

Semi-Annual Report for

Precious Metals Securities

30 November 2018



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

Board of Directors

Dato' Mustafa Bin Mohd Nor
Tai Terk Lin
Sum Leng Kuang
Seohan Soo
Goh Wee Peng

Investment Committee

Sum Leng Kuang
Tai Terk Lin
Dato' Mustafa Bin Mohd Nor
Zainal Abidin Bin Mohd Kassim
Goh Wee Peng

Shariah Adviser

Amanie Advisors Sdn Bhd

Investment Manager

AmIslamic Funds Management Sdn Bhd

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of Precious Metals Securities ("Fund") for the financial period from 1 June 2018 to 30 November 2018.

Salient Information of the Fund

Name	Precious Metals Securities ("Fund")				
Category/Type	Feeder (Global Islamic equity) / Capital growth				
Name of Target Fund	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.				
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: www.aminvest.com) <i>Note: The Fund adheres to the benchmark of the Target Fund. The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</i>				
Income Distribution Policy	Income distribution (if any) will be reinvested.				
Breakdown of Unit Holdings by Size	For the financial period under review, the size of the Fund stood at 959,771,959 units.				
	Size of holding	As at 30 November 2018		As at 31 May 2018	
		No of units held	Number of unitholders	No of units held	Number of unitholders
	5,000 and below	1,728,331	732	1,794,207	755
	5,001-10,000	2,523,841	362	2,681,022	385
	10,001-50,000	16,595,528	766	18,047,524	824
	50,001-500,000	45,033,699	348	50,464,084	399
	500,001 and above	893,890,560	38	890,969,865	41

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund for the financial period as at 30 November 2018 and three financial years as at 31 May are as follows:				
		As at 30-11-2018 %	FY 2018 %	FY 2017 %	FY 2016 %
	Foreign collective investment scheme	90.51	96.20	99.86	97.89
	Cash and others	9.49	3.80	0.14	2.11
	Total	100.00	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>				
Performance Details	Performance details of the Fund for the financial period ended 30 November 2018 and three financial years ended 31 May are as follows:				
		Half year ended 30-11-2018	FY 2018	FY 2017	FY 2016
	Net asset value (RM)*	328,411,917	364,337,419	378,742,614	239,428,628
	Units in circulation*	959,771,959	963,956,702	923,521,219	581,024,504
	Net asset value per unit (RM)*	0.3422	0.3780	0.4101	0.4121
	Highest net asset value per unit (RM)*	0.3902	0.4416	0.5328	0.4581
	Lowest net asset value per unit (RM)*	0.3210	0.3571	0.3641	0.2655
	Benchmark performance (%)	-9.65	-11.59	4.08	40.61
	Total return (%) ⁽¹⁾	-9.47	-7.83	-0.49	16.41
	- Capital growth (%)	-9.47	-7.83	-0.49	16.41
	- Income distribution (%)	-	-	-	-
	Gross distribution (sen per unit)	-	-	-	-
	Net distribution (sen per unit)	-	-	-	-
	Management expense ratio (%) ⁽²⁾	1.14	1.22	1.24	1.23
	Portfolio turnover ratio (times) ⁽³⁾	0.31	1.24	3.00	1.34
	* Above prices and net asset value per unit are not shown as ex-distribution.				
	<i>Note:</i>				
	<i>(1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.</i>				
	<i>(2) 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 0.08% as compared to 1.22% per annum for the financial year ended 31 May 2018 mainly due to decrease in expenses.</i>				

(3) Portfolio turnover ratio (“PTR”) is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The PTR decreased by 0.93 times (75.0%) 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 30 November 2018)

	Precious Metals Securities ^(a) %	FGMI ^(b) %
One year	-9.95	-13.76
Three years	6.26	11.86
Five years	-3.19	3.21
Ten years	-4.47	-3.09

Annual Total Return

Financial Years Ended (31 May)	Precious Metals Securities ^(a) %	FGMI ^(b) %
2018	-7.83	-11.59
2017	-0.49	4.08
2016	16.41	40.61
2015	-10.45	-1.68
2014	-14.36	-20.44

(a) Source: Novagni Analytics and Advisory Sdn Bhd.

(b) The FTSE Gold Mines Index (“FGMI”) (www.aminvest.com).

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

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

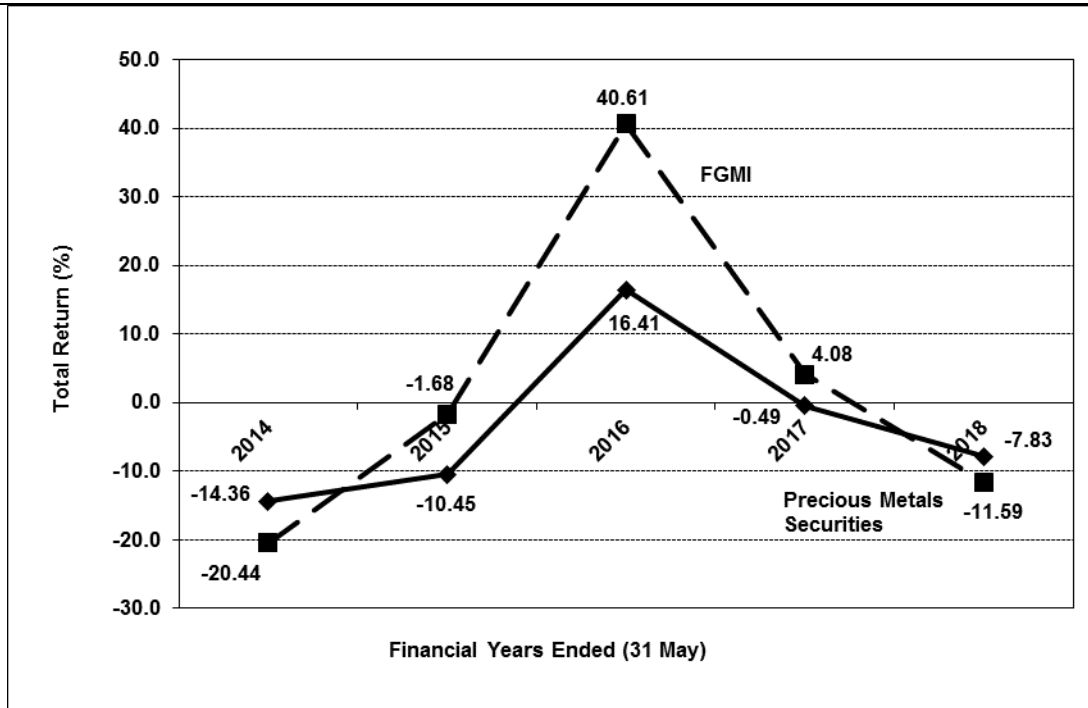
Fund Performance

For the financial period under review, the Fund registered a negative return of 9.47% which was entirely capital in nature.

Thus, the Fund’s negative return of 9.47% has outperformed the benchmark’s negative return of 9.65% by 0.18%.

As compared with the financial year ended 31 May 2018, the net asset value (“NAV”) per unit of the Fund decreased by 9.47% from RM0.3780 to RM0.3422, while units in circulation have decreased by 0.43% from 963,956,702 units to 959,771,959 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 – Deutsche 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 19.39%. Gold ended the period down -5.85% after a very volatile run. Platinum was next, down -11.90%, while Silver declined -13.63% during the period. The S&P BMI Gold and Precious Metals Index lost -14.03% while the fund declined -13.68%.

Note: Performances in USD.

Source: Deutsche Asset Management Investment GmbH (the Target Fund's investment manager)

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: Deutsche Asset Management Investment GmbH (the Target Fund's investment manager)

	<p>Strategies and Policies of the Fund</p> <p>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.</p>																
<p>Portfolio Structure</p>	<p>This table below is the asset allocation of the Fund for the financial period/year under review.</p> <table border="1" data-bbox="343 387 1461 616"> <thead> <tr> <th></th> <th>As at 30-11-2018 %</th> <th>As at 31-5-2018 %</th> <th>Changes %</th> </tr> </thead> <tbody> <tr> <td>Foreign collective investment scheme</td> <td>90.51</td> <td>96.20</td> <td>-5.69</td> </tr> <tr> <td>Cash and others</td> <td>9.49</td> <td>3.80</td> <td>5.69</td> </tr> <tr> <td>Total</td> <td>100.00</td> <td>100.00</td> <td></td> </tr> </tbody> </table> <p>As at 30 Nov 2018, the Fund has invested 90.51% of its NAV in the foreign collective investment scheme and the balance of 9.49% in cash and other net current assets. There have been no significant changes to the asset allocation since the last reporting.</p>		As at 30-11-2018 %	As at 31-5-2018 %	Changes %	Foreign collective investment scheme	90.51	96.20	-5.69	Cash and others	9.49	3.80	5.69	Total	100.00	100.00	
	As at 30-11-2018 %	As at 31-5-2018 %	Changes %														
Foreign collective investment scheme	90.51	96.20	-5.69														
Cash and others	9.49	3.80	5.69														
Total	100.00	100.00															
<p>Cross Trades</p>	<p>There are no cross trades for the Fund during this financial period under review.</p>																
<p>Distribution/ Unit splits</p>	<p>There was no income distribution and unit split declared for the financial period under review.</p>																
<p>State of Affairs</p>	<p>There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial year under review.</p> <p><i>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.</i></p>																
<p>Rebates and Soft Commission</p>	<p>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.</p> <p>During the financial period 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.</p>																
<p>Market Review</p>	<p>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 Fed followed through with the broadly expected rate increase and Gold’s reaction was initially to rise along with UST yields and the 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 \$1,300/oz level and triggered momentum selling that continued unabated until >\$20/oz was taken off the price. Following this close, a wave of selling continued to drive prices lower, ultimately closing the month just above \$1,250/oz, as investors appeared to heavily favor US Treasuries and traditional safe-haven currencies instead</p>																

of Gold as their risk hedge. July saw Gold experience its fourth consecutive monthly loss as well as a flirtation with the psychologically important \$1,200 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 ~\$1,201, 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 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 US Dollar 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. ETF's 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 \$1,182/oz before rebounding to end the month at \$1,192/oz. While sentiment is certainly not bullish, Gold does seem to be finding some support around (and just below) the \$1,200/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 \$1,192/oz, just below the psychologically important \$1,200/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 \$30/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 \$15/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 Fed 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.

	<i>Source: Deutsche Asset Management Investment GmbH (the Target Fund's investment manager)</i>
Market Outlook	<p>We continue to see risks skewed to the upside for Gold in the short to medium term. A reversal in the strengthening trend for the USD would remove a major headwind Gold has faced so far this year. Comments by Mr. Powell may indicate that the market is a bit “ahead of itself” when it comes to pricing future rate increases and the associated strength in yields and the USD that accompany them, a sign that the tightening cycle may be more uncertain moving forward. This uncertainty stems partially from increased inclusion and importance of observed macroeconomic data (in addition to forecasts, which have been used historically). In addition, the Fed has implemented a shift in rhetoric that focuses on moving more slowly when implementing future rate hikes as the environment has become more uncertain. These factors have combined to drive down expectations for rates moving forward, which should benefit Gold.</p> <p><i>Source: Deutsche Asset Management Investment GmbH (the Target Fund's investment manager)</i></p>
Additional Information	<p>The following information has been updated in the Second Supplementary of Master Prospectus dated 20 December 2018:</p> <ol style="list-style-type: none"> 1. Raja Maimunah Binti Raja Abdul Aziz has resigned from her position as a Non-Independent, Non-Executive Director for AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd with effect from 1st July 2018. 2. Seohan Soo has been appointed as a Non-Independent, Non-Executive Director for AmFunds Management Berhad and AmIslamic Funds Management Sdn Bhd with effect from 1st August 2018.

Kuala Lumpur, Malaysia
AmFunds Management Berhad

7 January 2019

Precious Metals Securities

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2018

	Note	30-11-2018 (unaudited) RM	31-5-2018 (audited) RM
ASSETS			
Shariah-compliant investment	4	297,233,386	350,479,968
Net amount due from Manager	5	21,711,970	3,041,283
Amount due from Target Fund Manager	6	4,918,327	-
Deposits with financial institutions	7	4,568,394	5,049,443
Cash at banks		2,888	5,824,940
TOTAL ASSETS		328,434,965	364,395,634
LIABILITIES			
Amount due to Trustee	8	15,190	18,865
Sundry payables and accrued expenses		7,858	39,350
TOTAL LIABILITIES		23,048	58,215
EQUITY			
Unitholders' capital	11(a)	583,588,996	588,448,349
Accumulated losses	11(b)(c)	(255,177,079)	(224,110,930)
TOTAL EQUITY	11	328,411,917	364,337,419
TOTAL EQUITY AND LIABILITIES		328,434,965	364,395,634
UNITS IN CIRCULATION	11(a)	959,771,959	963,956,702
NET ASSET VALUE PER UNIT		34.22 sen	37.80 sen

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

Precious Metals Securities

CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2018 TO 30 NOVEMBER 2018

	Note	1-6-2018 to 30-11-2018 RM	1-6-2017 to 30-11-2017 RM
SHARIAH-COMPLIANT INVESTMENT (LOSS)/INCOME			
Profit income		125,746	117,164
Net loss from Shariah-compliant investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	9	(29,286,341)	(17,838,401)
Other unrealised foreign exchange loss		(7,056)	(39,700)
Gross Loss		<u>(29,167,651)</u>	<u>(17,760,937)</u>
EXPENDITURE			
Manager’s fee	5	(1,788,711)	(2,133,935)
Trustee’s fee	8	(99,940)	(118,797)
Auditors’ remuneration – current financial period		(4,513)	(4,513)
Auditors’ remuneration – under provision in prior financial period		-	(2,000)
Tax agent’s fee		(1,905)	(1,905)
Other expenses	10	(3,429)	(159,506)
Total Expenditure		<u>(1,898,498)</u>	<u>(2,420,656)</u>
NET LOSS BEFORE TAX		(31,066,149)	(20,181,593)
LESS: INCOME TAX	13	-	-
NET LOSS AFTER TAX		(31,066,149)	(20,181,593)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u><u>(31,066,149)</u></u>	<u><u>(20,181,593)</u></u>
Total comprehensive loss comprises the following:			
Realised loss		(9,413,289)	(3,667,181)
Unrealised loss		(21,652,860)	(16,514,412)
		<u><u>(31,066,149)</u></u>	<u><u>(20,181,593)</u></u>

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

Precious Metals Securities

CONDENSED STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2018 TO 30 NOVEMBER 2018

	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 period		-	(20,181,593)	(20,181,593)
Creation of units		506,311,771	-	506,311,771
Cancellation of units		(482,964,131)	-	(482,964,131)
Balance at 30 November 2017		<u>608,494,339</u>	<u>(226,585,678)</u>	<u>381,908,661</u>
At 1 June 2018		588,448,349	(224,110,930)	364,337,419
Total comprehensive loss for the financial period		-	(31,066,149)	(31,066,149)
Creation of units	11(a)	226,752,203	-	226,752,203
Cancellation of units	11(a)	(231,611,556)	-	(231,611,556)
Balance at 30 November 2018		<u>583,588,996</u>	<u>(255,177,079)</u>	<u>328,411,917</u>

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

Precious Metals Securities

CONDENSED STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2018 TO 30 NOVEMBER 2018

	1-6-2018 to 30-11-2018 RM	1-6-2017 to 30-11-2017 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of Shariah-compliant investment	108,639,671	275,991,200
Profit received	125,746	117,164
Manager's fee paid	(1,852,257)	(2,141,359)
Trustee's fee paid	(103,615)	(120,361)
Payments for other expenses	(41,339)	(162,559)
Purchase of Shariah-compliant investment	(89,604,813)	(283,363,905)
	<u>17,163,393</u>	<u>(9,679,820)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	209,363,162	527,554,467
Payments for cancellation of units	(232,829,656)	(506,857,685)
	<u>(23,466,494)</u>	<u>20,696,782</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		
	(6,303,101)	11,016,962
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<u>10,874,383</u>	<u>7,085,294</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>4,571,282</u></u>	<u><u>18,102,256</u></u>
Cash and cash equivalents comprise:		
Deposits with financial institutions	4,568,394	18,099,762
Cash at banks	2,888	2,494
	<u><u>4,571,282</u></u>	<u><u>18,102,256</u></u>

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

Precious Metals Securities

NOTES TO THE CONDENSED 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 Deutsche Noor Precious Metals Securities Fund (“Target Fund”), which is a separate unit trust fund managed by 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 134: Interim Financial Reporting (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”).

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

Standards effective during the financial period

The adoption of MFRS which have been effective during the financial period did not have any material financial impact to the financial statements.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018. Retrospective application is required, but comparative information is not compulsory.

MFRS 9 will require 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 will be 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 shall be measured at fair value through other comprehensive income ("FVOCI"). Any financial assets that are not measured at amortised cost or FVOCI will be measured at fair value through profit or loss ("FVTPL"). MFRS 9 will also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or FVOCI as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL; nevertheless entities are allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to the profit or loss.

MFRS 9 will fundamentally change the impairment methodology for financial assets. The standard will replace 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 all debt financial assets not held at FVTPL, as well as loan commitments and financial guarantee contracts. The allowance for expected losses shall be determined based on the expected credit losses associated with the probability of default 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 plans to adopt MFRS 9 on the required effective date and, as permitted by the new standard, will not restate comparative information.

During the financial year, the Fund has performed a detailed impact assessment on all aspects of MFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Fund in financial year ending 31 May 2019 when the Fund will adopt MFRS 9.

Based on the detailed impact assessment, the adoption of MFRS 9 is not expected to result in any significant impact as the investment in collective investment scheme which is held for trading, will continue to be measured at FVTPL and is not subjected to the impairment requirements of MFRS 9. In addition, deposits with financial institutions, which are held for collection of contractual cash flows that are solely payments of principal and profit over their tenure, will continue to be measured at amortised cost.

There will be 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.

3. 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.

Distribution income is recognised when the Fund's right to receive payment is established. Profit income on Islamic short-term deposits is recognised on an accrual basis using the effective profit method.

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

Financial assets are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition, and the categories applicable to the Fund include financial assets at fair value through profit or loss ("FVTPL") and receivables.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading by the Fund include foreign Shariah-compliant collective investment scheme acquired principally for the purpose of selling in the near term.

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 fair value through profit or loss'. Profit earned element of such instrument is recorded separately in 'Profit income'. Exchange differences, if any, on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

For Shariah-compliant investment in foreign 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 the 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.

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.

(ii) Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as receivables.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective profit method. Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired, and through the amortisation process.

Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Receivables carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Fund considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective profit rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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 period.

4. SHARIAH-COMPLIANT INVESTMENT

	30-11-2018 RM	31-5-2018 RM
Financial assets at FVTPL		
At cost:		
Foreign collective investment scheme	<u>332,672,248</u>	<u>364,273,026</u>
At fair value:		
Foreign collective investment scheme	<u>297,233,386</u>	<u>350,479,968</u>

Details of Shariah-compliant investment as at 30 November 2018 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 %
Deutsche Noor Precious Metals Securities Fund ("Target Fund")	<u>143,700,887</u>	<u>297,233,386</u>	<u>332,672,248</u>	<u>90.51</u>
Shortfall of fair value over cost		<u>(35,438,862)</u>		

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 period, if need be.

5. NET AMOUNT DUE FROM MANAGER

	30-11-2018	31-5-2018
	RM	RM
Net creation of units*	22,028,770	3,421,629
Manager's fee payable	(316,800)	(380,346)
	<u>21,711,970</u>	<u>3,041,283</u>

* 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:

	1-6-2018 to	1-6-2017 to
	30-11-2018	30-11-2017
	% p.a.	% 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 Condensed 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 financial year and current financial period for creation and redemption of units is three business days.

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

6. AMOUNT DUE FROM/TO TARGET FUND MANAGER

The amount due from/to the Target Fund Manager were for the sale/purchase of Shariah-compliant investment where settlement were not due as at the financial period end.

The normal trade credit period is three business days.

7. DEPOSIT WITH FINANCIAL INSTITUTION

	30-11-2018	31-5-2018
	RM	RM
At nominal value:		
Short-term deposit with a licensed Islamic bank	<u>4,568,000</u>	<u>5,049,000</u>
At carrying value:		
Short-term deposit with a licensed Islamic bank	<u>4,568,394</u>	<u>5,049,443</u>

Details of deposit with financial institution as at 30 November 2018 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					
03.12.2018	CIMB Islamic Bank Berhad	<u>4,568,000</u>	<u>4,568,394</u>	<u>4,568,000</u>	<u>1.39</u>

8. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (2017: 0.06%) per annum on the net asset value of the Fund, calculated on a daily basis.

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

9. NET LOSS FROM SHARIAH-COMPLIANT INVESTMENT

	1-6-2018 to 30-11-2018	1-6-2017 to 30-11-2017
	RM	RM
Net loss on financial assets at FVTPL comprised:		
– Net realised (loss)/gain on sale of Shariah-compliant investment	(5,667,947)	3,900,426
(Forward)		

	1-6-2018 to 30-11-2018 RM	1-6-2017 to 30-11-2017 RM
– Net realised loss on foreign currency exchange	(1,972,590)	(5,264,115)
– Net unrealised loss on changes in fair value of Shariah-compliant investment	(40,783,040)	(1,899,815)
– Net unrealised gain/(loss) on foreign currency fluctuation of Shariah-compliant investment denominated in foreign currency	<u>19,137,236</u>	<u>(14,574,897)</u>
	<u><u>(29,286,341)</u></u>	<u><u>(17,838,401)</u></u>

10. OTHER EXPENSES

Included in other expenses is Goods and Services Tax incurred by the Fund during the financial period amounting to RM2 (2017: RM136,916).

11. TOTAL EQUITY

Total equity is represented by:

	Note	30-11-2018 RM	31-5-2018 RM
Unitholders' capital	(a)	583,588,996	588,448,349
Accumulated losses			
– Realised losses	(b)	(219,731,161)	(210,317,872)
– Unrealised losses	(c)	<u>(35,445,918)</u>	<u>(13,793,058)</u>
		<u><u>328,411,917</u></u>	<u><u>364,337,419</u></u>

(a) UNITHOLDERS' CAPITAL/UNITS IN CIRCULATION

	30-11-2018		31-5-2018	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	963,956,702	588,448,349	923,521,219	585,146,699
Creation during the financial period/year	626,838,532	226,752,203	2,228,531,230	881,042,355
Cancellation during the financial period/year	<u>(631,023,275)</u>	<u>(231,611,556)</u>	<u>(2,188,095,747)</u>	<u>(877,740,705)</u>
At end of the financial period/year	<u><u>959,771,959</u></u>	<u><u>583,588,996</u></u>	<u><u>963,956,702</u></u>	<u><u>588,448,349</u></u>

(b) **REALISED – DISTRIBUTABLE**

	30-11-2018	31-5-2018
	RM	RM
At beginning of the financial period/year	(210,317,872)	(193,044,342)
Total comprehensive loss for the financial period/year	(31,066,149)	(17,706,845)
Net unrealised loss attributable to Shariah-compliant investment held and others transferred to unrealised reserve [Note 11(c)]	21,652,860	433,315
Net decrease in realised reserve for the financial period/year	<u>(9,413,289)</u>	<u>(17,273,530)</u>
At end of the financial period/year	<u><u>(219,731,161)</u></u>	<u><u>(210,317,872)</u></u>

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

	30-11-2018	31-5-2018
	RM	RM
At beginning of the financial period/year	(13,793,058)	(13,359,743)
Net unrealised loss attributable to Shariah-compliant investment held and others transferred from realised reserve [Note 11(b)]	<u>(21,652,860)</u>	<u>(433,315)</u>
At end of the financial period/year	<u><u>(35,445,918)</u></u>	<u><u>(13,793,058)</u></u>

12. **UNITS HELD BY RELATED PARTIES**

The Manager and parties related to the Manager did not hold any units in the Fund as at 30 November 2018 and 31 May 2018.

13. **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 loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	1-6-2018 to 30-11-2018 RM	1-6-2017 to 30-11-2017 RM
Net loss before tax	<u>(31,066,149)</u>	<u>(20,181,593)</u>
Taxation at Malaysian statutory rate of 24% (2017: 24%)	(7,455,876)	(4,843,582)
Tax effects of:		
Income not subject to tax	(4,623,115)	(964,222)
Loss not deductible for tax purposes	11,623,352	5,226,847
Restriction on tax deductible expenses for unit trust fund	387,387	466,027
Non-permitted expenses for tax purposes	25,209	63,149
Permitted expenses not used and not available for future financial periods	<u>43,043</u>	<u>51,781</u>
Tax expense for the financial period	<u>-</u>	<u>-</u>

14. DISTRIBUTION

No distribution was declared by the Fund for the financial periods ended 30 November 2018 and 30 November 2017.

15. MANAGEMENT EXPENSE RATIO (“MER”)

The Fund’s MER is as follows:

	1-6-2018 to 30-11-2018 % p.a.	1-6-2017 to 30-11-2017 % p.a.
Manager’s fee	1.08	1.08
Trustee’s fee	0.06	0.06
Fund’s other expenses	<u>-*</u>	<u>0.08</u>
Total MER	<u>1.14</u>	<u>1.22</u>

* represents less than 0.01%

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.

16. 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 0.31 times (2017: 0.67 times).

17. 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.

18. TRANSACTIONS WITH THE TARGET FUND MANAGER

Details of transactions with the Target Fund Manager for the financial period 30 November 2018 are as follows:

Target Fund Manager	Transaction value	
	RM	%
Deutsche Asset Management (Asia) Limited	203,539,088	100.00

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

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.

19. 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.

(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.

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund and does not have a significant exposure to profit rate risk.

Domestic profit rates on deposits and placements with licensed financial institutions are determined based on prevailing market rates.

Although Islamic Fund does not deal with interest-bearing accounts and products, the fluctuation of profit rate may affect the performance of an Islamic Fund.

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

Assets denominated in United States Dollar	30-11-2018		31-5-2018	
	RM equivalent	% of net asset value	RM equivalent	% of net asset value
Shariah-compliant investment	297,233,386	90.51	350,479,968	96.20
Amount due from Target Fund Manager	4,918,327	1.50	-	-
Cash at bank	-	-	80	-*
	<u>302,151,713</u>	<u>92.01</u>	<u>350,480,048</u>	<u>96.20</u>

* 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 deposits with financial institutions, the Fund makes placements with financial institutions with sound rating of P1/MARC-1 and above. Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

Liquidity risk

Liquidity risk is defined as the risk of being unable to raise funds or borrowings 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.

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.

Precious Metals Securities

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 condensed statement of financial position, condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows and the accompanying notes are drawn up in accordance with Malaysian Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 November 2018 and the comprehensive income, the changes in equity and cash flows of the Fund for the half year then ended.

GOH WEE PENG

For and on behalf of the Manager
AmFunds Management Berhad

Kuala Lumpur, Malaysia
7 January 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 period ended 30 November 2018. To the best of our knowledge, for the financial period 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

Soon Lai Ching
Senior Manager, Trustee Operations

Ng Hon Leong
Head, Trustee Operations

Kuala Lumpur, Malaysia
7 January 2019

REPORT OF THE SHARIAH ADVISOR TO THE UNITHOLDERS

of Precious Metals Securities

For The Financial Period from 1 June 2018 to 30 November 2018

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

.....
Datuk Dr Mohd Daud Bakar
Executive Chairman

7 January 2019

DIRECTORY

Head Office 9th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan, 50200 Kuala Lumpur
Tel: (03) 2032 2888 Facsimile: (03) 2031 5210
Email: enquiries@aminvest.com

Postal Address AmFunds Management Berhad
P.O Box 13611, 50816 Kuala Lumpur

*For enquiries about this or any of the other Funds offered by AmFunds Management Berhad
Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),
Friday (8.45 a.m. to 5.00 p.m.)*

