DWS Noor Precious Metals Securities Fund

Fund Data

Investment Policy

The investment objective is to achieve capital appreciation in the medium to long term by investing in a portfolio of Sharia observant equity and equity related securities, of companies engaged in activities related to gold, silver, platinum or other precious metals or minerals. The Fund will invest globally.

Fund Information

Bloomberg	USD LC: DWPMSLU ID USD IC: DWPMSIU ID SGD LC: DWPMSLS ID
ISIN Code	USD LC : IE00BMF77083 USD IC : IE00BMF77190 SGD LC : IE00BMF77208
Management Fee	1.5% p.a.
Initial Charge	Up to 5%
Minimum Initial Investment	USD 1,000
Fund Denomination	USD
Dealing Currency	USD / SGD
Subscription Type	Cash
Total Fund Size	USD 38.66 m
Morningstar Rating Overall	-
	(As at 31/07/2024)
Unit Trust Hotline	(65) 6538 5550
Launch Date	14-Feb-2007
USD LC	14-Feb-2007
USD IC	22-Nov-2006
SGD LC	03-Dec-2007

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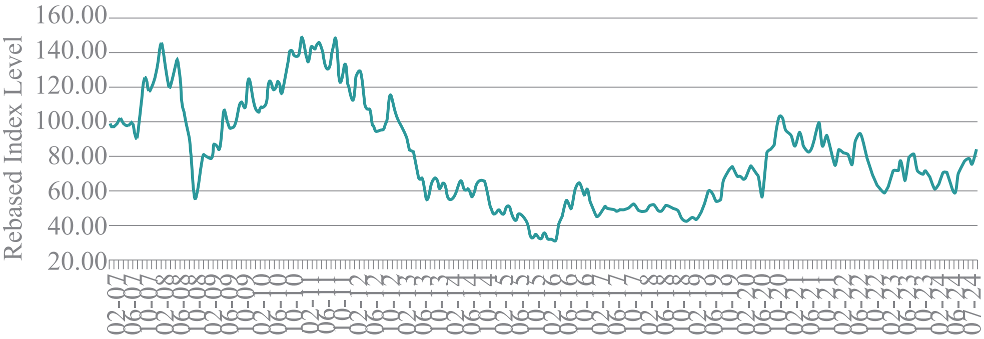
Performance

Fund Performance A (USD)



	Cumulative Return						Annualised Return			Calendar Years Return		
LC (USD)	**1 m**	**YTD**	**1 y**	**3 y**	**5y**	**S.Launch**	**3y**	**5y**	**S.Launch**	**2023**	**2022**	**2021**
NAV to NAV*	9.17	16.46	14.58	-8.92	0.00	-16.81	-3.06	0.00	-5.63	-1.61	-10.14	-13.28
IC (USD)	**1 m**	**YTD**	**1 y**	**3 y**	**5y**	**S.Launch**	**3y**	**5y**	**S.Launch**	**2023**	**2022**	**2021**
NAV to NAV*	9.24	17.24	15.63	-6.21	0.00	-14.71	-2.11	0.00	-4.88	-1.37	-8.75	-12.99
LC (SGD)	**1 m**	**YTD**	**1 y**	**3 y**	**5y**	**S.Launch**	**3y**	**5y**	**S.Launch**	**2023**	**2022**	**2021**
NAV to NAV*	7.80	16.76	16.76	-9.19	0.00	-15.97	-3.16	0.00	-5.33	-2.00	-10.71	-11.60

* Performance is based on NAV to NAV (taking into account the front end load).
Past performance is not indicative of future returns.
Calculation of performance is based on the time-weighted return and excludes front-end fees. Individual costs such as fees, commissions and other charges have not been included in this presentation and would have an adverse impact on returns if they were included.

Portfolio Analysis

Breakdown by Country
(in % of fundvolume)

Canada	56.57
United States	15.99
Australia	10.35
South Africa	9.46
United Kingdom	9.25
Mexico	3.57
Jersey	2.80
Russia	0.00
Cash & Other Assets	-7.99
Total	**100.00**

Principal Holdings
(in % of fundvolume)

Franco-Nevada Corp.	10.73
Agnico Eagle Mines Ltd.	10.46
Barrick Gold Corp.	9.76
Newmont Corp.	9.28
Gold Fields Ltd.	5.25
B2Gold Corp.	5.09
Royal Gold Inc.	5.00
Wheaton Precious Metals Corp.	4.51
Northern Star Resources Ltd.	4.51
Endeavour Mining PLC	4.26
Total	**68.87**

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Portfolio Analysis

Classification of Stocks by Commodity

(in % of fundvolume)

Gold	98.52
Silver	5.59
Precious Metals & Minerals	3.88
Cash & Other Assets	-7.99
Total	**100.00**

Investment Ratio

(in % of fundvolume)

Equities total	107.99
Cash & Other Assets	-7.99
Total	**100.00**

Portfolio Management's Commentary

Market Review

- Gold and precious metals equities, as measured by the S&P BMI Gold and Precious Metals Index (non-Sharia compliant), gained 10.93% during the period.
- Gold ETFs had net inflows of 1.44mm oz, or about 1.8% of total known gold ETFs.
- During the month of July, Gold was the only precious metal that had a positive return of 5.19%. Palladium, Platinum, and Silver each had negative returns of -4.95%, -1.76%, and -0.47%, respectively.

Current Gold & Precious Metals Themes

Precious Metals increased overall in July, but this was limited to a rise in the price of Gold, which dominates the index weighting. Gold prices have been volatile but have rebounded lately, with the metal's movement being influenced by geopolitical tensions in the Middle East, dovish signals from the FOMC, and U.S. fiscal deficit concerns. Despite some buying interest from Indian names, overall demand remained modest for most of the month. Silver ended July with a small decline in price, while demand has mostly been flat. India's recent reduction in import tax on gold and silver is expected to spur demand, which had softened in the second quarter of this year.

Palladium and Platinum both saw their prices fall in July, with the former seeing the bigger drop. ETF holdings for palladium have been declining, while platinum has seen increased long positioning. The rise in the average age of U.S. vehicles highlights challenges in secondary platinum supply chains. Stable power supplies in South Africa have eased the platinum market deficit, while the completion of a smelter furnace repair by Nornickel is set to restore some palladium output. In response to weaker pricing, South African miners plan to cut production of Platinum Group Metals (PGMs) by 500,000 oz over the next five years.

In Central Bank activity, the Fed's FOMC held rates steady at its July meeting while other banks cut rates as inflation and growth moderated. Fed Chair Powell's speech was considered more dovish than the accompanying FOMC statement, which was less reassuring of the potential for a rate cut in September. Powell stated he was more confident in the disinflationary outlook and said that the move to cut rates is "approaching." Regarding its dual mandate, the committee noted that the goals are moving into a better balance. The cooling labor market has seen a moderation in job growth and the unemployment rate ticked up, while making "some" further progress slowing inflation. The Bank of Japan raised rates to 0.25% and announced a reduction in the pace of bond purchases. In a tight 5-4 decision, the Bank of England cut rates by 0.25%, down to 5% for the first time since 2020 as inflation eased. The Bank of Canada cut rates (-25bps) for the second time this cycle, bringing their overnight deposit rate to 4.5%. As always, central banks promised to remain data dependent in setting monetary policy.

The soft -landing narrative in the U.S. stands on shaky ground as weaker labor market statistics and ISM Manufacturing PMI still sub-50 point to a Fed that is suddenly behind the curve. The unemployment report, released on August 2, outside of our reporting period, saw Nonfarm payrolls rise 114k for July, below estimates of 175k. There were also net revisions of -29k jobs for the prior two months. The reading pushed the unemployment rate up to 4.3%, which was above expectations of 4.1% and was accompanied by weaker-than-expected average hourly earnings gains. We worry the Fed has been too stubborn in the face of clear softening in the labor market.

What does the future hold for gold?

Gold has had a strong run since finding a floor last October, buoyed by central bank buying, prospects of potential Fed rate cuts, and a de-dollarization wave. However, after recent highs, momentum has faded out, at least temporarily. We expect central bank gold buying to remain strong, especially from China, although there are indications that China's central bank may have sensitivity to price for additional buying. Retail purchases of gold have also been strong in the Asia Pacific region, both for jewelry purposes and as a store of wealth, especially with declining property values in China. Japan also saw notable inflows to gold with prices attractive on a local basis again. On the other hand, known holdings of physical gold in ETFs have fallen over the past year. The U.S. dollar has strengthened year-to-date, taking short breathers in May and July as investors considered a second potential cute by the Fed this year. We expect the future direction of the price of gold to be tied to the timing and pace of the start of Fed easing along with the corresponding movement in the U.S. dollar. A weaker dollar, often a consequence of easing monetary policy, historically acts as a tailwind for gold, boosting its haven appeal and attracting capital away from the greenback. This dollar depreciation, coupled with anticipated Fed cuts later in the year, could propel gold towards $2,500, with silver also likely to benefit from its industrial applications.

We expect Precious Metals to be more resilient than industrial metals in this environment. Gold continues to be an attractive safe haven and should see support due to geopolitical risks in Ukraine and the Middle East. We still see strong interest from central banks to increase gold holdings as an alternative currency reserve, which should limit the downside for gold. As the Fed shows a clearer path to rate cuts, we may see a rebound of the gold price back to the near term high. Medium-term fundamentals for Silver remain constructive, with expected deficits in 2024 and 2025. We remain bullish on both gold and silver.

The PGMs remain tight in the physical markets, and Palladium could benefit from a potential short squeeze as short interest remains significantly high. We also expect to see some production curtailments due to low metal basket prices. In North America, light vehicle production continues to prove more resilient than expected, and while some weakness has been seen in Europe, China remains strong, which should benefit the PGMs. Additionally, electric vehicle (EV) adoption has slowed globally, while PGM-loaded plug-in hybrids and extended-range vehicles have gained traction. We also see incentives for EVs being removed (or new tariffs added), which should lead to greater production of internal combustion engine vehicles or hybrid models, which has led to automakers slowly beginning to review their approach and return to the Palladium forward markets.

Consolidation Fever: Why M&A Could Be Mid-Cap Gold in 2024

Despite historical concerns about high debt levels among gold miners, many now have improved balance sheets and exceptionally strong margins thanks to soaring metal prices. However, many haven't invested adequately in finding new gold deposits, potentially jeopardizing future production growth. This opens the door for potential consolidation in 2024. With valuations, particularly in mid- and small-cap equities, still lagging their larger counterparts, the stage is set for potential mergers and acquisitions, and we are already seeing the announcement of some deals. Larger miners, flush with cash and facing limited organic growth opportunities, may look to acquire exploration-focused mid-cap companies or consolidate existing assets, propelling a wave of deals across the sector. This presents savvy investors with the chance to unlock significant value, especially in undervalued mid-cap equities poised to be absorbed by bigger players. In a gold market poised for both growth and consolidation, we meticulously select established producers who, unlike many peers, have already invested in securing future production. They now enjoy falling capital expenditures as cash flow and production steadily climb, all while demonstrating exemplary cost control and consistent target-beating. These companies, boasting ample reserves and long mine lives, are prime targets in the predicted mid-cap M&A wave. As larger players seek established growth, these producers stand to be acquired at a premium, unlocking significant value for our investors. While the market might bask in the general upward trend, our focus on proven winners, operational efficiency, and future-proofed reserves positions us to deliver alpha as the gold story unfolds.

The outlook for gold miners has risen alongside gold spot price over the past year. While share prices have risen, they haven't maintained pace with gold price. Gold miners faced pressure from rapid cost expansion in the past 2 years, keeping margins subdued and valuations low. Cost inflation, however, has stabilized in 2024 while gross margins and free cash flow yields have risen on account of rising gold and silver prices. Current spot prices imply high upside for gold miners at today's valuations, creating a very favorable outlook for the sector. The gold mining sector is still lacking in names that can boast a strong growth profile past the one-to-two-year time horizon. A lack of recent investment in growth and discovery may cause companies to face shrinking production as large miners continue to seek growth through M&A of smaller names instead of discovery.

Sector Performance and Positioning

- During the month of July, the fund gained 9.24% in USD.
- The top 3 individual contributors to the fund were Agnico Eagle Mines Limited, Newmont Corporation, and Barrick Gold Corporation.
- The top 3 detractors were Alkane Resources Ltd, Gold Road Resources Ltd, and Fortuna Mining Corp.

Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Key Risks

The value of the Sub-Fund and the income from the Shares may rise or fall. You should consider the risks of investing in the Sub-Fund, including risks associated with equity markets, exchange rates, rates of return, credit and volatility, or political risks, and other risks. You may lose some or all of your investment.

Market and Credit Risks

- **You are exposed to the risks of investing in global markets.**
  - The Sub-Fund is subject to market risks. Some of the exchanges on which the Sub-Fund invests may be illiquid or highly volatile. The Sub-Fund may have exposure to securities of small capitalisation companies. Where securities are listed or traded on exchanges on a global basis, there may be discrepancies between the trading frequencies of different markets. A decline in the performance of an individual issuer cannot be entirely eliminated.
  - The Sub-Fund may be affected by changes in economic and market conditions, political uncertainties, changes in government policies, legal, regulatory and tax requirements and restrictions on the transfer of capital. It may be at risk of expropriation, nationalisation and confiscation of assets and changes in law on foreign ownership.
  - The Sub-Fund may invest in unquoted securities or quoted securities for which there is no reliable price source available.
  - The trading, settlement and custodial systems in some markets may not be fully developed.
  - Disclosure and regulatory standards may be less stringent in certain markets which are less developed than OECD member countries and there may be less publicly available information or legal protection of investors. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.
  - The value of your Shares may fluctuate more strongly on a day-to-day basis compared to funds investing in fixed income securities.

Liquidity Risks

- **The Sub-Fund is not listed and you can redeem only on Dealing Days.**
  - There is no secondary market for the Sub-Fund. All redemption requests should be made to the Singapore authorised distributors.
  - Unlisted securities may involve a high degree of business and financial risks, and tend to be less liquid.

Product-Specific Risks

- **You are exposed to volatility risks.**
  - The Sub-Fund is subject to markedly increased volatility and the share prices may be subject to substantial fluctuation, even within short periods of time.

- **You are exposed to risks of investing in the precious metals sector.**
  - The Sub-Fund does not hold physical gold or other commodities. Gold mining and precious metal-related shares tend to be volatile and are particularly suitable for diversification in a larger portfolio. There are special risks inherent in concentration of investments on particular sectors. In a particularly concentrated portfolio, if a particular investment declines or is otherwise adversely affected, it may have a more pronounced effect.
  - This industry could be affected by sharp price volatility caused by global economic, financial, and political factors. Resources availability, government regulation and economic cycles could also adversely affect the industries.

- **You are exposed to currency risks.**
  - The Sub-Fund is denominated in USD but may have non-USD investments and will be subject to exchange rate risks, and currencies and exchange control regulations. For share classes not denominated in USD, you will be subject to the exchange risks between the USD and the currency of those share classes.
  - The Main Investment Manager and Investment Manager does not intend to hedge the foreign currency exposure.

- **You are exposed to risks arising from Sharia Investment Guidelines.**
  - The Sub-Fund may perform less well than other funds with comparable investment objectives that do not seek to adhere to Islamic investment criteria. This may include disadvantageous divestments at the instruction of the advising Sharia scholar.
  - It is intended that the Sharia Investment Guidelines will be complied with at all times, but no assurance can be given as there may be occasions when the Sub-Fund's investments do not fully comply with such criteria for factors outside the control of the Company.

- **You are exposed to other risks.**
  - Actions of institutional investors substantially invested in the Sub-Fund may adversely affect the return of other investors.
  - The Sub-Fund may enter into transactions with counterparties and engage the services of brokers. There is a risk of default by such counterparties and/or brokers (due to financial or other reasons) which may result in financial loss to the Sub-Fund or the impairment of the Sub-Fund's operational capabilities.
  - You are liable to indemnify the Company and other parties if your acquisition or holding of Shares contravenes any restriction imposed by the Directors or causes the Company or its shareholders to suffer any tax liability or pecuniary disadvantage that it would otherwise not suffer.

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