on its Shariah-compliant investment in the Target Fund. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

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

Percentage movements in price by:	**Sensitivity of the Fund's NAV**	
	2019	**2018**
	RM	**RM**
-5.00%	(15,466,774)	(17,523,998)
+5.00%	15,466,774	17,523,998

(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.

The result below summarised the profit rate sensitivity of the Fund's NAV, or theoretical value (applicable to Islamic money market deposit) due to the parallel movement assumption of the yield curve by +100bps and -100bps respectively:

Parallel shift in yield curve by:	**Sensitivity of the Fund's NAV, or theoretical value**	
	2019	**2018**
	RM	**RM**
+100bps	(1,199)	(133)
-100bps	1,210	135

(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.

The result below summarised the currency risk sensitivity of the Fund's NAV due to appreciation/depreciation of the Fund's functional currency against currencies other than the Fund's functional currency:

Percentage movements in currencies other than the Funds's functional currency:	**Sensitivity of the Fund's NAV**	
	2019	**2018**
	RM	**RM**
-5.00%	(15,466,774)	(17,524,002)
+5.00%	15,466,774	17,524,002

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

	2019		2018	
Assets denominated in United States Dollar	**RM equivalent**	**% of net asset value**	**RM equivalent**	**% of net asset value**
Shariah-compliant investment	309,335,476	95.19	350,479,968	96.20
Cash at bank	-	-	80	-*
	309,335,476	95.19	350,480,048	96.20

* represents less than 0.01%

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

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

For deposit with financial institution, the Fund makes placements with financial institutions with sound rating of P1/MARC-1 and above. Cash at bank is held for liquidity purposes and is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is defined as the risk of being unable to raise funds or financing to meet payment obligations as they fall due. This is also the risk of the Fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavourable prices to meet redemption requirements.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unitholders. Liquid assets comprise 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.

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

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 net asset value. 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.

Regulatory risk

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

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 net asset value of the Fund may be adversely affected.

Management risk

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the net asset value of the Fund.

Non-compliance/Shariah non-compliance risk

This is the risk of the Manager, the Trustee or the Fund not complying with internal policies, the Deed of the Fund, securities law or guidelines issued by the regulators. In the case of an Islamic Fund, this includes the risk of the Fund not conforming to Shariah Investment Guidelines. Non-compliance risk may adversely affect the Shariah-compliant investment of the Fund when the Fund is forced to rectify the non-compliance.

The specific risks associated to the Target Fund include market risk, securities risk, emerging market risk, settlement and credit risks, regulatory and accounting standards risks, political risk, custody risk and liquidity risk.

19. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maximises unitholders' value by expanding its fund size to benefit from economies of scale and achieving growth in net asset value from the performance of its Shariah-compliant investment.

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

No changes were made in the objective, policies or processes during the financial years ended 31 May 2019 and 31 May 2018.

STATEMENT BY THE MANAGER

I, **GOH WEE PENG**, for and on behalf of the Manager, AmFunds Management Berhad, for **Precious Metals Securities** do hereby state that in the opinion of the Manager, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and the accompanying notes are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 May 2019 and the comprehensive income, the changes in equity and cash flows of the Fund for the financial year then ended.

GOH WEE PENG
For and on behalf of the Manager
AmFunds Management Berhad

Kuala Lumpur, Malaysia
12 July 2019

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF PRECIOUS METALS SECURITIES

We have acted as Trustee for Precious Metals Securities (the "Fund") for the financial year ended 31 May 2019. To the best of our knowledge, for the financial year under review, AmFunds Management Berhad (the "Manager") has operated and managed the Fund in accordance with the following:-

a) limitations imposed on the investment powers of the Manager under the Deed(s), the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;

b) valuation and pricing for the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and

c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur
12 July 2019

REPORT OF THE SHARIAH ADVISER TO THE UNITHOLDERS

of Precious Metals Securities

For The Financial Year Ended 31 May 2019

We have acted as the Shariah Adviser of **Precious Metals Securities**. Our responsibility is to ensure that the procedures and processes employed by AmIslamic Funds Management Sdn Bhd and that the provisions of the AmMaster Deed dated 20 September 2007 are in accordance with Shariah principles.

In our opinion, AmIslamic Funds Management Sdn Bhd has managed and administered **Precious Metals Securities** in accordance with Shariah principles and complied with applicable guidelines, rulings or decisions issued by the Securities Commission (SC) pertaining to Shariah matters. We confirm that the investment portfolio of the Fund comprises securities and/or instruments which have been classified as Shariah compliant by the Shariah Advisory Council (SAC) of the SC and/or Shariah Advisory Council (SAC) of Bank Negara Malaysia (BNM), where applicable. For securities and/or instruments which are not classified as Shariah-compliant by the SAC of the SC and/or SAC of BNM, we have determined that such securities and/or instruments are in accordance with Shariah principles and have complied with the applicable Shariah guidelines.

For Amanie Advisors Sdn Bhd

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Datuk Dr Mohd Daud Bakar
Executive Chairman

12 July 2019

DIRECTORY

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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.)

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AmFunds Management Berhad (154432-A)