# Deutsche Noor Islamic Funds plc

**(An open-ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated with limited liability under Irish law)**

**Annual Report and Audited Financial Statements**
**31 December 2018**

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

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# DEUTSCHE NOOR ISLAMIC FUNDS PLC

## DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The following information is derived from, and should be read in conjunction with, the full text and definitions section of the Prospectus of Deutsche Noor Islamic Funds plc (the "Company") (the "Prospectus"). The most recent Prospectus was issued on 8 February 2019.

The Company is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated on 27 July 2006, with limited liability under the laws of Ireland with registered number 424121. The Company is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "UCITS Regulations") and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended) (the "Central Bank UCITS Regulations"). Accordingly, the Company is supervised by the Central Bank of Ireland (the "Central Bank").

The Company is structured as an umbrella fund, that is, the investor can be offered one or more sub-funds at the sole discretion of the Company. A separate portfolio will be maintained for each sub-fund and will be invested in accordance with the investment objectives and policies applicable to the sub-fund. At the financial year end the following sub-funds existed:

| Fund | Launch Date | Ccy |
|---|---|---|
| Deutsche Noor Precious Metals Securities Fund | 17 October 2006 | USD |
| Deutsche Noor Global Equity Income[1] | - | USD |

Additional sub-funds may be established and the existing sub-funds may be terminated at any time in accordance with the Prospectus and with the prior approval of the Central Bank.

Although the shares within the sub-fund may be issued in different classes they shall always be treated on an equal basis within the sub-fund. One or more share classes can be offered within the sub-fund (multi-share-class construction). The share classes may differ with respect to a number of different features, e.g. front-end load, investment management fees, allocation of earnings, currency, or with respect to the type of investor targeted. At present, the Company offers 3 classes of shares in the sub-fund:

Class A – Retail

Class B – Institutional

Class J – Retail

Class A and Class B are United States Dollar ("USD") denominated while Class J is Singapore Dollar ("SGD") denominated.

**Prices**

The price for buying, selling and switching Shares in the Company is represented by the Net Asset Value ("NAV") of the relevant sub-fund.

**Minimum Investment**

| Share Class | Minimum Investment |
|---|---|
| 'A' | USD 1,000 |
| 'B' | USD 500,000 |
| 'J' | SGD 1,000 |

[1] Approved but not launched as at 31 December 2018.

**Dealing**
For the Company every business day shall be a dealing day. The valuation point for the Company is 10 a.m. (Irish time) on each dealing day. State Street Fund Services (Ireland) Limited's (the "Administrator") dealing deadline for subscriptions and redemptions is 10 a.m. Irish time on each dealing day for all share classes of the sub-funds. Subscription proceeds must be received by State Street Custodial Services (Ireland) Limited (the "Depositary"), within 4 business days of the relevant dealing day.

The special section of the Prospectus details the order acceptance deadlines applicable for individual share classes. Applications received after the dealing deadline will be dealt with on the next subsequent dealing day.

All deals should be addressed to the Company, c/o the Administrator:

**State Street Fund Services (Ireland) Limited**
**78 Sir John Rogerson's Quay**
**Dublin 2**
**Ireland**
**Telephone: 353-1-776-8000**
**Fax: 353-1-776-8491**

**Dividends**
For all share classes, earnings are continuously reinvested in the assets of the sub-fund and allocated to the respective share classes. The Directors may elect to pay out special and interim dividends for each share class in accordance with the law. In the event that the Directors elect to pay a special or interim dividend, full details shall be provided in an updated prospectus and all shareholders will be notified in advance. No distribution will reduce the Company's capital to a level below its minimum capital in accordance with the Sales Prospectus.

**Sharia Investment Guidelines**
The Company will undertake its investment activities in accordance with the Sharia Investment Guidelines. As a consequence, this may mean that the Company may under-perform, when compared to other investment funds with comparable investment objectives that do not seek to adhere to Islamic investment criteria (for example the inability to invest in interest bearing investment securities and the amount of any donations to charities made up of cash dividends which have been cleansed). The Sharia Investment Guidelines may require the Company to dispose of investments in circumstances that are less advantageous than might otherwise be the case. In particular, DWS Investments Singapore Limited ("the Main Investment Manager") will receive the Sharia Supervisory Board's instructions through Khalij Islamic (BVI) Limited ("the Sharia Advisor"), as set out in the Sharia Advisory Agreement executed between the Company, the Main Investment Manager and the Sharia Advisor.

Pursuant to such instructions by the Sharia Advisor, the Main Investment Manager and Deutsche Investment Management Inc ("the Investment Manager") will, for instance, not be allowed to invest in securities and other financial instruments which, in the opinion of the Sharia Supervisory Board of the Sharia Advisor, are not or are no longer, in compliance with the Sharia Investment Guidelines. Similarly, cash balances held by the Company from time to time may be deposited on terms which shall grant no return on the sum deposited to the benefit of the sub-fund.

### Sharia Investment Guidelines (continued)

Although the Company intends to observe the Sharia Investment Guidelines at all times, no absolute assurance can be given, as there may be occasions when the Company's investments do not fully comply with such criteria for factors outside the control of the Company. The Depositary shall not be responsible for monitoring compliance with the Sharia Investment Guidelines.

### Purification of Income

It is obligatory to purify dividends from prohibited income (e.g. interest earnings, income generated by other impermissible activities, etc).

a. A sub-fund may invest only in companies that satisfy the Sharia criteria stated in the Prospectus. Where a sub-fund invests in a company which satisfies the Sharia Investment Guidelines set out in the Prospectus but which still derives a portion of its revenue from prohibited activities, then the sub-fund must cleanse, where appropriate, all dividend receipts from such a company by donating a certain portion of such dividend receipts to charity.

b. In order to purify the income received from prohibited activities, an amount equivalent to 5% of all cash dividends received within the sub-fund will be donated to a charity. The Administrator shall provide a schedule on a semi-annual basis showing the amount to be paid to charities in respect of the prohibited income received from investments of the sub-fund.

c. During the course of each financial period, when the sub-fund receives any dividend, 5% of the dividend will be deducted from the Net Asset Value of the sub-fund and accrued separately.

d. The Directors shall determine which charities shall benefit from donations (with no direct or indirect benefit accruing to the Sharia Advisor, Sharia Supervisory Committee of the Sharia Advisor, the Company, its sub-fund or any of its investors) and the Company shall make any donations to such charitable organisations within a reasonable time after such determination in good faith. Such donations will be deducted directly from the assets of the sub-fund by the Company. Donations shall be initially made to UNICEF or other such charitable institutions as the Directors shall determine from time to time in consultation with the Main Investment Manager.

**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (continued)**

The Directors present to the shareholders their Annual Report, together with the Audited Financial Statements, for the financial year ended 31 December 2018 of the Company and its sub-fund (the sub-fund).

**Results, Principal Activities and Review of the Business**
The results of operations are set out on page 22. A review of activities is contained in the Investment Manager's Report.

**Investment Policy and Objectives**
The investment policy of the Deutsche Noor Precious Metals Securities Fund is to achieve capital appreciation in the medium to long term by investing in a portfolio of Sharia compliant equity and equity related securities.

**Risk Management Objectives and Policies**
The principal risks and uncertainties faced by the Company are the investment risks associated with the portfolio of investments held for the account of the sub-fund and the operational risks associated with their management and administration. The information required by the Central Bank's UCITS Regulations and International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") in relation to the use by the Company of financial instruments and the financial risk management policies and objectives of the Company to market risk, (currency risk, interest rate risk and price risk) liquidity risk and credit risk are outlined in Note 8 to these audited financial statements.

The financial statements have been prepared in accordance with IFRS as adopted by the EU, and Irish statute comprising the Companies Act 2014, the UCITS Regulations and Central Bank UCITS Regulations.

**Appointment and resignation of Directors**
The Directors have not changed since last year.

The Directors of the Company are:

**Mr. Gerry Grimes (Irish, Non-Executive)**
Mr. Grimes has over 30 years investment management and banking experience. Mr. Grimes previously worked in the Central Bank of Ireland in a number of senior investment positions, including Head of Reserve Management. He was a founder and Managing Director of Allied Irish Capital Management Ltd, where he managed a group of investment professionals with circa USD 1.4 billion under management, across a range of asset classes.

Mr. Grimes is an independent director of investment funds/special purpose vehicles and also lectures in Risk Management at University College Cork. He holds a First Class Honours Degree in Economics and History from University College Dublin and the Diploma for Non-Executive Directors from the Financial Times/Pearson. He is a past Deputy President of AIMA, the leading representative body for the global alternative asset management industry.

**Appointment and resignation of Directors (continued)**

**Mr. Michael Whelan (Irish, Non-Executive)**
Mr. Whelan is a vastly experienced financial services professional who was Chief Country Officer for Deutsche Bank in Ireland from 2007 until 2015. During that period he led the substantial growth of the business in Ireland and was responsible for governance of the main operating legal entities, liaison with the Deutsche Bank's Irish based clients and interface with the Central Bank. He led a senior team which established and operated two highly successful businesses. A fellow of the Association of Chartered Certified Accountants (FCCA) he is currently Chairman and Director of a number of Irish registered mutual funds.

**Mr. Alex McKenna (British, Non-Executive)**
Alex McKenna (English) joined Deutsche Bank AG in 2005 and is currently a director and Head of Product Platform Engineering within DWS. Mr McKenna has a degree in History from Cambridge University and was called to the Bar of England & Wales in 1995. Mr McKenna has extensive experience in structuring and management of UCITS and non-UCITS funds and sits on the boards of DWS funds domiciled in Luxembourg as well as Ireland. Prior to joining Deutsche Bank he was Vice President & lawyer in JP Morgan, a lawyer in the capital markets practice of Simmons & Simmons and a barrister in private practice.

**Directors' and Secretary's Interests in Shares and Contracts**
The Directors and Company Secretary who held office on 31 December 2018 had no interests in the Shares of the Company at that date or at any time during the financial year.

None of the Directors have a service contract with the Company.

**Segregated Liability of Sub-Funds**
The Company is an umbrella fund with segregated liability between sub-funds. As a result, any liability attributable to a sub-fund may only be discharged out of the assets of that sub-fund, and the assets of other sub-funds may not be used to satisfy the liability. In addition, any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the sub-funds other than the sub-fund in respect of which the contract was entered into.

**Accounting Records**
The Directors ensure compliance with the Company's obligation to maintain adequate accounting records, by appointing competent persons to be responsible for them. The accounting records are kept by the Administrator, at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

**Corporate Governance Statement**
The Board of Directors of the Company has assessed the measures included in the voluntary Corporate Governance Code for Collective Investment Schemes and Management Companies as published by the Irish Fund Industry Association in December 2011 (the "IF Code"). The Board has adopted the corporate governance practices and procedures in the IF Code with effect from 13 November 2012. The Board considers that the Company has complied with the provisions contained in the IF Code from the date of adoption to 31 December 2018. The Company is not subject to the EC (Takeover Bids (Directive 2004/25/EC)) Regulations 2006.

**Charitable Donations**
The charitable payment for the period 1 July 2017 to 31 December 2017 was paid to UNICEF in January 2018 (USD 22,826) and the charitable payment for the period 1 January 2018 to 30 June 2018 was paid to UNICEF in August 2018 (USD 49,372). From February 2019, the charities to which charitable donations are paid was updated by the Directors. Please see note 14 for further details. The charitable payment for the period 1 July 2018 to 31 December 2018 was paid in equal amounts to Rays of Sunshine (USD 11,837) and Cure Leukaemia in March 2019 (USD 11,837).

**Dealings with Connected Parties**
Regulation 41 of the Central Bank UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between an Undertakings for Collective Investment in Transferable Securities ("UCITS") and a connected person is conducted a) at arm's length; and b) in the best interest of the unit-holders of the UCITS".

As required under Regulation 78(4) of the UCITS Regulations, the Directors, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

**Significant Events during the financial year**
On 23 March 2018, Deutsche Asset Management was rebranded as DWS Group GmbH & Co. and held a partial IPO.

On 27 April 2018, a new Prospectus was issued to reflect updated taxation disclosures, the rebranding of Deutsche Asset Management as DWS Group GmbH & Co, an updated sub-custody markets list and the inclusion of a 'minimum initial investment amount' definition.

On 1 July 2018, in line with the Central Bank's Fund Management Companies guidance (CP86), the Company appointed Mr. Alex McKenna and Mr. Jasbir Bhogal, as designated persons with responsibility for the managerial functions. Mr. Gerry Grimes is the Director responsible for organisational effectiveness.

On 2 July 2018, the Investment Manager, Deutsche Investment Management Americas Inc. was renamed to DWS Investment Management Americas Inc.

On 7 December 2018, the Main Investment Manager, Deutsche Asset Management (Asia) Limited was renamed to DWS Investments Singapore Limited.

There have been no other significant events affecting the Company during the financial year.

**Significant Events since the financial year end**
At an Extraordinary General Meeting ("EGM") on 14 January 2019 a resolution to change the name of the Company was passed. The Company's Constitution (the "Constitution") has been amended to reflect the new name of, DWS Noor Islamic Funds plc.

On 8 February 2019, a new Prospectus was issued to reflect the below amendments:
- Change of Company name from Deutsche Noor Islamic Funds plc to DWS Noor Islamic Funds plc;
- Change of sub-fund names from Deutsche Noor Precious Metals Securities Fund and Deutsche Noor Global Equity Income to DWS Noor Precious Metals Securities Fund and DWS Noor Global Equity Income;
- Change of name of the main Investment Manager from Deutsche Asset Management (Asia) Limited to DWS Investments Singapore Limited;
- Additional risk factors; and
- GDPR disclosures.

**Significant Events since the financial year end (continued)**
At a board meeting held on 27 February 2019, it was agreed by the Directors to split the charitable institutions to which donations are paid. UNICEF was replaced by Rays of Sunshine and Cure Leukaemia as the charities to which such donations will be paid.

Subscriptions to the value of USD 13,839,125 and redemptions to the value of USD 37,825,996 occurred subsequent to the financial year end.

There have been no other significant events affecting the Company after the financial year end.

**Auditor**
KPMG, Chartered Accountants, having expressed their willingness to remain in office in accordance with Section 382 of the Companies Act 2014.

**Relevant audit information**
So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Audit Committee**
The Directors believe that there is no requirement to form an audit committee as the Board is formed of three non-executive Directors and the Company complies with the provisions of the Corporate Governance Code.

**Employees**
There were no employees of the Company during the financial year under review or during the prior financial year.

**Going Concern**
The financial statements of the Company have been prepared on a going concern basis.

**Directors' Compliance Statement**
In accordance with Section 225 of the Companies Act 2014, the Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations and confirm that:

1. A compliance policy has been prepared setting out the Company's procedures (that, in the Directors' opinion, are appropriate to the Company) for ensuring compliance by the Company with its relevant obligations;

2. An adequate structure is in place, that in the Directors' opinion, is designed to secure material compliance with the Company's relevant obligations; and

3. An annual review procedure has been put in place to review the Company's relevant obligation and ensure a structure is in place to comply with these obligations.

On behalf of the Board of Directors

| | |
|---|---|
| Gerry Grimes<br>Director | Michael Whelan<br>Director |

17 April 2019

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' report and the financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its decrease in net assets attributable to holders of redeemable participating shares for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) UCITS Regulations 2015 (as amended). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to a trustee for safe-keeping. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

| | |
|---|---|
| Gerry Grimes | Michael Whelan |
| Director | Director |

17 April 2019

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

## DEPOSITARY'S REPORT TO THE MEMBERS OF DEUTSCHE NOOR ISLAMIC FUNDS PLC

We have enquired into the conduct of the Company for the financial year ended 31 December 2018, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

**Responsibilities of the Depositary**
Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Constitution (the "Constitution") and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

**Basis of Depositary Opinion**
The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Constitution and the UCITS Regulations and (ii) otherwise in accordance with the Constitution and the appropriate regulations.

**Opinion**
In our opinion, the Company has been managed during the financial year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitution, the UCITS Regulations and the Central Bank UCITS Regulations; and

(ii) otherwise in accordance with the provisions of the Constitution, the UCITS Regulations and the Central Bank UCITS Regulations.

**State Street Custodial Services (Ireland) Limited**
**78 Sir John Rogerson's Quay**
**Dublin 2**
**Ireland**

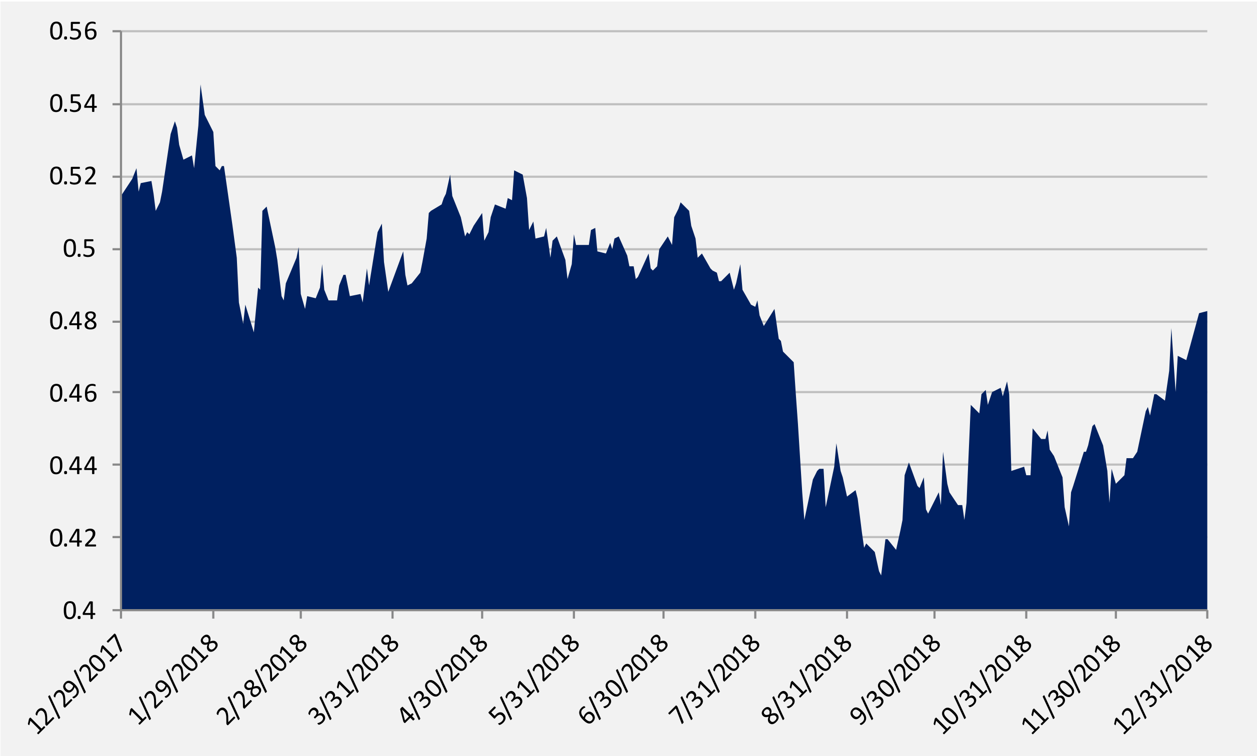
**17 April 2019**

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

**Investment Manager's Report for the financial year ended 31 December 2018**

**DEUTSCHE NOOR PRECIOUS METALS SECURITIES FUND**

**Fund Performance as at 31/12/2018**




| Net returns (% USD) as at 12/31/2018 | 3M | 6M | 1Y | Since inception[1] |
|---|---|---|---|---|
| **DWS Noor Precious Metals Securities Fund – Class A** | 13.08 | -3.42 | -6.26 | -5.93 |
| **S&P BMI Gold and Precious Metals Index (Total Return)[2]** | 11.91 | -5.51 | -10.90 | -4.08 |

*Performance shown is on NAV to NAV basis*
*[1]Class A inception on 14 Feb 2007; returns are annualized*
*[2]The S&P BMI Gold and Precious Metals Index (Total Return) is not a Sharia-compliant index. The fund has no official performance benchmark.*

For the review period (29 Dec 2017 to 31 Dec 2018), the DWS Noor Precious Metals Securities Fund Class A shares returned -6.26% in absolute terms (NAV to NAV basis). (Source: Bloomberg. The fund has no reference index.)

## Market Review

Gold appreciated throughout January, ending the month over 3% higher at $1,345/oz. The increase in Gold prices was roughly in-line with the normal seasonal uptick, but there seemed to be additional factors beginning to emerge; the most prominent of which was a shift in focus by market participants toward the return of inflation. Largely absent since the global financial crisis ("GFC"), talk of inflation began to creep into the rhetoric of market participants and central bankers alike. On the market side, the 5-year forward inflation breakeven rate widened ~20bps, signaling investors' expectations had begun toward a level policymakers would consider 'normal' and 'healthy'.

**Investment Manager's Report for the financial year ended 31 December 2018 (continued)**

**DEUTSCHE NOOR PRECIOUS METALS SECURITIES FUND**

**Market Review (continued)**

This rise marked a swift reversal from the generally tepid inflation expectations that had been present for much of the past 5 years. On the central bankers' side, the Federal Bank ("Fed") re-iterated its expectation for a gradual increase in inflation toward their 2% target throughout 2018. During the month of February, the Gold price remained anchored in the $1,320 - $1,350 range, reflecting, in our view, the balance of risks in the near-to-medium term for the yellow metal. On the upside, green-shoots of inflation began to appear, altering the Dollar's reaction function to rising nominal rates. On the downside, new Fed chair Powell's first remarks in front of Congress were taken hawkishly, causing market participants to begin to price in the probability of four rate hikes in 2018. Also of interest was Gold's (lack of) reaction to the equity market volatility. We believe Gold was a source of liquidity used to meet margin calls, which drove selling and ultimately kept a lid on prices despite the perceived increase in uncertainty. Throughout March, an increase in the Fed target rate and tariffs whipsawed the Gold price in a $40/oz range. The traditional waypoints for the forward path of the Gold price were mixed in March as well, with the USD flat, yields down, inflation breakevens falling and financial conditions tightening. Risks to the upside currently look centered on rising geopolitical and economic risks associated with trade tensions. We are monitoring this situation closely as a shift in the macroeconomic picture in the US could alter our expectations for the Gold price this year.

The Gold price lost some ground during the month of April as a sell off that started around mid-month gained momentum. The end result was a $10 loss per ounce in the price of Gold. The usual suspects seemed to be the drivers behind the move, namely rates and the dollar. The yield of the generic US 10-year rose ~25bps to ~3% and the dollar index closed at almost 92, its highest level since the beginning of the year. Both of these factors have the potential to put downward pressure on Gold prices, and did so during the month of April. Of particular note, the backup in nominal yields was roughly double that of inflation breakevens, resulting in marginal tightening of real rates as well. During the month of May, the Gold price remained mired in tight range, closing just below $1,300/oz. The major event for the month occurred when the yield on the generic US 10-year moved decisively through the 3% threshold, a level that was the subject of much discussion and an upper bound for much of 2018. The catalyst for the move upward seemed to be the trend of healthy economic data out of the US (on growth and inflation fronts). The move through 3% on the US 10-year coincided with Gold's low print for the month. Moving into June, we saw gold notch its 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 US Treasury ("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.

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.

**DEUTSCHE NOOR PRECIOUS METALS SECURITIES FUND**

**Market Review (continued)**

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 US Dollar Index ("DXY") has not ended the month higher than it started.

Gold started the month of 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, when a reversal of persistent strength in the Dollar and nominal rates began to take 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. During October, this stabilization in the Gold price paid dividends. A correction in the equity market drove investors away from risky assets and towards the Dollar and Gold; a marked change versus previous behavior year-to-date and one which saw Gold prices rise almost $30/oz in a single day. Gold continued to rise throughout the rest of the month before rolling over slightly by month's end. Having broken out of the period of consolidation around the $1,200/oz level that had persisted since mid-August, things initially looked bleak to open November as Gold sold off aggressively after initially jumping $15/oz on the first day of the month as yields rose, ultimately hitting 3.25% on the 10-year, and the USD strengthened, 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, including Fed Chairman Powell who 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. December saw Gold build on the strength of late November as prices appreciated steadily throughout the month. The S&P 500 began selling off to open the month and the relentless selling pressure caused the benchmark index to fall by > 10% for the month of December. Amidst the equity market volatility, the Fed followed through on the decision to raise the benchmark Federal Funds Rate, while simultaneously lowering projections for 2019 interest rate increases from three hikes to two. This combination stoked doubts about the Fed's ability to engineer a soft landing for the US economy, driving up demand for safe-haven assets. At the same time, the market's dim view of future growth prospects in the US drove down longer-dated rates and the Dollar, both to the benefit of Gold.

In our view, the appreciation in the Gold price was warranted given the risk environment and the positioning among money managers. We have seen positioning correct, though still off the average, and the heightened risk environment has been increasingly priced into Gold. There are risks on the horizon, such as progress on the trade dispute between the US and China and positive macroeconomic data out of the US, which would most likely be taken bearishly by Gold investors and leave us more cautious in light of Gold's recent performance.

**DEUTSCHE NOOR PRECIOUS METALS SECURITIES FUND**

## Relevant Themes

### Hitting the pause button

Comments from Federal Reserve officials have indicated 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.

In addition, inflationary pressures continue to appear tepid. Measures of both realized and expected inflation declined during the second half of 2018 and now stand below the Fed's 2% target. Continuously benign inflation reduces the need for the Fed to hike rates and could contribute to a pause in the hiking cycle.

## Performance Summary

During the year, the fund lost -6.26% in USD.

The top 3 individual contributors to the fund were Kirkland Lake Gold Ltd., Northern Star Resources Ltd, and OceanaGold Corporation.

The top 3 detractors were Fresnillo Plc, Centamin Plc, and Randgold Resources Limited.

## The bottom line

The current rate environment has been extremely constructive for Gold. Nominal interest rates in the United States are still at historic lows and real rates are at the lowest levels since the 1980's.

- **In the short run**, heightened market uncertainty should keep the Gold price bid as investors' demand for safe-haven assets meets a relatively fixed supply.

- **Over the long-term**, we remain in an era of unprecedented negative nominal rates which has served to remove a key impediment to holding Gold ("it doesn't pay a yield"), strengthening the fundamental case for long-term appreciation in the Gold price.

We believe Gold represents the cleanest and most effective way to gain safe-haven exposure and that we should continue to see support for the yellow metal as long as uncertainty remains.

**Investment Manager's Report for the financial year ended 31 December 2018 (continued)**

**DEUTSCHE NOOR PRECIOUS METALS SECURITIES FUND**

## Equity theme expression

### Continued focus on execution, flexibility and valuation

We continue to keep the fund invested in companies with strong management teams that have shown the ability to execute with operational stability and have a lower than average financial and operational risk profile. We believe this approach will generate alpha through 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.

## Cyber Security

There were no cyber security related incidents affecting the fund during the year covered by this report.

**DWS Investment Management Americas Inc.**

**17 April 2019**

KPMG
**Audit**
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS NOOR ISLAMIC FUNDS PLC (formerly Deutsche Noor Islamic Funds Plc)

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of DWS Noor Islamic Funds Plc, formerly Deutsche Noor Islamic Funds Plc ('the Company') for the year ended 31 December 2018 set out on pages 21 to 44, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders and the related notes, including the summary of significant accounting policies set out in note 1.The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018 and of its decrease in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertaking for Collective Investment in Transferable Securities) Regulation 2015.

### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS NOOR ISLAMIC FUNDS PLC, (formerly Deutsche Noor Islamic Funds Plc) (continued)

***We have nothing to report on going concern***

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' Report, the Statement of Directors' Responsibilities, the Depositary's Report, the Investment Manager's Report, the Portfolio of Investments and the Unaudited Appendices. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

***Opinions on other matters prescribed by the Companies Act 2014***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

***Matters on which we are required to report by exception***

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

KPMG

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS NOOR ISLAMIC FUNDS PLC (formerly Deutsche Noor Islamic Funds Plc) (continued)**

## Respective responsibilities and restrictions on use

***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

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

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Colm Clifford

**Colm Clifford**
**for and on behalf of**
**KPMG**
**Chartered Accountants, Statutory Audit Firm**
**1 Harbourmaster Place**
**International Financial Services Centre**
**Dublin 1**

**Date: 17 April 2019**

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

## DEUTSCHE NOOR PRECIOUS METALS SECURITIES FUND

**Portfolio of Investments as at 31 December 2018**

| No. of Shares | Security | Value USD | Fund % |
|---|---|---|---|
| **Transferable Securities (86.57%) (December 2017: 92.66%)** | | | |
| *Transferable securities admitted to official stock exchange listing* | | | |
| **Equities** | | | |
| **Australia (18.65%) (December 2017: 15.29%)** | | | |
| 1,770,707 | Evolution Mining Ltd | 4,601,090 | 4.01 |
| 229,186 | Newcrest Mining Ltd | 3,515,718 | 3.06 |
| 947,246 | Northern Star Resources Ltd | 6,176,834 | 5.39 |
| 782,808 | Regis Resources Ltd | 2,661,447 | 2.32 |
| 2,151,059 | Saracen Mineral Holdings Ltd | 4,442,674 | 3.87 |
| | | **21,397,763** | **18.65** |
| **Canada (41.77%) (December 2017: 43.52%)** | | | |
| 121,675 | Agnico-Eagle Mines Ltd | 4,923,398 | 4.29 |
| 642,648 | Argonaut Gold Inc | 712,821 | 0.62 |
| 1,948,378 | B2Gold Corp | 5,653,280 | 4.93 |
| 153,518 | Detour Gold Corp | 1,290,077 | 1.12 |
| 84,932 | Franco-Nevada Corp | 5,922,811 | 5.16 |
| 299,214 | Goldcorp Inc | 2,906,751 | 2.53 |
| 323,249 | Guyana Goldfields Inc | 366,856 | 0.32 |
| 313,413 | Kirkland Lake Gold Ltd | 7,955,329 | 6.93 |
| 272,360 | Lucara Diamond Corp | 294,097 | 0.26 |
| 1,810,407 | OceanaGold Corp | 6,416,582 | 5.60 |
| 279,534 | Pan American Silver Corp | 4,063,597 | 3.54 |
| 322,361 | Roxgold Inc | 185,884 | 0.16 |
| 1,542,870 | SEMAFO Inc | 3,150,680 | 2.75 |
| 211,263 | Wheaton Precious Metals Corp | 4,088,995 | 3.56 |
| | | **47,931,158** | **41.77** |
| **Cayman Island (2.31%) (December 2017: 2.83)** | | | |
| 163,670 | Endeavour Mining Corp | **2,648,584** | **2.31** |
| **Jersey, Channel Islands (7.35%) (December 2017: 12.44%)** | | | |
| 2,696,922 | Centamin Plc | 3,769,041 | 3.28 |
| 56,011 | Randgold Resources Ltd | 4,671,301 | 4.07 |
| | | **8,440,342** | **7.35** |
| **South Africa (2.29%) (December 2017: 4.05%)** | | | |
| 36,440 | Anglo American Platinum | 1,365,798 | 1.19 |
| 399,673 | Northam Platinum Ltd | 1,262,696 | 1.10 |
| | | **2,628,494** | **2.29** |

## DEUTSCHE NOOR PRECIOUS METALS SECURITIES FUND

### Portfolio of Investments as at 31 December 2018 (continued)

| No. of Shares | Security | Value USD | Fund % |
|---|---|---|---|
| **Transferable Securities (86.57%) (December 2017: 92.66%)** | | | |
| **United Kingdom (3.30%) (December 2017: 5.06%)** | | | |
| 348,110 | Acacia Mining Plc | 850,674 | 0.74 |
| 265,252 | Fresnillo Plc | 2,941,930 | 2.56 |
| | | **3,792,604** | **3.30** |
| **United States (10.90%) (December 2017: 9.47%)** | | | |
| 222,099 | Newmont Mining Corp | 7,650,200 | 6.67 |
| 58,455 | Royal Gold Inc | 4,853,811 | 4.23 |
| | | **12,504,011** | **10.90** |
| **Total Transferable Securities** | | **99,342,956** | **86.57** |
| | | | |
| **Portfolio of Investments (December 2017: 92.66%)** | | **99,342,956** | **86.57** |
| **Cash (December 2017: 6.87%)** | | 8,533,915 | 7.44 |
| **Other Net Assets (December 2017: 0.47%)** | | 6,881,035 | 5.99 |
| **Net Assets attributable to redeemable participating shareholders** | | **114,757,906** | **100.00** |

| **Analysis of Total Assets** | **31-Dec-18** | **31-Dec-17** |
|---|---|---|
| | % | % |
| Transferable securities admitted to an official stock exchange | 83.67 | 87.66 |
| Current assets | 16.33 | 12.34 |
| Total Assets | 100.00 | 100.00 |

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

**Statement of Financial Position as at 31 December 2018**

| | Notes | As at 31 December 2018 USD | As at 31 December 2017 USD |
|---|---|---|---|
| **Assets** | | | |
| Financial assets at fair value through profit or loss: | | | |
| Transferable securities held for trading | | 99,342,956 | 130,479,896 |
| Cash and cash equivalents | | 8,533,915 | 9,667,234 |
| Receivables | 5 | 10,850,871 | 8,699,993 |
| **Total Assets** | | 118,727,742 | 148,847,123 |
| **Liabilities** | | | |
| Payables | 6 | (3,969,836) | (8,036,109) |
| **Total Liabilities** | | (3,969,836) | (8,036,109) |
| **Net assets attributable to Redeemable Participating Shareholders** | | 114,757,906 | 140,811,014 |

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

**On behalf of the Board of Directors**

**Gerry Grimes**
**Director**

**Michael Whelan**
**Director**

**17 April 2019**

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

**Statement of Comprehensive Income for the financial year ended 31 December 2018**

| | Notes | 2018 USD | 2017 USD |
|---|---|---|---|
| **Income** | | | |
| Net (loss)/gain on financial assets at fair value through profit or loss | 2 | (6,321,246) | 15,499,972 |
| Other net income | 3 | 1,665,397 | 1,311,199 |
| | | (4,655,849) | 16,811,171 |
| **Expenses** | | | |
| Total operating expenses | 4 | (1,493,001) | (1,576,739) |
| **Operating (loss)/gain before withholding tax** | | (6,148,850) | 15,234,432 |
| Withholding tax | | (165,266) | (132,951) |
| **Net (decrease)/increase in net assets attributable to Redeemable Participating Shareholders resulting from operations** | | (6,314,116) | 15,101,481 |

The accompanying notes form an integral part of these financial statements. In arriving at the results of the financial year, all amounts above relate to continuing operations.

**Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders for the financial year ended 31 December 2018**

| | Notes | 2018 USD | 2017 USD |
|---|---|---|---|
| **Net assets attributable to Redeemable Participating Shareholders at the start of the financial year** | | 140,811,014 | 120,703,519 |
| **Movement due to purchases and sales of shares** | | | |
| Amounts received on creation of shares | 7 | 81,794,708 | 190,890,619 |
| Less: Amounts paid on redemptions of shares | 7 | (101,533,700) | (185,884,605) |
| | | (19,738,992) | 5,006,014 |
| Net (decrease)/increase in net assets attributable to redeemable participating shareholders resulting from operations | | (6,314,116) | 15,101,481 |
| **Net assets attributable to Redeemable Participating Shareholders at the end of the financial year** | | 114,757,906 | 140,811,014 |

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

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

**Statement of Cash Flows for the financial year ended 31 December 2018**

| | 2018 USD | 2017 USD |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net (decrease)/increase in net assets attributable to holders of redeemable participating shares from operations | (6,314,116) | 15,101,481 |
| Decrease/(increase) in investments at fair value through profit or loss | 23,776,859 | (14,525,766) |
| *Changes in operating assets and liabilities* | | |
| (Increase)/decrease in accounts receivable | (4,955) | 1,619 |
| Decrease in payables | (34,173) | (113,864) |
| Net cash from operating activities | 17,423,615 | 463,470 |
| **Cash flows from financing activities** | | |
| Proceeds from subscriptions | 79,648,785 | 191,284,384 |
| Payment of redemptions | (98,205,719) | (186,170,580) |
| Net cash (used in)/generated by financing activities | (18,556,934) | 5,113,804 |
| Net (decrease)/increase in cash and cash equivalents | (1,133,319) | 5,577,274 |
| Cash and cash equivalents at the beginning of the financial year | 9,667,234 | 4,089,960 |
| **Cash and cash equivalents at the end of the financial year** | 8,533,915 | 9,667,234 |
| **Supplementary information** | | |
| Interest received | 963 | - |
| Interest paid | - | (1,092) |
| Taxation paid | (164,373) | (131,541) |
| Dividends received | 1,726,642 | 1,426,696 |

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**1. Significant Accounting Policies**

The significant accounting policies adopted by the Company for the financial year ended 31 December 2018 are set out below.

**(a) Basis of Preparation**
The financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU, Irish statute comprising the Irish Companies Act 2014 and the UCITS Regulations.

IFRS 9 "Financial Instruments" ("IFRS 9") replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial instruments, including derecognition and impairment of such financial instruments. The Directors have determined that in order for the financial statements to give a true and fair view it is necessary to fair value all financial instruments through profit or loss as permitted by IFRS 9 since all financial instruments are managed on a fair value basis.

The Company will continue as a going concern and the financial statements of the Company have been prepared on a going concern basis.

These financial statements are presented in US Dollar (USD) and are rounded to the nearest USD unless stated otherwise. This is the first set of the Company's annual financial statements in which IFRS 9 Financial Instruments has been applied.

**New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2018**

IFRS 9 became effective for periods beginning on or after 1 January 2018. IFRS 9 largely retains the existing requirements of IAS 39 for the recognition, classification and measurement of financial instruments. However, as it specifically relates to financial assets, the following categories included in IAS 39; held to maturity, loans and receivables and available for sale, are no longer available under IFRS 9

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments). Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and on its contractual cash flow characteristics.

The Directors have determined that in order for the financial statements to give a true and fair view it is necessary to fair value all financial instruments through profit or loss as permitted by IFRS 9, as all financial instruments are managed on a fair value basis. Therefore there is no significant change to classifications when compared to the most recent annual audited financial statements.

As permitted by the transition provisions of IFRS 9, comparative information throughout these financial statements has not generally been restated to reflect the requirements of the standard. As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require:

- Impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under IAS 39, impairment was recognised when losses were incurred. The Company did not previously report any incurred losses; and
- Separate presentation in the statement of comprehensive income of interest revenue calculated using the effective interest method.

**1. Significant Accounting Policies (continued)**

**(a) Basis of Preparation (continued)**

**New standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2018 (continued)**

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures, which are applied to disclosures about 2018 but have not generally been applied to comparative information.

The adoption of IFRS 9 had no impact on the net assets attributable to holders of redeemable shares of the Company.

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and became effective for periods beginning on or after 1 January 2018. It establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new standard does not have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

**New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted**

IFRS 16 "Leases" was issued in January 2016 and will become effective for period beginning on or after 1 January 2019. The new standard is not expected to have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

IFRS 17 "Insurance Contracts" was issued in May 2017 and will become effective for accounting periods beginning on or after 1 January 2021. It applies to: insurance contracts, including reinsurance contracts, issued by an entity; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts. An insurance contract is defined as 'a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder'. The new standard is not expected to have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

**Use of Judgements and Estimates**
The preparation of financial statements in conformity with IFRS requires the Company to make certain accounting estimates and assumptions. Actual results may differ from those estimates and assumptions. The Directors believe that any estimates used in preparing the financial statements are reasonable and prudent. Estimates and underlying assumptions are received on an ongoing basis. Revisions to estimates are recognised prospectively.

**(b) Foreign Currency Translation**
The functional and presentation currency of the Company is USD as the Directors have determined that this reflects the Company's primary economic environment.

Transactions in foreign currencies are translated at the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rate ruling at the Statement of Financial Position date.

**1. Significant Accounting Policies (continued)**

**(b) Foreign Currency Translation (continued)**

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in gains and losses on investments. All other foreign currency exchange differences relating to monetary items, including cash are presented in the Statement of Comprehensive Income.

Foreign exchange gains and losses on financial assets at fair value through profit or loss are recognised together with other changes in the fair value. Included in the profit or loss line item "Other gains / (losses)" are net foreign exchange gains and losses on monetary financial assets and financial liabilities other than those classified at fair value through profit or loss.

**(c) Financial instruments**

**(i) Classification and measurement of financial assets and financial liabilities**
IFRS 9 contains three principal classification categories for financial assets: measured at amortised costs, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Fund's financial assets and financial liabilities as at 1 January 2018.

| **Financial assets** | **Original classification under IAS 39** | **New classification under IFRS 9** |
|---|---|---|
| Transferable securities | Held for Trading | Held for Trading |
| Cash and cash equivalents | Loans and receivables | Amortised cost |
| Receivable for fund shares sold | Loans and receivables | Amortised cost |
| Other receivables | Loans and receivables | Amortised cost |

| **Financial liabilities** | **Original classification under IAS 39** | **New classification under IFRS 9** |
|---|---|---|
| Purchases awaiting settlement | Amortised cost | Amortised cost |
| Payable for fund shares redeemed | Amortised cost | Amortised cost |
| Other payables | Amortised cost | Amortised cost |

**(ii) Impairment of financial assets**
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

**1. Significant Accounting Policies (continued)**

**(c) Financial instruments (continued)**

**(iii) Recognition, derecognition and measurement**
The sub-fund recognises financial assets and financial liabilities when all significant rights and access to the benefits from the assets and the exposure to the risks inherent in those benefits are transferred to the sub-fund. The sub-fund derecognises financial assets and financial liabilities when all such benefits and risks are transferred from the sub-fund.

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

Financial liabilities arising from the redeemable shares issued by the Company are carried at the redemption amount representing the investors' right to a residual interest in the sub-fund's assets.

**(iv) Fair value measurement principles**
Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is to hold assets to collect contractual cash flows;
- Its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI")

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:
- The documented investment strategy and the execution of this strategy in practice;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Company has determined that it has two business models.
- Held-to-collect business model: this includes cash and cash equivalents and assets receivables. These financial assets are held to collect contractual cash flows.
- Other business model: this includes equity investments. These financial assets are managed ad their performance is evaluated on a fair value basis, with frequent sales taking place.

Assets listed or traded on a stock exchange or over-the-counter market for which market quotations are readily available shall be valued at the last quoted traded price as at the valuation point on the relevant dealing day on the principal exchange or market for such investment.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

**1. Significant Accounting Policies (continued)**

**(c) Financial instruments (continued)**

**(iv) Fair value measurement principles (continued)**
If for specific assets the last quoted traded prices does not, in the opinion of the Administrator, reflect their fair value or are not available, the value shall be calculated with care and in good faith by the Administrator, (being approved by the Depositary as a competent person for such purpose) in consultation with the Investment Manager with a view to establishing the probable realisation value for such assets as at the valuation point on the relevant dealing day.

**(v) Offsetting Financial Instruments**
Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit and loss and foreign exchange gains and losses.

**(vi) Specific instruments – Cash and cash equivalents**
Cash and cash equivalents includes cash in hand and deposits repayable without notice and without penalty. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

**(d) Dividend income**
Dividend income relating to exchange-traded equity investments is recognised in the Statement of Comprehensive Income on the ex-dividend date.

Dividend and interest income received by the sub-fund may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes with a corresponding withholding tax on dividends charge included in the Statement of Comprehensive Income.

In some cases, the sub-fund may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the sub-fund recognises the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment.

To purify prohibited income, 5% of all cash dividends received from the investments within the sub-fund will be cleansed pursuant to the procedure as set out in the Prospectus. (See page 4 for additional information).

**(e) Expenses**
All expenses, including management fees and Depositary fees, are recognised in the Statement of Comprehensive Income on an accrual basis.

**(f) Gains and Losses on Investments**
Realised gains and losses on sales of investments are calculated on the average book cost. Unrealised gains and losses on investments arising during the financial year are taken to the Statement of Comprehensive Income and are included in net gain on financial assets at fair value through profit or loss.

**1. Significant Accounting Policies (continued)**

**(g) Taxation**

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended, (the "Taxes Consolidation Act"). On that basis, it is generally not chargeable to Irish tax on its income and gains. However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, are held by the Company;
b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations;
c) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another fund;
d) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
e) certain exchanges of shares between spouses and former spouses on the occasion of judicial separation and/or divorce;
f) an exchange by a shareholder, effected by way of an arm's length bargain where no payment is made to the shareholder of Shares in the Company for other Shares in the Company.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investments income/gains are received and such taxes may not be recoverable by the Company and its shareholders. Withholding tax and reclaims incurred on dividends are recorded on ex-date. Dividends receivable are shown net of withholding taxes payable, if any, in the Statement of Financial Position.

In the absence of an appropriate declaration, the Company will be liable for Irish tax on the occurrence of a chargeable event, and the Company reserves its right to withhold such taxes from the relevant shareholders.

**(h) Redeemable Participating Shares**

All redeemable participating shares issued by the sub-fund provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the sub-fund's net assets at the redemption date. They are classified as financial liabilities at amortised cost and measured at the present value of the redemption amounts.

Such instruments give rise to a financial liability for the present value of the redemption amount. Redeemable participating shares are issued and redeemed at the holder's option based on the sub-fund' NAV per share at the time of issue or redemption.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (continued)**

**1. Significant Accounting Policies (continued)**

**(i) Transaction Costs**

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on purchases and sales of equities are included in net gain on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. These costs include identifiable brokerage charges, commission, transaction related taxes and other market charges. Transaction costs are disclosed in Note 4.

**(j) Receivable for investments sold and payable for investments purchased**

Receivable for investments sold and payable for investments purchased represents amounts receivable and payable respectively, for transactions contracted for but for which settlement has not occurred at the end of the financial year.

**2. Net (loss)/gain on financial assets at fair value through profit or loss during the financial year ended 31 December 2018**

The following table details the gains and losses on financial assets and financial liabilities at fair value through profit and loss for the financial year ended 31 December 2018 and 31 December 2017. All financial assets and financial liabilities at fair value through the profit and loss are held for trading.

| | 2018<br>USD | 2017<br>USD |
|---|---|---|
| Proceeds from sales of investments | 83,927,473 | 173,039,065 |
| Original cost of investments sold | (84,809,045) | (175,833,096) |
| Losses realised on investments sold | (881,572) | (2,794,031) |
| Total unrealised (depreciation)/appreciation | (5,439,674) | 18,294,003 |
| Net (loss)/gain on investments at fair value through profit or loss | (6,321,246) | 15,499,972 |

**3. Other Net Income**

| | 2018<br>USD | 2017<br>USD |
|---|---|---|
| Dividend Income | 1,731,597 | 1,425,077 |
| Purification of Income | (86,580) | (71,254) |
| Other income | 20,380 | (42,624) |
| Total Other Net Income | 1,665,397 | 1,311,199 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (continued)**

## 4. Expenses

| | 2018 USD | 2017 USD |
|---|---|---|
| **Investment Manager** | | |
| Investment Manager fees | (1,039,063) | (1,069,841) |
| **Administrator** | | |
| Administrative fees | (172,424) | (181,090) |
| **Depositary** | | |
| Depositary fees | (41,109) | (90,127) |
| **Other expenses** | | |
| Directors fees | (35,949) | (33,632) |
| Directors Insurance fee | (8,045) | (9,660) |
| Audit fees* | (20,442) | (20,566) |
| Sharia Monitoring Charges | (28,153) | (27,922) |
| Other expenses | (147,816) | (143,901) |
| | (240,405) | (235,681) |
| **Total expenses** | (1,493,001) | (1,576,739) |

*The audit fee relates solely to the provision of statutory audit services (exclusive of VAT). No other fees were paid to KPMG during the financial year.

As disclosed in Note 1(i), transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of the financial asset or financial liability. The total transaction costs incurred for the financial year ended 31 December 2018 were USD 171,123 (2017: USD 820,487).

## 5. Receivables

| | As at 31 December 2018 | As at 31 December 2017 |
|---|---|---|
| Receivable for fund shares sold | 10,839,389 | 8,693,466 |
| Other receivables | 11,482 | 6,527 |
| Total Receivables | 10,850,871 | 8,699,993 |

**6. Payables**

| | As at 31 December 2018 USD | As at 31 December 2017 USD |
|---|---|---|
| Purchases awaiting settlement | - | (7,360,081) |
| Payable for fund shares redeemed | (3,718,572) | (390,591) |
| Accrued expenses | (251,264) | (285,437) |
| Total Payables | (3,969,836) | (8,036,109) |

**7. Share Classes**

**Management Shares**

The issued share capital of the Company is €2 divided into 2 management shares of €1.00, each of which has been fully paid up. The management shares are held by DWS Investments Singapore Limited and Deutsche Bank AG, London Branch.

Management shares do not entitle the holders to any dividend and on winding-up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Company. In these financial statements, the management shares do not form part of the shareholders' funds. They are thus disclosed in the financial statements by way of this note only.

**Participating Shares**

The objectives of the Deutsche Noor Precious Metals Securities Fund are outlined in the Sales Prospectus dated 28 April 2018. The sub-fund strives to invest the subscriptions of redeemable shares in investments that meet the sub-fund's investment objectives while maintaining sufficient liquidity to meet Shareholder redemptions.

The authorised share capital of the Company is represented by 500,000,000,000 shares of no par value and €300,000 divided into 300,000 redeemable management shares of €1.00 each. As at financial year end 31 December 2018, the value of the Company's share capital, equal to its net asset value was USD 114,757,906 (2017: USD 140,811,014) which is in excess of the required minimum capital of €300,000.

The participating shares are freely transferable and entitle the holders to participate equally in the profits and income of the relevant sub-fund and its assets upon liquidation. The participating shares, which are of no par value and must be fully paid up on issue, carry no preferential or pre-emptive rights and entitle the holders to one vote each at all meetings of the shareholders. All Participating shares of the sub-fund will rank pari passu. They may be redeemed by the Company at the request of the shareholders.

One or more Share classes can be offered in this sub-fund (multi-share-class construction). The Share classes may differ with respect to a number of different features, e.g. front-end load, investment management fees, allocation of earnings, currency, or with respect to the type of investor targeted as outlined in the Sales Prospectus.

**7. Share Classes (continued)**

**Participating Shares (continued)**
At the financial year end, the Deutsche Noor Precious Metals Securities Fund had issued 3 classes of shares:

Class A – Retail
Class B – Institutional
Class J – Retail

The Company's objectives in managing share capital are disclosed in General information. The Company is not subject to other externally imposed capital requirements.

The movement of shares during the financial year ended 31 December 2018 was as follows:

| | Class A Retail | Class B Institutional | Class J Retail | |
|---|---|---|---|---|
| | **Shares** | **Shares** | **Shares** | |
| Shares at 1 January 2018 | 48,172,857 | 192,013,491 | 14,099,821 | |
| Shares issued during the financial year | 12,235,641 | 136,104,418 | 3,207,871 | |
| Shares redeemed during the financial year | (13,151,324) | (166,569,478) | (6,146,515) | |
| Shares at 31 December 2018 | 47,257,174 | 161,548,431 | 11,161,177 | |
| | | | | **Total** |
| | **USD** | **USD** | **USD** | **USD** |
| Subscriptions during the financial year | 5,940,586 | 74,921,375 | 932,747 | 81,794,708 |
| Redemptions during the financial year | (6,469,785) | (93,246,338) | (1,817,577) | (101,533,700) |

The movement of shares during the financial year ended 31 December 2017 was as follows:

| | Class A Retail | Class B Institutional | Class J Retail | |
|---|---|---|---|---|
| | **Shares** | **Shares** | **Shares** | |
| Shares at 1 January 2017 | 56,707,311 | 168,703,053 | 17,637,916 | |
| Shares issued during the financial year | 19,284,917 | 316,563,153 | 11,399,818 | |
| Shares redeemed during the financial year | (27,819,371) | (293,252,715) | (14,937,913) | |
| Shares at 31 December 2017 | 48,172,857 | 192,013,491 | 14,099,821 | |
| | | | | **Total** |
| | **USD** | **USD** | **USD** | **USD** |
| Subscriptions during the financial year | 9,634,206 | 177,794,699 | 3,461,714 | 190,890,619 |
| Redemptions during the financial year | (14,159,039) | (167,115,788) | (4,609,778) | (185,884,605) |

**8. Financial instruments and associated risks**

As an Investment Company, the management of financial instruments is fundamental to the management of the Company's business. The Company's risk management process is managed by DWS Investments Singapore Limited, in its capacity as Main Investment Manager and oversight of these functions is carried out by both the Depositary, State Street Custodial Services (Ireland) Limited and the Board of Directors. The risk management process consists of a multi-layered and cross functional review that provides a system of checks and balances.

**8. Financial instruments and associated risks (continued)**

The Company's investments comprise of one portfolio (the "Portfolio") and this invests in quoted equity instruments that it intends to hold for investment purposes. This exposes the Company to various types of risks associated with financial instruments and markets in which it invests namely Market Risk (Currency Risk, Interest Rate Risk and Price Risk) Credit Risk and Liquidity Risk, as defined in the accounting standard IFRS 7 "Financial Instruments: Disclosures".

Each type of risk is discussed in turn and qualitative and quantitative analysis is provided where relevant to give an understanding of the risk management methods used by the Investment Manager.

**(a) Market Risk**
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The Company's strategy on the management of Market risk is driven primarily by adherence to the UCITS investment and borrowing restrictions and the investment strategy of the Portfolio. The Investment Objective for the Portfolio is detailed in the Sales Prospectus dated 28 April 2018.

The Portfolio is required to adhere to investment and borrowing powers laid down by the UCITS directives. Among other restrictions, the Portfolio is restricted to holding a maximum of 10% of the total net asset value of the Portfolio in any one particular security therefore reducing the Portfolio's exposure to any one security. Compliance with these restrictions is monitored both by the Investment Manager and the Depositary on an intraday basis. The Board of Directors monitors these restrictions based on reporting from the Investment Manager and the Administrator.

The Investment Manager also monitors individual stock, country, sector and cash positions on an intraday basis using various reporting tools. The Board of Directors monitors these levels on a monthly basis through reporting from the Investment Manager and the Administrator.

The investments of the Company are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially.

Details of the Company's investment portfolio at 31 December 2018 are disclosed in the Portfolio of Investments for the sub-fund. All individual investments in equity instruments are disclosed separately.

**(i) Other Price Risk**
Other Price Risk is the risk that the value of an investment will fluctuate as a result of changes in market prices (other than those arising from interest rate and currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Company's financial instruments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect the net asset value of the Company.

**8. Financial instruments and associated risks (continued)**

**(a) Market Risk (continued)**

**(i) Other Price Risk (continued)**
The asset class exposure as at 31 December 2018 and 31 December 2017 is shown below.

| | 31 December 2018 | | 31 December 2017 | |
|---|---|---|---|---|
| | Net USD | % Exposure | Net USD | % Exposure |
| **Asset Class Exposure** | | | | |
| Transferable Securities | 99,342,956 | 100.00 | 130,479,896 | 100.00 |
| | 99,342,956 | 100.00 | 130,479,896 | 100.00 |

At 31 December 2018, if the price of each security held by the Company had increased by 1% the overall value of the Company would have increased by USD 993,430 (31 December 2017: USD 1,304,799). Conversely, if the price of each security held by the Company had decreased by 1%, the value of the Company would decrease by USD 993,430 (31 December 2017: USD 1,304,799).

**(ii) Currency risk**
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets and liabilities denominated in currencies other that the US Dollar.

Classes of shares of the sub-fund may be denominated in a currency other than the functional currency of the Company. A currency conversion will take place on subscription, repurchase, switching or distribution of shares at prevailing exchange rates at the cost of the investor. Accordingly, the value of a share expressed in the class currency will be subject to exchange rate risk in relation to the functional currency of the Company.

The Company's Prospectus does not permit the use of hedging activities to hedge foreign currency exposure.

The Investment Manager monitors the sub-fund's currency exposure on an intraday basis. The Board of Directors monitor these exposures based on reporting from the Investment Manager and the Fund Administrator.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (continued)**

**8. Financial instruments and associated risks (continued)**

**(a) Market Risk (continued)**

**(ii) Currency risk (continued)**

The following table sets out the sub-fund's exposure to foreign exchange risk for the principal currencies at 31 December 2018 and 31 December 2017.

**Deutsche Noor Precious Metals Securities Fund**

**31 December 2018**

| | Monetary | | Non -monetary | | |
|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** | **Total Net Assets** |
| | **USD** | **USD** | **USD** | **USD** | **USD** |
| Australian Dollar | 24,907 | - | 21,397,762 | - | 21,422,669 |
| British Pound | 4,883 | - | 12,232,946 | - | 12,237,829 |
| Canadian Dollar | 35,293 | - | 46,490,747 | - | 46,526,040 |
| Euro | 10,647 | - | - | - | 10,647 |
| Hong Kong Dollar | 349 | - | - | - | 349 |
| Singapore Dollar | 45,303 | - | - | - | 45,303 |
| South African Rand | 25,216 | - | 2,628,494 | - | 2,653,710 |
| US Dollar* | 19,238,188 | (3,969,836) | 16,593,007 | - | 31,861,359 |
| | 19,384,786 | (3,969,836) | 99,342,956 | - | 114,757,906 |

| Net asset value of non-base share class | **USD** |
|---|---|
| SGD Share Class | 3,241,395 |

* US Dollar is the functional currency and does not bear currency risk.

**Deutsche Noor Precious Metals Securities Fund**

**31 December 2017**

| | Monetary | | Non -monetary | | |
|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** | **Total Net Assets** |
| | **USD** | **USD** | **USD** | **USD** | **USD** |
| Australian Dollar | 25,451 | - | 21,533,686 | - | 21,559,137 |
| British Pound | 25,194 | (1,749,327) | 24,641,426 | - | 22,917,293 |
| Canadian Dollar | 29,588 | (4,354,844) | 60,763,350 | - | 56,438,094 |
| Euro | 10,944 | - | - | - | 10,944 |
| Hong Kong Dollar | 349 | - | - | - | 349 |
| Singapore Dollar | 79,269 | (133,308) | - | - | (54,039) |
| South African Rand | 25,968 | - | 5,708,419 | - | 5,734,387 |
| US Dollar* | 18,170,464 | (1,798,630) | 17,833,015 | - | 34,204,849 |
| | 18,367,227 | (8,036,109) | 130,479,896 | - | 140,811,014 |

| Net asset value of non-base share class | **USD** |
|---|---|
| SGD Share Class | 4,368,541 |

* US Dollar is the functional currency and does not bear currency risk.

**8. Financial instruments and associated risks (continued)**

**(a) Market Risk (continued)**

**(ii) Currency risk (continued)**

At 31 December 2018, had the USD strengthened by 1% in relation to all currencies, with all other variables held constant, net asset attributable to holders of redeemable shares would have decreased by USD 1,136,216 (2017: USD 1,055,507).

**(iii) Interest Rate Risk**

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As all of the Company's assets and liabilities with the exception of cash and cash equivalents, are non-interest bearing, the exposure to interest rate risk is not material. At 31 December 2018, should interest rates have increased or decreased by 1%, with all other variables remaining constant, the increase or decrease in net assets attributable to holders of redeemable shares for the year would amount to approximately USD 85,339 (2017: USD 96,672).

**(b) Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. This includes counterparty risk and issuer risk. In relation to the Company, it can arise from receivables from another party and placing deposits with other entities.

There were no significant concentrations of credit risk to counterparties at 31 December 2018. No individual equity investment exceeded ten percent of the net assets attributable to the holders of shares at 31 December 2018. The Company does not use financial derivative instruments or debt instruments so exposure to credit risk is low.

The maximum credit risk exposure at the Statement of Financial Position date is detailed in the following table:

| | 31 December 2018<br>USD | 31 December 2017<br>USD |
|---|---|---|
| Cash and cash equivalents | 8,533,915 | 9,667,234 |
| Receivables | 10,850,871 | 8,699,993 |
| | 19,384,786 | 18,367,227 |

The Company's counterparty risk generally relates to unsettled transactions with brokers for equities in the markets. This risk is considered small due to the short settlement periods involved. The delivery-versus-payment settlement process used on most markets limits such risk to the price movement in a security from trade date to settlement date. The Investment Manager monitors any trades that have not settled on a daily basis. The Board of Directors monitors any overdue unsettled trades based on reporting from the Company Administrator on a monthly basis.

**8. Financial instruments and associated risks (continued)**

**(b) Credit Risk (continued)**

Substantially all of the assets of the sub-fund are held by the Depositary and its global sub-Depositary State Street Bank and Trust Company. Bankruptcy or insolvency of the Depositary may cause the sub-fund's rights with respect to securities held by the Depositary to be delayed or limited. These risks are limited due to the segregation of the assets of the sub-fund and the assets of the Depositary. The sub-fund monitors its risk by monitoring the credit quality and financial positions of the Depositary the sub-fund uses. The long term credit rating of State Street Corporation, the parent Company of the Depositary as at 31 December 2018 was A, as rated by Standard and Poor's (2017: A)

All cash and cash equivalents are held with State Street Bank and Trust Company which is rated AA- by Standard and Poor's (2017: AA-).

**(c) Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The sub-fund's prospectus provides for the daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

The main financial liability of the Portfolio is the redemption of redeemable participating shares, purchases awaiting settlement and fees payable to the Manager, Depositary and Administrator.

To meet the redemption liability the Company may be required to sell securities. If the Company is invested in securities in less liquid or illiquid markets it may find it more difficult to sell these positions quickly. This can lead to investments not being liquidated at fair value.

The Investment Manager manages the portfolio's liquidity on a daily basis by taking into account market capitalisation, free float and daily trading volume. Also the Directors are able, by the provisions in the prospectus, to defer settlement of redemptions of significant size to facilitate an orderly disposition of securities as in the interest of remaining Shareholders.

The Company's securities are considered to be liquid and readily realisable, (having no fixed maturity date), as they are all listed on recognised stock exchanges. All payables are due for settlement within one to three months; at the financial year end, these amounted to USD 3,969,836 (2017: USD 8,036,109).

The net assets attributable to holders of redeemable shares of USD 114,757,906 (2017: USD 140,811,014) have no stated maturity date and can be redeemed on any business day.

## 9. Fair Value of Financial Assets and Financial Liabilities

### Fair valuation hierarchy

IFRS 13, "Fair value measurement", requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active including securities priced using quotations received from brokers, whenever available and considered reliable; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

As at 31 December 2018 and 31 December 2017 all investments were classified as level 1.

Transfers between levels are deemed to have occurred when the pricing source for a particular security has changed which triggers a change in level as defined under IFRS 13.

## 9. Fair Value of Financial Assets and Financial Liabilities (continued)

There were no movements of financial instruments between levels during the financial years ended 31 December 2018 and 31 December 2017.

Investments whose values are based on quoted market prices in active markets and therefore classified within level 1 are active listed equities. The sub-fund does not adjust the quoted price for these instruments.

For each class of asset and liability not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, IFRS 13 requires the Company to disclose the level within the fair value hierarchy within which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

Assets and liabilities, not carried at fair value are carried at amortised cost; consists of cash and cash equivalents, receivables and payables, which are realised or settled within a short period of time. The carrying value of these securities is a reasonable approximation of fair value.

## 10. Related Parties and other Key Contracts

### Investment Manager

The Company has appointed DWS Investments Singapore Limited as the Main Investment Manager.

DWS Investments Singapore Limited is a Public Limited Company under Singapore law and a subsidiary of Deutsche Asia Pacific Holdings Pte Ltd. The Main Investment Manager holds a Capital Markets Services License for fund management and dealing in securities, issued by the Monetary Authority of Singapore.

For the sub-fund Deutsche Noor Precious Metals Securities Fund, the Main Investment Manager has entered into an agreement with DWS Investment Management Americas Inc. with effect from 5 July 2013 to act as Investment Manager to the sub-fund. DWS Investment Management Americas Inc. is a Company established under the laws of the United States of America, and a subsidiary of Deutsche Bank A.G. In this respect, fund management shall encompass day-to-day implementation of the investment policy and direct investment decisions.

The Main Investment Manager charges fees for the share classes at the following rates:

Class A: 1.50% of the Net Asset Value attributable to the respective class.
Class B: 0.75% of the Net Asset Value attributable to the respective class.
Class J: 1.50% of the Net Asset Value attributable to the respective class.

The Company has appointed the Main Investment Manager by agreement dated 29 September 2006 as the Distributor of the Company. The Investment Manager’s fees are paid directly by the Company to the Investment Manager.

The Main Investment Manager earned a management fee of USD 1,039,063 during the financial year (financial year ended 31 December 2017: USD 1,069,841), as outlined in note 4, of which USD 154,511 was outstanding at the financial year end (2017: USD 179,031).

**10. Related Parties and other Key Contracts (continued)**

**Depositary**

The Company has appointed State Street Custodial Services (Ireland) Limited as Depositary of its assets pursuant to an agreement dated 29 September, 2016 (the "Depositary Agreement"). The Depositary provides safe custody for the Company's assets.

The Depositary may charge up to 0.02% of the Net Asset Value of the sub-fund for assets up to USD 100 million, with a charge of 0.01% of the Net Asset Value of the sub-fund on any balance. The Depositary intends that State Street Bank and Trust Company, London will act as the global sub-Depositary for the sub-fund and will be responsible for the settlement of securities which the Investment Manager decides to purchase or sell for the account of the Company.

The Depositary earned a fee of USD 41,109 (2017: USD 90,127) during the financial year as outlined in Note 4, of which USD 8,640 was outstanding at the financial year end (2017: USD 8,670).

**Administrator**

The Company has entered into an Administration Agreement with State Street Fund Services (Ireland) Limited dated 29 September, 2006 (the "Administration Agreement") to provide administration, registrar and transfer agency services to the Company. The Administrator will also act as secretary to the Company.

State Street Bank and Trust Company, a Company related to the Trustee was selected by the Investment Manager to accept all deposits and to execute foreign currency transactions on behalf of the sub-fund. The terms of these transactions have been agreed by the Investment Manager on behalf of the Company on a normal commercial basis.

The Administrator will charge 0.09% of the Net Asset Value of the sub-fund for assets up to USD 100 million. For assets between USD 100 million and USD 300 million, 0.08% of the Net Asset Value of the sub-fund will be charged. Beyond assets of USD 300 million, 0.06% of the Net Asset Value of the sub-fund will be charged. These fees are applicable for up to 2 share classes, with any additional share class of the same currency base charged at USD 750 per class per month.

The Administrator earned a fee of USD 172,424 during the financial year (2017: USD 181,090), as outlined in Note 4 of which USD 24,278 was outstanding at the financial year end (2017: USD 14,833).

**Sharia Advisor**

The Main Investment Manager and the Company have entered into a Sharia Advisory Agreement with the Sharia Advisor dated 29 October 2008, (the "Sharia Advisory Agreement"). The Sharia Advisor is to provide the Sharia eligibility criteria for the Company's and the sub-fund's investment policy and will undertake a quarterly audit of the portfolio of the sub-fund. The Sharia Advisor will have no discretionary investment powers over the assets of the Company.

The Sharia Advisory Agreement may be terminated by any of the parties on 90 days written notice to the other parties, or as otherwise set out in the Sharia Advisory agreement. The Sharia Advisory Agreement contains indemnities in favour of the Company and/or the Main Investment Manager (as the case may be) for breach of the Sharia Advisory Agreement.

The Sharia Advisor earned a fee of USD 28,153 during the financial year (2017: USD 27,922), as outlined in note 4 of which USD 7,003 was outstanding at the financial year end (2017: USD 6,851).

## 10. Related Parties and other Key Contracts (continued)

**Directors**

The Directors of the Company are Mr. Gerry Grimes, Mr. Michael Whelan and Mr. Alex McKenna. Mr. Alex McKenna is an employee of Deutsche Bank.

Mr. Gerry Grimes and Mr. Michael Whelan each earn Directors' fee of EUR 15,000 per annum. The total Directors' fees earned for the financial year was USD 35,949 (2017: USD 33,632) of which USD 681 was outstanding at the financial year end (2017: USD 20,790).

One Director is employed by a subsidiary of the Investment Manager and received remuneration for their services provided in that regard. The amount of remuneration received by that Director in relation to the services provided to the Company during the financial year was USD Nil (2017: USD Nil).

## 11. Dividends

It is not the intention of the Directors to declare any dividend on any share classes. All income of the share classes will be reinvested within those share classes.

No dividends were paid during the financial years ended 31 December 2018 or 31 December 2017.

## 12. Cash and cash equivalents

All cash and cash equivalents are held with State Street Bank and Trust Company which is rated AA- by Standard and Poor's (2017: AA-).

## 13. Significant events during the financial year

On 23 March 2018, Deutsche Asset Management was rebranded as DWS Group GmbH & Co. and held an IPO to become a standalone company.

On 27 April 2018, a new Prospectus was issued to reflect updated taxation disclosures, the rebranding of Deutsche Asset Management as DWS Group GmbH & Co, an updated sub-custody markets list and the inclusion of a 'minimum initial investment amount' definition.

On 1 July 2018, in line with the Central Bank's Fund Management Company guidance (CP86), the Company appointed Mr. Alex McKenna and Mr. Jasbir Bhogal, as designated persons with responsibility for the managerial functions. Mr. Gerry Grimes is the Director responsible for organisational effectiveness.

On 2 July 2018, the Investment Manager, Deutsche Investment Management Americas Inc. was renamed to DWS Investment Management Americas Inc.

On 7 December 2018, the Main Investment Manager, Deutsche Asset Management (Asia) Limited was renamed to DWS Investments Singapore Limited.

There have been no other significant events affecting the Company during the financial year.

## 14. Significant events since the financial year end

At an Extraordinary General Meeting ("EGM") on 14 January 2019 a resolution to change the name of the Company was passed. The Company's Constitution (the "Constitution") has been amended to reflect the new name of, DWS Noor Islamic Funds plc.

**14. Significant events since the financial year end (continued)**

On 8 February 2019, a new Prospectus was issued to reflect the below amendments:

- Change of Company name from Deutsche Noor Islamic Funds plc to DWS Noor Islamic Funds plc;
- Change of sub-fund names from Deutsche Noor Precious Metals Securities Fund and Deutsche Noor Global Equity Income to DWS Noor Precious Metals Securities Fund and DWS Noor Global Equity Income;
- Change of name of the main Investment Manager from Deutsche Asset Management (Asia) Limited to DWS Investments Singapore Limited;
- Additional risk factors; and
- GDPR disclosures.

At a board meeting held on 27 February 2019, it was agreed by the Directors to split the charitable institutions to which donations are paid. UNICEF was replaced by Rays of Sunshine and Cure Leukaemia as the charities to which such donations will be paid.

Subscriptions to the value of USD 13,839,125 and redemptions to the value of USD 37,825,996 occurred subsequent to the financial year end.

There were no other significant events since the financial year end that require adjustment to or disclosure in the financial statements.

**15. Approval of financial statements**

The financial statements were approved by the Directors on 17 April 2019.

# DEUTSCHE NOOR ISLAMIC FUNDS PLC

## OTHER INFORMATION

**Directors**
Mr. Gerry Grimes (Irish)*
Mr. Michael Whelan (Irish)*
Mr. Alex McKenna (British)

**Promoter, Main Investment Manager and Main Distributor**
DWS Investments Singapore Limited
One Raffles Quay
20-00 South Tower
Singapore 048583

**Investment Manager**
DWS Investment Management Americas Inc.
345 Park Avenue
New York, NY 10154 – 0004
United States

**Registered Office**
78 Sir John Rogerson’s Quay
Dublin 2
Ireland

**Depositary**
State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson’s Quay
Dublin 2
Ireland

**Administrator**
State Street Fund Services (Ireland) Limited
78 Sir John Rogerson’s Quay
Dublin 2
Ireland

**Secretary**
Goodbody Secretarial Limited
25/28 North Wall Quay
Dublin 1
Ireland

**Independent Auditor**
KPMG
Chartered Accountants
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

* Independent Directors

**OTHER INFORMATION (continued)**

**Legal Advisors**
A&L Goodbody
IFSC
North Wall Quay
Dublin 1
Ireland

**Sharia Advisor**
Khalij Islamic (BVI) Limited
Trident Chambers
PO Box 146
Road Town
Tortola
British Virgin Islands

**UNAUDITED APPENDIX**

**Total Expense Ratio and Portfolio Turnover Ratio**
For the financial year ended 31 December 2018

The average Total Expense Ratio table shows the actual operation expenses incurred by the sub-fund during the financial year ended 31 December 2018 expressed as a percentage of the average (avg.) net asset value (NAV) of that sub-fund for the corresponding year.

The management fee is the annualised management fees expressed as a percentage of the NAV at dealing prices.

| | Management Fees % | TOTAL Expense % of avg. NAV of Fund | Portfolio Turnover Ratio % |
|---|---|---|---|
| **Deutsche Noor Precious Metals Securities Fund** | | | 53.09% |
| Class A Retail | 1.50% | 2.00% | |
| Class B Institutional | 0.75% | 1.23% | |
| Class J Retail | 1.50% | 2.01% | |

**Exchange Rates**
The following financial year end exchange rates have been used when converting foreign currency holdings into the base currency of the sub-fund, USD.

| | 2018 | 2017 |
|---|---|---|
| Australian Dollar | 1.416230 | 1.279918 |
| Canadian Dollar | 1.361350 | 1.254000 |
| Euro | 0.874393 | 0.834481 |
| Hong Kong Dollar | 7.831650 | 7.813750 |
| British Pound | 0.784775 | 0.740631 |
| Singapore Dollar | 1.362300 | 1.335900 |
| South African Rand | 14.381250 | 12.293750 |

**Soft commission arrangements**
The Company did not enter into any soft commission arrangements. This has been confirmed with the Investment Manager for the financial year under review.

**UNAUDITED APPENDIX (continued)**

**Three year Dealing Net Asset Value**
For the financial year ended 31 December 2018

| | 2018 Class A Retail | 2018 Class B Institutional | 2018 Class J Retail |
|---|---|---|---|
| | USD | USD | SGD |
| Net asset value attributable to Redeemable Participating Shareholders | 22,799,500 | 88,717,010 | 4,415,753 |
| Net asset value per redeemable participating share | 0.4825 | 0.5492 | 0.3956 |

| | 2017 Class A Retail | 2017 Class B Institutional | 2017 Class J Retail |
|---|---|---|---|
| | USD | USD | SGD |
| Net asset value attributable to Redeemable Participating Shareholders | 24,794,703 | 111,647,769 | 5,835,934 |
| Net asset value per redeemable participating share | 0.5147 | 0.5815 | 0.4139 |

| | 2016 Class A Retail | 2016 Class B Institutional | 2016 Class J Retail |
|---|---|---|---|
| | USD | USD | SGD |
| Net asset value attributable to Redeemable Participating Shareholders | 26,686,723 | 89,020,097 | 7,215,733 |
| Net asset value per redeemable participating share | 0.4706 | 0.5277 | 0.4091 |

**UNAUDITED APPENDIX (continued)**

**Portfolio Changes for the financial year ended 31 December 2018**

| Major Purchases | Cost USD | Major Sales | Proceeds USD |
|---|---|---|---|
| Newmont Mining Corp | 8,765,845 | Royal Gold Inc | 8,329,384 |
| OceanaGold Corp | 6,868,022 | OceanaGold Corp | 8,112,870 |
| Royal Gold Inc | 6,647,598 | Newmont Mining Corp | 7,305,511 |
| B2Gold Corp | 2,613,575 | Randgold Resources Ltd | 6,100,942 |
| Centamin Plc | 2,375,355 | Agnico Eagle Mines Ltd | 6,057,024 |
| Goldcorp Inc | 2,271,010 | Franco-Nevada Corp | 4,088,692 |
| Randgold Resources Ltd | 2,150,530 | Centamin Plc | 3,988,565 |
| Northern Star Resources Ltd | 2,076,762 | Evolution Mining Ltd | 3,902,168 |
| Agnico Eagle Mines Ltd | 2,069,303 | Northern Star Resources Ltd | 3,738,606 |
| Franco-Nevada Corp | 1,964,132 | Kirkland Lake Gold Ltd | 2,899,896 |
| Evolution Mining Ltd | 1,900,537 | Pan American Silver Corp | 2,427,154 |
| SEMAFO Inc | 1,863,937 | Fresnillo Plc | 2,413,981 |
| Kirkland Lake Gold Ltd | 1,755,095 | B2Gold Corp | 2,405,204 |
| Wheaton Precious Metals Corp | 1,747,897 | Northam Platinum Ltd | 2,290,034 |
| Argonaut Gold Inc | 1,736,653 | Newcrest Mining Ltd | 2,087,013 |
| Regis Resources Ltd | 1,537,217 | SEMAFO Inc | 2,078,232 |
| Detour Gold Corp | 1,471,708 | Anglo American Platinum | 1,985,193 |
| Newcrest Mining Ltd | 1,466,051 | Saracen Mineral Holdings Ltd | 1,921,134 |
| Pan American Silver Corp | 1,439,217 | Tahoe Resources Inc | 1,848,643 |
| Fresnillo Plc | 1,363,591 | Wheaton Precious Metals Corp | 1,753,010 |
| Saracen Mineral Holdings Ltd | 1,198,488 | Endeavour Mining Corp | 1,590,507 |
| Endeavour Mining Corp | 1,035,325 | Goldcorp Inc | 1,580,562 |
| Northam Platinum Ltd | 743,366 | Torex Gold Resources Inc | 1,405,650 |
| | | Regis Resources Ltd | 873,921 |

Significant portfolio changes are defined as the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate sales of a security exceeding one per cent of the total value of sales for the financial year. At a minimum, the 20 largest purchases and 20 largest sales must be shown.

**UNAUDITED APPENDIX (continued)**

**Remuneration Disclosure**

Regulation 89(3A) of the UCITS Regulations (as introduced pursuant to the UCITS V Regulations on 21 March 2016) requires that the annual report of the Company contains certain disclosures on remuneration paid by the Company to its staff during the financial year and details of any material changes to the Company's remuneration policy made during the year. In this regard, the following points are to be noted:

- The Company has prepared a remuneration policy outlining how it adheres to the remuneration requirements set out in the UCITS Regulations. This policy was adopted with effect from 19 August 2016 and no material changes were subsequently made to it during the financial year.

- The first annual performance period in which the Company has to comply with the remuneration requirements set out in the UCITS Regulations shall be the year ending 31 December 2018, i.e. the Company's current financial year.

- The Company has no employees or staff that it employs and pays directly. The Company has a Board of Directors, one of whom is an employee of the Deutsche Bank group and receives no remuneration from the Company. The remaining two directors receive fixed fees only (for the financial year ended 31 December 2018; USD 35,949 in aggregate) and do not receive variable remuneration. These fees are set at a level that reflects the qualifications and contribution required taking into account the Company's size, internal organisation and the nature, scope and complexity of its activities. The designated persons are employees of the Deutsche Bank group and receive no remuneration from the Company.

As the Remuneration Policy was only adopted with effect from 19 August 2016, no annual reviews have as yet been undertaken and no material changes have been made to the Remuneration Policy since 19 August 2016.