Precious Metals Securities

September 2022

3-year Fund Volatility
34.9
Very High
Lipper Analytics
29 Jul 2022

Precious Metals Securities (the "Fund") aims to achieve capital appreciation by investing in a portfolio of global Shariah-compliant equity and Shariah-compliant equity-related securities (including, without limitation, Islamic depository receipts, but excluding Shariah-compliant preferred shares and sukuk), of companies engaged in activities (exploration, mining and processing) related to gold, silver, platinum or other precious metals or minerals.

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

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

Investment Strategy
- A minimum of 95% of the Fund's NAV will be invested in the share class denominated in USD of the DWS Noor Precious Metals Securities Fund (Target Fund).

Asset Allocation

DWS Noor Precious Metals Securities Fund	96.34%
Money market deposits and cash equivalents	3.66%

Source: AmFunds Management Berhad

Fund Details

Fund Category / Type	Feeder (Global Islamic equity) / Growth
Fund Launch Date	15 November 2007
Offer Price at Launch	MYR 1.0000
NAV Per Unit (31 Aug 2022)	MYR 0.4068
1-year NAV High (31 Aug 2022)	MYR 0.6025 (14 Apr 2022)
1-year NAV Low (31 Aug 2022)	MYR 0.3994 (26 Jul 2022)
Total Units (31 Aug 2022)	395.52 million
Fund Size (31 Aug 2022)	MYR 160.91 million
Annual Management Fee	Up to 1.80% p.a. of the NAV of the Fund
Annual Trustee Fee	Up to 0.08% p.a. of the NAV of the Fund
Entry Charge	Up to 5.00% of the NAV per unit for cash sales
Exit Fee	Up to 1.00% of the NAV per unit if redeemed within 90 days of purchase
Redemption Payment Period	Within ten (10) Business Days of receiving the redemption request.
Investment Manager	AmIslamic Funds Management Sdn Bhd
Income Distribution	Income distribution (if any) will be reinvested.

Source: AmFunds Management Berhad

Target Fund Manager's Commentary (as at 31 July 2022)

During the month of July, Palladium, Silver, and Platinum each had positive returns of 9.84%, 0.39%, and 0.30%, respectively. Gold was the only precious metal that had a negative return of -2.29%. Gold and precious metals equities, as measured by the S&P BMI Gold and Precious Metals Index (non-Sharia compliant), lost -5.10% during the period. Gold ETFs had net outflows of -3.02mm oz, or about -2.9% of total known gold ETFs.

Gold struggles for direction as inflation remains at the forefront Precious Metals ended the month lower despite a strong bounce off the lows in mid-July. Gold prices fell sharply to start the month, sagging under the weight of hawkish Central Banks and worries that increasingly large interest rate hikes might be deemed appropriate by the Fed due to ongoing inflation. Strong jobs data and accelerating CPI fueled concerns that the Fed might increase rates by a full percentage-point at its July meeting. Yields rose and the US Dollar strengthened putting immense pressure on gold, driving it to the lowest levels since the depths of the COVID-driven market panic in March of 2020. Exacerbating the move lower, gold ETF liquidation gathered steam during the month and current ETF gold holdings have reverted to the level last seen in June 2020. Gold prices recovered as economic data later in the month pointed to a potential economic slowdown that could remove some of the justification for higher rates. Silver outperformed gold, likely drawing support from the broader recovery in industrial metals given its dual nature as a precious and industrial commodity. Near-term, we expect gold to trade in a narrow range, exhibiting less sensitivity to geopolitical headline news, inflation and movements in real rates and the USD. We expect gold to find additional support going forward as our house-view is for USD strength peaking and beginning to decline over the next 12-months.

Additionally, recent yield curve movements suggest that the fixed income market has largely priced-in aggressive Fed tightening, and more recent data sees the rates situation developing less bearishly for gold. In the medium to longer-term, the fundamental case for the metal remains intact as global economic uncertainty remains and we believe gold will find support as the Fed gradually shifts to focus on both aspects of its dual mandate, rather than a singular focus on bringing down inflation. Elsewhere, within the complex, we would note that the expected disruption of Russian palladium has not been realized. Palladium did end July higher, benefitting from the bounce in sentiment and price recovery in broader industrial metals. Fundamentally, we note that demand conditions in the automotive sector continue to face headwinds, particularly in developed markets. Data on EU auto sales showed the weakest June sales figure since 1996. Additionally, auto manufacturing industry commentary implies a hesitancy to return production to more normal levels given the ongoing concerns about a regional slowdown in macroeconomic conditions. Physical market conditions continue to point to ample supply and limited anxiety of acquiring required volumes by automakers. Within the Platinum Group Metals (PGM) space, platinum and palladium will likely remain sensitive to developments in the Russia/Ukraine conflict and developments in the nascent auto recovery.

Concerns over recession have joined ongoing geopolitical risks as reasons to hold gold. Central bank demand to remain robust. In Europe, recent developments in energy flows to the continent have largely borne out fears that Russia would restrict energy supply in response to sanctions. The downstream effect has been that energy and power prices have increased drastically for European consumers and industries, increasing inflationary pressures and fueling fears about a broad-based slowdown in activity. Governments across Europe have begun to implement plans to cut power consumption and look for alternatives to Russian-supplied energy, though there appear to be few easy solutions. In the US, persistently hot inflation has forced the Fed's hand, requiring jumbo-sized hikes in an attempt to bring back price stability. The size and pace of the hikes have cast doubt about the Fed's ability to bring inflation back in-line without triggering a recession. These risks are likely to keep asset prices under pressure and should support continued interest in gold as part of a diversified portfolio. Another source of potential support for gold comes in the form of increased Central Bank buying. World Gold Council's quarterly survey showed a strong sequential increase in official sector purchases with second quarter purchases doubling first quarter. We expect official sector purchases to continue to help sentiment as 25% of surveyed Central Banks planned to increase their gold reserves with none indicating they intended to reduce exposure.

Gold miners' cash flows remain resilient in the face of rising costs, making the case for continued allocations. Inflation continues to rampage through the sector with mining and capital cost pressure causing producers to revise up cost guidance and increase capital budgets. Recent developments in energy markets, where oil prices have come off recent highs, may point to some relief; but the overall picture remains challenged. Costs for consumables such as tires and explosives are still running hot and high commodity prices have emboldened workers and governments to demand a larger share of the pie, increasing labor costs and tax burdens. In the context of this environment, the work companies have done to control costs becomes even more valuable. Despite falling gold prices and rising costs, miners are still generally expected to produce positive free cash flow and continue shareholder distributions. We continue to believe this resiliency is a key difference between the current environment and prior cycles that should drive additional allocations to gold mining equities. Lastly, an offset for rising cost inflation is production growth, or put differently, more ounces of gold over which to spread the costs to produce them. The types of companies we seek to invest in are closest to this production growth and the natural cost deflation that accompanies it. As a result, we believe these companies will prove most resilient to the current environment and have the most potential to outperform the broader universe. Gold continues to benefit from elevated geopolitical risk conditions, though rate and currency headwinds have taken center stage. Hotter-than-expected inflation data has resulted in aggressive actions by Central Banks which have reduced expectations for future inflation and demand for inflation hedges, such as gold. We expect Gold price volatility to increase as markets assess how far the Fed will in balancing the shock of policy changes on risk markets and the urgent need to reign in consumer price inflation. Forward markets have begun to price an end to Fed tightening and a lower terminal rate than a few months ago. A continuation of this trend or a change in language by the Fed that hints toward building concerns about an economic slowdown could be a positive catalyst for gold. We also foresee additional gold price volatility as monetary policy measures across global Central Banks diverge in the near-term. We currently favor gold exposure through a combination of gold miners and royalty companies over exposure to platinum, palladium and silver miners. During the month of July, the Target Fund lost -8.57% in USD. The top 3 individual contributors to the Target Fund were Northern Star Resources Ltd, Centamin plc, and Gold Road Resources Ltd. The top 3 detractors were Newmont Corporation, Barrick Gold Corporation, and Agnico Eagle Mines Limited.

Source: DWS

Target Fund's Top 5 Holdings (as at 31 July 2022)

Franco-Nevada Corp	9.80%
Barrick Gold Corp	8.78%
Agnico Eagle Mines Ltd	8.74%
Newmont Corp	7.82%
Gold Fields Ltd	4.99%

Source: DWS

Target Fund's Sector Allocation* (as at 31 July 2022)

Gold	84.14%
Precious Metals & Minerals	8.82%
Cash & Other Assets	5.15%
Silver	1.89%

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

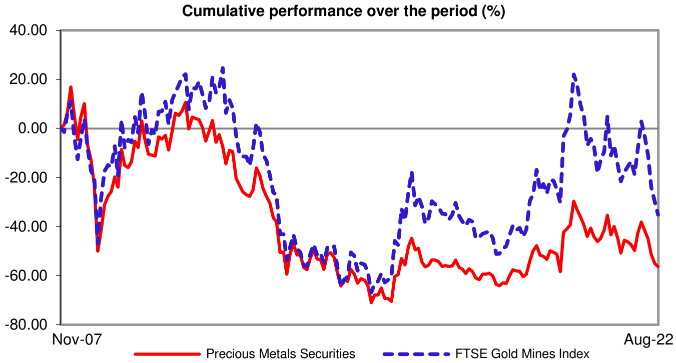
Target Fund's Country Allocation* (as at 31 July 2022)

Canada	44.41%
South Africa	18.15%
United States	12.79%
Australia	10.24%
Cash & Other Assets	5.15%
Jersey	3.39%
Ghana	2.79%
United Kingdom	2.20%
Mexico	0.88%

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

Fund Performance (as at 31 August 2022)

Cumulative performance over the period (%)



The value of units may go down as well as up. Past performance is not indicative of future performance.
Source: AmFunds Management Berhad

Performance Data (as at 31 August 2022)

	1 m	6 m	1 yr	3 yrs	5 yrs
Fund (%)	-2.61	-23.82	-20.90	-16.19	-5.53
*Benchmark (%)	-7.33	-29.21	-23.91	-21.95	-6.79

*FTSE Gold Mines Index
Source Benchmark: *AmFunds Management Berhad
Source Fund Return : Novagni Analytics and Advisory Sdn. Bhd.
The Fund Performance is calculated based on NAV-to-NAV using Time Weighted Rate of Return ("TWRR") method

Calendar Year Return

	2021	2020	2019	2018	2017
Fund (%)	-11.45	18.45	25.22	-6.26	-3.28
*Benchmark (%)	-9.73	21.11	39.73	-9.72	-1.24

*FTSE Gold Mines Index
Source Benchmark: *AmFunds Management Berhad
Source Fund Return : Novagni Analytics and Advisory Sdn. Bhd.
The Fund Performance is calculated based on NAV-to-NAV using Time Weighted Rate of Return ("TWRR") method

Most Recent Income Distribution History

Year	2021	2020	2019	2018	2017
Total Payout per unit (Sen)	N/A	N/A	N/A	N/A	N/A

Source: AmFunds Management Berhad

Disclaimer

Based on the Fund's portfolio returns as at 29 July 2022, the Volatility Factor ("VF") for this Fund is 34.9 and is classified as "Very High" (Source: Lipper). "Very High" includes funds with VF that are more than 17.635 (Source: Lipper).The VF means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class ("VC") is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

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The Fund's units will only be issued upon receipt of the complete application form accompanying the Prospectus(es). Past performance of the Fund is not an indication of its future performance. The Fund's unit prices and income distribution payable, if any, may rise or fall. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the Net Asset Value ("NAV") per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Please be advised that where a unit split is declared, the value of investor's investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units.

Investments in the Fund are exposed to industry specific risk, currency risk, risk of a passive strategy, risk of not meeting the Fund's investment objective, Shariah non-compliance risk and counterparty credit risk. Please refer to the Prospectus(es) for detailed information on the specific risks of the fund(s). Investors are advised to consider these risks and other general risk elaborated, as well as the fees, charges and expenses involved. While our Shariah-compliant fund(s) have been structured to conform to Shariah principles, investors should seek their own independent Shariah advice prior to investing in any of our Shariah-compliant fund(s).

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