

Semi-Annual Report for

Precious Metals Securities

30 November 2022



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

Jeyaratnam A/L Tamotharam Pillai
Dato' Mustafa Bin Mohd Nor
Tai Terk Lin
Ng Chih Kaye
Jas Bir Kaur A/P Lol Singh
Goh Wee Peng

Investment Committee

Jas Bir Kaur A/P Lol Singh
Dato' Mustafa Bin Mohd Nor
Izad Shahadi Bin Mohd Sallehuddin
Goh Wee Peng

Investment Manager

AmIslamic Funds Management Sdn Bhd

Shariah Adviser

Amanie Advisors Sdn Bhd

Trustee

Deutsche Trustees Malaysia Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of Precious Metals Securities ("Fund") for the financial period from 1 June 2022 to 30 November 2022.

Salient Information of the Fund

Name	Precious Metals Securities ("Fund")
Category/ Type	Feeder (Global Islamic Equity) / Growth
Name of Target Fund	DWS Noor Precious Metals Securities Fund
Fund Objective	<p>To achieve capital appreciation by investing in a portfolio of global Shariah-compliant equity and Shariah-compliant equity-related securities (including, without limitation, Islamic depository receipts, but excluding Shariah-compliant preferred shares and sukuk), of companies engaged in activities (exploration, mining and processing) related to gold, silver, platinum or other precious metals or minerals.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
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	<p>FTSE Gold Mines Index ("FGMI") (Available at www.aminvest.com)</p> <p><i>Note: The Fund adheres to the benchmark of the Target Fund. The risk profile of the performance benchmark is not the same as the risk profile of the Fund.</i></p> <p><i>Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). ©LSE Group 2022. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "FTSE Russell®", is a trade mark(s) of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.</i></p>
Income Distribution Policy	Income distribution (if any) will be reinvested.

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund as at 30 November 2022 and for the past three financial years are as follows:			
		As at 30.11.2022 %	As at 31 May	
			2022 %	2021 %
				2020 %
	Foreign collective investment scheme	96.72	95.59	94.41
	Money market deposits and cash equivalents	3.28	4.41	5.59
Performance Details	Total	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>			
	Performance details of the Fund for the financial period ended 30 November 2022 and three financial years ended 31 May are as follows:			
		Half year ended 30.11.2022	FY 2022	FY 2021
				FY 2020
	Net asset value (RM)	182,172,826	199,355,013	296,555,429
	Units in circulation	394,394,648	390,509,662	493,729,735
	Net asset value per unit (RM)	0.4619	0.5105	0.6006
	Highest net asset value per unit (RM)	0.5177	0.6064	0.6723
	Lowest net asset value per unit (RM)	0.3742	0.4574	0.4839
	Benchmark performance (%)	-14.70	-15.13	5.07
	Total return (%) ⁽¹⁾	-9.52	-15.00	9.20
	- Capital growth (%)	-9.52	-15.00	9.20
	Total expense ratio (%) ⁽²⁾	0.58	1.14	1.17
	Portfolio turnover ratio (times) ⁽³⁾	0.02	0.24	1.15
	<i>Note:</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.			
	(2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.			
	(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.			
	Average Total Return (as at 30 November 2022)			
		Precious Metals Securities^(a) %	FGMI^(b) %	
	One year	-7.68	-10.24	
	Three years	2.11	1.09	
	Five years	3.98	4.72	
	Ten years	-4.09	-1.62	

Annual Total Return

Financial Years Ended (31 May)	Precious Metals Securities ^(a) %	FGMI ^(b) %
2022	-15.00	-15.13
2021	9.20	5.07
2020	45.81	69.57
2019	-0.21	2.28
2018	-7.83	-11.59

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

(b) FTSE Gold Mines Index ("FGMI") (Available at 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.

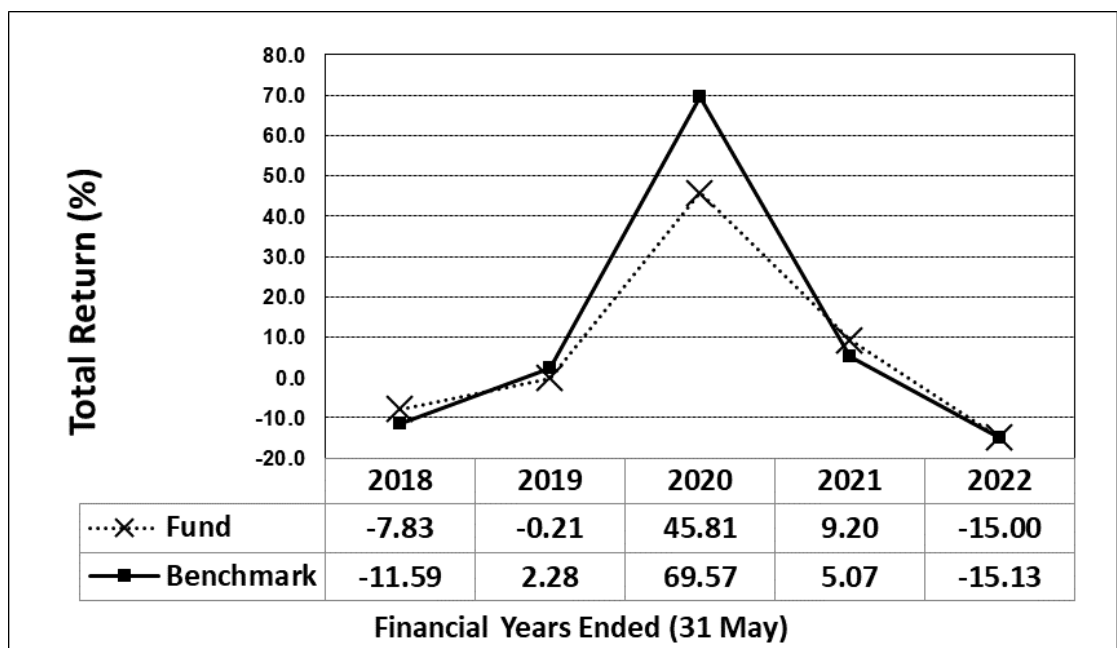
Fund Performance

For the financial period under review, the Fund registered a negative return of 9.52% which is entirely capital in nature.

Thus, the Fund's negative return of 9.52% has outperformed the benchmark's negative return of 14.70% by 5.18%.

As compared with the financial year ended 31 May 2022, the net asset value ("NAV") per unit of the Fund decreased by 9.52% from RM0.5105 to RM0.4619, while units in circulation have increased by 0.99% from 390,509,662 units to 394,394,648 units.

The following line chart shows comparison between the annual performances of Precious Metals Securities and its benchmark, FGMI, for the financial years ended 31 May.



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

Performance of the Target Fund	<p>Fund Performance Review of the Target Fund – DWS Noor Precious Metals Securities Fund (“Target Fund”)</p> <p>During the period, Platinum and Palladium had positive returns of 10.45% and 8.11%, respectively. Silver and Gold had negative returns of -2.81% and -0.34%, respectively. Gold and precious metals equities, as measured by the S&P BMI Gold and Precious Metals Index (non-Sharia compliant), lost -12.34% during the period while Gold ETFs had net outflows of -4.18mm oz, or about -4.2% of total known gold ETFs.</p> <p>During the period, the Target Fund lost -11.11% in USD. The top 3 individual contributors to the Target Fund were Yamana Gold Inc., Franco-Nevada Corporation, and Centamin plc. The top 3 detractors were Barrick Gold Corporation, Newmont Corporation, and Polymetal International Plc.</p> <p><i>Source: DWS, as at 30 November 2022</i></p>																								
Strategies and Policies Employed	<p>Strategies and Policies employed by Target Fund</p> <p>We continue to observe that performance for firms that rate highly on our framework (falling capital investment and rising cash flow) has improved since 2021. We see the most favorable conditions for the companies with the best combination of cash flow and near-term growth. Given that miners deplete available reserves with each year of production, regimes of extremely low levels of capital investment, such as the one we have been in for several years, are not sustainable over the long term. Indeed, we have already seen miners beginning to announce growth and replacement initiatives after many years of contracting budgets. We also observe rising operating costs driving a decline in margins as inflation makes its way through the business. We believe the companies our process emphasizes offer a compelling combination of upside capture, by delivering shareholder returns and funding development activities from ongoing cash flows, and downside protection due to superior margins and declining cost profiles.</p> <p><i>Source: DWS, as at 30 November 2022</i></p> <p>Strategies and Policies of the Fund</p> <p>For the financial period under review, a minimum of 95% of its NAV was invested in the share class denominated in USD of the Target Fund.</p>																								
Target Fund’s Top 10 Holdings	<p><u>As at 30 November 2022</u></p> <table border="1"> <thead> <tr> <th>Principal Holdings</th><th>(in % of fund volume)</th></tr> </thead> <tbody> <tr> <td>Agnico Eagle Mines Ltd.</td><td>9.89</td></tr> <tr> <td>Franco-Nevada Corp.</td><td>9.76</td></tr> <tr> <td>Barrick Gold Corp.</td><td>8.66</td></tr> <tr> <td>Newmont Corp.</td><td>5.61</td></tr> <tr> <td>Gold Fields Ltd.</td><td>5.02</td></tr> <tr> <td>Anglogold Ashanti Ltd.</td><td>5.02</td></tr> <tr> <td>Northern Star Resources Ltd.</td><td>4.99</td></tr> <tr> <td>Newcrest Mining Ltd.</td><td>4.98</td></tr> <tr> <td>Wheaton Precious Metals Corp.</td><td>4.79</td></tr> <tr> <td>Yamana Gold Inc.</td><td>4.43</td></tr> <tr> <td>Total</td><td>63.15</td></tr> </tbody> </table>	Principal Holdings	(in % of fund volume)	Agnico Eagle Mines Ltd.	9.89	Franco-Nevada Corp.	9.76	Barrick Gold Corp.	8.66	Newmont Corp.	5.61	Gold Fields Ltd.	5.02	Anglogold Ashanti Ltd.	5.02	Northern Star Resources Ltd.	4.99	Newcrest Mining Ltd.	4.98	Wheaton Precious Metals Corp.	4.79	Yamana Gold Inc.	4.43	Total	63.15
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	Source: DWS, as at 30 November 2022																																																			
Portfolio Structure	<p>The table below is the asset allocation of the Fund as at 30 November 2022 and 31 May 2022.</p> <table><tr><th></th><th>As at 30.11.2022 %</th><th>As at 31.5.2022 %</th><th>Changes %</th></tr><tr><td>Foreign collective investment scheme</td><td>96.72</td><td>95.59</td><td>1.13</td></tr><tr><td>Money market deposits and cash equivalents</td><td>3.28</td><td>4.41</td><td>-1.13</td></tr><tr><td>Total</td><td>100.00</td><td>100.00</td><td></td></tr></table> <p>As at 30 November 2022, the Fund has invested 96.72% of its NAV in the foreign collective investment scheme and 3.28% of its NAV in money market deposits and cash equivalents. There have been no significant changes to the asset allocation since the last reporting.</p>					As at 30.11.2022 %	As at 31.5.2022 %	Changes %	Foreign collective investment scheme	96.72	95.59	1.13	Money market deposits and cash equivalents	3.28	4.41	-1.13	Total	100.00	100.00																																	
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Securities Lending / Repurchase Transactions	The Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as “securities financing transactions”).																																																			
Cross Trade	There were no cross trades undertaken during the financial period under review.																																																			
Distribution/ Unit splits	There is no income distribution and unit split declared for the financial period under review.																																																			
State of Affairs	There has been neither significant changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.																																																			
Rebates and Soft Commission	During the period, the management company did not receive soft commissions by virtue of transactions conducted for the Fund.																																																			
Market Review	To start the review period, prices Precious Metals were up slightly in December 2021, with Gold continuing to hold near \$1,800/oz level as investors weighed rising COVID risks against a quickening pace of policy normalization in the U.S. Additionally, the U.S. Federal Reserve’s hawkish pivot at the latest FOMC meeting also helped improve sentiment during the month. Also of note, after a period of sustained weakness, Platinum and Palladium prices bounced in December as																																																			

investors looked toward increased demand in 2022 and the possibility of easing automobile chip shortages.

Precious Metals ended the first month of 2022 down slightly, though Gold held on near the \$1,800/oz level as safe-haven demand picked up in the final week of January. Pressure loomed as the era of easy money drew to a close; persistent inflation and signs of a healthy labor market supported the Fed's recent hawkish pivot. Of note, Palladium prices rallied in excess of 23% on concerns that Russian supply (which accounts for ~40% of the global total) would be impacted by potential sanctions. During February, Precious Metals reacted sharply to changes in the Russia/Ukraine conflict. Silver led gains across the complex while Gold sustained moves above \$1,900/oz level in February as safe-haven demand increased. Meanwhile, Palladium prices continued higher on concerns that Russian would be impacted by potential sanctions. Platinum also managed small gain given looser supply and demand dynamics. Heading into March, consumer prices rose over 8% year-on-year, marking the hottest inflation print since 1981 and continuing to cause investors to scramble to add inflation protection to their portfolios via assets such as gold. Surging prices for necessities such as food, energy and shelter made markets increasingly worried about the Fed's ability to engineer a soft landing for the economy. The increase in inflation also took place against still-escalating tensions in Europe. Gold spiked early in March, reacting to worsening conditions in the Russia-Ukraine conflict. The increase in tensions drove gold prices north of \$2,000/oz at one point, before closing the month around ~\$1,940/oz.

Precious Metals were all sharply lower in April, with nearly all members of the complex down for the month. Gold and Silver prices suffered following increasingly hawkish commentary from Fed speakers leading up to the FOMC on May 4th. However, despite the negative return for Gold, investment demand remained strong with ETF holdings of Gold continuing to rise. Palladium was the exception, ending the month modestly higher. Of note, Palladium prices corrected heavily in May following a quarterly production report from Norilsk Nickel which stated that exports were continuing, with the company also noting that they expected to achieve full-year guidance issued before the invasion of Ukraine. More broadly, Precious Metals were lower again in May, with all members of the complex down for the month except Platinum; there have been instances of auto manufactures substituting Platinum for Palladium given the latter's longer-term supply risk from Russia. Elsewhere within the complex, Gold and Silver prices continued to pull back on the combined weight of a strong U.S. Dollar and higher rates given ongoing hawkish Fed commentary. Precious Metals fared better than their industrial metals counterparts in June, but were still lower for the month. Gold likely derived support from the Fed's focus on longer-term inflation expectations, which have risen to their highest levels in 10 years. Elsewhere across the complex, Platinum and Palladium prices were initially pressured as macro sentiment waned, but stabilized during the back half of the month, the latter drawing support from mine stoppages in the U.S. due to flooding.

Precious Metals ended July lower. Gold prices fell sharply to start the month, sagging under the weight of hawkish Central Banks as 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 U.S. 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 as gold holdings 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. Gold prices were pressured again during August as persistently hawkish commentary from Fed speakers drove expectations for rate

	<p>increases higher, lending support to the Dollar and increasing market rates. Sequentially, gold prices saw the fifth straight monthly decline on the back of souring sentiment. A strengthening U.S. Dollar was a major headwind for gold during the month with the currency reaching the highest levels year-to-date during the month of August. Fed-speak kept increases in inflation expectations relatively muted for the month in the face of rising yields, creating further pressure for gold, which pays no yield. However, Precious Metals were notably resilient during September despite hotter than expected CPI and PCE prints which renewed investor focus on increasingly constrictive monetary policy that is creating headwinds for Gold. Still, September marked the sixth straight monthly decline for Gold prices and retail investors continued to show declining interest for gold, with gold backed ETFs seeing their fifth straight month of declines.</p> <p>Gold prices slipped mildly during October but appeared range-bound in the low \$1,600's/oz levels as persistent inflationary pressures, along with relatively benign jobs reports, continue to limit upside. October marked the seventh straight monthly decline for Gold prices on the back of continuing negative sentiment and as an ultra-strong U.S. Dollar remained a formidable headwind, as did continued hawkish comments from the Fed. Retail investors continued to show declining interest for gold, with gold backed ETFs seeing their sixth straight month of declines as investors are now able to find yield in other asset classes, such as fixed income. Gold prices rebounded through the first half of November almost touching \$1,780 /oz before settling into a holding pattern and trending sideways around the \$1,750/oz level for the latter half of the month as inflationary pressures continued to limit the upside. November marked a reversal of trends for gold following seven straight monthly declines as the U.S. dollar relented and the Fed appears set to reduce the size of rate hikes going forward. Elsewhere across the complex, Platinum continued to rise in November, benefitting from ongoing supply disruptions in refined material due to continuing power outages in South Africa. Silver also moved sharply higher on risks to refining capacity with high energy prices in Europe, and while the physical market remained tight, its industrial use aspect attracted interest from market participants. Palladium dipped slightly given soft auto-demand and a lack of hedging activities from automakers.</p> <p><i>Source: DWS, as at 30 November 2022</i></p>
Market Outlook	<p>Terminal rate expectations have held steady increasing the chance that Gold remains rangebound.</p> <p>U.S. Federal Reserve speakers have maintained their hawkish comments which has kept the pressure on Gold as their messaging centers on taming persistent inflation, even at the cost of economic growth. The markets continue to expect policy rates to peak around 5% and to be maintained there for some time, which presents a negative environment for Gold. However, the pace of rate hikes is expected to slow in December which could provide some upside for Gold when we have evidence that peak Fed hawkishness has passed, especially if we see a pullback in U.S. dollar strength. In the meantime, we expect Gold to remain mostly range-bound under present conditions.</p> <p>Gold miners' cash flows remain resilient in the face of rising costs, making the case for continued allocations.</p> <p>We expect quarterly earnings for the gold miners to continue to show evidence of the strong uptrend in cost inflation, with some risks to full year guidance ranges. We also observe weaker operating results from the companies that have reported so far with production volumes slightly declining from the prior year. Grades and realized prices have been more stable, but free cash flows are down, nonetheless. This situation sets up an opportunity for differentiation between firms as those operators that have continued to invest in operational resiliency and const control should be</p>

	<p>able to showcase those traits as the rest of the sector falters. We believe the companies with the strongest free cash flow generation ability are likely also best positioned in this respect.</p> <p>Lastly, an offset for rising cost inflation could be production growth, as more ounces of gold produced gives more room for costs to be spread around. 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.</p> <p>What does the future hold for Gold?</p> <p>In the near-term, we expect Gold to trade in a narrow range until the terminal rate from Fed policy becomes clearer. During this period, Gold may exhibit less sensitivity to geopolitical headline news, inflation and movements in real rates and the U.S. dollar. 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. However, the inverted yield curve suggest that the fixed income market has largely priced-in aggressive Fed tightening, which could support the price of Gold. Additionally, we expect Gold to find additional support going forward as our house-view is for U.S. dollar to continue weakening over the next 12-months. In the medium to longer-term, the fundamental case for the metal remains intact as global economic uncertainty remains. We currently favor Gold exposure through a combination of Gold miners and royalty companies, with a preference for royalty companies given recent headwinds to Gold prices, over exposure to Platinum, Palladium, and Silver miners.</p> <p><i>Source: DWS, as at 30 November 2022</i></p>
Additional Information	<p>The following information was updated:</p> <p>The Ninth Supplementary Master Prospectus dated 12 December 2022 has been registered with the Securities Commission Malaysia, to include the following, but is not limited to:</p> <ul style="list-style-type: none"> • the update on definition of “AmBank Group”; • the update on the Corporate Directory section in relation to the HSBC (Malaysia) Trustee Berhad and AmanahRaya Trustees Berhad; • the update on the List of Current Deed and Supplementary Deed; and • the revision made to the exit penalty for Precious Metals Securities; and • the update on Related Party Transactions / Conflict of Interest. <p>Notice of the changes for the Ninth Supplementary Master Prospectus dated 12 December 2022 has been published on our website at www.aminvest.com and sent to the Unit Holders.</p>

Kuala Lumpur, Malaysia
AmFunds Management Berhad

20 January 2023

Precious Metals Securities

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2022

	Note	30.11.2022 (unaudited) RM	31.5.2022 (audited) RM
ASSETS			
Shariah-compliant investment	4	176,192,556	190,570,038
Amount due from Manager	5(a)	1,245,937	132,094
Other receivables		-	144
Cash at banks		6,450,149	9,133,071
TOTAL ASSETS		183,888,642	199,835,347
LIABILITIES			
Amount due to Manager	5(b)	1,699,155	456,899
Amount due to Trustee	6	8,805	10,635
Sundry payables and accruals		7,856	12,800
TOTAL LIABILITIES		1,715,816	480,334
NET ASSET VALUE ("NAV") OF THE FUND		182,172,826	199,355,013
EQUITY			
Unit holders' capital	8(a)	324,702,276	324,484,775
Accumulated losses	8(b)(c)	(142,529,450)	(125,129,762)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	8	182,172,826	199,355,013
UNITS IN CIRCULATION	8(a)	394,394,648	390,509,662
NAV PER UNIT (RM)		0.4619	0.5105

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

Precious Metals Securities

CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

	Note	1.6.2022 to 30.11.2022 RM	1.6.2021 to 30.11.2021 RM
SHARIAH-COMPLIANT INVESTMENT LOSSES			
Profit income		55,394	59,980
Other income - exit penalty	8(a)	10,415	102,421
Net losses from Shariah-compliant investment:			
– Financial assets at fair value through profit or loss (“FVTPL”)	7	(16,388,911)	(44,973,256)
Other net realised foreign exchange losses		<u>(90,542)</u>	<u>(257,533)</u>
		<u>(16,413,644)</u>	<u>(45,068,388)</u>
EXPENDITURE			
Manager’s fee	5	(920,338)	(1,289,362)
Trustee’s fee	6	(51,205)	(72,235)
Audit fee		(4,517)	(5,942)
Tax agent’s fee		(1,905)	(1,905)
Other expenses		<u>(8,079)</u>	<u>(5,523)</u>
		<u>(986,044)</u>	<u>(1,374,967)</u>
Net losses before taxation		(17,399,688)	(46,443,355)
Taxation	10	<u>-</u>	<u>-</u>
Net losses after taxation, representing total comprehensive losses for the financial period		<u>(17,399,688)</u>	<u>(46,443,355)</u>
Total comprehensive losses comprises the following:			
Realised losses		(1,463,845)	(259,170)
Unrealised losses		<u>(15,935,843)</u>	<u>(46,184,185)</u>
		<u>(17,399,688)</u>	<u>(46,443,355)</u>

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

Precious Metals Securities

CONDENSED STATEMENT OF CHANGES IN EQUITY *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

	Note	Unit holders' capital RM	Accumulated losses RM	Total equity RM
At 1 June 2022		324,484,775	(125,129,762)	199,355,013
Total comprehensive loss for the financial period		-	(17,399,688)	(17,399,688)
Creation of units	8(a)	32,157,410	-	32,157,410
Cancellation of units	8(a)	(31,939,909)	-	(31,939,909)
Balance at 30 November 2022		<u>324,702,276</u>	<u>(142,529,450)</u>	<u>182,172,826</u>
At 1 June 2021		383,119,225	(86,563,796)	296,555,429
Total comprehensive loss for the financial period		-	(46,443,355)	(46,443,355)
Creation of units		3,134,995	-	3,134,995
Cancellation of units		(32,621,348)	-	(32,621,348)
Balance at 30 November 2021		<u>353,632,872</u>	<u>(133,007,151)</u>	<u>220,625,721</u>

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

Precious Metals Securities

CONDENSED STATEMENT OF CASH FLOWS *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

	1.6.2022 to 30.11.2022 RM	1.6.2021 to 30.11.2021 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of Shariah-compliant investment	2,367,331	27,412,252
Purchase of Shariah-compliant investment	(4,469,302)	(7,655,042)
Profit received	55,394	59,980
Other income - exit penalty	10,558	102,243
Manager's fee paid	(947,943)	(1,366,356)
Trustee's fee paid	(53,035)	(75,617)
Tax agent's fee paid	(3,800)	-
Payments for other expenses	<u>(15,644)</u>	<u>(14,512)</u>
Net cash (used in)/generated from operating and investing activities	<u>(3,056,441)</u>	<u>18,462,948</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	31,043,567	2,474,039
Payments for cancellation of units	<u>(30,670,048)</u>	<u>(32,486,199)</u>
Net cash generated from/(used in) financing activities	<u>373,519</u>	<u>(30,012,160)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,682,922)	(11,549,212)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>9,133,071</u>	<u>16,919,186</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>6,450,149</u>	<u>5,369,974</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>6,450,149</u>	<u>5,369,974</u>

Precious Metals Securities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

1. GENERAL INFORMATION

Precious Metals Securities ("the Fund") was established pursuant to a Deed dated 20 September 2007 as amended by Deeds Supplemental thereto ("the Deed"), between AmFunds Management Berhad as the Manager, Deutsche Trustees Malaysia Berhad as the Trustee and all unit holders. By a 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 NAV will be invested in the Ireland-based DWS Noor Precious Metals Securities Fund ("Target Fund"), which is a separate unit trust fund managed by DWS Investment S.A. ("Target Fund Manager"). As provided in the Deed, the "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.

The financial statements were authorised for issue by the Manager on 20 January 2023.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards 134: Interim Financial Reporting ("MFRS 134") as issued by the Malaysian Accounting Standards Board ("MASB").

Standards effective during the financial period

The adoption of MFRS which has been effective during the financial period did not have any material financial impact to the financial statements, which as per the following:

Description	Effective for financial periods beginning on or after
Amendments to MFRSs contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018-2020</i> "	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i>) *	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i>) *	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022

Precious Metals Securities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

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

Standards effective during the financial period (cont'd.)

Description	Effective for financial periods beginning on or after
Extension of the Temporary Exemption from applying MFRS 9 (Amendments to MFRS 4 <i>Insurance Contracts</i>)*	1 January 2022

Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i>)*	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Leases: Lease Liability in a Sale and Leaseback*</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income recognition

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

3.1 Income recognition (cont'd.)

(i) Profit income

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

(ii) Gain or loss on disposal of Shariah-compliant investment

On disposal of Shariah-compliant investment, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investment. The net realised gain or loss is recognised in profit or loss.

3.2 Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.3 Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia ("RM") which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

3.4 Foreign currency transactions

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into RM at exchange rates ruling at the reporting date. All exchange gains or losses are recognised in profit or loss.

3.5 Statement of cash flows

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

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

3.6 Distribution

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from the retained earnings and realised income. Realised income is the income earned from profit income, other income - exit penalty and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

3.7 Unit holders' capital

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

3.8 Financial assets – initial recognition and measurement

(i) Initial recognition

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

(ii) Initial measurement

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

(iii) "Day 1" profit or loss

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

3.9 Financial assets – classification and subsequent measurement

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

3.10 Financial assets 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. Financial assets include in this category are deposits with licensed financial institutions, cash at banks, amount due from Target Fund Manager, amount due from Manager, amount due from brokers/financial institutions, dividend/distribution receivables and other receivables.

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and profit on the outstanding principal.

These Shariah-compliant investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these Shariah-compliant investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

3.10 Financial assets under MFRS 9 (cont'd.)

(i) Classification and measurement (cont'd.)

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL". Profit earned element of such instrument is recorded in "Profit income". Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gain or net loss on changes in fair value of financial assets at FVTPL.

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

3.11 Financial liabilities – classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holders. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective profit method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective profit rate.

3.12 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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

3.12 Derecognition of financial instruments (cont'd.)

(i) Derecognition of financial asset (cont'd.)

For Shariah-compliant investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(ii) Derecognition of financial liability

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

3.13 Financial instruments – expected credit losses (“ECL”)

The Fund assesses on a forward-looking basis the ECL associated with its financial assets at amortised cost. The Fund recognises 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.

3.14 Determination of fair value

For Shariah-compliant investment in CIS, fair value is determined based on the closing NAV per unit of the foreign CIS. Purchased cost is the quoted price that the Fund paid when buying its Shariah-compliant investment. The difference between purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

3.15 Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

3.16 Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its Shariah-compliant investment as financial assets at FVTPL as the Fund may sell its Shariah-compliant investment in the short-term for profit-taking or to meet unit holders' cancellation of units.

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

	30.11.2022	31.5.2022
	RM	RM
Financial asset at FVTPL		
At cost:		
Foreign CIS	<u>199,117,004</u>	<u>197,558,643</u>
At fair value:		
Foreign CIS	<u>176,192,556</u>	<u>190,570,038</u>

Precious Metals Securities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

4. SHARIAH-COMPLIANT INVESTMENT (CONT'D.)

Details of Shariah-compliant investment are as follows:

Foreign CIS	Number of units	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
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30.11.2022

DWS Noor Precious Metals Securities Fund ("Target Fund")	55,078,074	176,192,556	199,117,004	96.72
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Shortfall of fair value over purchased cost	<u>(22,924,448)</u>
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31.5.2022

DWS Noor Precious Metals Securities Fund ("Target Fund")	54,423,703	190,570,038	197,558,643	95.59
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Shortfall of fair value over purchased cost	<u>(6,988,605)</u>
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Based on the Fund's prospectus, a minimum of 95% of its NAV will be invested in the Target Fund. However, if the asset allocation not achieve the minimum requirement, it will be adjusted back to the minimum level after the reporting period. The reduction of the asset allocation is due to the creation of units at the point of reporting date.

5. AMOUNT DUE FROM/TO MANAGER

	Note	30.11.2022 RM	31.5.2022 RM
(a) Due from Manager			
Creation of units	(i)	<u>1,245,937</u>	<u>132,094</u>
(b) Due to Manager			
Redemption of units	(ii)	1,521,416	251,554
Manager's fee payable	(iii)	<u>177,739</u>	<u>205,345</u>
		<u>1,699,155</u>	<u>456,899</u>

(i) The amount represents amount receivable from the Manager for units created.

Precious Metals Securities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

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

(ii) The amount represents amount payable to the Manager for units redeemed.

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

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

	1.6.2022 to 30.11.2022 % p.a.	1.6.2021 to 30.11.2021 % p.a.
Manager's fee charged by the Target Fund Manager, on the NAV of the Target Fund (Note a)	0.75	0.75
Manager's fee charged by the Manager, on the NAV of investment in the Target Fund (Note b)	1.05	1.05
Manager's fee charged by the Manager, on the remaining NAV 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 CIS.

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

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

6. AMOUNT DUE TO TRUSTEE

Trustee's fee is at a rate of 0.06% (2021: 0.06%) per annum on the NAV of the Fund, calculated on a daily basis.

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

Precious Metals Securities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

7. NET LOSSES FROM SHARIAH-COMPLIANT INVESTMENT

	1.6.2022 to 30.11.2022 RM	1.6.2021 to 30.11.2021 RM
Net losses on financial assets at FVTPL comprised:		
– Net realised (loss)/gain on sale of Shariah-compliant investment	(773,803)	1,221,924
– Net realised gain/(loss) on foreign currency exchange	320,735	(10,995)
– Net unrealised losses on changes in fair value of Shariah-compliant investment	(18,907,826)	(50,661,624)
– Net unrealised gains on foreign currency fluctuation of Shariah-compliant investment denominated in foreign currency	2,971,983	4,477,439
	<u>(16,388,911)</u>	<u>(44,973,256)</u>

8. TOTAL EQUITY

Total equity is represented by:

	Note	30.11.2022 RM	31.5.2022 RM
Unit holders' capital	(a)	324,702,276	324,484,775
Accumulated losses			
– Realised losses	(b)	(119,605,002)	(118,141,157)
– Unrealised losses	(c)	<u>(22,924,448)</u>	<u>(6,988,605)</u>
		<u>182,172,826</u>	<u>199,355,013</u>

(a) Unit holders' capital/units in circulation

	30.11.2022		31.5.2022	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	390,509,662	324,484,775	493,729,735	383,119,225
Creation during the financial period/year	77,435,423	32,157,410	68,954,466	36,261,386
Cancellation during the financial period/year	<u>(73,550,437)</u>	<u>(31,939,909)</u>	<u>(172,174,539)</u>	<u>(94,895,836)</u>
At end of the financial period/year	<u>394,394,648</u>	<u>324,702,276</u>	<u>390,509,662</u>	<u>324,484,775</u>

Precious Metals Securities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

8. TOTAL EQUITY (CONT'D.)

(a) Unit holders' capital/units in circulation (cont'd.)

The Manager imposed an exit penalty of 1.00% (2021: 1.00%) if redemption is made within 90 days of purchase on the NAV per unit of the Fund during the financial period. The exit penalty shall be placed back to the Fund.

(b) Realised - distributable

	30.11.2022 RM	31.5.2022 RM
At beginning of the financial period/year	(118,141,157)	(118,401,596)
Net realised (loss)/income for the financial period/year	(1,463,845)	260,439
At end of the financial period/year	<u>(119,605,002)</u>	<u>(118,141,157)</u>

(c) Unrealised - non-distributable

	30.11.2022 RM	31.5.2022 RM
At beginning of the financial period/year	(6,988,605)	31,837,800
Net unrealised losses for the financial period/year	(15,935,843)	(38,826,405)
At end of the financial period/year	<u>(22,924,448)</u>	<u>(6,988,605)</u>

9. SIGNIFICANT RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationships with the Fund are as follows:

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holding company of the Manager
AMMB Holdings Berhad ("AMMB")	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

There are no units held by the Manager or any related party as at 30 November 2022 and 31 May 2022.

10. TAXATION

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

Precious Metals Securities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

10. TAXATION (CONT'D.)

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempted from tax. Foreign-sourced income ("FSI") received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

A reconciliation of income tax expense applicable to net losses before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	1.6.2022 to 30.11.2022 RM	1.6.2021 to 30.11.2021 RM
Net losses before taxation	(17,399,688)	(46,443,355)
Taxation at Malaysian statutory rate of 24% (2021: 24%)	(4,175,925)	(11,146,405)
Tax effects of:		
Income not subject to tax	(806,046)	(1,406,823)
Loss not allowed for tax deduction	4,745,321	12,223,236
Restriction on tax deductible expenses for unit trust fund	199,944	279,789
Non-permitted expenses for tax purposes	14,490	19,116
Permitted expenses not used and not available for future financial periods	22,216	31,087
Tax expense for the financial period	-	-

11. TOTAL EXPENSE RATIO ("TER")

The Fund's TER is as follows:

	1.6.2022 to 30.11.2022 % p.a.	1.6.2021 to 30.11.2021 % p.a.
Manager's fee	0.54	1.07
Trustee's fee	0.03	0.07
Fund's other expenses	0.01	-*
Total TER	0.58	1.14

* represents less than 0.01%.

The TER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

Precious Metals Securities

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022

12. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of Shariah-compliant investment to the average NAV of the Fund calculated on a daily basis, is 0.02 times (2021: 0.07 times).

13. SEGMENTAL REPORTING

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

As the Fund operates substantially as a feeder fund which invests primarily in the Target Fund, it is not possible or meaningful to classify its Shariah-compliant investment by separate business or geographical segments.

14. TRANSACTIONS WITH THE TARGET FUND MANAGER

Details of transactions with the Target Fund Manager for the financial period ended 30 November 2022 are as follows:

Target Fund Manager	Transaction value	
	RM	%
DWS Investment S.A.	<u>6,927,175</u>	<u>100.00</u>

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

The above transactions are in respect of Shariah-compliant investment in foreign CIS. Transactions in this Shariah-compliant investment do not involve any commission or brokerage.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of Shariah-compliant investment coupled with stringent compliance to Shariah-compliant investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission Malaysia's Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

(a) Market risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

Financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as Covid-19. The outbreak of Covid-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The outcomes of global and local financial markets are highly uncertain and cannot be predicted at this point in time. Due to this, the Manager of the Fund is unable to reliably estimate the quantitative impact of Covid-19 towards the Fund's performance for the next twelve months. The Manager of the Fund will continue to actively monitor the developments in the market to minimise any potential impact to the Fund.

The Fund's market risk is affected primarily by the following risks:

(i) Price risk

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

(ii) Profit rate risk

Profit rate risk will affect the value of the Fund's Shariah-compliant investment, given the profit rate movements, which are influenced by regional and local economic developments as well as political developments.

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

(iii) Currency risk

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

(a) Market risk (cont'd.)

(iii) Currency risk (cont'd.)

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

Assets denominated in USD	30.11.2022		31.5.2022	
	RM equivalent	% of NAV	RM equivalent	% of NAV
Shariah-compliant investment	176,192,556	96.72	190,570,038	95.59
Cash at bank	29	-*	77	-*
	<u>176,192,585</u>	<u>96.72</u>	<u>190,570,115</u>	<u>95.59</u>

* represents less than 0.01%.

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to Islamic short-term deposits. The issuer of such instruments may not be able to fulfil the required profit payments or repay the principal invested or amount owing. These risks may cause the Fund's Shariah-compliant investment to fluctuate in value.

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

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise 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.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JUNE 2022 TO 30 NOVEMBER 2022**

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

(d) Single issuer risk

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

(e) Regulatory risk

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

(f) Country risk

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

(g) Management risk

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

(h) Non-compliance risk

This is the risk of the Manager or the Trustee not complying with their respective internal policies, the Deed and its Supplemental Deed, securities laws or guidelines issued by the regulators relevant to each party, which may adversely affect the performance of the Fund.

(i) Shariah non-compliance risk

This is the risk of the Fund not conforming to Shariah Investment Guidelines. The Shariah adviser for the Fund would be responsible for ensuring that the Fund is managed and administered in accordance with Shariah Investment Guidelines. Note that as the Fund can only invest in Shariah-compliant instruments, non-compliance may adversely affect the NAV of the Fund when the rectification of non-compliance results in losses.

Precious Metals Securities

STATEMENT BY THE MANAGER

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that in the opinion of the Manager, the accompanying condensed financial statements are drawn up in accordance with Malaysian Financial Reporting Standards 134: Interim Financial Reporting so as to give a true and fair view of the financial position of Precious Metals Securities (the “Fund”) as at 30 November 2022 and the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

GOH WEE PENG
Executive Director

Kuala Lumpur, Malaysia
20 January 2023

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 30 November 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Jiva Munusamy
Head, Client Management

Kuala Lumpur
20 January 2023

SHARIAH ADVISER'S REPORT FOR ISLAMIC UNIT TRUST FUND

To the unit holders of Precious Metals Securities ("Fund"),

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, AmFunds Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters: and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr Mohd Daud Bakar

Executive Chairman

Date: 20 January 2023

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.)*

